INTERIM FINANCIAL REPORT -

30 JUNE 2024

CONTENTS

1. RESPONSIBILITY STATEMENT FOR THE INTERIM FINANCIAL REPORT

I declare that, to the best of the my knowledge, the condensed financial statements for the ended semester are prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and of all its consolidated entities, and that the attached interim business report provides a fair view of the significant events that occurred in the first six months of the financial year, of their impact on the financial statements and of the main related party transactions entered into by the Group, together with a description of the main risks and uncertainties for the remaining six months of the financial year.

Patrice Lucas

Chief Executive Officer

2. INTERIM BUSINESS REPORT

2.1. HIGHLIGHTS OF THE 1ST HALF OF 2024

The first half of 2024 saw a sharp decline in revenue and adjusted EBITDA. The trends included the following:

- -17.6% decrease in revenue to €1,764.6 million (-10.4% at constant scope and exchange rates), including -14.9% in the second quarter (-8.1% at constant scope and exchange rates) compared with the second quarter of 2023.
- -34.6% decrease in adjusted EBITDA to €431.3 million (-27.7% at constant scope and exchange rates) with an adjusted EBITDA margin of 24.4%, compared with a 30,8 % margin in the first half of 2023.

Net income attributable to shareholders came to €124.1 million in the first half of 2024 (versus €310.8 million at 30 June 2023).

The Group's leverage ratio (net debt/12-month trailing adjusted EBITDA) stood at 1.9x at 30 June 2024 compared with 1.2x at 31 December 2023. Net debt was €1,645.7 million (versus €1,364.5 million at 31 December 2023).

- **Start of the Cognac 100% electric furnace, a world premiere**

Verallia started up the 100% electric furnace in Cognac in March 2024. This furnace, with a capacity of 180 tons per day, is a world premiere in the glass packaging industry.

It produces flint glass bottles and the first deliveries were done during Q2 2024.

Thanks to a 60% reduction in CO_2 emissions, this furnace will contribute to the industrial decarbonization of Verallia France. With this investment, Verallia takes on a leading role within the sector, with a view to decarbonizing the industry.

- **Extension of the €1.1 billion syndicated facility**

In March 2024, Verallia exercised the option to extend the €1.1 billion syndicated facility arranged in April 2023 by one year, thereby pushing the maturities back to 2028 for the term loan and to 2029 for the revolving credit facility.

- **New instalment loan from Bpifrance, a Verallia shareholder (under a related-party agreement)**

In May 2024, Verallia entered into an instalment loan agreement for a total principal amount of €30 million with Bpifrance. The loan has been fully drawn for a period of three years and carries interest at a variable rate equal to Euribor increased by a margin of 104 basis points. The amount outstanding at end-June 2024 was €30.0 million.

The purpose of this financing is to finance and/or refinance the working capital requirements and/or investment expenses of the Company and its subsidiaries in accordance with Article L. 233-3 of the Commercial Code.

The conclusion of this regulated agreement was authorized by the Board of Directors at its meeting of April 24, 2024 and will be subject to ratification by the general meeting of shareholders of the Company which will be held on April 25, 2025.

- **Results of the voting at the General Meeting of 26 April 2024**

With a quorum of 83.05%, the General Meeting of the Company's Shareholders on 26 April 2024 adopted all the resolutions put to the vote.

The General Meeting approved a cash dividend of €2.15 per share, with an ex-dividend date of 14 May 2024 and a payment date of 16 May 2024.

The General Meeting also voted in favour of renewing the terms of Marie-José Donsion and Pierre Vareille as directors.

It appointed PricewaterhouseCoopers Audit and BM&A as statutory auditors responsible for verifying sustainability disclosures for a duration expiring at the end of their respective mandates.

- **Verallia upholds its commitment to sharing value by completing the 9th edition of its employee shareholding offer**

At the close of business on 20 June 2024, more than 3,800 employees (i.e. 41% of eligible employees across nine countries) had invested in the Group, benefiting from an attractive unit subscription price of €29.64.

The total investment of the Group's employees (including the Company's contribution) amounts to over €18.1 million.

At closing, 611,445 new ordinary shares, representing 0.5% of the share capital and voting rights, were issued by the Company. As in previous years, the Company sought to offset the dilutive effect of this operation by simultaneously carrying out a capital reduction involving the cancellation of 611,445 treasury shares acquired under the share buyback programme.

In just nine years, these operations have already enabled around 50% of Group employees to become Verallia shareholders, either directly or through the Verallia FCPE (Verallia employee investment fund). Employees now hold close to 4.5% of the Company's capital.

- **Financing to acquire Vidrala's glass business in Italy**

On 28 February 2024, Verallia signed an agreement to acquire Vidrala's glass business in Italy, which generated €131 million revenue and €33 million EBITDA in 2023.

Consideration for the transaction amounts to €230 million in enterprise value and will be financed by external debt.

In April 2024, to finance this acquisition, Verallia signed a three-year term loan agreement with a pool of international banks in the total principal amount of €250.0 million available subject to delivery of conditions precedents. Loan was fully drawn on 1 July 2024.

2.2 ANALYSIS OF THE RESULTS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2024 AND 30 JUNE 2024

The table below shows the Group's consolidated statement of income for each of the six-month periods ended 30 June 2024 and 30 June 2023.

(in € million)	30 June 2024	30 June 2023
Revenue	**1,764.6**	**2,142.7**
Cost of sales	(1,377.4)	(1,499.7)
Selling, general and administrative expenses	(93.6)	(118.9)
Acquisition-related items	(36.7)	(34.5)
Other operating income and expenses	(12.6)	0.7
Operating profit	**244.4**	**490.3**
Financial income	**(71.8)**	**(55.7)**
Profit before tax	**172.6**	**434.6**
Income tax	(49.4)	(118.0)
Share of net profit (loss) of associates	(0.4)	0.6
Net profit	**122.8**	**317.3**

2.2.1 REVENUE

The Group generated €1,764.6 million revenue in the first half of 2024 compared with €2,142.7 million in the first half of 2023, reflecting a -17.6% decline.

Exchange rate variations had a -7.5% impact over the first half of the year, corresponding to €(161.8) million, largely due to the sharp depreciation in the Argentine peso.

The scope effect, following the acquisition of cullet processing centers in Iberia in Q4 2023, contributed €5.7 million, or +0.3%.

- **Change in revenue by type of effect in millions of euros in H1 2024**

In € million	
H1 2023 revenue	**2,142.7**
Volume effect	(168.5)
Price/Mix effect	(53.5)
Exchange rate effect	(161.8)
Change in scope effect	5.7
H1 2024 revenue	**1,764.6**

At constant scope and exchange rates, revenue decreased by -10.4% in the first half of the year (-17.8% excluding Argentina).

Sales volumes are lower than H1 2023, which represented a high basis of comparison. The decline in volumes is relatively broad-based, with good resilience in still wines, beer and food jars and conversely a sharper decline in spirits and non-alcoholic beverages (carbonated soft drinks and fruit juices in particular). This decrease in volume however reduced in Q2 2024. This sequential improvement confirms our assumptions of a gradual recovery in activity from Q4 2023 lows.

Selling prices continue to decrease across Europe compared to the peak reached in H1 2023, against a backdrop of gradually recovering demand and sharply decreasing energy prices. Argentina is the only country recording a sharp increase in prices, linked to local inflation. Product mix continues to have a negative impact on the group's business, mainly in Italy and France, given the change in end-consumer behaviors following the strong inflation.

- **Comparison between the first and second quarters of 2024**

In € million	Q2		Q1	
	2024	2023	2024	2023
Revenue	**928.2**	**1,091.1**	**836.4**	**1,051.6**
Reported growth	(14.9)%		(20.5)%	
Organic growth	(8.1)%		(12.7)%	

- **Change in revenue by region**

(in € million)	30 June 2024	Change 2024 - 2023		30 June 2023
		In € million	In %	
Southern and Western Europe	1,184.9	(219.9)	(15.7)%	1,404.8
Northern and Eastern Europe	381.6	(133.0)	(25.8)%	514.6
Latin America	198.1	(25.2)	(11.3)%	223.3
Consolidated revenue	**1,764.6**	**(378.1)**	**(17.6)%**	**2,142.7**

- **Southern and Western Europe**

Revenue in Southern and Western Europe declined during the six-month period ended 30 June 2024 by €219.9 million, i.e. by -15.7% based on reported data and by -16.1% at constant scope and exchange rates, from €1,404.8 million for the six-month period ended 30 June 2023 to €1,184.9 million for the six-month period ended 30 June 2024.

Volumes saw a slight sequential improvement during the half-year. However, they remained down compared to H1 2023, with a sharp decline in non-alcoholic beverages, affected by unfavourable weather conditions (carbonated soft drinks, fruit juices).

- **Northern and Eastern Europe**

Revenue in Northern and Eastern Europe decreased during the six-month period ended 30 June 2024 by €133.0 million, i.e. by -25.8% based on reported data and by -24.2% at constant scope and exchange rates, from €514.6 million for the six-month period ended 30 June 2023 to €381.6 million for the six-month period ended 30 June 2024.

Half-year volumes were significantly lower than last year, impacted in particular by the strong decline in Q1 and more generally by the weakness of activity in Germany (beer, non-alcoholic beverages) and the United Kingdom (spirits). However, there was a sequential improvement driven by all end markets.

- **Latin America**

Revenue in Latin America decreased during the six-month period ended 30 June 2024 by €25.2 million, i.e. by -11.3% based on reported data and by +57.4% excluding local currency effects (-12.4% organic growth excluding Argentina), from €223.3 million for the six-month period ended 30 June 2023 to €198.1 million during the six-month period ended 30 June 2024.

Volumes were slightly lower over the first half despite a sequential increase in Q2. There was an rebound in activity in Chile and a slight decline in volumes in Brazil despite a sequential improvement. Activity was up slightly in Argentina, where price increases offset the negative foreign exchange impact.

2.2.2 COST OF SALES

The cost of sales fell from €1,499.7 million at 30 June 2023 to €1,377.4 million at 30 June 2024, i.e. by €122.3 million (-8.2%), primarily thanks to lower energy costs.

As a percentage of revenue, the cost of sales increased by 824 basis points in comparison with 2023, from 70.0% to 78.1%. The cost of sales therefore decreased less in proportion than the decrease in revenue.

2.2.3 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses fell by €25.3 million, i.e. by -21.3%, from €118.9 million for the six-month period ended 30 June 2023 to €93.6 million for the six-month period ended 30 June 2024.

As a percentage of revenue, selling, general and administrative expenses sales contracted by 31 basis points in comparison with 2023, from 5.5% to 5.3%.

2.2.4 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses decreased during the first half of 2024 from net income of €0.7 million at 30 June 2023 to a net expense of €12.6 million at 30 June 2024.

2.2.5 OPERATING PROFIT

Operating profit decreased during the first half of 2024 by €245.9 million, i.e. by -50.2%, from €490.3 million for the six-month period ended 30 June 2023 to €244.4 million for the six-month period ended 30 June 2024.

The deterioration in operating income during the six months ended June 30, 2024 is mainly due to an overall decline in volumes to which is added the generation of a negative inflation spread at Group level. The product mix also had a negative impact during the period, particularly in France and Italy. Finally, the Performance Action Plan led to a 2.6% reduction in cash production costs over the period. However, its positive impact of €32.6 million could not offset the cumulative impact of the previous items.

2.2.6 FINANCIAL RESULT

Finance costs increased by €16.1 million, from a net expense of €55.7 million for the six-month period ended 30 June 2023 to a net expense of €71.8 million for the six-month period ended 30 June 2024.

Finance costs increased mainly for the following reasons: (i) Argentina effects (€(14.3) million) - mostly hyperinflation, reduced financial income on deposits, and currency effects; (ii) the impact of higher benchmark interest rates (Euribor) on the finance costs net of CAP (€(4.6) million) and (iii) an increase in the outstanding amount of Neu CP and in the principal value of Term Loan B (€(2.9) million). These factors were partially offset by the following positive effects: (i) the accelerated amortisation of issuance costs on Term Loan A after it was refinanced in 2023 (+€2.2 million) and (ii) financial income generated by the centralization of subsidiaries' liquidity (+€3.4 million) and by local deposits.

2.2.7 INCOME TAX

Income taxes decreased by €68.6 million, i.e. by -58.1%, during the first half of 2024 from €118.0 million for the six-month period ended 30 June 2023 to €49.4 million for the six-month period ended 30 June 2024. Overall, the effective tax rate in the first half of 2024 was 28.6% compared with 27.2% in the first half of 2023.

2.2.8 NET PROFIT (LOSS)

Net profit decreased during the first half of 2024 from €317.3 million, i.e. 14.8% of revenue, for the six-month period ended 30 June 2023 to €122.8 million, i.e. 7.0% of revenue, for the six-month period ended 30 June 2024.The decrease was mainly attributable to a reduction in adjusted EBITDA as well as an increase in financial expenses. Lower income tax partially offset this negative trend.

Net profit for the six-month period ended 30 June 2024 includes an amortisation expense related to customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, of €(22.0) million or €(0.19) per share (net of taxes). If this expense were not taken into account, net profit would be €144.8 million (of which €146.1 million attributable to shareholders or €1.25 per share). This expense was €(22.4) million or €(0.19) per share in the first half of 2023.

The share of net profit (loss) attributable to the Company's shareholders amounted to €124.1 million for the six-month period ended 30 June 2024 and €310.8 million for the six-month period ended 30 June 2023. The share attributable to non-controlling interests amounted to €(1.3) million for the six-month period ended 30 June 2024, compared with €6.5 million for the six-month period ended 30 June 2023.

2.2.9 ADJUSTED EBITDA

Adjusted EBITDA decreased by -34.6% in the first half of 2024 (and by -27.7% at constant scope and exchange rates) to €431.3 million.

Impact of the decline in activity was significant at €(163) million, due to the combined effect of the decline in volumes sold (continued destocking along the value chain) and the non-recurrence of the inventory replenishment carried out by Verallia in first-half 2023.

Negative exchange rate effect amounted to €(47.2) million during the first half of the year, mainly attributable to the depreciation of the Argentine peso.

The Performance Action Plan (PAP) enabled us again this year to sharply reduce our cash production costs by €32.6 million over the first half of the year (i.e. 2.6% of cash production costs). The success of this methodology once again contributes strongly to supporting the Group's profitability.

Inflation spread was negative for the first half of the year, mostly because of price cuts which were not fully offset by lower costs; it amounted to €(53.5) million during the first half of the year despite a €49.5 million positive spread in Argentina.

The Group’s adjusted EBITDA margin contracted during the first half of the year to 24.4% for the six-month period ended 30 June 2024, from 30.8% for the six-month period ended 30 June 2023.

To summarise, the change in adjusted EBITDA breaks down as follows:

(in € million)	
Adjusted EBITDA at 30 June 2023	**659.0**
Activity contribution	(162.9)
Price-Mix/ Cost spread	(53.5)
Net productivity	32.6
Exchange rate	(47.2)
Change in scope effect	1.7
Other	1.6
Adjusted EBITDA at 30 June 2024	**431.3**

- ### Comparison between the first and second quarters of 2023 and 2024

In € million	Q2		Q1	
	2024	2023	2024	2023
Adjusted EBITDA	**227.4**	**351.6**	**203.9**	**307.4**
Adjusted EBITDA margin	*24.5%*	*32.2%*	*24.4%*	*29.2%*

- ### Change by operating segment between the first half of 2023 and first half of 2024

(in € million)	30 June 2024	Change 2024 - 2023		30 June 2023
		In € million	In %/bps	
Southern and Western Europe				
Adjusted EBITDA	288.2	(148.3)	-34.0%	436.5
Adjusted EBITDA margin	24.3%	—	-675 bps	31.1%
Northern and Eastern Europe				
Adjusted EBITDA	76.4	(65.1)	-46.0%	141.5
Adjusted EBITDA margin	20.0%	—	-747 bps	27.5%
Latin America				
Adjusted EBITDA	66.6	(14.4)	-17.7%	81.0
Adjusted EBITDA margin	33.6%	—	-264 bps	36.3%
Consolidated adjusted EBITDA	**431.3**	**(227.7)**	**-34.6%**	**659.0**
Consolidated adjusted EBITDA margin	**24.4%**	**—**	**-631 bps**	**30.8%**

- ### Southern and Western Europe

In Southern and Western Europe, adjusted EBITDA decreased by €148.3 million, i.e. by -34.0%, during the first half of 2024 from €436.5 million for the six-month period ended 30 June 2023 to €288.2 million for the six-month period ended 30 June 2024. The adjusted EBITDA margin decreased by 675 basis points to 24.3% in the first half of 2024, from 31.1% in the first half of 2023.

Activity was down throughout the perimeter. Spread, which was impacted by price cuts and a negative mix that could not be fully offset by lower costs, negatively impacted EBITDA. Good PAP delivery over the period made it possible to limit this decline.

- ### Northern and Eastern Europe

In Northern and Eastern Europe, adjusted EBITDA decreased by €65.1 million, i.e. by -46.0%, during the first half of 2024 from €141.5 million for the six-month period ended 30 June 2023 to €76.4 million for the six-month period ended 30 June 2024. The adjusted EBITDA margin thus decreased by 747 basis points over the period, from 27.5% to 20.0% in the first half of 2024.

Decline in EBITDA was strongly linked to the decline in activity, particularly in Germany and the United Kingdom. The generation of a moderately negative inflation spread also had an impact on EBITDA. PAP delivered a strong performance that was well above expectations.

- **Latin America**

In Latin America, adjusted EBITDA decreased by €14.4 million, i.e. by -17.7%, during the first half of 2024 from €81.0 million for the six-month period ended 30 June 2023 to €66.6 million for the six-month period ended 30 June 2024.

Margin however remained at a high level (33.6% compared to 36.3% in H1 2023, representing a 264 basis point decrease). Regardless of inflation and currency effects in Argentina, profitability of the three countries in the area remained very satisfactory thanks to a broadly neutral spread and a good PAP delivery.

2.3 KEY PERFORMANCE INDICATORS

The Group uses revenue, adjusted EBITDA, operating cash flows, cash conversion, free cash flows and investments as its key performance indicators. These performance indicators are monitored by the Group regularly to analyse and assess its operations and their momentum, measure their performance, prepare earnings forecasts, and take strategic decisions.

Adjusted EBITDA, operating cash flows, cash conversion and free cash flows are alternative performance measures according to AMF Position n°2015-12.

The latter are not standardised accounting measures meeting a single definition generally accepted by IFRS. They should not be considered as substitutes for operating profit, net profit or cash flows from operating activities, which are measures defined by IFRS, or a measure of liquidity. Other issuers may calculate adjusted EBITDA, operating cash flows, cash conversion and free cash flows differently from the definitions used by the Group.

2.3.1 ADJUSTED EBITDA

Adjusted EBITDA corresponds to operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, the costs of management share ownership plans, subsidiary disposal-related effects and contingencies, plant closure costs and other items

(in € million)	30 June 2024	30 June 2023	Change
Adjusted EBITDA	**431.3**	**659.0**	**(227.7)**
Adjusted EBITDA margin	**24.4%**	**30.8%**	**-631 bps**
Cash conversion	***63.6 %***	***77.2 %***	***-1359 bps***

2.3.2 OPERATING CASH FLOWS

Cash flows correspond to operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, the costs of management share ownership plans, subsidiary disposal-related effects and contingencies, plant closure costs and other items, i.e. adjusted EBITDA, less capex.

Operating cash flows correspond to cash flows plus the change in operating working capital requirement.

Free cash flows correspond to operating cash flows adjusted for other operating impacts.

Reconciliation of operating profit to adjusted EBITDA and operating cash flows:

(in € million)	**30 June 2024**	**30 June 2023**
Operating profit	**244.4**	**490.3**
Depreciation, amortisation and impairment (1)	171.2	162.9
Restructuring costs (2)	11.7	2.0
IAS 29, Hyperinflation (Argentina)	(2.0)	(1.0)
Management share ownership plan and associated costs (3)	3.4	4.6
Acquisition fees and additional price	1.3	0.2
Other	1.3	0.0
Adjusted EBITDA	**431.3**	**659.0**
Capex (4)	(156.8)	(150.1)
Cash flow	**274.5**	**508.9**
Change in operating working capital requirement (5)	(184.0)	(192.6)
Operating cash flow	**90.5**	**316.3**
Other operating impact (6)	(51.0)	14.1
Interest paid & other financial costs	(47.5)	(25.1)
Tax paid	(41.2)	(57.5)
Free Cash Flow	**(49.2)**	**247.8**

(1) Includes amortisation and depreciation of intangible assets and property, plant and equipment (Note 5.2 of the Group's condensed interim consolidated financial statements), amortisation of intangible assets acquired through business combinations (Note 6.1 of the Group's condensed interim consolidated financial statements) and depreciation of property, plant and equipment (Note 6.2 of the Group's condensed interim consolidated financial statements).

(2) Corresponds mainly at 30 June 2024 to measures taken to adjust the workforce following the shutdown of a furnace in Germany

(3) Corresponds to share-based compensation plans and associated costs (Note 5.2 of the Group's condensed interim consolidated financial statements).

(4) Excluding rights of use under IFRS 16.

(5) Taking into account only the impact of cash flows (note 13 to the Group's consolidated financial statements).

(6) Other operating impacts consist mainly of the cash effect of IFRS 16 restatements and the impact of the change in provisions for liabilities and charges.

The Group's operating cash flows decreased by €225,8 million in the six-month period ended 30 June 2024. This was due to a lower adjusted EBITDA combined with stable capital expenditures and a seasonally negative working capital variation. Capital expenditure (8.9% of total revenue) and inventory (down €(33) million compared to year-end 2023) are strictly controlled, illustrating the group's continued focus on cash management.

Free cash flows amounted to €(49.2) million in the six-month period ended 30 June 2024, decreasing from €247.8 million in the six-month period ended 30 June 2023. It is positive in the second quarter.

2.3.3 CASH CONVERSION

Cash conversion is defined as adjusted EBITDA less capex, divided by adjusted EBITDA. The elements used to determine adjusted EBITDA are provided in the reconciliation of operating cash flows table (see above).

Reconciliation of adjusted EBITDA to cash conversion:

(in € million)	30 June 2024	30 June 2023
Adjusted EBITDA	**431.3**	**659.0**
Capex	(156.8)	(150.1)
Cash flows	***274.5***	***508.9***
Cash conversion	***63.6%***	***77.2%***

The Group's cash conversion decreased slightly from 77.2% to 63.6% in the six-month period ended 30 June 2024 but remains high. Adjusted EBITDA decreased by -34.6% and capital expenditures (Capex) remained stable, demonstrating our commitment to maintaining control over our investments and cash generation while future-proofing the company's industrial assets and continuing to implement our decarbonization strategy.

2.4 CONSOLIDATED GROUP CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2024 AND 30 JUNE 2023

The table below sets out the Group's cash flows for the six-month periods ended 30 June 2024 and 30 June 2023:

(in € million)	30 June 2024	30 June 2023	Change
Net cash flows from operating activities	249.3	501.9	(252.6)
Net cash flows from (used in) investing activities	(245.5)	(232.6)	(12.9)
Net cash flows from (used in) financing activities	(24.9)	(114.2)	89.3
Increase (decrease) in cash and cash equivalents	**(21.2)**	**155.2**	**(176.4)**
Impact of changes in foreign exchange rates on cash and cash equivalents	*(0.9)*	*(22.4)*	*21.5*
Cash and cash equivalents at beginning of the period	**474.6**	**330.8**	**143.8**
Closing cash and cash equivalents	**452.5**	**463.4**	**(10.9)**

On 30 June 2024, the Group's cash and cash equivalents amounted to €452.5 million, compared with €463.4 million at 30 June 2023.

2.4.1. NET CASH FLOWS FROM OPERATING ACTIVITIES

The following table sets out the net cash flows from the Group's operating activities for the periods ended 30 June 2024 and 30 June 2023:

(in € million)	30 June 2024	30 June 2023	Change
Net profit	**122.8**	**317.3**	**(194.5)**
Share of net profit of associates, net of dividends received	0.4	(0.6)	1.0
Depreciation, amortisation and impairment of assets	171.2	162.9	8.3
Gains and losses on disposals of assets	(1.0)	(8.1)	7.1
Interest expense on financial liabilities	32.6	23.8	8.8
Unrealised foreign exchange gains and losses	(1.3)	(4.3)	3.0
Gain/loss on net monetary position (IAS 29, Hyperinflation)	25.6	18.0	7.6
Unrealised gains and losses on changes in the fair value of derivatives	3.0	23.1	(20.1)
Change in inventories	33.1	(117.7)	150.8
Change in trade receivables, trade payables and other receivables and payables	(132.4)	4.1	(136.5)
Current tax expense	47.7	125.6	(77.9)
Taxes paid	(41.2)	(57.5)	16.3
Changes in deferred taxes and provisions	(11.3)	15.3	(26.6)
Net cash flows from operating activities	**249.3**	**501.9**	**(252.6)**

Net cash flows from the Group's operating activities amounted to €249.3 million for the six-month period ended 30 June 2024, compared with €501.9 million for the six-month period ended 30 June 2023.

The main cash flows generated during the six-month period ended 30 June 2024 resulted primarily from the increase in net profit, partially offset by the increase in inventories.

2.4.2. NET CASH FLOWS FROM INVESTING ACTIVITIES

The following table shows net cash flows from the Group's investing activities for the six-month periods ended 30 June 2024 and 30 June 2023:

(in € million)	30 June 2024	30 June 2023	Change
Acquisition of property, plant and equipment and intangible assets	(156.8)	(150.1)	(6.7)
Increase (decrease) in debt on fixed assets	(81.7)	(77.6)	(4.1)
Acquisitions of subsidiaries, takeovers, net of cash acquired	(0.4)	(7.7)	7.3
Deferred payment related to acquisition of subsidiary	(0.4)	(0.3)	(0.1)
Capital expenditure	**(239.3)**	**(235.7)**	**(3.6)**
Disposals of property, plant and equipment and intangible assets	—	8.4	(8.4)
Disposals of shares in consolidated companies, net of cash divested	5.8	—	5.8
Disposals	**5.8**	**8.4**	**(2.6)**
Increase in loans, deposits and short-term borrowings	(15.7)	(6.8)	(8.9)
Reduction in loans, deposits and short-term borrowings	3.6	1.5	2.1
Changes in loans and deposits	**(12.1)**	**(5.3)**	**(6.8)**
Net cash flows used in investing activities	**(245.5)**	**(232.6)**	**(12.9)**

Net cash flows from the Group's investing activities corresponded primarily to acquisitions of property, plant and equipment and intangible assets (or capex), which totalled €156.8 million at 30 June 2024 compared with €150.1 million at 30 June 2023.

2.4.3. NET CASH FLOWS FROM FINANCING ACTIVITIES

The following table shows cash flows from the Group's financing activities for the six-month periods ended 30 June 2024 and 30 June 2023:

(in € million)	30 June 2024	30 June 2023	Change
Capital increase (decrease)	18.1	18.6	(0.5)
Dividends paid	(248.9)	(163.8)	(85.1)
(Increase) decrease in treasury stock	(0.8)	(38.1)	37.3
Transactions with shareholders	**(231.6)**	**(183.3)**	**(48.3)**
Capital increases of subsidiaries subscribed by third parties	—	—	—
Dividends paid to non-controlling interests by consolidated companies	(3.0)	(3.1)	0.1
Transactions with non-controlling interests	**(3.0)**	**(3.1)**	**0.1**
Increase (decrease) in bank overdrafts and other short-term borrowings	235.2	69.1	166.1
Increase in long-term debt	31.7	561.7	(530.0)
Decrease in long-term debt	(25.4)	(536.5)	511.1
Financial interest paid	(31.9)	(22.1)	(9.8)
Change in gross debt	**209.6**	**72.2**	**137.4**
Net cash flows from financing activities	**(24.9)**	**(114.2)**	**89.3**

Net cash flows from the Group’s financing activities amounted to €(24.9) million for the six-month period ended 30 June 2024 compared to €(114.2) million for the six-month period ended 30 June 2023.

The main cash flows generated during the six-month period ended 30 June 2024 resulted from:

- transactions with shareholders amounting to €(231.6) million, including the capital increase reserved for employees to which €18.1 million was subscribed, the dividend payment made to shareholders corresponding to €(248.9) million, and the share buyback which totalled €(0.8) million.
- The €209.6 million change in gross debt includes (i) an increase in short-term borrowings (mainly Neu CP outstandings), (ii) the instalment loan agreed for a total principal amount of €30.0 million with Bpifrance (see Note 16 "Borrowings and financial liabilities" of the Group’s condensed consolidated interim financial statements for the six-month period ended 30 June 2024), and (iii) interest payments corresponding to €(31.9) million (see Note 16 "Borrowings and financial liabilities" of the Group’s condensed consolidated interim financial statements for the six-month period ended 30 June 2024).

2.5 CHANGE IN AND COST OF DEBT

The Group’s gross financial debt at 30 June 2024 totalled €2,098.2 million, compared with €1,839.1 million at 31 December 2023. Net financial debt increased from €1,364.5 million at 31 December 2023 to €1,645.7 million at 30 June 2024.

At 30 June 2024, the Group’s floating-rate financial debt portfolio after taking account of derivative instruments totalled €195.0 million, i.e. 9.3% of its gross financial debt (€197.1 million at 31 December 2023).

The cost of net financial debt during the six-month period ended 30 June 2024 came to €35.0 million (versus €21.3 million at 30 June 2023).

The Group’s net financial debt/adjusted EBITDA ratio stood at 1.9x at 30 June 2024, compared with 1.2x at 31 December 2023.

2.6 FLUCTUATIONS IN EXCHANGE RATES

The Group has a global presence while maintaining a local industrial footprint (“Glocal” model), which means that its earnings are affected by exchange rate variations.

The impact of exchange rate variations on the Group’s results mainly consists of a translation effect. Although the majority of the Group’s consolidated revenue is denominated in euros, a significant share of its assets, liabilities, revenue and expenses is denominated in other currencies, primarily the Brazilian real, the Argentine peso, the British pound, and the Ukrainian hryvnia. As such, the Group’s euro-denominated financial statements require the translation of these assets, liabilities, revenue and expenses into euros, at applicable exchange rates. The Group's exposure to the translation effect is not hedged.

In Argentina, following the sharp increase in the cumulative inflation rate over several years, the economy is considered as being in hyperinflation, such that the Group has been obliged to apply the IAS 29 "Hyperinflation" accounting rule to its Argentine activities since 1 January 2018. Application of this standard requires the remeasurement of non-monetary assets and liabilities, equity and the statement of income to reflect changes in purchasing power in the local currency. These remeasurements may lead to a gain or loss on the net monetary position included in the financial result.

The net impact of hyperinflation in Argentina on revenue was €6.1 million for the six-month period ended 30 June 2024, compared with €-1.8 million for the six-month period ended 30 June 2023. The impact of hyperinflation is excluded from consolidated adjusted EBITDA.

2.7 CAPITAL EXPENDITURE

The Group exercises its activities in a highly capital-intensive industry that requires constant investments to maintain and/or increase production capacity, modernise the Group's assets and technology, and comply with regulations. To this end, the Group implements a disciplined capex policy primarily aimed at guaranteeing that its furnaces are operational and as efficient as possible (especially in terms of energy consumption) and at ensuring that the scaling of its production facilities is permanently adjusted to changes in supply and demand and available capacity on the market.

Total capex (recurring and strategic) for the six-month periods ended 30 June 2024 and 30 June 2023 amounted to, respectively, €156.8 million (of which €98.6 million in recurring capex and €58.2 million in strategic capex) and €150.1 million (of which €93.4 million in recurring capex and €56.7 million in strategic capex).

This increase reflects the planned execution of the Group's capital expenditure plan.

2.8 ACQUISITIONS, DISPOSALS AND CHANGES IN SCOPE

There were no significant changes in the scope of consolidation during the first half of 2024.

2.9 RELATED PARTY TRANSACTIONS

The main change in related party transactions compared to those described in the most recent annual consolidated financial statements is as follows:

In December 2021, Verallia entered into an amortizing loan agreement for a total principal amount of €30.0 million with Bpifrance.

This loan, fully drawn, bears interest at a fixed annual rate of 0.40% and has a maturity of 3 years. Assets under management were €7.5 million at the end of June 2024.

In May 2024, Verallia entered into an amortizing loan agreement for a total principal amount of €30.0 million with Bpifrance. This loan, fully drawn, bears interest at a floating rate equal to Euribor plus a margin of 104 basis points and has a maturity of 3 years. The amount outstanding at end-June 2024 was €30 million.

The purpose of this financing is to finance and/or refinance the working capital and/or capital expenditure needs of the Company and its subsidiaries within the meaning of Article L. 233-3 of the French Commercial Code.

The conclusion of this regulated agreement was authorized by the Board of Directors at its meeting on April 24, 2024 and will be subject to ratification at the Company's Annual General Meeting of Shareholders to be held on April 25, 2025

2.10 FORESEEABLE DEVELOPMENT OF THE GROUP

After 2024 started in line with our expectations, recovery in demand was confirmed in the second quarter in most markets in which Verallia operates.

This recovery is however slower than anticipated and we estimate that activity in the second half should continue to improve at a slower pace than we initially expected.

In this context, we have decided to update our target of 2024 adjusted EBITDA (previously set at around €1bn), which is now expected around the same level as in 2022 (as a reminder, €866m).

The cost reduction trajectory generated by the Performance Action Plan remains fully in line with our expectations. We are resolutely pursuing our action plan to adapt our capacities, keep our inventories under control and reduce our costs.

2.11 MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties that the Group may face over the remaining six months of the year are identical to those presented in Chapter 4 “Main risks” of the 2023 Universal Registration Document.

3. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € million)	Notes	30 June 2024	31 December 2023
ASSETS			
Goodwill	9	685.8	687.8
Other intangible assets	10	383.2	416.2
Property, plant and equipment	11	1,840.1	1,795.6
Investments in associates		6.6	6.7
Deferred tax		25.6	33.6
Other non-current assets		67.7	57.8
Non-current assets		**3,009.0**	**2,997.7**
Short-term portion of non-current assets		10.4	1.4
Inventories	13.1	678.3	711.5
Trade receivables	13.2	200.3	144.3
Current tax receivables	13	16.5	15.1
Other current assets	13.2	113.4	115.7
Cash and cash equivalents	14	452.5	474.6
Current assets		**1,471.4**	**1,462.6**
Total Assets		**4,480.4**	**4,460.3**
EQUITY & LIABILITIES			
Share capital	15.1	408.3	413.3
Consolidated reserves	15	454.4	494.6
Equity attributable to shareholders		**862.7**	**907.9**
Non controlling interests		64.2	50.6
Equity		**926.9**	**958.5**
Non-current financial liabilities and derivatives	16	1,636.2	1,610.5
Provisions for pensions and other employee benefits	18	86.3	88.9
Deferred tax		154.3	141.9
Provisions and other non-current financial liabilities	17	35.9	45.5
Non-current liabilities		**1,912.7**	**1,886.8**
Current financial liabilities and derivatives	16	489.6	249.2
Current portion of provisions and other non-current financial liabilities	17	45.7	49.8
Trade payables	13.3	542.5	627.1
Current tax liabilities	13	72.8	66.3
Other current liabilities	13.3	490.3	622.6
Current liabilities		**1,640.8**	**1,615.0**
Total Equity and Liabilities		**4,480.4**	**4,460.3**

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(in € million)	Note	As of 30 June	
		2024	2023
Revenue	**5.1**	**1,764.6**	**2,142.7**
Cost of sales	5.2	(1,377.4)	(1,499.7)
Selling, general and administrative expenses	5.2	(93.6)	(118.9)
Acquisition-related items	6.1	(36.7)	(34.5)
Other operating income and expenses	6.2	(12.6)	0.7
Operating profit		**244.4**	**490.3**
Net financial income (expense)	**7**	**(71.8)**	**(55.7)**
Profit (loss) before tax		**172.6**	**434.6**
Income tax		(49.4)	(118.0)
Share of net profit (loss) of associates		(0.4)	0.6
Net profit (loss) for the year		**122.8**	**317.3**
Attributable to shareholders of the Company		***124.1***	***310.8***
Attributable to non-controlling interests		*(1.3)*	*6.5*
Basic earnings per share (in €)	**15.4**	**1.06**	**2.65**
Diluted earnings per share (in €)	**15.4**	**1.06**	**2.65**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € million)	As of 30 June	
	2024	**2023**
Net profit (loss) for the year	**122.8**	**317.3**
Items that may be reclassified to profit or loss		
Translation differences	(15.6)	(38.6)
Changes in fair value of cash flow hedges	54.8	(341.5)
Deferred tax on items that may subsequently be reclassified to profit or loss	(15.1)	91.7
Total	**24.1**	**(288.4)**
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit liability (asset)	2.2	(0.4)
Deferred tax on items that will not be reclassified to profit or loss	(0.6)	0.1
Total	**1.6**	**(0.3)**
Other comprehensive income (loss)	**25.7**	**(288.7)**
Total comprehensive income (loss) for the year	**148.5**	**28.6**
Attributable to shareholders of the Company	*151.9*	*37.3*
Attributable to non-controlling interests	*(3.4)*	*(8.7)*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in € million)	Note	As of 30 June 2024	As of 30 June 2023
Net profit (loss) for the year		**122.8**	**317.3**
Share of net profit (loss) of associates, net of dividends received		0.4	(0.6)
Depreciation, amortisation and impairment of assets		171.2	162.9
Gains and losses on disposals of assets	6.2	(1.0)	(8.1)
Interest expense on financial liabilities		32.6	23.8
Unrealised gains and losses on changes		(1.3)	(4.3)
Gain/loss on net monetary position (IAS 29, Hyperinflation)		25.6	18.0
Unrealised gains and losses on changes in the fair value of derivatives		3.0	23.1
Change in inventories		33.1	(117.7)
Change in trade receivables, trade payables and other receivables and payables		(132.4)	4.1
Current tax expense		47.7	125.6
Taxes paid		(41.2)	(57.5)
Changes in deferred taxes and provisions		(11.3)	15.3
Net cash flows from operating activities		**249.3**	**501.9**
Acquisition of property, plant and equipment and intangible assets	10 & 11	(156.8)	(150.1)
Increase (decrease) in debt on fixed assets	13	(81.7)	(77.6)
Acquisitions of subsidiaries, takeovers, net of cash acquired		(0.4)	(7.7)
Deferred payment related to the acquisition of a subsidiary		(0.4)	(0.3)
Capital expenditures		**(239.3)**	**(235.7)**
Disposals of property, plant and equipment, intangible assets included related		—	8.4
Disposals of shares in consolidated companies, net of cash divested		5.8	—
Disposals		**5.8**	**8.4**
Increase in loans, deposits and short-term borrowings		(15.7)	(6.8)
Reduction in loans, deposits and short-term borrowings		3.6	1.5
Changes in loans and deposits		**(12.1)**	**(5.3)**
Net cash flows from (used in) investing activities		**(245.5)**	**(232.6)**
Capital increase (reduction)	15	18.1	18.6
Dividends paid		(248.9)	(163.8)
(Increase) decrease in treasury stock		(0.8)	(38.1)
Transactions with shareholders of the parent company		**(231.6)**	**(183.3)**
Capital increases of subsidiaries subscribed by third parties		—	—
Dividends paid to non-controlling interests by consolidated companies		(3.0)	(3.1)
Transactions with non-controlling interests		**(3.0)**	**(3.1)**
Increase (reduction) in bank overdrafts and other short-term borrowings	16	235.2	69.1
Increase in long-term debt	16	31.7	561.7
Reduction in long-term debt	16	(25.4)	(536.5)
Financial interest paid		(31.9)	(22.1)
Change in gross debt		**209.6**	**72.2**
Net cash flows from (used in) financing activities		**(24.9)**	**(114.2)**
Increase (reduction) in cash and cash equivalents		**(21.2)**	**155.2**
Impact of changes in foreign exchange rates on cash and cash equivalents		(0.9)	(22.4)
Impact of changes in fair value on cash and cash equivalents		—	—
Opening cash and cash equivalents		**474.6**	**330.8**
Closing cash and cash equivalents		**452.5**	**463.4**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € million)	Note	Number of shares	Share capital	Share premium	Treasury shares	Translation reserve	Hedging reserve	Other reserves and retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
As of 31 December 2022		**122,289,183**	**413.3**	**133.9**	**(151.8)**	**(140.8)**	**322.3**	**426.4**	**1,003.4**	**64.0**	**1,067.4**
Other comprehensive income			—	—	—	(70.2)	(469.9)	122.9	(417.2)	(36.7)	(453.9)
Net profit (loss) for the year			—	—	—	—	—	470.0	470.0	5.3	475.3
Total comprehensive income for the year			***—***	***—***	***—***	***(70.2)***	***(469.9)***	***592.9***	***52.8***	***(31.4)***	***21.4***
Capital increase for the Group Savings Plan _ Verallia SA		611,445	2.1	16.5	—	—	—	—	18.6	—	18.6
Distribution of Dividends (per share : 1.40 euro)			—	—	—	—	—	(163.8)	(163.8)	(3.1)	(166.9)
Purchase of shares			—	—	(41.7)		—	—	(41.7)	—	(41.7)
Cancellation of Treasury shares		(611,445)	(2.1)	(17.7)	19.8	—	—	—	—	—	—
Sales of treasury shares			—	—	7.2	—	—	(7.2)	—	—	—
Share-based compensation			—	—	—	—	—	8.2	8.2	—	8.2
IAS 29 Hyperinflation			—	—	—	—	—	30.9	30.9	20.6	51.5
Change in non-controlling interests			—	—	—	—	—	—	—	—	—
Other			—	—	—	—	—	(0.5)	(0.5)	0.5	—
As of 31 December 2023		**122,289,183**	**413.3**	**132.7**	**(166.5)**	**(211.0)**	**(147.6)**	**886.9**	**907.9**	**50.6**	**958.5**
Other comprehensive income			—	—	—	(13.5)	54.8	(13.5)	27.8	(2.1)	25.7
Net profit (loss) for the year			—	—	—	—	—	124.1	124.1	(1.3)	122.8
Total comprehensive income for the year		***—***	***—***	***—***	***—***	***(13.5)***	***54.8***	***110.6***	***151.9***	***(3.4)***	***148.5***
Capital increase for the Group Savings Plan _ Verallia SA	15	611,445	2.1	16.1	—	—	—	—	18.1	—	18.1
Distribution of Dividends (per share : 2.15 euro)	15		—	—	—	—	—	(251.8)	(251.8)	(3.0)	(254.8)
Purchase of shares			—	—	(0.8)	—	—	—	(0.8)	—	(0.8)
Cancellation of Treasury shares		(2,095,525)	(7.1)	(60.4)	67.5	—	—	—	—	—	—
Sales of treasury shares			—	—	6.6	—	—	(6.6)	—	—	—
Share-based compensation			—	—	—	—	—	7.2	7.2	—	7.2
IAS 29 Hyperinflation			—	—	—	—	—	30.1	30.1	20.1	50.2
Change in non-controlling interests			—	—	—	—	—	—	—	—	—
Other			—	—	—	—	—	0.1	0.1	(0.1)	—
As of 30 June 2024		**120,805,103**	**408.3**	**88.3**	**(93.2)**	**(224.5)**	**(92.8)**	**776.4**	**862.7**	**64.2**	**926.9**

NOTE 1 – INFORMATION ON THE GROUP

1.1 INCORPORATION AND CREATION

1.1.1 CORPORATE NAME

At 30 June 2024, the Company's corporate name is "Verallia" and has been so since 20 June 2019.

1.1.2 PLACE OF REGISTRATION AND REGISTRATION NUMBER

The Company is registered in the Nanterre Trade and Companies Register under number 812 163 913.
LEI : 5299007YZU978DE0ZY32

1.1.3 DATE OF INCORPORATION AND LENGTH OF LIFE OF THE COMPANY

The Company is incorporated for a period of 99 years starting from its registration on 23 June 2015, unless it is dissolved early or extended on the joint decision of its shareholders in accordance with the law and articles of association.

The financial year begins on 1 January and ends on 31 December of each year.

1.1.4 REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGAL REGIME

The Company's registered office is located at 31 Place des Corolles, Tour Carpe Diem, Esplanade Nord, 92400 Courbevoie, France.

At 30 June 2024, the Company is a *société anonyme* (limited company) governed by French law.

1.2 HIGHLIGHTS

Start of the Cognac 100% electric furnace, a world premiere

Verallia started up the 100% electric furnace in Cognac in March 2024. This furnace,with a capacity of 180 tons per day, is a world premiere in the glass packaging industry.

It produces flint glass bottles and the first deliveries were done.

Thanks to a 60% reduction in CO2 emissions, this furnace will contribute to the industrial decarbonization of Verallia France. With this investment, Verallia takes on a leading role within the sector, with a view to decarbonizing the industry.

Extension of the €1.1 billion syndicated facility

In March 2024, Verallia exercised the option to extend the €1.1 billion syndicated facility arranged in April 2023 by one year, thereby pushing the maturities back to 2028 for the term loan and to 2029 for the revolving credit facility.

Agreement on a new instalment loan from Bpifrance, a Verallia shareholder (related party agreement)

In May 2024, Verallia entered into an instalment loan agreement for a total principal amount of €30 million with Bpifrance. The loan has been fully drawn for a period of three years and carries interest at a variable rate equal to Euribor increased by a margin of 104 basis points. The amount outstanding at end-June 2024 was €30.0 million.

The purpose of this financing is to finance and/or refinance the working capital requirements and/or investment expenses of the Company and its subsidiaries in accordance with Article L. 233-3 of the Commercial Code.

The conclusion of this regulated agreement was authorized by the Board of Directors at its meeting of April 24, 2024 and will be subject to ratification by the general meeting of shareholders of the Company which will be held on April 25, 2025.

2024 employee shareholding offer

On 20 June 2024, Verallia issued 611,445 new ordinary shares, corresponding to 0.5% of its share capital and voting rights, as part of a capital increase reserved for employees based on a standard formula with a discount and including a matching contribution. The IFRS 2 expense measuring the benefits offered to employees was measured by reference to the share's fair value on the last day of subscription. At 30 June 2024, it amounted to €4.7 million.

In order to offset the dilutive impact of this transaction, Verallia simultaneously carried out a capital reduction by cancelling 611,445 treasury shares acquired under the share buyback programme.

1.3 OPERATIONS

On the strength of its industrial operations spanning 12 countries, Verallia is the world's third-largest producer of glass packaging for beverages and food products.

The Group boasts sound positions in Western and Eastern Europe, as well as in Latin America.

Its main subsidiaries are located in the following countries: France, Italy, Germany, the United Kingdom, Spain, Portugal, Argentina and Brazil. Verallia employs close to 11,000 employees worldwide and operates 34 glass factories.

NOTE 2 - BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 DECLARATION OF COMPLIANCE AND APPLICABLE STANDARDS

The Verallia Group's condensed consolidated financial statements for the six-month period ended 30 June 2024 were prepared in accordance with the IAS 34 standard applicable to interim financial reporting and on the basis of the IFRS standards and interpretations published by the International Accounting Standards Board (IASB) as adopted in the European Union and in effect since 1 January 2024.

They do not include all the information required for a full set of financial statements under IFRS. However, they do include a selection of notes describing significant events and transactions relevant to understanding any changes in the Group's financial position and performance since the last annual financial statements.

They are inseparable from the information presented in the consolidated financial statements provided in the Group's 2023 universal registration document.

These interim financial statements were approved by the Board of Directors on 24 July 2024.

The condensed consolidated financial statements are presented in millions of euros, with amounts rounded up or down to the nearest million. So rounding differences may appear between different financial statements.

The terms "Verallia", "Group" and "the Verallia Group" refer to the whole group encompassing the Verallia SA company and its consolidated subsidiaries.

The Group applied to its condensed consolidated financial statements at 30 June 2024 the following standards, amendments and interpretations which came into effect on 1 January 2024:

Amendments to IAS 1: Classification of liabilities as current or non-current	January 1, 2024
Amendments to IAS 1 : Non-current liabilities with covenants	January 1, 2024
Amendments to IFRS 16 : Lease liability in a sale and leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7 : Supplier Finance Arrangements	January 1, 2024

These amendments had no material impact on the Group's financial statements.

The Group did not apply early the following new standards, amendments and interpretations, which have been published but are not yet in effect:

Amendments to IAS 21: Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7 : Classification and measurement of financial instruments	January 1, 2026
IFRS 18 : Presentation and disclosure in financial statements	January 1, 2027

2.2 ESTIMATES AND JUDGEMENTS

While preparing these interim financial statements, Management exercised its judgement and made estimates and assumptions affecting the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual values may differ from estimated amounts.

The key judgements made by Management in applying the Group's accounting policies and the main sources of estimation uncertainty are identical to those described in the last annual financial statements.

The main estimates and judgements made by Management in preparing these consolidated financial statements are as follows:

Management's main judgements and estimates	Note
Assessment of the recoverable value of goodwill and fixed assets	9 & 12
Measurement of provisions and other financial liabilities	17
Measurement of defined benefit obligations and plan assets	18

2.3 TRANSACTIONS IN FOREIGN CURRENCIES

The methods for translating foreign currency items are described in the last annual financial statements.

The following table summarises the main exchange rates applied in preparing the Group's interim financial statements:

	As of 30 June 2024		As of 31 December 2023		As of 30 June 2023	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (EUR/BRL)	5.92	5.49	5.38	5.40	5.28	5.48
Pound Sterling (EUR/GBP)	0.85	0.85	0.87	0.87	0.86	0.88
Argentine peso (EUR/ARS)*	976.30	928.94	895.12	317.87	279.03	228.97
Russian rouble (EUR/RUB)	90.99	98.14	98.26	92.12	95.03	83.43
Ukrainian hryvnia (EUR/UAH)	43.35	42.20	42.21	39.55	40.00	39.53

* *In accordance with IAS 29, all financial information is translated at the closing rate for subsidiaries located in a country considered to be "hyperinflationary" (applicable to Argentina since 2018).*

NOTE 3 – CHANGES IN THE SCOPE OF CONSOLIDATION

3.1 CHANGES IN SCOPE DURING THE FIRST HALF OF 2024

There were no significant changes in the scope of consolidation during the first half of 2024.

3.2 CHANGES IN SCOPE DURING THE FIRST HALF OF 2023

There were no significant changes in the scope of consolidation during the first half of 2023.

NOTE 4 – SEGMENT INFORMATION

In accordance with IFRS 8 *Operating Segments*, segment reporting must reflect the operating segments for which results are regularly reviewed by the chief operating decision-maker (CODM") in order to make decisions about resources to be allocated to the segments and to assess their performance.

4.1 BASIS FOR SEGMENTATION

In accordance with the provisions of IFRS 8 Operating Segments, the Group has identified the following three operating segments corresponding to the geographical areas in which the assets are located:

- **Southern and Western Europe**, comprising production plants located in France, Italy, Spain and Portugal. Verallia's operations in this region are focused mainly on bottles of still and semi-sparkling wines and spirits containers, market segments characterised by export-driven growth.

- **Northern and Eastern Europe**, comprising sites located in Germany, the United Kingdom, Russia, Poland and Ukraine. The Group's operations in Northern and Eastern Europe are mainly oriented towards bottles for beer, particularly in Germany, and jars and bottles for food, mostly for local markets, and for the premium spirits market.

- **Latin America**, comprising sites located in Brazil, Argentina and Chile. The Group's Latin American activities are focused mainly on bottles for still wines, a market segment dominated by exports, as well as beer bottles, particularly in Brazil.

The above operating segments correspond to the reporting segments in the absence of business combination by the Group.

This sector breakdown reflects the Group's management organisation set up at the time of the initial public offering in 2019 and its internal reporting system as submitted to the Board of Directors, which is Verallia's chief operating decision-maker ("CODM"). The implementation of this monitoring system makes it possible to assess the performance of the operating segments, based on adjusted EBITDA, and to decide on the allocation of resources, particularly investments.

4.2 KEY PERFORMANCE INDICATORS

The Group uses the following aggregates to assess the performance of the operating segments presented:

- revenue, corresponding to the revenue presented in the consolidated financial statements.
- capital expenditure, corresponding to the Group's acquisitions of property, plant and equipment and intangible assets.
- adjusted EBITDA, an indicator for monitoring the underlying performances of businesses adjusted for certain expenses and/or income that are non-recurring or liable to distort the company's performance.

Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plans, subsidiary disposal-related effects and contingencies, plant closure costs and other items.

As it is an aggregate not directly presented in the consolidated statement of income, a reconciliation with the consolidated financial statements prepared under IFRS is presented in accordance with the provisions set out in IFRS 8:

(in € million)	Note	As of 30 June	
		2024	2023
Net profit (loss) for the year		**122.8**	**317.2**
Net financial income		71.8	55.7
Income tax		49.4	118.0
Share of net result of associates		0.4	(0.6)
Operating profit		**244.4**	**490.3**
Depreciation, amortisation and impairment	A	171.2	162.9
Restructuring costs	B	11.7	2.0
IAS 29, Hyperinflation (Argentina)		(2.0)	(1.0)
Management share ownership plan and associated costs	C	3.4	4.6
Acquisition fees and additional price		1.3	0.2
Other		1.3	—
Adjusted EBITDA		**431.3**	**659.0**

A. Includes depreciation and amortisation of intangible assets and property, plant and equipment (**Note 5.2**), amortisation of intangible assets acquired through business combinations **(Note 6.1**) and depreciation of property, plant and equipment (**Note 6.2**).

B. Corresponds mainly at 30 June 2024 to measures taken to adjust the workforce following the shutdown of a furnace in Germany (**Note 6.2**).

C. Corresponds to share-based compensation plans and associated costs (**Note 5.2**).

Note that the Group does not monitor any segment liability indicators as financial debt is managed centrally and not at the level of the three reporting segments.

4.3 SEGMENT INFORMATION

(in € million)	Note	Period ended 30 June 2024				
		Northern and Eastern Europe	Southern and Western Europe	Latin America	Eliminations	Group total
Revenue from activities with external customers	5.1	381.6	1,184.9	198.1	—	1,764.6
Inter-segment revenue		1.7	6.1	—	(7.8)	—
Total segment revenue		**383.4**	**1,191.0**	**198.1**	**(7.8)**	**1,764.6**
Adjusted EBITDA	**4.2**	**76.4**	**288.2**	**66.6**	**—**	**431.3**
Capital expenditure*		**34.6**	**104.8**	**17.4**	**—**	**156.8**

*Excluding rights of use under IFRS 16

(in € million)	Note	Period ended 30 June 2023				
		Northern and Eastern Europe	Southern and Western Europe	Latin America	Eliminations	Group total
Revenue from activities with external customers	5.1	514.6	1,404.8	223.3	—	2,142.7
Inter-segment revenue		2.2	14.8	2.6	(19.6)	—
Total segment revenue		**516.8**	**1,419.6**	**226.0**	**(19.6)**	**2,142.7**
Adjusted EBITDA	**4.2**	**141.5**	**436.5**	**81.0**	**—**	**659.0**
Capital expenditure*		**25.7**	**87.7**	**36.7**	**—**	**150.1**

*Excluding rights of use under IFRS 16

4.4 BREAKDOWN OF REVENUE BY "END MARKET"

In accordance with IFRS 8.32, the Group presents below a breakdown of revenue according to expected uses of glass packaging (notion of "end market" as defined internally):

(in € million)	As of 30 June	
	2024	2023
Still wines	581.1	686.6
Sparkling wines	231.0	287.6
Spirits	258.4	319.4
Beers	190.9	253.4
Food	285.8	334.7
Soft drinks	174.8	221.6
Others	42.6	39.4
Revenue	**1,764.6**	**2,142.7**

4.5 ENTITY-LEVEL INFORMATION

In accordance with IFRS 8.33, revenue generated in France and internationally is presented in **Note 5.1**.

In addition, the geographical breakdown of non-current assets other than goodwill, customer relationships and fair value adjustments to property, plant and equipment, as well as financial instruments, deferred tax assets and post-employment benefit assets, is presented below.

(in € million)	30 June 2024	31 December 2023
France	331.1	338.6
Italy	432.1	419.9
Spain	253.6	238.5
Germany	213.1	221.2
Brazil	233.9	249.6
Other countries	374.3	326.3
Total	**1,838.1**	**1,794.1**

4.6 INFORMATION ABOUT THE MAIN CUSTOMERS

None of the Group's customers individually accounted for more than 10% of revenue in the first half of 2024 or the first half of 2023.

NOTE 5 – OPERATING INCOME AND EXPENSES

5.1 REVENUE BY COUNTRY OF ORIGIN

(in € million)	As of 30 June	
	2024	2023
France	479.2	559.7
Italy	365.5	453.4
Spain	280.7	321.0
Germany	226.4	310.1
Brazil	105.5	123.4
Other countries	307.3	375.1
Total revenue	**1,764.6**	**2,142.7**

The country of origin is the location of the entity invoicing the sales.

5.2 EXPENSES BY FUNCTION AND BY NATURE

The breakdown of cost of sales and selling, general and administrative expenses by type of expense is as follows:

(in € million)	Notes	As of 30 June	
		2024	2023
Raw materials, energy, transport and other production costs		(997.2)	(1,136.8)
Personnel expenses	**A**	(341.1)	(354.3)
Depreciation and amortisation	**B**	(132.7)	(127.5)
Total cost of sales and selling, general and administrative expenses*		**(1,471.0)**	**(1,618.6)**

**Includes research and development expenses, net of research tax credits obtained, in the amount of €0.3 million at 30 June 2024 and €3.7 million at 30 June 2023. The variation relative to 2023 is attributable to higher research tax credits obtained in 2024.*

A. Personnel expenses include:

- € 1.0 million at 30 June 2024 and €0.5 million at 30 June 2023 in respect of costs relating to post-employment benefits (**Notes 18.1 and 18.2**).
- € 3.4 million at 30 June 2024 and €4.6 million at 30 June 2023 in respect of costs relating to share-based compensation plans.
- €4.7 million at 30 June 2024 and €3.0 million at 30 June 2023 in respect of costs relating to the shareholding offer reserved to Group employees.

B. Includes amortisation of intangible assets and depreciation of property, plant and equipment (**Notes 10 and 11**), with the exception of customer relationships which are recognised in "Acquisition-related items".

NOTE 6 – OTHER OPERATING INCOME AND EXPENSES

6.1 ACQUISITION-RELATED ITEMS

Items relating to acquisitions break down as follows and are included in "Selling, general and administrative expenses":

(in € million)	Note	As of 30 June 2024	2023
Acquisition and M&A costs	A	(1.3)	(0.2)
Amortisation of intangible assets acquired through business combinations	B	(35.4)	(34.3)
Acquisition-related items		**(36.7)**	**(34.5)**

A. Corresponds mainly to fees incurred to acquire Vidrala's glass business in Italy.

B. Represents the amortisation over a 12-year useful life of the Verallia Group's customer relationships recognised in 2015 (gross value of €740 million) and the amortisation over a 17-year useful life of the customer relationships of the Allied Group acquired in 2022 due to the premium nature of its products (gross value of €169.3 million).

6.2 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses break down as follows:

(in € million)	Note	As of 30 June 2024	2023
Gains on disposals of assets	A	0.3	10.8
Reversals of asset impairment		0.2	0.6
Other income		**0.5**	**11.4**
Restructuring costs	B	(11.7)	(2.0)
Losses on disposals of assets and scrapped assets		(0.2)	(2.8)
Impairment of assets		(3.4)	(1.6)
Others	C	2.1	(4.3)
Other expenses		**(13.1)**	**(10.7)**
Other income and expenses – net		**(12.6)**	**0.7**

A. At 30 June 2023, this amount corresponded to insurance compensation received for the damages incurred in 2021 in Argentina.

B. At 30 June 2024, restructuring costs correspond mainly to measures taken to adjust the workforce following the shutdown of a furnace in Germany.

C. Corresponds mainly at 30 June 2024 to the reversal of provisions for environmental liabilities and corresponded at 30 June 2023 to additional provisions made for asbestos-related liabilities.

NOTE 7 – FINANCIAL INCOME AND EXPENSES

Financial income and expenses consist of the following:

(in € million)	Note	As of 30 June 2024	As of 30 June 2023
Interest expense excluding lease liabilities	A	(41.9)	(32.9)
Interest expense related to lease liabilities		(1.8)	(0.9)
Amortization of debt issuance costs, and other *		(9.3)	(7.5)
Financial income from cash and cash equivalents and other	B	18.1	20.0
Cost of net debt		**(35.0)**	**(21.3)**
Expenses related to financing	C	—	(2.2)
Foreign exchange gains and losses	D	(6.8)	(7.6)
Net interest expense related to pension plans and other benefits	18.1	(1.5)	(1.4)
Profit (loss) on net monetary position in Argentina (IAS 29)	2.3	(28.4)	(23.2)
Net financial income (expense)		**(71.8)**	**(55.7)**

* *Other: mainly corresponding to the amortisation of funding costs and debt issuance premiums, as well as factoring fees and other bank charges.*

A. Corresponds to interest expenses on borrowings (described in **Note 16**).

B. Corresponds in 2024 and 2023 to financial investment income, primarily in Argentina.

C. Corresponds mainly in 2023 to the accelerated amortisation of issuance costs still to be amortised on Term Loan A and on the Revolving Credit Facility arranged in 2019 and refinanced in April 2023.

D. Corresponds mainly in 2024 and 2023 to foreign exchange impacts relating to the subsidiaries in Brazil and Argentina and to the effects of variations in foreign exchange derivatives.

NOTE 8 – INCOME TAXES

The effective tax rate for the first half of the year results from applying the estimated effective rate for the period to the pre-tax accounting results as of June 30, 2024.

The income tax expense at 30 June 2024 was €49.4 million (implying an effective interim tax rate of 28.6%) compared with €118 million at 30 June 2023 (implying an effective interim tax rate of 27.2%).

The Pillar Two Directive was transposed into French law after being passed under the 2024 Finance Law. The Group falls within the scope of application of the Pillar Two rules on account of the revenues it generates. These new measures are monitored closely and have had no impact on the Group's financial statements.

In addition, the Group applied the mandatory temporary exception introduced by the amendment to IAS 12 "International Tax Reform - Pillar Two Model Rules", an exception that consists in not accounting for deferred taxes related to income tax arising from the Pillar Two rules.

NOTE 9 – GOODWILL

The change in the net value of goodwill is as follows:

(in € million)	Northern and Eastern Europe	Southern and Western Europe	Latin America	Total
Net value published as of 31 December 2023				
Gross amount	229.9	397.1	60.8	687.8
Net amount published as of 31 December 2023	**229.9**	**397.1**	**60.8**	**687.8**
Changes during the year				
Translation differences	3.5	—	(5.5)	(2.0)
Total changes	**3.5**	**—**	**(5.5)**	**(2.0)**
As of 30 June 2024				
Gross amount	233.4	397.1	55.3	685.8
Net amount as of 30 June 2024	**233.4**	**397.1**	**55.3**	**685.8**

NOTE 10 – OTHER INTANGIBLE ASSETS

Other intangible assets break down as follows:

(in € million)	Customer relationships	Software	Other	Total
Net value published as of 31 December 2023				
Gross amount	899.1	49.5	16.2	964.8
Cumulative amortisation and impairment	(504.7)	(39.9)	(4.0)	(548.6)
Net amount published as of 31 December 2023	**394.4**	**9.6**	**12.2**	**416.2**
Changes during the year				
Changes in scope and transfers	—	0.6	(1.0)	(0.5)
Acquisitions	—	0.1	2.2	2.3
Disposals	—	—	—	—
Translation differences	3.0	—	—	3.0
Amortisation and impairment	(35.3)	(2.1)	(0.3)	(37.7)
Total changes	**(32.4)**	**(1.5)**	**0.9**	**(33.0)**
As of 30 June 2024				
Gross amount	899.1	49.4	17.4	965.8
Cumulative amortisation and impairment	(537.1)	(41.3)	(4.2)	(582.6)
Net amount as of 30 June 2024	**362.0**	**8.1**	**13.1**	**383.2**

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment break down as follows:

(in € millions)	Note	30 June 2024	31 December 2023
Assets owned	A	1,767.0	1,734.7
Assets leased	B	73.1	60.8
Property, plant and equipment		**1,840.1**	**1,795.5**

A. The property, plant and equipment owned by the Group break down as follows:

(in € million)	Land	Buildings	Machinery and equipment	Assets in progress	Total
As of June 30, 2024					
Gross amount	66.1	476.9	2,780.4	398.2	3,721.6
Cumulative depreciation and impairment	(0.9)	(251.8)	(1,732.4)	(1.8)	(1,986.9)
Net amount	**65.2**	**225.1**	**1,048.0**	**396.4**	**1,734.7**
Changes during the period					
Changes in scope and other	2.9	(5.7)	3.7	(7.6)	(6.6)
Acquisitions	—	0.5	23.9	130.1	154.5
IAS 29, Hyperinflation	1.5	9.5	14.6	0.2	25.8
Disposals	—	—	0.2	—	0.2
Translation differences	(0.1)	(4.5)	(8.7)	(9.6)	(22.9)
Depreciation and impairment	—	(9.8)	(109.0)	—	(118.7)
Transfers	—	2.8	89.5	(92.3)	—
Total changes	**4.3**	**(7.1)**	**14.3**	**20.8**	**32.3**
As of 30 June 2024					
Gross amount	70.5	521.3	2,964.3	418.9	3,975.0
Cumulative depreciation and impairment	(1.0)	(303.3)	(1,902.0)	(1.7)	(2,208.0)
Net amount	**69.5**	**218.0**	**1,062.3**	**417.2**	**1,767.0**

B. Rights of use break down as follows:

(in € millions)	Buildings	Machinery and equipment	Others	Total
Net carrying amount as of 31 December 2023	**40.9**	**20.0**	**—**	**60.8**
Additions during the period	17.0	10.2	—	27.2
Reductions during the period	(0.1)	(0.3)	—	(0.4)
Changes in scope and other	0.2	(0.2)	—	0.1
Depreciation during the period	(9.4)	(5.2)	—	(14.6)
Net carrying amount as of 30 June 2024	**48.5**	**24.6**	**—**	**73.1**

NOTE 12 – IMPAIRMENT OF GOODWILL AND FIXED ASSETS

The carrying amounts of goodwill are tested for impairment at least once a year and whenever events or changes in circumstances indicate that they may be impaired. Other fixed assets are tested for impairment whenever events or changes in circumstances indicate that they may be impaired.

Fixed assets are tested at the level of the CGUs, corresponding generally to their respective countries.

Goodwill is tested at the level of CGU groups, corresponding to the operating segments, i.e. Southern and Western Europe, Northern and Eastern Europe, and Latin America.

Although demand is recovering more slowly than expected, the Group's fundamentals remain intact as does its long-term outlook. Given these circumstances and the amount of headroom we have, we have identified no indication of impairment.

NOTE 13 – CHANGE IN NET WORKING CAPITAL

The change in net working capital at 30 June 2024 and 31 December 2023 is as follows:

(in € million)	Notes	31 December 2023	Impact of cash flows	Foreign exchange and other	Change in group structure	30 June 2024
Inventories	13.1	**711.5**	(33.1)	0.0	(0.1)	**678.3**
Operating receivables	13.2	**226.7**	49.5	(1.3)	(1.6)	**273.3**
Operating liabilities	13.3	**(891.8)**	83.4	22.4	(0.3)	**(786.3)**
Debts to suppliers of fixed assets		**(155.0)**	81.7	(9.9)	0.1	**(83.1)**
Operating working capital		**(108.6)**	**181.4**	**11.2**	(2.0)	**82.1**
Other receivables (non-operating) *	13.2	**33.3**	10.3	(7.8)	0.2	**36.0**
Other liabilities (non-operating)	13.3	**(203.0)**	(13.2)	55.1	2.2	**(158.8)**
Current tax assets and liabilities		**(51.2)**	(4.0)	(0.7)	(0.4)	**(56.3)**
Total working capital		**(329.4)**	**174.5**	**57.9**	—	**(97.0)**
Change in working capital		**(293.7)**				**232.5**

Reconciliation with the condensed consolidated statement of cash flows :

Change in inventory	33.1
Change in trade receivables, trade payables and other receivables/payables	(132.4)
Current tax expense	47.7
Income taxes paid	(41.2)
Increase (decrease) in debt to suppliers of fixed assets	(81.7)
Total	**(174.5)**

**Other receivables (non-operating): the column "foreign exchange and other" correspond mainly to the change in fair value of energy hedges.*

13.1 INVENTORIES

The change in net inventories is as follows:

(in € million)	30 June 2024			31 December 2023		
	Gross	**Depreciation**	**Net**	**Gross**	**Depreciation**	**Net**
Raw materials	223.8	(27.5)	196.3	225.5	(29.4)	196.1
Inventories of work in progress	2.7	(0.4)	2.3	3.1	(1.9)	1.2
Finished goods	491.7	(12.0)	479.7	529.9	(15.7)	514.2
Total inventories	**718.2**	**(39.9)**	**678.3**	**758.5**	**(47.0)**	**711.5**

13.2 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables – gross values, impairment losses and net values – break down as follows:

(in € million)	30 June 2024			31 December 2023		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Trade receivables	**220.6**	**(20.3)**	**200.3**	**163.9**	**(19.6)**	**144.3**

The table below shows the ageing of trade receivables at 30 June 2024 and 31 December 2023:

(in € million)	30 June 2024			31 December 2023		
	Gross	**Depreciation**	**Net**	**Gross**	**Depreciation**	**Net**
Accounts receivable not yet due	**196.0**	**(5.5)**	**190.5**	**141.5**	**(5.8)**	**135.7**
Accounts receivable past due	**24.6**	**(14.8)**	**9.8**	**22.4**	**(13.8)**	**8.6**
Under 30 days	8.4	(1.0)	7.4	14.7	(6.1)	8.6
Between 30 and 90 days	8.2	(5.8)	2.4	0.2	(0.2)	—
Beyond 90 days	8.0	(8.0)	—	7.5	(7.5)	—
Total trade receivables	**220.6**	**(20.3)**	**200.3**	**163.9**	**(19.6)**	**144.3**

Current assets break down as follows:

(in € million)	30 June 2024	31 December 2023
Advances to suppliers	5.2	4.0
Prepaid social security contributions	2.7	0.7
Other taxes paid in advance and recoverable (other than income taxes)	38.5	51.3
Other operating receivables	25.3	24.3
Derivatives assets	21.0	26.9
Other non-trade receivables	20.7	8.5
Other current assets	**113.4**	**115.7**

13.3 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Trade payables and other current liabilities break down as follows:

(in € million)	30 June 2024	31 December 2023
Trade payables	**542.5**	**627.1**
Customer down payments	51.5	79.0
Debts on fixed assets	87.6	154.9
Grants received	25.0	13.9
Accrued personnel expenses	116.7	131.2
Tax liabilities (other than income tax)	49.6	21.4
Derivative liabilities	125.1	182.2
Other	34.8	40.0
Other current liabilities	**490.3**	**622.6**
Total trade payables and other current liabilities	**1,032.8**	**1,249.7**

13.4 FACTORING

In accordance with IFRS 9, transferred receivables are derecognised when the factoring agreement transfers the contractual rights to the cash flows and substantially all the associated risks and rewards (transfers of non-recourse receivables) to the assignee.

The Group has a pan-European factoring programme of a maximum amount of €500 million with Crédit Agricole Leasing & Factoring which it arranged on 1 December 2022 for a duration of three years. The programme is based on the Group's Sustainability-Linked Financing Framework and includes environmental criteria. The two sustainability performance targets are (i) to reduce Verallia's annual CO_2 emissions (scopes 1 and 2) to 2,625 kt CO_2 by 2025; and (ii) to increase the percentage of external cullet used in its production operations to 59% by 2025.

The Group also has local lines in certain countries (primarily Italy and Argentina) giving it access to additional financing of up to €55 million.

(in € million)	30 June 2024	31 December 2023
Assignment of receivables without recourse	471.3	424.4
Assignment of receivables with recourse	14.9	11.9
Total receivables assigned	**486.2**	**436.3**

Note that the amount of non-recourse receivables transferred at 30 June 2023 was €504.4 million.

In accordance with the factoring agreements, the risk of dilution is covered by establishing reserves and escrow accounts in an amount corresponding to approximately 1.5% of receivables transferred.

The amounts thus recorded in "Other non-current assets" at 30 June 2024 and 31 December 2023 were €14.6 million and €7.7 million, respectively.

NOTE 14 – CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is as follows:

(in € million)	30 June 2024	31 December 2023
Cash	399.8	349.7
Cash equivalents	52.7	124.9
Total cash and cash equivalents	**452.5**	**474.6**

At 30 June 2024, cash and cash equivalents consisted mainly of cash in bank accounts, short-term bank deposits and equivalent money-market funds in the amount of €452.5 million (€474.6 million at 31 December 2023).

The Group has access to a portion of the cash held by certain subsidiaries through the payment of dividends or through inter-company loans. However, local constraints may delay or restrict this access, including monetary restrictions in some foreign jurisdictions. Cash held in countries imposing restrictions on immediate currency convertibility or transferability amounted to €68.5 million at 30 June 2024 (€65.1 million at 31 December 2023).

The Verallia Group's policy is to centralise the liquidity of its subsidiaries at Verallia Packaging where possible.

NOTE 15 – EQUITY

15.1 SHARE CAPITAL

The Chief Executive Officer:

- certified the completion of the capital reduction of a total nominal amount of €5,016,190.40 via the cancellation of 1,484,080 treasury shares and a deduction from the share premium amounting to €43,859,121.60, on 14 February 2024;

- certified the completion of the capital increase reserved for employees and corporate officers of a total nominal amount of €2,066,684.10 via the issue of 611,445 new ordinary shares combined with a share premium amounting to €16,056,545.70 and carried out a capital reduction via the cancellation of 611,445 treasury shares previously bought back by the Company, on 20 June 2024.

At 30 June 2024, the share capital therefore amounted to €408,321,248.14 and consisted of 120,805,103 ordinary shares with a nominal value of €3.38 each.

15.2 TREASURY SHARES

15.2.1 HARE BUYBACK

At 30 June 2024, the Group held 3,060,863 treasury shares versus 5,384,950 treasury shares at 31 December 2023 subsequent to the following operations:

- the final allocation of 228,562 shares to certain employees (managerial staff) on 1 March 2024 under the share ownership plan;

- the cancellation of 611,445 shares to offset the dilutive impact of the capital increase reserved for employees on 20 June 2024;

- the cancellation of 1,484,080 shares as part of the capital reduction of 14 February 2024.

15.2.2 LIQUIDITY AGREEMENT

On 21 March 2024, the Verallia Group signed an amendment to the liquidity agreement reached with Rothschild Martin Maurel on 20 December 2019.

Under this amendment, the amount allocated to the liquidity account has been increased from €3.4 million to €5.0 million.

At 30 June 2024, the liquidity account amounted to €4.1 million, and the number of treasury shares held under the liquidity contract is 22,500 shares for an amount of 0.8 million euros.

15.3. TRANSLATION RESERVE

The €13.5 million decrease in the translation reserve in the first half of 2024 was primarily attributable to the depreciation of the Argentine peso.

The €23.3 million decrease in the translation reserve in the first half of 2023 was primarily attributable to the depreciation of the Argentine peso and Russian rouble.

15.4 EARNINGS PER SHARE

15.4.1 BASIC EARNING PER SHARE

Basic earnings per share were calculated based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding:

	As of 30 June	
	2024	**2023**
Group's share of net profit (loss) (in € million)	124.1	310.8
Number of shares	116,990,775	117,085,362
Basic earnings per share (in €)	**1.06**	**2.65**

15.4.2 Diluted earnings per share

Diluted earnings per share were calculated based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares:

	As of 30 June	
	2024	**2023**
Group's share of net profit (loss) (in € million)	124.1	310.8
Diluted number of shares	117,321,899	117,275,411
Diluted earnings per share (in €)	**1.06**	**2.65**

The Group factored in the dilutive impact resulting from the performance share allocation plans.

NOTE 16 – BORROWINGS AND FINANCIAL LIABILITIES

16.1 NET FINANCIAL DEBT

Net financial debt includes all financial liabilities and derivatives on current and non-current financial liabilities, minus the amount of cash and cash equivalents.

The table below shows the change in net financial debt:

(in € million)	Note	30 June 2024	31 December 2023
Financial debt - Non current	16.2	1,619.8	1,598.3
Financial debt - Current	16.2	485.7	240.5
Financial derivative instruments - net	16.2	(7.3)	0.3
Gross debt		**2,098.2**	**1,839.1**
Cash and cash equivalents	14	(452.5)	(474.6)
Net debt		**1,645.7**	**1,364.5**

16.2. CHANGE IN GROSS FINANCIAL DEBT

16.2.1 Sustainability-linked bonds

At 30 June 2024, the Company had two sustainability-linked bonds which it had issued in 2021 in compliance with the International Capital Market Association's Sustainability-Linked Bond Principles: one of a total amount of €500 million with a maturity of 7 years (to 14 May 2028) and an annual coupon of 1.625%[1] ; the other of a total amount of €500 million with a maturity of 10 years (to 10 November 2031) and an annual coupon of 1.875%[1].

The interest rate may be revised upwards starting from the first interest period following 31 December 2025 and until maturity, depending on the achievement of two sustainability performance targets:

- a reduction in Verallia's annual CO_2 emissions (scopes 1 and 2) to 2,625 kt CO_2 by 2025 (corresponding to a 15% decrease from its 2019 baseline); and
- an increase in the percentage of external cullet used in its production operations to 59% by 2025 (implying a 10-point increase from 2019).

Failure to meet either of these targets would raise the coupon by 12.5 basis points for the first bond issued in May 2021 and by 10 basis points for the second bond issued in November 2021.

16.2.2 Sustainability-linked loan : Term loan and revolving credit facility

In April 2023, Verallia arranged a €1.1 billion syndicated facility in the form of:

- a €550 million term loan and
- a €550 million revolving credit facility (RCF) which remained undrawn at 31 December 2023,

in order to refinance in advance its €1 billion syndicated facility which was signed in 2019 and scheduled to mature in 2024.

At 30 June 2024, Verallia SA therefore had a €550 million term loan and a €550 million revolving credit facility (RCF) which remained undrawn.

In March 2024, the term loan with an initial maturity of four years was extended for another year and the revolving credit facility with an initial maturity of five years was also extended for another year, pushing their maturities back to 2028 for the term loan and to 2029 for the revolving facility.

The applicable margin on the term loan was initially set at Euribor + 150 basis points with an upward or downward adjustment (margin ratchet) mechanism. The term loan is currently indexed to the 3M Euribor rate.

The terms and conditions applied to these facilities are linked to CSR indicators. These indicators can impact the margins applied upwards or downwards (± 1.⅔ bps per indicator) and are linked to the

[1] Prospectuses approved by the Autorité des marches financiers (French Financial Markets Authority) on respectively 11 May 2021 under visa 21-150 and 8 November 2021 under visa 21-477

following three objectives: a reduction in the Group's scope 1 & 2 CO_2 emissions, optimisation of water consumption in its plants, and the promotion of diversity and inclusion.

The facilities agreement also contains certain affirmative and negative covenants, for instance the Group cannot:

- grant security interests;
- divest/transfer assets; or
- conduct certain mergers, demergers, partial asset transfers and similar transactions;

with each of these cases subject to stipulated thresholds and exceptions typical in this type of financing arrangement.

The facilities agreement also includes affirmative covenants, for instance to comply with applicable laws or keep the borrowings at least at the same rank as the borrower's unsecured debts under the facilities agreement.

Last of all, should Verallia's two long-term credit ratings assigned by S&P and Moody's be downgraded to below BBB- and Baa3, respectively, the facilities agreement requires the leverage ratio (total net debt / adjusted consolidated EBITDA) to remain below 4.50x and be tested every half-year.

No payment default had arisen or persisted under the facilities agreement as at 30 June 2024.

16.2.3 Negotiable European Commercial Paper (Neu CP)

The outstanding amount issued at 30 June 2024 was €408.1 million.

At 31 December 2023, outstanding issues amounted to €158.2 million.

16.2.4 Instalment loan from Bpifrance, a Verallia shareholder (under a related-party agreement)

In December 2021, Verallia entered into an instalment loan agreement for a total principal amount of €30 million with Bpifrance.

The loan has been fully drawn with a maturity of 3 years; it carries interest at a fixed annual rate of 0.40% and has a three-year maturity. The amount outstanding at end-June 2024 was €7.5 million.

In May 2024, Verallia entered into an instalment loan agreement for a total principal amount of €30 million with Bpifrance. The loan has been fully drawn for a period of three years and carries interest at a variable rate equal to Euribor increased by a margin of 104 basis points. The amount outstanding at end-June 2024 was €30.0 million.

The purpose of this financing is to finance and/or refinance the working capital requirements and/or investment expenses of the Company and its subsidiaries in accordance with Article L. 233-3 of the Commercial Code.

The conclusion of this regulated agreement was authorized by the Board of Directors at its meeting of April 24, 2024 and will be subject to ratification by the general meeting of shareholders of the Company which will be held on April 25, 2025.

16.2.5 Credit ratings

Moody’s and Standard & Poor’s keep the Group’s credit ratings in the Investment Grade category

On 26 March 2024, Moody’s kept its long-term credit rating for the Group at Baa3 with a stable outlook.

On 24 May 2024, S&P kept its long-term credit rating for the Group at BBB- and revised its outlook from positive to stable.

At 30 June 2024

(in € million)	Notional or maximum amount	Currency	Contractual interest rate	Effective interest rate	Final maturity	Type of facility	Deferred expenses and bond premiums	Carrying amount as of 30 June 2024		Total as of 30 June 2024
								Non-current	Current	
Sustainability-Linked Bond November 2021	500.0	EUR	1.875%	2.07%	10/11/2031	Maturity	2.2	498.2	1.2	499.4
Sustainability-Linked Bond May 2021	500.0	EUR	1.625%	1.72%	14/05/2028	Maturity	1.8	493.7	6.0	499.7
Revolving credit facility (floor 0%) RCF	550.0	EUR	Euribor + 0,75%	4.58%	17/04/2029	Revolving	2.5	—	—	—
Term Loan B (floor 0%)	550.0	EUR	Euribor + 1,25%	5.17%	18/04/2028	Maturity	2.3	545.1	5.0	550.1
Lease liabilities								49.5	25.0	74.5
Other borrowings								33.2	20.1	53.4
Total long-term debt								**1,619.8**	**57.2**	**1,677.0**
Negotiable commercial paper (NEU CP)	500.0	EUR							408.1	408.1
Other borrowings									20.4	20.4
Total short-term debt								—	**428.5**	**428.5**
Total financial debt								**1,619.8**	**485.7**	**2,105.5**
Financial derivatives liability								16.5	3.8	20.3
Financial Debt and financial derivatives								**1,636.2**	**489.6**	**2,125.8**
Financial derivatives asset								(15.3)	(12.3)	(27.6)
Gross debt								**1,620.9**	**477.3**	**2,098.2**

At 31 December 2023

(in € million)	Notional or maximum amount	Currency	Contractual interest rate	Effective interest rate	Final maturity	Type of facility	Deferred expenses and bond premiums	Carrying amount as of 31 December 2023		Total as of 31 December 2023
								Non-current	Current	
Sustainability-Linked Bond November 2021	500.0	EUR	1.875%	2.07 %	10/11/2031	Maturity	6.7	493.3	1.3	494.6
Sustainability-Linked Bond May 2021	500.0	EUR	1.625%	1.72 %	14/05/2028	Maturity	2.0	498.0	5.2	503.2
Revolving credit facility (floor 0%) RCF1	550.0	EUR	Euribor + 0,75%	4.93 %	17/04/2028	Revolving	2.6	—	—	—
Term Loan A (floor 0%)	550.0	EUR	Euribor + 1,25%	5.39 %	16/04/2027	Maturity	2.5	545.0	5.2	550.2
Lease liabilities								41.3	20.2	61.5
Other borrowings								20.7	15.4	36.1
Total long-term debt								**1,598.3**	**47.3**	**1,645.6**
Negotiable commercial paper (NEU CP)	500.0	EUR							158.2	158.2
Other borrowings									35.0	35.0
Total short-term debt									**193.2**	**193.2**
Total financial debt								**1,598.3**	**240.5**	**1,838.8**
Financial derivatives liability								12.2	8.7	20.9
Financial Debt and financial derivatives liability								**1,610.5**	**249.2**	**1,859.7**
Financial derivatives asset								(16.4)	(4.2)	(20.6)
Gross debt								**1,594.1**	**245.0**	**1,839.1**

16.3 THE GROUP'S DEBT STRUCTURE

Interest rates applicable to the Group's entire portfolio of financial liabilities, after incorporating derivative instruments, break down as follows:

(in € million)	30 June 2024	31 December 2023
Total fixed-rate borrowings	1,903.2	1,642.0
Total variable-rate borrowings	195.0	197.1
Total borrowings	**2,098.2**	**1,839.1**

16.4 DEBT REPAYMENT SCHEDULE

The maturity profile of the Group's financial liabilities and derivatives is as follows:

(in € million)	30 June 2024	31 December 2023
Less than one year	477.2	245.1
Between one and five years	1,124.6	1,089.6
More than five years	496.4	504.4
Gross debt	**2,098.2**	**1,839.1**

At 30 June 2024, borrowings of under a year consisted primarily of €408.1 million of Neu CP (negotiable commercial paper) versus €158.2 million at 31 December 2023.

16.5 CHANGE IN DEBT

The change in financial debt is as follows:

(in € million)	31 December 2023	Cash inflows	Cash outflows	Discount effects and other*	Interest expense	Change in the scope of consolidation	Translation differences	30 June 2024
Non-current financial liabilities and derivatives	**1,610.5**	**31.4**	**(5.7)**	**0.7**	**—**	**(1.1)**	**0.5**	**1,636.2**
Current financial liabilities and derivatives (excluding interest)	237.3	235.5	(27.4)	26.6	5.9	(0.2)	(0.3)	477.4
Interest on long-term debt	11.8	—	(24.1)	—	24.5	—	—	12.2
Current financial liabilities and derivatives	**249.2**	**235.5**	**(51.6)**	**26.6**	**30.4**	**(0.2)**	**(0.3)**	**489.6**
Financial liabilities and financial derivatives liability	**1,859.7**	**266.9**	**(57.3)**	**27.3**	**30.4**	**(1.3)**	**0.2**	**2,125.8**
Financial derivatives asset	(20.6)	—	—	(7.2)	0.2	—	—	(27.6)
Gross debt	**1,839.1**	**266.9**	**(57.3)**	**20.1**	**30.6**	**(1.3)**	**0.2**	**2,098.2**

* Mainly consists of lease liabilities in application of IFRS 16

<u>Reconciliation with the consolidated</u> statement of cash flows		
Increase (reduction) in bank overdrafts and other short-term borrowings	235.2	
Increase in long-term debt	31.7	
Reduction in long-term debt		(25.4)
Financial interest paid		(31.9)
Total	**266.9**	**(57.3)**

NOTE 17 – PROVISIONS AND OTHER NON-CURRENT FINANCIAL LIABILITIES

The change in provisions in the first half of 2024 breaks down as follows:

(in € million)	Provisions for claims, litigation and other	Provisions for environmental risks	Provisions for restructuring and employee benefit expenses	Provisions for risks relating to associates	Other risks	Total provisions	Liabilities relating to investments	Total provisions and other liabilities
As of 31 December 2023								
Current portion	9.4	6.9	7.6	—	25.9	**49.8**	—	**49.8**
Non-current portion	—	18.2	0.4	—	26.0	**44.6**	0.9	**45.5**
Total provisions	**9.4**	**25.1**	**8.0**	**—**	**51.9**	**94.4**	**0.9**	**95.3**
Changes during the period								
Business Consolidation	—	—	—	—	(0.5)	(0.5)	—	(0.5)
Additions	1.3	1.9	10.4	—	9.7	23.3	—	23.3
Reversals (unused)	(4.0)	(2.3)	(1.0)	—	(10.7)	(18.0)	—	(18.0)
Reversals (used)	(0.6)	(1.2)	(1.1)	—	(14.6)	(17.4)	—	(17.4)
Other (reclassifications and translation differences)	(0.2)	(0.4)	(0.4)	—	0.4	(0.6)	(0.4)	(1.0)
Total changes	**(3.5)**	**(2.0)**	**7.9**	**—**	**(15.6)**	**(13.2)**	**(0.4)**	**(13.6)**
As of 30 june 2024								
Current portion	5.9	6.8	15.6	—	17.4	**45.7**	—	**45.7**
Non-current portion	—	16.3	0.3	—	18.9	**35.5**	0.5	**35.9**
Total provisions	**5.9**	**23.1**	**15.9**	**—**	**36.3**	**81.2**	**0.5**	**81.7**

The change in the provision for restructuring and personnel costs mainly corresponds to adaptation measures for the workforce following the shutdown of a furnace in Germany.

The change in the "Other risks" provision mainly corresponds to:

- the provision covering the Group's deficit situation in terms of CO_2 quotas (phase IV of the European plan), with an allocation of 8.3 million euros for deficits for the first half of 2024 and a recovery of 17.4 million euros for the restitution of quotas provisioned as of 31 december 2023.
- a reversal of the provision for risk for granted aid.

NOTE 18 – PROVISIONS FOR PENSIONS AND SIMILAR LIABILITIES

Provisions for pensions and other employee benefits break down as follows:

(in € million)	Notes	30 June 2024	31 December 2023
Annuities payable to plan beneficiaries		52.7	54.6
Flat-rate compensation		26.7	27.2
Post-employment medical benefits		3.8	4.0
Provisions for pensions and other liabilities	**18.1**	**83.2**	**85.8**
Other long-term benefits	18.2	3.1	3.1
Provisions for pensions and other employee benefits		**86.3**	**88.9**

18.1 PENSION LIABILITIES AND OTHER POST-EMPLOYMENT BENEFIT LIABILITIES

18.1.1 Main economic and financial assumptions used to measure defined benefit pension liabilities and plan assets

Pension liabilities and other post-employment benefit liabilities are calculated on an actuarial basis using the projected unit credit method applied to estimated final salaries.

In addition, the PFLSS (French social security finance bill) promulgated in France on 14 April 2023 and published in the Official Journal on 15 April 2023, raising the legal age of retirement and lengthening the period over which contributions must be paid, had a positive €0.5 million impact on the financial statements at 30 June 2023.

Rate assumptions

Assumptions about mortality, staff turnover and salary growth take into account the economic and demographic conditions of each individual country.

Discount rates are established by region depending on the bond yields of high-quality companies at the end of the financial year. The discount rates used for the Group's main plans are as follows:

(In %)	30 June 2024	31 December 2023
Discount rate	3.7% to 3.8%	3.4% to 3.5%
Salary increases including long-term inflation	1.5% to 2.0%	1.5% to 2.0%
Long-term inflation rate	2.0 %	2.0 %

18.1.2 Change in pension liabilities and other post-employment benefit liabilities

The table below shows defined benefit pension liabilities relating to the Group's pension liabilities and other post-employment benefit plans along with the corresponding plan assets:

(in € million)	Note	30 June 2024	31 December 2023
Provisions for pensions and other post-employment benefit liabilities	18	83.2	85.8
Pension plan surpluses		(2.2)	(1.7)
Net pension liabilities and other post-employment benefit liabilities		**81.0**	**84.1**

18.2 OTHER LONG-TERM BENEFITS

At 30 June 2024, provisions for other long-term employee benefits primarily included long-service awards payable by the subsidiaries in France amounting to €1.6 million (€1.6 million at 31 December 2023) and bonuses in Germany amounting to €1.0 million (€1.1 million at 31 December 2023).

Defined benefit pension liabilities are calculated on an actuarial basis according to the same method as for pension liabilities.

18.3. SHARE OWNERSHIP PLANS

Under the Group's compensation policy aimed at retaining and motivating talented employees and at involving managerial staff in its performances, the Group has since 2019 operated a long-term incentive plan in the form of bonus share awards subject to performance criteria linked to the Group's long-term strategy.

On 14 February 2024, the Board of Directors decided, in accordance with the authorisation granted by the Combined General Shareholders' Meeting of 25 April 2023, to set up a new performance share allocation plan covering a three-year period spanning 2024 to 2026 (the "2024-2026 Plan").

The final allocation of shares awarded under this 2024-2026 Plan will be subject to (a) the continued employment of the employee or executive concerned and (b) performance criteria. The 2024-2026 Plan will be aligned with any changes in market practices, in particular in terms of the performance criteria applied.

At 30 June 2024, the number of potential ordinary shares under this new plan was 318,600 (corresponding to an initial allocation of 295,000 shares authorised by the Board of Directors at its meeting of 19 October 2023).

The allocations ultimately decided under the 2021-2023 Plan resulted in the delivery of 228,562 shares on 1 March 2024 based on the percentage of the performance criteria achieved on completion of the plan.

NOTE 19 – FINANCIAL INSTRUMENTS

Classification and fair value measurement

Financial assets and liabilities are classified as follows:

		30 June 2024									
		Accounting categories						Fair value measurement based on:			
(in € million)	Notes	Amortised cost	Fair value through other comprehensive income – equity instruments	Fair value through other comprehensive income – debt instruments	Mandatorily at fair value through profit or loss	Fair value – hedging instruments	Carrying amount	Level 1: prices quoted on active markets	Level 2: significant observable inputs	Level 3: significant nonobservable inputs	Total financial instruments at fair value
Equity investments - nongroup			8.4				8.4			8.4	8.4
Loans, deposits and receipts		39.9					39.9		39.9		39.9
Trade receivables and related accounts (excluding current tax receivables)	13.2	291.6					291.6		291.6		291.6
Derivative instruments hedging financial risk						27.6	27.6		27.6		27.6
Derivative instruments hedging operating risk (*)	13.2					22.1	22.1		22.1		22.1
Cash and cash equivalents	14	399.8			52.7		452.5	438.0	14.5		452.5
Total financial assets		**731.3**	**8.4**	**—**	**52.7**	**49.7**	**842.1**	**438.0**	**395.7**	**8.4**	**842.1**
Sustainability-Linked Bond November 2021	16	(550.1)					(550.1)	(431.2)			(431.2)
Sustainability-Linked Bond May 2021	16	(499.7)					(499.7)	(458.0)			(458.0)
Term Loan A and revolving credit facility (unused)	16	(499.4)					(499.4)		(550.1)		(550.1)
Financial liabilities on finance leases	16	(74.5)					(74.5)		(74.5)		(74.5)
Other long-term liabilities	16	(53.4)					(53.4)		(53.4)		(53.4)
Total long-term debt		**(1,677.0)**	**—**	**—**	**—**	**—**	**(1,677.0)**	**(889.2)**	**(677.9)**	**—**	**(1,567.1)**
Derivative instruments hedging financial risk (**)						(20.3)	(20.3)		(20.3)		(20.3)
Total long-term debt and financial derivatives liability		**(1,677.0)**	**—**	**—**		**(20.3)**	**(1,697.3)**	**(889.2)**	**(698.2)**		**(1,587.4)**
Negotiable commercial paper (NEU CP)	16	(408.1)					(408.1)		(408.1)		(408.1)
Other short-term liabilities	16	(20.4)		—			(20.4)		(20.4)		(20.4)
Total short-term debt		**(428.5)**	**—**	**—**	**—**	**—**	**(428.5)**		**(428.5)**	**—**	**(428.5)**
Derivative instruments hedging operating risk (*)	13.3					(125.1)	(125.1)		(125.1)		(125.1)
Trade payables and related accounts	13.3	(542.5)					(542.5)		(542.5)		(542.5)
Other payables and accrued liabilities	13.3	(365.2)					(365.2)		(365.2)		(365.2)
Total financial liabilities		**(3,013.1)**	**—**	**—**	**—**	**(145.5)**	**(3,158.6)**	**(889.2)**	**(2,159.6)**	**—**	**(3,048.8)**
Total		**(2,281.8)**	**8.4**	**—**	**52.7**	**(95.8)**	**(2,316.5)**	**(451.2)**	**(1,763.9)**	**8.4**	**(2,206.6)**

(*) All commodity swaps are designated as cash flow hedges.

(**) Interest rate swaps (payer fixed/receiver variable) taken out by the Group are designated as cash flow hedges.

(in € million)	Notes	31 December 2023									
		Accounting categories						Fair value measurement based on:			
		Amortised cost	Fair value through other comprehensive income – equity instruments	Fair value through other comprehensive income – debt instruments	Mandatorily at fair value through profit or loss	Fair value – hedging instruments	Carrying amount	Level 1: prices quoted on active markets	Level 2: significant observable inputs	Level 3: significant nonobservable inputs	Total financial instruments at fair value
Equity investments - nongroup			8.2				8.2			8.2	8.2
Loans, deposits and receipts		28.6					28.6		28.6		28.6
Trade receivables and related accounts (excluding current tax receivables)	13.2	232.4					232.4		232.4		232.4
Derivative instruments hedging financial risk						20.6	20.6		20.6		20.6
Derivative instruments hedging operating risk (*)	13.2					27.6	27.6		27.6		27.6
Cash and cash equivalents	14	349.7			124.9		474.6	450.1	24.5		474.6
Total financial assets		**610.7**	**8.2**	**—**	**124.9**	**48.2**	**792.0**	**450.1**	**333.6**	**8.2**	**792.0**
Sustainability-Linked Bond November 2021	16	(550.2)					(550.2)	(439.6)			(439.6)
Sustainability-Linked Bond May 2021	16	(503.2)					(503.2)	(467.1)			(467.1)
Term Loan A and revolving credit facility (unused)	16	(494.6)					(494.6)		(550.2)		(550.2)
Financial liabilities on finance leases	16	(61.5)					(61.5)		(61.5)		(61.5)
Other long-term liabilities	16	(36.1)		—			(36.1)		(36.1)		(36.1)
Total long-term debt		**(1,645.6)**	**—**	**—**	**—**	**—**	**(1,645.6)**	**(906.7)**	**(647.8)**	**—**	**(1,554.5)**
Derivative instruments hedging financial risk (**)						(20.9)	(20.9)		(20.9)		(20.9)
Total long-term debt and financial derivatives liability		**(1,645.6)**	**—**	**—**	**—**	**(20.9)**	**(1,666.5)**	**(906.7)**	**(668.7)**		**(1,575.4)**
Negotiable commercial paper (NEU CP)	16	(158.2)					(158.2)		(158.2)		(158.2)
Other short-term liabilities	16	(35.0)		—			(35.0)		(35.0)		(35.0)
Total short-term debt		**(193.2)**	**—**	**—**	**—**	**—**	**(193.2)**		**(193.2)**		**(193.2)**
Derivative instruments hedging operating risk (*)	13.3					(182.2)	(182.2)		(182.2)		(182.2)
Trade payables and related accounts	13.3	(627.1)					(627.1)		(627.1)		(627.1)
Other payables and accrued liabilities	13.3	(440.4)					(440.4)		(440.4)		(440.4)
Total financial liabilities		**(2,906.3)**	**—**	**—**	**—**	**(203.1)**	**(3,109.4)**	**(906.7)**	**(2,111.6)**	**—**	**(3,018.3)**
Total		**(2,295.6)**	**8.2**	**—**	**124.9**	**(154.9)**	**(2,317.4)**	**(456.6)**	**(1,778.0)**	**8.2**	**(2,226.3)**

(*) All commodity swaps are designated as cash flow hedges.

(**) Interest rate swaps (caps, spread caps, CCS) taken out by the Group are designated as cash flow hedges.

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants.

Fair value is based on market inputs and commonly used valuation models and may be confirmed in the case of complex instruments by reference to values quoted by independent financial institutions.

NOTE 20 – RELATED PARTIES

The main change in relation to related parties transactions, in comparison with the annual latest consolidated financial statements, is the following:

In December 2021, Verallia entered into an amortizable loan agreement for a total principal amount of €30 million with Bpifrance.

The loan has been fully drawn; it bears interest at a fixed annual rate of 0.40% and has a three-year maturity. The amount outstanding at end-June 2024 was €7.5 million.

In May 2024, Verallia entered into an amortizable loan agreement for a total principal amount of €30 million with Bpifrance. The loan has been fully drawn, bears a variable interest rate composed of Euribor plus a margin of 104 basis points and has a three-year maturity. The amount outstanding at end-June 2024 was €30.0 million.

The purpose of the loan is to finance and/or refinance the working capital requirements and/or capital expenditure of the Company and its subsidiaries within the meaning of Article L. 233-3 of the French Commercial Code.

The conclusion of this related-party agreement was authorized by the Board of Directors at its meeting of 24 April 2024 and will be subject to ratification by the Company's General Meeting of Shareholders to be held on 25 April 2025.

NOTE 21 – CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET COMMITMENTS

The main changes that occurred during the first half of 2024 mainly correspond to the decrease in our commitments to purchase property, plant, and equipment, as well as raw materials, due to the decline in activity and adaptation measures.

NOTE 22 – EVENTS AFTER THE CLOSING DATE

The Verallia Group announced on 4 July 2024 that it had completed the acquisition of Vidrala's glass business in Italy.

Vidrala's Italian subsidiary operates from a production facility equipped with two furnaces and located in Corsico near Milan. The company generated €131 million revenue and €33 million EBITDA in 2023.

The transaction involves an enterprise value of €230 million and was financed using external debt. In April 2024, for the purpose of financing this acquisition, Verallia signed a three-year term loan agreement, including two one-year extension options, with a pool of international banks in the total principal amount of €250.0 million available subject to delivery of conditions precedents. Loan was fully drawn on 1 July 2024.

Following this acquisition, the Verallia Group now operates seven production sites in Italy.

No other events took place after the reporting period that might have a significant impact on the Group's operations, financial position, results or assets at 30 June 2024.

4. STATUTORY AUDITORS' REVIEW REPORT ON THE 2024 INTERIM FINANCIAL INFORMATION

For the period from January 1st, 2024 to June 30, 2024

This is a free translation into English of the statutory auditors' review report on the interim financial information issued in French language and is provided solely for the convenience of English speaking readers. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

VERALLIA SA

Tour Carpe Diem

31, Place des Corolles - Esplanade Nord

92400 Courbevoie

In compliance with the assignment entrusted to us by your Shareholders' Meeting and by the decision of the sole shareholder and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial code (Code *monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Verallia SA, for the period from January 1st, 2024 to June 30, 2024;
- the verification of the information presented in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A 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 review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France 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.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris, July 24, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit	BM&A
Nicolas Brunetaud	Eric Seyvos