INTERIM FINANCIAL REPORT - 30 JUNE 2022

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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 2022

The first half of 2022 saw very strong growth in revenue. The trends observed in the first half of 2022 included the following:

- a 23.4% increase in revenue to €1,638.9 million (+22.8% at constant scope and exchange rates), including +23.0% in the second quarter (+21.9% at constant scope and exchange rates) compared with the second quarter of 2021.
- a 23.4% increase in adjusted EBITDA to €425.4 million (+22.8% at constant scope and exchange rates) and an adjusted EBITDA margin of 26.0% compared with 26.0% in the first half of 2021.

Net profit increased in the first half of 2022 to €178.8 million (versus €132.5 million at 30 June 2021).

Last of all, the Group improved its leverage ratio, with net debt reaching €1,146.6 million (versus € 1,268.4 million at 31 December 2021); this reflects last 12-month adjusted EBITDA ratio of 1.5x compared with 1.9x at 31 December 2021.

- **Results of the voting at the General Meeting on 11 May 2022 and changes in governance**

With a quorum of 76.9%, the General Meeting of the Company's Shareholders on 11 May 2022 adopted all the resolutions put to the vote.

The General Meeting also voted for a cash dividend of €1.05 per share, with an ex-dividend date of 19 May 2022 and a payment date of 23 May 2022.

At the end of the General Meeting, Michel Giannuzzi stepped down as Chief Executive Officer of the Company, in accordance with his wish to retire announced on 6 December 2021, and in the interest of applying best governance practices. Michel Giannuzzi continues to serve as Chairman of the Board of Directors and Patrice Lucas, who joined the Group on 1 February 2022 as a Deputy Chief Executive Officer, has been appointed as Chief Executive Officer and joins the Board of Directors as a Director.

The Board of Directors now has 13 members, including 5 independent directors, 2 employee-representative directors and 1 director representing employee shareholders. On the recommendation of the Nominations Committee, the Board of Directors has decided that the composition of the Board's Committees is now as follows:

- **Audit Committee:** Marie-José Donsion (Chairwoman), Brasil Warrant Administração de Bens e Empresas S.A. (represented by Marcia Freitas) and Didier Debrosse;
- **Compensation Committee:** Cécile Tandeau de Marsac (Chairwoman), BW Gestão de Investimentos Ltda. (represented by João Salles), Marie-José Donsion, Pierre Vareille and Dieter Müller;
- **Nominations Committee:** Cécile Tandeau de Marsac (Chairwoman), BW Gestão de Investimentos Ltda. (represented by João Salles), Virginie Hélias and Pierre Vareille;
- **Sustainable Development Committee:** Virginie Hélias (Chairwoman), Bpifrance Investissement (represented by Sébastien Moynot), Michel Giannuzzi, Xavier Massol and Beatriz Peinado Vallejo; and
- **Strategic Committee:** Michel Giannuzzi (Chairman), BW Gestão de Investimentos Ltda. (represented by João Salles), Pierre Vareille and Didier Debrosse.

- **Success for the 7th edition of the employee shareholding offer, held in 2022**

At the close of business on 23 June 2022, more than 3,200 employees (i.e. 41% of eligible employees across 8 countries) had invested in the Group, benefiting from an attractive unit subscription price of €21.22. The total investment of the Group's employees (including the Company's contribution) amounts to nearly €13 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, in order to neutralise the dilutive effect of this operation, the Company proceeded at the same time to a capital reduction by cancellation of 611,445 treasury shares acquired under the share buyback programme.

In just seven years, these operations have already enabled more than 45% of employees to become Verallia shareholders, directly and through the Verallia FCPE (Verallia employee investment fund), as part of the successive offers reserved for them. Employees now hold 4.1% of the Company's capital.

- **Dividend payout**

The Company's Combined General Shareholders' Meeting of 11 May 2022 voted in favour of paying out a cash dividend of €1.05 per share. The dividend was paid on 23 May 2022.

- **Squeeze-out of Verallia Deutschland minority shareholders by Verallia Packaging**

On 30 June, Verallia Packaging initiated the privatisation of its subsidiary Verallia Deutschland AG, 96,76% of which is owned indirectly and listed on the Frankfurt Stock Exchange in the regulated market (also traded on the regulated market of the München and Stuttgart stock exchanges). Verallia Deutschland AG was valued at €620.06 per bearer share by two independent valuers.

The resolution required to buy back minority shareholders' stock must be adopted during the Annual General Meeting of Verallia Deutschland AG on 24 August 2022.

- **Conflict between Ukraine and Russia**

The Group has little exposure to Ukraine; it has one plant located in the west of the country and revenue generated in the country accounts for less than 2% of the Group's total revenue. When the conflict began at the end of February, the Group decided to halt production at its local plant while keeping its two furnaces in hot condition. Since then, at the request of its local customers and local teams, one of the two furnaces has resumed production, mainly to produce food jars, while the other has been turned off, emptied, and cooled down in order to keep it in good condition. The Group decided to keep all Ukrainian teams in employment and continue paying their salaries, thereby incurring the associated costs.

Russia, meanwhile, accounts for less than 3.5% of the Group's revenue which it generates from a local operation in the country. Exports and new investments have been discontinued. These activities are considered to be essential to the food supply chain and the Group has therefore decided to maintain its Russian operations.

The conflict between Russia and Ukraine has pushed energy prices and inflation sharply upwards. Verallia has an energy price hedging strategy that minimises its exposure to price fluctuations. Verallia's policy for managing its selling prices and industrial performance is enabling it to cope with the inflation.

2.2 ANALYSIS OF THE RESULTS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2022 AND 30 JUNE 2021

The table below shows the Group's consolidated statement of income for each of the six-month periods ended 30 June 2022 and 30 June 2021.

(in € million)	30 June 2022	30 June 2021
Revenue	**1,638.9**	**1,327.7**
Cost of sales	(1,235.0)	(1,006.0)
Selling, general and administrative expenses	(97.5)	(86.9)
Acquisition-related items	(31.9)	(29.9)
Other operating income and expenses	2.9	2.2
Operating profit	**277.4**	**207.1**
Financial income	**(30.2)**	**(32.3)**
Profit before tax	**247.2**	**174.8**
Income tax	(68.9)	(43.5)
Share of net profit (loss) of associates	0.5	1.2
Net profit	**178.8**	**132.5**

2.2.1 REVENUE

The Group generated €1,638.9 million revenue in the first half of 2022 compared with €1,327.7 million in the first half of 2021, reflecting a +23.4% increase.

Exchange rate variations had a +0.6% impact over the first half of the year, corresponding to +€8.6 million, largely due to the strengthening of the Brazilian real and Eastern European currencies.

- **Change in revenue by type of effect in millions of euros in H1 2022**

In € million	
H1 2021 revenue	**1,327.7**
Volume effect	+41.1
Price/Mix effect	+261.5
Exchange rate effect	8.6
H1 2022 revenue	**1,638.9**

At constant exchange rates and scope, revenue rose sharply in the first half of the year, up +22.8% (+21.5% excluding Argentina) thanks to higher volumes. This increase was particularly strong in the first quarter but volumes declined slightly in the second. This was due to the less favourable comparative basis: volumes in Q2 2021 saw considerable growth as cafés, hotels and restaurants gradually reopened.

All product categories reported an increase in sales volumes over the first half of the year, with particularly strong momentum in spirits, food jars and sparkling wines.

As announced, Verallia implemented two successive sales price increases in Europe in Q1 and Q2 to offset the significant inflation in production costs seen since the end of 2021. The price-mix effect over the semester accounted for around 20% of sales.

- ### Comparison between the first and second quarters of 2022

In € million	Q2		Q1	
	2022	2021	2022	2021
Revenue	**889.0**	**722.9**	**749.9**	**604.9**
Reported growth	+23.0%		+24.0%	
Organic growth	+21.9%		+23,9%	

- ### Change in revenue by region

(in € million)	30 June 2022	Change 2021 - 2022		30 June 2021
		In € million	In %	
Southern and Western Europe	1,136.3	208.4	22.5%	927.9
Northern and Eastern Europe	307.8	49.9	19.3%	257.9
Latin America	194.8	52.9	37.3%	141.9
Consolidated revenue	**1,638.9**	**311.2**	**23.4%**	**1,327.7**

- ### Southern and Western Europe

Revenue in Southern and Western Europe increased during the six-month period ended 30 June 2022 by €208.4 million, i.e. by +22.5% based on reported data and by +22.4% at constant scope and exchange rates, from €927.9 million for the six-month period ended 30 June 2021 to €1,136.3 million for the six-month period ended 30 June 2022.

Over the first half of the year, volumes increased across all countries and product categories except for beer notably in France and in Italy. Spirits continued to record strong growth across all countries in the region. Sparkling wine volumes also expanded considerably, in part thanks to the continued brisk sales of Prosecco and a good start to the year for champagne. Sales volumes for food jars also rose sharply and are doing particularly well in France, for example.

- ### Northern and Eastern Europe

Revenue in Northern and Eastern Europe increased during the six-month period ended 30 June 2022 by €49.9 million, i.e. by +19.3% based on reported data and by +17.6% at constant exchange rates, from €257.9 million for the six-month period ended 30 June 2021 to €307.8 million for the six-month period ended 30 June 2022.

Sales volumes remained positive for the first half of the year, particularly for still wines and food jars in Germany, despite losses from the closure of a furnace in Ukraine. The Group decided to halt production at one of its two furnaces in Ukraine in Q2 2022. The first furnace was emptied and cooled in order to keep it in good condition, while the second is now focused on producing mostly food jars. As detailed in Chapter 5.4.2.2. "Outlook for the financial year ending on 31 December 2022" of the 2021 Universal Registration Document published on 29 March 2022, the Group's exposure to

Ukraine remains limited, with one plant located in the West of the country and revenue totalling around €50 million in 2021 (less than 2% of Group revenue).

- **Latin America**

Revenue in Latin America grew during the six-month period ended 30 June 2022 by €52.9 million, i.e. by +37.3% based on reported data and by +35.0% excluding the effects of local currencies evolution (+23.8% organic growth excluding Argentina), from €141.9 million for the six-month period ended 30 June 2021 to €194.8 million for the six-month period ended 30 June 2022. Over the first half of the year, sales volumes in Brazil and Chile rose considerably, while production was limited in Argentina due to a furnace requiring repair.

2.2.2 COST OF SALES

The cost of sales rose from €1,006.0 million at 30 June 2021 to €1,235.0 million at 30 June 2022, i.e. by €229 million (+22.8%), primarily due to production cost inflation.

As a percentage of revenue, the cost of sales contracted by 41 basis points in comparison with 2021, from 75.8% to 75.4%. The cost of sales therefore rose in proportion with the rise in revenue.

2.2.3 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses rose by €10.6 million, i.e. by +12.2%, from €86.9 million during the six-month period ended 30 June 2021 to €97.5 million for the six-month period ended 30 June 2022.

As a percentage of revenue, selling, general and administrative expenses sales contracted by 60 basis points in comparison with 2021, from 6.5% to 5.9%.

2.2.4 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses improved during the first half of 2022 from net income of €2.2 million at 30 June 2021 to net income of €2.9 million at 30 June 2022, i.e. an improvement of €0.7 million.

2.2.5 OPERATING PROFIT

Operating profit increased by €70.3 million, i.e. by +33.9%, in the six-month period ended 30 June 2022, from €207.1 million for the six-month period ended 30 June 2021 to €277.4 million for the six-month period ended 30 June 2022.

Operating profit improved during the six-month period ended 30 June 2022 primarily because of a positive spread generated at Group level during the six-month period. Activity improved thanks to higher sales volumes as well as a favourable variation in inventories (less destocking than last year and an inventory revaluation).

A product mix that remained strong and a net reduction in production cash costs (+€14 million from the Performance Action Plan) also contributed to this improvement.

2.2.6 FINANCIAL RESULT

Finance costs decreased by €2.1 million, i.e. by -6.5%, from a net expense of €32.3 million for the six-month period ended 30 June 2021 to a net expense of €30.2 million for the six-month period ended 30 June 2022.

Finance costs decreased for the following reasons: (i) lower borrowing costs, mostly thanks to the accelerated amortisation of Term Loan A upfront fees in 2021 following the partial reimbursement of €500.0 million of this loan and the unwinding of some of the related interest rate swaps (+€4.1 million) and (ii) higher financial investment income, primarily in Argentina (+€3.1 million); these factors were partially offset by negative variations in the foreign exchange impact (-€3.8 million) and in hyperinflationary effects in Argentina (-€1.6 million).

2.2.7 INCOME TAX

Income taxes increased by €25.4 million, i.e. by 58.4%, during the six-month period ended 30 June 2022 from €43.4 million for the six-month period ended 30 June 2021 to €68.9 million for the six-month period ended 30 June 2022. Overall, the effective tax rate in the first half of 2022 was 27.9% compared with 24.9% in the first half of 2021.

The effective tax rate is higher in 2022 mainly due to the inclusion in 2021 of the tax effects of the revaluation of certain assets in the individual financial statements for Italy.

2.2.8 NET PROFIT (LOSS)

Net profit increased during the six-month period ended 30 June 2022 from €132.5 million, i.e. 10.0% of revenue, for the six-month period ended 30 June 2021 to €178.8 million, i.e. 10.9% of revenue, for the six-month period ended 30 June 2022. It rose mostly thanks to improved adjusted EBITDA and lower financial expenses, which more than offset the increase in income tax.

Net income for H1 2022 includes an amortisation expense related to customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, of €23 million and €0.20 per share (net of taxes). If this expense had not been taken into account, net income would be €202 million and €1.68 per share. This expense was €22 million and €0.18 per share in H1 2021.

The share of net profit (loss) attributable to the Company's shareholders amounted to €173.8 million during the six-month period ended 30 June 2022 versus €130.9 million during the six-month period ended 30 June 2021. The share attributable to non-controlling interests amounted to €5.0 million during the six-month period ended 30 June 2022 versus €1.6 million during the six-month period ended 30 June 2021.

2.2.9 ADJUSTED EBITDA

Adjusted EBITDA increased by 23.4% in the first half of 2022 to €425.4 million compared with €344.7 million in the first half of 2021. The increase at constant scope and exchange rates was 22.8%.

The slightly positive exchange rates effect amounted to +€2.2 million thanks to the strengthening of the Brazilian real and Eastern European currencies.

Despite the unprecedented increase in production costs, Verallia generated a positive spread of €7.1 million at Group level over the first half of the year (and €41 million over the second quarter). Activity improved as a result of higher sales volumes, as well as positive changes in inventories (lower destocking compared to the previous year and stock valuation). A product mix that remained strong and a net reduction in production cash costs (+€14 million from the Performance Action Plan) also contributed to this improvement.

The adjusted EBITDA margin reached 26.0% over the first half of the year, despite the dilutive effect of the marked increases in sales prices implemented in the first half of the year.

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

(in € million)	
Adjusted EBITDA at 30 June 2021	**344.7**
Activity contribution	58,7
Spread Price-Mix/ Costs	7,1
Net productivity	14,2
Exchange rate	2,2
Other	(1.5)
Adjusted EBITDA at 30 June 2022	**425.4**

- ## Comparison between the first and second quarters of 2021 and 2022

In € million	Q2		Q1	
	2022	2021	2022	2021
Adjusted EBITDA	**242.8**	**193.0**	**182.7**	**151.7**
Adjusted EBITDA margin	*27.3%*	*26.7%*	*24.4%*	*25.1%*

- ## Change by operating segment between the first half of 2020 and first half of 2021

(in € million)	30 June 2022	Variation 2021 – 2022		30 June 2021
		In € million	In %/bp	
Southern and Western Europe				
Adjusted EBITDA	286.1	54.3	23.4%	231.8
Adjusted EBITDA margin	25.2%	-	+20 Pb	25.0%
Northern and Eastern Europe				
Adjusted EBITDA	59.9	1.6	2.7%	58.3
Adjusted EBITDA margin	19.5%	-	-314 Pb	22.6%
Latin America				
Adjusted EBITDA	79.4	24.8	45.4%	54.6
Adjusted EBITDA margin	40.8%	-	+229 Pb	38.5%
Consolidated adjusted EBITDA	**425.4**	**80.7**	**23.4%**	**344.7**
Consolidated adjusted EBITDA margin	**26.0%**	**-**	**0**	**26.0%**

- **Southern and Western Europe**

In Southern and Western Europe, adjusted EBITDA increased by €54.3 million, i.e. by 23.4%, during the six-month period ended 30 June 2022 from €231.8 million for the six-month period ended 30 June 2021 to €286.1 million for the six-month period ended 30 June 2022. The adjusted EBITDA margin expanded by 20 basis points to 25.2% in the first half of 2022 from 25.0% in the first half of 2021.

Higher sales volumes and a positive product mix drove the increase in EBITDA. The inflation spread was slightly negative for the first half of the year but became positive in the second quarter thanks to the sales price increases implemented since the start of the year.

- **Northern and Eastern Europe**

In Northern and Eastern Europe, adjusted EBITDA increased by €1.6 million, i.e. by 2.7%, during the six-month period ended 30 June 2022 from €58.3 million for the six-month period ended 30 June 2021 to €59.9 million for the six-month period ended 30 June 2022.

Despite the growth in volumes over the period, the region was negatively affected by the deteriorating geopolitical situation, prompting the shutdown of one of the two furnaces in Ukraine and supply constraints that have disrupted operations. In addition, the Group has decided to support all its Ukrainian people maintaining full salaries and thereby incurring the associated costs.

- **Latin America**

In Latin America, adjusted EBITDA increased by €24.8 million, i.e. by 45.4%, during the six-month period ended 30 June 2022 from €54.6 million for the six-month period ended 30 June 2021 to €79.4 million for the six-month period ended 30 June 2022.

Both adjusted EBITDA and the adjusted EBITDA margin expanded (by +229 basis points to 40.8% in the first half of 2022 from 38.5% in the first half of 2021). This impressive performance is the result of all of the Group's levers for improving profitability coming together, including an increase in sales volumes, a positive spread thanks to dynamic price management and, above all, outstanding industrial performance.

2.3 KEY PERFORMANCE INDICATORS

The Group uses revenue, adjusted EBITDA, Operating cash flow, Cash conversion, Free Cash Flow 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 flow, Cash conversion and Free Cash Flow 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 flow, Cash conversion and Free Cash Flow 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 2022	30 June 2021	Change
Adjusted EBITDA	**425.4**	**344.7**	**80.7**
Adjusted EBITDA margin	**26.0%**	**26.0%**	**0%**
Cash conversion	***77,4%***	***68,3%***	***+911 Pb***

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 flow corresponds to cash flow plus the change in operating working capital requirement.

Free Cash Flow corresponds to Operating cash flow adjusted for other operating impacts.

Reconciliation of operating profit to adjusted EBITDA and Operating cash flow:

(in € million)	30 June 2022	30 June 2021
Operating profit	**277.4**	**207.1**
Depreciation, amortisation and impairment (1)	142.3	136.2
Restructuring costs (2)	0.5	(2.7)
IAS 29, Hyperinflation (Argentina)	(0.3)	(0.7)
Management share ownership plan and associated costs (3)	4.5	4.4
Other (4)	1.0	0.4
Adjusted EBITDA	**425.4**	**344.7**
Capex (5)	(96.3)	(109.4)
Cash flow	**329.1**	**235.3**
Change in operating working capital requirement (6)	(15.4)	(23.7)
Operating cash flow	**313.7**	**211.6**
Other operating impact (7)	(26.1)	(39.7)
Interest paid & other financial costs	(16.4)	(23.4)
Tax paid	(44.8)	(36.9)
Free Cash Flow	**226.4**	**111.6**

(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) In 2021, corresponds mainly to the transformation plan carried out in France, including the costs of shutting down a furnace and redundancy aid measures (Note 6.2 of the Group's condensed interim consolidated financial statements).

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

(4) In 2022, corresponds mainly to the additional consideration received from the sale of shares in Thierry Bergeon Embouteillage.
(5) Excluding rights of use under IFRS 16.
(6) Taking into account only the impact of cash flows (note 13 to the Group's consolidated financial statements).
(7) 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 flow increased by €102.1 million in the six-month period ended 30 June 2022. This rise was driven by higher adjusted EBITDA (which increased by €80.7 million) and a more favourable change in net working capital.

Free Cash Flow amounted to €226.4 million in the six-month period ended 30 June 2022, representing a sharp increase compared to €111.6 million in the six-month period ended 30 June 2021.

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 2022	30 June 2021
Adjusted EBITDA	**425.4**	**344.7**
Capex	(96.3)	(109.4)
Cash flows	***329.1***	***235.3***
Cash conversion	***77.4%***	***68.3%***

The Group's cash conversion increased from 68.3% to 77.4% in the six-month period ended 30 June 2022 and remains high. It rose mainly because adjusted EBITDA increased (+23.4%) while capex decreased (-12.0%) for reasons relating to the furnace repair schedule.

2.4 CONSOLIDATED GROUP CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2022 AND 30 JUNE 2021

The table below sets out the Group's cash flows for the six-month periods ended 30 June 2022 and 30 June 2021:

(in € million)	30 June 2022	30 June 2021	Change
Net cash flows from operating activities	373.4	286.1	87.3
Net cash flows from (used in) investing activities	(127.4)	(149.8)	22.4
Net cash flows from (used in) financing activities	(91.1)	(115.2)	24.1
Increase (decrease) in cash and cash equivalents	**154.9**	**21.1**	**133.8**
Impact of changes in foreign exchange rates on cash and cash equivalents	*2.8*	*(0.1)*	*2.9*
Cash and cash equivalents at beginning of the period	**494.6**	**476.2**	**18.4**
Closing cash and cash equivalents	**652.3**	**497.2**	**155.1**

At 30 June 2022, the Group's cash and cash equivalents amounted to €652.3 million compared to €497.2 million at 30 June 2021.

2.4.1. NET CASH FLOWS FROM OPERATING ACTIVITIES

The following table sets out net cash flows from the Group's operating activities for the periods ended 30 June 2022 and 30 June 2021:

(in € million)	30 June 2022	30 June 2021	Change
Net profit	**178.8**	**132.5**	**46.3**
Share of net profit of associates, net of dividends received	(0.5)	(1.2)	0.7
Depreciation, amortisation and impairment of assets	142.3	136.2	6.1
Gains and losses on disposals of assets	(3.7)	1.1	(4.8)
Interest expense on financial liabilities	14.3	17.1	(2.8)
Unrealised foreign exchange gains and losses	6.1	2.1	4.0
Gain/loss on net monetary position (IAS 29, Hyperinflation)	6.5	5.8	0.7
Unrealised gains and losses on changes in the fair value of derivatives	4.3	4.1	0.2
Change in inventories	(17.0)	29.9	(46.9)
Change in trade receivables, trade payables and other receivables and payables	24.0	(17.3)	41.3
Current tax expense	64.1	61.5	2.6
Taxes paid	(44.8)	(36.9)	(7.9)
Changes in deferred taxes and provisions	(1.0)	(48.8)	47.8
Net cash flows from operating activities	**373.4**	**286.1**	**87.3**

Net cash flows from the Group's operating activities amounted to €373.4 million for the six-month period ended 30 June 2022, compared to €286.1 million for the six-month period ended 30 June 2021.

The €87.3 million increase in net cash flows from the Group's operating activities between the two six-month periods ended 30 June 2021 and 30 June 2022 stemmed primarily from the increase in net profit and favourable variations in deferred taxes and provisions.

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 2022 and 30 June 2021:

(in € million)	30 June 2022	30 June 2021	Change
Acquisition of property, plant and equipment and intangible assets	(96.3)	(109.4)	13.1
Increase (decrease) in debt on fixed assets	(29.8)	(38.7)	8.9
Acquisitions of subsidiaries, net of cash acquired	(1.6)	—	(1.6)
Deferred payment related to acquisition of subsidiary	(0.4)	—	(0.4)
Capital expenditure	**(128.1)**	**(148.1)**	**20.0**
Disposals of property, plant and equipment and intangible assets	4.9	(0.7)	5.6
Disposals	**4.9**	**(0.7)**	**5.6**
Increase in loans, deposits and short-term borrowings	(5.5)	(1.4)	(4.1)
Reduction in loans, deposits and short-term borrowings	1.3	0.4	0.9
Changes in loans and deposits	**(4.2)**	**(1.0)**	**(3.2)**
Net cash flows used in investing activities	**(127.4)**	**(149.8)**	**22.4**

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 €96.3 million at 30 June 2022 versus €109.4 million at 30 June 2021.

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 2022 and 30 June 2021:

(in € million)	30 June 2022	30 June 2021	Change
Capital increase (decrease)	13.0	15.7	(2.7)
Dividends paid	(122.7)	—	(122.7)
(Increase) decrease in treasury stock	(0.5)	(109.2)	108.7
Transactions with shareholders	**(110.2)**	**(93.5)**	**(16.7)**
Capital increases of subsidiaries subscribed by third parties	—	—	—
Dividends paid to non-controlling interests by consolidated companies	(0.6)	(1.2)	0.6
Transactions with non-controlling interests	**(0.6)**	**(1.2)**	**0.6**
Increase (decrease) in bank overdrafts and other short-term borrowings	50.1	14.3	35.8
Increase in long-term debt	4.0	501.9	(497.9)
Decrease in long-term debt	(20.4)	(515.6)	495.2
Financial interest paid	(14.0)	(21.1)	7.1
Change in gross debt	**19.7**	**(20.5)**	**40.2**
Net cash flows from financing activities	**(91.1)**	**(115.2)**	**24.1**

Net cash flows from the Group's financing activities amounted to -€91.1 million for the six-month period ended 30 June 2022 compared to -€115.2 million for the six-month period ended 30 June 2021.

The main cash flows generated during the six-month period ended 30 June 2022 resulted from:

- transactions with shareholders amounting to -€110.2 million, including the capital increase reserved for employees to which €13.0 million was subscribed, the dividend payment made to shareholders corresponding to -€122.7 million, and the share buyback which totalled -€0.5 million as part of the liquidity contract.

- the €19.7 million change in gross debt, including (i) an increase in the cash collateral received under hedging transactions corresponding to €50.0 million, (ii) a decrease in long-term debt corresponding to -€16.4 million, (iii) interest payments corresponding to -€14.0 million (see Note 16 "Borrowings and financial liabilities" of the Group's condensed interim consolidated financial statements for the period ended 30 June 2022).

2.5 CHANGE IN AND COST OF DEBT

The Group's gross financial debt at 30 June 2022 totalled €1,798.9 million versus €1,763.0 million at 31 December 2021. Net financial debt decreased from €1,268.4 million at 31 December 2021 to €1,146.6 million at 30 June 2022.

At 30 June 2022, the Group's variable-rate financial debt portfolio after taking account of derivative instruments totalled €15.1 million, i.e. 0.8% of its gross financial debt (€18.1 million at 31 December 2021).

The cost of net financial debt during the six-month period ended 30 June 2022 came to €14.0 million (versus €17.5 million at 30 June 2021).

The Group's net debt/adjusted EBITDA ratio stood at 1.5x, which is lower than the 1.9x registered on 31 December 2021. The Group made sure to pursue its balance sheet optimisation policy in the first half of 2022, so this leverage ratio remains well below the maximum threshold of 5.0x adjusted EBITDA authorised in Verallia's financing documentation.

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 Russian rouble 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 +€2.3 million for the six-month period ended 30 June 2022, compared with +€2.1 million for the six-month period ended 30 June 2021. 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 2022 and 30 June 2021 amounted to respectively €96.3 million (of which €69.0 million in recurring capex and €27.3 million in strategic capex) and €109.4 million (of which €98.2 million in recurring capex and €11.2 million in strategic capex).

In the first half of 2022, these investments mainly consisted of the new furnace in Brazil (Jacutinga) and furnace renovations in Europe. In the first half of 2021, they mainly consisted of furnace renovations in Europe. In 2021, the majority of furnace renovations took place in the first half of the year, whereas in 2022 they will take place in the second half.

Strategic capex will consist mainly of the new furnaces in Brazil (Jacutinga and Campo Bom) and Italy (Pescia), and investments geared towards reducing CO2 emissions.

2.8 ACQUISITIONS, DISPOSALS AND CHANGES IN SCOPE

There were no significant changes in the scope of consolidation during the first half of 2022.

2.9 RELATED PARTY TRANSACTIONS

The Group did not enter into any related party transactions other than those described in Note 22 of the consolidated financial statements included in its 2021 Universal Registration Document and in Note 20 of the condensed interim consolidated financial statements included in this report.

2.10 FORESEEABLE DEVELOPMENT OF THE GROUP

It should be noted that the direct and indirect consequences of the conflict in Ukraine could still change substantially, which is likely to affect forecasts.

In the absence of significant energy rationing for Verallia in Europe, the Group anticipates a double-digit growth in its annual revenue with markets that remain promising.

With the first half of the year characterised by high levels of inflation, Verallia predicts that production costs will continue to rise over the rest of the year.

Despite this context and following a strong first half of the year, the Group is increasing its adjusted EBITDA target to between €750 million and €800 million for 2022.

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 2021 Universal Registration Document.

3. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € million)	Note	30 June 2022	31 December 2021
ASSETS			
Goodwill	9	538.2	530.2
Other intangible assets	10	343.4	372.2
Property, plant and equipment	11	1,403.7	1,351.1
Investments in associates		5.9	5.1
Deferred tax		12.3	64.7
Other non-current assets		292.9	152.1
Non-current assets		**2,596.4**	**2,475.4**
Short-term portion of non-current assets		1.3	1.3
Inventories	13.1	433.2	404.3
Trade receivables and other current assets	13.2	840.6	440.1
Current tax receivables	13	0.9	1.2
Cash and cash equivalents	14	652.3	494.6
Current assets		**1,928.3**	**1,341.5**
Total Assets		**4,524.7**	**3,816.9**
EQUITY & LIABILITIES			
Share capital	15.1	413.3	413.3
Consolidated reserves	15	805.5	333.1
Equity attributable to shareholders		**1,218.8**	**746.4**
Non controlling interests		68.6	53.3
Equity		**1,287.4**	**799.7**
Non-current financial liabilities and derivatives	16	1,559.2	1,569.0
Provisions for pensions and other employee benefits	18	88.8	117.5
Deferred tax		328.7	263.8
Provisions and other non-current financial liabilities	17	20.5	21.3
Non-current liabilities		**1,997.2**	**1,971.6**
Current financial liabilities and derivatives	16	252.2	197.2
Current portion of provisions and other non-current financial liabilities	17	36.7	39.5
Trade payables	13.3	660.2	521.4
Current tax liabilities	13	36.2	23.6
Other current liabilities	13.3	254.8	263.9
Current liabilities		**1,240.1**	**1,045.6**
Total Equity and Liabilities		**4,524.7**	**3,816.9**

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(in € million)	Note	Period ended 30 June	
		2022	2021
Revenue	**5.1**	**1,638.9**	**1,327.7**
Cost of sales	5.2	(1,235.0)	(1,006.0)
Selling, general and administrative expenses	5.2	(97.5)	(86.9)
Acquisition-related items	6.1	(31.9)	(29.9)
Other operating income and expenses	6.2	2.9	2.2
Operating profit		**277.4**	**207.1**
Net financial income (expense)	**7**	**(30.2)**	**(32.3)**
Profit (loss) before tax		**247.2**	**174.8**
Income tax	8	(68.9)	(43.5)
Share of net profit (loss) of associates		0.5	1.2
Net profit (loss) for the year		**178.8**	**132.5**
Attributable to shareholders of the Company		***173.8***	***130.9***
Attributable to non-controlling interests		*5.0*	*1.6*
Basic earnings per share (in €)	**15.3**	**1.49**	**1.07**
Diluted earnings per share (in €)	**15.3**	**1.49**	**1.07**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € million)	Period ended 30 June	
	2022	**2021**
Net profit (loss) for the year	**178.8**	**132.5**
Items that may be reclassified to profit or loss		
Translation differences	71.5	16.1
Changes in fair value of cash flow hedges	400.0	80.6
Deferred tax on items that may subsequently be reclassified to profit or loss	(105.2)	(21.6)
Total	**366.3**	**75.2**
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit liability (asset)	32.9	6.7
Deferred tax on items that will not be reclassified to profit or loss	(9.1)	(1.8)
Total	**23.8**	**4.9**
Other comprehensive income (loss)	**390.1**	**80.1**
Total comprehensive income (loss) for the year	**568.9**	**212.6**
Attributable to shareholders of the Company	*563.5*	*212.2*
Attributable to non-controlling interests	*5.4*	*0.4*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in € million)	Note	Period ended 30 June 2022	2021
Net profit (loss) for the year		**178.8**	**132.5**
Share of net profit (loss) of associates, net of dividends received		(0.5)	(1.2)
Depreciation, amortisation and impairment of assets		142.3	136.2
Gains and losses on disposals of assets	6.2	(3.7)	1.1
Interest expense on financial liabilities		14.3	17.1
Unrealised gains and losses on changes		6.1	2.1
Gain/loss on net monetary position (IAS 29, Hyperinflation)		6.5	5.8
Unrealised gains and losses on changes in the fair value of derivatives		4.3	4.1
Change in inventories		(17.0)	29.9
Change in trade receivables, trade payables and other receivables and payables		24.0	(17.3)
Current tax expense		64.1	61.5
Taxes paid		(44.8)	(36.9)
Changes in deferred taxes and provisions		(1.0)	(48.8)
Net cash flows from operating activities		**373.4**	**286.1**
Acquisition of property, plant and equipment and intangible assets	10 & 11	(96.3)	(109.4)
Increase (decrease) in debt on fixed assets	13	(29.8)	(38.7)
Acquisitions of subsidiaries, net of cash acquired		(1.6)	—
Deferred payment related to the acquisition of a subsidiary		(0.4)	—
Capital expenditures		**(128.1)**	**(148.1)**
Disposals of property, plant and equipment, intangible assets included related		4.9	(0.7)
Disposals		**4.9**	**(0.7)**
Increase in loans, deposits and short-term borrowings		(5.5)	(1.4)
Reduction in loans, deposits and short-term borrowings		1.3	0.4
Changes in loans and deposits		**(4.2)**	**(1.0)**
Net cash flows from (used in) investing activities		**(127.4)**	**(149.8)**
Capital increase (reduction)	15	13.0	15.7
Dividends paid		(122.7)	—
(Increase) decrease in treasury stock		(0.5)	(109.2)
Transactions with shareholders of the parent company		**(110.2)**	**(93.5)**
Capital increases of subsidiaries subscribed by third parties		—	—
Dividends paid to non-controlling interests by consolidated companies		(0.6)	(1.2)
Transactions with non-controlling interests		**(0.6)**	**(1.2)**
Increase (reduction) in bank overdrafts and other short-term borrowings	16	50.1	14.3
Increase in long-term debt	16	4.0	501.9
Reduction in long-term debt	16	(20.4)	(515.6)
Financial interest paid		(14.0)	(21.1)
Change in gross debt		**19.7**	**(20.5)**
Net cash flows from (used in) financing activities		**(91.1)**	**(115.2)**
Increase (reduction) in cash and cash equivalents		**154.9**	**21.1**
Impact of changes in foreign exchange rates on cash and cash equivalents		2.8	(0.1)
Impact of changes in fair value on cash and cash equivalents		—	—
Opening cash and cash equivalents		**494.6**	**476.2**
Closing cash and cash equivalents		**652.3**	**497.2**

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 2020		**123,272,819**	**416.7**	**168.2**	**—**	**(149.0)**	**(3.6)**	**106.0**	**538.3**	**39.5**	**577.8**
Other comprehensive income			—	—	—	3.5	340.3	(84.2)	259.6	0.1	259.7
Net profit (loss) for the year			—	—	—	—	—	242.6	242.6	6.7	249.3
Total comprehensive income for the year			***—***	***—***	***—***	***3.5***	***340.3***	***158.4***	***502.2***	***6.8***	***509.0***
Capital increase for the Group Savings Plan _ Verallia SA	15	616,364	2.0	13.7	—	—	—	—	15.7	—	15.7
Distribution of Dividends (per share : 0.95 euro)	15		—	—	—	—	—	(114.2)	(114.2)	(2.2)	(116.4)
Purchase of shares			—	—	(221.1)		—	—	(221.1)	—	(221.1)
Cancellation of Treasury shares		(1,600,000)	(5.4)	(43.4)	48.8	—	—	—	—	—	—
Sales of treasury shares			—	—	7.2	—	—	(7.2)	—	—	—
Share-based compensation			—	—	—	—	—	8.6	8.6	(0.2)	8.4
IAS 29 Hyperinflation			—	—	—	—	—	14.1	14.1	9.4	23.5
Change in non-controlling interests			—	—	—	—	—	—	—	—	—
Other			—	—	—	—	—	2.8	2.8	—	2.8
As of 31 December 2021		**122,289,183**	**413.3**	**138.5**	**(165.1)**	**(145.5)**	**336.7**	**168.5**	**746.4**	**53.3**	**799.7**
Other comprehensive income			—	—	—	72.0	399.4	(81.7)	389.7	0.4	390.1
Net profit (loss) for the year			—	—	—	—	—	173.8	173.8	5.0	178.8
Total comprehensive income for the year		***—***	***—***	***—***	***—***	***72.0***	***399.4***	***92.1***	***563.5***	***5.4***	***568.9***
Capital increase for the Group Savings Plan _ Verallia SA		611,445	2.1	10.9	—	—	—	—	13.0	—	13.0
Distribution of Dividends (per share : 1.05 euro)			—	—	—	—	—	(122.7)	(122.7)	—	(122.7)
Purchase of shares			—	—	(0.5)	—	—	—	(0.5)	—	(0.5)
Cancellation of Treasury shares		(611,445)	(2.1)	(15.5)	17.6	—	—	—	—	—	—
Sales of treasury shares			—	—	4.1	—	—	(4.1)	—	—	—
Share-based compensation			—	—	—	—	—	4.2	4.2	—	4.2
IAS 29 Hyperinflation			—	—	—	—	—	15.1	15.1	10.1	25.2
Change in non-controlling interests			—	—	—	—	0.1	(0.3)	(0.2)	(0.2)	(0.4)
Other			—	—	—	—	—	—	—	—	—
As of 30 June 2022		**122,289,183**	**413.3**	**133.9**	**(143.9)**	**(73.5)**	**736.2**	**152.8**	**1,218.8**	**68.6**	**1,287.4**

NOTE 1 – INFORMATION ON THE GROUP

1.1 INCORPORATION AND CREATION

1.1.1 CORPORATE NAME

At 30 June 2022, 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 2022, the Company is a *société anonyme* (limited company) governed by French law.

1.2 HIGHLIGHTS

Changes in governance

Michel Giannuzzi stood down from his role as the Company's Chief Executive Officer at the end of the General Meeting on 11 May 2022, having announced on 6 December 2021 that he wished to do so and for the purposes of governance best practice. Michel Giannuzzi remains Chairman of the Board of Directors while Patrice Lucas, who joined the Group on 1 February 2022 as Deputy Chief Executive Officer, has been appointed Chief Executive Officer and become a member of the Board of Directors.

2022 employee shareholding offer

On 23 June 2022, 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. In order to offset the dilutive impact of this transaction, Verallia simultaneously carried out a capital reduction by cancelling 611,445 treasury shares.

Squeeze-out of Verallia Deutschland minority shareholders by Verallia Packaging

On 30 June, Verallia Packaging initiated the privatisation of its subsidiary Verallia Deutschland AG, 96.76% of which is owned indirectly and listed on the Frankfurt Stock Exchange in the regulated market (also traded on the regulated market of the München and Stuttgart stock exchanges).

Verallia Deutschland AG was valued at €620.06 per bearer share by two independent valuers.

The resolution required to buy back minority shareholders'stock must be adopted during the Annual General Meeting of Verallia Deutschland AG on 24 August 2022.

Conflict between Ukraine and Russia

The Group has little exposure to Ukraine; it has one plant located in the west of the country and revenue generated in the country accounts for less than 2% of the Group's total revenue. When the conflict began at the end of February, the Group decided to halt production at its local plant while keeping its two furnaces in hot condition. Since then, at the request of its local customers and local teams, one of the two furnaces has resumed production, mainly to produce food jars, while the other has been turned off, emptied, and cooled down in order to keep it in good condition. The Group decided to keep all Ukrainian teams in employment and continue paying their salaries, thereby incurring the associated costs.

Russia, meanwhile, accounts for less than 3.5% of the Group's revenue generated mainly from local operations in the country. Exports and new investments have been discontinued. These activities are considered to be essential to the food supply chain and the Group has therefore decided to maintain its Russian operations.

The conflict between Russia and Ukraine has pushed energy prices and inflation sharply upwards. Verallia has an energy price hedging strategy that minimises its exposure to price fluctuations. Verallia's policy for managing its selling prices and industrial performance is enabling it to cope with the inflation.

1.3 OPERATIONS

With industrial operations in 11 countries, Verallia is the world's third-largest producer of glass packaging for beverages and food products. In 2021, the Group produced approximately 16 billion bottles and jars. 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, Spain, Portugal, Argentina and Brazil. Verallia employs approximately 10,000 employees worldwide, and operates 32 glass factories.

The Group's revenue is affected by the seasonal nature of the products sold to its customers. For example, demand for glass packaging is typically higher in the first six months of the year, particularly in Europe. This is because customers in this region generally place their orders during this period:

- in preparation for the increase in demand for their products, such as beer, observed during the summer.
- to sustain their production cycle, as champagne is bottled between March and July.

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 2022 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 force since 1 January 2022.

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 2021 universal registration document.

These interim financial statements were approved by the Board of Directors on 27 July 2022.

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 Group applied the following standards, amendments and interpretations starting from 1 January 2022:

Amendments to IAS 16 : Proceeds before Intended Use	January 1, 2022
Amendments to IAS 37 : Onerous Contracts — Cost of Fulfilling a Contract	January 1, 2022
Amendments to IFRS3 : Reference to the Conceptual Framework	January 1, 2022
Annual Improvements to IFRS - 2018-2020 Cycle	January 1, 2022

The amendments to IFRS 3 and annual improvements to IFRS Standards 2018-2020 Cycle had no material impact on the financial statements.

The Group is in the process of assessing the impacts of the amendments to IAS 16 "Proceeds before intended use" and IAS 37 "Onerous contracts - cost of fulfilling a contract". The Group does not expect the impacts to be material.

During the first half of 2022, the Group completed its analysis of the accounting impacts of the IFRS IC's decision on the costs of implementing SaaS solutions. The impact is non-material given the Group's scope of implementation, so the historical financial statements were not adjusted.

The Group did not apply the following new standards, amendments and interpretations, which were not yet effective:

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS PUBLISHED BUT NOT YET EFFECTIVE OR EARLY ADOPTED BY THE GROUP	
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IAS 8 : Definition of accounting estimates	January 1, 2023
Amendments to IAS 1: Disclosure of accounting methods	January 1, 2023
Amendments to IAS 1: Classification of liabilities as current or non-current	January 1, 2024

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
Recoverability of deferred tax assets	8
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 2022		As of 31 December 2021		As of 30 June 2021	
	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (EUR/BRL)	5.46	5.56	6.29	6.38	5.88	6.49
Argentine peso (EUR/ARS)*	130.78	122.47	116.20	112.32	113.85	109.93
Russian rouble (EUR/RUB)	52.75	82.96	84.07	87.21	86.20	89.57
Ukrainian hryvnia (EUR/UAH)	30.78	31.74	30.92	32.30	32.30	33.49

* *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 2022

There were no significant changes in the scope of consolidation during the first half of 2022.

3.2 CHANGES IN SCOPE DURING THE FIRST HALF OF 2021

There were no significant changes in the scope of consolidation during the first half of 2021.

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, Russia, Poland and Ukraine. The Group's activities in Northern and Eastern Europe are focused mainly on beer bottles, particularly in Germany, as well as food jars and bottles, largely for local markets.

- **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 segment breakdown reflects the Group's management organisation set up at the time of the initial public offering and its internal reporting system as submitted to the Board of Directors, 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 performance of businesses adjusted for certain non-recurring expenses and/or income 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 of IFRS 8:

(in € million)	Note	Period ended 30 June	
		2022	2021
Net profit (loss) for the year		**178.8**	**132.5**
Net financial income		30.2	32.3
Income tax		68.9	43.5
Share of net result of associates		(0.5)	(1.2)
Operating profit		**277.4**	**207.1**
Depreciation, amortisation and impairment	A	142.3	136.2
Restructuring costs	B	0.5	(2.7)
IAS 29, Hyperinflation (Argentina)		(0.3)	(0.7)
Management share ownership plan and associated costs	C	4.5	4.4
Other	D	1.0	0.4
Adjusted EBITDA		**425.4**	**344.7**

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. In 2021, corresponds mainly to the re-estimation of the costs of the transformation plan launched in France in 2020, including the costs of shutting down a furnace and redundancy aid measures (**Note 6.2**).

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

D. In 2022, corresponds mainly to the additional consideration received from the sale of shares in Thierry Bergeon Embouteillage.

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	30 June 2022				
		Northern and Eastern Europe	Southern and Western Europe	Latin America	Eliminations	Group total
Revenue from activities with external customers	5.1	307.8	1,136.3	194.8	—	1,638.9
Inter-segment revenue		8.9	6.5	—	(15.4)	—
Total segment revenue		**316.7**	**1,142.8**	**194.8**	**(15.4)**	**1,638.9**
Adjusted EBITDA	**4.2**	**59.9**	**286.1**	**79.4**	—	**425.4**
o/w impact of IFRS 16		0.8	8.3	0.8	—	9.9
Capital expenditure*		**16.8**	**48.0**	**31.5**	—	**96.3**

*Excluding rights of use under IFRS 16

(in € million)	Note	30 June 2021				
		Northern and Eastern Europe	Southern and Western Europe	Latin America	Eliminations	Group total
Revenue from activities with external customers	5.1	257.9	927.9	141.9	—	1,327.7
Inter-segment revenue		8.6	1.0	0.1	(9.7)	—
Total segment revenue		**266.5**	**928.9**	**142.0**	**(9.7)**	**1,327.7**
Adjusted EBITDA	**4.2**	**58.3**	**231.8**	**54.6**	—	**344.7**
o/w impact of IFRS 16		1.0	7.7	0.6	—	9.3
Capital expenditure*		**25.6**	**75.3**	**8.5**	—	**109.4**

*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)	Period ended 30 June	
	2022	2021
Still wines	586.0	479.6
Sparkling wines	206.6	161.8
Spirits	187.5	142.6
Beers	203.3	170.1
Food	252.5	198.0
Soft drinks	166.3	137.5
Others	36.7	38.1
Revenue	**1,638.9**	**1,327.7**

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)	Period ended	
	30 June 2022	31 December 2021
France	288.4	303.4
Italy	343.6	340.7
Spain	204.5	212.1
Germany	181.7	187.1
Other countries	382.7	306.9
Total	**1,400.9**	**1,350.2**

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 2022 or the first half of 2021.

NOTE 5 – OPERATING INCOME AND EXPENSES

5.1 REVENUE BY COUNTRY OF ORIGIN

(in € million)	Period ended 30 June	
	2022	2021
France	475.0	397.9
Italy	333.9	266.4
Spain	263.2	209.7
Germany	234.6	198.8
Other countries	332.2	254.9
Total revenue	**1,638.9**	**1,327.7**

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	Period ended 30 June	
		2022	2021
Raw materials, energy, transport and other production costs		(938.5)	(721.1)
Personnel expenses	**A**	(282.8)	(265.4)
Depreciation and amortisation	**B**	(111.2)	(106.4)
Total cost of sales and selling, general and administrative expenses	**C**	**(1,332.5)**	**(1,092.9)**

A. Personnel expenses include:

- €1.5 million at 30 June 2022 and €1.6 million at 30 June 2021 in respect of costs relating to post-employment benefits (**Notes 18.1 and 18.2**).
- €4.5 million at 30 June 2022 and €4.4 million at 30 June 2021 in respect of costs relating to share-based compensation plans.

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

C. Includes research and development expenses of €2.9 million at 30 June 2022 and €1.7 million at 30 June 2021.

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)	Period ended 30 June		
	Note	2022	2021
Acquisition and M&A costs	A	(0.8)	—
Amortisation of intangible assets acquired through business combinations	B	(31.1)	(29.9)
Acquisition-related items		**(31.9)**	**(29.9)**

A. Corresponds mainly to the additional consideration received from the sales of shares in Thierry Bergeon Embouteillage.

B. Represents the amortisation of customer relationships (original gross amount of €740 million) over a 12-year useful life.

6.2 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses break down as follows:

(in € million)	Period ended 30 June		
	Note	2022	2021
Gains on disposals of assets		5.0	0.3
Reversals of asset impairment		—	—
Other income		**5.0**	**0.3**
Restructuring costs	A	(0.5)	2.7
Losses on disposals of assets and scrapped assets		(1.3)	(1.4)
Impairment of assets		—	(0.3)
Others		(0.3)	0.9
Other expenses		**(2.1)**	**1.9**
Other income (expenses) – net		**2.9**	**2.2**

A. The impact at 30 June 2021, corresponds mainly to the re-estimation of the restructuring costs arising from the transformation plan launched in France in 2020 (**Note 4.2**).

NOTE 7 – FINANCIAL INCOME AND EXPENSES

Financial income and expenses consist of the following:

		Period ended 30 June	
(in € million)	Note	2022	2021
Interest expense excluding lease liabilities	A	(16.2)	(19.0)
Interest expense related to lease liabilities		(0.7)	(0.8)
Amortisation of debt issuance costs, and other *		(6.0)	(5.4)
Financial income from cash and cash equivalents and other		8.9	7.8
Cost of net debt		**(14.0)**	**(17.5)**
Expenses related to refinancing	B	—	(4.1)
Foreign exchange gains and losses	C	(7.0)	(3.2)
Net interest expense related to pension plans and other benefits	18.1	(0.6)	(0.5)
Profit (loss) on net monetary position in Argentina (IAS 29)	2.3	(8.6)	(7.0)
Net financial income (expense)		**(30.2)**	**(32.3)**

* *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 2021 to the accelerated amortization of some of the Term Loan A upfront fees and to the early unwinding of some of the related interest rate swaps, following the partial reimbursement of €500 million of Term Loan A.

C. Corresponds mainly to local-currency foreign exchange impacts on the Brazilian and Argentinian subsidiaries, and the effects of variations in foreign exchange derivatives.

NOTE 8 – INCOME TAXES

The effective tax rate in the first half of the year results from the application to profit before tax at 30 June of the estimated effective tax rate for the full year.

The income tax expense at 30 June 2022 was €68.9 million (implying an effective interim tax rate of 27.9%) compared to €43.5 million at 30 June 2021 (implying an effective interim tax rate of 24.9%).

The effective tax rate is higher in 2022 mainly due to the inclusion in 2021 of the tax effects of the revaluation of certain assets in the individual financial statements for Italy.

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
As of 31 December 2021				
Gross amount	99.8	378.5	51.9	530.2
Net amount	**99.8**	**378.5**	**51.9**	**530.2**
Changes during the year				
Translation differences	—	—	8.0	8.0
Total changes	**—**	**—**	**8.0**	**8.0**
As of 30 june 2022				
Gross amount	99.8	378.5	59.9	538.2
Net amount	**99.8**	**378.5**	**59.9**	**538.2**

NOTE 10 – OTHER INTANGIBLE ASSETS

Other intangible assets break down as follows:

(in € million)	Customer relationships	Software	Other	Total
As of 31 December 2021				
Gross amount	719.2	40.7	15.8	775.7
Cumulative amortisation and impairment	(369.6)	(31.1)	(2.8)	(403.5)
Net amount	**349.6**	**9.6**	**13.0**	**372.2**
Changes during the year				
Changes in scope and transfers	—	1.1	(1.1)	0.0
Acquisitions	—	0.2	1.1	1.3
Disposals	—	—	(0.1)	(0.1)
Translation differences	3.2	0.1	—	3.3
Amortisation and impairment	(30.2)	(2.0)	(0.3)	(32.5)
Total changes	**(27.0)**	**(0.6)**	**(0.4)**	**(28.0)**
As of 30 June 2022				
Gross amount	726.0	42.7	15.7	784.4
Cumulative amortisation and impairment	(403.3)	(33.7)	(4.0)	(441.0)
Net amount	**322.7**	**9.0**	**11.7**	**343.4**

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment break down as follows:

(in € millions)	Note	Period Ended 30 June 2022	Period Ended 31 December 2021
Assets owned	A	1,356.9	1,305.6
Assets leased	B	46.8	45.6
Property, plant and equipment		**1,403.7**	**1,351.2**

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 December 31, 2021					
Gross amount	64.6	316.1	2,158.1	128.5	2,667.3
Cumulative depreciation and impairment	(0.9)	(136.0)	(1,223.7)	(1.1)	(1,361.7)
Net amount	**63.7**	**180.1**	**934.4**	**127.4**	**1,305.6**
Changes during the period					
Changes in scope and other	—	(0.5)	1.0	—	0.5
Acquisitions	—	0.1	16.9	77.9	94.9
IAS 29, Hyperinflation	0.6	4.7	7.2	4.4	16.9
Disposals	(0.2)	(0.1)	(0.9)	—	(1.2)
Translation differences	1.7	6.8	26.3	5.1	39.9
Depreciation and impairment	(0.1)	(8.0)	(91.6)	—	(99.7)
Transfers	—	3.2	37.4	(40.6)	—
Total changes	**2.0**	**6.2**	**(3.7)**	**46.8**	**51.3**
As of June 30, 2022					
Gross amount	67.0	365.4	2,327.9	175.5	2,935.8
Cumulative depreciation and impairment	(1.3)	(179.1)	(1,397.2)	(1.3)	(1,578.9)
Net amount	**65.7**	**186.3**	**930.7**	**174.2**	**1,356.9**

B. Rights of use break down as follows:

(in € millions)	Buildings	Machinery and equipment	Others	Total
Net carrying amount as of 31 December 2021	**33.6**	**11.9**	**0.1**	**45.6**
Additions during the period	10.8	2.5	—	13.3
Reductions during the period	(2.9)	—	—	(2.9)
Depreciation during the period	(5.6)	(3.6)	—	(9.2)
Net carrying amount as of 30 June 2022	**35.9**	**10.8**	**0.1**	**46.8**

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.

When the carrying amount of CGUs or groups of CGUs exceeds their recoverable amount, an impairment loss is recognised and in the case of groups of CGUs, the impairment loss is allocated first to the carrying amount of any goodwill allocated to the groups of CGUs.

The recoverable amount of the CGUs or groups of CGUs is the greater of the fair value net of exit costs and the value in use, which is measured against their expected future discounted cash flows.

Impairment losses recorded against goodwill cannot be reversed through profit or loss. For property, plant and equipment and other intangible assets, impairments recognised in previous periods may be reversed, taking into account the depreciation adjustment, if there is an indication that the impairment no longer exists and that the recoverable amount of the asset is greater than its carrying amount.

Following Russia's invasion of Ukraine and its impact on commodity, energy and transport costs, the Verallia Group identified an indication of impairment on the Northern and Eastern Europe group of CGUs and therefore performed an impairment test on 30 June 2022, in accordance with IAS 36. The Verallia Group also performed asset impairment tests on the CGUs corresponding to Ukraine and Russia.

ESTIMATES AND ASSUMPTIONS MADE BY MANAGEMENT

The assumptions, judgements and estimates on which impairment tests are based are the main assumptions used to estimate recoverable amounts when calculating value in use (discount rate, perpetual growth rate, expected cash flows), all of which depend on an assessment of the economic and financial environment.

At 30 June 2022, the recoverable amount of the Northern and Eastern Europe group of CGUs and the Ukraine and Russia CGUs was established on the basis of their value in use. No impairment of goodwill or of other fixed assets was recognised in the first half of 2022.

The impairment tests were carried out based on revised future discounted cash flow projections reflecting the Group's current best estimate of the impact expected from the war in Ukraine.

Cash flow projections

In these highly uncertain geopolitical and economic circumstances, the Verallia Group revised its cash flow projections for countries in Northern and Eastern Europe on 30 June 2022 by taking into consideration the effects of the war in Ukraine, including rising energy prices, strains within supply chains and high inflation. For the purposes of this exercise, cash flows were projected out to 10 years in order to factor in these uncertainties.

Main assumptions used to estimate values in use

	30 June 2022	31 December 2021
Northern and Eastern Europe		
Discount rate	From 11,40 % to 6,60%	5.10%
Perpetual growth rate	2.60%	1.50%
Ukraine		
Discount rate	From 21,70 % to 14%	
Perpetual growth rate	7.00%	
Russia		
Discount rate	From 28,50 % to 10,10%	
Perpetual growth rate	5.25%	

The discount rate is the segment's weighted average cost of capital (WACC) for each CGU or group of CGUs.

Discount rates and perpetual growth rates were updated on 30 June 2022 from their 31 December 2021 values. The perpetual growth rates applied at 30 June 2022 were impacted by the inflation prospects in the region or countries concerned. The WACC values factor in these inflation projections and the risks in each country. A WACC was determined for each year covered by the forecasting period in order to reflect changes in these risks.

Sensitivity analysis

The Group performed an analysis to determine the sensitivity of its impairment tests to the main assumptions used to determine the recoverable value of the assets tested, i.e. the discount rate and the long-term growth rate for calculating terminal value.

Given the geopolitical climate in the region, the Group expanded the criteria used in its sensitivity analysis: a 2 percentage-point variation in the discount rate and a 1 percentage-point variation in the perpetual growth rate.

For the Northern and Eastern Europe group of CGUs and the Russia CGU, a 2 percentage-point increase in the WACC or a 1 percentage-point decrease in the perpetual growth rate would not have resulted in an impairment loss.

For the Ukraine CGU, a 0.45 percentage-point increase in the WACC or a 0.45 percentage-point decrease in the perpetual growth rate would have led to an impairment of the Group's fixed assets. A 1 percentage-point increase in the WACC or a 1 percentage-point decrease in the perpetual growth rate would have led to an impairment of the country's fixed assets of between €2.6 million and €2.9 million.

NOTE 13 – CHANGE IN NET WORKING CAPITAL

The change in net working capital at 30 June 2022 and 31 December 2021 is as follows:

(in € million)	Notes	31 December 2021	Impact of cash flows	Foreign exchange and other	30 June 2022
Inventories	13.1	**404.3**	17.0	11.9	**433.2**
Operating receivables	13.2	**212.8**	108.7	10.7	**332.2**
Operating liabilities	13.3	**(689.9)**	(140.1)	(7.0)	**(837.0)**
Debts to suppliers of fixed assets		**(80.7)**	29.8	(3.0)	**(53.9)**
Operating working capital		**(153.5)**	**15.4**	**12.6**	**(125.5)**
Other receivables (non-operating) *	13.2	**227.3**	1.4	279.7	**508.4**
Other liabilities (non-operating)	13.3	**(14.6)**	(0.2)	(9.3)	**(24.1)**
Current tax assets and liabilities		**(22.4)**	(13.1)	0.2	**(35.3)**
Total working capital		**36.8**	**3.5**	**283.2**	**323.5**
Change in working capital		**125.5**			**286.7**

Reconciliation with the condensed consolidated statement of cash flows :

Change in inventory	(17.0)
Change in trade receivables, trade payables and other receivables/payables	24.0
Current tax expense	64.1
Income taxes paid	(44.8)
Increase (decrease) in debt to suppliers of fixed assets	(29.8)
Total	**(3.5)**

**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 2022			31 December 2021		
	Gross	**Depreciation**	**Net**	**Gross**	**Depreciation**	**Net**
Raw materials	168.8	(22.4)	146.4	139.5	(19.4)	120.1
Inventories of work in progress	2.0	(1.7)	0.3	1.7	(1.6)	0.1
Finished goods	295.1	(8.6)	286.5	294.2	(10.1)	284.1
Total inventories	**465.9**	**(32.7)**	**433.2**	**435.4**	**(31.1)**	**404.3**

13.2 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

(in € million)	30 June 2022	31 December 2021
Trade receivables and related accounts	**233.3**	**121.6**
Advances to suppliers	8.2	6.2
Prepaid social security contributions	1.4	0.6
Other taxes paid in advance and recoverable (other than income taxes)	42.8	55.2
Other operating receivables	46.4	29.3
Derivatives assets *	505.2	225.6
Other non-trade receivables	3.3	1.6
Other current assets	**607.3**	**318.5**
Trade receivables and other current assets	**840.6**	**440.1**

**Current derivative assets correspond mainly to the fair value of energy hedging derivatives. The non-current portion of these derivative assets is presented in "other non-current assets" in the amount of €237.5 million.*

The change in the impairment of trade receivables is as follows:

(in € million)	30 June 2022	31 December 2021
Opening balance	**9.0**	**10.3**
Additions	6.6	1.4
Reversals	(0.5)	(2.7)
Translation differences	0.1	—
Closing balance	**15.2**	**9.0**

The table below shows the ageing of trade receivables at 30 June 2022 and 31 December 2021:

(in € million)	30 June 2022	31 December 2021
Accounts receivable not yet due	**227.8**	**114.2**
Accounts receivable past due	**5.5**	**7.4**
Under 30 days	4.4	5.3
Between 30 and 90 days	0.3	1.2
Beyond 90 days	0.8	0.9
Total trade receivables (net amounts)	**233.3**	**121.6**

13.3 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Trade payables and other current liabilities break down as follows:

(in € million)	30 June 2022	31 December 2021
Trade payables	**660.2**	**521.4**
Customer down payments	11.2	24.1
Debts on fixed assets	53.9	80.7
Grants received	10.5	10.6
Accrued personnel expenses	93.4	98.0
Tax liabilities (other than income tax)	31.4	10.2
Derivative liabilities	14.2	4.0
Other	40.2	36.3
Other current liabilities	**254.8**	**263.9**
Total trade payables and other current liabilities	**915.0**	**785.3**

13.4 FACTORING

ACCOUNTING PRINCIPLES

In September 2015, the Group arranged a pan-European factoring programme with Eurofactor for a maximum amount of €400 million (maturing in December 2022) and covering the receivables of certain entities within its European segments. The Group also has local lines in certain countries giving it access to additional financing of up to €50 million.

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.

(in € million)	30 June 2022	31 December 2021
Assignment of receivables without recourse	416.4	334.8
Assignment of receivables with recourse	10.5	12.6
Total receivables assigned	**426.9**	**347.4**

Note that the amount of transferred receivables at 30 June 2021 was €357.3 million.

Under these factoring agreements, the risk of dilution is covered by establishing reserves and escrow accounts in an amount corresponding to approximately 3% of the receivables transferred in 2022 and 3% of the receivables transferred in 2021. The amount recorded in "Other non-current assets" was €15.4 million at 30 June 2022 and €12.3 million at 31 December 2021.

In addition, the Group subscribed to various reverse factoring programmes offered by some of its customers and amounting to €41.5 million at 30 June 2022 and €28.7 million at 31 December 2021.

NOTE 14 – CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is as follows:

(in € million)	30 June 2022	31 December 2021
Cash	471.3	395.5
Cash equivalents	181.0	99.2
Total cash and cash equivalents	**652.3**	**494.6**

At 30 June 2022, cash and cash equivalents consisted mainly of cash in bank accounts and short-term bank deposits in the amount of €652.3 million (€494.6 million at 31 December 2021).

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 this access in certain foreign jurisdictions.

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

NOTE 15 – EQUITY

15.1 SHARE CAPITAL

On 23 June 2022, the Chief Executive Officer:

- 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 €10,908,178.80, and
- carried out a capital reduction by cancelling 611,445 treasury shares which the Company had previously bought back.

At 30 June 2022, the share capital amounted to €413,337,438.54 and consisted of 122,289,183 ordinary shares with a nominal value of €3.38 each.

15.2 TRANSLATION RESERVE

The €72 million increase in the translation reserve in the first half of 2022 was primarily attributable to the appreciation of the Brazilian real and Russian rouble.

The €17.7 million increase in the translation reserve in the first half of 2021 was primarily attributable to the appreciation of the Brazilian real, Russian rouble and Ukrainian hryvnia.

15.3 EARNINGS PER SHARE

15.3.1 Basic earnings 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:

	Period ended 30 June	
	2022	**2021**
Group’s share of net profit (loss) (in € million)	173.8	130.9
Number of shares	116,893,524	121,814,245
Basic earnings per share (in €)	**1.49**	**1.07**

15.3.2 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:

	Period ended 30 June	
	2022	2021
Group's share of net profit (loss) (in € million)	173.8	130.9
Diluted number of shares	116,993,887	121,989,280
Diluted earnings per share (in €)	**1.49**	**1.07**

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 2022	31 December 2021
Financial debt - Non current	16.2	1,558.8	1,568.1
Financial debt - Current	16.2	252.1	197.1
Financial derivative instruments - net		(12.0)	(2.2)
Gross debt		**1,798.9**	**1,763.0**
Cash and cash equivalents	14	(652.3)	(494.6)
Net debt		**1,146.6**	**1,268.4**

16.2 CHANGE IN GROSS FINANCIAL DEBT

There was no significant change in gross financial debt in the first half of 2022.

At 30 June 2022

(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 2022		Total as of 30 June 2022
								Non-current	Current	
Sustainability-Linked Bond November 2021	500.0	EUR	1.875%	2.07%	10/11/2031	Maturity	—	492.0	6.0	498.0
Sustainability-Linked Bond May 2021	500.0	EUR	1.625%	1.72%	14/05/2028	Maturity	—	497.3	1.1	498.4
Revolving credit facility (floor 0%) RCF1	500.0	EUR	Euribor + 0,85%	0.85%	07/10/2024	Revolving	—	—	—	—
Term Loan A (floor 0%)	500.0	EUR	Euribor + 1,25%	1.47%	07/10/2024	Maturity		497.2	0.8	498.0
Lease liabilities								33.2	15.8	49.0
Other borrowings								39.2	17.0	56.2
Total long-term debt								**1,558.8**	**40.7**	**1,599.5**
Negotiable commercial paper (NEU CP)	400.0	EUR							153.8	153.8
Other borrowings									57.6	57.6
Total short-term debt								**—**	**211.4**	**211.4**
Total financial debt								**1,558.8**	**252.1**	**1,810.9**
Financial derivatives liability								0.4	0.1	0.5
Financial Debt and financial derivatives liability								**1,559.2**	**252.2**	**1,811.4**
Financial derivatives asset								(12.5)	—	(12.5)
Gross debt								**1,546.7**	**252.2**	**1,798.9**

At 31 December 2021

(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 2021		Total as of 31 December 2021
								Non-current	Current	
Sustainability-Linked Bond November 2021	500.0	EUR	1.875%	2.07 %	10/11/2031	Maturity	8.5	491.6	1.3	492.9
Sustainability-Linked Bond May 2021	500.0	EUR	1.625%	1.72 %	14/05/2028	Maturity	2.9	497.0	5.2	502.2
Revolving credit facility (floor 0%) RCF1	500.0	EUR	Euribor + 0,85%	0.85 %	07/10/2024	Revolving	1.7	—	—	—
Term Loan A (floor 0%)	500.0	EUR	Euribor + 1,25%	1.47 %	07/10/2024	Maturity	1.7	496.6	0.8	497.4
Lease liabilities								33.1	14.2	47.3
Other borrowings								49.8	14.4	64.2
Total long-term debt								**1,568.1**	**35.9**	**1,604.0**
Negotiable commercial paper (NEU CP)	400.0	EUR							150.2	150.2
Other borrowings									11.0	11.0
Total short-term debt									**161.2**	**161.2**
Total financial debt								**1,568.1**	**197.1**	**1,765.2**
Financial derivatives liability								0.9	0.1	1.0
Financial Debt and financial derivatives liability								**1,569.0**	**197.2**	**1,766.2**
Financial derivatives asset								(3.2)	—	(3.2)
Gross debt								**1,565.8**	**197.2**	**1,763.0**

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 2022	31 December 2021
Total fixed-rate borrowings	1,783.9	1,744.9
Total variable-rate borrowings	15.1	18.1
Total borrowings	**1,798.9**	**1,763.0**

16.4 DEBT REPAYMENT SCHEDULE

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

(in € million)	30 June 2022	31 December 2021
Less than one year	252.2	197.2
Between one and five years	554.3	562.5
More than five years	992.4	1,003.4
Gross debt	**1,798.9**	**1,763.0**

At 30 June 2022, borrowings of under a year consisted primarily of €153.8 million of Neu CP (negotiable commercial paper) versus €150.2 million at 31 December 2021.

16.5 CHANGE IN DEBT

The change in financial debt is as follows:

(in € million)	31 December 2021	Cash inflows	Cash outflows	Discount effects and other*	Interest expense	Change in the scope of consolidation	Translation differences	30 June 2022
Non-current financial liabilities and derivatives	**1,569.0**	**3.8**	**(0.8)**	**(13.3)**	**—**	**—**	**0.5**	**1,559.2**
Current financial liabilities and derivatives (excluding interest)	189.4	50.3	(20.3)	23.1	0.7	—	0.8	244.0
Interest on long-term debt	7.8	—	(13.3)	—	13.6	—	0.0	8.1
Current financial liabilities and derivatives	**197.2**	**50.3**	**(33.6)**	**23.1**	**14.3**	**—**	**0.8**	**252.2**
Financial liabilities and financial derivatives liability	**1,766.2**	**54.1**	**(34.4)**	**9.8**	**14.3**	**—**	**1.3**	**1,811.4**
Financial derivatives asset	(3.2)	—	0.0	(9.3)	0.0	—	0.0	(12.5)
Gross debt	**1,763.0**	**54.1**	**(34.4)**	**0.5**	**14.3**	**—**	**1.3**	**1,798.9**

* Mainly consists of lease liabilities in application of IFRS 16

Reconciliation with the consolidated statement of cash flows		
Increase (reduction) in bank overdrafts and other short-term borrowings	50.1	
Increase in long-term debt	4.0	
Reduction in long-term debt		(20.4)
Financial interest paid		(14.0)
Total	**54.1**	**(34.4)**

NB: the current portion of long-term debt (due within less than a year) is presented in the balance sheet under current liabilities, whereas the statement of cash flows does not distinguish between current and non-current items.

NOTE 17 – PROVISIONS AND OTHER NON-CURRENT FINANCIAL LIABILITIES

The change in provisions in the first half of 2022 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 2021								
Current portion	3.8	3.7	9.9	—	22.1	**39.5**	—	**39.5**
Non-current portion	2.7	10.9	1.0	0.0	5.8	**20.4**	0.9	**21.3**
Total provisions	**6.5**	**14.6**	**10.9**	**0.0**	**27.9**	**59.9**	**0.9**	**60.8**
Changes during the period								
Additions	2.7	0.2	3.0	—	8.1	14.0	0.5	14.5
Reversals (unused)	(0.3)	0.0	(0.6)	—	(3.3)	(4.2)	—	(4.2)
Reversals (used)	(1.1)	(0.4)	(3.0)	—	(9.9)	(14.4)	—	(14.4)
Other (reclassifications and translation differences)	0.1	0.8	0.3	0.0	0.2	1.4	(0.9)	0.5
Total changes	**1.4**	**0.6**	**(0.3)**	**0.0**	**(4.9)**	**(3.2)**	**(0.4)**	**(3.6)**
As of 30 June 2022								
Current portion	7.7	3.9	9.3	—	15.8	**36.7**	—	**36.7**
Non-current portion	0.2	11.3	1.3	0.0	7.2	**20.0**	0.5	**20.5**
Total provisions	**7.9**	**15.2**	**10.6**	**0.0**	**23.0**	**56.7**	**0.5**	**57.2**

The change in provisions "Other risks" corresponds mainly to the provision relating to the Group's deficit with respect to its CO2 allowances under Phase IV of the EU ETS scheme. The settlement of forward purchases carried out in April 2022 resulted in an outflow of €12.9 million.

NOTE 18 – PROVISIONS FOR PENSIONS AND SIMILAR LIABILITIES

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

(in € million)	Notes	30 June 2022	31 December 2021
Annuities payable to plan beneficiaries		53.7	74.4
Flat-rate compensation		27.5	33.8
Post-employment medical benefits		3.7	5.5
Provisions for pensions and other liabilities	**18.1**	**84.9**	**113.7**
Other long-term benefits	18.2	3.9	3.9
Provisions for pensions and other employee benefits		**88.8**	**117.5**

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.

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 2022	31 December 2021
Discount rate	2.9% to 3.1%	0.9% to 1.2%
Salary increases including long-term inflation	1.8% to 2.3%	1.8% to 2.3%
Long-term inflation rate	1.5 %	1.5 %

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 2022	31 December 2021
Provisions for pensions and other post-employment benefit liabilities	18	84.9	113.7
Pension plan surpluses		(11.1)	(5.6)
Net pension liabilities and other post-employment benefit liabilities		**73.8**	**108.0**

18.2 OTHER LONG-TERM BENEFITS

At 30 June 2022, provisions for other long-term employee benefits primarily included long-service awards payable by the subsidiaries in France amounting to €2.1 million (€2.1 million at 31 December 2021) and bonuses amounting to €1.4 million in Germany (€1.4 million at 31 December 2021).

Defined benefit pension liabilities are generally 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 16 February 2022, the Board of Directors decided, in accordance with the authorisation granted by the Combined General Shareholders' Meeting of 10 June 2020, to set up a new performance share allocation plan covering a three-year period spanning 2022 to 2024 (the "2022-2024 Plan").

The shares ultimately awarded under this 2022-2024 Plan will be allocated without any discount, on two conditions: (a) the employee or executive concerned remains in employment at the Company, and (b) performance criteria are achieved. The 2022-2024 Plan will be aligned with latest market practices, especially with respect to the performance criteria applied.

At 30 June 2022, the number of potential ordinary shares under this new plan was 252,150.

The shares ultimately awarded under the March 2020 plan resulted in the delivery of 142,290 shares on 23 March 2022, factoring in 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:

(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
		30 June 2022									
		Accounting categories						**Fair value measurement based on:**			
Equity investments - nongroup			7.1				7.1			7.1	7.1
Loans, deposits and receipts		26.1					26.1		26.1		26.1
Trade receivables and related accounts (excluding current tax receivables)	13.2	87.1		10.5			97.7		97.7		97.7
Derivative instruments hedging financial risk						12.5	12.5		12.5		12.5
Derivative instruments hedging operating risk (*)	13.2					743.0	743.0		743.0		743.0
Cash and cash equivalents	14	471.3			181.0		652.3	643.2	9.2		652.3
Total financial assets		**584.5**	**7.1**	**10.5**	**181.0**	**755.5**	**1,538.7**	**643.2**	**888.4**	**7.1**	**1,538.7**
Sustainability-Linked Bond November 2021	16	(498.0)					(498.0)	(374.8)			(374.8)
Sustainability-Linked Bond May 2021	16	(498.4)					(498.4)	(410.6)			(410.6)
Term Loan A and revolving credit facility (unused)	16	(498.0)					(498.0)		(498.0)		(498.0)
Financial liabilities on finance leases	16	(49.0)					(49.0)		(49.0)		(49.0)
Other long-term liabilities	16	(44.8)		(11.4)			(56.2)		(56.2)		(56.2)
Total long-term debt		**(1,588.1)**	**—**	**(11.4)**	**—**	**—**	**(1,599.5)**	**(785.3)**	**(603.2)**	**—**	**(1,388.5)**
Derivative instruments hedging financial risk (**)						(0.5)	(0.5)		(0.5)		(0.5)
Total long-term debt and financial derivatives liability		**(1,588.1)**		**(11.4)**		**(0.5)**	**(1,600.0)**	**(785.3)**	**(603.7)**		**(1,389.0)**
Negotiable commercial paper (NEU CP)	16	(153.8)					(153.8)		(153.8)		(153.8)
Other short-term liabilities	16	(58.5)		0.9			(57.6)		(57.6)		(57.6)
Total short-term debt		**(212.3)**	**—**	**0.9**	**—**	**—**	**(211.4)**		**(211.4)**		**(211.4)**
Derivative instruments hedging operating risk (*)	13.3					(14.2)	(14.2)		(14.2)		(14.2)
Trade payables and related accounts	13.3	(660.2)					(660.2)		(660.2)		(660.2)
Other payables and accrued liabilities	13.3	(240.6)					(240.6)		(240.6)		(240.6)
Total financial liabilities		**(2,701.2)**	**—**	**(10.5)**	**—**	**(14.7)**	**(2,726.4)**	**(785.3)**	**(1,730.1)**	**—**	**(2,515.4)**
Total		**(2,116.7)**	**7.1**	**—**	**181.0**	**740.8**	**(1,187.7)**	**(142.2)**	**(841.7)**	**7.1**	**(976.7)**

(*) 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.

		31 December 2021									
		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			6.2				6.2			6.2	6.2
Loans, deposits and receipts		21.5					21.5		21.5		21.5
Trade receivables and related accounts (excluding current tax receivables)	13.2	84.8		12.6			97.4		97.4		97.4
Derivative instruments hedging financial risk						3.2	3.2		3.2		3.2
Derivative instruments hedging operating risk (*)	13.2					342.7	342.7		342.7		342.7
Cash and cash equivalents	14	395.5			99.2		494.6	485.9	8.8		494.6
Total financial assets		**501.9**	**6.2**	**12.6**	**99.2**	**345.9**	**965.7**	**485.9**	**473.6**	**6.2**	**965.7**
Sustainability-Linked Bond November 2021	16	(492.9)					(492.9)	(504.3)			(504.3)
Sustainability-Linked Bond May 2021	16	(502.2)					(502.2)	(512.6)			(512.6)
Term Loan A and revolving credit facility (unused)	16	(497.4)					(497.4)		(497.4)		(497.4)
Financial liabilities on finance leases	16	(47.3)					(47.3)		(47.3)		(47.3)
Other long-term liabilities	16	(55.3)		(8.9)			(64.2)		(64.2)		(64.2)
Total long-term debt		**(1,595.1)**	**—**	**(8.9)**	**—**	**—**	**(1,604.0)**	**(1,016.9)**	**(608.9)**	**—**	**(1,625.8)**
Derivative instruments hedging financial risk (**)						(1.0)	(1.0)		(1.0)		(1.0)
Total long-term debt and financial derivatives liability		**(1,595.1)**		**(8.9)**			**(1,605.0)**		**(609.9)**		**(1,626.8)**
Negotiable commercial paper (NEU CP)	16	(150.2)					(150.2)		(150.2)		(150.2)
Other short-term liabilities	16	(7.3)		(3.7)			(11.0)		(11.0)		(11.0)
Total short-term debt		**(157.5)**		**(3.7)**	**—**	**—**	**(161.2)**		**(161.2)**		**(161.2)**
Derivative instruments hedging operating risk (*)	13.3					(4.0)	(4.0)		(4.0)		(4.0)
Trade payables and related accounts	13.3	(521.4)					(521.4)		(521.4)		(521.4)
Other payables and accrued liabilities	13.3	(259.8)					(259.8)		(259.8)		(259.8)
Total financial liabilities		**(2,533.9)**	**—**	**(12.6)**	**—**	**(5.0)**	**(2,551.5)**	**(1,016.9)**	**(1,556.4)**	**—**	**(2,573.3)**
Total		**(2,032.1)**	**6.2**	**—**	**99.2**	**340.9**	**(1,585.8)**	**(531.1)**	**(1,082.8)**	**6.2**	**(1,607.7)**

(*) 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.

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

There was no material change in terms of transactions with related parties compared to those reported in the last consolidated annual financial statements.

NOTE 21 – CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET COMMITMENTS

There was no material change compared to 31 December 2021.

NOTE 22 – EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after the closing date.

4. STATUTORY AUDITORS' REVIEW REPORT ON THE 2022 INTERIM FINANCIAL INFORMATION

For the period from January 1st, 2022 to June 30, 2022

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, 2022 to June 30, 2022;
- 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 27, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	BM&A
Nicolas Brunetaud	Eric Seyvos