# Interim Financial Report at 30 June 2023

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Zignago Vetro SpA

Registered office: Fossalta di Portogruaro (VE), Via Ita Marzotto 8

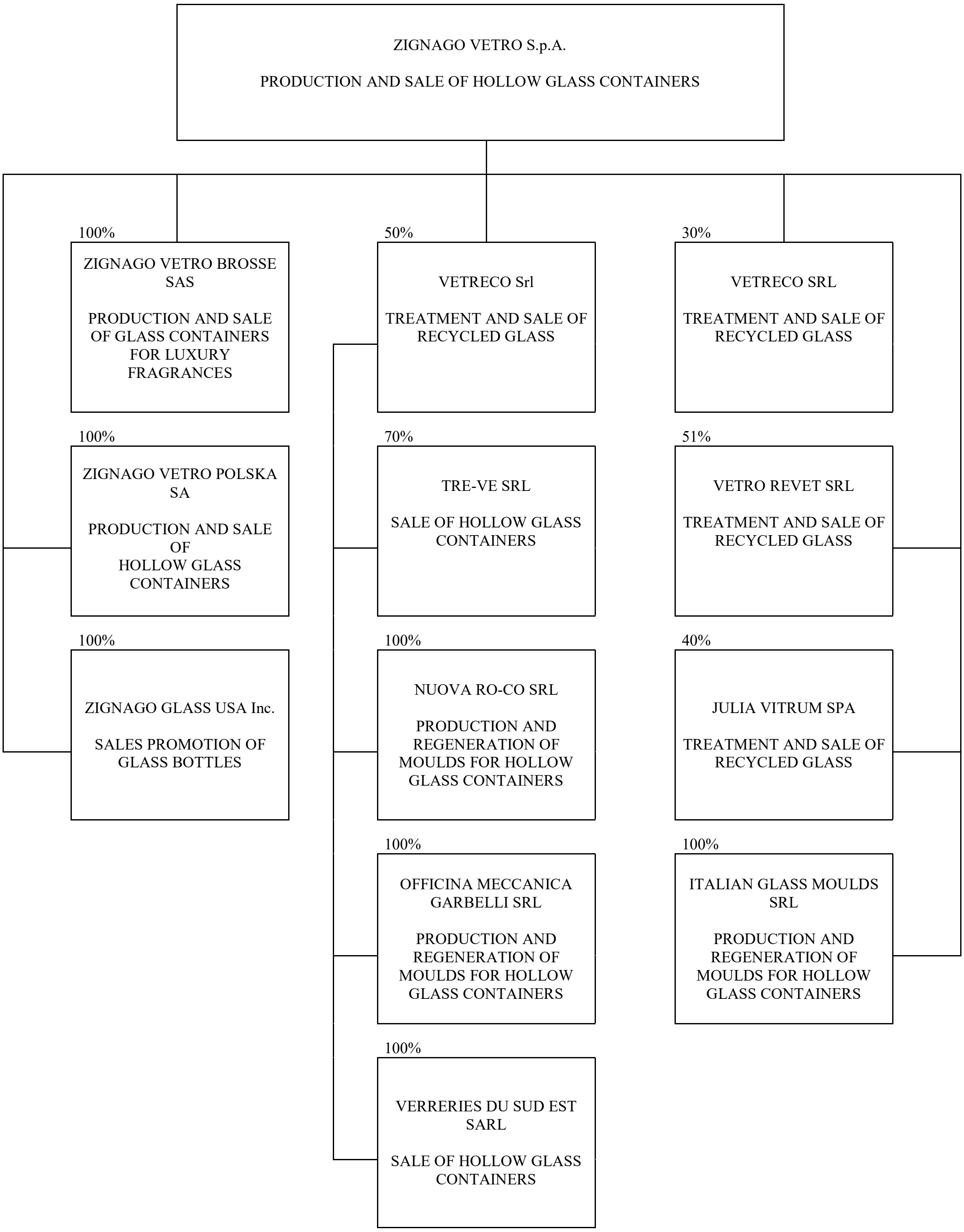
Share capital Euro 8,932,000.00, subscribed and paid-in for Euro 8,926,308

Tax and Venice Company Register No.: 00717800247

www.zignagovetro.com

## ZIGNAGO VETRO GROUP STRUCTURE
## AT 28 JULY 2023

## ACTIVITIES AND SHAREHOLDINGS



## COMPANY BODIES

**BOARD OF DIRECTORS**
*in office for the three-year period 2022 - 2024*

chairperson
Nicolò Marzotto

vice chairperson
Franco Moscetti

chief executive officer
Roberto Cardini

directors
Alessia Antonelli
Roberta Benaglia
Ferdinando Businaro
Giorgina Gallo
Daniela Manzoni
Gaetano Marzotto
Luca Marzotto
Stefano Marzotto
Barbara Ravera

**Control and Risks and Sustainability Committee**

Alessia Antonelli
Luca Marzotto
Giorgina Gallo

**Remuneration Committee**

Daniela Manzoni
Stefano Marzotto
Franco Moscetti

**Committee for Transactions with Related Parties**

Alessia Antonelli
Roberta Benaglia
Barbara Ravera

**Lead Independent Director**

Franco Moscetti

**BOARD OF STATUTORY AUDITORS**
*in office for the three-year period 2022 - 2024*

*statutory auditors*
Alberta Gervasio - chairperson
Carlo Pesce
Andrea Manetti

*alternate auditors*
Cesare Conti
Tognin Roberta

**Supervisory Board**

Alessandro Bentsik - chairperson
Massimiliano Agnetti
Nicola Campana

**Independent Auditors**
*for the 2016 - 2024 period*

KPMG SpA

**Management**
*chief financial officer of the Group and investor relations manager*
Roberto Celot

*general manager*
Michele Pezza

*commercial management*
Biagio Costantini
Stefano Bortoli

*technical manager*
Sergio Pregliasco

# Interim Directors' Report

## THE ZIGNAGO VETRO GROUP

The Zignago Vetro Group operates in the production and marketing of high quality hollow glass containers prevalently for the Food and Beverage, Cosmetics and Perfumery and "Specialty Glass" sectors (highly customised glass containers in small batches, typically used for wine, liquors and oils).

The Zignago Vetro Group operates in the market with a business-to-business model, supplying containers to its clients, which are then used in their respective industrial activities. Specifically, in the Italian market, the Group is one of the leading producers and distributors of glass containers for the food and beverage sector, while at international level it has a strong market share in the cosmetics and perfumery and specialty glass sectors.

* * *

The Annual and Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union in accordance with Regulation No. 1606/2002 ("IFRS").

In particular, the condensed interim consolidated financial statements of the Group at 30 June 2023 (hereafter the "Condensed Interim Financial Statements") are prepared in accordance with IAS 34 "Interim Reporting" and Article 154-ter of the CFA, following the summary form permitted under the standard. The Condensed Interim Financial Statements therefore do not include all the information published in the annual report and must be read together with the financial statements at 31 December 2022 for full and complete disclosure of the Group financial position, results of operations and cash flow.

The accounting policies adopted for the preparation of the Condensed Interim Financial Statements are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group for the year ended 31 December 2022, except for the adoption of the new standards, amendments and interpretations approved by the IASB and endorsed for adoption in Europe and obligatory for accounting periods beginning 1 January 2023.

We recall that IFRS 11 - Joint arrangements, applicable for the Group from 1 January 2014, replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers, and identifies, on the basis of the rights and obligations of the participants, two types of agreements - joint operations and joint ventures - and governs the consequent accounting treatment to be adopted for recognition in the financial statements, removing the option to consolidate jointly controlled companies proportionally and requiring jointly controlled companies defined as joint ventures to be recognised using the equity method.
In the condensed interim consolidated financial statements of the Group at 30 June 2023 and the comparative financial statements at 30 June 2022 and the financial statements at 31 December 2022, the Group recognised the investments held in Vetri Speciali, Vetreco and Julia Vitrum, which are classified as joint venture under the equity method, instead of the proportional consolidation method.
However, in the Directors' Report the figures (and the subsequent comments) are based on the "management view of the Group business", which provides for the proportional consolidation of joint ventures, in continuity with the accounting policies adopted until 31 December 2013. These figures however must not be considered as an alternative to those provided for by IFRS, but rather exclusively for supplementary disclosure and reflective of management's view of the business.
For this purpose, a reconciliation of the Statement of Financial Position and of the Income Statement, prepared according to IFRS in force from 1 January 2014 and those in force at 31 December 2013, is provided in the Directors' Report.

Pursuant to CONSOB communication DEM 6064293 of July 28, 2006 and ESMA/2015/1415 recommendations on alternative performance indicators utilised by the Parent - which although not specifically defined by IAS/IFRS are considered particularly useful to monitor the business performance - we provide the following information:

- net financial debt is defined by the Company as the sum of current loans and borrowings, cash and cash equivalents and non-current loans and borrowings, net of cash and cash equivalents and current financial assets. This net figure is the same as the net financial position as per CONSOB communication No. DEM/6064293 of 28 July 2006;
- value of production: the Company defines this as the arithmetical sum of revenues, the change in finished products, semi-finished products, and work-in-progress and the internal work capitalised;
- value added: the Company defines this as the difference between value of production and raw materials consumed (purchase costs plus or minus the change in raw materials and service costs);
- EBITDA: the Company defines this as a difference between value added and personnel expense (including those of temporary workers), plus the effect of the measurement of joint ventures using the equity method. EBITDA is a measure utilised by the issuer to monitor and measure operating performance although it is not an accounting measure under IFRS. The measurement criteria of this indicator may not be in line with that utilised by other entities and therefore it may not be entirely comparable.
  Within this context, the issuer utilised a calculation model in line with its core business which included the effects deriving from the application of IFRS 11. The Company considers the results deriving from its equity investments in joint ventures as operating items and non-financial items of the Group's business, related to a clearly defined investment strategy and as such classified within the Groups interim operating results;
- EBIT: the Company defines this as the difference between Ebitda and depreciation & amortisation of property, plant and equipment and intangible assets and accruals to the provision for impairment;

- operating profit: this performance measure is also contained in IFRS and is defined as the difference between EBIT and the net balance of non-recurring operating costs and income. We point out that this latter item includes incidental income and costs, capital gains and losses on sales of assets, insurance compensation and other minor positive and negative items;
- free cash flow: the Company defines this as the sum of the cash flows from operating activities and cash flows from investing activities.

The figures reported in the Directors' Report and in the tables of the Notes are shown in thousands of Euro for greater clarity.
The amounts in the Directors' Report are expressed in millions of Euro, while those in the Notes are stated in thousands of Euro.

*     *     *

The Zignago Vetro Group, according to management's view, operates through seven Business Units, each being a separate legal entity. Given this, information concerning the operating performance of the various business segments and geographical areas (segment reporting as per IFRS 8) is included in the illustration of the financial reporting data for each company and is an integral part of this Directors' Report.

Segment reporting which coincides with the various legal entities is provided below, independently of the respective consolidation method applied.

Disclosure by region is not considered appropriate for the Group.
The operating segments ("Business Units") are identified as follows:

- Zignago Vetro SpA: this Business Unit carries out the production of glass containers for food and beverages and for cosmetics and perfumery;
- Zignago Vetro Polska SA: this Business Unit undertakes the production of a wide range of customised containers for cosmetic and perfumery containers and also for food and beverage niche markets worldwide;
- Zignago Vetro Brosse SAS: this Business Unit carries out the production of glass containers for perfumes;
- Vetri Speciali SpA: this Business Unit includes the production of specialty containers, principally for wine, vinegar and olive oil;
- Zignago Glass USA Inc.: this Business Unit carries out the sales promotion of glass containers for food and beverages and for cosmetics and perfumery in North America;
- Tre-Ve Srl: this Business Unit is engaged in the marketing of glass containers, mainly in Italy;
- Verreries du Sud Est Sarl: this Business Unit is engaged in the marketing of glass containers, mainly in Italy;
- Vetreco Srl, Vetro Revet Srl and Julia Vitrum SpA: these Business Units are engaged in the processing of raw glass into the finished material ready for use by glassmakers;
- Nuova RO-CO Srl, Officina Meccanica Garbellini Srl and Italian Glass Moulds Srl: this Business Unit is engaged in the marketing and regeneration of glass container moulds.

The consolidation scope of the Zignago Vetro Group at 30 June 2023 and at 31 December 2022 was as follows:

- Zignago Vetro SpA (parent)

The companies consolidated using the line-by-line method are as follows:

- Zignago Vetro Brosse SAS,
- Zignago Vetro Polska S.A.,
- Zignago Glass USA Inc.,
- Vetro Revet Srl,
- Italian Glass Moulds Srl – Entry into the consolidation scope from 01.10.2022.

The companies valued under the equity method are the following:

- Vetri Speciali SpA and its subsidiaries Tre-Ve Srl, Verreries du Sud Est Sarl, Nuova RO-CO Srl and Officina Meccanica Garbellini Srl;
- Vetreco Srl
- Julia Vitrum SpA

The basis of consolidation and measurement criteria, including the equity investments held by Zignago Vetro S.p.A. are outlined in the paragraph "accounting principles and measurement criteria" in the notes to the consolidated financial statements.
In the Directors' Report, as previously stated, the figures are based on the "management view of the Group business", which provides for the proportional consolidation of joint ventures, in continuity with the accounting policies adopted until 31 December 2013.

**Legally-required audit**

The appointment for the legally-required audit of the Annual Financial Statements and the review of the condensed interim financial statements was awarded to **KPMG SpA** for the 2016-2024 period.

**Significant events in the first half of 2023**

Distribution of dividends

The Shareholders' Meeting of Zignago Vetro SpA on 4 May 2023 approved the distribution of a dividend of Euro 0.60 per share, totalling Euro 53.3 million, with payment date of 17 May 2023.

Treasury shares

On 4 May 2023, the Shareholders' Meeting of Zignago Vetro SpA revoked, for the part not executed, the resolution granted in favour of the Board of Directors to purchase and sell treasury shares, as approved by the Shareholders' Meeting of 29 April 2022 and authorised the Board of Directors to purchase and sell treasury shares for a maximum number not exceeding the total nominal amount, including any shares held by subsidiaries, corresponding to one-fifth of the share capital. The new authorisation is proposed for a period of 18 months, commencing from 4 May 2023. The minimum purchase price shall not be less than 20%, and the maximum price not more than 20%, of the share price registered on the trading day prior to each transaction; the sale price shall not be 20% higher or lower than the share price registered on the trading day prior to each transaction. These price limits will not be applied where the sale of shares is to employees, including management, executive directors and consultants of Zignago Vetro and its subsidiaries in relation to incentive stock option plans.

In H1 2023, 128,644 shares were purchased.

At 30 June 2023, the company therefore had in portfolio 589,998 treasury shares, corresponding to 0.661% of the share capital, purchased for Euro 4.83 million.

**Operating performance**

Following the significant growth of 2022, **Beverage and Food** container demand was sustained in the first half of 2023, while however normalising in the second quarter. This has allowed the Group companies to replenish inventory levels, which at the end of 2022 had fallen to very low levels.
Global **Cosmetics and Perfumery** markets demand generally remained strong across all segments, and particularly for the major cosmetic brands and Premium perfumery, driven both by the better quality levels demanded on the US and by growth on the Chinese market.

We consider the trend outlined above to reflect the normal short-term fluctuations that are a feature of the glass container market, which, moreover, continues to demonstrate great solidity. The market's medium to long-term growth characteristics and the strong prospects for the use of glass as a packaging material that is increasingly appreciated, both by users and consumers, remain absolutely unchanged. This fact demonstrates the greater focus and appreciation that public opinion reserves for this extraordinary material, as an excellent choice for packaging, in view of its singular characteristics of healthiness, sturdiness, conservation, recyclability and sustainability.

**Consolidated revenues** in the first half of 2023 amounted to Euro 384.8 million, up 28.4% on the same period in the previous year (Euro 299.6 million).

Materials and external services in H1 2023, including changes in inventories and internal production, amounted to Euro 207.4 million, compared to Euro 184.9 million in the first half of 2022 (+12.2%). These costs on revenues decreased from 61.7% to 53.9%.

The **consolidated added value** in the first half of 2023 was Euro 177.4 million, compared to Euro 114.7 million in the same period of the previous year (+54.6%). They accounted for 46.1% of revenues (compared to 38.3%).

Personnel expense in the first half of 2023 amounted to Euro 57 million compared to Euro 50.6 million in the first half of 2022 (+12.6%). The increase is related to wage cost movements. It accounted for 14.8% of revenues in H1 2023 (reducing on 16.9% in H1 2022).

**Consolidated EBITDA** in the first half year of 2023 was Euro 120.4 million compared to Euro 64.1 million in the same period of 2022 (+87.8%), a 31.3% revenue margin (21.4% in H1 2022).

**Consolidated EBIT** in H1 2023 totalled Euro 85.6 million, compared to Euro 34 million in the first half of 2022. The EBIT margin was 22.3% (11.4% in the first half of 2022).

The **consolidated operating profit** in the first half of 2023 increased on the same period in the previous year (respectively Euro 87.1 million and Euro 36.1 million). The revenue margin was 22.6% in the first half of 2023, compared to 12% in H1 2022.

The **consolidated profit before tax** for the period was Euro 83.2 million, compared to Euro 41.4 million in the same period of the previous year. The revenue margin was 21.6% in the first six months of 2023, compared to 13.8% in H1 2022.

The tax rate in the period was 10.1% compared to 24.6% in H1 2022.

The **consolidated net profit** in H1 2023 was Euro 74.6 million, compared to Euro 31.1 million in the same period of the previous year. The revenue margin was 19.4%, compared to 10.4% in 2022.

The **cash flow** generated from the profit and amortisation/depreciation in H1 2023 amounted to Euro 108.5 million, compared to Euro 47.8 million in the same period of the previous year (increasing Euro 60.7 million).

The key data of the Zignago Vetro Group **reclassified consolidated income statement** in H1 2023, compared with the same period of the previous year, according to management's view as described previously, are shown below.

| | H1 2023 | | H1 2022 | | Changes |
|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | % |
| **Revenues** | 384,760 | 100.0% | 299,629 | 100.0% | 28.4% |
| Changes in finished and semi-finished products and work in progress | 10,493 | 2.7% | (1,652) | (0.5)% | n.a. |
| Internal production of fixed assets | 1,220 | 0.3% | 1,833 | 0.6% | (33.4)% |
| **Value of production** | 396,473 | 103.0% | 299,810 | 100.1% | 32.2% |
| Cost of goods and services | (219,090) | (56.9)% | (185,080) | (61.8)% | 18.4% |
| **Value added** | 177,383 | 46.1% | 114,730 | 38.3% | 54.6% |
| Personnel expenses | (57,025) | (14.8)% | (50,629) | (16.9)% | 12.6% |
| **EBITDA** | 120,358 | 31.3% | 64,101 | 21.4% | 87.8% |
| Amortisation and depreciation | (33,880) | (8.8)% | (29,624) | (9.9)% | 14.4% |
| Accruals to provisions | (845) | (0.2)% | (433) | (0.1)% | 95.2% |
| **EBIT** | 85,633 | 22.3% | 34,044 | 11.4% | 151.5% |
| Net recurring non-operating income | 1,497 | 0.3% | 2,029 | 0.6% | (26.2)% |
| **EBIT** | 87,130 | 22.6% | 36,073 | 12.0% | 141.5% |
| Net financial expense | (5,256) | (1.4)% | 5,627 | 1.9% | n.a. |
| Net exchange rate gains/(losses) | 1,371 | 0.4% | (278) | (0.1)% | n.a. |
| **Profit before taxes** | 83,245 | 21.6% | 41,422 | 13.8% | 101.0% |
| Income taxes<br>*(Tax-rate 2023: 10.1%)*<br>*(Tax-rate 2022: 24.6%)* | (8,424) | (2.2)% | (10,180) | (3.3)% | (17.2)% |
| (Profit) Loss non-con. int. | (185) | (0.0)% | (154) | (0.1)% | 20.1% |
| **Group Profit for the period** | 74,636 | 19.4% | 31,088 | 10.4% | 140.1% |

**Consolidated net revenues** for H1 2023 and 2022 were as follows:

| (Euro thousands) | H1 2023 | H1 2022 | Change % |
|---|---|---|---|
| Zignago Vetro SpA | 213,895 | 165,241 | 29.4% |
| Zignago Vetro Brosse S.a.s. | 41,777 | 26,958 | 55.0% |
| Vetri Speciali SpA (*) | 94,876 | 78,191 | 21.3% |
| Zignago Vetro Polska S.a. | 48,172 | 36,068 | 33.6% |
| Zignago Glass USA Inc. | 1,159 | 759 | 52.7% |
| Vetro Revet Srl | 9,057 | 6,124 | 47.9% |
| Vetreco Srl (*) | 6,586 | 4,406 | 49.5% |
| Julia Vitrum SpA (*) | 6,458 | 3,610 | 78.9% |
| Italian Glass Moulds Srl | 2,130 | 0 | n.a. |
| Total aggregate | 424,110 | 321,357 | 32.0% |
| Elimination of inter-company revenues | (39,350) | (21,728) | 81.1% |
| **Total consolidated** | **384,760** | **299,629** | 28.4% |

**Consolidated revenues by geographic segment outside of Italy** for the first half of 2023 and 2022 were broken down as follows:

| (Euro thousands) | H1 2023 | H1 2022 | Change % |
|---|---|---|---|
| E.U. | 99,056 | 70,125 | 41.3% |
| Other countries | 23,690 | 21,665 | 9.3% |
| **Total** | **122,746** | **91,790** | 33.7% |

**Consolidated revenues outside Italy** for the first half 2023 amounted to Euro 122.7 million, compared to Euro 91.8 million in the first half of 2022 (+33.7%) and account for 31.9% of total revenues (30.6% in the first half 2022). The breakdown by Company was as follows:

| (Euro thousands) | H1 2023 | H1 2022 | Change % |
|---|---|---|---|
| Zignago Vetro SpA | 36,050 | 29,250 | 23.2% |
| Zignago Vetro Brosse S.a.s. | 38,639 | 24,639 | 56.8% |
| Zignago Vetro Polska S.a. | 27,919 | 21,829 | 27.9% |
| Zignago Glass USA Inc. | 1,071 | 505 | 112.1% |
| Italian Glass Moulds Srl | 188 | 0 | n.a. |
| Vetri Speciali SpA (*) | 18,879 | 15,567 | 21.3% |
| **Total** | **122,746** | **91,790** | 33.7% |
| % of total revenues | 31.9% | 30.6% | |

The contribution to the **consolidated profit** for the first half of 2023 and 2022 of each of the Companies included in the consolidation scope was as follows:

| (Euro thousands) | **H1 2023** | **H1 2022** | Change % |
|---|---|---|---|
| Zignago Vetro SpA | 56,613 | 26,483 | 113.8% |
| Zignago Vetro  Brosse Sas | (370) | 775 | n.a. |
| Vetri Speciali SpA (*) | 30,925 | 15,082 | 105.0% |
| Zignago Vetro Polska Sa | 9,862 | 1,858 | n.a. |
| Zignago Glass USA Inc. | 58 | 132 | (56.1)% |
| Vetro Revet Srl | 377 | 315 | 19.7% |
| Vetreco Srl (*) | 69 | 51 | 35.3% |
| Julia Vitrum Spa (*) | 393 | 234 | 67.9% |
| Italian Glass Moulds Srl | (322) | 0 | n.a. |
| Total aggregate | 97,605 | 44,930 | 117.2% |
| Consolidation adjustments | (22,969) | (13,842) | 65.9% |
| **Group Profit** | **74,636** | **31,088** | 140.1% |

* For Group share

The consolidation adjustments relate principally to the elimination of the Vetri Speciali SpA dividends (Euro 22.6 million in 2023, Euro 13.7 million in 2022) and items concerning the proportional consolidation of the non-subsidiary companies (*).

The key data of the reclassified consolidated income statement of the Zignago Vetro Group in H1 2023, compared with the same period of the previous year, based on the application of international accounting standards, and therefore IFRS 11, are illustrated below.

| | H1 2023 | | H1 2022 | | Changes |
|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | % |
| **Revenues** | 286,541 | 100.0% | 219,804 | 100.0% | 30.4% |
| Changes in finished and semi-finished products and work in progress | 7,322 | 2.6% | (974) | (0.4)% | n.a. |
| Internal production of fixed assets | 1,220 | 0.4% | 1,833 | 0.8% | (33.4)% |
| **Value of production** | 295,083 | 103.0% | 220,663 | 100.4% | 33.7% |
| Cost of goods and services | (168,519) | (58.8)% | (144,337) | (65.7)% | 16.8% |
| **Value added** | 126,564 | 44.2% | 76,326 | 34.7% | 65.8% |
| Personnel expense | (43,702) | (15.3)% | (38,140) | (17.4)% | 14.6% |
| Equity-accounted Joint Ventures | 31,387 | 11.0% | 15,367 | 7.0% | 104.2% |
| **EBITDA** | 114,249 | 39.9% | 53,553 | 24.3% | 113.3% |
| Amortisation and depreciation | (27,999) | (9.8)% | (23,846) | (10.8)% | 17.4% |
| Accruals to provisions | (187) | (0.1)% | (185) | (0.1)% | 1.1% |
| **EBIT** | 86,063 | 30.0% | 29,522 | 13.4% | 191.5% |
| Other income (charges) | 883 | 0.3% | 1,490 | 0.7% | (40.7)% |
| **EBIT** | 86,946 | 30.3% | 31,012 | 14.1% | 180.4% |
| Net financial expense | (4,495) | (1.6)% | 5,881 | 2.7% | n.a. |
| Net exchange rate gains/(losses) | 1,355 | 0.5% | (295) | (0.1)% | n.a. |
| **Profit before taxes** | 83,806 | 29.2% | 36,598 | 16.7% | 129.0% |
| Income taxes | (8,985) | (3.1)% | (5,356) | (2.5)% | 67.8% |
| *(Tax-rate 2023: 10.7%)* | | | | | |
| *(Tax-rate 2022: 14.6%.)* | | | | | |
| **(Profit) Loss non-con. int.** | (185) | (0.1)% | (154) | (0.1)% | 20.1% |
| **Group Profit for the period** | 74,636 | 26.0% | 31,088 | 14.1% | 140.1% |

For a better understanding of the performances for H1 2023, stated in accordance with management's view, a reconciliation is provided below of the reclassified income from joint ventures measured using the equity method and that utilising the proportional consolidation criteria, as adopted by the Group until 31 December 2013.

| | | Proportional consolidation | | | | | |
|---|---|---|---|---|---|---|---|
| | 2023 IAS/ IFRS | Vetri Speciali SpA | Vetreco Srl | Julia Vitrum Spa | Adjustment to Parent principles | Neutralisation JV using the equity criteria | 2023 pre-IFRS 11 (management view) |
| | Euro thou. | Euro thou. | Euro thou. | Euro thou. | Euro thou. | Euro thou. | Euro thou. |
| **Revenues** | 286,541 | 94,876 | 6,586 | 6,458 | (9,701) | 0 | 384,760 |
| Changes in finished and semi-finished products and work in progress | 7,322 | 2,907 | 192 | 72 | 0 | 0 | 10,493 |
| Internal production of fixed assets | 1,220 | 0 | 0 | 0 | 0 | 0 | 1,220 |
| **Value of production** | 295,083 | 97,783 | 6,778 | 6,530 | (9,701) | 0 | 396,473 |
| Cost of goods and services | (168,519) | (48,933) | (6,032) | (5,307) | 9,701 | 0 | (219,090) |
| **Value added** | 126,564 | 48,850 | 746 | 1,223 | 0 | 0 | 177,383 |
| Personnel expense | (43,702) | (12,798) | (248) | (277) | 0 | 0 | (57,025) |
| Equity-accounted Joint Ventures | 31,387 | 0 | 0 | 0 | 0 | (31,387) | 0 |
| **EBITDA** | 114,249 | 36,052 | 498 | 946 | 0 | (31,387) | 120,358 |
| Amortisation and depreciation | (27,999) | (5,210) | (266) | (405) | 0 | 0 | (33,880) |
| Accruals to provisions | (187) | (658) | 0 | 0 | 0 | 0 | (845) |
| **EBIT** | 86,063 | 30,184 | 232 | 541 | 0 | (31,387) | 85,633 |
| Other income (charges) | 883 | 479 | 0 | 135 | 0 | 0 | 1,497 |
| **EBIT** | 86,946 | 30,663 | 232 | 676 | 0 | (31,387) | 87,130 |
| Net financial expense | (4,495) | (499) | (95) | (167) | 0 | 0 | (5,256) |
| Net exchange rate gains/(losses) | 1,355 | 16 | 0 | 0 | 0 | 0 | 1,371 |
| **Profit before taxes** | 83,806 | 30,180 | 137 | 509 | 0 | (31,387) | 83,245 |
| Income taxes | (8,985) | 745 | (68) | (116) | 0 | 0 | (8,424) |
| **Consolidated profit** | 74,821 | 30,925 | 69 | 393 | 0 | (31,387) | 74,821 |
| **(Profit) loss non-con. int.** | (185) | 0 | 0 | 0 | 0 | 0 | (185) |
| **Group Profit** | 74,636 | 30,925 | 69 | 393 | 0 | (31,387) | 74,636 |

## Statement of financial position

The **reclassified statement of financial position** of the Zignago Vetro Group at 30 June 2023, prepared according to management's view as described previously, is presented in condensed form and compared with 31 December and 30 June 2022.

| | 30.06.2023 | | 31.12.2022 | | 30.06.2022 | |
|---|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | Euro thou. | % |
| Trade receivables | 182,069 | | 172,721 | | 148,031 | |
| Other receivables | 30,131 | | 38,742 | | 24,398 | |
| Inventories | 152,019 | | 137,161 | | 114,989 | |
| Current non-financial payables | (166,828) | | (155,442) | | (146,522) | |
| Payables on fixed assets | (9,235) | | (14,585) | | (13,586) | |
| *A) Working capital* | 188,156 | 31.2% | 178,597 | 29.6% | 127,310 | 23.0% |
| Net tangible and intangible assets | 371,448 | | 381,332 | | 378,233 | |
| Goodwill | 53,437 | | 53,402 | | 53,400 | |
| Other equity investments and non-current | 20,280 | | 18,832 | | 17,055 | |
| Non-current provisions and non-financial payables | (29,465) | | (29,693) | | (23,233) | |
| *B) Net fixed capital* | 415,700 | 68.8% | 423,873 | 70.4% | 425,455 | 77.0% |
| *A+B= Net capital employed* | 603,856 | 100.0% | 602,470 | 100.0% | 552,765 | 100.0% |
| *Financed by:* | | | | | | |
| Current loans and borrowings | 105,551 | | 128,326 | | 147,322 | |
| Cash and cash equivalents | (97,142) | | (106,329) | | (97,908) | |
| Current net debt | 8,409 | 1.3% | 21,997 | 3.6% | 49,414 | 8.9% |
| Non-current loans and borrowings | 252,748 | 41.9% | 262,000 | 43.5% | 239,299 | 43.3% |
| *C) Net financial debt* | 261,157 | 43.2% | 283,997 | 47.1% | 288,713 | 52.2% |
| Opening Group equity | 317,950 | | 261,296 | | 261,296 | |
| Dividends paid | (53,261) | | (35,497) | | (35,497) | |
| Other equity changes | 2,666 | | 5,555 | | 6,783 | |
| Group Profit for the period | 74,636 | | 86,596 | | 31,088 | |
| *D) Closing equity* | 341,991 | 56.7% | 317,950 | 52.8% | 263,670 | 47.7% |
| *E) Non-controlling interest equity* | 708 | 0.1% | 523 | 0.1% | 382 | 0.1% |
| *D+E = Group Equity* | 342,699 | 56.8% | 318,473 | 52.9% | 264,052 | 47.8% |
| *C+D+E = Total financial debt and equity* | 603,856 | 100.0% | 602,470 | 100.0% | 552,765 | 100.0% |

**Working capital** at 30 June 2023 increased overall by Euro 9.6 million on 31 December 2022.

Trade receivables increased Euro 9.3 million, with inventories increasing Euro 14.9 million and other receivables decreasing Euro 8.6 million. Current non-financial payables increased Euro 11.4 million. Payables on fixed assets decreased by Euro 5.4 million.

**Net fixed capital** at 30 June 2023 decreased on 31 December 2022 by Euro 8.2 million. In particular, in the period investments (Euro 29 million), net of disposals, were lower than depreciation (Euro 33.9 million).

**Capital expenditure** in the first half of 2023 amounted to Euro 23.6 million (Euro 48.2 million in H1 2022) and concerns:

- Zignago Vetro SpA for Euro 7.9 million and relating to the replacement and maintenance of plant, machinery and equipment and for the purchase of moulds (Euro 43.3 million in the same period of 2022) and to the construction of a new production plant;
- Zignago Vetro Brosse SAS for Euro 2.1 million (Euro 1.7 million in the first half of 2022), principally for plant and industrial equipment, including moulds;
- Vetri Speciali SpA and its subsidiaries for Euro 8.4 million (Euro 2.7 million in H1 2022), mainly for buildings and the scheduled replacement of plant and equipment;
- Zignago Vetro Polska for Euro 2.1 million (net of the currency effect of Euro 2.1 million) for new plant, in addition to equipment and moulds (Euro 1.2 million in H1 2022 for plant upgrading);
- Raw glass treatment business unit: Euro 0.5 million for new plant and equipment.
- Italian Glass Moulds Srl Euro 0.5 million for new machinery and equipment.

At 30 June 2023, the Zignago Vetro Group had 2,784 **employees.** At 31 December 2022, they numbered 2,778. The employees of Vetri Speciali SpA and Vetreco have been fully incorporated.

The composition of Group personnel at 30 June 2023 is shown in the table below.

| Composition | Executives | White-collars | Blue-collars |
|---|---|---|---|
| Workforce | 32 | 573 | 2,179 |
| Average age | 53 | 41 | 42 |
| Years of service in Group Companies | 14 | 15 | 15 |

**Consolidated equity** amounted to Euro 342 million at 30 June 2023 (at 31 December 2022: Euro 318.0 million; at 30 June 2022: Euro 263.7 million). The increase on 31 December 2022 is principally due to the distribution of dividends (Euro -53.3 million), the profit for the period (Euro +74.6 million), the cash in from the exercise of options on shares (Euro +2.2 million) and other minor changes.

The **consolidated net financial debt** at 30 June 2023 was Euro 261.2 million (31 December 2022: Euro 284 million; at 30 June 2022: Euro 288.7 million).

The cash flow movements in the consolidated net financial debt at 30 June 2023 and at 31 December 2022 and 30 June 2020 were as follows:

| (Euro thousands) | **30 June 2023** | **31 December 2022** | **30 June 2022** |
|---|---|---|---|
| **Net financial debt at 1 January** | **(283,997)** | **(250,546)** | **(250,546)** |
| Self-financing: | | | |
| - Group profit for the period | 74,636 | 86,596 | 31,088 |
| - amortisation & depreciation | 33,880 | 60,790 | 29,624 |
| - net change in provisions | (228) | 7,960 | 1,500 |
| - net gains (losses) from sale of property, plant and equipment | (40) | (392) | (405) |
| | **108,248** | **154,954** | **61,807** |
| (Increase)/decrease in working capital | (4,209) | (64,957) | (12,671) |
| Net investments in property, plant and equipment | (28,996) | (87,582) | (54,307) |
| Net investments in intangible assets | (35) | 11 | 13 |
| Decrease (increase) of other medium/long term assets | (1,448) | (3,021) | (1,244) |
| Sales prices of property, plant and equipment | 40 | 2,456 | 2,425 |
| | **(34,648)** | **(153,093)** | **(65,784)** |
| **Free cash flow** | **73,600** | **1,861** | **(3,977)** |
| Dividends distribution | (53,261) | (35,497) | (35,427) |
| Acquisition of equity investments | 0 | (125) | 0 |
| IFRS 16 | (350) | (5,665) | (5,630) |
| Acquisition of treasury shares | (2,006) | (1,726) | 0 |
| Effect on equity of translation of foreign currency financial statements and other changes | 4,857 | 7,701 | 6,867 |
| | (50,760) | (35,312) | (34,190) |
| **Increase of net financial debt** | **22,840** | **(33,451)** | **(38,167)** |
| **Net debt at end of period** | **(261,157)** | **(283,997)** | **(288,713)** |

The **reclassified statement of financial position** of the Zignago Vetro Group at 30 June 2023, according to IFRS in force at 30 June 2023, including the effects from IFRS 11, as from 1 January 2014, compared with 31 December 2022 and 30 June 2022, is reported below:

| | 30.06.2023 | | 31.12.2022 | | 30.06.2022 | |
|---|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | Euro thou. | % |
| Trade receivables | 140,416 | | 130,529 | | 112,461 | |
| Other receivables | 20,222 | | 32,619 | | 15,103 | |
| Inventories | 121,839 | | 112,443 | | 94,397 | |
| Current non-financial payables | (125,998) | | (117,965) | | (110,612) | |
| Payables on fixed assets | (7,421) | | (13,091) | | (13,016) | |
| *A) Working capital* | 149,058 | 26.9% | 144,535 | 26.2% | 98,333 | 20.2% |
| Net tangible and intangible assets | 275,903 | | 288,579 | | 285,473 | |
| Goodwill | 2,709 | | 2,674 | | 2,672 | |
| Equity investments measured using the equity method | 127,885 | | 119,394 | | 100,821 | |
| Other equity investments and non-current | 13,642 | | 12,411 | | 10,018 | |
| Non-current provisions and non-financial payables | (14,668) | | (15,161) | | (9,976) | |
| *B) Net fixed capital* | 405,471 | 73.1% | 407,897 | 73.8% | 389,008 | 79.8% |
| *A+B= Net capital employed* | 554,529 | 100.0% | 552,432 | 100.0% | 487,341 | 100.0% |
| *Financed by:* | | | | | | |
| Current loans and borrowings | 75,784 | | 99,070 | | 108,107 | |
| Cash and cash equivalents | (69,524) | | (91,435) | | (86,366) | |
| Current net debt | 6,260 | 1.1% | 7,635 | 1.4% | 21,741 | 4.5% |
| Non-current loans and borrowings | 205,570 | 37.1% | 226,324 | 41.0% | 201,548 | 41.4% |
| *C) Net financial debt* | 211,830 | 38.2% | 233,959 | 42.4% | 223,289 | 45.7% |
| Opening Group equity | 317,950 | | 261,296 | | 261,296 | |
| Dividends paid | (53,261) | | (35,497) | | (35,427) | |
| Other equity changes | 2,666 | | 5,555 | | 6,713 | |
| Group Profit for the period | 74,636 | | 86,596 | | 31,088 | |
| *D) Closing equity* | 341,991 | 61.7% | 317,950 | 57.5% | 263,670 | 54.1% |
| *E) Non-controlling interest equity* | 708 | 0.1% | 523 | 0.1% | 382 | 0.1% |
| *D)+E) Group Equity* | 342,699 | 61.8% | 318,473 | 57.6% | 264,052 | 54.3% |
| *C+D+E = Total financial debt and equity* | 554,529 | 100.0% | 552,432 | 100.0% | 487,341 | 100.0% |

For a better understanding of the statement of financial position at 30 June 2023, stated in accordance with management's view, a reconciliation is provided below of the financial position of joint ventures measured using the equity method and that utilising the proportional consolidation method, as adopted by the Group until 31 December 2013.

| | 30.06.2023 IAS/IFRS | Proport. con Vetri Speciali SpA | Vetreco Srl | Julia Vitrum Spa | Adjustment to Parent principles | Neutralisation JV using the equity criteria | 30.06.2023 pre-IFRS 11 (management view) |
|---|---|---|---|---|---|---|---|
| | Euro thou. | Euro thou. | Euro thou. | Euro thou. | Euro thou. | Euro thou. | Euro thou. |
| Trade receivables | 140,416 | 41,221 | 1,372 | 3,337 | (4,277) | 0 | 182,069 |
| Other receivables | 20,222 | 6,860 | 2,110 | 939 | 0 | 0 | 30,131 |
| Inventories | 121,839 | 28,780 | 861 | 539 | 0 | 0 | 152,019 |
| Current non-financial payables | (125,998) | (38,058) | (3,883) | (3,166) | 4,277 | 0 | (166,828) |
| Payables on fixed assets | (7,421) | (1,814) | 0 | 0 | 0 | 0 | (9,235) |
| *A) Working capital* | 149,058 | 36,989 | 460 | 1,649 | 0 | 0 | 188,156 |
| Net tangible and intangible assets | 275,903 | 79,723 | 4,827 | 10,995 | 0 | 0 | 371,448 |
| Goodwill | 2,709 | 50,728 | 0 | 0 | 0 | 0 | 53,437 |
| Equity investments measured using the equity method | 127,885 | 0 | 0 | 0 | 0 | (127,885) | 0 |
| Other equity investments and non-current assets | 13,642 | 5,012 | 201 | 1,425 | 0 | 0 | 20,280 |
| Non-current provisions and non-financial payables | (14,668) | (13,510) | (25) | (1,262) | 0 | 0 | (29,465) |
| *B) Net fixed capital* | 405,471 | 121,953 | 5,003 | 11,158 | 0 | (127,885) | 415,700 |
| *A+B= Net capital employed* | 554,529 | 158,942 | 5,463 | 12,807 | 0 | (127,885) | 603,856 |
| *Financed by:* | | | | | | | |
| Current loans and borrowings | 75,784 | 27,870 | 223 | 1,674 | 0 | 0 | 105,551 |
| Cash and cash equivalents | (69,524) | (27,154) | 26 | (490) | 0 | 0 | (97,142) |
| Current net debt | 6,260 | 716 | 249 | 1,184 | 0 | 0 | 8,409 |
| Non-current loans and borrowings | 205,570 | 33,950 | 2,741 | 10,487 | 0 | 0 | 252,748 |
| *C) Net financial debt* | 211,830 | 34,666 | 2,990 | 11,671 | 0 | 0 | 261,157 |
| Opening equity | 317,950 | 116,247 | 2,404 | 743 | 0 | (119,394) | 317,950 |
| Dividends | (53,261) | (22,640) | 0 | 0 | 0 | 22,640 | (53,261) |
| Other equity changes | 2,666 | (256) | 0 | 0 | 0 | 256 | 2,666 |
| Profit for the period | 74,636 | 30,925 | 69 | 393 | 0 | (31,387) | 74,636 |
| *D) Closing equity* | 341,991 | 124,276 | 2,473 | 1,136 | 0 | (127,885) | 341,991 |
| *E) Non-controlling interest equity* | 708 | 0 | 0 | 0 | 0 | 0 | 708 |
| *D)+E) Group Equity* | 342,699 | 124,276 | 2,473 | 1,136 | 0 | (127,885) | 342,699 |
| *C+D+E = Total financial debt and equity* | 554,529 | 158,942 | 5,463 | 12,807 | 0 | (127,885) | 603,856 |

**Research, development and advertising costs**

The companies of the Group undertook research and development focused on plant, process and product innovation which resulted in, among other developments, the use of new materials, the introduction of new products and the application of new technical-production solutions for the "food and beverages", "cosmetics and perfumery" and "special containers" sectors.
The Parent also carried out research and development for the design and introduction of new information management systems, including improvements to the process IT set up, in order to create more efficient and effective operating instruments.
Therefore, the Company availed of the tax credit under Law 190/2014, establishing this amount according to the methodologies communicated in the Tax Agency Circular.

**Environmental information**

In the first half of 2023, the commitment of the Zignago Vetro Group continued in the protection of the environment with the continual improvement of the policies of territorial protection and management of environmental issues with actions aimed to reduce atmospheric emissions and energy consumption in the utilisation of natural resources and the optimisation of the production cycle, while remaining continually attentive to new and future technology developed internationally.

**Risks related to personnel, safety and management**

The Companies of the Zignago Vetro Group implement plant management policies to minimise the risk of accidents ensuring high levels of security in line with best industrial practices, utilising insurance to guarantee an extensive degree of protection for company structures, third party risks and interruptions in production activity. The company trains and motivates the workforce to guarantee efficiency and normal operational continuity.

**Personal data security and protection**

With regards to the obligations under Regulation (EU) 679/2016 (European General Data Protection ("GDPR")), the Group companies adopted the technical and organisational measures necessary to ensure the confidentiality and protection of processed data as set out in Article 32 of the Regulation.

**Financial instruments: Group objectives & policies and description of risks**

The main financial instruments used by the Zignago Vetro Group consist of trade receivables and payables, cash & cash equivalents, bank borrowing and interest rate swap contracts.

As regards the Group's financial management, the cash flow from operating activities are considered to be consistent with objectives for repayment of existing debt and such as to assure appropriate financial balance and adequate return on equity via dividend flows.

At 30 June 2023 the Zignago Vetro SpA Group had undertaken interest rate swaps in order to hedge the interest rate risk on non-current loans undertaken by the parent Zignago Vetro SpA and by Zignago Vetro Polska. At the same date, we also indicate that Zignago Vetro SpA had in place commodity swap contracts to hedge against fluctuations in energy factors and currency hedging contracts (USD) to hedge against currency fluctuation risks. The mark-to-market of these derivatives at 30 June 2023 were as follows (in Euro):

| Company | Underlying | Notional at the reporting date | Maturity | Market value at **30.06.2023** |
|---|---|---|---|---|
| Zignago Vetro SpA | Loan hedges - IRS | 154,199,437 | Beyond 12 months | 9,348,172 |
| Zignago Vetro SpA | Loan hedges - IRS | 6,318,907 | Within 12 months | 135,839 |
| Zignago Vetro SpA | Commodity hedges | 7,825,173 | Within 12 months | (575,866) |
| Zignago Vetro SpA | Foreign currency hedges | 1,991,139 | Within 12 months | 170,473 |
| Zignago Vetro Polska | Loan hedges - IRS | 1,680,120 | Within 12 months | 92,640 |
| Zignago Vetro Polska | Foreign currency hedges | 10,820,000 | Within 12 months | 413,794 |
| Total | | 182,834,776 | | 9,585,052 |

The above-mentioned transactions were undertaken for hedging purposes. However these transactions do not comply with all the requirements of IFRS to qualify for hedge accounting. For these transactions Zignago Vetro SpA does not use the so-called hedge accounting method and records the economic effects of hedging directly to profit or loss.

We consider that the Zignago Vetro Group is not exposed to credit risk any higher than the industry average, given that most receivables relate to customers of well-established commercial reliability and that receivables are insured. Allowance for impairment has in any case been made to cover against any residual credit risks. We specify that such allowances were made in the period and in previous periods against specific positions involved in procedures or with longer past-due status than the Group companies' average collection times. Collective allowances for impairment have also been made for potential bad debts.

In relation to the currency risk, we report that the Group generally, in accordance with the Group policy up to the present moment, did not undertake currency hedging instruments; the only exception is a currency forward contract in view of contingent and temporary requirements. Therefore, the Group remains exposed to the currency risk on the assets and liabilities in foreign currencies at period-end, which is not considered significant. A number of Group subsidiaries are located in countries not within the Eurozone: the United States and Poland. As the Group's functional currency is the Euro, the income statements of these companies are translated into Euro at the average exchange rate and, on like-for-like basis for revenues and profit in the local currency, changes in the exchange rate may impact the value in Euro of revenues, costs and profit (loss).

Zignago Vetro SpA is exposed to fluctuations in some commodity prices, in particular those relating to energy factors, such as oil, gas and electricity utilised in the production process. In order to neutralise the price effect, as these fluctuations may significantly impact production costs, the Company undertakes hedging operations through the use of derivative financial instruments.

The Group's present reference market does not include areas possibly requiring country-risk management. Commercial operations substantially take place in western countries, primarily in the Euro and USD areas.

*     *     *

Pursuant to the Bank of Italy/ Consob /Isvap document No. 2 of 6 February 2009 and IAS 1.25-26, it is considered, based on the Group`s strong profitability, solid financial position and in spite of the current economic environment - shaped by the Covid-19 pandemic and the Russia-Ukraine conflict - that there are no uncertainties or risks on the going concern of the business.

**Reconciliation between the Zignago Vetro Group and the Parent Zignago Vetro SpA profit for the period and equity**

The reconciliation between the profit for the period and equity at 30 June 2023 of the Parent and the Consolidated profit for the period and equity are summarised below:

| (Euro thousands) | Net Result H1 2023 | Equity H1 2023 |
|---|---|---|
| **Financial statements of the Parent** | 56,613 | 189,941 |
| **Consolidation adjustments:** | | |
| interests in joint ventures measured using equity method | 31,387 | 101,006 |
| reversal of inter-group dividends | (22,640) | 0 |
| reversal of inter-company Profit | (154) | (350) |
| goodwill on acquisition of ZVP SA and adjustment to year-end exchange rate | 0 | 692 |
| consolidation effect of the investee Vetro Revet | 0 | 2,017 |
| consolidation effect of the investee Italian Glass Moulds | 0 | 0 |
| IFRS 16 | 0 | (1) |
| Loan ZVP | 10 | (81) |
| | **8,603** | **103,283** |
| **Carrying amount of equity investments:** | | |
| Zignago Vetro Brosse SAS | 0 | (4,000) |
| Zignago Glass USA Inc. | 0 | (189) |
| Zignago Vetro Polska Sa | 0 | (10,327) |
| Vetro Revet Srl | 0 | (3,030) |
| Italian Glass Moulds Srl | 0 | (125) |
| | **0** | **(17,671)** |
| **Profit/(loss) and equity of the subsidiaries:** | | |
| Zignago Vetro Brosse SAS | (370) | 18,560 |
| Zignago Glass USA Inc. | 58 | (277) |
| Zignago Vetro Polska Sa | 9,862 | 47,894 |
| Vetro Revet Srl | 377 | 737 |
| Italian Glass Moulds Srl | (322) | (476) |
| | **9,605** | **66,438** |
| **(Profit) loss non-con. int.** | **(185)** | **708** |
| **Consolidated Financial Statements** | **74,636** | **342,699** |

* * * *

It is considered that the information provided, together with the information illustrated below and relating to the performance of the individual companies, represents a true, balanced and exhaustive analysis of the situation of the Group and of the results of operations, overall and in the various sectors, in accordance with the size and complexity of the Group's business operations.

For greater clarity, the result of operations and statement of financial position of the parent and subsidiaries are presented according to the contribution of each of them to the Condensed Interim Consolidated Financial Statements. They are shown according to normal reporting practices.

# THE COMPANY

## *ZIGNAGO VETRO SPA*

Registered office: Fossalta di Portogruaro (Ve)
Business sector: glass containers

In the second quarter of 2023, **Beverage and Food** container demand overall reported good levels, although with signs of weakening, particularly towards the end of the period, following the reduction in orders by operators, who preferred to reduce inventory levels. This enabled the Company to build up inventories, which had reached very low levels. Sales in the period were also affected by a number of productions for colour changes, which became necessary to rebuild adequate inventory levels.

**Cosmetic and Perfumery** container market demand continued however to be strong across all segments, resulting in a saturation of production capacity by all European manufacturers, with consequent low levels of inventory. Demand was driven by the major cosmetics and Premium perfumery brands, supported by a shift from the "mass market" segment to the "premium" segment in the US, and by Chinese market growth.

Against this backdrop, Zignago Vetro increased revenues by almost 30%, driven by rising sales prices, as a reaction to significant inflationary pressure on production costs, in particular raw materials, while volumes were shaped by lower orders than expected towards the end of the period.

The Zignago Vetro SpA reclassified income statement for the first half of 2023 compared to the same period of the previous year is presented below.

| | H1 2023 | | H1 2022 | | Changes |
|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | % |
| **Revenues** | 213,895 | 100.0% | 165,241 | 100.0% | 29.4% |
| Changes in finished and semi-finished products and work in progress | 10,070 | 4.7% | (4,889) | (2.9)% | n.a. |
| Internal production of fixed assets | 152 | 0.1% | 1,833 | 1.1% | (91.7)% |
| **Value of production** | 224,117 | 104.8% | 162,185 | 98.2% | 38.2% |
| Cost of goods and services | (134,580) | (62.9)% | (112,930) | (68.4)% | 19.2% |
| **Value added** | 89,537 | 41.9% | 49,255 | 29.8% | 81.8% |
| Personnel expenses | (25,031) | (11.7)% | (22,627) | (13.7)% | 10.6% |
| **EBITDA** | 64,506 | 30.2% | 26,628 | 16.1% | 142.2% |
| Amortisation and depreciation | (20,479) | (9.6)% | (17,039) | (10.3)% | 20.2% |
| Accruals to provisions | (120) | (0.1)% | (120) | (0.1)% | 0 |
| **EBIT** | 43,907 | 20.5% | 9,469 | 5.7% | 363.7% |
| Other income (charges) | 591 | 0.3% | 1,425 | 0.9% | (58.5)% |
| **EBIT** | 44,498 | 20.8% | 10,894 | 6.6% | 308.5% |
| Investment income | 22,640 | 10.6% | 13,685 | 8.3% | 65.4% |
| Net financial expense | (3,865) | (1.8)% | 6,225 | 3.8% | n.a. |
| Net exchange rate gains/(losses) | 76 | 0 | 85 | 0 | (10.6)% |
| **Profit before taxes** | 63,349 | 29.6% | 30,889 | 18.7% | 105.1% |
| Income taxes | (6,736) | (3.1)% | (4,406) | (2.7)% | 52.9% |
| *(Tax-rate 2023: 10.6%)* | | | | | |
| *(Tax-rate 2022: 14.3%)* | | | | | |
| **Profit for the period** | 56,613 | 26.5% | 26,483 | 16.0% | 113.8% |

Revenues in the first half of 2023 of Euro 213.9 million grew 29.4% on the first half of the previous year (Euro 165.2 million). Sales of glass containers amounted to Euro 208 million, up 32.4% (Euro 157 million in the first half of 2022).

Exports increased in H1 2023 by 27.9% on the first half of the previous year, accounting for 19.2% of containers and accessories revenues (19.4% in 2022).

*Revenues by geographic area, excluding sundry materials and services:*

| (Euro thousands) | H1 2023 | H1 2022 | Change % |
|---|---|---|---|
| Italy | 172,877 | 133,180 | 29.8% |
| EU Europe (Italy excluded) | 31,851 | 25,186 | 26.5% |
| Other areas | 9,167 | 6,875 | 33.3% |
| Total | 213,895 | 165,241 | 29.4% |
| of which export | 41,018 | 32,061 | 27.9% |
| % | 19.2% | 19.4% | |

Raw material and service costs on revenues, net of changes in inventories and internal production, in H1 2023 were 58.1% compared to 70.2% in H1 2022 – amounting to Euro 124.4 million in H1 2023 and Euro 116 million in the first half of 2022.

The added value was 41.9% of revenues in the first half of 2023 compared to 29.8% in the first half of 2022.

Personnel expense increased 10.6% in H1 2023 compared to the same period of 2022. It accounted for 11.7% of revenues in the first half of 2023 (13.7% in H1 2022).

EBITDA totalled Euro 64.5 million in H1 2023, compared to Euro 26.6 million in the first half of 2022, a margin of 30.2% (16.1% in 2022).

EBIT in the first half of 2023 increased on the previous year (Euro 43.9 million compared to Euro 9.5 million), reporting a margin of 20.5% on revenues (5.7% in H1 2022).

Investment income in the first half of 2023 amounting to Euro 22.6 million comprises Vetri Speciali SpA dividends (Euro 13.7 million in 2022).

Net financial expense in H1 2023 amounted to Euro 3.9 million, compared to net income of Euro 6.2 million in the previous year, principally due to the fair value measurement of interest rate derivatives, which in the first half of 2022 resulted in net financial income of Euro 6.4 million.

The profit before taxes in H1 2023 was Euro 63.3 million, compared to Euro 30.9 million in H1 2022 (+Euro 32.5 million). The margin was 29.6%, compared to 18.7%.

The tax rate in the period, taking account of the largely exempt investment income in the separate financial statements of Zignago Vetro, was 10.6%, compared to 14.3% in H1 2022.
The net profit in H1 2023 amounted to Euro 56.6 million, compared to Euro 26.5 million in the first half of 2022.

The cash flow generated from the profit for the period and amortisation/depreciation in the first half of the year amounted to Euro 77.1 million, compared to Euro 43.5 million in the first half of 2022 (Euro +33.6 million, +77.1%).

The **reclassified statement of financial position** of Zignago Vetro SpA at 30 June 2023 and 31 December 2022 and 30 June 2022 was as follows:

| | 30.06.2023 | | 31.12.2022 | | 30.06.2022 | |
|---|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | Euro thou. | % |
| Trade receivables | 114,112 | | 108,382 | | 93,067 | |
| Other receivables | 13,086 | | 27,001 | | 11,319 | |
| Inventories | 87,232 | | 75,375 | | 60,777 | |
| Current non-financial payables | (104,436) | | (94,646) | | (91,297) | |
| Payables on fixed assets | (5,827) | | (10,279) | | (11,997) | |
| *A) Working capital* | 104,167 | 30.0% | 105,833 | 29.3% | 61,869 | 19.3% |
| Net tangible and intangible assets | 203,158 | | 215,355 | | 214,617 | |
| Investments | 44,550 | | 44,550 | | 44,425 | |
| Other equity investments and non-current | 7,037 | | 8,005 | | 6,579 | |
| Non-current provisions and non-financial payables | (11,594) | | (12,246) | | (7,669) | |
| *B) Net fixed capital* | 243,151 | 70.0% | 255,664 | 70.7% | 257,952 | 80.7% |
| *A+B= Net capital employed* | 347,318 | 100.0% | 361,497 | 100.0% | 319,821 | 100.0% |
| *Financed by:* | | | | | | |
| Current loans and borrowings | 71,139 | | 87,630 | | 97,225 | |
| Cash and cash equivalents | (110,423) | | (129,704) | | (121,994) | |
| Current net debt | (39,284) | (11.3)% | (42,074) | (11.6)% | (24,769) | (7.8)% |
| Non-current loans and borrowings | 196,661 | 56.6% | 217,469 | 60.1% | 194,363 | 60.8% |
| *C) Net financial debt* | 157,377 | 45.3% | 175,395 | 48.5% | 169,594 | 53.0% |
| Opening equity | 186,102 | | 152,807 | | 152,807 | |
| Dividends paid | (53,261) | | (35,427) | | (35,427) | |
| Profit for the period | 56,613 | | 62,383 | | 26,483 | |
| Other changes | 487 | | 6,339 | | 6,364 | |
| *D) Closing equity* | 189,941 | 54.7% | 186,102 | 51.5% | 150,227 | 47.0% |
| *C+D = Total Financial Debt and Equity* | 347,318 | 100.0% | 361,497 | 100.0% | 319,821 | 100.0% |

Working capital at 30 June 2023 decreased on 31 December 2022 by Euro 1.7 million (-1.6%). Trade receivables increased Euro 5.7 million on 31 December 2022, due to increased sales in the second quarter, with other receivables decreasing Euro 13.9 million, while inventories increased Euro 11.9 million compared to 31 December 2022. Current non-financial payables increased Euro 9.8 million compared to 31 December 2022, while fixed asset payables decreased Euro 4.5 million.

Net fixed capital at 30 June 2023 was Euro 12.5 million lower than 31 December 2022, mainly due to lower net investments (overall Euro 7.9 million) than amortisation and depreciation in the period (Euro 20.5 million).

The net capital employed at 30 June 2023 decreased by Euro 14.2 million compared to 31 December 2022.

Equity at 30 June 2023 increased on 31 December 2022 by Euro 3.8 million, mainly following the distribution of dividends for Euro 53.3 million, which was lower than the profit for the period of Euro 56.6 million and the cash in from the exercise of options on shares (Euro +2.3 million). In addition, we indicate the reduction in equity of Euro 2 million following the purchase of treasury shares, as outlined in the specific section of this report.

The net financial debt at 30 June 2023 was Euro 157.4 million, decreasing Euro 18 million on 31 December 2022. It includes approx. Euro 15.8 million for financial liabilities regarding leases according to the new IFRS 16 standard.

Employees of the Company at 30 June 2023 numbered 735, broken down as follows: 13 executives, 164 white-collar and 558 blue-collar.
At 31 December 2022, employees numbered 734: 13 executives, 163 white-collar and 558 blue-collar.
At 30 June 2022, there were 721 employees, of which: 12 executives, 157 white-collar and 552 blue-collar.

Based on the available information and data, we expect Beverage and Food container orders by operators to gradually normalise over the coming months, partly due to the retail system's need to replenish inventories.

In the second half of the year, the Cosmetics and Perfumery container market is expected to remain dynamic, with demand at good levels, driven by the Premium segment and branded products.

The gradual normalisation of the cost of most inputs - particularly energy - may also lead to reviewed sales prices, with this process already partially underway. It is also expected that the cost of raw materials, in particular raw glass, which has not yet been impacted by price reductions, shall also decrease during the second half of the year. The second half margin shall however be affected by all these factors and is expected to remain at positive and unaltered levels.

## THE CONSOLIDATED COMPANIES

### *Zignago Vetro Brosse SAS*

Registered office: Vieux-Rouen-sur-Bresle (France)
Business sector: glass bottles for luxury fragrances

| | |
|---|---|
| Chairperson: | Roberto Cardini |
| General Manager: | Celine Riviere |
| | |
| "Comité de Direction" | Roberto Celot |
| | Nicolò Marzotto |
| | Michele Pezza |
| | Sergio Pregliasco |
| | Giovanni Puri Purini |

**Luxury Cosmetic and Perfumery** container demand was sustained in the first half of 2023, with end manufacturers forecasting higher sales than 2022, driven by the sell-out.

New launches appeared to decline in the second quarter due to a lack of production capacity, with the major brands therefore preferring to focus on recurring products.

The Caraffes market for luxury alcohol returned to pre-pandemic levels, also as a result of the recovery of the Chinese market.

The **reclassified consolidated income statement** of Zignago Vetro Brosse in H1 2023 compared to the same period of the previous year is shown below:

| | H1 2023 | | H1 2022 | | Changes |
|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | % |
| **Revenues** | 41,777 | 100.0% | 26,958 | 100.0% | 55.0% |
| Changes in finished and semi-finished products and work in progress | (3,703) | (8.9)% | 3,143 | 11.7% | n.a. |
| **Value of production** | 38,074 | 91.1% | 30,101 | 111.7% | 26.5% |
| Cost of goods and services | (26,183) | (62.7)% | (17,807) | (66.1)% | 47.0% |
| **Value added** | 11,891 | 28.4% | 12,294 | 45.6% | (3.3)% |
| Personnel expenses | (9,372) | (22.4)% | (8,619) | (32.0)% | 8.7% |
| **EBITDA** | 2,519 | 6.0% | 3,675 | 13.6% | (31.5)% |
| Amortisation and depreciation | (2,722) | (6.5)% | (2,364) | (8.8)% | 15.1% |
| Accruals to provisions | (33) | (0.1)% | (4) | --- | n.a. |
| **EBIT** | (236) | (0.6)% | 1,307 | 4.8% | n.a. |
| Net recurring non-operating income (charges) | 3 | --- | 0 | 0 | n.a. |
| **EBIT** | (233) | (0.6)% | 1,307 | 4.8% | n.a. |
| Net financial expenses | (281) | (0.7)% | (72) | (0.2)% | n.a. |
| Net exchange rate gains/(losses) | 23 | 0.1% | 0 | 0 | --- |
| **Profit/(loss) before taxes** | (491) | (1.2)% | 1,235 | 4.6% | n.a. |
| Income taxes | 121 | 0.3% | (460) | (1.7)% | n.a. |
| **Profit/(loss) for the period** | (370) | (0.9)% | 775 | 2.9% | n.a. |

Revenues in the first half of 2023 of Euro 42 million, up 55% on the same period of the previous year (Euro 27 million), in accordance with that described previously.

*Revenues by geographic segment:*

| (Euro thousands) | **H1 2023** | **H1 2022** | Change % |
|---|---|---|---|
| Italy | 2,921 | 2,292 | 27.4% |
| Europe (excluding Italy) | 35,051 | 20,366 | 72.1% |
| Other countries | 3,805 | 4,300 | (11.5)% |
| Total | 41,777 | 26,958 | 55.0% |

Material costs and external services, including inventory changes, in the first half of 2023 were 71.5% of revenue, compared to 54.4% in the first half of 2022.

Personnel expenses in the first half of 2023 accounted for 22.4% of revenue, compared to 32% in the same period of 2022.

EBITDA in the first half of 2023 was Euro 2.5 million, compared to Euro 3.7 million in the same period of 2022. The margin was 6%, compared to 13.6%.

EBIT in H1 2023 was a loss of Euro 0.2 million (Euro 1.3 million in the first half of the previous year).

The result before taxes in H1 2023 was a loss of Euro 0.5 million (profit of Euro 1.2 million in the first half of 2022).

The net result in the period was a loss of Euro 0.4 million (profit of Euro 0.8 million in H1 2022).

The cash flow generated from the result for the period and amortisation/depreciation in the first half of 2023 and 2022 amounted to Euro 2.4 million and Euro 3.1 million respectively.

The **reclassified statement of financial position** of Zignago Vetro Brosse at 30 June 2023 and 31 December and 30 June 2022 was as follows:

| | 30.06.2023 | | 31.12.2022 | | 30.06.2022 | |
|---|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | Euro thou. | % |
| Trade receivables | 19,917 | | 15,559 | | 12,281 | |
| Other receivables | 3,054 | | 1,681 | | 1,644 | |
| Inventories | 17,148 | | 21,342 | | 22,030 | |
| Current non-financial payables | (16,057) | | (14,885) | | (13,568) | |
| Payables on fixed assets | (1,115) | | (1,773) | | (925) | |
| *A) Working capital* | 22,947 | 58.0% | 21,924 | 55.9% | 21,462 | 52.3% |
| Net tangible and intangible assets | 16,141 | | 16,771 | | 20,900 | |
| Non fully consolidated eq. investments & other medium/long term assets | 1,986 | | 1,803 | | 328 | |
| Non-current provisions and non-financial payables | (1,496) | | (1,289) | | (1,627) | |
| *B) Net fixed capital* | 16,631 | 42.0% | 17,285 | 44.1% | 19,601 | 47.7% |
| *A+B= Net capital employed* | 39,578 | 100.0% | 39,209 | 100.0% | 41,063 | 100.0% |
| *Financed by:* | | | | | | |
| Current loans and borrowings | 1,250 | | 11,004 | | 7,408 | |
| Cash and cash equivalents | (232) | | (1,438) | | (1,550) | |
| Current net debt | 1,018 | 2.6% | 9,566 | 24.4% | 5,858 | 14.2% |
| Non-current loans and borrowings | 20,000 | 50.5% | 10,750 | 27.4% | 12,884 | 31.4% |
| *C) Net financial debt* | 21,018 | 53.1% | 20,316 | 51.8% | 18,742 | 45.6% |
| Opening equity | 18,893 | | 21,546 | | 21,546 | |
| Other equity changes | 37 | | (157) | | 0 | |
| Profit/(loss) for the period | (370) | | (2,496) | | 775 | |
| *D) Closing equity* | 18,560 | 46.9% | 18,893 | 48.2% | 22,321 | 54.4% |
| *C+D = Total financial debt & equity* | 39,578 | 100.0% | 39,209 | 100.0% | 41,063 | 100.0% |

Working capital at 30 June 2023 increased Euro 1 million compared to 31 December 2022 (Euro 4.4 million increase in trade receivables, Euro 1.4 million increase in other receivables, Euro 4.2 million decrease in inventories, Euro 1.2 million increase in non-financial payables and decrease in fixed asset payables of Euro 0.7 million).

Net fixed capital at 30 June 2023 decreased on 31 December 2022 by Euro 0.7 million, owing principally to investments (Euro 2.1 million) lower than amortisation/depreciation (Euro 2.7 million) and to the reclassification of some taxes to current assets.

The net financial debt amounted to Euro 21 million at 30 June 2023 (Euro 20.3 million at 31 December 2022 and Euro 18.7 million at 30 June 2022).

At 30 June 2023, there were 329 employees (at 31 December and 30 June 2022 respectively 327 and 325 employees).

**Luxury Perfumery** container demand in the second half of the year is expected to remain at the same levels as in the first half of the year.

The luxury Caraffes market is forecast to remain stable and at good levels.

## *Zignago Vetro Polska S.A.*

Registered office: Trabkj (Poland)
Business sector: glass containers

| | |
|---|---|
| Chairperson: | Roberto Cardini |
| “Management Board”: | Paolo Pacini - General Manager<br>Roberto Celot<br>Nicolò Marzotto<br>Stefano Marzotto<br>Michele Pezza<br>Sergio Pregliasco<br>Giovanni Puri Purini |
| “Supervisory Board”: | Paolo Nicolai - chairperson<br>Stefano Perosa<br>Carlo Pesce |

In the first half of 2023, **Cosmetic and Perfumery** market demand remained strong, driven by the main brands and the perfumery market, which are seeking new production capacity. The Aircare segment however saw slowing demand, impacted by high stock levels.

The European **Beverages and Food** market however indicated signs of slowdown towards the end of the period, due to reduced orders by manufacturers, with a view to keeping inventory levels low, particularly among distributors.

The Zignago Vetro Polska SA **reclassified income statement** for the first half of 2023 compared to the same period of the previous year is shown below:

| | H1 2023 | | H1 2022 | | Changes |
|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | % |
| **Revenues** | 48,172 | 100.0% | 36,068 | 100.0% | 33.6% |
| Change in finished and semi-finished products and work in progress | 925 | 1.9% | 604 | 1.7% | 53.1% |
| Internal production of fixed assets | 0 | 0 | 0 | 0 | n.a. |
| **Value of production** | 49,097 | 101.9% | 36,672 | 101.7% | 33.9% |
| Cost of goods and services | (26,463) | (54.9)% | (23,537) | (65.3)% | 12.4% |
| **Value added** | 22,634 | 47.0% | 13,135 | 36.4% | 72.3% |
| Personnel expenses | (7,385) | (15.3)% | (5,936) | (16.5)% | 24.4% |
| **EBITDA** | 15,249 | 31.7% | 7,199 | 19.9% | 111.8% |
| Amortisation and depreciation | (3,965) | (8.2)% | (4,199) | (11.6)% | (5.6)% |
| Accruals to provisions | (22) | (0.1)% | (52) | (0.1)% | (57.7)% |
| **EBIT** | 11,262 | 23.4% | 2,948 | 8.2% | 282.0% |
| Net recurring non-operating income (charges) | 143 | 0.3% | 10 | --- | n.a. |
| **EBIT** | 11,405 | 23.7% | 2,958 | 8.2% | 285.6% |
| Net financial expenses | (177) | (0.4)% | (225) | (0.6)% | (21.3)% |
| Net exchange rate gains/(losses) | 1,256 | 2.6% | (391) | (1.1)% | n.a. |
| **Profit before taxes** | 12,484 | 25.9% | 2,342 | 6.5% | 433.0% |
| Income taxes | (2,622) | (5.4)% | (484) | (1.3)% | 441.7% |
| **Profit for the period** | 9,862 | 20.5% | 1,858 | 5.2% | 430.8% |

Revenues in H1 2023 totalled Euro 48.2 million, compared to Euro 36.1 million in H1 2022 (+33.6%).

Revenues include, in addition to glass containers, also decoration services and the contribution charged to clients for the creation of moulds for specific products and other services.

### *Revenue by region*

| (Euro thousands) | **H1 2023** | **H1 2022** | Change % |
|---|---|---|---|
| Italy | 19,912 | 14,032 | 41.9% |
| Europe (excluding Italy) | 23,970 | 17,972 | 33.4% |
| Other countries | 4,290 | 4,064 | 5.6% |
| **Total** | 48,172 | 36,068 | 33.6% |

Materials and external services, including changes in inventories and internal production of fixed assets, amounted in the first six months of 2023 to Euro 25.5 million – 53% of revenues (Euro 22.9 million and 63.6% in H1 2022).

Personnel expense amounted to Euro 7.4 million and accounted for 15.3% of revenues (Euro 5.9 million also in 2022 and 16.5%).

EBITDA in H1 2023 amounted to Euro 15.2 million - 31.7% revenue margin (Euro 7.2 million in the same period of the previous year - 19.9% revenue margin).

EBIT totalled Euro 11.3 million in H1 2023, compared to Euro 2.9 million in H1 2022, with a 23.4% revenue margin, compared to 8.2% in the previous year.

The profit before taxes in H1 2023 was Euro 12.5 million. In the same period of 2022, it amounted to Euro 2.3 million.

The first half of 2023 reported a net profit of Euro 9.9 million, compared to Euro 1.9 million in H1 2022.

The cash flow generated by the profit for the period and amortisation/depreciation amounted to Euro 13.8 million, 28.7% of revenues (in H1 2022 Euro 6.1 million, 16.8% of revenues).

The **reclassified statement of financial position** of Zignago Vetro Polska SA at 30 June 2023 and 31 December 2022 and 30 June 2022 was as follows:

| | 30.06.2023 | | 31.12.2022 | | 30.06.2022 | |
|---|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | Euro thou. | % |
| Trade receivables | 19,016 | | 13,725 | | 12,744 | |
| Other receivables | 1,467 | | 983 | | 758 | |
| Inventories | 16,991 | | 15,370 | | 11,323 | |
| Current non-financial payables | (17,358) | | (13,779) | | (11,022) | |
| Payables on fixed assets | (329) | | (1,039) | | (94) | |
| *A) Working capital* | 19,787 | 30.2% | 15,260 | 25.9% | 13,709 | 23.0% |
| Net tangible and intangible assets | 42,063 | | 41,809 | | 43,175 | |
| Non fully consolidated eq. investments & other medium/long term assets | 4,027 | | 2,197 | | 3,066 | |
| Non-current provisions and non-financial payables | (310) | | (442) | | (408) | |
| *B) Net fixed capital* | 45,780 | 69.8% | 43,564 | 74.1% | 45,833 | 77.0% |
| *A+B= Net capital employed* | 65,567 | 100.0% | 58,824 | 100.0% | 59,542 | 100.0% |
| *Financed by:* | | | | | | |
| Current loans and borrowings | 5,710 | | 5,988 | | 6,017 | |
| Cash and cash equivalents | (9,978) | | (7,353) | | (5,872) | |
| Current net debt | (4,268) | (6.5)% | (1,365) | (2.3)% | 145 | 0.2% |
| Non-current loans and borrowings | 21,941 | 33.5% | 24,515 | 41.7% | 26,897 | 45.2% |
| *C) Net financial debt (funds)* | 17,673 | 27.0% | 23,150 | 39.4% | 27,042 | 45.4% |
| Opening equity | 35,674 | | 31,286 | | 31,286 | |
| Other equity changes | 2,358 | | (554) | | (644) | |
| Profit for the period | 9,862 | | 4,942 | | 1,858 | |
| *D) Closing equity* | 47,894 | 73.0% | 35,674 | 60.6% | 32,500 | 54.6% |
| *C+D = Total financial debt/(funds) and equity* | 65,567 | 100.0% | 58,824 | 100.0% | 59,542 | 100.0% |

The working capital at 30 June 2023 increased Euro 4.5 million on 31 December 2022.

Net fixed capital amounted to Euro 45.8 million at 30 June 2023, increasing Euro 2.2 million on 31 December 2022, principally due to the currency effect on fixed assets, against amortisation/depreciation (Euro 4 million) higher than investments (Euro 2.1 million) and due to the increased value of non-fully consolidated equity investments and of other medium/long-term assets.

The debt at 30 June 2023 was Euro 17.7 million, while at 31 December 2022 and 30 June 2022 respectively was Euro 23.2 million and Euro 27 million.

At 30 June 2023 employees numbered 592, while at 31 December and 30 June 2022 respectively 590 and 640.

Based on the available information, Cosmetic and Perfumery market demand in the second half of the year is expected to remain at good levels, driven by the major brands.

For the Beverages and Food segment however, the weak demand seen over recent months is expected to continue, with a gradual recovery in the second half of the year.

## *Vetri Speciali SpA*

Registered office: Trento – Via Manci, 5
Business sector: specialty glass containers

| | |
|---|---|
| Chairperson: | Stefano Marzotto |
| Vice Chairperson: | Vitaliano Torno |
| Chief Executive Officer: | Osvaldo Camarin |
| Directors: | Luca Marzotto |
| | Massimo Noviello |
| Statutory Auditors: | Lorenzo Buraggi - Chairperson |
| | Carlo Pesce |
| | Marco Finetti |

In the second quarter, special glass container demand remained at good levels, although amid signs of slowdown, in line with the broader beverage container market.

This was due to the possible softening of consumption on the one hand, while on the other due to the temporary slowdowns in orders, due to the reduction in inventory throughout the chain.

The **reclassified income statement** of Vetri Speciali SpA for H1 2023 compared to the same period of the previous year, for the share pertaining to Zignago Vetro SpA (50%), is summarised below:

| | **H1 2023** | | **H1 2022** | | Changes |
|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | % |
| **Revenues** | 94,876 | 100.0% | 78,191 | 100.0% | 21.3% |
| Changes in finished and semi-finished products and work in progress | 2,907 | 3.1% | (1,186) | (1.5)% | n.a. |
| **Value of production** | 97,783 | 103.1% | 77,005 | 98.5% | 27.0% |
| Cost of goods and services | (48,933) | (51.6)% | (40,122) | (51.3)% | 22.0% |
| **Value added** | 48,850 | 51.5% | 36,883 | 47.2% | 32.4% |
| Personnel expenses | (12,798) | (13.5)% | (11,996) | (15.4)% | 6.7% |
| **EBITDA** | 36,052 | 38.0% | 24,887 | 31.8% | 44.9% |
| Amortisation and depreciation | (5,210) | (5.5)% | (5,118) | (6.5)% | 1.8% |
| Accruals to provisions | (658) | (0.7)% | (248) | (0.3)% | 165.3% |
| **EBIT** | 30,184 | 31.8% | 19,521 | 25.0% | 54.6% |
| Net recurring non-operating income | 479 | 0.5% | 500 | 0.6% | (4.2)% |
| **EBIT** | 30,663 | 32.3% | 20,021 | 25.6% | 53.2% |
| Net financial expense | (499) | (0.5)% | (171) | (0.2)% | 191.8% |
| Net exchange rate gains/(losses) | 16 | 0 | 17 | 0 | (5.9)% |
| **Profit before taxes** | 30,180 | 31.8% | 19,867 | 25.4% | 51.9% |
| Income taxes | 745 | 0.8% | (4,785) | (6.1)% | (115.6)% |
| *(Tax-rate 2023: n.a.)* | | | | | |
| *(Tax-rate 2022: 24.1%)* | | | | | |
| **Profit for the period** | 30,925 | 32.6% | 15,082 | 19.3% | 105.0% |

The share of revenues in the first half of 2023 amounted to Euro 94.9 million, an increase of 21.3% compared to Euro 78.2 million in the first half of the previous year.

Exports accounted for 20.9% of revenues (19.9% in the same period of 2022).

*Revenues by geographic segment:*

| (Euro thousands) | **H1 2023** | **H1 2022** | % |
|---|---|---|---|
| Italy | 75,038 | 62,624 | 19.8% |
| Europe (excluding Italy) | 13,752 | 9,487 | 45.0% |
| Other areas | 6,086 | 6,080 | 0.1% |
| **Total** | 94,876 | 78,191 | 21.3% |
| of which export | 19,838 | 15,567 | 27.4% |
| % | 20.9% | 19.9% | |

The share of material costs and external services in the first half of 2023, including the changes in the share of inventory, account for 48.5% of revenues compared to 52.8% in the first half of 2022.
The share of personnel expenses in H1 2023 compared to the same period in 2022 increased by 6.7%, due to wage movements.
The share of EBITDA amounted to Euro 36.1 million in H1 2023, an increase of 44.9% compared to the same period of 2022 (Euro 24.9 million), and a margin of 38% on revenues (31.8% in H1 2022).

The share of EBIT in the period was Euro 30.1 million, up 54.6% (Euro 19.5 million in H1 2022), with a margin of 31.8% compared to 25%.

The profit before taxes amounted to Euro 30.2 million in the first half of 2023, up on Euro 19.9 million in the first half of 2022 and with a margin of 31.8% compared to 25.4%.

The tax rate in the first six months of 2023 was 2.5%, compared to 24.1% in H1 2022.

The profit in H1 2023 amounted to Euro 30.9 million, compared to Euro 15.1 million in the first half of 2022, with a H1 2023 margin of 32.6% (19.3% in H1 2022).

The cash flow generated from the profit for the period and amortisation/depreciation in the first half of the year amounted to Euro 36.1 million, compared to Euro 20.2 million in the same period of 2022.

The **reclassified statement of financial position** of Vetri Speciali SpA at 30 June 2023 and 31 December and 30 June 2022, for the share pertaining to Zignago Vetro SpA (50%), was as follows:

| | 30.06.2023 | | 31.12.2022 | | 30.06.2022 | |
|---|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | Euro thou. | % |
| Trade receivables | 41,221 | | 40,635 | | 34,202 | |
| Other receivables | 6,860 | | 3,483 | | 7,050 | |
| Inventories | 28,780 | | 23,476 | | 18,698 | |
| Current non-financial payables | (38,058) | | (34,213) | | (32,382) | |
| Payables on fixed assets | (1,814) | | (1,494) | | (570) | |
| *A) Working capital* | 36,989 | 23.3% | 31,887 | 21.2% | 26,998 | 18.3% |
| Net tangible and intangible assets | 79,723 | | 76,521 | | 75,992 | |
| Goodwill | 50,728 | | 50,728 | | 50,728 | |
| Other equity investments and non-current | 5,012 | | 4,862 | | 5,764 | |
| Non-current provisions and non-financial payables | (13,510) | | (13,270) | | (12,070) | |
| *B) Net fixed capital* | 121,953 | 76.7% | 118,841 | 78.8% | 120,414 | 81.7% |
| *A+B= Net capital employed* | 158,942 | 100.0% | 150,728 | 100.0% | 147,412 | 100.0% |
| *Financed by:* | | | | | | |
| Current loans and borrowings | 27,870 | | 25,895 | | 35,549 | |
| Cash and cash equivalents | (27,154) | | (13,797) | | (11,384) | |
| Current net debt | 716 | 0.4% | 12,098 | 8.0% | 24,165 | 16.4% |
| Non-current loans and borrowings | 33,950 | 21.4% | 22,383 | 14.9% | 25,388 | 17.2% |
| *C) Net financial debt* | 34,666 | 21.8% | 34,481 | 22.9% | 49,553 | 33.6% |
| Opening equity | 116,247 | | 95,411 | | 95,411 | |
| Dividends | (22,640) | | (13,755) | | (13,685) | |
| Other equity changes | (256) | | (8) | | 1,051 | |
| Profit for the period | 30,925 | | 34,599 | | 15,082 | |
| *D) Closing equity* | 124,276 | 78.2% | 116,247 | 77.1% | 97,859 | 66.4% |
| *C+D = Total financial debt and equity* | 158,942 | 100.0% | 150,728 | 100.0% | 147,412 | 100.0% |

The portion of trade receivables at 30 June 2023 increased Euro 0.6 million on 31 December 2022 and Euro 7 million on 30 June 2022.

The share of inventories at 30 June 2023 increased Euro 5.3 million compared to 31 December 2022 and Euro 10.1 million compared to 30 June 2022.

The share of net fixed capital of Euro 122 million at 30 June 2023 was Euro 3.1 million higher than at 31 December 2022 and Euro 1.5 million higher than 30 June 2022, due to greater capital expenditure (Euro 8.4 million) than depreciation (Euro 5.2 million).

The share of debt at 30 June 2023 amounted to Euro 34.7 million, an increase of Euro 0.2 million on 31 December 2022 and decreasing Euro 14.9 million on 30 June 2022. During the period the portion of dividends paid was Euro 22.6 million (Euro 13.7 million in 2022).

At 30 June 2023 employees numbered 892 (100% of the data), while at 31 December and 30 June 2022 respectively 895 and 886.

The situation is expected to stabilise over the coming months, with a consequent recovery in consumption.

* * *

For completeness the reclassified consolidated income statement and statement of financial position of Vetri Speciali SpA (100% of the relative data) are presented below.

The **reclassified consolidated income statement** of Vetri Speciali SpA (100% of the data) for H1 2023 and H1 2022 is shown below:

| | **H1 2023** | | **H1 2022** | | Changes |
|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | % |
| **Revenues** | 189,752 | 100.0% | 156,381 | 100.0% | 21.3% |
| Changes in finished and semi-finished products and work in progress | 5,813 | 3.1% | (2,372) | (1.5)% | n.a. |
| **Value of production** | 195,565 | 103.1% | 154,009 | 98.5% | 27.0% |
| Cost of goods and services | (97,865) | (51.6)% | (80,243) | (51.3)% | 22.0% |
| **Value added** | 97,700 | 51.5% | 73,766 | 47.2% | 32.4% |
| Personnel expenses | (25,596) | (13.5)% | (23,991) | (15.4)% | 6.7% |
| **EBITDA** | 72,104 | 38.0% | 49,775 | 31.8% | 44.9% |
| Amortisation and depreciation | (10,420) | (5.5)% | (10,236) | (6.5)% | 1.8% |
| Accruals to provisions | (1,315) | (0.7)% | (495) | (0.3)% | 165.7% |
| **EBIT** | 60,369 | 31.8% | 39,044 | 25.0% | 54.6% |
| Net recurring non-operating income | 957 | 0.5% | 1,000 | 0.6% | (4.3)% |
| **Operating Profit** | 61,326 | 32.3% | 40,044 | 25.6% | 53.1% |
| Net financial expense | (999) | (0.5)% | (343) | (0.2)% | 191.3% |
| Net exchange rate gains/(losses) | 31 | 0 | 33 | 0 | (6.1)% |
| **Profit before taxes** | 60,358 | 31.8% | 39,734 | 25.4% | 51.9% |
| Income taxes | 1,490 | 0.8% | (9,574) | (6.1)% | (115.6)% |
| *(Tax-rate 2023: n.a.)* | | | | | |
| *(Tax-rate 2022: 24.1%)* | | | | | |
| **Profit for the period** | 61,848 | 32.6% | 30,160 | 19.3% | 105.1% |

The **reclassified consolidated statement of financial position** of Vetri Speciali SpA (100% of the data) at 30 June 2023, 31 December 2022 and 30 June 2022 is summarised below:

| | **30.06.2023** | | **31.12.2022** | | **30.06.2022** | |
|---|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | Euro thou. | % |
| Trade receivables | 82,445 | | 81,274 | | 68,406 | |
| Other receivables | 13,719 | | 6,966 | | 14,100 | |
| Inventories | 57,559 | | 46,952 | | 37,396 | |
| Current non-financial payables | (76,115) | | (68,426) | | (64,764) | |
| Payables on fixed assets | (3,627) | | (2,987) | | (1,140) | |
| *A) Working capital* | 73,981 | 23.3% | 63,779 | 21.2% | 53,998 | 18.3% |
| Net tangible and intangible assets | 159,446 | | 153,041 | | 151,984 | |
| Goodwill | 101,455 | | 101,455 | | 101,455 | |
| Other equity investments and non-current | 10,023 | | 9,724 | | 11,527 | |
| Non-current provisions | (27,020) | | (26,540) | | (24,140) | |
| and non-financial payables | 243,904 | 76.7% | 237,680 | 78.8% | 240,826 | 81.7% |
| *B) Net fixed capital* | 317,885 | 100.0% | 301,459 | 100.0% | 294,824 | 100.0% |
| *A+B= Net capital employed* | | | | | | |
| *Financed by:* | 55,739 | | 51,789 | | 71,098 | |
| Current loans and borrowings | (54,307) | | (27,594) | | (22,768) | |
| Cash and cash equivalents | 1,432 | 0.4% | 24,195 | 8.0% | 48,330 | 16.4% |
| Current net debt | 67,899 | 21.4% | 44,766 | 14.9% | 50,776 | 17.2% |
| Non-current loans and borrowings | 69,331 | 21.8% | 68,961 | 22.9% | 99,106 | 33.6% |
| *C) Net financial debt* | | | | | | |
| Opening equity | 232,498 | | 190,826 | | 190,826 | |
| Dividends | (45,281) | | (27,510) | | (27,370) | |
| Other equity changes | (511) | | (16) | | 2,102 | |
| Profit for the period | 61,848 | | 69,198 | | 30,160 | |
| *D) Closing equity* | 248,554 | 78.2% | 232,498 | 77.1% | 195,718 | 66.4% |
| *C+D = Total financial debt and equity* | 317,885 | 100.0% | 301,459 | 100.0% | 294,824 | 100.0% |

## *Raw glass treatment Business Unit*

Companies included in the scope: Vetro Revet Srl (100%), Julia Vitrum Spa (40%), Vetreco Srl (30%)

In the first half of 2023, the Companies operating in this Business Unit reduced the amount of processed glass as a result of a reduction in the incoming flow of raw glass, due in particular to the sharp increase in its average procurement costs.
These costs, in fact, continued to rise also in the second quarter, affected also by the speculative environment emerging in the preceding quarters, in particular among certain operators.

A number of signs indicating an easing of these costs however emerged towards the end of the period.

The **reclassified aggregate income statement** of the Business Unit for H1 2023 and 2022 is reported below:

| | **H1 2023** | | **H1 2022** | | Changes |
|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | % |
| **Revenues** | 22,101 | 100.0% | 14,140 | 100.0% | 56.3% |
| Changes in finished and semi-finished products and work in progress | 538 | 2.4% | 722 | 5.1% | (25.5)% |
| **Value of production** | 22,639 | 102.4% | 14,862 | 105.1% | 52.3% |
| Cost of goods and services | (19,300) | (87.3)% | (12,055) | (85.2)% | 60.1% |
| **Value added** | 3,339 | 15.1% | 2,807 | 19.9% | 19.0% |
| Personnel expenses | (1,294) | (5.8)% | (1,230) | (8.7)% | 5.2% |
| **EBITDA** | 2,045 | 9.3% | 1,577 | 11.2% | 29.7% |
| Amortisation and depreciation | (912) | (4.1)% | (898) | (6.4)% | 1.6% |
| Accruals to provisions | (12) | (0.1)% | (9) | (0.1)% | 33.3% |
| **EBIT** | 1,121 | 5.1% | 670 | 4.7% | 67.3% |
| Net recurring non-operating income (charges) | 268 | 1.2% | 94 | 0.7% | 185.1% |
| **Operating Profit** | 1,389 | 6.3% | 764 | 5.4% | 81.8% |
| Net financial expense | (358) | (1.7)% | (113) | (0.8)% | 216.8% |
| **Profit before taxes** | 1,031 | 4.6% | 651 | 4.6% | 58.4% |
| Income taxes | (192) | (0.9)% | (51) | (0.4)% | 276.5% |
| *(Tax-rate 2023: 18.6%)* | | | | | |
| *(Tax-rate 2022: 7.8%)* | | | | | |
| **Profit for the period** | 839 | 3.8% | 600 | 4.2% | 39.8% |

In the first half of the year, the Business Unit reported revenues of Euro 22.1 million, principally concerning the sale of raw glass for furnaces, raw glass third party processing and metal waste sales.

The **reclassified statement of financial position** of the Business Unit at 30 June 2023 and 31 December and 30 June 2022 was as follows:

| | 30.06.2023 | | 31.12.2022 | | 30.06.2022 | |
|---|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | Euro thou. | % |
| Trade receivables | 9,273 | | 9,439 | | 8,200 | |
| Other receivables | 4,429 | | 4,062 | | 3,427 | |
| Inventories | 1,794 | | 1,361 | | 2,239 | |
| Current non-financial payables | (12,079) | | (11,535) | | (10,658) | |
| Payables on fixed assets | 0 | | 0 | | 0 | |
| *A) Working capital* | 3,417 | 12.7% | 3,327 | 12.2% | 3,208 | 11.6% |
| Net tangible and intangible assets | 23,490 | | 23,907 | | 24,592 | |
| Other equity investments and non-current | 1,649 | | 1,582 | | 1,296 | |
| Non-current provisions and non-financial payables | (1,626) | | (1,566) | | (1,459) | |
| *B) Net fixed capital* | 23,513 | 87.3% | 23,923 | 87.8% | 24,429 | 88.4% |
| *A+B= Net capital employed* | 26,930 | 100.0% | 27,250 | 100.0% | 27,637 | 100.0% |
| *Financed by:* | | | | | | |
| Current loans and borrowings | 6,088 | | 7,755 | | 8,190 | |
| Cash and cash equivalents | (1,095) | | (1,668) | | (800) | |
| Current net debt | 4,993 | | 6,087 | | 7,390 | |
| Non-current loans and borrowings | 16,141 | | 16,206 | | 15,763 | |
| *C) Net financial debt* | 21,134 | 78.5% | 22,293 | 81.8% | 23,153 | 83.8% |
| Opening equity | 4,957 | | 3,884 | | 3,884 | |
| Net result | 839 | | 1,073 | | 600 | |
| *D) Closing equity* | 5,796 | 21.5% | 4,957 | 18.2% | 4,484 | 16.2% |
| *C+D = Total financial debt and equity* | 26,930 | 100.0% | 27,250 | 100.0% | 27,637 | 100.0% |

Working capital amounted to Euro 3.4 million, increasing Euro 0.1 million on 31 December 2022, principally due to the increase in other receivables (Euro 0.3 million) and inventories (Euro 0.4 million), offset by the decrease in trade receivables (Euro 0.1 million) and the increase in current non-financial payables (Euro 0.6 million).

Net fixed capital at 30 June 2023 slightly reduced on 31 December 2022 (Euro 0.4 million), due to the depreciation provisioned (Euro 0.9 million) in excess of the investments made (Euro 0.5 million).

Net capital employed at 30 June 2023 decreased Euro 0.4 million compared to 31 December 2022.

The increase in equity at 30 June 2023 compared to 31 December 2022 was Euro 0.9 million, relating to the profit in the period.

The net financial debt at 30 June 2023 amounted to Euro 21.1 million, a decrease of Euro 1.2 million on 31 December 2022 (Euro 22.3 million).

The company workforce at 30 June 2023 numbered 83, in addition to 14 temporary staff.
Employees at 31 December 2022 also numbered 83, unchanged compared to 30 June 2022.

The tensions on the raw glass supply market may continue in 2023, making the quantity of raw material available for processing and its cost uncertain.

The potential impact of this on company results could see a possible further increase in the sales price of furnace-ready glass.

* * *

## *Italian Glass Moulds Srl*

Registered office: Portogruaro - Via Mattei, 13
Operating sector: production and maintenance of moulds

| | |
|---|---|
| Chairperson: | Roberto Cardini |
| Vice Chairperson: | Roberto Celot |
| Directors: | Michele Pezza<br>Alessandro Piovan – General Manager |
| Statutory Auditors: | Andrea Manetti - chairperson<br>Rodolfo Pesce<br>Marco Prandin |

IGM operates in a key area of glass container production and boasts modern facilities, its own technologies and an established and significant know-how.

The reclassified income statement to 3 June 2023 of Italian Glass Moulds Srl, compared to the half-year to 30 June 2022, is presented below:

| | **H1 2023** | | **H1 2022** | | Changes |
|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | % |
| **Revenues** | 2,130 | 100.0% | 0 | | n.a. |
| Changes in finished and semi-finished products and work in progress | (31) | (1.5)% | 0 | | n.a. |
| | | | | | n.a. |
| **Value of production** | 2,099 | 98.5% | 0 | | n.a. |
| Cost of goods and services | (1,160) | (54.5)% | 0 | | n.a. |
| **Value added** | 939 | 44.1% | 0 | | n.a. |
| Personnel expenses | (908) | (42.6)% | 0 | | n.a. |
| **EBITDA** | 31 | 1.5% | 0 | | n.a. |
| Amortisation and depreciation | (519) | (24.4)% | 0 | | n.a. |
| Accruals to provisions | 0 | 0 | 0 | | n.a. |
| **EBIT** | (488) | (22.9)% | 0 | | n.a. |
| Net recurring non-operating income | 13 | 0.6% | 0 | | n.a. |
| **Operating Profit/(loss)** | (475) | (22.3)% | 0 | | n.a. |
| Net financial expense | (49) | (2.3)% | 0 | | n.a. |
| Net exchange rate gains/(losses) | 0 | 0 | 0 | | n.a. |
| **Profit/(loss) before taxes** | (524) | (24.6)% | 0 | | n.a. |
| Income taxes | 202 | 9.6% | 0 | | n.a. |
| **Profit/(loss) for the period** | (322) | (15.1)% | 0 | | n.a. |

The reclassified statement of financial position of Italian Glass Moulds Srl at 30 June 2023 and 31 December 2022 and 30 June 2022 was as follows:

| | 30.06.2023 | | 31.12.2022 | | 30.06.2022 | |
|---|---|---|---|---|---|---|
| | Euro thou. | % | Euro thou. | % | Euro thou. | % |
| Trade receivables | 695 | | 306 | | 0 | |
| Other receivables | 1,183 | | 1,482 | | 0 | |
| Inventories | 524 | | 509 | | 0 | |
| Current non-financial payables | (1,096) | | (1,757) | | 0 | |
| Payables on fixed assets | (150) | | 0 | | 0 | |
| *A) Working capital* | 1,156 | 14.2% | 540 | 7.1% | 0 | |
| Net tangible and intangible assets | 7,618 | | 7,750 | | 0 | |
| Other equity investments and non-current assets | 300 | | 175 | | 0 | |
| Non-current provisions and non-financial payables | (929) | | (880) | | 0 | |
| *B) Net fixed capital* | 6,989 | 85.8% | 7,045 | 92.9% | 0 | |
| *A+B= Net capital employed* | 8,145 | 100.0% | 7,585 | 100.0% | 0 | |
| *Financed by:* | | | | | | |
| Current loans and borrowings | 5,141 | | 4,601 | | 0 | |
| Cash and cash equivalents | (223) | | (247) | | 0 | |
| Current net debt | 4,918 | 60.4% | 4,354 | 57.4% | 0 | |
| Non-current loans and borrowings | 3,703 | 45.5% | 3,385 | 44.6% | 0 | |
| *C) Net financial debt* | 8,621 | 105.8% | 7,739 | 102.0% | 0 | |
| Opening equity | (154) | | 0 | | 0 | |
| Dividends | 0 | | 0 | | 0 | |
| Other equity changes | 0 | | 83 | | 0 | |
| Profit/(loss) for the period | (322) | | (237) | | 0 | |
| *D) Closing equity* | (476) | (5.8)% | (154) | (2.0)% | 0 | |
| *C+D = Total financial debt and equity* | 8,145 | 100.0% | 7,585 | 100.0% | 0 | |

**Atypical and/or unusual transactions**

There were no atypical and/or unusual transactions for the period ended 30 June 2022 as defined by Consob Communication DEM/6064293.

**Significant events after 30 June 2023**

There were no significant events after 30 June 2023.

**Outlook**

Based on the available information, we expect Beverage and Food container withdrawals by operators to gradually normalise over the coming months, partly due to the retail system's need to replenish inventories, while the Cosmetics and Perfumery container market will remain dynamic, with demand at good levels, driven by the Premium segment and branded products.
We remain confident in the strength and positive medium to long-term outlook for the glass container market, which shall follow the established historical trend.
A gradual normalisation of the cost of most production factors also appears increasingly likely, and in particular of energy, while raw material costs - which remain high (particularly raw glass) - should show signs of reduction over the coming months. The margin outlook for the second half of the year will therefore be shaped by the development of all these factors and remain unchanged and positive.
An awareness of market development, so as to optimise production capacity utilisation to serve demand, the modernisation and upgrading of facilities, the ongoing drive for greater productivity, the efficient use of resources - particularly energy - and cost containment continue to be key areas of focus for the Group companies.
In addition, the Group is strongly committed to continuously improving its sustainability profile through a focus on investment, production factor utilisation and operating processes, aware of the importance of this aspect for the increasing adoption of glass in the near future.
The medium/long-term glass container sector outlook, and of the Group in particular, remains unaltered and positive, confirming the consolidated development trajectory that the glass container market has historically shown and that appears increasingly robust due to the growing appreciation of glass among users and consumers.

Fossalta di Portogruaro, 28 July 2023

*For the Board of Directors*
*The Chairperson*
*Mr. Nicolò Marzotto*

# Condensed Interim Consolidated Financial Statements

Consolidated
Financial Statements

## Statement of financial position

| (Euro thousands) | 30.06.2023 | 31.12.2022 | 30.06.2022 | Note |
|---|---|---|---|---|
| ***ASSETS*** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 273,934 | 285,938 | 283,428 | (1) |
| Goodwill | 2,709 | 2,674 | 2,672 | (2) |
| Intangible assets | 1,969 | 2,641 | 2,045 | |
| Equity investments measured using the equity method | 127,885 | 119,394 | 100,821 | (3) |
| Equity investments | 388 | 389 | 388 | |
| Other non-current assets | 6,283 | 6,188 | 6,175 | (4) |
| Deferred tax assets | 6,971 | 5,834 | 3,455 | |
| **Total non-current assets** | **420,139** | **423,058** | **398,984** | |
| **Current assets** | | | | |
| Inventories | 121,839 | 112,443 | 94,397 | (5) |
| Trade receivables | 140,416 | 130,529 | 112,461 | (6) |
| Other current assets | 11,358 | 13,913 | 9,522 | (7) |
| Current tax receivables | 8,864 | 18,706 | 5,581 | |
| Other current financial assets | 16,438 | 11,391 | 0 | (8) |
| Cash and cash equivalents | 69,524 | 91,435 | 86,366 | (9) |
| **Total current assets** | **368,439** | **378,417** | **308,327** | |
| **TOTAL ASSETS** | **788,578** | **801,475** | **707,311** | |
| ***EQUITY & LIABILITIES*** | | | | |
| **EQUITY** | | | | |
| Share capital | 8,926 | 8,895 | 8,890 | |
| Reserves | 49,331 | 46,887 | 45,905 | |
| Acquisition of treasury shares | (4,825) | (2,819) | (1,807) | |
| Retained earnings | 213,923 | 178,391 | 179,594 | |
| Group Profit | 74,636 | 86,596 | 31,088 | |
| **TOTAL GROUP EQUITY** | **341,991** | **317,950** | **263,670** | |
| **NON-CONTROLLING INT. EQUITY** | **708** | **523** | **382** | |
| **TOTAL EQUITY** | **342,699** | **318,473** | **264,052** | (10) |
| ***LIABILITIES*** | | | | |
| **Non-current liabilities** | | | | |
| Provisions for risks and charges | 2,422 | 2,455 | 2,723 | (11) |
| Post-employment benefit provision | 4,216 | 4,215 | 3,936 | (12) |
| Non-current loans and borrowings | 205,570 | 226,324 | 201,548 | (13) |
| Other non-current liabilities | 5,635 | 6,246 | 1,255 | (14) |
| Deferred tax liabilities | 2,395 | 2,245 | 2,062 | |
| **Total non-current liabilities** | **220,238** | **241,485** | **211,524** | |
| **Current liabilities** | | | | |
| Bank loans & borrowings and current portion of non-current loans & borrowings | 92,222 | 110,461 | 108,107 | (15) |
| Trade and other payables | 99,319 | 105,977 | 94,728 | (16) |
| Other current liabilities | 32,194 | 24,556 | 24,973 | (17) |
| Current tax payables | 1,906 | 523 | 3,927 | (18) |
| **Total current liabilities** | **225,641** | **241,517** | **231,735** | |
| **TOTAL LIABILITIES** | **445,879** | **483,002** | **443,259** | |
| **TOTAL EQUITY AND LIABILITIES** | **788,578** | **801,475** | **707,311** | |

## Income Statement

| (Euro thousands) | H1 2023 | H1 2022 | Note |
|---|---|---|---|
| **Revenues** | **286,541** | **219,804** | (19) |
| Raw materials, ancillaries, consumables and goods | (61,431) | (52,965) | (20) |
| Service costs | (97,861) | (90,929) | (21) |
| Personnel expense | (43,702) | (38,140) | (22) |
| Amortisation and depreciation | (27,999) | (23,846) | (23) |
| Impairment of fixed assets | 0 | 0 | |
| Other operating expenses | (2,154) | (1,905) | |
| Other operating income | 2,165 | 3,626 | |
| Equity-accounted joint ventures | 31,387 | 15,367 | (3) |
| **EBIT** | **86,946** | **31,012** | |
| Financial income | 439 | 6,873 | |
| Financial expenses | (4,934) | (992) | (24) |
| Net exchange rate gains/(losses) | 1,355 | (295) | (25) |
| **Profit before taxes** | **83,806** | **36,598** | |
| Income taxes | (8,985) | (5,356) | (26) |
| **Net result for the period** | **74,821** | **31,242** | |
| **Non-controlling interests loss (profit)** | **(185)** | **(154)** | |
| **Group Profit** | **74,636** | **31,088** | |

| | | |
|---|---|---|
| **Earnings per share:** | | |
| Basic earnings per share | *** 0.842** | *** 0.351** |
| Diluted earnings per share | *** 0.836** | *** 0.350** |

## Statement of Comprehensive Income

| (Euro thousands) | | H1 2023 | H1 2022 |
|---|---|---|---|
| **Net result for the period** | | **74,821** | **31,242** |
| *Items that will be subsequently reclassified to profit or loss* | | | |
| Translation difference for foreign operations | | 2,398 | (701) |
| Tax effect | | 0 | 0 |
| Share of profits/losses recognised to equity by equity-accounted companies | | (256) | 1,089 |
| Total items that will be subsequently reclassified to profit or loss | A) | 2,142 | 388 |
| *Items that will not be subsequently reclassified to profit or loss* | | | |
| Actuarial gains/(losses) on defined benefit plans | | 0 | 0 |
| Tax effect | | 0 | 0 |
| Total items that will not be subsequently reclassified to profit or loss | B) | 0 | 0 |
| Total other comprehensive income statement items, net of taxes | A+B) | 2,142 | 388 |
| **Total comprehensive income for the period** | | **76,963** | **31,630** |

## Statement of Cash Flows

| (Euro thousands) | | H1 2023 | H1 2022 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES:** | | | |
| **Net result for the period** | | **74,821** | **31,242** |
| **Adjustments to reconcile net profit with cash flow generated from operating activities** | | | |
| Amortisation and depreciation | | 27,999 | 23,840 |
| Impairment of property, plant and machinery | | 0 | 0 |
| Losses/(gains) on sale of property, plant & equipment | | (40) | (405) |
| Share-based payment settled with equity instruments | | 226 | (605) |
| Provision adjustments | | (33) | 590 |
| Financial income | | (439) | (6,346) |
| Financial expenses | | 4,934 | 465 |
| Net exchange rate gains/(losses) | | (1,355) | 295 |
| Income taxes | | 8,985 | (2,710) |
| Equity-accounted joint ventures | | (31,387) | (15,367) |
| **Changes in operating assets and liabilities:** | | | |
| Decrease/(increase) in trade receivables | | (9,887) | (17,928) |
| Decrease/(increase) in other current assets | | 2,555 | (2,737) |
| Decrease/(increase) in inventories | | (9,396) | (1,608) |
| Increase/(decrease) in trade & other payables | | (988) | 19,203 |
| Increase (decrease) in other current liabilities | | 7,638 | 2,794 |
| Change in other non-current assets and liabilities | | 549 | 1,144 |
| **Total adjustments and changes** | | **(639)** | **625** |
| Dividends distributed by equity-accounted joint ventures | | 22,640 | 13,685 |
| Interest paid in the period | | 0 | 0 |
| **Net Cash Flows from operating activities** | (A) | **96,822** | **45,552** |
| **CASH FLOW FROM INVESTING ACTIVITIES:** | | | |
| Gross investments in intangible assets | | (35) | (73) |
| Gross investments in property, plant and equipment | | (13,207) | (46,225) |
| Increase/(decrease) in payables for purchases of non-current assets | | (5,670) | (5,328) |
| Sales price of property, plant and equipment | | 40 | 2,424 |
| Investments in financial assets | | (6,784) | 0 |
| Acquisition of subsidiaries, net of liquidity acquired | | 0 | **0** |
| **Net cash flow used in investing activities** | **(B)** | **(25,656)** | **(49,202)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Acquisition of treasury shares | | (2,006) | (714) |
| Proceeds from the exercise of stock options | | 2,267 | 6,522 |
| Interest paid in the period | | (4,713) | (598) |
| Interest received in the period | | 305 | 8 |
| New financing | | 28,472 | 37,682 |
| Decrease in bank payables | | (63,830) | (33,385) |
| Repayment leases liabilities | | (1,985) | (1,845) |
| Dividends distribution | | (53,261) | (35,427) |
| **Net cash flow used in financing activities** | **(C)** | **(94,751)** | **(27,757)** |
| Change in assets and liabilities items due to translation effect | **(D)** | **1,674** | **237** |
| **Net change in cash and cash equivalents** | | **(21,911)** | **(31,170)** |
| **Cash & cash equivalents at beginning of period** | | **91,435** | **117,536** |
| **Cash & cash equivalents at end of period** | | **69,524** | **86,366** |

# Statement of changes in Equity

| | Share capital | Legal reserve | Revaluation reserve | Other reserves | Capital paid-in | Treasury shares | Translation reserve | Actuarial gains/(losses) on deferred benefit plans | Retained earnings | Profit | Total Group equity | Total non-controlling interest equity | Total consolidated equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 31 December 2021** | **8,800** | **1,760** | **27,334** | **16,087** | **157** | **(1,093)** | **(2,930)** | **(1,173)** | **152,335** | **60,019** | **261,296** | **228** | **261,524** |
| *Profit (Loss)* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31,088 | 31,088 | 154 | 31,242 |
| *Profit (loss) recognised directly to equity* | 0 | 0 | 0 | 1,089 | 0 | 0 | (701) | 0 | 0 | 0 | 388 | 0 | 388 |
| Total Comp. Income (expense) | 0 | 0 | 0 | 1,089 | 0 | 0 | (701) | 0 | 0 | 31,088 | 31,476 | 154 | 31,630 |
| Allocation of result | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 60,019 | (60,019) | 0 | 0 | 0 |
| *Sale of treasury shares* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *IFRS 2* | 0 | 0 | 0 | 590 | 0 | 0 | 0 | 0 | 0 | 0 | 590 | 0 | 590 |
| *Other changes* | 0 | 0 | 0 | (3) | 0 | 0 | 0 | 0 | 0 | 0 | (3) | 0 | (3) |
| *Share issue* | 90 | 0 | 0 | 6,432 | 0 | 0 | 0 | 0 | 0 | 0 | 6,522 | 0 | 6,522 |
| *Re-acquisition of treasury shares* | 0 | 0 | 0 | 0 | 0 | (714) | 0 | 0 | 0 | 0 | (714) | 0 | (714) |
| Movement non-controlling interests eq. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (35,497) | 0 | (35,497) | 0 | (35,497) |
| **Balance at 30 June 2022** | **8,890** | **1,760** | **27,334** | **24,195** | **157** | **(1,807)** | **(3,631)** | **(1,173)** | **176,857** | **31,088** | **263,670** | **382** | **264,052** |
| *Profit (Loss)* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 55,508 | 55,508 | 141 | 55,649 |
| *Profit (loss) recognised directly to equity* | 0 | 0 | 0 | (1,089) | 0 | 0 | 82 | 183 | 0 | 0 | (824) | 0 | (824) |
| Total Comp. Income (expense) | 0 | 0 | 0 | (1,089) | 0 | 0 | 82 | 183 | 0 | 55,508 | 54,684 | 141 | 54,825 |
| Allocation of result | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Acquisition of treasury shares* | 0 | 0 | 0 | 0 | 0 | (1,012) | 0 | 0 | 0 | 0 | (1,012) | 0 | (1,012) |
| *IFRS 2* | 0 | 0 | 0 | (2,527) | 0 | 0 | 0 | 0 | 2,732 | 0 | 205 | 0 | 205 |
| Other changes | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 3 |
| Share issue | 5 | 0 | 0 | 395 | 0 | 0 | 0 | 0 | 0 | 0 | 400 | 0 | 400 |
| Movement non-controlling interests eq. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Balance at 31 December 2022** | **8,895** | **1,760** | **27,334** | **20,977** | **157** | **(2,819)** | **(3,549)** | **(990)** | **179,589** | **86,596** | **317,950** | **523** | **318,473** |
| *Profit (Loss)* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 74,636 | 74,636 | 185 | 74,821 |
| *Profit (loss) recognised directly to equity* | 0 | 0 | 0 | (256) | 0 | 0 | 2,398 | 0 | 0 | 0 | 2,142 | 0 | 2,142 |
| Total Comp. Income (expense) | 0 | 0 | 0 | (256) | 0 | 0 | 2,398 | 0 | 0 | 74,636 | 76,778 | 185 | 76,963 |
| Allocation of result | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 86,596 | (86,596) | 0 | 0 | 0 |
| *Acquisition of treasury shares* | 0 | 0 | 0 | 0 | 0 | (2,006) | 0 | 0 | 0 | 0 | (2,006) | 0 | (2,006) |
| *IFRS 2* | 0 | 0 | 0 | 226 | 0 | 0 | 0 | 0 | 0 | 0 | 226 | 0 | 226 |
| *Other changes* | 0 | 0 | 0 | 37 | 0 | 0 | 0 | 0 | 0 | 0 | 37 | 0 | 37 |
| *Share issue* | 31 | 0 | 0 | 2,236 | 0 | 0 | 0 | 0 | 0 | 0 | 2,267 | 0 | 2,267 |
| *Re-acquisition of treasury shares* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Movement non-controlling interests eq. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Distribution dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (53,261) | 0 | (53,261) | 0 | (53,261) |
| **Balance at 30 June 2023** | **8,926** | **1,760** | **27,334** | **23,220** | **157** | **(4,825)** | **(1,151)** | **(990)** | **212,924** | **74,636** | **341,991** | **708** | **342,699** |

# Notes to the financial statements

# NOTES TO THE FINANCIAL STATEMENTS

# SUMMARY OF THE IFRS INTERNATIONAL ACCOUNTING STANDARDS USED FOR THE PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2023

## Group activities

Zignago Vetro SpA is a joint stock company limited by shares domiciled at Fossalta di Portogruaro via Ita Marzotto No. 8.

The publication of the condensed interim consolidated financial statements at 30 June 2023 of Zignago Vetro S.p.A. was approved by the Board of Directors on 28 July 2023.

## General preparation criteria

The condensed interim consolidated financial statements at 30 June 2023 and for the period ended at that date are presented in accordance with IAS 34 – Interim financial reporting, which relates to the reporting of interim financial information and data (the "Condensed Interim Consolidated Financial Statements"). Accounting standard IAS 34 provides for a minimum level of information significantly lower than that required by IFRS, where information has already been published on the complete Financial Statements prepared in accordance with IFRS.

Therefore, the present condensed interim consolidated financial statements, which were prepared in "condensed" form and include the minimum disclosures required by IAS 34, should be read together with the Group consolidated financial statements for the year ended 31 December 2022, prepared in accordance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. IFRS include all the revised international accounting standards (IAS) and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The Condensed Interim Consolidated Financial Statements at 30 June 2023 consist of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the statement of changes in equity and these notes.

**List of documents applicable as of financial statements for fiscal years beginning 1 January 2023**

The accounting policies adopted for the preparation of the interim financial statements at 30 June 2023 are the same as those utilised for the consolidated financial statements of the Zignago Vetro Group at 31 December 2022, except for the adoption of new standards and interpretations approved by the IASB and endorsed in Europe. This table below presents the recent changes to IFRS Accounting Standards applicable from the fiscal year, coinciding with the calendar year, beginning 1 January 2023.

| Document title | Issued date | Effective date | Endorsement date | EU Regulation and publication date |
|---|---|---|---|---|
| IFRS 17 - Insurance contracts (including amendments published in June 2020) | May 2017 June 2020 | 1 January 2023 | 19 November 2021 | (EC) 2021/2036 November 23, 2021 |
| Definition of accounting estimates (Amendments to IAS 8) | February 2021 | 1 January 2023 | 2 March 2022 | (EU) 2022/357 3 March 2022 |
| Disclosure of accounting policies (Amendments to IAS 1[2]) | February 2021 | 1 January 2023 | 2 March 2022 | (EU) 2022/357 3 March 2022 |
| Deferred taxes related to assets and liabilities arising from a single transaction (Amendments to IAS 12) | May 2021 | 1 January 2023 | 11 August 2022 | (EU) 2022/1392 12 August 2022 |
| Initial application of IFRS 17 and IFRS 9 - Comparative information (Amendments to IFRS 17) | December 2021 | 1 January 2023 | 8 September 2022 | (EU) 2022/1491 September 9, 2022 |
| International Tax Reform - Rules of the Pillar 2 model (Amendments to IAS 12) | May 2023 | 23 May 2023 | TBD | TDB |

[2] The document published by the IASB includes amendments to 'IFRS Practice Statements 2 - Making Materiality Judgements' which was not subject to EU endorsement as it is not an accounting standard or interpretation.

**List of documents applicable as of financial statements for fiscal years beginning 1 January 2024**

| **Document title** | **Issued date by the IASB** | **Effective date of the IASB document** | **Expected endorsement date by EU** |
|---|---|---|---|
| Classification of liabilities as current or non-current (Amendments to IAS 1) and Non current liabilities with covenants (Amendments to IAS 1) | January 2020<br>July 2020<br>October 2022 | 1 January 2024 | TBD |
| Lease liability in a sale and leaseback (Amendments to IFRS 16) | September 2022 | 1 January 2024 | TBD |
| Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) | May 2023 | 1 January 2024 | TBD |

The Group will adopt these new standards and amendments and is assessing potential impacts on the consolidated financial statements. These concern amendments to standards and/or interpretations which are not expected to have any significant impacts on the Group consolidated financial statements.

**List of documents not subject to EU endorsement**

Below we report the IFRS, interpretations and amendments to existing accounting policies and interpretations, or specific provisions within the standards and interpretations approved by the IASB, which have not yet been endorsed for adoption in Europe at the approval date of these consolidated financial statements.

| Document title | Issued date by the IASB | Effective date of the IASB document | Expected endorsement date by EU |
|---|---|---|---|
| **Standards** | | | |
| IFRS 14 Regulatory Deferral Accounts | January 2014 | 1 January 2016 | Postponed pending the new accounting standard on "rate-regulated activities". |
| **Amendments** | | | |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) | September 2014 | Postponed until the completion of the IASB project on the equity method | Endorsement process postponed pending the conclusion of the IASB project on the equity method |

The Group will adopt these new standards and amendments, according to the scheduled application date and will evaluate the potential impacts on the consolidated financial statements, where they have been approved by the European Union.

The statement of financial position is presented in comparative form with 31 December 2022 and 30 June 2020. The results reported were consistent in the three periods presented and show the consolidated statement of financial position of the Zignago Vetro Group, with the full consolidation of Zignago Vetro Brosse SAS, Zignago Vetro Polska SA, Vetro Revet Srl, Italian Glass Moulds Srl and Zignago Glass Usa Inc. and application of the equity method to Vetri Speciali SpA, Vetreco Srl and Julia Vitrum SpA.

These Condensed Interim Consolidated Half-Year Financial Statements of the Zignago Group as at and for the six months ended 30 June 2023 were prepared under the historical cost method, except for investments in financial assets and in derivative instruments, which are recorded at fair value.

They were prepared in Euro, the currency of the area in which the Group operates. All the amounts reported in the statements and notes to the condensed consolidated half-year financial statements are expressed in thousands of Euro, unless otherwise indicated.

**Consolidation scope and basis of consolidation**

The main consolidation criteria adopted were as follows:

- the elimination of the carrying amount of equity investments against the recognition of the assets and liabilities of the subsidiary according to the line-by-line method or at equity;
- the recognition of any possible non-controlling interest in equity;
- the elimination of all intergroup transactions, consisting of payables and receivables, sales and purchases, and unrealised profits and losses.

The assets and liabilities, charges and income of the companies consolidated under the line-by-line method are fully included in the consolidated financial statements; the book value of the investments is eliminated against the corresponding fraction of the equity of the subsidiaries.
At the control acquisition date, the equity of the investees is established attributing to the relevant assets and liabilities their present value. Any positive difference between the acquisition cost and the fair value of the net assets acquired is recorded in the asset account "Goodwill"; if negative, it is recognised to the statement of profit and loss.
The share of the equity and of profit and loss for the period relating to non-controlling interests is recognised in specific accounts in equity and in profit and loss. In the case of full control not being acquired the non-controlling interest equity is established based on the share of the present value attributable to the assets and liabilities at the date of acquisition of control, excluding any attributable goodwill (so-called partial goodwill method). Alternatively, in the case of full control not being acquired, the entire amount of goodwill (negative goodwill) generated by the acquisition is recorded considering therefore also the shareholding of non-controlling interests (so-called full goodwill method); they are expressed at their overall fair value including therefore the share of goodwill (negative goodwill). The goodwill calculation method (negative goodwill) is chosen on a case by case basis for each business combination.
With regard to equity investments acquired subsequent to the acquisition of control (non-controlling interest acquisitions), any difference between the acquisition cost and the corresponding portion of equity acquired is recognised to equity; similarly the effects from the sale of the non-controlling share without loss of control are recognised to equity.
If the acquisition value of the investments is above the pro-rata value of the equity of the investment, the positive difference is attributed, where possible, to the net assets acquired based on the fair value of the same while the residual is recorded in the account "Goodwill".

Goodwill is not amortised but is subject to verification, at least annually, of an impairment test when events or changes occur indicating that the carrying value can no longer be recovered. The goodwill is stated at cost net of any impairment losses.

The half-year financial statements of the subsidiaries utilised for the preparation of the condensed consolidated half-year financial statements are those approved by the respective Board of Directors. The data of the consolidated companies are adjusted, where necessary, in line with the accounting principles utilised by the Parent, which are in accordance with the IFRS adopted by the European Union.

The companies included in the consolidation scope at 30 June 2023 and 2022 and at 31 December 2022 are shown below; the percentage holdings refer to 30 June 2023.

CONSOLIDATION SCOPE

| Consolidated Companies<br><br>(Euro) | Registered Office | | Share capital (in local currency) | Percentage holding of the Group |
|---|---|---|---|---|
| Zignago Vetro SpA (Parent) | Fossalta di Portogruaro (VE) | | 8,926,308 | --- |
| Companies consolidated using the line-by-line method: | | | | |
| Zignago Vetro Brosse SAS | Vieux-Rouen-sur-Bresle (France) | | 4,000,000 | 100% |
| Zignago Vetro Polska SA | Trabkj (Poland) | PNL | 3,594,000 | 100% |
| Zignago Glass USA Inc. | New York (U.S.A.) | USD | 200,000 | 100% |
| Vetro Revet Srl | Empoli (FI) | | 402,000 | 51% |
| Italian Glass Moulds Srl | Portogruaro (VE) | | 100,000 | 100% |
| Equity-accounted investees: | | | | |
| Vetri Speciali SpA and subsidiaries | Trento (TN) | | 10,062,400 | 50% |
| Vetreco Srl | Supino (FR) | | 400,000 | 30% |
| Julia Vitrum | S. Vito al Tagliamento (PN) | | 625,000 | 40% |

## Translation of financial statements in currencies other than the Euro

The rules for the translation of financial statements of Companies which operate in a currency other than the Euro are the following:

- the assets and the liabilities were translated using the exchange rate at the balance sheet date;
- the costs and revenues, and income and charges, were translated using the average exchange rate for the period;
- the "Translation reserve" includes both the exchange rate differences generated from the translation of foreign currency profit and loss items and at a rate different from the closing rate exchange, and also those generated from the translation of opening equity at a closing rate exchange which is a different from the closing exchange;
- goodwill related to the acquisition of a foreign entity is treated as assets and liabilities of the foreign entity and translated at the closing date.

For the conversion of the Financial Statements expressed in foreign currencies, the rates indicated in the following table are applied (foreign currency for every 1 Euro).

| Description | **USD**<br>**US Dollar** | **PLN**<br>**Polish Zloty** |
|---|---|---|
| **Average exchange rate:** | | |
| - January/June 2023 | 1.0805 | 4.6243 |
| - January/December 2022 | 1.0534 | 4.6858 |
| - January/June 2022 | 1.0937 | 4.6351 |
| | | |
| **Closing exchange rate at:** | | |
| - 30 June 2023 | 1.0866 | 4.4388 |
| - 31 December 2022 | 1.0666 | 4.6808 |
| - 30 June 2022 | 1.0387 | 4.6904 |

**Use of estimates**

The preparation of the Condensed Interim Consolidated Financial Statements and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities in the consolidated half-year report and on the information relating to the assets and potential liabilities at the balance sheet date. The actual results may differ from those estimated. The estimates are used to value the doubtful debt and inventory obsolescence provisions, depreciation and amortisation, write-downs of assets, variable incentive and remuneration systems, deferred taxes, other provisions and funds and customer liabilities for packaging returns and the relative lease assets and liabilities.
The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognized in the statement of profit and loss.

The subjective relevant assessments of company management in applying the Group accounting policies and the main sources of uncertainty upon estimates were the same as those for the preparation of the consolidated financial statements for the year ended 31 December 2022. Compared to the consolidated financial statements at 31 December 2022, Management updated the valuations and estimates in light of the events in the first half of 2023, the forecast figures and the best available forecasts.
IFRS 13 requires that the financial instruments measured at fair value are classified based on three fair value hierarchy levels which reflect the significance of the input utilised in the determination of fair value. Based on the standard, the three fair value levels are as follows:

- Level 1 of fair value: the measurement inputs of the instruments are listed prices for identical instruments in active markets with access at the measurement date;
- Level 2 of fair value: the measurement inputs of the instruments are different than the prices listed at the previous point, which are directly or indirectly observable on the market;
- Level 3 of fair value: the measurement inputs of the instruments are not based on observable market data.

As indicated by the regulation, the hierarchy of the approaches adopted for the determination of all financial instruments (shares, units, bonds and derivatives), attributes priority to official prices available on active market for the assets and liabilities to be measured and, in their absence, to the measurement of assets and liabilities based on significant quotations, where they refer to similar assets and liabilities. On a residual basis, measurement techniques may be utilised based on non-observable inputs, and, therefore, more discretional.

**Assets and liabilities valued at fair value on a recurring basis: breakdown by fair value level**

The following table shows the assets and liabilities measured at fair value at 30 June 2023 by fair value hierarchy level.

| | Book Value | Fair Value Level 1 | 2 | 3 | Total |
|---|---|---|---|---|---|
| **Financial assets not measured at Fair Value** | | | | | |
| Cash and cash equivalents (*) | 69,524 | --- | --- | 69,524 | 69,524 |
| Trade receivables (*) | 140,416 | --- | --- | 140,416 | 140,416 |
| **Financial assets measured at Fair Value** | | | | | |
| Other receivables for TEE (white certificates) | --- | --- | --- | --- | --- |
| Hedges | 9,654 | --- | 9,654 | --- | 9,654 |
| **Financial liabilities not measured at Fair Value** | | | | | |
| Non-current loans and borrowings(*) | 205,570 | --- | --- | 205,570 | 205,570 |
| Lease liabilities (IFRS 16) | 17,675 | --- | --- | 17,675 | 17,675 |
| Bank loans & borrowings and current portion of non-current loans & borrowings | 92,222 | --- | 576 | 91,646 | 92,222 |
| Other non-current payables (*) | 5,635 | --- | --- | 5,635 | 5,635 |
| Trade and other payables (*) | 99,319 | --- | --- | 99,319 | 99,319 |

(*) The amounts refer to current financial assets and liabilities whose book value reasonably approximates fair value, which consequently has not been stated.

## NOTES TO THE MAIN STATEMENT OF FINANCIAL POSITION ACCOUNTS

### NON-CURRENT ASSETS

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **1 – Property, plant and equipment** | 273,934 | 285,938 | 283,428 |

Property, plant and equipment at 30 June 2023 amounted to Euro 273,934 thousand, after depreciation in the period of Euro 28 million and capital expenditure of Euro 13.6 million, net of fixed assets in progress items (gross of disposals in the period).

The table below shows the historical cost, accumulated depreciation and carrying amount of property, plant and equipment in the two periods:

| (Euro thousands) | **Balance at 30.06.2023** | | | | **Balance at 30.06.2022** | | |
|---|---|---|---|---|---|---|---|
| | Historic Cost | Write-down Provision | Accum. Depreciation | Net Value | Historic Cost | Accum. Depreciation | Net Value |
| Land & buildings | 140,867 | 0 | (51,512) | 89,355 | 114,857 | (45,056) | 69,801 |
| Right-of-use IFRS 16 | 30,333 | 0 | (12,814) | 17,519 | 28,716 | (7,473) | 21,243 |
| Plant & machinery | 449,591 | 0 | (312,029) | 137,562 | 376,129 | (278,066) | 98,063 |
| Industrial and commercial equipment | 99,019 | 0 | (89,334) | 9,685 | 88,024 | (83,927) | 4,097 |
| Other assets | 11,715 | 0 | (8,918) | 2,797 | 15,940 | (13,013) | 2,927 |
| Assets in progress | 17,016 | 0 | 0 | 17,016 | 87,297 | 0 | 87,297 |
| **Total** | **748,541** | **0** | **(474,607)** | **273,934** | **710,963** | **(427,535)** | **283,428** |

| (Euro thousands) | **Balance at 01.01.2023** | Acquisitions & capitalisations | Reclassifications | Write-downs | Decreases | Depreciation | Exchange rate differences | **Balance at 30.06.2023** |
|---|---|---|---|---|---|---|---|---|
| Land & buildings | 91,098 | 0 | 0 | 0 | (54) | (2,772) | 1,083 | 89,355 |
| Right-of-use IFRS 16 | 18,848 | 1,271 | 0 | 0 | 0 | (2,600) | 0 | 17,519 |
| Plant & machinery | 153,244 | 757 | 175 | 0 | (106) | (17,317) | 809 | 137,562 |
| Industrial & commercial equipment | 13,183 | 538 | 0 | 0 | (16) | (4,111) | 91 | 9,685 |
| Other assets | 2,854 | 448 | 0 | 0 | (18) | (523) | 36 | 2,797 |
| Assets in progress and advances | 6,711 | 10,404 | (175) | 0 | 0 | 0 | 76 | 17,016 |
| **Total** | **285,938** | **13,418** | **0** | **0** | **(194)** | **(27,323)** | **2,095** | **273,934** |

Assets in progress mainly concern ordinary investments at the Zignago Vetro Spa and Zignago Vetro Brosse Sas production sites.

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **2 - Goodwill** | 2,709 | 2,674 | 2,672 |

The Euro 2,709 thousand recognised as goodwill at 30 June 2023 reflects the higher value paid for the acquisition of Zignago Vetro Polska SA (Euro 692 thousand) and Vetro Revet Srl (Euro 2,017 thousand).

Goodwill comprises Euro 2,017 thousand regarding the gain paid for the acquisition by Zignago Vetro Spa of the 51% stake in Vetro Revet Srl.
The goodwill arises from the possibility to ensure the procurement of recycled glass in Tuscany in service of the adjacent Empoli facility.
The performance of the company Vetro Revet in the first half of 2023 indicates that goodwill was not impaired in the period, also in view of the earnings outlook for the second half of the year and next year. This goodwill was therefore not subject to an impairment test.

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **3 - Investments in companies valued at equity** | 127,885 | 119,394 | 100,821 |

The Group has three investments in jointly controlled companies:

- Vetri Speciali SpA and subsidiaries
- Vetreco Srl;
- Julia Vitrum SpA

Vetri Speciali SpA derives from a corporate restructuring operation undertaken in 2004 and is involved in the production and sale of specialty glass containers. The company's registered offices are at via Manci 5, Trento. Production is carried out at the Spini di Gardolo (TN), Pergine Valsugana (TN), Ormelle (TV) and San Vito al Tagliamento (PN) facilities.

The JV is a strategic investment for the Group, undertaken as part of the production diversification pursued by the Parent.
The Zignago Group holds 50% of ordinary company shares; all shares guarantee equal rights.
In 2023, the Company distributed dividends totalling Euro 45.3 million to shareholders.

Vetreco Srl is an Italian limited company domiciled in Supino (FR), incorporated in July 2010 as a joint venture, involved in the processing of raw glass and the supply of cullet ready for re-use in production.

The investment percentage of Zignago Vetro SpA is 30%.

Julia Vitrum SpA is an Italian company domiciled in San Vito al Tagliamento (PN), incorporated in April 2019 as a joint venture, involved in the processing of raw glass and the supply of cullet ready for re-use in production.
Zignago Vetro SpA's holding is 40%, reducing from the previous 50% due to the entry of a new institutional shareholder.

The valuation of the joint ventures at equity and the movements in the period are summarised below:

| (Euro thousands) | **30.06.2023** | **31.12.2022** | **30.06.2022** |
|---|---|---|---|
| Value of Vetri Speciali SpA investment in Zignago Vetro | 25,320 | 25,320 | 25,320 |
| Vetri Speciali NE at 100% | 248,554 | 232,498 | 195,718 |
| Vetri Speciali NE at 50% | 124,276 | 116,247 | 97,859 |
| Difference between value of investment and share of Equity of the subsidiary | 98,956 | 90,927 | 72,539 |
| Valuation using the equity method of Vetri Speciali investment | | | |
| Share of equity | 124,295 | 116,266 | 97,878 |
| Uniform accounting principles | (19) | (19) | (19) |
| Total valuation using the equity method | 124,276 | 116,247 | 97,859 |
| Increase/(decrease) of carrying amount of investment compared to valuation using the equity method | 98,956 | 90,927 | 72,539 |
| Movement in valuation using the equity method | | | |
| Valuation using the equity method at beginning of period | 116,247 | 95,413 | 95,413 |
| Profit: pro quota | 30,925 | 34,599 | 15,082 |
| Other statement of comprehensive income items in period: | | | |
| Effect of IAS 19 and other changes | (256) | (80) | 1,049 |
| Dividends | (22,640) | (13,685) | (13,685) |
| Uniform accounting principles | 0 | 0 | 0 |
| Valuation under the equity method at end of period | 124,276 | 116,247 | 97,859 |
| P&L effect of valuation using the equity method of the investment | 30,925 | 34,599 | 15,082 |

| (Euro thousands) | **30.06.2023** | **31.12.2022** | **30.06.2022** |
|---|---|---|---|
| Value of Vetreco Srl investment in Zignago Vetro | 1,059 | 1,059 | 1,059 |
| Vetreco NE at 100% | 8,239 | 8,005 | 7,548 |
| Vetreco NE at 30% | 2,473 | 2,404 | 2,266 |
| Difference between value of investment and share of Equity of the subsidiary | 1,414 | 1,345 | 1,207 |
| <u>Valuation using the equity method of Vetreco Srl investment</u> | | | |
| Share of equity | 2,473 | 2,404 | 2,266 |
| Uniform accounting principles | 0 | 0 | 0 |
| Total valuation using the equity method | 2,473 | 2,404 | 2,266 |
| Increase/(decrease) of carrying amount of investment compared to valuation using the equity method | 1,414 | 1,345 | 1,207 |
| <u>Movement in valuation using the equity method</u> | | | |
| Valuation using the equity method at beginning of period | 2,404 | 2,215 | 2,215 |
| Profit: pro quota | 69 | 189 | 51 |
| Other statement of comprehensive income items in period: | | | |
| Other changes | 0 | 0 | 0 |
| Increase of share capital portion | | | |
| Uniform accounting principles | | | |
| Valuation under the equity method at end of period | 2,473 | 2,404 | 2,266 |
| P&L effect of valuation using the equity method of the investment | 69 | 189 | 51 |

| (Euro thousands) | **30.06.2023** | **31.12.2022** | **30.06.2022** |
|---|---|---|---|
| Value of Julia Vitrum Spa investment in Zignago Vetro | 500 | 500 | 500 |
| Julia Vitrum Equity at 100% | 2,838 | 1,854 | 1,739 |
| Julia Vitrum Equity at 40% | 1,136 | 743 | 696 |
| Difference between value of investment and share of Equity of the subsidiary | 636 | 243 | 196 |
| <u>Valuation using the equity method of Julia Vitrum Spa investment</u> | | | |
| Share of equity | 1,136 | 743 | 696 |
| Uniform accounting principles | 0 | 0 | 0 |
| Total valuation using the equity method | 1,136 | 743 | 696 |
| Increase/(decrease) of carrying amount of investment compared to valuation using the equity method | 636 | 243 | 196 |
| <u>Movement in valuation using the equity method</u> | | | |
| Valuation using the equity method at beginning of period | 743 | 462 | 462 |
| Profit: pro quota | 393 | 281 | 234 |
| Other statement of comprehensive income items in period: IAS 19 effect | | | |
| Increase of share capital portion | 0 | 0 | 0 |
| Uniform accounting principles | | | |
| Valuation under the equity method at end of period | 1,136 | 743 | 696 |
| P&L effect of valuation using the equity method of the investment | 393 | 281 | 234 |

The key financial and performance indicators of the jointly-controlled companies recognised to the consolidated financial statements and valued at equity are also reported.

These figures relate also to the Parent interim reporting date and incorporate the totality of investments held. All investments operate on a going concern basis.

The statement of financial position and statement of profit and loss of Vetri Speciali SpA is summarised below:

| (Euro thousands) | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| Goodwill | 101,455 | 101,455 | 101,455 |
| Other non-current assets | 169,469 | 162,765 | 163,511 |
| Non-current assets | 270,924 | 264,220 | 264,966 |
| Cash and cash equivalents | 54,307 | 27,594 | 22,768 |
| Other current assets | 153,723 | 135,192 | 119,902 |
| Current assets | 208,030 | 162,786 | 142,670 |
| **TOTAL ASSETS** | **478,954** | **427,006** | **407,636** |
| Capital and Reserves | 248,554 | 232,498 | 195,718 |
| Equity | 248,554 | 232,498 | 195,718 |
| Non-current loans and borrowings | 67,899 | 44,766 | 50,776 |
| Other non-current liabilities | 27,020 | 26,540 | 24,140 |
| Non-current liabilities | 94,919 | 71,306 | 74,916 |
| Bank loans & borrowings and current portion of medium/long-term loans | 55,739 | 51,789 | 71,098 |
| Other current liabilities | 79,742 | 71,413 | 65,904 |
| Current liabilities | 135,481 | 123,202 | 137,002 |
| **TOTAL LIABILITIES** | **478,954** | **427,006** | **407,636** |

| (Euro thousands) | H1 2023 | H1 2022 |
|---|---|---|
| Revenues | 189,752 | 156,381 |
| Costs of production | (118,006) | (106,101) |
| Amortisation and depreciation | (10,420) | (10,236) |
| Operating Result | 61,326 | 40,044 |
| Financial income | 335 | 33 |
| Financial expense | (1,334) | (376) |
| Exchange rate gains/(losses) | 31 | 33 |
| Result before taxes | 60,358 | 39,734 |
| Income taxes | 1,490 | (9,574) |
| Profit for the period | 61,848 | 30,160 |
| Other positive (negative) components of statement of comprehensive income | 0 | 0 |
| **Total comprehensive income** | **61,848** | **30,160** |

The statement of financial position and income statement of Vetreco Srl is summarised below:

| (Euro thousands) | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| Other non-current assets | 16,757 | 17,454 | 17,424 |
| Non-current assets | 16,757 | 17,454 | 17,424 |
| Cash and cash equivalents | (87) | 872 | 23 |
| Other current assets | 14,475 | 15,017 | 14,922 |
| Current assets | 14,388 | 15,889 | 14,945 |
| **TOTAL ASSETS** | **31,145** | **33,343** | **32,369** |
| Capital and Reserves | 8,239 | 8,006 | 7,548 |
| Equity | 8,239 | 8,006 | 7,548 |
| Other non-current liabilities | 9,219 | 9,214 | 10,731 |
| Non-current liabilities | 9,219 | 9,214 | 10,731 |
| Bank loans & borrowings and current portion of medium/long-term loans | 743 | 3,840 | 2,777 |
| Other current liabilities | 12,944 | 12,283 | 11,313 |
| Current liabilities | 13,687 | 16,123 | 14,090 |
| **TOTAL LIABILITIES** | **31,145** | **33,343** | **32,369** |

| (Euro thousands) | H1 2023 | H1 2022 |
|---|---|---|
| Revenues | 21,953 | 14,685 |
| Costs of production | (20,291) | (13,361) |
| Amortisation and depreciation | (888) | (887) |
| Operating Result | 774 | 437 |
| Financial expense | (316) | (177) |
| Result before taxes | 458 | 260 |
| Income taxes | (225) | (89) |
| Profit for the period | 233 | 171 |
| Other positive (negative) components of statement of comprehensive income | 0 | 0 |
| **Total comprehensive income** | **233** | **171** |

The statement of financial position and income statement of Julia Vitrum Spa is summarised below:

| (Euro thousands) | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| Other non-current assets | 31,051 | 31,385 | 32,031 |
| Non-current assets | 31,051 | 31,385 | 32,031 |
| Cash and cash equivalents | 1,226 | 2,087 | 378 |
| Other current assets | 12,034 | 12,853 | 10,095 |
| Current assets | 13,260 | 14,940 | 10,473 |
| **TOTAL ASSETS** | **44,311** | **46,325** | **42,504** |
| Capital and Reserves | 2,838 | 1,854 | 1,739 |
| Equity | 2,838 | 1,854 | 1,739 |
| Other non-current liabilities | 29,373 | 29,474 | 25,827 |
| Non-current liabilities | 29,373 | 29,474 | 25,827 |
| Bank loans & borrowings and current portion of medium/long-term loans | 4,184 | 5,522 | 7,082 |
| Other current liabilities | 7,916 | 9,475 | 7,856 |
| Current liabilities | 12,100 | 14,997 | 14,938 |
| **TOTAL LIABILITIES** | **44,311** | **46,325** | **42,504** |

| (Euro thousands) | 30.06.2023 | 30.06.2022 |
|---|---|---|
| Revenues | 16,146 | 9,024 |
| Costs of production | (13,444) | (7,350) |
| Amortisation and depreciation | (1,012) | (985) |
| Operating Result | 1,690 | 689 |
| Financial income/expense | (417) | (76) |
| Result before taxes | 1,273 | 613 |
| Income taxes | (289) | (29) |
| Profit for the period | 984 | 584 |
| Other positive (negative) components of statement of comprehensive income | 0 | 0 |
| **Total comprehensive income** | **984** | **584** |

All three joint ventures are quoted and a fair value deriving from a quoted market price is not available for any of them.

Relating to the goodwill which constitutes part of the book value attributed to the Vetri Speciali joint venture, it should be noted that this was separately subject to an impairment test by the directors of the joint venture Vetri Speciali SpA, as per IAS 36, for the financial statements at 31 December 2022.

The recoverability of this goodwill shall also be considered in any impairment tests on the value of the investment. In this regard, also at 30 June 2023, there was no indication of an impairment loss on the joint venture.

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **4 – Other non-current assets** | 6,283 | 6,188 | 6,175 |

The receivable mainly concerns guarantee deposits paid by Zignago Vetro Spa and advances paid by Zignago Vetro Polska Sa.

**CURRENT ASSETS**

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **5 - Inventories** | 121,839 | 112,443 | 94,397 |

The table below shows the composition of inventories:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Raw materials, ancillaries and consumables | 28,695 | 28,005 | 23,692 |
| Work-in-progress and semi-finished products | 182 | 0 | 3,787 |
| Finished products | 104,368 | 93,345 | 76,000 |
| Inventory obsolescence provision | (11,406) | (8,907) | (9,082) |
| **Total** | **121,839** | **112,443** | **94,397** |

The increase in inventories reflects the business performance over the first six months; the increase in the inventory obsolescence reflects the increase in stock levels.

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **6 - Trade receivables** | 140,416 | 130,529 | 112,461 |

The table below illustrates the trade receivables and the relative doubtful debt provision:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Trade receivables - Italy | 67,821 | 63,566 | 59,644 |
| Trade receivables - Foreign | 40,739 | 32,753 | 26,950 |
| Bills | 32,691 | 34,862 | 26,513 |
| Doubtful debt provision | (835) | (652) | (646) |
| **Total** | **140,416** | **130,529** | **112,461** |

Trade receivables increased due to the higher volume of monthly revenues in the final months of the period.

At 30 June 2023 and 31 December 2022, trade receivables that were overdue but not individually written down were as follows:

| (Euro thousands) | Not overdue | under 30 days | 30 - 60 days | 60 - 90 days | beyond | **Total** |
|---|---|---|---|---|---|---|
| 30 June 2023 | 117,020 | 17,691 | 2,394 | 2,247 | 1,064 | **140,416** |
| 31 December 2022 | 108,297 | 16,129 | 3,108 | 2,411 | 584 | **130,529** |
| 30 June 2022 | 93,940 | 13,952 | 1,719 | 1,800 | 1,050 | **112,461** |

The majority of the Group's receivables (approximately 70% of the total) are covered by insurance policies.

The Company does not have significant concentrations of credit risk at the balance sheet date.

The movements during the period in the doubtful debt provision were as follows:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Provision at beginning of period | 652 | 596 | 596 |
| Provisions | 346 | 353 | 50 |
| Utilisations | (163) | (297) | 0 |
| **Total** | **835** | **652** | **646** |

The doubtful debt provision at 30 June 2023 amounted to Euro 835 thousand, subsequent to the allocation of an accrual of Euro 346 thousand. The utilisations refer mainly to Zignago Vetro Polska and Zignago Vetro Brosse.

The table below shows the breakdown of trade receivables by geographical segment:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Italy | 101,533 | 99,153 | 87,041 |
| E.U. | 33,045 | 26,187 | 22,226 |
| Other countries | 5,838 | 5,189 | 3,194 |
| **Total** | **140,416** | **130,529** | **112,461** |

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **7 – Other current assets** | 11,358 | 13,913 | 9,522 |

The table below shows the composition of "Other current assets":

| (Euro thousands) | | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|---|
| VAT receivables | | 8,772 | 12,088 | 8,419 |
| Advances to social security institutions and receivables from employees and agents | | 120 | 60 | 105 |
| Other receivables | | 1,400 | 769 | 434 |
| | sub) | 10,292 | 12,917 | 8,958 |
| Accrued income for: | | | | |
| - interest on bank deposits | | 0 | 0 | 0 |
| - services | | 0 | 0 | 0 |
| Prepayments: | | | | |
| - insurance premiums | | 468 | 600 | 139 |
| - rent expenses and leases | | 190 | 190 | 190 |
| - services | | 408 | 206 | 235 |
| **Total** | | **11,358** | **13,913** | **9,522** |

"VAT receivables" reflect the taxes paid in relation to the investments of the Group companies.
Other receivables mainly include receivables for public grants to be received of Zignago Vetro Brosse for Euro 1,280 thousand.

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **8 – Other current financial assets** | 16,438 | 11,391 | 0 |

The item refers to the fair value measurement of IRS interest rate derivatives of Euro 9,654 thousand and Euro 6,784 thousand for Fixed Income Government Bonds.

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **9 - Cash and cash equivalents** | 69,524 | 91,435 | 86,366 |

The table below shows the composition of cash and cash equivalents:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Time deposits | 10,037 | 8,999 | 7,000 |
| Bank and postal accounts | 59,480 | 82,431 | 79,364 |
| Cash and valuables in hand | 7 | 5 | 2 |
| **Total** | **69,524** | **91,435** | **86,366** |

For the cash flow performance of the company, reference should be made to the half-year consolidated statement of cash flows.

## EQUITY

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **10 - Group Equity** | 342,699 | 318,473 | 264,052 |

Equity at 30 June 2023 increased on 31 December 2022 by Euro 24,226 thousand, mainly due to the profit for the period (+Euro 74,636 thousand), the distribution of dividends (-Euro 53,261 thousand), the change in the translation reserve (+Euro 2,364 thousand) and the change in the IFRS 2 Reserve (+Euro 226 thousand), the purchase of treasury shares in the period for Euro 2,006 thousand and the cash in from the exercise of options on shares for Euro 2,267 thousand.
An analysis of the movements in consolidated equity is shown in the condensed consolidated half-year financial statements.
During the periods considered, non-controlling interest equity concerning the investment of the shareholder La Revet SpA in Vetro Revet Srl was 49%.

## NON-CURRENT LIABILITIES

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **11 - Provisions for risks and charges** | 2,422 | 2,455 | 2,723 |

The table below shows the composition of the provisions for risks and charges:

| | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Post-employment benefits provision | 684 | 649 | 1,119 |
| Provision for industrial risks | 1,121 | 1,058 | 916 |
| Agents' supplementary indemnity provision | 264 | 264 | 252 |
| Provision for contractual risks | 353 | 484 | 436 |
| Provision for emission trading risks | 0 | 0 | 0 |
| **Total** | **2,422** | **2,455** | **2,723** |

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **12 – Post-employment benefits** | 4,216 | 4,215 | 3,936 |

The table below shows the movements in the provision in the periods considered:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Balance at 1 January | 4,215 | 3,909 | 3,909 |
| Interest paid | 49 | 35 | 19 |
| Consolidation Italian Glass Moulds | 0 | 839 | 0 |
| Actuarial loss (profit) | 10 | (414) | 34 |
| *Of which change in assumptions* | *0* | *660* | *0* |
| *Of which experience adjustments* | *0* | *(202)* | *0* |
| Payments | (58) | (154) | (26) |
| **Balance at 31 December** | **4,216** | **4,215** | **3,936** |

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **13 - Non-current loans and borrowings** | 205,570 | 226,324 | 201,548 |

The table below shows the composition of non-current loans and borrowings:

| | (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|---|
| (A) | Unsecured loan, nominal value Euro 40 million, BNL, Euribor 3 months variable rate, maturity 29 July 2023, repayment by quarterly instalments in arrears | 1,995 | 5,985 | 9,975 |
| (B) | Unicredit Spa loan, nominal value Euro 60 million, Euribor 3 months variable rate, maturity 20 December 2024, repayment by quarterly instalments | 29,946 | 35,928 | 41,910 |
| (C) | Banca Intesa SpA loan, nominal value Euro 40 million, Euribor 3 months variable rate, maturity 30 December 2022, repayment by half-yearly instalments | 0 | 0 | 9,990 |
| (D) | Banca Credit Agricole Friuladria SpA loan, nominal value Euro 10 million, Euribor 3 months variable rate, maturity 31 December 2023, repayment by half-yearly instalments | 1,426 | 2,851 | 4,277 |
| (E) | Banco BPM SpA loan, nominal value Euro 7 million, Euribor 3 months variable rate, maturity 30 June 2024, repayment by quarterly instalments | 2,888 | 3,633 | 4,377 |
| (F) | Cassa Depositi e Prestiti subsidised loan, nominal value Euro 7,990 thousand, fixed subsidised rate, 10-year duration, repayment by half-yearly instalments | 4,462 | 5,383 | 3,794 |
| (G) | BNL loan, nominal value Euro 2,283 thousand, Euribor 6 months variable rate, 10-year duration linked to point (F) above, repayment by half-yearly instalments | 1,727 | 1,727 | 1,273 |
| (H) | BNL loan, nominal value Euro 10 million, Euribor 3 months variable rate, maturity 7 May 2025, repayment by quarterly instalments | 5,544 | 6,653 | 7,762 |
| (I) | BPER loan, nominal value Euro 10 million, Euribor 3 months variable rate, maturity 18 June 2025, repayment by half-yearly instalments | 4,028 | 5,027 | 6,023 |
| (J) | INTESA loan, nominal value Euro 25 million, Euribor 3 months variable rate, maturity 5 August 2025, repayment by half-yearly instalments | 12,463 | 14,955 | 17,448 |
| (K) | UBI loan, nominal value Euro 10 million, fixed rate at market conditions, maturity 15 April 2023, repayment by quarterly instalments | 0 | 2,510 | 5,013 |
| (L) | Intesa Sanpaolo loan, nominal value Euro 45 million, Euribor 3 months variable rate, maturity 31 May 2026, repayment by half-yearly instalments | 26,919 | 31,406 | 35,892 |
| (M) | BNL loan, nominal value Euro 30 million, Euribor 3 months variable rate, maturity 28 December 2026, repayment by quarterly instalments | 24,664 | 28,187 | 29,946 |

| | | | | |
|---|---|---|---|---|
| (N) | Mediobanca loan, nominal value Euro 40 million, Euribor 3 months variable rate, maturity 28 October 2026, repayment by half-yearly instalments | 31,122 | 35,511 | 39,900 |
| (O) | Unicredit Spa loan, nominal value Euro 24 million, Euribor 3 months variable rate, maturity 28 March 2027, repayment by half-yearly instalments | 19,142 | 21,535 | 23,928 |
| (P) | Credit Agricole Friuladria SpA Bank loan, nominal value Euro 10 million, Euribor 6 months variable rate, maturity 24 August 2028, repayment by half-yearly instalments | 9,975 | 9,972 | 9,970 |
| (Q) | Banco BPM SpA loan, nominal value Euro 30 million, Euribor 3 months variable rate, maturity 30 September 2027, repayment by quarterly instalments | 29,951 | 29,946 | --- |
| (R) | Banco Desio loan, nominal value Euro 3 million, Euribor 1 month variable rate, maturity 10 October 2025, repayment by monthly instalments | 2,337 | 2,832 | --- |
| (S) | Deutsche Bank loan, nominal value Euro 30 million, Euribor 3 months variable rate, maturity 19 December 2027, repayment by quarterly instalments | 26,946 | 29,940 | --- |
| (T) | Bper banca loan, nominal value Euro 30 million, Euribor 3 months variable rate, maturity 3 December 2028, repayment by quarterly instalments | 28,472 | 0 | 0 |
| (U) | Zignago Vetro Brosse Sas loan from French bank | 0 | 0 | 634 |
| (V) | Zignago Vetro Polska SA loans and finance leases | 1,292 | 1,927 | 2,565 |
| (W) | Vetro Revet Outstanding Loans | 3,760 | 4,104 | 4,458 |
| (Y) | Italian Glass Moulds Outstanding loans | 4,632 | 4,786 | 0 |
| | **Total non-current loans & borrowings** | 273,691 | 284,799 | 259,135 |
| | IFRS 16 Effect | 17,675 | 19,240 | 21,415 |
| | Less current portion | (85,796) | (77,715) | (79,002) |
| | **Non-current portion** | 205,570 | 226,324 | 201,548 |

Financial payables of Euro 17,675 thousand concerning the leasing commitments undertaken by the Group are reported.

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **14 – Other non-current liabilities** | 5,635 | 6,246 | 1,255 |

The account includes at 30 June 2023 and 31 December and 30 June 2022 the deferred income recognised against the tax asset for investments in new machinery under Legislative Decree 91/2014, which is recognised to the income statement on the basis of the depreciation calculated on the investments.

## CURRENT LIABILITIES

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **15 - Bank loans and borrowings current portion** | 92,222 | 110,461 | 108,107 |

The table below shows the composition of bank payables and the current portion of non-current loans and borrowings:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Loan advances | 2,040 | 16,973 | 20,352 |
| Short-term loans | 0 | 7,008 | 7,000 |
| Current portion of medium/long-term loans | 85,796 | 77,715 | 79,002 |
| Advances on bank drafts | 3,810 | 8,765 | 1,753 |
| Bank loans and borrowings for mark to market | 576 | --- | 0 |
| **Total** | **92,222** | **110,461** | **108,107** |

For further details on leases and non-current loans, the current portion of which is included under bank loans and borrowings, reference should be made to the paragraph *"Non-current loans and borrowings"*.

*Reconciliation of financial liabilities deriving from loans*

As required by IAS 7, the following table summarises the cash flows concerning financial and derivative liabilities arising in the year:

| Item | **31.12.2022** | **Cash flow** | **Non** | | **30.06.2023** |
|---|---|---|---|---|---|
| | | | **Acquisition** | **Other** | |
| Bank borrowings - non-current | 226,324 | (19,189) | 0 | (1,565) | 205,570 |
| Other non-current financial liabilities | 6,246 | (611) | 0 | 0 | 5,635 |
| **Non-current financial liabilities (A)** | **232,570** | **(19,800)** | **0** | **(1,565)** | **211,205** |
| Bank borrowings - current | 77,715 | 8,081 | 0 | 0 | 85,796 |
| Bank overdrafts on borrowings for anticipation effects | 8,190 | (4,380) | 0 | 0 | 3,810 |
| Other current financial liabilities | 24,556 | (21,940) | 0 | 0 | 2,616 |
| **Current financial liabilities (B)** | **110,461** | **(18,239)** | **0** | **0** | **92,222** |
| **Financial liabilities (A) + (B)** | **343,031** | **(38,039)** | **0** | **(1,565)** | **303,427** |

*Finance lease payables IFRS 16*

Lease liabilities amount to Euro 17,675 thousand and are comprised as follows:

| **Lease liabilities**<br>(Euro/1000) | Balance at<br>**30.06.2023** | Balance at<br>**31.12.2022** | Balance at<br>**30.06.2022** |
|---|---|---|---|
| Current lease liabilities | 4,982 | 4,901 | 4,909 |
| Non-current lease liabilities | 12,693 | 14,339 | 16,506 |
| **Total** | **17,675** | **19,240** | **21,415** |

The movement in lease liabilities in 2023 is presented in the following table:

| **Lease liabilities**<br>(Euro/1000) | **30.06.2023** | **31.12.2022** | **30.06.2022** |
|---|---|---|---|
| **Opening balance** | 19,240 | 17,543 | 17,543 |
| Initial adoption IFRS 16 | 0 | 0 | 0 |
| Increases | 420 | 6,014 | 5,630 |
| Decreases | (1,985) | (4,317) | (1,758) |
| Financial expense | 0 | 0 | 0 |
| Conversion differences | | | |
| Other movements | 0 | 0 | 0 |
| **Final balance** | 17,675 | 19,240 | 21,415 |

**Net Financial Position**

The following table highlights the composition of the net financial debt at 30 June 2023, 31 December 2022 and 30 June 2022 in accordance with CONSOB communication No. DEM/6064293 of 28 July 2006:

| | (Euro thousands) | | **30.06.2023** | **31.12.2022** | **30.06.2022** |
|---|---|---|---|---|---|
| A | Cash and cash equivalents | | 69,524 | 91,435 | 86,366 |
| B | Other liquidity | | 0 | 0 | 0 |
| C | Other current financial assets | | 16,438 | 11,391 | 0 |
| **D** | **Liquidity** | **(A) + (B) + (C)** | 85,962 | 102,826 | 86,366 |
| E. | Current financial debt | | 6,426 | 32,746 | 29,105 |
| F. | Current portion of non-current debt | | 85,796 | 77,715 | 79,002 |
| **G** | **Current financial debt** | **(E) + (F)** | 92,222 | 110,461 | 108,107 |
| **H** | **Net current financial debt** | **(G) - (D)** | 6,260 | 7,635 | 21,741 |
| I | Non-current financial payables | | 205,570 | 226,324 | 201,548 |
| J. | Debt instruments | | 0 | 0 | 0 |
| K | Trade payables and other non-current payables | | 0 | 0 | 0 |
| **L** | **Non-current debt** | **(I) + (J) + (K)** | 205,570 | 226,324 | 201,548 |
| **M** | **Total financial debt** | **(H) + (L)** | 211,830 | 233,959 | 223,289 |

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **16 - Trade and other payables** | 99,319 | 105,977 | 94,728 |

The table below shows the breakdown of trade payables by geographic area:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Italy | 72,625 | 77,676 | 73,797 |
| E.U. | 26,323 | 27,801 | 20,582 |
| Other countries | 371 | 500 | 349 |
| **Total** | **99,319** | **105,977** | **94,728** |

Included among trade payables are capital expenditure payables of Euro 7,421 thousand at 30 June 2023 (Euro 13,016 thousand at 30 June 2022).

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **17 – Other current liabilities** | 32,194 | 24,556 | 24,973 |

The table below shows the composition of "Other current liabilities":

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Employee payables | 20,525 | 17,362 | 16,621 |
| Social security institutions | 4,419 | 4,440 | 3,528 |
| Employees and consultants withholding taxes | 1,547 | 1,670 | 1,978 |
| VAT payables | 192 | 125 | 216 |
| Current portion of tax credit on investments | 291 | 304 | 304 |
| Contribution payables | 0 | 0 | 0 |
| Customer advances | 0 | 0 | 107 |
| Other payables | 1,676 | 655 | 2,219 |
| | | | |
| Accrued liabilities and deferred income: | | | |
| - employees | 0 | 0 | 0 |
| - energy grants | 3,544 | 0 | 0 |
| **Total** | **32,194** | **24,556** | **24,973** |

| | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|---|---|---|
| **18 - Current tax liabilities** | 1,906 | 523 | 3,927 |

Tax liabilities relate to income tax for the period for the Group Companies. The Parent Zignago Vetro SpA, where applicable, complied with the option exercised by its Parent Zignago Holding SpA in relation to the national fiscal consolidation.

## EXPLANATORY NOTES TO THE MAIN INCOME STATEMENT ACCOUNTS

| | H1 2023 | H1 2022 |
|---|---|---|
| **19 - Revenues** | 286,541 | 219,804 |

The following table shows the breakdown of revenues by product line:

| (Euro thousands) | **H1 2023** | **H1 2022** |
|---|---|---|
| Core business products | 275,615 | 209,845 |
| Various materials | 2,166 | 1,251 |
| Service revenue | 3,328 | 2,502 |
| Others | 5,432 | 6,206 |
| **Total** | **286,541** | **219,804** |

Further information on revenues is reported in the Directors' Report.
Revenues by region are outlined in the table below:

| (Euro thousands) | **H1 2023** | **H1 2022** |
|---|---|---|
| Italy | 163,825 | 128,039 |
| E.U. | 98,795 | 70,099 |
| Other countries | 23,921 | 21,666 |
| **Total** | **286,541** | **219,804** |

| | H1 2023 | H1 2022 |
|---|---|---|
| **20- Raw materials, consumables and goods** | 61,431 | 52,965 |

The table below shows the costs for raw materials, ancillaries, consumables and goods:

| (Euro thousands) | **H1 2023** | **H1 2022** |
|---|---|---|
| Purchases | 69,730 | 51,655 |
| Changes in inventories of raw materials, ancillaries, consumables and finished goods | 2,665 | (2,758) |
| Changes in inventory of work-in-progress, semi-finished & finished products | (10,964) | 4,068 |
| **Total** | **61,431** | **52,965** |

| | H1 2023 | H1 2022 |
|---|---|---|
| **21 - Service costs** | 97,861 | 90,929 |

The following table shows service costs:

| (Euro thousands) | **H1 2023** | **H1 2022** |
|---|---|---|
| Energy and industrial services | 73,728 | 68,326 |
| Transport and other trading costs | 12,026 | 12,188 |
| Conai Contribution | 2,116 | 3,423 |
| Other costs | 9,991 | 6,992 |
| **Total** | **97,861** | **90,929** |

| | H1 2023 | H1 2022 |
|---|---|---|
| **22 - Personnel expense** | 43,702 | 38,140 |

The following table reports personnel expense:

| (Euro thousands) | **H1 2023** | **H1 2022** |
|---|---|---|
| Wages and salaries | 32,728 | 28,446 |
| Social security expenses | 9,737 | 8,514 |
| Provision for defined contribution plans | 1,237 | 1,180 |
| **Total** | **43,702** | **38,140** |

| | H1 2023 | H1 2022 |
|---|---|---|
| **23 - Amortisation & Depreciation** | 27,999 | 23,846 |

The following table reports amortisation & depreciation:

| (Euro thousands) | **H1 2023** | **H1 2022** |
|---|---|---|
| Depreciation of fixed assets | 27,323 | 23,323 |
| Amortisation of intangible assets | 676 | 523 |
| **Total** | **27,999** | **23,846** |

| | H1 2023 | H1 2022 |
|---|---|---|
| **24 - Financial expense** | 4,934 | 992 |

The following table shows financial expense:

| (Euro thousands) | **H1 2023** | **H1 2022** |
|---|---|---|
| Interest on bank accounts | 224 | 38 |
| Loan interest | 2,509 | 254 |
| Financial expenses on interest rate hedges | 0 | 5 |
| Derivative fair value measurement effect | 1,768 | 528 |
| Others | 433 | 167 |
| **Total** | **4,934** | **992** |

The increase in financial expense reflects the higher benchmark interest rates, which were significantly raised by the Central Banks from the end of 2022.

| | H1 2023 | H1 2022 |
|---|---|---|
| **25 - Net exchange gains/(losses)** | 1,355 | (295) |

The following table breaks down exchange rate gains (losses), mainly stemming from the conversion into Euro of the loan granted by the parent Zignago Vetro Spa to the Polish subsidiary.

| | H1 2023 | H1 2022 |
|---|---|---|
| **26 - Income taxes** | 8,985 | 5,356 |

The table below shows the composition of the income taxes between deferred and current taxes:

| (Euro thousands) | **H1 2023** | **H1 2022** |
|---|---|---|
| Current income taxes | 10,132 | 4,767 |
| Deferred tax (income)/charge | (1,147) | 589 |
| **Total** | **8,985** | **5,356** |

## OTHER INFORMATION

### Earnings per share

The share capital of Zignago Vetro SpA at 30 June 2023 consists of 89,263,080 ordinary shares with a par value of Euro 0.10 each, fully subscribed and paid-in.

As outlined in the first part of this report Zignago Vetro SpA, in execution of its buy-back programmes, at 30 June 2023 held a total of 589,998 treasury shares for a total value of Euro 4.8 million. In the first half of 2023 and until the approval of this Half-Year Financial Report, treasury shares worth Euro 2 million were purchased (128,644 shares).

Information is shown below concerning the results for the period and the calculation of the basic and diluted earnings per share:

| | Values at **30.06.2023** | Values at **30.06.2022** |
|---|---|---|
| Profit attributed to ordinary shareholders of the Parent for the basic earnings and the diluted earnings per share (in Euro thousands) | 74,636 | 31,088 |
| Average weighted number of ordinary shares, including treasury shares, for earnings per share | 89,263,080 | 88,896,500 |
| Weighted average number of treasury shares | (589,998) | (369,175) |
| Weighted average number of ordinary shares, excluding treasury shares, to calculate basic earnings per share | 88,673,082 | 88,527,325 |
| Earnings per share | | |
| - basic, for profit attributed to the ordinary shareholders of the parent | 0.842 | 0.351 |
| - diluted, for profit attributed to the ordinary shareholders of the parent | 0.836 | 0.350 |

The basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the parent by the average weighted number of ordinary shares outstanding during the period, excluding the average weighted number of treasury shares.

No capital transactions which would have dilutive effects on the profits attributable to each share were noted.

## Segment disclosure

Segment reporting which coincides with the various legal entities is provided below.
The information on the secondary segment (geographic area) is not significant in relation to the Group.
In particular, the Business Units identified are reported at pages 8 and 9.

The criteria applied for the identification of the segment reporting were based on, among other issues, the manner in which management directs the Group and attributes managerial responsibility.
The segment disclosure is provided below:

| (Euro thousands) | H1 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Zignago Vetro SpA | Zignago Vetro Brosse SAS | Zignago Vetro Polska S.A. | Zignago Glass USA Inc. | Vetro Revet Srl | Italian Glass Moulds Srl | Consolidation Adjustments | Consolidated |
| Revenues | 213,895 | 41,777 | 48,172 | 1,159 | 9,057 | 2,130 | (29,649) | 286,541 |
| Amortisation and depreciation | (20,479) | (2,722) | (3,965) | (1) | (241) | (519) | (72) | (27,999) |
| Operating result | 44,498 | (233) | 11,405 | 84 | 481 | (475) | 31,186 | 86,946 |
| Net Result | 56,613 | (370) | 9,862 | 58 | 377 | (322) | 8,418 | 74,636 |
| Assets | 392,878 | 42,337 | 51,479 | 875 | 6,992 | 2,925 | 15,189 | 512,675 |
| Liabilities | 596,036 | 58,478 | 93,542 | 878 | 14,660 | 10,543 | 14,441 | 788,578 |
| Investments in: | | | | | | | | |
| Intangible assets | 749 | 654 | 361 | 0 | 1 | 204 | 0 | 1,969 |
| Property, plant & equipment | 202,409 | 15,487 | 41,702 | 3 | 7,667 | 7,414 | (748) | 273,934 |

| (Euro thousands) | H1 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Zignago Vetro SpA | Zignago Vetro Brosse SAS | Zignago Vetro Polska S.A. | Zignago Glass USA Inc. | Vetro Revet Srl | Consolidation Adjustments | Consolidated |
| Revenues | 165,241 | 26,958 | 36,068 | 759 | 6,124 | (15,346) | 219,804 |
| Amortisation and | (17,039) | (2,364) | (4,199) | (2) | (238) | (4) | (23,846) |
| Operating result | 10,894 | 1,307 | 2,958 | 138 | 357 | 15,358 | 31,012 |
| Net Result | 26,483 | 775 | 1,858 | 132 | 315 | 1,525 | 31,088 |
| Assets | 338,161 | 37,833 | 33,763 | 664 | 6,016 | 5,401 | 421,838 |
| Liabilities | 552,778 | 58,733 | 76,938 | 669 | 13,840 | 4,353 | 707,311 |
| Investments in: | | | | | | | |
| Intangible assets | 1,411 | 185 | 446 | 0 | 3 | 0 | 2,045 |
| Property, plant & equipment | 213,206 | 20,715 | 42,729 | 5 | 7,821 | (1,048) | 283,428 |

## Related party transactions

In accordance with Consob letter 6064293 of 28 July 2006, related party transactions are reported below. The table below shows the composition of the receivables of the Zignago Vetro Group with related party companies at the reporting date:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Zignago Holding SpA | 3 | 6,554 | 5,329 |
| Santa Margherita SpA and its subsidiaries | 1,281 | 826 | 2,047 |
| Zignago Servizi Srl | 5 | 0 | 4 |
| Zignago Power Srl | 238 | 238 | 239 |
| La Vecchia Scarl | 0 | 0 | . |
| Multitecno Srl | 4 | 4 | 4 |
| **Total receivables from related companies** | **1,531** | **7,622** | **7,623** |

The receivables from Zignago Holding SpA relate to the repayment of taxes for previous years, in relation to the Group tax consolidation, while the receivables from Santa Margherita and its subsidiaries derive from commercial operations.

The table below shows the composition of the payables of the Zignago Vetro Group with related party companies at the balance sheet date:

| (Euro thousands) | Balance at **30.06.2023** | Balance at **31.12.2022** | Balance at **30.06.2022** |
|---|---|---|---|
| Zignago Power Srl | 1,811 | 2,820 | 1,956 |
| Zignago Servizi Srl | 671 | 442 | 656 |
| Santa Margherita SpA and its subsidiaries | 170 | 93 | 131 |
| Zignago Holding SpA | 5,465 | 170 | 95 |
| La Vecchia Scarl | 109 | 216 | 97 |
| Zignago Immobiliare Srl | 44 | 62 | 29 |
| Multitecno Srl | 0 | 0 | 22 |
| **Total payables to related companies** | **8,270** | **3,803** | **2,986** |

The payables to Zignago Immobiliare Srl, La Vecchia Scarl and Zignago Servizi Srl are related to services received.
The payables to Zignago Power Srl relate to the purchase of electricity.

The table below shows the composition of the revenues of the Zignago Vetro Group from related parties in the period:

| (Euro thousands) | **H1 2023** | **H1 2022** |
|---|---|---|
| Santa Margherita SpA and its subsidiaries | 3,894 | 6,524 |
| Zignago Immobiliare Srl | 1 | 19 |
| La Vecchia Scarl | 0 | 1 |
| Multitecno Srl | 18 | 17 |
| Zignago Power Srl | 395 | 395 |
| Zignago Servizi Srl | 24 | 23 |
| Zignago Holding Spa | 12 | 12 |
| **Total revenues from related parties** | **4,344** | **6,991** |

The revenues from Santa Margherita SpA and its subsidiaries derive from commercial operations and from the sale of a warehouse for Euro 2.4 million. Zignago Power's revenues relate to an internal electricity supply agreement.

The table below shows the composition of the costs of the Zignago Vetro Group from related parties in the period:

| (Euro thousands) | H1 2023 | H1 2022 |
|---|---|---|
| Zignago Power Srl | 11,926 | 12,043 |
| Zignago Servizi Srl | 1,641 | 1,619 |
| Zignago Holding SpA | 309 | 232 |
| La Vecchia Scarl | 245 | 224 |
| Santa Margherita SpA and its subsidiaries | 314 | 175 |
| Zignago Immobiliare Srl | 1,357 | 1,017 |
| Multitecno Srl | 7 | 17 |
| ***Costs capitalised for fixed asset acquisition*** | | |
| Zignago Power Srl | 0 | 0 |
| Zignago Immobiliare Srl | 0 | 0 |
| Santa Margherita SpA and its subsidiaries | 0 | 0 |
| **Total costs from related companies** | **15,799** | **15,327** |

**Stock option plan**

The consolidated half-year financial statements at 30 June 2023 reflect the Stock Option Plan amounts, whose Regulation was approved by the Board of Directors of the company on 26 July 2019, and the 2022-2024 Performance Shares Plan, approved on 21 June 2022.

The Stock Option Plan stipulates:

- that the options shall be exercised by the deadline of 31 December 2024
- a vesting period begins on the grant date and concludes on the maturity date
- the exercise price of these options is Euro 7.275 and permits the subscription to shares in the ratio of 1 ordinary share for each option exercised;
- the fair value of the Plan was estimated at the grant date using the Black-Scholes method, based on the following parameters:
- share price at the option assignment date of Euro 9.81;
- estimated life of the options equal to the period from the grant date to the estimated exercise date;
- forecast dividend yield 4%;
- unitary fair value Euro 2.07.

At 30 June 2023, 1,319,996 options had been granted, of which 1,263,080 exercised and 56,916 exercisable. The effects on the H1 2023 income statement were Euro 226 thousand, while in H1 2022 totalling Euro 344 thousand.

The Performance Shares plan approved by the Board of Directors on 21 June 2022 and approved by the Shareholders’ Meeting on 28 July 2022 stipulates:

- a vesting period from 1 January 2022 to 31.12.2024;
- a maximum number of grantable shares of 109,500;
- the granting of Rights to Beneficiaries to receive free of charge treasury shares held by the Company is subject to the achievement of the following objectives:
  - three targets related to the Zignago Vetro Group’s operating-financial performance in the medium to long term with a combined weighting of 75%;
  - three targets related to ESG issues with a total weighting of 25%:
- the unitary fair value at 29 July 2022 of Euro 12.38
- 20% of the allocated Shares will then be subject to a two-year Holding Period, during which they may not be subject to Transfer
- the effect on the income statement and equity at 30 June 2023 is Euro 226 thousand (at 30 June 2022 amounting to Euro 246 thousand).

As per IFRS 2, the plan outlined above is defined as Equity Settled.

**Management of capital**

The share capital includes the shares and the equity attributable to owners of the parent.
The primary capital management objective of the Group is to guarantee the maintenance of a strong credit rating in order to support operations and to maximise value for shareholders.
In order to achieve this objective, the management of Group capital aims, among other matters, to ensure compliance with covenants, related to interest bearing loans, based on financial performance indicators. Breaches in the covenants would permit the banks to request immediate repayment of the loans. There were no breaches of the covenants in the current year in relation to interest bearing loans for any of the Group companies.

The Zignago Vetro Group has payables to financial intermediaries and has a financial debt position related to the business development plan. The high generation of operating cash flows enables Group Companies not only to repay existing loans, but also to guarantee an adequate dividend to Shareholders and pursue a growth strategy.
In this context, the Group, in order to maintain or amend the capital structure, may pay dividends to Shareholders, acquire treasury shares on the market or issue new shares.
No substantial amendments were made to these objectives, to policies or to processes in the first half of 2022 and 2021 or for the year 2021.

**Risk management policies**

The Group will continue to prudently manage risks in all departments with careful monitoring in order to identify, reduce and eliminate such risk, therefore extensively protecting shareholder interests.

*Currency risk*

The currency risk is the risk that the fair value or the future cash flows of a financial instrument are altered following changes in exchange rates.
The exposure of the Group to changes in exchange rates principally concerns the operating activities of the Group (when revenues and costs are denominated in a currency other than the presentation currency of the Group).
Where these transactions are significant, the Group Companies assess the possibility of undertaking currency hedges in order to mitigate these fluctuations. During the period, the parent company entered into currency hedging transactions to hedge against the risk of exchange rate fluctuations; this is however an exception as the transactions entered into by Group companies in the non-functional currency are considered fundamentally insignificant.

*Credit and country risks*

The credit risk represents the exposure of the Group to potential losses deriving from non-compliance with obligations by trading partners; this activity is subject to ongoing monitoring within the normal management of business operations, in order to minimise the exposure to "counterparty" credit risk, also utilising appropriate insurance instruments to protect the solvency of the client or of the country risk in which this latter operates.
The Group Companies constantly assess political, social and economic risks in the areas in which they operate. No significant cases of non-fulfilment by trading partners have occurred and no significant credit risk by individual area and/or client exists.
The Group in fact only deals with established and reliable clients. Customers that request extensions of payment are subject to a credit rating check. Moreover, the collection of receivables is monitored during the year so that the exposure to losses is not substantial. Finally, in the case of new clients operating in non-EU countries, the Group companies obtain letters of credit and advance payments.

*Interest rate risk*

The interest rate risk is a risk that the fair value of the future cash streams of a financial instrument alters due to changes in market interest rates. The Companies of the Group are exposed to the risk of fluctuations in interest rates principally in relation to the non-current bank loans and borrowings, negotiated at floating interest rates, and amount to Euro 274 million. Where these risks are considered significant, the Companies of the Group undertake interest rate swaps in order to convert the floating rate of the non-current loans into fixed rates, which reduces the impact of the fluctuations in interest rates
Therefore, the Parent and Zignago Vetro Polska undertook interest rate swaps in order to hedge the interest rate risk on medium-long term loans for a notional value of Euro 163 million.

*Risks related to the fluctuation in energy prices*

The Group is exposed to fluctuations in energy purchase costs, a significant cost component in the glass sector. Where this risk is considered as significant, hedging operations may be undertaken in order to convert the variable cost into a fixed cost, which reduces the impact of fluctuations.
The supply of energy at Fossalta di Portogruaro of the Parent has been guaranteed by Zignago Power Srl, a company wholly-owned by the parent Zignago Holding SpA., which started up a natural biomass energy production plant. The risk concerning energy cost fluctuation is therefore greatly reduced.
In the first half of 2023, Zignago Vetro SpA had in place commodity swap contracts to hedge against fluctuations in energy factors.

The characteristics of the derivative contracts, their notional value and the market value at 30 June 2023, are as follows (in Euro):

| Company | Underlying | Notional at the reporting date | Maturity | Market value at **30.06.2023** |
|---|---|---|---|---|
| Zignago Vetro SpA | Loan hedges - IRS | 154,199,437 | Beyond 12 months | 9,348,172 |
| Zignago Vetro SpA | Loan hedges - IRS | 6,318,907 | Within 12 months | 135,839 |
| Zignago Vetro SpA | Commodity hedges | 7,825,173 | Within 12 months | (575,866) |
| Zignago Vetro SpA | Foreign currency hedges | 1,991,139 | Within 12 months | 170,473 |
| Zignago Vetro Polska | Loan hedges - IRS | 1,680,120 | Within 12 months | 92,640 |
| Zignago Vetro Polska | Foreign currency hedges | 10,820,000 | Within 12 months | 413,794 |
| Total | | 182,834,776 | | 9,585,052 |

*Liquidity risk*

The Group monitors the risk of a deficiency in liquidity utilising liquidity planning instruments.
The Group objective is to maintain a balance between continuity of available funds, flexibility of utilisation through utilisation of instruments such as bank overdrafts, bank loans, finance leases and adequate remuneration of its liquidity, temporarily investing exclusively with banking counterparties.

In particular the profile of the financial liabilities at 30 June 2023, 31 December 2022 and 30 June 2022 on the basis of the non-discounted contractual payments, including trade payables and other current liabilities, is summarised as follows:

| (Euro thousands) | 30 June 2023 | | | | |
|---|---|---|---|---|---|
| | Less than 3 months | From 3 to 12 months | From 1 to 5 years | Beyond | Total |
| Non-current loans and borrowings | 0 | 0 | 205,570 | 0 | 205,570 |
| Other non-current liabilities | 0 | 0 | 5,635 | 0 | 5,635 |
| Bank loans & borrowings and current portion of medium/long-term loans | 18,116 | 74,682 | (576) | 0 | 92,222 |
| Trade and other payables | 99,319 | 0 | 0 | 0 | 99,319 |
| Other current liabilities | 32,194 | 0 | 0 | 0 | 32,194 |
| Current tax payables | 0 | 1,906 | 0 | 0 | 1,906 |
| **Total** | **149,629** | **76,588** | **210,629** | **0** | **436,846** |

| (Euro thousands) | 30 June 2022 | | | | |
|---|---|---|---|---|---|
| | Less than 3 months | From 3 to 12 months | From 1 to 5 years | Beyond | Total |
| Non-current loans and borrowings | 0 | 0 | 201,548 | 0 | 201,548 |
| Other non-current liabilities | 0 | 0 | 1,255 | 0 | 1,255 |
| Bank loans & borrowings and current portion of medium/long-term loans | 26,753 | 87,933 | (6,579) | 0 | 108,107 |
| Trade and other payables | 94,728 | 0 | 0 | 0 | 94,728 |
| Other current liabilities | 24,973 | 0 | 0 | 0 | 24,973 |
| Current tax payables | 0 | 3,927 | 0 | 0 | 3,927 |
| **Total** | **146,454** | **91,860** | **196,224** | **0** | **434,538** |

| (Euro thousands) | 31 December 2022 | | | | |
|---|---|---|---|---|---|
| | Less than 3 months | From 3 to 12 months | From 1 to 5 years | Beyond | Total |
| Non-current loans and borrowings | 0 | 0 | 226,324 | 0 | 226,324 |
| Other non-current liabilities | 0 | 0 | 6,246 | 0 | 6,246 |
| Bank loans & borrowings and current portion of medium/long-term loans | 32,746 | 77,715 | 0 | 0 | 110,461 |
| Trade and other payables | 105,977 | 0 | 0 | 0 | 105,977 |
| Other current liabilities | 24,556 | 0 | 0 | 0 | 24,556 |
| Current tax payables | 0 | 523 | 0 | 0 | 523 |
| **Total** | **163,279** | **78,238** | **232,570** | **0** | **474,087** |

The terms and conditions of financial liabilities are listed below:

- There is no interest on trade payables and they are normally paid at 60 days;
- Other payables are normally paid within the month following recognition.

**Support and subsidy measures**

In the first half of 2023, against rising energy procurement costs, the parent availed of Government supports in the form of a tax credit.

**Significant non-recurring events or transactions arising from atypical and/or unusual transactions**

There were no significant non-recurring atypical and/or unusual transactions for the period ended 30 June 2023 as defined by Consob Communication DEM/6064293.

# Statement
# as per Article 81-ter, CONSOB Regulation
# No. 11971/1999

**Statement of the Condensed Interim Consolidated Financial Statements as per Article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 and subsequent modifications and integrations.**

1) The undersigned Roberto Cardini, CEO, and Roberto Celot, Executive Officer for Financial Reporting of Zignago Vetro SpA, also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998 state:
    - the accuracy of the information on company operations and
    - the effective application,

of the administrative and accounting procedures for the condensed interim consolidated financial statements for the period from 1 January to 30 June 2023.

2) No significant aspect emerged concerning the above. The adequacy of the administrative and accounting procedures for the compilation of the condensed consolidated half-year financial statements at 30 June 2023 was evaluated through an Internal Control System based on the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission which represents a standard framework generally accepted at international level.

3) We also declare that:
    3.1) The condensed interim consolidated financial statements:
        a) are drawn up in conformity with the applicable international accounting standards endorsed by the European Union in conformity with Regulation (EC) No. 1606/2002 of the European Parliament and the Commission of 19 July 2002;
        b) corresponds to the underlying accounting documents and records;
        c) provide a true and fair view of the financial position, financial performance and cash flows of the issuer and of the other companies in the consolidation scope.
    3.2) The Directors' Report on operations includes a reliable analysis of the significant events in the first six months of the year and their impact on the condensed interim consolidated financial statements, with a description of the principal risks and uncertainties for the remaining six months. It also presents a reliable analysis of the significant transactions with related parties.

Fossalta di Portogruaro, 28 July 2023

Mr. Roberto Cardini
*Chief Executive Officer*

Mr. Roberto Celot
*Executive Officer for*
*Financial Reporting*

# Independent
# Auditors' Report
# on the Condensed Interim
# Consolidated Financial Statements

The attached auditors' report and the related condensed interim consolidated financial statements are in accordance with the original version in the Italian language filed at the registered office of Zignago Vetro SpA and published in accordance with law and, subsequent to this date, KPMG SpA has not undertaken any further audit work.

KPMG S.p.A.
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**(Translation from the Italian original which remains the definitive version)**

# Report on review of condensed interim consolidated financial statements

*To the Shareholders of*
*Zignago Vetro S.p.A.*

## *Introduction*

We have reviewed the accompanying condensed interim consolidated financial statements of the Zignago Vetro Group comprising the statement of financial position, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes thereto, as at and for the six months ended 30 June 2023. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

## *Scope of Review*

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

## *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Zignago Vetro Group as at and for the six months ended 30 June 2023 have not been prepared, in all material respects, in accordance with the International

Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Padua, 4 August 2023

KPMG S.p.A.

(signed on the original)

Sara Zambon
Director of Audit

ZIGNAGO VETRO S.p.A.
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