



Hello!

Half-Year Financial Report

for the period ending 31 July 2023

 QUADPACK

Helping
beauty brands
perform

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Disclaimer

In the Half-Year Financial Report, the term “Group” and “Quadpack” refers to Quadpack and its subsidiaries and the term the “Company” refers to the holding company, Quadpack Industries, S.A.

This Half-Year Financial Report contains information about the Group’s objectives and development strategy. Such information may be identified by the use of the future and conditional tenses and by forward looking terms such as “consider”, “envisage”, “think”, “target”, “expect”, “intend”, “should”, “aim”, “estimate”, “believe”, “wish” and “may” or, in certain cases, the negative form of these terms, or similar expressions.

The reader’s attention is drawn to the fact that these objectives and development strategy depend on circumstances and events which may or may not occur. These objectives and development strategy are not historical data and should not be considered to give any assurance that the stated events and data will occur, the assumptions confirmed, or the objectives attained. By their nature, these objectives may not be achieved and the statements and information presented in the Registration Document may prove incorrect, without the Group being required in any way to provide an update, subject to applicable regulations and particularly the AMF General Regulations (Autorité des Marchés Financiers: French Regulator).

This Half-Year Financial Report contains information about the Group’s business and the market and industry in which it operates. This information notably stems from studies conducted by internal and external sources (analysts’ reports, specialised studies, sector publications, and any other information published by market research firms, companies and government agencies). The Group considers that this information presents a true and fair view of the market and industry in which it operates and accurately reflects its competitive position. However, while this information is considered reliable, it has not been independently verified.

1 **CEO's** Statement

Hello!

I am happy to report a significant increase in Quadpack's profitability in the first half-year of 2023.

In the midst of a complex environment in the beauty sector, with geopolitical conflicts, high inflation and the slow recovery of China, and in line with our focus on streamlining our activity, revenues were €70.1 million, 5% below the same period last year. In spite of these market challenges, our EBITDA was stronger than ever, representing 13.4% of our revenue, and we turned around our operating cash flow generation from negative €1 million to €6.5 million.

Our robust performance bears a direct relation to the roll-out of our new strategy, which prioritises financial discipline and strengthening our fundamentals, before entering into an acceleration phase in 2024 with a focus on sustainable product innovation and delivering the best customer journey to the brands we serve. We have started our transformation to become a high-performance organisation, which will strengthen our structure, optimise our processes and empower our people, as we operate in a fast-changing world.

The main focus of the half-year period was to improve our capital structure. We signed a €38 million deal with a syndicate of international banks, led by Deutsche Bank. The deal was tailored to our strategy and demonstrates confidence from the banking community. It will allow faster repayment of our COVID loans and the final settlement of our acquisition of German manufacturer Louvrette, based in Kierspe, which is now the hub of our European production facilities. It also leaves enough funds for investment as our business grows.

We continued the optimisation of our manufacturing footprint to better serve our clients' needs. An operational excellence programme at the Kierspe plant and the closure of Quadpack Plastics in Spain brought millions in savings.

During this period, we celebrated our first anniversary as a B Corp. All our decisions are informed by our impact on stakeholders, as we aim to use our business for good. We continue to encourage sustainable best practice in the industry and engage with organisations directly and through our foundation. Aligning our business objectives with our purpose of taking care and giving back will enable us to create mutual value for all stakeholders, including our people, our clients, our communities, the environment and, of course, our shareholders.

The current market softness will persist during 2023 and into 2024 and companies throughout the sector are

adjusting their forecasts. Nevertheless, our half-year results are extremely encouraging, considering the global challenges we are all facing. We are putting the pieces in place to ensure growth, profit and impact, while meeting our stakeholders' obligations. Our strategy has sustained us through a period of market volatility, and we are strengthening our foundation before entering a phase of acceleration in 2024. 2023 will be a good year for the global Quadpack team, as we collectively become more efficient, more agile and more proactive in making a positive impact on the world.

Cosmetically yours,

Alexandra Chauvigné

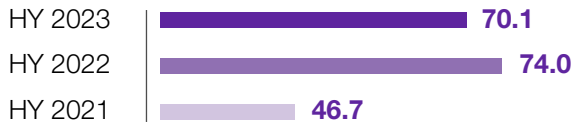
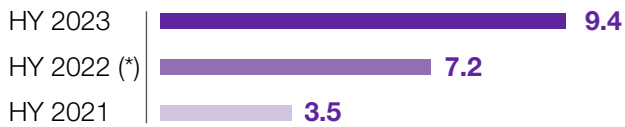
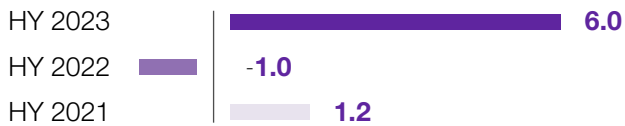
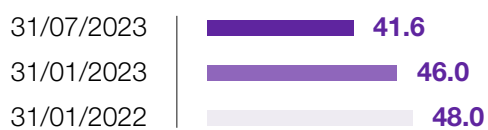
Chief Executive Office



2 Key figures

H1 2023 vs 2022 vs 2021

(in € millions)

Revenues**EBITDA****Net Profit****Operating Cash Flow****Investing Cash Flow****Net Debt**

(*) Amounts restated for comparison purposes as described in Note 5.2

3 **Activity report**

for the half-year ended 31 July 2023

3.1 Selected financial information for the first half of 2022-2023

(In € thousand)	H1 2023-2024 (6 months)	H1 2022-2023 (*) (6 months)
Net revenue	70,138	73,937
% Growth	-5.1%	58.4%
EBITDA	9,357	7,244
EBITDA/Revenues %	13.3%	9.8%
Operating result (EBIT)	4,584	3,227
Net result	1,011	1,415
Shares (thousands)	4,381	4,381
Net result per share (in €)	0.23	0.32
Net result per share, Diluted (in €)	0.23	0.32
Cash flow from operating activities	6,066	(1,036)
Cash flow from investing activities	(1,316)	(4,408)
Cash flow from financing activities	(8,224)	(3,058)
(In € thousand)	31/07/2023	31/01/2023
Equity, Group share	36,570	35,258
Borrowings and other financial liabilities	50,277	57,904
Available cash & cash equivalents	8,722	11,929
Net debt	41,555	45,975
Ratio of net debt/equity (gearing ratio)	1.14	1.30

(*) Amounts restated for comparison purposes as described in Note 5.2

3.2 First-half 2022-23 revenues

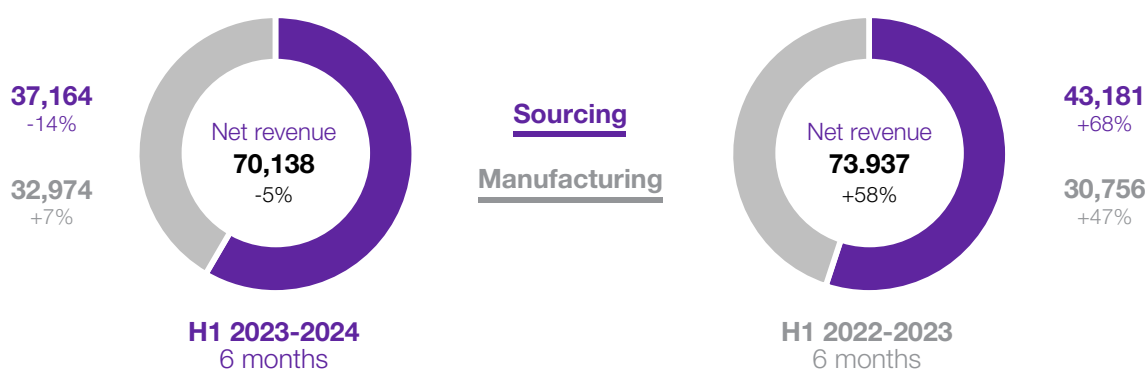
In the first half of the previous year, H1 2022-23, the Group achieved record revenues of €74 million, as brands restocked after the COVID-19 pandemic. During the first half of this year, however, global demand started to soften as a result of elevated inflation and interest rates and the slow economic recovery of China. Beauty brands have entered into a clear destocking cycle, which is impacting revenues of packaging suppliers. The Group's net revenue reached €70 million in H1 2023-24, an overall decline of 5% with respect to the same period last year.

(In € thousand)	H1 2023-2024 (6 months)	H1 2022-2023 (6 months)
Net revenue	70,138	73,937
% Change	-5%	58.4%
% External growth		7.9%

The breakdown of revenues by division shows steady growth in the manufacturing division by 7% (47% in the same period last year). Overall weight of manufacturing in total revenues represented 47% (42% in H1 2022-23). Sourcing activity decreased by 14% with respect to the same period last year.

Revenues by division

(In € thousand)	H1 2023-2024 (6 months)	Change	H1 2022-2023 (6 months)	Change
Sourcing	37,164	-14%	43,181	68%
Manufacturing	32,974	7%	30,756	47%
Net revenue	70,138	-5%	73,937	58%



Revenues by region

(In € thousand)

	H1 2023-2024 (6 months)	Change	H1 2022-2023 (6 months)	Change
EMEA	59,871	-4%	62,644	70%
AMEX	5,337	-22%	6,868	9%
APAC	4,930	11%	4,425	23%
Net revenue	70,138	-5%	73,937	58%



The Group identifies three main regions of activity: Europe, the Middle East and Africa (EMEA), North and South America (AMEX) and the wider Asia-Pacific region (APAC). EMEA historically represents the core markets for the Group, with offices in the main European markets: France, Spain, Italy, United Kingdom and DACHS+. The EMEA market represented 85% (85% in H1 2022-2023) of total revenues in the first semester and showed a 4% decrease with respect to last year's first semester. Last year's spectacular 70% growth rate was thanks to the recovery from COVID-19 and the incorporation into scope of Stefan Wicklein Kunstsoffveredelung GmbH, company acquired in H2 2021-2022.

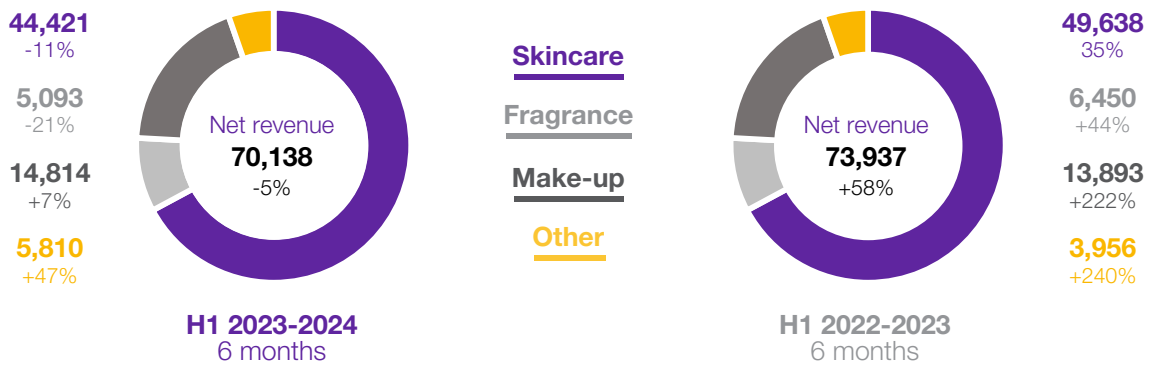
The second market for the Group is the AMEX region, representing 8% (9% in H1 2022-2023) of Group revenues. During the first half of 2023, the Group activity in this region decreased by 22% as AMEX was the first region to suffer the weakened demand of beauty brands.

Finally, the APAC region, where the Group has offices in Australia, South Korea, China and Japan, represents 7% (6% in H1 2022-2023) of Group revenues. During the first half of 2023, the Group activity in this region increased by 11%.

Revenues by category

(In € thousand)

	H1 2023-2024 (6 months)	Change	H1 2022-2023 (6 months)	Change
Skincare	44,421	-11%	49,638	35%
Fragrance	5,093	-21%	6,450	44%
Make-up	14,814	7%	13,893	222%
Other	5,810	47%	3,956	240%
Net revenue	70,138	-5%	73,937	58%



Quadpack’s main categories in the cosmetic packaging market are skincare, fragrance and makeup. The makeup category increased net revenue by 7%, but skincare and fragrance decreased net revenue by -11% and -21% respectively.

Skincare was the Group’s most significant category, representing 63% of total revenues (67% in the same period last year). During H1 2023-24 the Group returned to a more balanced category portfolio in line with pre-COVID distribution. Makeup gained relative weight as demand remained strong for this category – 21% this period versus 19% last year. Fragrance roughly maintained the overall weight percentage with respect to the same period last year.

The ‘Other’ category includes a wider variation of products such as home fragrance, pharma, OTC and toiletries and hair care. This category has experienced high growth, which mainly comes from hair care products.



3.3 First-half 2023-24 results

In the first half of 2023, Quadpack posted an EBITDA of €9.4 million, 29% more than the EBITDA of the same period of last year. EBITDA represents 13.3% over revenues, an increase of 3.5 pp against last year. The Group will continue driving operational efficiencies, cost controls and margin management to deliver improvements in profitability ratios.

(In € thousand)	H1 2023-2024 (6 months)	H1 2022-2023 (*) (6 months)
Net Revenue	70,138	73,937
% Change	-5.1%	58.4%
EBITDA	9,357	7,244
EBITDA/Revenues %	13.3%	9.8%

(*) Amounts restated for comparison purposes as described in Note 5.2

EBITDA by division showed improvements in the contribution of both business models. The sourcing and manufacturing divisions increased by 20% and 61% respectively. Manufacturing EBITDA profitability at 13.1% over revenues increased with respect to last year's first semester, thanks to operational efficiencies on the one hand, and the lower impact of raw materials and energy prices on the other. Sourcing EBITDA increased to 13.5% over revenues as a result of pricing initiatives and optimisation of the sales mix.

(In € thousand)	H1 2023-2024 (6 months)	Change	H1 2022-2023 (*) (6 months)
Sourcing	5,022	20%	4,185
EBITDA/Revenues %	13.5%		9.7%
Manufacturing	4,335	61%	3,060
EBITDA/Revenues %	13.1%		9.9%
EBITDA	9,357		7,244

(*) Amounts restated for comparison purposes as described in Note 5.2

The transition from Operating Result to EBITDA is shown in the following table. EBITDA is a non-GAAP measure and is presented for information purposes. The EBITDA excludes some non-recurrent impacts. It also excludes the cost the Group incurred as a result of restructuring activity (€306 thousand).

EBITDA reconciliation

(In € thousand)	H1 2023-2024 (6 months)	H1 2022-2023 (*) (6 months)
Operating Result	4,584	3,227
Additions:		
Depreciation	4,469	4,003
Non recurrent results:		
Impairment and gains (loss) on disposals of fixed assets	(2)	(44)
Other non-recurrent profit/(loss)		-
Restructuring costs	306	58
EBITDA	9,357	7,244

EBITDA
9,357
€ thousand
13.4% of sales

3.4 Major events impacting the business

New syndicated financing agreement

On the 25th of July 2023, Quadpack Industries entered into a new financing deal of €38 million with a syndicate of leading international and regional banks. Deutsche Bank was the mandated lead arranger and agent, accompanied by Caixabank, BBVA, Ibercaja and Institut Català de Finances, the public financial entity of Catalonia, Spain, as arrangers.

This new financing agreement is an important step for the Group, which will allow to simplify its financing structure, accelerating the repayment of COVID loans that were contracted with Spanish, French and German banks in 2020. The arrangement also enables the settlement of the remainder of the former syndicate loan, for the acquisition of German manufacturer Louvrette in 2019. Moreover, it allows for CapEx financing over the next two years, as well as for working capital needs.

Manufacturing footprint optimization

As was reported to the market in April 2023, Quadpack has been consolidating all plastic injection at the Kierspe site (Germany) for increased efficiency and a more streamlined service to customers. The Kierspe site manufactures the company's own range of plastic packaging solutions, including jars and airless systems. Further investments have been made to increase capacity and integrate decoration into the production process. The consolidation involves the closure of the operations of Quadpack Plastics, S.A.U. in Castellbisbal, Spain, and the transfer of injection assets to the Kierspe plant.

Therefore, the results from Quadpack Plastics, S.A.U. have been considered as discontinued operations, as the company is in the process of being legally dissolved. Consequently, the condensed financial statements for the period 2022-2023 have been modified to have the correct comparison.

3.5 Cash flow and financial position

Cash flow sources and amounts

The Group ended H1 2023-2024 with a cash position of €7 million. Cash flow from operations in the first semester was positive at €8 million. Positive changes in working capital of €0.02 million and tax and interest payments of €1.9 million leave cash flow from operating activities at €6 million.

During the first half year, the amount allocated to investments was €1.3 million, destined towards bolstering manufacturing capacity in the plastic and decoration divisions, as well as towards manufacturing installations in the wood division, and to the global digitalisation projects the Group is rolling out, including the industry 4.0 (MES system) and the upgrade to SAP S/4 HANA.

Net cash flow from financing activities amounted to €8 million, including repayment of different long-term loans, leasings and an old syndicated loan of €33.5 million, as well as net rental payments of €1.2 million. New loans, leasings for CapEx and the new syndicated loan (explained in note 3.4) were issued for an amount of €26.9 million.

(In € thousand)	H1 2023-2024 (6 months)	H1 2022-2023 (6 months)
Cash flow from operations	8,044	6,865
Changes in working capital	19	(7,073)
Tax and net interest paid	(1,997)	(828)
Cash flow from operating activities	6,066	(1,036)
Cash flow from investing activities	(1,316)	(4,408)
Cash flow from financing activities	(8,224)	(3,058)
Effect of changes in exchange rates	21	207
Change in cash	(3,453)	(8,295)
Opening cash position	10,885	13,578
Closing cash position	7,432	5,283

Financial position and financing structure

The Group's simplified balance sheet is as follows:

(In € thousand)	31/07/2023	31/01/2023
Intangible fixed assets	40,656	42,090
Other non-current assets	29,434	30,392
Current assets	40,929	37,915
Cash & cash-equivalents and short-term investments	8,722	11,929
Total assets	119,741	122,326

(In € thousand)	31/07/2023	31/01/2023
Equity	36,484	35,350
Financial liabilities	43,803	50,528
Rental obligations (IFRS 16)	5,696	6,266
Non-current liabilities	4,509	4,557
Current liabilities	29,249	25,625
Total equity and liabilities	119,741	122,326

(In € thousand)	31/07/2023	31/01/2023
Debt with credit institutions	33,824	39,506
Borrowings from associates	778	1,110
Leasing obligations	9,024	9,926
Rental obligations (IFRS 16)	5,696	6,266
Other financial liabilities	955	1,096
TOTAL FINANCIAL LIABILITIES	50,277	57,904
Available cash and cash equivalents and short-term investments	8,722	11,929
Net debt	41,555	45,975

The Group has focused on improvement of operational cash flow through financial discipline and was able to decrease its net debt by €4.1 million with respect to the year-ending 31 January 2023, settling it at €40.8 million.

The deleveraging efforts contributed to the total decrease of €7.3 million of financial liabilities, as the Group repaid its long-term and short-term facilities with credit institutions as well as its leasing obligations.

3.6 Changes in consolidation perimeter

In H1 2023-2024 there are no changes in the Group's perimeter.

3.7 Post-closing events

No relevant events have taken place after the 31 July 2023 reporting date.

3.8 Trends and objectives

2023 objectives

The start of 2023 saw the implementation of Quadpack's new business strategy. It prioritises financial discipline, sustainable innovation, by becoming a high-performance organisation, centred around the key areas of product innovation, customer experience, strategic partnerships and, in the longer term, the pursuit of new ventures.

Continued financial discipline

The financial discipline exercised throughout 2022 continues to be a priority in 2023, with several initiatives underway to ensure sustainable growth. Organisational restructuring saw the company become leaner and more agile, with advances in digitalisation and process improvements resulting in a reduction of indirect head count by 10% and generating recurrent savings of €1 million.

A six-year, syndicated loan of €38 million was negotiated with international banks, led by Deutsche Bank, tailored to the new strategy. The deal will allow the Group to simplify its financing structure, accelerating the repayment of the COVID loans contracted in 2020. The arrangement also enables the settlement of the remainder of the former syndicate loan, for the acquisition of German manufacturer

Louvette in 2019, leaving room for CapEx financing and working capital necessities.

Efforts to streamline Quadpack's European manufacturing capabilities produced the desired results. Quadpack finalised the closure of Quadpack Plastics in Spain, moving assets to its injection-moulding plant in Kierspe, Germany, and other external partners. Recurrent savings of 1 million are expected through the optimisation of the Group's manufacturing footprint. An efficiency savings programme at the Kierspe plant also generated between €2-3 million in savings.

Sustainability and innovation

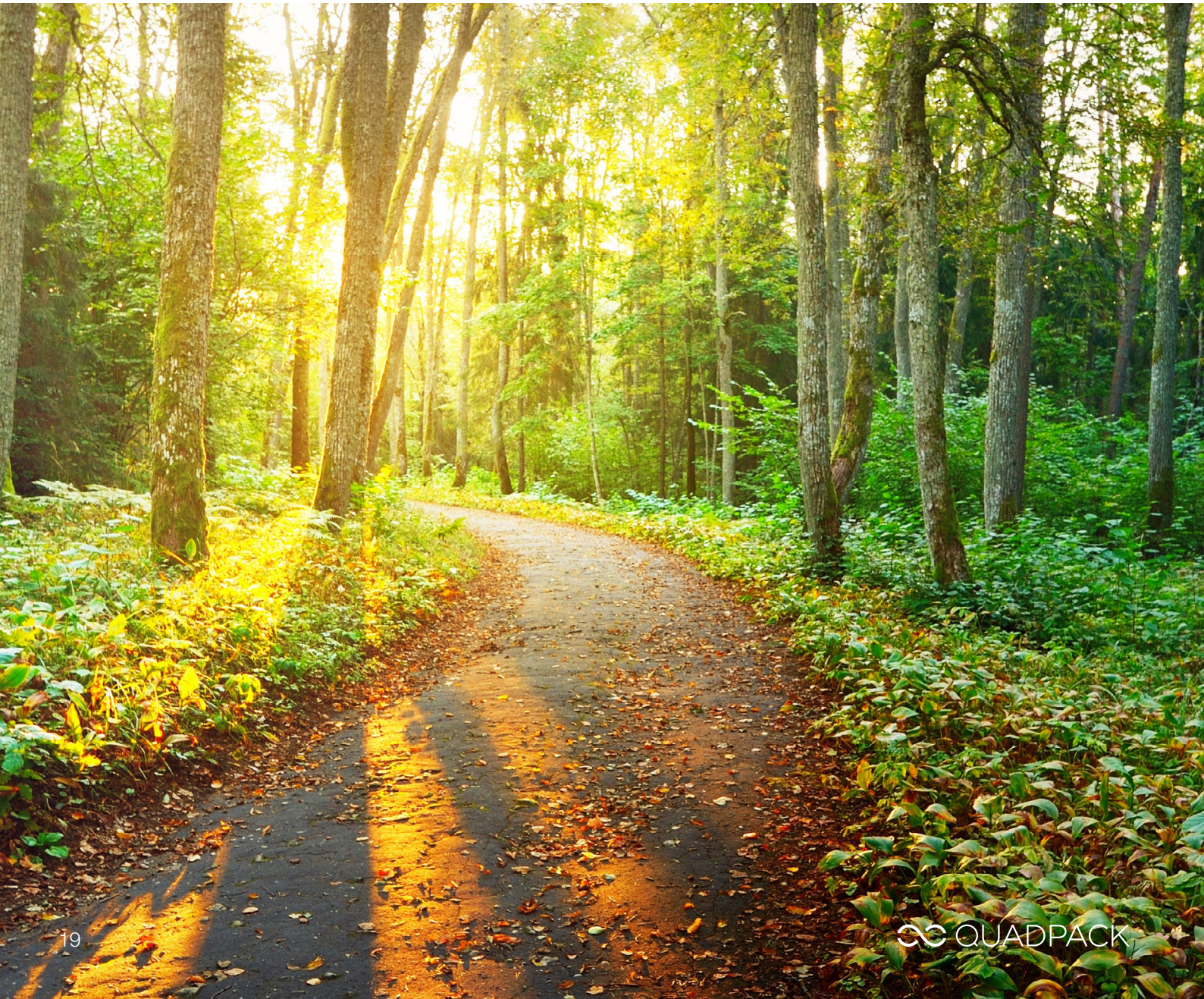
Quadpack celebrated its first anniversary as a B Corp. As part of a global community, it aims to make a positive impact on society and on the planet. Within the beauty sector, it works with the B Beauty Coalition to improve the industry's social and environmental practices.

New product innovations were brought to market, including a number of monomaterial packaging solutions for makeup and skincare to facilitate recyclability. Quadpack helped clients transform their packaging to sustainable alternatives: German brand Stoertebekker embraced the

Sulapac biocomposite material for its new jar, luxury UK brand Epara switched to refillable airless packaging and Danish brand NUORI selected a pack made of recycled PET – all made in Europe at the Quadpack Kierspe plant.

The Regula Airless Refill pack produced for Epara's Hydrating Crème-Gel was a finalist in the Pure Beauty Awards

2023. Other industry accolades included a PCD Award for the wooden caps produced for Shisiedo's L'Eau d'Issey and VPC Green Beauty Awards for Quadpack Foundation (Best green solidarity initiative – Bronze) and Quadpack's Gala lipgloss (Best sustainable packaging from packaging provider – Bronze).



3.9 Main risks and uncertainties

In the first half of FY23, the world seems to have adjusted and adapted to the events that sent shockwaves through global economies in the previous years, the COVID-19 pandemic and the Ukraine war. The latter, however, continues at the time of issuing this report and the outcome is unclear at this stage.

At the global level, since October 2023 there is a new source of unrest in the Middle East, involving Israel and the Palestinians and with the potential to impact the wider region.

Both conflicts can potentially impact global energy prices and cause inflationary pressures to continue.

Uncertainty, thus, remains high, as global economies are dealing with the aftermath of the inflationary pressures. The Central Banks of the major economies have hiked interest rates on a continuous basis over the last 18 months in their effort to control inflation rates.

The high interest rates have begun to impact the major economies which are starting to show signs of weakened growth in 2023 and 2024. The cosmetics sector and beauty brands, despite registering record turnover and results in the first half of FY23, have started to adjust growth perspectives. Demand is subdued as brands are looking to lower inventory levels and is not expected to pick-up until the second half of 2024.

High interest rates also directly impact the bottom-line as overall borrowing costs more than doubled in the first half of FY23 with respect to the same period last year, despite reducing Net Financial Debt by almost 10%.

In the second semester the Group continues to focus on its goals to bolster cash flow generation and improve profitability through efficiency gains and cost control.



3.10 Principal transactions with related parties

Throughout the year, the Group has carried out transactions with the following related parties:

Related party	Relation
Eudald Holdings, S.L.	Shareholder
Anlomo Société Civil, S.A.S.	Shareholder
Estate Management, S.L.	Other related parties
Zuncasol Solar 2007, S.L.	Other related parties
QPnet Technologies S.L.	Other related parties
Advanced World, S.L.	Other related parties
McDermott commercial Property Ltd	Other related parties
The Beauty Makers S.L.	Other related parties
Vallo & Vogler GmbH	Other related parties
Inotech Kunststofftechnik (Shareholder)	Shareholder
Pas Arquitectura Interior, S.L.	Other related parties
Tenohas Investment, S.L.	Other related parties
Quadpack Foundation	Other related parties
Daimon Grundstücksverwaltungsgesellschaft GmbH	Other related parties
Philippe Louis Joseph Lengart	Other related parties
Alba Andrea Division, S.L.	Other related parties

The breakdown of transactions performed with related parties in H1 of 2023-2024 and in H1 of 2022-2023 is as follows:

(In € thousand)	H1 2023-2024 (6 months)		H1 2022-2023 (*) (6 months)	
	Income	Expense	Income	Expense
Services	-	(496)	-	(660)
Wages and salaries	-	(221)	-	(276)
General expenses	-	(2)	-	(2)
Interest	-	-	-	-
Rentals	-	(518)	-	(478)

(*) Amounts restated for comparison purposes as described in Note 5.2

4 **Condensed half-year consolidated financial statements**

for the half-year ended 31 July 2023

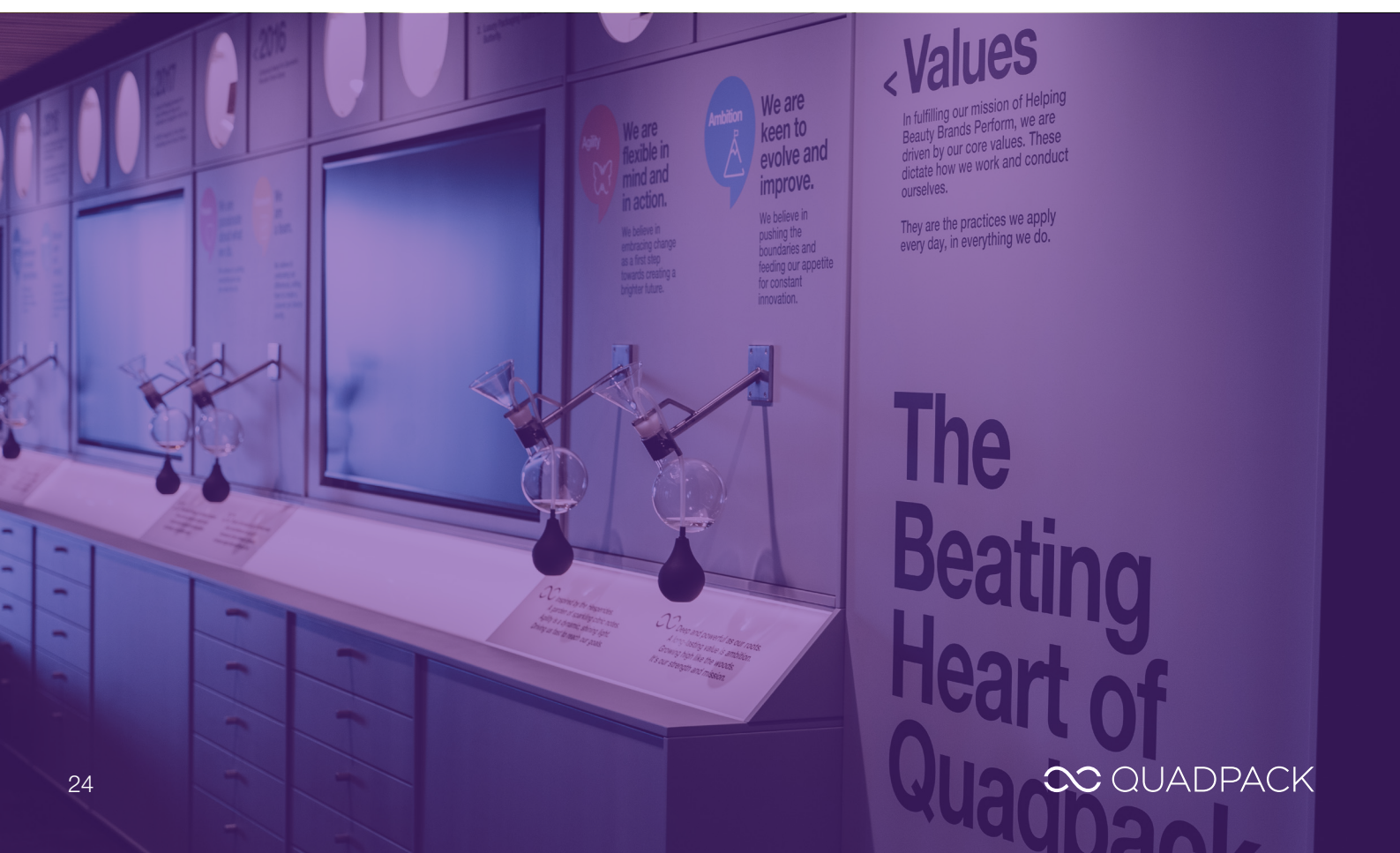
4.1 Statement of comprehensive income

(In € thousand)	H1 2023-2024 (6 months)	H1 2022-2023 (*) (6 months)
Net revenue	70,138	73,937
Variation of finished goods and work in progress	(1,180)	2,528
Own work capitalised	112	676
Raw materials and purchase of goods	(33,540)	(44,489)
Other operating income	38	22
Employee expenses	(15,959)	(15,345)
Other operating costs	(10,668)	(10,128)
Depreciation, amortisation and provisions	(4,469)	(4,003)
Other profits and losses	112	29
Operating result	4,584	3,227
Net financial expenses	(1,640)	(785)
Exchange rate differences	(211)	207
Impairment and results on sale of financial assets	(2)	(34)
Financial result	(1,853)	(612)
Net result before tax	2,731	2,615
Tax expense	(437)	(729)
Net result from continuing operations	2,294	1,886
Net result from discontinued operations	(1,283)	(471)
Net result	1,011	1,415
Attributable to the owners of the Company	1,189	1,530
Attributable to non-controlling interests	(178)	(115)
Earnings per share		
Earnings per share (in €)	0.23	0.32
Earnings per share (in €), diluted	0.23	0.32
Net result	1,011	1,415
Total income and expense recognized directly in Equity	113	186
Total other comprehensive result	113	186
Comprehensive result	1,124	1,601
Attributable to the owners of the Company	1,301	1,716
Attributable to non-controlling interests	(178)	(115)

(*) Amounts restated for comparison purposes as described in Note 5.2

4.2 Statement of financial position

(In € thousand)	Notes	31/07/2023	31/01/2023
Intangible fixed assets	5.8 & 5.9	40,656	42,090
Tangible fixed assets	5.10	24,017	25,348
Long-term investments in Group and associated companies		1,063	895
Financial assets		164	187
Deferred tax assets		4,190	3,962
Non-current assets		70,090	72,482
Inventories	5.11	15,487	18,265
Trade receivables	5.12	23,809	18,897
Short-term investments in associates		132	148
Short-term investments		1,158	896
Short-term accruals & prepayments		1,633	753
Cash & cash-equivalents		7,432	10,885
Current assets		49,651	49,844
Total assets		119,741	122,326



(In € thousand)	Notes	31/07/2023	31/01/2023
Share capital		4,381	4,381
Share premium and consolidated reserves		31,000	29,875
Net income, (Group share)		1,189	1,002
Equity-share of equity owners of the parent company		36,570	35,258
Non-controlling interests		(86)	92
Total equity		36,484	35,350
Non-current provisions		115	110
Non-current financial liabilities	5.13	34,260	31,148
Non-current rental obligations	5.13	3,633	4,346
Non-current borrowings from associates		175	175
Deferred tax liabilities		4,219	4,272
Total non-current liabilities		42,402	40,051
Current financial liabilities	5.13	9,543	19,380
Current rental obligations	5.13	2,063	1,920
Current borrowings from associates		603	935
Trade Payables	5.15	27,842	23,919
Short-term accruals		804	771
Total current liabilities		40,855	46,925
Total equity and liabilities		119,741	122,326



4.3 Statement of cash flows

(In € thousand)	H1 2023-2024 (6 months)	H1 2022-2023 (6 months)
Operating activities		
Consolidated net income before taxes	1,448	2,144
Eliminations of items with no impact on the cash position related to operations:		
Net depreciation, amortisation and provisions	4,745	4,139
Net borrowing cost recognized	1,851	582
Net cash flow from (used in) operating activities	8,044	6,865
Changes in working capital requirements	19	(7,073)
Taxes paid	(357)	(39)
Net interest paid	(1,640)	(789)
Net cash flow from operations (I)	6,066	(1,036)
Investment activities		
Acquisition of intangible assets	(188)	(1,672)
Acquisition of property, plant and equipment	(1,312)	(2,679)
Acquisition of financial assets	(168)	(57)
Disposals of financial assets	352	-
4.3 Net cash flow from (used in) investment activities (II)	(1,316)	(4,408)
Financing activities		
Treasury shares	(7)	(25)
Proceeds from borrowings	26,939	3,221
Principal payments on borrowings	(35,156)	(6,254)
Net cash flow from (used in) financing activities (III)	(8,224)	(3,058)
Effect of exchange rate changes (IV)	21	207
Net increase (decrease) in cash (I+II+III+IV)	(3,453)	(8,295)
Opening cash position	10,885	13,578
Closing cash position	7,432	5,283

4.4 Statement of changes in equity

	Share Capital	Share premium	Reserves and prior year result	Own shares in net Equity	Net result for the year - Parent Company	Valuation adjustments	Exchange differences	External shareholders	TOTAL
Balance on 31 January 2022	4,381	17,598	15,424	(500)	(2,341)	249	(140)	248	34,919
Total recognised income and expense	-	-	-	-	1,002	-	-	(152)	850
Income distribution	-	-	(2,341)	-	2,341	-	-	-	-
Transactions with own shares and equity holdings	-	-	4	(42)	-	-	-	-	(38)
Other changes in equity	-	-	-	-	-	(230)	(147)	(4)	(381)
Balance on 31 January 2023	4,381	17,598	13,087	(542)	1,002	19	(287)	92	35,350
Total recognised income and expense	-	-	-	-	1,189	-	-	(178)	1,011
Income distribution	-	-	1,002	-	(1,002)	-	-	-	-
Transactions with own shares and equity holdings	-	-	-	(7)	-	-	-	-	(7)
Other changes in equity	-	-	48	-	-	132	14	-	194
Balance on 31 July 2022	4,381	17,598	14,137	(549)	1,189	151	(273)	(86)	36,548



5 **Relevant notes** to the Condensed Interim Consolidated Financial Statements

5.1 Group structure and activity

Quadpack Industries, S.A. (the Parent Company) was incorporated on 22 June 2010 under the business name ANLOMO SPAIN, S.L., which was changed to its current name on 13 October 2015. Its registered office is located in Plaza de Europa 9, 11th floor, L'Hospitalet de Llobregat (Barcelona, Spain).

The Parent Company's main activities are the acquisition, holding, administration and management of investments in other companies for the purpose of overseeing and directing the investee companies' business activities; the provision of management support services to investee companies; and the provision of business consulting services.

On 20 April 2016 Quadpack Industries, S.A. began trading on the Euronext stock exchange in Paris (France). To this end, in the first quarter of 2016 the Parent company converted its shares into book entries to be registered in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR). Based on this registration and using the services of a Participating Agent, it transferred part of the shares, with the assistance of another Participating Agent in France, to the Accounting Registration Entity in France (Euroclear) for said shares to be admitted to trading on the Euronext market (free market).

The Euronext trading market in the Growth market segment or level is not a regulated market and therefore the

Parent Company is not subject to the control levels and requirements of companies listed under Spanish legislation. However, in order to access this free market and to maintain the transfer and quotation system, its quarterly figures, revenue performance and internal figures are monitored, and it must report any type of structural or shareholding movement to this market.

On 24 July 2019, the shareholders unanimously approved the application for the Parent Company to join the Euronext Growth stock market, belonging to Euronext. This application was submitted by the Parent Company on 12 September 2019 and was approved on 15 October 2019.

Quadpack Industries, S.A. is the Parent of a Group comprising the subsidiaries detailed in Note 1b and 1c. Quadpack Industries, S.A. and subsidiaries (hereinafter, the "Group" or "Quadpack Group") operate on an integrated basis and under shared management.

The Group's main activity is to design, develop, manufacture and supply customised packaging and containers for the cosmetics industry with specialised divisions focused on the skincare, makeup and fragrance sectors.

1 February 2013 was taken as the date of first consolidation by the Group.

All amounts are expressed in thousands of Euros.

5.2 Subsidiaries

Subsidiaries are companies over which the Parent Company, either directly or indirectly, exercises or may exercise control. Control refers to the power to establish financial and operating policies to obtain profits from the entities' activities. This is evidenced generally but not only through the direct or indirect ownership of most voting rights.

Minority shareholder interests in the equity and results of the consolidated subsidiaries are recognised under "non-controlling interests" in "Equity" in the consolidated balance sheet and in "Profit/(loss) attributed to non-controlling interests" in the consolidated income statement, respectively.

Subsidiaries are fully consolidated.

There was a perimeter change during H1 2023, as was reported to the market in April 2023.

Quadpack has been consolidating all plastic injection at the Kierspe site (Germany) for increased efficiency and a more streamlined service to customers. The site manufactures the company's own range of plastic packaging solutions, including jars and airless systems. Further investments have been made to increase capacity and integrate decoration into the production process. The consolidation involves the closure of the operations of Quadpack Plastics, S.A.U. in Castellbisbal, Spain, and the transfer of injection assets to the Kierspe plant.

Therefore, the results from Quadpack Plastics, S.A.U. have been considered as discontinued operations, as the company is in the process of being legally dissolved. Consequently, the condensed financial statements for the period 2022-2023 have been modified to have the correct comparison.



The information relating to fully consolidated subsidiaries for the half-year ended 31st July 2022 is as follows:

Name / Address	Activity	Company holding the investment	Investment attributable to Parent Company	Investment amount
Quadpack France, S.A.R.L. France	Sales of packaging and containers for perfume and cosmetics	Quadpack Industries, S.A.	100%	1,697
Quadpack Italy S.R.L. Italy	Sales of packaging and containers for perfume and cosmetics	Quadpack Industries, S.A.	100%	63
Quadpack Spain, S.L.U. Spain	Sales of packaging and containers for perfume and cosmetics	Quadpack Industries, S.A.	100%	3,706
Yonwoo Europe SAS France	Sales of packaging and containers for perfume and cosmetics	Quadpack Industries, S.A.	90%	185
Quadpack Australia PTY LTD Australia	Sales of packaging and containers for perfume and cosmetics	Quadpack Industries, S.A.	100%	2,110
Quadpack Germany GmbH Germany	Sales of packaging and containers for perfume and cosmetics	Quadpack Industries, S.A.	100%	150
Quadpack Ltd United Kingdom	Sales of packaging and containers for perfume and cosmetics	Quadpack Industries, S.A.	100%	341
Quadpack Manufacturing Division, S.L. Spain	Acquisition, holding, administration and management of investments in other companies.	Quadpack Industries, S.A.	80%	1,094
Quadpack Wood, S.L.U. Spain	Manufacture of wood packaging	Quadpack Manufacturing Division, S.L.	80%	600
Quadpack Impressions, S.L.U. Spain	Container decoration	Quadpack Manufacturing Division, S.L.	80%	325
Quadpack Plastics, S.A.U. (*) Spain	Manufacture of plastic packaging	Quadpack Manufacturing Division, S.L.	80%	820
Collcap Prime Ltd United Kingdom	Acquisition, holding, administration and management of investments in other companies.	Quadpack Industries, S.A.	100%	2,650
Quadpack UK Ltd United Kingdom	Sales of packaging and containers for perfume and cosmetics	Collcap Prime LTD	100%	2,314
Quadpack Asia Pacific Ltd Hong Kong	Sales of packaging and containers for perfume and cosmetics	Quadpack Industries, S.A. and Quadpack UK Ltd.	99%	256
Quadpack USA INC. USA	Acquisition, holding, administration and management of investments in other companies.	Quadpack Industries, S.A.	100%	431
Quadpack Americas LLC. USA	Sales of packaging and containers for perfume and cosmetics	Quadpack USA Inc.	95%	435
Louvette design x packaging GmbH Germany	Manufacture of plastic containers	Quadpack Industries, S.A.	100%	26,274
INOTECH Cosmetics GmbH Germany	Development and production of plastic parts, especially in two-component technology	Quadpack Industries, S.A.	100%	3,453
Quadpack Japan LLC Japan	Sales of packaging and containers for perfume and cosmetics	Quadpack Industries, S.A.	100%	2
Stefan Wicklein Kunststoffveredelung GmbH Germany	Container decoration	Louvette GmbH design x packaging	100%	3,025

(*) Dissolved company

5.3 Companies accounted for by the equity method

Vallo & Vogler GmbH is consolidated using the equity method. Quadpack Industries, S.A. holds a 50% stake in this company via the investment in Louvrette GmbH design x packaging, which, in turn, has a 50% stake in Vallo & Vogler GmbH. Vallo & Vogler GmbH is a German company engaged in container decoration activities.

The amount of the investment in the financial statements of Louvrette GmbH design x packaging as of 31 July 2023 and 2022 is €610 thousand.

5.4 Companies excluded from the consolidation scope

Quadpack Industries, S.A. holds 100%, 71% and 40% of the shares in Quadpack Foundation, QPnet Technologies, S.L. and The Beauty Makers Studio, S.L. for a value of €30, €148 and €94 thousand, respectively.

Quadpack Ltd. holds 100% of the share capital of Quadpack Hong Kong Ltd. (inactive company since 31 January 2022), with an investment of €0 thousand.

Louvrette GmbH design x packaging owns 94% of Daimon Grundstücks-verwaltungsgesellschaft GmbH Co. Vermietungs KG for a value of €5 thousand.

These companies have been excluded from the consolidation scope due to their low relative importance.



5.5 Business combinations

On 13 August 2021, the Group, through Louvrette GmbH x design packaging, entered into an agreement to purchase 100% of the share capital of Stefan Wicklein Kunststoffveredelung GmbH. The transaction was completed on 30 September 2021, for a cash consideration of €3,025 thousand and taking on a debt of €2,240 thousand.

Stefan Wicklein Kunststoffveredelung GmbH is a German company engaged in packaging decoration, one of the main specialist suppliers of hot foil stamping technology. Hot foil stamping is a complex, specialised technique used to decorate cosmetic containers and is considered to be the most sustainable alternative to metallisation.

Stefan Wicklein Kunststoffveredelung GmbH has been fully consolidated within the Quadpack Group since the transaction date, so that as of 31 January 2022 the value of all its assets and liabilities was included in the consolidated balance sheet. The amounts recognised as of the acquisition date for the assets and liabilities acquired were not significant. Management considered that the carrying amounts of these assets and liabilities coincide with fair value.

Furthermore, the relevant effect of the transactions was consolidated in the Group's financial statements and included in the consolidated income statement for the year. Net revenue for the period from the takeover date to year end totalled €2,421 thousand, generating a negative result of €86 thousand. If the acquisition had taken place at the start of the year, net revenue would have stood at €7,654 thousand, generating a negative result of €394 thousand.



On 31 January 2022, the Group recorded the allocation of the fair value of the assets and liabilities acquired on a provisional basis and, therefore, as set out in IFRS 3, had a period of one year from closing the transaction to complete the measurement process. Specifically, the allocation and provisional recording of the value of property, plant and equipment and intangible assets was made using an internal study, pending receipt of the results of the valuation of these assets by an independent expert.

As a result, during 2022-23 there were upward and downward changes to the fair value assigned to and finally recorded for the assets and liabilities acquired. In particular, there was a reduction in property, plant and equipment of €362 thousand relating to machinery, an increase in intangible assets of €311 thousand and €3 thousand relating to goodwill and the customer portfolio respectively, and a decrease in deferred tax liabilities of €48 thousand.

5.6 Basis for the preparation of the Condensed Interim Consolidated Financial Statements

The accounting policies adopted in the preparation of these Condensed Interim Consolidated Financial Statements are under IFRS and are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 January 2023.

The Condensed Interim Consolidated Financial Statements do not include all the information required for a complete set of Consolidated Financial Statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding changes in the Group's financial position and performance since the last annual consolidated financial statements, as at and for the year ended 31 January 2023. These Condensed Interim Consolidated Financial Statements have not been reviewed by an auditor.

5.7 Dividends paid

No dividends have been declared during this reporting period.

5.8 Equity

The share capital of the Company amounts to €4.4 million fully subscribed and paid. There have been no changes during H1 2023.

5.9 Intangible fixed assets

The balances and variations during the fiscal years of the gross and cumulative depreciation values are as follows:

(In € thousand)	Balance at 31/01/2023	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/07/2023
Cost						
Right-of-use	16,101	655	-	-	-	16,756
Industrial property	3,189	-	-	-	-	3,189
Goodwill	20,751	-	-	-	-	20,751
Computer software	6,229	2	-	-	(3)	6,228
Other intangible	11,858	187	-	-	-	12,045
TOTAL	58,128	844	-	-	(3)	58,969

(In € thousand)	Balance at 31/01/2023	Depreciation allowance	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/07/2023
Accumulated amortisation						
Right-of-use	(9,905)	(1,251)	-	-	(16)	(11,172)
Industrial property	(652)	(105)	-	-	-	(757)
Goodwill	-	-	-	-	-	-
Computer software	(2,506)	(597)	-	-	3	(3,100)
Other intangible	(2,069)	(309)	-	-	-	(2,378)
TOTAL	58,128	(2,262)	-	-	(13)	(17,407)

(In € thousand)	Balance at 31/01/2023	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/07/2023
Impairment						
Right-of-use	-	-	-	-	-	-
Industrial property	-	-	-	-	-	-
Goodwill	(906)	-	-	-	-	(906)
Computer software	-	-	-	-	-	-
Other intangible	-	-	-	-	-	-
TOTAL	(906)	-	-	-	-	(906)

(In € thousand)	Balance at 31/01/2023	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/07/2023
Carrying amount						
Right-of-use	6,196	(596)	-	-	(16)	5,584
Industrial property	2,537	(105)	-	-	-	2,432
Goodwill	19,845	-	-	-	-	19,845
Computer software	3,723	(595)	-	-	-	3,128
Other intangible	9,789	(122)	-	-	-	9,667
TOTAL	42,090	(1,418)	-	-	(16)	40,656

(In € thousand)	Balance at 31/01/2022 (*)	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/01/2023
Cost						
Right-of-use	11,591	4,510	-	-	-	16,101
Industrial property	3,175	6	-	8	-	3,189
Goodwill	20,751	-	-	-	-	20,751
Computer software	2,149	806	-	3,270	4	6,229
Other intangible	14,847	289	-	(3,278)	-	11,858
TOTAL	52,513	5,611	-	-	4	58,128

(In € thousand)	Balance at 31/01/2022 (*)	Depreciation allowance	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/01/2023
Accumulated amortisation						
Right-of-use	(7,383)	(2,543)	-	-	21	(9,905)
Industrial property	(444)	(208)	-	-	-	(652)
Goodwill	-	-	-	-	-	-
Computer software	(1,495)	(1,008)	-	-	(3)	(2,506)
Other intangible	(1,451)	(618)	-	-	-	(2,069)
TOTAL	10,773	(4,377)	-	-	(18)	(15,132)

(In € thousand)	Balance at 31/01/2022 (*)	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/01/2023
Impairment						
Right-of-use	-	-	-	-	-	-
Industrial property	-	-	-	-	-	-
Goodwill	(906)	-	-	-	-	(906)
Computer software	-	-	-	-	-	-
Other intangible	-	-	-	-	-	-
TOTAL	(906)	-	-	-	-	(906)

(In € thousand)	Balance at 31/01/2022 (*)	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/01/2023
Carrying amount						
Right-of-use	4,208	1,967	-	-	21	6,196
Industrial property	2,731	(202)	-	8	-	2,537
Goodwill	19,845	-	-	-	-	19,845
Computer software	654	(202)	-	3,270	1	3,723
Other intangible	13,396	(329)	-	(3,278)	-	9,789
TOTAL	40,834	1,234	-	-	22	42,090

(*) Amounts restated for comparison purposes as described in Note 5.2



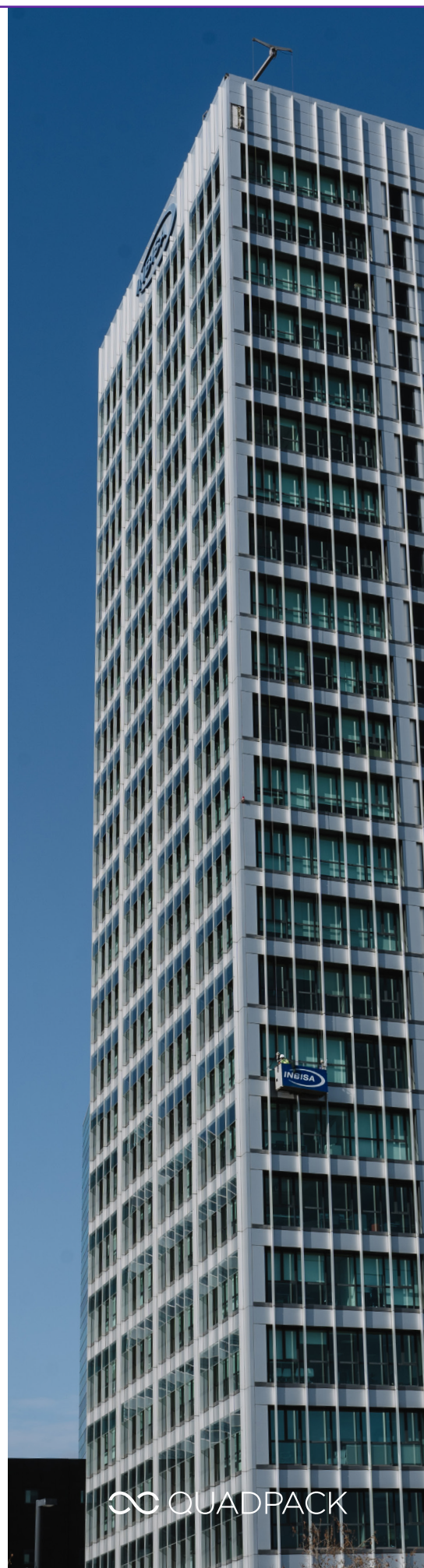
5.10 Goodwill

When a company is acquired, its assets, liabilities and contingent liabilities are measured at their market value at the acquisition date. The difference between the acquisition cost and the market value of the net assets acquired is recorded as goodwill when positive and as income for the year when negative. The results of the companies acquired are included in the income statement from the effective date of acquisition.

On 31 July 2023 the amount of goodwill recorded in the Group accounts was:

(In € thousand)	31/07/2023	31/01/2023
Quadpack Australia PTY Ltd	1,723	1,723
Quadpack Plastics, S.A.U.	-	-
Collcap Prime Ltd	2,506	2,506
Quadpack Americas LLC	623	623
Louvette GmbH Design x Packaging	12,179	12,179
Inotech Cosmetics GmbH	1,425	1,425
Stefan Wicklein Kunststoffveredelung GmbH	1,389	1,389
Total goodwill	19,845	19,845

The Group makes yearly impairment tests to analyse the recovery of goodwill.



5.11 Tangible fixed assets

The balances and variations during the fiscal years of the gross and cumulative depreciation values are as follows:

(In € thousand)	Balance at 31/01/2023	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/07/2023
Cost						
Lands and buildings	9,107	-	-	45	-	9,152
Technical installations and other items	48,682	614	(114)	679	2	49,863
Advances and property, plant and equipment under construction	3,063	698	(334)	(724)	-	2,703
TOTAL	60,852	1,312	(448)	-	2	61,718

(In € thousand)	Balance at 31/01/2023	Depreciation allowance	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/07/2023
Accumulated amortisation						
Lands and buildings	(3,582)	(131)	-	(19)	-	(3,732)
Technical installations and other items	(31,922)	(2,181)	120	19	(6)	(33,970)
Advances and property, plant and equipment under construction	-	-	-	-	-	-
TOTAL	(35,504)	(2,312)	120	-	(6)	(37,702)

(In € thousand)	Balance at 31/01/2023	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/07/2023
Carrying amount						
Lands and buildings	5,525	(131)	-	26	-	5,420
Technical installations and other items	16,760	(1,567)	6	698	(4)	15,893
Advances and property, plant and equipment under construction	3,063	698	(334)	(724)	-	2,703
TOTAL	25,348	(1,000)	(328)	-	(4)	24,016

(In € thousand)	Balance at 31/01/2022 (*)	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/01/2023
Cost						
Lands and buildings	8,710	400	-	-	(3)	9,107
Technical installations and other items	45,914	1,690	(419)	1,533	(36)	48,682
Advances and property, plant and equipment under construction	2,352	2,650	(408)	(1,533)	2	3,063
TOTAL	56,976	4,740	(827)	-	(37)	60,852

(In € thousand)	Balance at 31/01/2022 (*)	Depreciation allowance	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/01/2023
Accumulated amortisation						
Lands and buildings	(3,332)	(251)	-	-	1	(3,582)
Technical installations and other items	(27,731)	(4,575)	347	-	37	(31,922)
Advances and property, plant and equipment under construction	-	-	-	-	-	-
TOTAL	(31,063)	(4,826)	347	-	38	(35,504)

(In € thousand)	Balance at 31/01/2022 (*)	Additions	Disposals or reductions	Transfers	Differences on exchange	Balance at 31/01/2023
Carrying amount						
Lands and buildings	5,378	149	-	-	(2)	5,525
Technical installations and other items	18,183	(2,885)	(72)	1,533	1	16,760
Advances and property, plant and equipment under construction	2,352	2,650	(408)	(1,533)	2	3,063
TOTAL	25,913	(86)	(480)	-	1	25,348

(*) Amounts restated for comparison purposes as described in Note 5.2



5.12 Inventories

The detail of "Inventories" in the balance sheet is as follows:

(In € thousand)	31/07/2023	31/01/2023
Goods for resale	6,036	6,950
Raw materials and consumables	4,054	4,351
Work-in-progress	3,139	3,662
Finished goods	1,974	2,965
Advanced payments	284	337
Total inventories	15,487	18,265

5.13 Accounts receivable

The detail of "Trade receivables" in the balance sheet is as follows:

(In € thousand)	31/07/2022	31/01/2022
Trade receivables	18,483	15,839
Group trade receivables	2	185
Miscellaneous receivables	363	974
Personnel	(24)	37
Current taxes assets	656	639
Other receivables from public administrations	4,329	1,223
Total trade receivables	23,809	18,897



5.14 Financial debt

Non-current and current financial debts are classified based on the following categories:

31 July 2023

(In € thousand)	Non-Current	Current	Total
Bank borrowings	26,305	7,519	33,824
Finance lease obligations	7,179	1,847	9,026
Derivative financial instruments	-	94	94
Other financial liabilities	776	85	861
Rental obligations	2,919	1,601	4,520
Borrowings from associates	175	603	778
Total	37,354	11,749	49,103

31 January 2023

(In € thousand)	Non-Current	Current	Total
Bank borrowings	22,694	16,812	39,506
Finance lease obligations	7,678	2,248	9,926
Derivative financial instruments	-	147	147
Other financial liabilities	776	173	949
Rental obligations	4,346	1,920	6,266
Borrowings from associates	175	935	1,110
Total	35,669	22,235	57,904

Classification by maturity

The breakdown of the maturity dates of the non-current financial liabilities is as follows:

31 July 2023

(In € thousand)	1Y	2Y	3Y	4Y	>4Y	Total
Categories						
Bank borrowings	3,479	4,538	5,331	5,822	7,135	26,305
Financial lease obligations	1,726	723	361	274	4,095	7,179
Other financial liabilities	26	750	-	-	-	776
Rental obligations	1,168	602	409	740	-	2,919
Borrowings from associates	-	-	-	-	175	175
Total balance	6,399	6,613	6,101	6,836	11,405	37,354



31 January 2023

(In € thousand)	1Y	2Y	3Y	4Y	>4Y	Total
Categories						
Bank borrowings	8,379	8,427	5,345	122	421	22,694
Financial lease obligations	1,617	1,192	375	307	4,187	7,678
Other financial liabilities	26	750	-	-	-	776
Rental obligations	1,508	1,114	584	1,140	-	4,346
Borrowings from associates	-	-	-	-	175	175
Total balance	11,530	11,483	6,304	1,569	4,783	35,669

5.15 Taxes

The income tax accrual registered is determined based on each individual company's result before tax of the intermediate period, multiplied by management's best-estimate of local tax rates. Consequently, the effective tax rate in the condensed interim consolidated financial statements can differ from the effective tax rate included in the year-end audited consolidated financial statements.

5.16 Accounts payable

The breakdown of the balance sheet section "Trade payables" is as follows:

(In € thousand)	31/07/2023	31/01/2023
Trade payables	15,038	14,820
Group trade payables	250	697
Miscellaneous payables	2,781	2,248
Personnel	2,885	1,879
Current taxes liabilities	769	344
Other payables to public administrations	5,192	3,078
Customer payments in advance	927	853
Total trade payables	27,842	23,919

6 **Statement**

by the people responsible for
the half-year financial report

We hereby certify that, to the best of our knowledge, the condensed consolidated financial statements for the half-year ended 31 July 2023 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all consolidated companies, and that the appended Half-Year Financial Report provides a fair review of the major events that occurred during the first six months of the fiscal year, their impact on the financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties concerning the remaining six months of the fiscal year.

Mr. Timothy-John Eaves

Chairman of the Board

Mrs. Alexandra Chauvigné

Chief Executive Officer

For more information visit our website:
www.quadpack.com/investors
or contact:
investorrelations@quadpack.com



 QUADPACK

Helping
beauty brands
perform