

SECOND QUARTER 2022

SCHOELLER PACKAGING B.V.



Making plastic packaging
too good to waste



Schoeller Allibert

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Schoeller Packaging B.V.

Second quarter ended 30 June 2022

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CAUTIONARY STATEMENT

The operating and financial review and certain other sections of this document contain forward looking statements which are subject to risk factors associated with, amongst others, the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables, which could cause actual results to differ materially from those currently anticipated.

PRINCIPAL ACTIVITIES

Schoeller Packaging B.V. (the “Company”) and its subsidiaries (collectively, the “Group” or “Schoeller Allibert”) is Europe’s largest manufacturer of plastic containers and returnable transit packaging (RTP).

Schoeller Allibert offers a wide range of products to meet the storage, handling and distribution needs of large and medium sized companies on a local, regional and global level. Schoeller Allibert employs approximately 2,000 people with the majority employed in Europe, where the Group has production and sales activities in over 20 countries.

Schoeller Allibert’s products include foldable small containers, tough stacking containers, beverage crates, pails, rigid pallet containers (RPCs) for secure distribution, Intermediate bulk containers, rotationally moulded products, heavy-duty rigid and folding large containers (FLCs), pallets and dollies which have been designed to protect small, large or unusually shaped components; to timely deliver goods and, thanks to foldable or stackable units to save valuable space on return journeys. Manufactured to precise dimensions, to fit and function seamlessly with all handling equipment, Schoeller Allibert’s

containers are the ideal handling medium for automated warehouses and distribution centers. They promote a reliable and consistent flow, withstanding heavy unit loads and allow fast movement through automated storage and retrieval systems, thereby helping customers to speed handling operations, reduce logistics costs and eliminate packaging waste.

Schoeller Allibert has extensive expertise in a range of industries, including agriculture, automotive, food and food processing, beverage, chemicals, system integrators, cosmetics and pharma, retail, industrial manufacturing and pooling. With more than 50 years of experience in developing industrial reusable packaging, Schoeller Allibert has built leading market positions by understanding its target industry sectors and applying extensive expertise to design and implement customized industrial reusable packaging solutions that address industry specific handling, logistics, storage and retrieval requirements.



KEY FINANCIAL RESULTS

The table below shows the Group's key consolidated financial results for the three months and six months ended 30 June 2022 and 2021:

EUR'000	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2022	2021	2022	2021
Revenue	166,250	142,680	305,804	271,027
Revenue growth	16.5%	5.9%	12.8%	6.0%
Operating profit	4,562	5,199	5,904	10,151
Operating profit as % revenue	2.7%	3.6%	1.9%	3.7%
Adjusted EBITDA	17,613	16,060	30,650	32,054
EBITDA as a % of revenue	10.6%	11.3%	10.0%	11.8%
Profit (loss) before income taxes	(2,359)	(1,479)	(7,020)	(3,003)
Net capital expenditure	6,928	9,892	18,402	20,072
Net capital expenditure as a % of revenue	4.2%	6.9%	6.0%	7.4%
Cash generated from operations	(8,392)	9,133	(10,929)	18,958

The table below shows the Group's key other financial metrics as at 30 June 2022 and 31 December metrics.

EUR'000	AS AT 31 JUNE 2022	AS AT 31 DECEMBER 2021
Net working capital	(175)	(37,664)
Cash and cash equivalents	(4,862)	38,676
Total net loans and borrowings	365,478	314,330

Net working capital is defined as current assets (excluding cash and cash equivalents and receivables from related parties) less current liabilities (excluding current portion of loans and borrowings, bank overdrafts and payables due from related parties).

Cash and cash equivalents is defined as cash and cash equivalents on the balance sheet less bank overdrafts.

Net loans and borrowings are defined as total current and non-current loans and borrowings less cash and cash equivalents.

OPERATING AND FINANCIAL REVIEW

Revenue

The table below shows the Group's operating segment revenue for the three months and six months ended 30 June 2022 and 2021:

EUR'000	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2022	2021	2022	2021
Northern Europe	37,266	27,326	67,265	52,176
Central Europe	60,384	53,083	115,001	99,295
Southern Europe	29,503	27,745	50,410	50,207
United States of America	20,960	20,383	40,281	41,904
All Other Segments	18,137	14,143	32,847	27,445
Revenue	166,250	142,680	305,804	271,027

Operating segments are aggregated to the following reportable segments which include:

- Northern Europe: Includes the manufacturing of RTP products and the sale thereof in the Netherlands and Belgium, UK and Ireland, Sweden, Finland, Latvia and Russia.
- Central Europe: Includes the manufacturing of RTP products and the sale thereof in Germany, Austria, Switzerland, Czech Republic, Romania, Hungary and Poland.
- Southern Europe: Includes the manufacturing of RTP products and the sale thereof in France, Italy, Spain and Portugal.
- United States of America (USA): Includes the manufacturing of RTP products and the sale thereof in the United States of America.
- All Other Segments: Includes pooling services and sale of products and technical support in Asia and South America.



On average, resin prices in Q2 2022 were 13% higher compared to Q2 2021. Schoeller Allibert has been able to pass on most of the cost increases (with a one to two months delay) to our customers.

Revenue in Northern Europe increased by EUR 9.9 million, or 36.4%, to EUR 37.3 million for the three months ended 30 June 2022 from EUR 27.3 million for the three months ended 30 June 2021. This increase in revenue was primarily attributable to higher industrial manufacturing, beverage and food and processing revenues in the quarter.

Revenue in Central Europe increased by EUR 7.3 million, or 13.8%, from EUR 53.1 million for the three months ended 30 June 2021 to EUR 60.4 million for the three months ended 30 June 2022. This increase in revenue was driven by higher revenues mainly from industrial manufacturing, automotive and retail partially offset by lower revenue in beverage and pooling.

Revenue in Southern Europe increased by EUR 1.8 million, or 6.3%, to EUR 29.5 million for the three months ended 30 June 2022 from EUR 27.7 million for the three months ended 30 June 2021. This increase was primarily

attributable to higher revenues to food and processing and industrial manufacturing customers partially offset by lower volumes in auto-motive.

Revenue in the USA increased by EUR 0.6 million, or 2.8%, to EUR 21.0 million for the three months ended 30 June 2022 from EUR 20.4 million for the three months ended 30 June 2021. This increase was attributable to higher revenues from industrial manufacturing offset by lower pooling volumes.

Revenue in all Other Segments increased by EUR 4.0 million, or 28.3%, to EUR 18.1 million for the three months ended 30 June 2022 from EUR 14.1 million for the three months ended 30 June 2021. This increase is attributable to higher revenues due to better turnover from the Services and International business.



OPERATING RESULT

EUR'000	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2022	2021	2022	2021
Operating profit	4,562	5,199	5,904	10,151

Operating profit decreased by EUR 0.6 million to EUR 4.6 million for the three months ended 30 June 2022 compared to EUR 5.2 million for the three months ended 30 June 2021. The decline resulted from:

- An increase in depreciation and amortisation (-EUR 1.8m) due to higher capex, especially in growth
- higher adjusted EBITDA (+EUR 1.6m) especially due to higher revenue
- higher adjusting items (-EUR 0.4m)

The following table shows a breakdown of operating result by geographic segment for the three months and six and three months ended 30 June 2022 and 2021:

THREE MONTHS ENDED 30 JUNE				
EUR'000	Operating Profit 2022	Operating Profit 2021	Adjusted EBITDA 2022	Adjusted EBITDA 2021
Northern Europe	1,827	(87)	5,316	3,229
Central Europe	1,670	3,675	7,215	6,688
Southern Europe	20	(531)	3,840	3,136
United States of America	(2,618)	1,184	12	3,210
All Other Segments	3,663	958	1,230	(202)
Total	4,562	5,199	17,613	16,060

SIX MONTHS ENDED 30 JUNE				
EUR'000	Operating Profit 2022	Operating Profit 2021	Adjusted EBITDA 2022	Adjusted EBITDA 2021
Northern Europe	2,538	1,981	9,659	8,975
Central Europe	1,417	5,198	14,117	12,952
Southern Europe	(1,250)	(1,410)	6,456	5,832
United States of America	(2,378)	2,580	2,687	7,008
All Other Segments	5,577	1,802	(2,269)	(2,713)
Total	5,904	10,151	30,650	32,054

Northern Europe

Operating profit increased by EUR 0.7 million mainly due to higher revenue offset by higher production costs.

Central Europe

Operating profit was mainly impacted by the timing of lease expenses charged by the central function, which was charged in Q4 in 2021.

Southern Europe

Operating profit in Southern Europe increased by EUR 0.6 million due to higher volumes.

USA

Decrease in operating profit is attributable to lower volumes in the pooling segment.

All other segments

Increase in operating profit is impacted by timing of leases expenses charged to Central Europe segment, which was charged in Q4 in 2021.



ADJUSTED EBITDA—RECONCILIATION

The Company discloses Adjusted EBITDA as a non-IFRS performance measure. The Group defines Adjusted EBITDA as the operating result for the year excluding depreciation, amortisation and impairment, adjusting items and shareholder management fees. Items are disclosed as adjusting where it is necessary to do so to provide further understanding of the financial performance of the Group. As such, items are presented as adjusting if management

finds these to meet the following criteria: material; non-recurring and require separate disclosure due to the significance of their nature or amount.

Adjusting items relate to material non-recurring items of income and expense arising from circumstances or events such as: business combinations; closure of manufacturing locations; litigation settlements and certain shareholder exit fees.

EUR'000	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2022	2021	2022	2021
Operating profit	4,562	5,199	5,903	10,151
Adjusting items	1,607	1,206	2,171	2,642
Depreciation and impairment expense	10,363	9,177	20,631	18,265
Amortisation and impairment expense	1,081	478	1,945	996
Adjusted EBITDA	17,613	16,060	30,650	32,054

Adjusting items increased by EUR 0.4 million from EUR 1.2 million for three months ended 30 June 2021 to EUR 1.6 million for three months ended 30 June 2022.

Adjusting items for three months ended 30 June 2022 relate to non-recurring items arising from:

- EUR 1.6 million of employee severance costs;

Adjusting items for three months ended 30 June 2021 relate to non-recurring items arising from:

- EUR 0.5 million mainly consultancy fees for cost efficiency projects.
- EUR 0.4 million of employee severance costs;
- EUR 0.2 million of restructuring costs;
- EUR 0.1 million of Covid-19 related expenses

Net finance expense

Net finance expense for the three months ended 30 June 2022 was EUR 7.0 million (expense for the three months ended 30 June 2021: EUR 6.7 million).

Profit (loss) before income taxes

The loss before income taxes was EUR 2.3 million for the three months ended 30 June 2022 (the three months ended 30 June 2021: loss of EUR 1.5 million).

Cash generated from operations

Cash generated from operations during the three months ended 30 June 2022 amounted to a EUR 8.4 million outflow (the three months ended 30 June 2021 EUR 9.1 million inflow).

Net capital expenditure

Net capital expenditure is defined as total acquisition of property, plant and equipment, and intangible assets less proceeds from sale of property, plant and equipment less proceeds from new leases.



	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
EUR'000	2022	2021		
Proceeds from sale of property, plant and equipment	101	345	272	366
Acquisition of property, plant and equipment	(6,222)	(9,247)	(17,107)	(18,407)
Acquisition of intangible assets	(807)	(990)	(1,567)	(2,031)
Net Capital Expenditure	(6,927)	(9,892)	(18,402)	(20,072)

Net working capital

Net working capital is defined as current assets (excluding cash and cash equivalents and current receivables from related parties) less current liabilities (excluding current portion of loans and borrowings, bank overdrafts and current payables due from related parties).

As of 30 June 2022, the receivables from related parties were equal to EUR 0.1 million (31 December 2021: EUR nil), and the payables due to related parties were equal to EUR nil (31 December 2021: EUR nil).

EUR'000	AS AT 30 JUNE 2022	AS AT 31 DECEMBER 2021
Total current assets	171,812	162,931
Cash and cash equivalents	(14,240)	(38,676)
Current receivable from related parties	(167)	(9)
Total current working capital assets	157,405	124,246
Total current liabilities	198,912	180,881
Bank overdrafts	(19,102)	-
Current portion of loans and borrowings	(22,228)	(18,941)
Current payable to related parties	-	(30)
Total current working capital liabilities	157,580	161,910
Net Working Capital	(176)	(37,664)

As of 30 June 2022, the Group had a negative net working capital of EUR 0.1 million (31 December 2021 negative net working capital of EUR 37.6 million).

Cash and cash equivalents

Cash and cash equivalents is defined as cash and cash equivalents on the balance sheet less bank overdrafts. The group had a net cash and cash equivalents of EUR -4.8

million as of 30 June 2022 (31 December 2021: EUR 38.7 million) on its balance sheet.

EUR'000	AS AT 30 JUNE 2022	AS AT 31 DECEMBER 2021
Cash and cash equivalents	14,240	38,700
Bank overdrafts	(19,102)	-
Cash and cash equivalents	(4,862)	38,700

As at 30 June 2022, the Group had one revolving credit facility of EUR 30 million (31 December 2021: EUR 30 million). The Group has drawn EUR 19.1 million in Cash drawing and EUR 1.7 million from this facility for guarantees.

Total net loans and borrowings

Net loans and borrowings is defined as total current and non-current loans and borrowings excluding deferred financing costs less cash and cash equivalents, which increased to EUR 365.5 million as at 30 June 2022 (31 December 2021: EUR 314.3 million).

EUR'000	AS AT 30 JUNE 2022	AS AT 31 DECEMBER 2021
Senior secured note	250,000	250,000
Lease liabilities	43,576	46,531
Other credit institutions	20,346	21,349
Total debt excl shareholder credit facility	313,922	317,880
Shareholder credit facility (incl accrued interest)	46,694	35,126
Total debt incl shareholder credit facility	360,616	353,006
Total deferred financing costs	(3,383)	(4,565)
Total loans and borrowings as per note 12	357,233	348,441

EUR'000	2022	2021
Total loans and borrowings as per note 12	357,233	348,441
Less: Total deferred financing costs	(3,383)	(4,565)
Cash and cash equivalents	(4,862)	38,676
Net loans and borrowings	365,478	314,330



UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

		THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
EUR'000	Note	2022	2021	2022	2021
Revenue	8	166,250	142,680	305,804	271,027
Other income		(2)	(167)	114	(157)
Total revenue		166,248	142,513	305,918	270,870
Raw materials and consumables used		(89,630)	(73,814)	(151,673)	(131,351)
Costs for subcontracting		(1,205)	(842)	(3,486)	(2,028)
Employee benefit expense		(34,436)	(32,467)	(70,262)	(66,325)
Other operating costs		(24,971)	(20,536)	(52,017)	(41,754)
Depreciation and impairment expense		(10,363)	(9,177)	(20,631)	(18,265)
Amortisation and impairment expense		(1,081)	(478)	(1,945)	(996)
Total operating expenses		(161,686)	(137,314)	(300,014)	(260,719)
Operating profit		4,562	5,199	5,904	10,151
Finance income	10	70	46	164	*94
Finance expense	10	(7,037)	(6,723)	(13,088)	*(13,248)
Net Finance Expense	10	(6,967)	(6,677)	(12,924)	*(13,154)
Share in result of equity accounted investments		46	-	-	-
Profit (loss) before income taxes		(2,359)	(1,478)	(7,020)	(3,003)
Income tax	11	(1,385)	(506)	(1,907)	*(1,353)
Profit (loss) for the period		(3,744)	(1,984)	(8,927)	(4,356)
Attributable to:					
Owners of the Company		(3,586)	(2,066)	(8,674)	(4,384)
Non-controlling interests		(158)	82	(253)	28



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR'000	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2022	2021	2022	2021
Profit (loss) for the period	(3,744)	(1,984)	(8,927)	(4,356)
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences - foreign operations, net of tax	620	(304)	(121)	1,989
Total comprehensive loss for the period, net of income tax	(3,124)	(2,288)	(9,048)	(2,367)
Attributable to:				
Owners of the Company	(3,049)	(2,320)	(8,782)	(2,376)
Non-controlling interests	(76)	32	(266)	8
Total comprehensive loss for the period	(3,124)	(2,288)	(9,048)	(2,367)



UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

EUR'000	Note	AS AT 30 JUNE 2022	AS AT 31 DECEMBER 2021
ASSETS			
Non-current assets			
Property, plant and equipment		155,980	149,836
Right of use assets		48,320	50,327
Intangible assets		15,100	15,488
Equity accounted investments		903	914
Other financial assets		24,632	22,263
Deferred income tax assets		17,315	18,018
Total non-current assets		262,250	256,846
Current assets			
Inventories		71,668	53,160
Trade and other receivables		73,974	60,993
Current income tax assets		841	860
Prepayments		11,089	9,242
Cash and cash equivalents		14,240	38,676
Total current assets		171,812	162,931
TOTAL ASSETS		434,062	419,777
EQUITY			
Share capital		-	-
Share premium		106,979	106,979
Other reserves		(142,095)	(141,987)
Accumulated deficit		(78,944)	(70,270)
Equity attributable to owners of the Company		(114,060)	(105,278)
Non-controlling interests		1,214	1,481
Total equity		(112,846)	(103,797)
LIABILITIES			
Non-current liabilities			
Loans and borrowings	12	335,004	329,501
Employee benefits		8,237	8,400
Provisions	13	334	194
Deferred income tax liabilities		4,421	4,601
Total non-current liabilities		347,996	342,696
Current liabilities			
Loans and borrowings	12	22,228	18,941
Bank Overdraft	12	19,102	-
Provisions	13	783	1,157
Current income tax liabilities		1,444	1,364
Trade and other payables		155,355	159,416
Total current liabilities		198,912	180,878
Total liabilities		546,908	523,574
TOTAL EQUITY AND LIABILITIES		434,062	419,777



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR'000	Share capital	Share premium	Other reserves	Accumulated deficit	Total	Non-controlling interest	Total equity
Balance as at 1 January 2022	-	106,979	(141,987)	(70,270)	(105,278)	1,481	(103,797)
Loss for the period	-	-	-	(8,674)	(8,674)	(253)	(8,927)
Foreign currency translation differences – foreign operations; net of income tax	-	-	(108)	-	(108)	(13)	(121)
Total comprehensive loss for the year	-	-	(108)	(8,674)	(8,782)	(267)	(9,048)
Balance AS AT 30 JUNE 2022	-	106,979	(142,095)	(78,944)	(114,060)	1,214	(112,845)

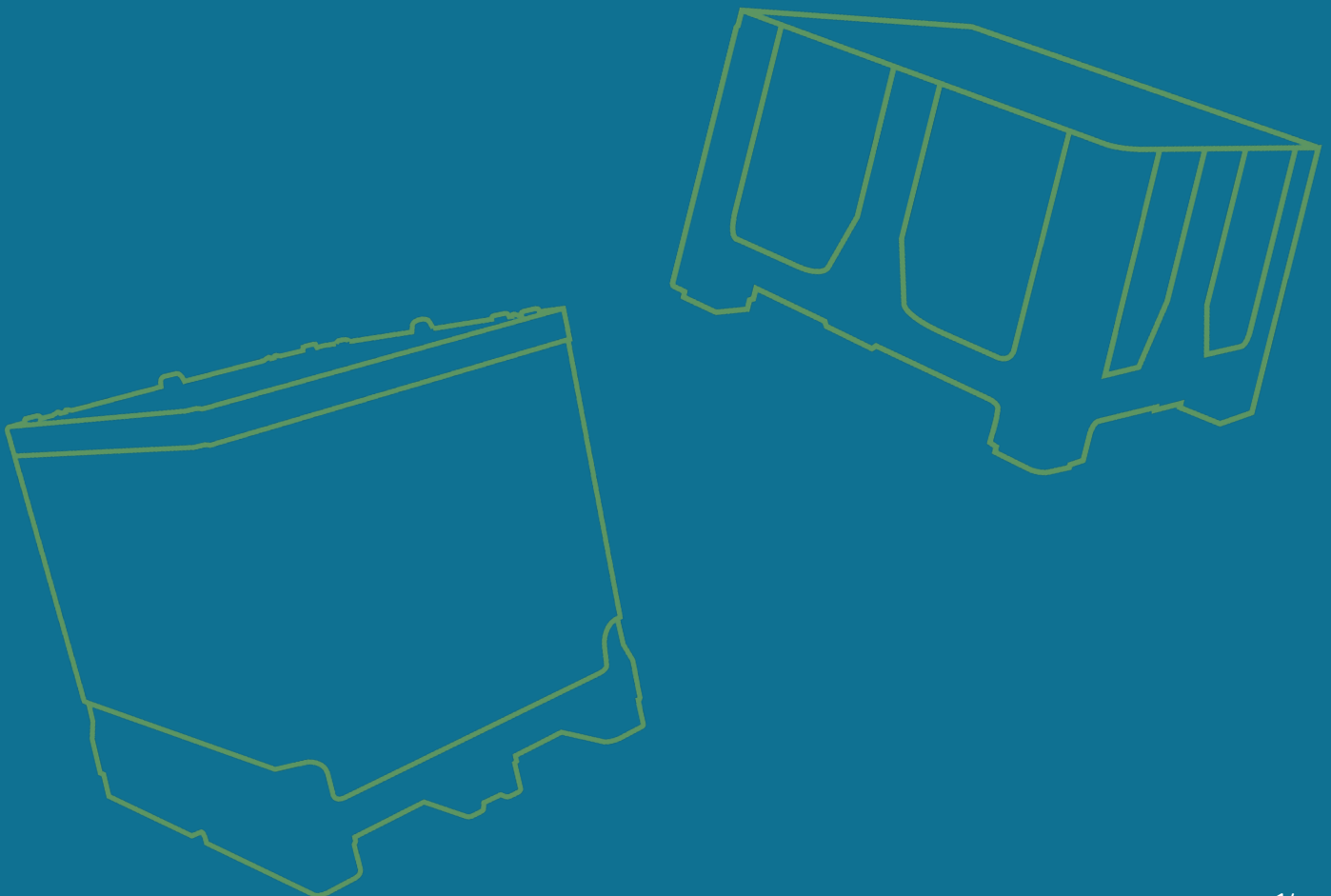
EUR'000	Share capital	Share premium	Other reserves	Accumulated deficit	Total	Non-controlling interest	Total equity
Balance as at 1 January 2021	-	106,979	(146,381)	(72,306)	(117,708)	1,679	(110,028)
Loss for the period	-	-	-	(4,384)	(4,384)	28	(4,356)
Foreign currency translation differences – foreign operations; net of income tax	-	-	2,035	-	2,035	(19)	2,016
Total comprehensive loss for the year	-	-	2,035	(4,384)	(2,349)	9	(2,340)
Balance AS AT 30 JUNE 2021	-	106,979	(144,346)	(76,690)	(114,057)	1,688	(112,368)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
EUR'000	2022	2021	2022	2021
Operating result for the year	4,562	5,199	5,903	10,151
Adjustments for:				
Depreciation of property, plant and equipment and ROUA	10,363	9,177	20,631	18,265
Amortisation of intangible assets	1,081	478	1,945	996
Gain on sale of property, plant and equipment	1	167	(114)	157
Other non-cash items	(1,034)	(945)	(1115)	(813)
Change in:				
Inventories	1,022	(6,920)	(17,592)	(21,865)
Trade and other receivables	(12,325)	(9,670)	(12,564)	(5,599)
Prepayments	(1,640)	117	(1,921)	1,275
Trade and other payables	(10,236)	11,869	(5,641)	16,768
Provisions and employee benefits	(186)	(339)	(461)	(377)
Cash generated from operations	(8,392)	9,133	(10,929)	18,958
Net finance cost paid	(8,906)	(9,071)	(9,776)	(10,155)
Income tax paid	(407)	(715)	(1,005)	(1,130)
Net cash inflow from operating activities	(17,706)	(653)	(21,711)	7,672
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	101	345	272	366
New long term loans receivable granted	(513)	(430)	(2,375)	(1,215)
Acquisition of property, plant and equipment	(6,222)	(9,246)	(17,107)	(18,407)
Acquisition of intangible assets	(806)	(990)	(1,567)	(2,031)
Net cash (outflow) from investing activities	(7,441)	(10,321)	(20,777)	(21,287)
Cash flows from financing activities				
Payment of transaction costs related to loans and borrowings	-	(50)	-	(105)
Proceeds from borrowings	9,940	-	10,179	-
Repayment of borrowings	(662)	(421)	(1,224)	(847)
Payment of lease liabilities	(4,707)	(4,253)	(10,225)	(8,609)
Net cash (outflow) from financing activities	4,571	(4,724)	(1,270)	(9,561)
Net change in cash and cash equivalents	(20,575)	(15,698)	(43,758)	(23,175)
Cash and cash equivalents at beginning of period	15,123	26,511	38,676	33,500
Net effect of exchange rate fluctuations on cash and cash equivalents	591	(76)	220	412
Cash and cash equivalents at end of period	(4,862)	10,737	(4,862)	10,737

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



1. GENERAL INFORMATION

SCHOELLER PACKAGING B.V. ("SP" or "the Company") is a company limited by shares incorporated and domiciled in the Netherlands, having its statutory seat in Amsterdam. The address of the Company's registered office is Taurusavenue 35, 2132 LS, Hoofddorp. Schoeller Packaging B.V. was incorporated on 25 October 2019.

Schoeller Packaging B.V. was established on 30 September 2019 and is registered with the Dutch Commercial Register under number 75962357. The Company received the shares in Schoeller Allibert Group B.V. as part of a share premium contribution from Schoeller Packaging B.V. After this transaction, Schoeller Allibert Group B.V. is a wholly owned subsidiary of the Company.

Schoeller Packaging B.V. is a wholly owned subsidiary of Schoeller Packaging Holding B.V., a company incorporated in the Netherlands that is owned 70% by BCP IV RTP Holdings Ltd., held by funds ultimately controlled by Brookfield Asset Management Inc., and 30% by Schoeller Industries B.V., a company incorporated in the Netherlands that is active in supply chain systems.

The Company and its direct and indirect subsidiaries are collectively referred to as the "Group", and individually as "Group entities". The Group is primarily involved in developing, producing and selling plastic returnable transport packaging solutions.

2. BASIS OF PREPARATION

The interim financial information for the first quarter ended 30 June 2022 has been prepared on a going concern basis and in accordance with IAS 34 'Interim financial reporting' as adopted by the European Union. The interim condensed consolidated financial statements are presented in euros and rounded to the nearest thousand, unless otherwise stated. The interim condensed consolidated financial statements do not include all the information and disclosures required in the complete

set of annual financial statements and should be read in conjunction with the audited Annual Report of Schoeller Packaging B.V. for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

3. GOING CONCERN

The Group has a negative equity of EUR 112.8 million as well as loans and borrowings of EUR 357.2 million. This financial position has been carefully considered by management in the going concern assessment.

In a COVID-19 impacted economic environment and in spite of the unprecedented increase in resin prices and some supply shortages, the Group has managed to maintain a strong operating profit level.

The Group has a stable financing structure provided by senior secured notes and access to a EUR 30 million revolving credit facility. Furthermore, the Group has access to a credit facility of up to EUR 65 million from its shareholder Brookfield, subject to shareholder consent, of which EUR 20.5 million including capitalized and accrued interest was drawn as per 30 June 2022. The financing structure allows the group to pay its debts and commitments as and when they fall due for at least the next 12 months.

Included in the loans and borrowings is EUR 250 million 6.375% Senior Secured Notes that the Group issued on 25 October 2019. The maturity date of these notes is 1 November 2024. The Group is positive that it will be able to refinance this debt before the maturity date.

The Group has invested and continues to invest in new innovative products and services that contribute to revenue and operating result in current and future financial years. The investments needed are currently included in the Group's liquidity analysis.



Based on the above-mentioned, Management of the Group believes that the application of the going concern assumption for the 2022 is appropriate

4. AUDITOR INVOLVEMENT

The content of this interim financial report has not been audited by our external auditor Deloitte.

5. ACCOUNTING POLICIES

The accounting policies applied are consistent with those applied in the audited Annual Report 2021 of Schoeller Packaging B.V., except for the adoption of new and amended standards.

Other standards and interpretations

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed consolidated interim financial statements in accordance with generally accepted accounting principles under IAS 34 requires the Group to make estimates, judgments and assumptions that may affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities in the condensed consolidated interim financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition, rarely equal the related actual results. Actual results may differ significantly from these estimates, the effect of which is recognized in the period in which the facts that give rise to the revision become known.

In preparing these First Quarter condensed consolidated interim financial statements, the significant judgments made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty, were the same as those that applied to the audited Annual Report 2021 of Schoeller Packaging B.V.



7. FINANCIAL RISK MANAGEMENT

The Group's operations and financial results are subject to various risks and uncertainties that could adversely affect its business, financial position, results of operations and cash flows. The Group's risk management objectives and policies are consistent with those disclosed in the audited Annual Report 2021 of Schoeller Packaging B.V.

The Group operates internationally and generates foreign currency exchange risks arising from future commercial transactions, recognized assets and liabilities, investments and divestments in foreign currencies other than the Euro, the Group's reporting currency. The main exchange rates are shown below:

EUR'000		Three Month Average	Six Month Average	June Closing	Three Month Average	Six Month Average
British pound	0.8582	0.8487	0.8431	0.8581	0.8622	0.8654
US dollar	1.0387	1.0685	1.0917	1.1884	1.2054	1.2023
Swiss franc	0.9960	1.0184	1.0258	1.0980	1.0987	1.0968

Revenues and expenses are translated to Euro at the average exchange rate for the applicable period for inclusion in the condensed consolidated interim financial statements. The business generates substantial revenues, expenses and liabilities in jurisdictions outside the Euro zone.

For the six months ended 30 June 2022, approximately 57% of revenue was generated by operations inside the Euro zone. Consequently the translation risk of non-Euro results to the Euro is the most significant currency risk. Currency fluctuations of especially the US dollar and British pound could materially affect the consolidated Group results. Translation risks of non-Euro equity positions in the Group are not hedged.

The Group's companies are also exposed to foreign currency transactional risks on revenues and expenses that are denominated in a currency other than the respective functional currencies of the Group's entities. The Group tries to mitigate the risks of transactional currency exposures by natural hedges. The Group may use forward exchange contracts or currency swaps to hedge forecasted foreign exchange cash flow transactions.



8. REVENUE

EUR'000	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2022	2021	2022	2021
Sales of goods	148,590	130,627	273,092	246,972
Services rendered	17,660	12,053	32,712	24,055
Revenue	166,250	142,680	305,804	271,027

9. SEGMENT INFORMATION

The Board of Directors ("BoD"), comprised of executive and non-executive directors, are responsible for allocating resources and assessing performance of the operating segments. This BoD has been identified as the chief operating decision-maker that makes strategic decisions. The operating segments are based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

The BoD considers the business primarily from a geographic perspective. The production and sale of Returnable Transport Packaging ("RTP") products' performance per region, also called the Manufacturing business is key. Smaller segments that are not meeting the aggregation criteria or individual reporting thresholds are all reported in "All Other Segments".

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of profit or loss.

Due to the fact that no balance sheet measures per operating segment are included in the information regularly reviewed by the BoD, no measures on assets per segment are disclosed in First Quarter condensed consolidated interim financial statements.

The segment results for the three months ended 30 June 2022 and 2021 are as follows:

THREE MONTHS ENDED 30 JUNE 2022							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	49,967	70,536	41,724	20,985	19,871	(36,833)	166,250
Inter-segment revenue	(12,701)	(10,153)	(12,221)	(25)	(1,733)	36,833	-
Total revenue from external customers	37,266	60,384	29,503	20,960	18,138	-	166,250
Operating result	1,827	1,670	20	(2,618)	3,663	-	4,562
Other							46
Net finance cost							(6,967)
Income tax expense							(1,385)
Profit (loss) for the period							(3,744)

THREE MONTHS ENDED 30 JUNE 2021							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	39,668	61,473	34,116	20,385	18,812	(31,774)	142,680
Inter-segment revenue	(12,342)	(8,390)	(6,372)	(2)	(4,668)	31,774	-
Total revenue from external customers	27,326	53,083	27,745	20,383	14,144	-	142,680
Operating result	(87)	3,675	(531)	1,184	957	-	5,199
Other							
Net finance cost							(6,677)
Income tax expense							(506)
Profit (loss) for the period							(1,984)

The segment results for the six months ended 30 June 2022 and 2021 are as follows:

SIX MONTHS ENDED 30 JUNE 2022							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	92,543	138,981	81,300	40,307	34,446	(83,773)	305,804
Inter-segment revenue	(25,278)	(23,980)	(30,891)	(26)	(3,598)	83,773	-
Total revenue from external customers	67,265	115,001	50,410	40,281	32,848	-	305,804
Operating result	2,538	1,417	(1,250)	(2,378)	5,577	-	5,904
Other							-
Net finance cost							(12,924)
Income tax expense							(1,907)
Profit (loss) for the period							(8,927)

SIX MONTHS ENDED 30 JUNE 2021							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	72,593	112,821	63,597	41,911	34,608	(54,503)	271,027
Inter-segment revenue	(20,417)	(13,526)	(13,390)	(7)	(7,163)	54,503	-
Total revenue from external customers	52,176	99,295	50,207	41,904	27,445	-	271,027
Operating result	1,981	5,198	(1,410)	2,580	1,802	-	10,151
Other							(1)
Net finance cost							(13,154)
Income tax expense							(1,352)
Profit (loss) for the period							(4,356)

10. NET FINANCE COST

EUR'000	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2022	2021	2022	2021
Interest income on loans and receivables	70	46	151	94
Net foreign exchange gain	-	-	13	-
Finance income	70	46	164	94
Interest expense on borrowings	(4,770)	(4,862)	(9,586)	(9,868)
Amortisation deferred financing fees	(591)	(504)	(1,181)	(992)
Net foreign exchange (loss)	(567)	(582)	-	(853)
Other financial expenses	(1,110)	(776)	(2,320)	(1,533)
Finance expense	(7,037)	(6,724)	(13,088)	(13,248)
Net finance expense	(6,967)	(6,677)	(12,924)	(13,154)

Net finance expense for the three months ended 30 June 2022 was EUR 7 million (expense for the three months ended 30 June 2021: EUR 6,7 million). The net foreign exchange results are mainly attributable to the fluctuations of the Euro against the US dollar, British pound, Swiss franc and Swedish korona.

11. INCOME TAX EXPENSE

Income tax expense/income is recognized based on management's estimate of the average annual income tax rate expected for the full financial year. The total income tax expense for the three months ended 30 June 2022 amounted EUR 1.4 million (three months ended 30 June 2021 income tax expense: EUR 0.5 million).

12. LOANS AND BORROWINGS

The carrying amounts of loans and borrowings are as follows:

EUR'000	AS AT 30 JUNE 2022			AS AT 31 DECEMBER		
	2022 Current	2022 Non- current	2022 Total	2021 Current	2021 Non- current	2021 Total
Senior secured note	-	250,000	250,000	-	250,000	250,000
Deferred financing costs	-	(2,586)	(2,586)	-	(3,569)	(3,569)
Senior secured note at amortised cost	-	247,414	247,414	-	246,431	246,431
Other credit institutions	3,986	16,360	20,346	2,601	18,748	21,349
Shareholder credit facility (incl accrued interest)		46,694	46,694		35,126	35,126
Lease liabilities	18,242	25,333	43,576	16,340	30,192	46,532
Deferred financing costs	-	(797)	(797)	-	(996)	(996)
Total loans and borrowings	22,228	335,004	357,233	18,941	329,501	348,442

Movements during the period

Senior Secured Notes and the Guarantors

On 25 October 2019, the Group issued EUR 250,000 thousand 6.375% Senior Secured Notes due in 2024. Interest on the Notes is paid semi-annually in arrears on 1 May and 1 November of each year and accrues at a rate equal to 6.375% per annum. The maturity date of the notes is 1 November 2024. The Notes are listed and permitted to deal with at The Channel Island Securities Exchange Authority Limited.

The Notes are the Group's general senior obligations and rank pari passu in right of payment with any existing and future obligations that are not subordinated in right of payment to the Notes, including the revolving credit facility. No financial covenants apply to the Notes unless a change of control occurs.

The Notes are guaranteed on a senior secured basis by some of the Group subsidiaries located in the Netherlands, the United Kingdom, France, Germany, Spain, Belgium and the United States (Guarantors) and are secured by first-ranking security interest over the same assets that secure the Revolving Credit Facility (collateral).

We or our affiliates may, at any time and from time to time, seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Total loans and borrowings increased by EUR 8.8 million to EUR 357.2 million, mainly due to an increase in the shareholder credit facility.

As at 30 June 2022, the Group had one revolving credit facility of EUR 30 million (31 December 2021: EUR 30 million). The Group has drawn EUR 19.1 million in Cash drawing and EUR 1.7 million from this facility for guarantees.

13. PROVISIONS

EUR'000	Restructuring	Claims	Total
As at 1 January 2022	522	828	1,350
Provisions made during the year*	-	100	100
Provisions used during the year	(24)	(93)	(117)
Provisions reversed during the year	(215)	-	(215)
Effect of movements in exchange rates	-	(1)	(1)
As at 30 June 2022	283	834	1,117

Non-current	-	334	334
Current	283	500	783
Total provisions	283	834	1,117

EUR'000	Restructuring	Claims	Total
As at 1 January 2021	481	474	955
Provisions made during the year	298	794	1,092
Provisions used during the year	(167)	(395)	(562)
Provisions reversed during the year	(90)	(43)	(133)
Effect of movements in exchange rates	-	(2)	(2)
As at 31 December 2021	522	828	1,350

Non-current	-	194	194
Current	522	634	1,156
Total provisions	522	828	1,351

Restructuring

The restructuring provision reflects the directors' best estimates of the cost to fulfil internally announced plans. These costs are directly related to the plans and include the cost of employee settlements. It does not include any amount for the future performance of the ongoing businesses concerned.

Claims

In Q2 2022, the provision for claims included claims related to disputes with customers.

Contingencies

N/A

Dutch fiscal unity

The wholly owned subsidiaries established in The Netherlands constitute a tax group for the purpose of corporate income tax together with the shareholder Schoeller Packaging Holding B.V. As a consequence, each Group in the tax group is jointly and severally liable for tax liabilities of the tax entity as a whole. The Group recognises the corporate income tax as if it is solely responsible for its own corporate income tax.

Warranties

The Group does not provide for warranties, since no major claims have been received or payments made in connection with product warranty issues in recent years. However, contingencies might exist for product warranties, with no material losses expected.

Legal proceedings

The Group is involved in some legal proceedings and other claims. In the judgement of management, no losses in excess of provisions made, which would be material in relation to the Group's financial position, are likely to arise in respect of these matters, although their occurrence may have a significant effect on periodic results.

14. RELATED PARTY TRANSACTIONS

There have been no changes in the nature of the related party transactions in the three months ended 30 June 2022 as compared to the year ended 31 December 2021.

The Group has a commitment for a EUR 65 million investor facility from entities affiliated with Brookfield Business Partners L.P. As of 30 June 2022, an amount of EUR 20.5 million was drawn under this facility including capitalized and accrued interest.

15. SEASONALITY OF OPERATIONS

Historically, our business has not been subject to significant seasonality. Many of our end markets have differing periods of seasonal highs and lows and therefore any seasonal effects in specific end markets are counterbalanced by the divergent seasonal effects of other end markets. However, demand for our products tends to peak in the second quarter, late in the third quarter and in the fourth quarter with a comparative low period early in the first quarter.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and liabilities as at 30 June 2022 and 31 December 2021 are as follows.

EUR'000 Financial liabilities	AS AT 30 JUNE			AS AT 31 DECEMBER		
	2022 Carrying amount	2022 Fair value	2022 Fair value hierarchy	2021 Carrying amount	2021 Fair value	2021 Fair value hierarchy
Senior secured note	250,000	208,850	1	250,000	260,938	1

We have not added further disclosure on fair value as the carrying value of the other financial instruments are equal to their fair value.

17. EVENTS AFTER THE BALANCE SHEET DATE

The Russia/Ukraine crisis, that developed from the end of February 2022, led to geo-political tensions with sanctions taken worldwide against Russia. This crisis in the last couple of weeks had adverse effects on commodity prices (oil, gas, wheat), which drove inflation rates up in the short term, as well as on volatility in stock prices worldwide. Potential supply chain disruptions might impact the production of goods, as might also be the case for services from the sanctions taken. Whilst we have some sales in Russia and Ukraine, we believe the direct impact on our total business will not be significant. We will monitor the developments in the (near) future on our business

