



Schoeller Allibert

MAKING PLASTIC PACKAGING TOO GOOD TO WASTE

# Schoeller Packaging B.V.

Third Quarter 2021

**Schoeller Packaging B.V.**  
**Third quarter ended 30 September 2021**  
**Unaudited condensed consolidated interim financial statements**

**Table of Contents**

Principal Activities .....	3
Key Financial Results .....	3
Operating and Financial Review .....	4
Unaudited Condensed Consolidated Income Statement .....	8
Unaudited Condensed Consolidated Statement of Comprehensive Income .....	9
Unaudited Condensed Consolidated Balance Sheet .....	10
Unaudited Condensed Consolidated Statement of Changes in Equity .....	11
Unaudited Condensed Consolidated Statement of Cash Flows .....	12
Notes to the Unaudited Interim Condensed Consolidated Financial Statements .....	13

**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 tough stacking containers, rigid pallet containers (RPCs) for secure distribution, 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, 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 and nine months ended 30 September 2021 and 2020:

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
Revenue	169,728	*120,380	440,755	*375,986
Revenue growth	41,0%	-9.8%	17,2%	-0.6%
Operating profit	7,275	6,370	17,427	17,712
Operating profit as % revenue	4.3%	5.3%	4.0%	4.7%
Adjusted EBITDA	18,189	16,406	50,244	48,117
EBITDA as a % of revenue	10.7%	13.6%	11.4%	12.8%
Profit (loss) before income taxes	731	(241)	(2,273)	324
Net capital expenditure	19,630	4,099	39,702	22,788
Net capital expenditure as a % of revenue	11,6%	3.4%	9.0%	6.1%
Cash generated from operations	40,997	13,217	59,955	39,912

\*Figures are restated following a re-measurement of principal versus agent accounting for a customer contract. In 2020, a customer contract has been re-assessed and it has been deemed that the Group acts as an agent instead of a principal under IFRS 15 guidance.

The table below shows the Group’s key other financial metrics as at 30 September 2021 and 31 December 2020:

EUR'000	AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
	2021	2020
Net working capital	(36,224)	(17,620)
Cash and cash equivalents	21,583	33,500
Total net loans and borrowings	308,342	299,688

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 and nine months ended 30 September 2021 and 2020:

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
Northern Europe	33,375	23,704	85,325	82,660
Central Europe	68,245	46,935	166,814	148,638
Southern Europe	23,029	24,412	72,974	73,384
United States of America	30,282	14,618	72,186	40,794
All Other Segments	14,798	*10,711	43,456	*30,510
<b>Total revenue</b>	<b>169,728</b>	<b>*120,380</b>	<b>440,755</b>	<b>*375,986</b>

\*Figures are restated following a re-measurement of principal versus agent accounting for a customer contract. In 2020, a customer contract has been re-assessed and it has been deemed that the Group acts as an agent instead of a principal under IFRS 15 guidance.

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, Ukraine and Russia.
- ▶ Central Europe: Includes the manufacturing of RTP products and the sale thereof in Germany, Austria, Switzerland, Czech Republic, Romania, Slovakia, 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.

Revenue in Northern Europe increased by EUR 9,671 thousand, or 40.8%, to EUR 33,375 thousand for the three months ended 30 September 2021 from EUR 23,704 thousand for the three months ended 30 September 2020. This increase in revenue was primarily attributable to higher volumes in pooling industry in the quarter partially offset by lower volumes in the food processing market and increased pricing across all markets.

Revenue in Central Europe increased by EUR 21,310 thousand, or 45.4%, from EUR 46,935 thousand for the three months ended 30 September 2020 to EUR 68,245 thousand for the three months ended 30 September 2021. This increase in revenue was driven by positive price development and higher performance in the industrial manufacturing industry offset by lower sales in the beverage market.

Revenue in the Southern Europe decreased by EUR 1,383 thousand, or 5.7%, from EUR 24,412 thousand for the three months ended 30 September 2020 to EUR 23,029 thousand for the three months ended 30 September 2021. This decrease was mainly coming from agriculture and retail market, partially offset by increased pricing in majority of the markets and increase in volume in automotive market.

Revenue in the USA increased by EUR 15,664 thousand, or 107.2%, from EUR 14,618 thousand for the three months ended 30 September 2020 to EUR 30,282 thousand for the three months ended 30 September 2021. This increase was attributable to higher pooling volumes and increased sales price related to pass through of higher resin prices.

Revenue in all Other Segments increased by EUR 4,087 thousand, or 38.2%, from EUR 10,711 thousand for the three months ended 30 September 2020 to EUR 14,798 thousand for the three months ended 30 September 2021. This increase is attributable to higher revenues from the international business.

## Operating result

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
Operating profit	7,275	6,370	17,427	17,712

Operating profit increased by EUR 905 to EUR 7,275 thousand for the three months ended 30 September 2021 compared to EUR 6,370 thousand for the three months ended 30 September 2020. The higher profit resulted mainly from higher raw material prices partially offset by higher revenues.

The following table shows a breakdown of operating result by geographic segment for the three and nine months ended 30 September 2021 and 2020:

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
Northern Europe	1,315	1,633	3,296	6,011
Central Europe	6,426	1,846	11,624	9,645
Southern Europe	(1,903)	551	(3,313)	253
United States of America	(379)	(864)	2,201	1,522
All Other Segments	1,815	3,204	3,618	281
<b>Operating profit</b>	<b>7,275</b>	<b>6,370</b>	<b>17,427</b>	<b>17,712</b>

## Adjusted EBITDA

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.

Adjusting items are items of income or expense arising from circumstances or events such as business combinations, closure of manufacturing locations, litigation settlements, certain shareholder exit fees or other items, that in all cases are assessed by management as material, non-recurring and requiring separate disclosure due to the significance of their nature or amount

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
Operating profit	7,275	6,370	17,427	17,712
Adjusting items	1,092	845	3,734	2,389
Shareholder management fees	-	(250)	-	750
Depreciation and impairment expense	9,378	8,970	27,643	25,901
Amortisation and impairment expense	444	471	1,440	1,365
<b>Adjusted EBITDA</b>	<b>18,189</b>	<b>16,406</b>	<b>50,244</b>	<b>48,117</b>

Adjusting items increased by EUR 247 thousand from EUR 845 thousand for three months ended 30 September 2020 to EUR 1,092 thousand for three months ended 30 September 2021.

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

- ▶ EUR 0.6 million of consultancy fees for cost efficiency projects;
- ▶ EUR 0.3 million of site closure costs;
- ▶ EUR 0.2 million of restructuring costs;

Adjusting items for three months ended 30 September 2020 relate to non-recurring items arising from:

- ▶ EUR 0.6 million of employee severance costs;
- ▶ EUR 0.1 million provision for Covid19 related costs;
- ▶ EUR 0.1 million of bad debts write offs.

## Net finance expense

Net finance expense for the three months ended 30 September 2021 was EUR 6,544 thousand (expense for the three months ended 30 September 2020: EUR 6,608 thousand). Decrease in net finance expense is mainly influenced by foreign exchange.

## Profit (loss) before income taxes

The losses before income taxes was EUR 731 thousand for the three months ended 30 September 2021 (the three months ended 30 September 2020: loss of EUR 241 thousand).

## Cash generated from operations

Cash generated from operations during the three months ended 30 September 2021 amounted to a EUR 40,996 thousand inflow (the three months ended 30 September 2020 EUR 13,217 thousand 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 finance leases.

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
Proceeds from sale of property, plant and equipment	142	93	508	120
Acquisition of property, plant and equipment	(18,779)	(3,568)	(37,186)	(19,418)
Acquisition of intangible assets	(993)	(624)	(3,024)	(3,490)
<b>Net Capital Expenditure</b>	<b>(19,630)</b>	<b>(4,099)</b>	<b>(39,702)</b>	<b>(22,788)</b>

Net capital expenditure was EUR 19,630 thousand outflow for the three months ended 30 September 2021 (the three months ended 30 September 2020: EUR 4,099 thousand outflow), which represented 11.6% of revenue for the three months ended 30 September 2021 (3.4% for the three months ended 30 September 2020). The increase was driven by higher investments in machinery and equipment.

## 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 September 2021, the current receivables from related parties were equal to EUR 47 thousand (31 December 2020: 17 thousand) and the current payables due to related parties were equal to EUR 189 thousand (31 December 2020: EUR 162 thousand).

EUR'000	AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
	2021	2020
Total current assets	156,223	141,104
Cash and cash equivalents	(21,585)	(33,500)
Current receivable from related parties	(47)	(17)
<b>Total current working capital assets</b>	<b>134,591</b>	<b>107,587</b>
Total current liabilities	188,773	141,669
Bank overdrafts	2	-
Current portion of loans and borrowings	(17,770)	(16,300)
Current payable from related parties	(189)	(162)
<b>Total current working capital liabilities</b>	<b>170,816</b>	<b>125,207</b>
<b>Net Working Capital</b>	<b>(36,225)</b>	<b>(17,620)</b>

As of 30 September 2021, the Group had a negative net working capital of EUR 36,225 thousand (31 December 2020 negative net working capital of EUR 17,620 thousand).

### Cash and cash equivalents

Cash and cash equivalents is defined as cash and cash equivalents less bank overdrafts. As of 30 September 2021, the Group had cash and cash equivalents of EUR 21,583 thousand (31 December 2020: EUR 33,500 thousand) on its balance sheet.

EUR'000	AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
	2021	2020
Cash and cash equivalents	21,583	33,500
Bank overdrafts	-	-
<b>Cash and cash equivalents</b>	<b>21,583</b>	<b>33,500</b>

As at 30 September 2021, the Group had one revolving credit facility of EUR 30 million (31 December 2020: EUR 30 million). As at 30 September 2021 we have drawn EUR 2.2 million (31 December 2020: EUR 1.6 million) against this credit 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 308 million as at 30 September 2021 (31 December 2020 EUR 299.7 million).

EUR'000	AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
	2021	2020
Senior secured note	250,000	250,000
Lease liabilities	47,817	50,418
Other credit institutions	22,209	23,578
<b>Total debt excl shareholder credit facility</b>	<b>320,026</b>	<b>323,996</b>
Shareholder credit facility (incl accrued interest)	9,899	9,192
<b>Total debt incl shareholder credit facility</b>	<b>329,925</b>	<b>333,188</b>
Total deferred financing costs	(5,052)	(5,627)
<b>Total loans and borrowings as per note 12</b>	<b>324,873</b>	<b>327,561</b>

EUR'000	2021	2020
Total loans and borrowings as per note 12	324,873	327,561
Less: Total deferred financing costs	(5,052)	(5,627)
Cash and cash equivalents	21,583	33,500
<b>Net loans and borrowings</b>	<b>308,342</b>	<b>299,688</b>

## Unaudited Condensed Consolidated Income Statement

EUR'000	Note	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
		2021	2020	2021	2020
Revenue	8	169,728	*120,380	440,755	*375,986
Other income (loss)		56	30	(101)	22
<b>Total revenue</b>		<b>169,784</b>	<b>120,410</b>	<b>440,654</b>	<b>376,008</b>
Raw materials and consumables used		(93,097)	*(52,231)	(224,448)	*(171,449)
Costs for subcontracting		(2,558)	(479)	(4,585)	(1,188)
Employee benefit expense		(33,330)	(30,745)	(99,655)	(94,841)
Other operating costs		(23,702)	(21,144)	(65,456)	(63,553)
Depreciation and impairment expense		(9,378)	(8,970)	(27,643)	(25,901)
Amortisation and impairment expense		(444)	(471)	(1,440)	(1,364)
<b>Total operating expenses</b>		<b>(162,509)</b>	<b>(114,040)</b>	<b>(423,227)</b>	<b>(358,296)</b>
<b>Operating profit</b>		<b>7,275</b>	<b>6,370</b>	<b>17,427</b>	<b>17,712</b>
Finance income	10	-	58	77	1,196
Finance expense	10	(6,544)	(6,667)	(19,775)	(18,584)
<b>Net Finance Expense</b>	<b>10</b>	<b>(6,544)</b>	<b>(6,608)</b>	<b>(19,698)</b>	<b>(17,388)</b>
<b>Profit (loss) before income taxes</b>		<b>731</b>	<b>(241)</b>	<b>(2,273)</b>	<b>324</b>
Income tax	11	(894)	173	(2,246)	(1,284)
<b>Profit (loss) for the period</b>		<b>(163)</b>	<b>(67)</b>	<b>(4,519)</b>	<b>(961)</b>
Attributable to:					
Owners of the Company		(301)	(103)	(4,750)	(931)
Non-controlling interests		138	36	231	(30)

\*Figures are restated following a re-measurement of principal versus agent accounting for a customer contract. In 2020, a customer contract has been re-assessed and it has been deemed that the Group acts as an agent instead of a principal under IFRS 15 guidance.



## Unaudited Condensed Consolidated Statement of Comprehensive Income

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
<b>Profit (loss) for the period</b>	<b>(163)</b>	<b>(67)</b>	<b>(4,519)</b>	<b>(961)</b>
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences - foreign operations, net of tax	493	(70)	2,481	(3,835)
<b>Total comprehensive loss for the period, net of income tax</b>	<b>330</b>	<b>(137)</b>	<b>(2,038)</b>	<b>(4,796)</b>
Attributable to:				
Owners of the Company	(74)	(103)	(2,450)	(4,762)
Non-controlling interests	404	(34)	412	(34)
<b>Total comprehensive Income (loss) for the period</b>	<b>330</b>	<b>(137)</b>	<b>(2,038)</b>	<b>(4,795)</b>

## Unaudited Condensed Consolidated Balance Sheet

EUR'000	Note	AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
		2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		137,576	119,353
Right of use assets		54,777	52,824
Intangible assets		14,707	13,092
Equity accounted investments		845	845
Other financial assets		21,266	16,727
Deferred income tax assets		11,586	12,386
<b>Total non-current assets</b>		<b>240,757</b>	<b>215,227</b>
<b>Current assets</b>			
Inventories		62,338	38,021
Trade and other receivables		61,772	58,487
Current income tax assets		748	709
Prepayments		9,783	10,387
Net Cash and cash equivalents		21,585	33,500
<b>Total current assets</b>		<b>156,226</b>	<b>141,104</b>
<b>TOTAL ASSETS</b>		<b>396,983</b>	<b>356,331</b>
<b>EQUITY</b>			
Share capital		-	-
Share premium		106,979	106,979
Other reserves		(144,082)	(146,381)
Accumulated deficit		(77,056)	(72,306)
<b>Equity attributable to owners of the Company</b>		<b>(114,159)</b>	<b>(111,708)</b>
Non-controlling interests		2,092	1,680
<b>Total equity</b>		<b>(112,067)</b>	<b>(110,028)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	12	307,103	311,185
Employee benefits		8,607	8,750
Provisions	13	282	440
Deferred income tax liabilities		4,284	4,240
<b>Total non-current liabilities</b>		<b>320,276</b>	<b>324,615</b>
<b>Current liabilities</b>			
Loans and borrowings	12	17,770	16,375
Bank overdrafts		-	-
Provisions	13	833	515
Current income tax liabilities		1,619	1,659
Trade and other payables		168,551	123,195
<b>Total current liabilities</b>		<b>188,773</b>	<b>141,744</b>
<b>Total liabilities</b>		<b>509,049</b>	<b>465,359</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>396,983</b>	<b>356,330</b>

## Unaudited Condensed Consolidated Statement of Changes in Equity

EUR'000	Share capital	Share premium	Other reserves	Accumulated deficit	Total	Non-controlling interest	Total equity
<b>Balance as at 1 January 2021</b>	-	106,979	(146,381)	(72,306)	(111,708)	1,679	(110,028)
Loss for the period	-	-	-	(4,750)	(4,750)	231	(4,519)
Foreign currency translation differences – foreign operations; net of income tax	-	-	2,300	-	2,299	182	2,481
<b>Total comprehensive loss for the year</b>	-	-	2,300	(4,750)	(2,451)	412	(2,038)
<b>Balance as at 30 September 2021</b>	-	106,979	(144,081)	(77,056)	(114,159)	2,092	(112,066)

EUR'000	Share capital	Share premium	Other reserves	Accumulated deficit	Total	Non-controlling interest	Total equity
<b>Balance as at 1 January 2020</b>	-	106,979	(142,881)	(73,380)	(109,282)	607	(108,676)
Profit/(loss) for the year	-	-	-	(931)	(931)	(30)	(961)
Foreign currency translation differences – foreign operations; net of income tax	-	-	(3,832)	-	(3,832)	(4)	(3,835)
<b>Total comprehensive loss for the year</b>	-	-	(3,832)	(931)	(4,763)	(34)	(4,796)
<b>Balance as at 30 September 2020</b>	-	106,979	(146,713)	(74,311)	(114,045)	573	(113,472)

## Unaudited Condensed Consolidated Statement of Cash Flows

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
<b>Operating result for the year</b>	<b>7,275</b>	<b>6,370</b>	<b>17,427</b>	<b>17,712</b>
Adjustments for:				
Depreciation of property, plant and equipment and ROUA	9,378	8,970	27,643	25,901
Amortisation of intangible assets	444	471	1,440	1,364
Gain on sale of property, plant and equipment	(56)	(30)	101	(22)
Other non-cash items	(7)	635	(821)	167
Change in:				
Inventories	(1,685)	(3,301)	(23,550)	(2,282)
Trade and other receivables	3,360	11,243	(2,239)	7,699
Prepayments and accrued income	(432)	(9)	843	2,259
Trade and other payables	22,326	(9,894)	39,094	(12,195)
Provisions and employee benefits	393	(1,238)	16	(690)
<b>Cash generated from operations</b>	<b>40,996</b>	<b>13,217</b>	<b>59,954</b>	<b>39,913</b>
Finance cost paid	(1,219)	(1,098)	(11,375)	(11,790)
Income tax paid	(349)	140	(1,479)	326
<b>Net cash inflow (outflow) from operating activities</b>	<b>39,429</b>	<b>12,259</b>	<b>47,100</b>	<b>28,449</b>
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	142	93	508	121
New long term loans receivable granted	(3,377)	(290)	(4,591)	82
Acquisition of property, plant and equipment	(18,779)	(3,568)	(37,186)	(19,418)
Acquisition of intangible assets	(993)	(624)	(3,024)	(3,490)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(23,007)</b>	<b>(4,389)</b>	<b>(44,293)</b>	<b>(22,705)</b>
Cash flows from financing activities				
Payment of transaction costs related to loans and borrowings	(894)	(30)	(999)	(513)
Proceeds from borrowings	-	11,887	-	15,570
Repayment of borrowings	(442)	(2,594)	(1,289)	(4,126)
Payment of lease liabilities	(4,433)	(4,946)	(13,041)	(12,725)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(5,769)</b>	<b>4,317</b>	<b>(15,329)</b>	<b>(1,794)</b>
Net change in cash and cash equivalents	10,653	12,187	(12,522)	3,950
Cash and cash equivalents at beginning of period	10,737	13,093	33,500	21,687
Effect of exchange rate fluctuations on cash and cash equivalents	197	(255)	609	(612)
<b>Cash and cash equivalents at end of period</b>	<b>21,587</b>	<b>25,025</b>	<b>21,587</b>	<b>25,025</b>

# 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 June 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 Holding B.V. After this transaction, Schoeller Allibert Group B.V. is a wholly owned subsidiary of the Company.

The Company is the continuation of the operations of Schoeller Allibert Group B.V. as the business is transferred to the Company in common control transaction. This transaction was primarily created to facilitate the refinancing of the Senior Secure Notes.

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., ultimately 100% held 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 Second quarter ended 30 September 2021 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

In Q3 2021, the Group increased its revenue by EUR 49.3 million, however, the Group registered a net loss for the quarter of EUR 0.2 million, negative working capital of EUR 36.2 million and negative equity of EUR 112.1 million which should be carefully considered when considering the entity’s ability to continue as a going concern. In spite of this, the Group has taken several measures and has reported improvements in its performance that will ensure the Company’s future.

Even in the unsettled economic climate as an impact of the pandemic, the Group managed to benefit from clients that operate in sectors that have been positively impacted by the pandemic. The Group managed to keep all operations going in spite of the Covid-19 environment and minimal government grants were received by some of the entities of the Group.

The Group has a stable financing structure provided by senior secured notes due in 2024, a solid cash position of EUR 21.6 million as at 30 September 2021 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 9.9 million including capitalized and accrued interest was drawn as per 30 September 2021.

## 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 Financial Report 2020 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 third 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 Financial Report 2020 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 Financial Report 2020 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:

	2021			2020		
	September Closing	Three Month Average	Nine Month Average	September Closing	Three Month Average	Nine Month Average
British pound	0.8605	0.8569	0.8626	0.9124	0.9029	0.8852
US dollar	1.1579	1.1766	1.1936	1.1708	1.1831	1.1286
Swiss franc	1.0830	1.0800	1.0912	1.0804	1.0782	1.0685

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 nine months ended 30 September 2021, approximately 60% 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 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
Sales of goods	150,264	108,987	397,236	340,347
Services rendered	19,464	*11,393	43,519	*35,639
<b>Revenue</b>	<b>169,728</b>	<b>120,380</b>	<b>440,755</b>	<b>375,986</b>

\*Figures are restated following a re-measurement of principal versus agent accounting for a customer contract. In 2020, a customer contract has been re-assessed and it has been deemed that the Group acts as an agent instead of a principal under IFRS 15 guidance.

## 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 September 2021 and 2020 are as follows:

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER 2021						
	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	47,688	82,152	32,733	30,388	19,044	(42,277)	169,728
Inter-segment revenue	(14,313)	(13,907)	(9,705)	(107)	(4,245)	42,277	-
<b>Total revenue from external customers</b>	<b>33,375</b>	<b>68,245</b>	<b>23,029</b>	<b>30,282</b>	<b>14,799</b>	<b>(0)</b>	<b>169,728</b>
<b>Operating result</b>	<b>1,315</b>	<b>6,426</b>	<b>(1,903)</b>	<b>(379)</b>	<b>1,815</b>		<b>7,275</b>
Other							-
Net Finance Cost							(6,544)
Income tax expense							(894)
<b>Profit (loss) for the period</b>							<b>(163)</b>

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER 2020						
	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	34,758	52,046	31,216	14,637	*12,200	*(24,478)	120,380
Inter-segment revenue	(11,054)	(5,111)	(6,805)	(19)	(1,489)	24,478	-
<b>Total revenue from external customers</b>	<b>23,704</b>	<b>46,935</b>	<b>24,412</b>	<b>14,618</b>	<b>10,711</b>	<b>-</b>	<b>120,380</b>
<b>Operating result</b>	<b>1,633</b>	<b>1,846</b>	<b>551</b>	<b>(884)</b>	<b>3,204</b>	<b>-</b>	<b>6,370</b>
Net finance cost							(6,608)
Income tax income							173
<b>Profit (loss) for the period</b>							<b>(67)</b>

\*Figures are restated following a re-measurement of principal versus agent accounting for a customer contract. In 2020, a customer contract has been re-assessed and it has been deemed that the Group acts as an agent instead of a principal under IFRS 15 guidance.

The segment results for the nine months ended 30 September 2021 and 2020 are as follows:

NINE MONTHS ENDED 30 SEPTEMBER 2021							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	120,055	194,247	96,069	72,299	54,865	(96,780)	440,755
Inter-segment revenue	(34,730)	(27,433)	(23,095)	(114)	(11,408)	96,780	-
<b>Total revenue from external customers</b>	<b>85,325</b>	<b>166,814</b>	<b>72,974</b>	<b>72,185</b>	<b>43,457</b>	<b>-</b>	<b>440,755</b>
<b>EBITDA after adjusting items</b>	<b>3,296</b>	<b>11,624</b>	<b>(3,313)</b>	<b>2,201</b>	<b>3,619</b>	<b>-</b>	<b>17,427</b>
Other							-
Net Finance Cost							(19,699)
Income tax expense							(2,246)
<b>Profit (loss) for the period</b>							<b>(4,518)</b>

NINE MONTHS ENDED 30 SEPTEMBER 2020							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	112,458	166,251	94,842	40,913	*37,061	(75,539)	375,986
Inter-segment revenue	(29,798)	(17,613)	(21,458)	(119)	(6,551)	75,539	-
<b>Total revenue from external customers</b>	<b>82,660</b>	<b>148,638</b>	<b>73,384</b>	<b>40,794</b>	<b>30,510</b>	<b>-</b>	<b>375,986</b>
<b>Operating result</b>	<b>6,011</b>	<b>9,645</b>	<b>253</b>	<b>1,522</b>	<b>281</b>	<b>-</b>	<b>17,712</b>
Net finance cost							(17,388)
Income tax expense							(1,284)
<b>Profit (loss) for the period</b>							<b>(961)</b>

\*Figures are restated following a re-measurement of principal versus agent accounting for a customer contract. In 2020, a customer contract has been re-assessed and it has been deemed that the Group acts as an agent instead of a principal under IFRS 15 guidance.

#### 10. Net finance cost

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2021	2020	2021	2020
Interest income on loans and receivables	-	58	77	142
Net foreign exchange gain	-	-	-	1,054
<b>Finance income</b>	<b>-</b>	<b>58</b>	<b>77</b>	<b>1,196</b>
Interest expense on borrowings	(4,798)	(4,949)	(14,650)	(14,879)
Amortisation deferred financing fees	(583)	(527)	(1,576)	(1,792)
Net foreign exchange loss	(312)	(467)	(1,163)	-
Other financial expenses	(851)	(723)	(2,387)	(1,914)
<b>Finance expense</b>	<b>(6,544)</b>	<b>(6,667)</b>	<b>(19,775)</b>	<b>(18,584)</b>
<b>Net finance expense</b>	<b>(6,544)</b>	<b>(6,608)</b>	<b>(19,699)</b>	<b>(17,388)</b>

Net finance expense for the three months ended 30 September 2021 was EUR 6,544 thousand (expense for the three months ended 30 September 2020: EUR 6,608 thousand).

The net foreign exchange results are mainly attributable to the fluctuations of the Euro against the US dollar, British pound, Swiss franc, Polish zloty and Swedish krona.



## 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 nine months ended 30 September 2021 amounted EUR 2,246 thousand (nine months ended 30 September 2020 income tax expense: EUR 1,284 thousand).

## 12. Loans and borrowings

The carrying amounts of loans and borrowings are as follows:

EUR'000	AS AT 30 SEPTEMBER			AS AT 31 DECEMBER		
	Current	Non-current	Total	Current	Non-current	Total
Senior secured note	-	250,000	250,000	-	250,000	250,000
Deferred financing costs	-	(4,060)	(4,060)	-	(5,509)	(5,509)
<b>Senior secured note at amortised cost</b>	<b>-</b>	<b>245,940</b>	<b>245,940</b>	<b>-</b>	<b>244,491</b>	<b>244,491</b>
Other credit institutions	1,663	20,546	22,209	1,380	22,198	23,578
Shareholder credit facility (incl accrued interest)	-	9,899	9,899	-	9,192	9,192
Lease liabilities	16,107	31,710	47,817	14,996	35,422	50,418
Deferred financing costs	-	(992)	(992)	-	(118)	(118)
<b>Total loans and borrowings</b>	<b>17,770</b>	<b>307,103</b>	<b>324,873</b>	<b>16,376</b>	<b>311,185</b>	<b>327,561</b>

### Movements during the period

#### Senior Secured Notes and the Guarantors

On 25 October 2020, 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 decreased by EUR 2.7 million to EUR 324.9 million, mainly due to lower lease liabilities.

As at 30 September 2021, EUR 2.2 million was drawn against the revolving credit facility for the guarantees (31 December 2020: EUR 1.6 million).

## 13. Provisions

EUR'000	Restructuring	Claims	Total
<b>As at 1 January 2021</b>	<b>481</b>	<b>474</b>	<b>955</b>
Provisions made during the year*	403	294	697
Provisions used during the year	-	(22)	(22)
Provisions reversed during the year	(440)	(75)	(515)
Effect of movements in exchange rates	-	-	-

<b>As at 30 June 2021</b>	<b>444</b>	<b>671</b>	<b>1,115</b>
Non-current	-	282	282
Current	444	389	833
<b>Total provisions</b>	<b>444</b>	<b>671</b>	<b>1,115</b>

<b>EUR'000</b>	<b>Restructuring</b>	<b>Claims</b>	<b>Total</b>
<b>As at 1 January 2020</b>	<b>1,238</b>	<b>390</b>	<b>1,628</b>
Provisions made during the year*	76	168	244
Provisions used during the year	(450)	-	(450)
Provisions reversed during the year	(383)	(84)	(467)
Effect of movements in exchange rates	-	-	-
<b>As at 31 December 2020</b>	<b>481</b>	<b>474</b>	<b>955</b>
Non-current	440	-	440
Current	41	474	515
<b>Total provisions</b>	<b>481</b>	<b>474</b>	<b>955</b>

\*part of the severance payments made have been recorded as Employee Benefit Cost (see note 8; and have not been separately reflected in the movement of the provisions.

The economic outflow of non-current provisions is expected to occur within one to three years.

#### 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 Q3 2021, the provision for claims included claims related to disputes with customers.

### 14. Contingencies

#### 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.

## 15. Related party transactions

There have been no changes in the nature of the related party transactions in the nine months ended 30 September 2021 as compared to the year ended 31 December 2020.

The Group has a commitment for a EUR 65 million investor facility from entities affiliated with Brookfield Business Partners L.P. As of 30 September 2021, an amount of EUR 9.9m was drawn under this facility including capitalized & accrued interest.

## 16. 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 third quarter and in the fourth quarter with a comparative low period early in the first quarter.

## 17. Fair value of financial instruments

The fair values of financial assets and liabilities as at 30 September 2021 and 31 December 2020 are as follows.

EUR'000	AS AT 30 SEPTEMBER			AS AT 31 DECEMBER		
	2021			2020		
Financial liabilities	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Senior secured note	250,000	258,513	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.

## 18. Events after the balance sheet date

There have been no events after the reporting date that require recognition or disclosure in the Financial report for the period ended 30 September 2021. As per the company's performance during the year, there are no material impacts related to Covid-19 pandemic that are foreseen.

Hoofddorp, 29 October 2021



Schoeller Allibert

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