

FIRST QUARTER 2022

SCHOELLER PACKAGING B.V.



Making plastic packaging
too good to waste



Schoeller Allibert

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Schoeller Packaging B.V.

First quarter ended 31 March 2022

Unaudited condensed consolidated interim financial statements

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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 ended 31 March 2022 and 2021:

THREE MONTHS ENDED 31 MARCH		
EUR'000	2022	2021
Revenue	139,555	128,347
Revenue growth	8.7%	6.1%
Operating profit	1,342	4,921
Operating profit as % revenue	1.0%	3.8%
Adjusted EBITDA	13,037	15,943
EBITDA as a % of revenue	9.3%	12.4%
Profit (loss) before income taxes	(4,661)	(1,557)
Net capital expenditure	11,474	10,180
Net capital expenditure as a % of revenue	8.2%	7.9%
Cash generated from operations	(2,492)	9,815

The table below shows the Group's key other financial metrics as at 31 March 2022 and 31 December 2021

EUR'000	AS AT 31 MARCH 2022	AS AT 31 DECEMBER 2021
Net working capital	(26,734)	(37,664)
Cash and cash equivalents	15,169	38,676
Total net loans and borrowings	337,837	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 ended 31 March 2022 and 2021:

THREE MONTHS ENDED 31 MARCH		
EUR'000	2022	2021
Northern Europe	29,999	24,624
Central Europe	54,618	45,487
Southern Europe	20,907	22,201
United States of America	19,322	21,521
All Other Segments	14,710	14,514
Revenue	139,556	128,347

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.



The resin prices in Q1 2022 were (on average) 21% higher than in Q1 2021. Increase in resin prices is passed on to customers and is covered by price increase implemented across all segments.

Revenue in Northern Europe increased by EUR 5.3 million, or 21.8%, to EUR 30.0 million for the three months ended 31 March 2022 from EUR 24.6 million for the three months ended 31 March 2021. This increase in revenue was primarily attributable to higher pooling and industrial manufacturing volumes in the quarter partially offset by lower volumes in retail.

Revenue in Central Europe increased by EUR 9.1 million, or 20.1%, from EUR 45.4 million for the three months ended 31 March 2021 to EUR 54.6 million for the three months ended 31 March 2022. This increase in revenue was driven by higher volumes mainly from industrial manufacturing, pooling, retail traders and traders partially offset by lower sales in beverage.

Revenue in Southern Europe decreased by EUR 1.3 million, or 5.8%, to EUR 20.9 million for the three months ended 31 March 2022 from EUR 22.2 million for the three

months ended 31 March 2021. This decrease was primarily attributable to lower sales to retail customers partially offset by higher volumes in industrial manufacturing sector.

Revenue in the USA decreased by EUR 2.2 million, or 10.2%, to EUR 19.3 million for the three months ended 31 March 2022 from EUR 21.5 million for the three months ended 31 March 2021. This decrease was attributable to lower pooling volumes.

Revenue in all Other Segments increased by EUR 0.2 million, or 1.4%, to EUR 14.7 million for the three months ended 31 March 2022 from EUR 14.5 million for the three months ended 31 March 2021. This increase is attributable to higher revenues due to better turnover from the Services and International business.



OPERATING RESULT

THREE MONTHS ENDED 31 MARCH		
EUR'000	2022	2021
Operating profit	1,342	4,921

Operating profit decreased by EUR 3.6 million, to EUR 1.3 million for the three months ended 31 March 2022 compared to EUR 4.9 million for the three months ended 31 March 2021. The decline resulted from:

- An increase in depreciation and amortisation (+ EUR 1.5m) due to higher capex, especially in growth
- Lower adjusted EBITDA (- EUR 2.9m) especially due to higher production costs (caused by a higher Covid-19 illness rate at the start of the quarter, lower production volumes and product mix effects) offset by higher rental profits
- Lower adjusting items (EUR -0.9m)

The following table shows a breakdown of operating result by geographic segment for the three months ended 31 March 2022 and 2021:

THREE MONTHS ENDED 31 MARCH				
EUR'000	Operating Profit 2022	Operating Profit 2021	Adjusted EBITDA 2022	Adjusted EBITDA 2021
Northern Europe	711	2,068	4,343	5,746
Central Europe	(253)	1,523	8,040	7,539
Southern Europe	(1,271)	(912)	2,616	2,696
United States of America	240	1,396	2,674	3,798
All Other Segments	1,915	846	(4,647)	(3,836)
Total	1,342	4,921	13,026	15,943

Northern Europe

Operating profit decreased by EUR 1.4 million mainly as a result of lower production and sales volumes leading to lower cost absorption and margin.

Central Europe

Operating profit in Central Europe 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 decreased primarily due to higher depreciation expenses.

USA

Decrease in operating profit is attributable to lower volumes from pooling customer.

All other segments

Operating profit in All other segments was mainly impacted by the timing of leases expenses charged to the 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.

THREE MONTHS ENDED 31 MARCH		
EUR'000	2022	2021
Operating profit	1,341	4,921
Adjusting items	563	1,416
Shareholder management fees	-	-
Depreciation and impairment expense	10,268	9,088
Amortisation and impairment expense	864	518
Adjusted EBITDA	13,036	15,943

Adjusting items decreased by EUR 0.9 million from EUR 1.4 million for three months ended 31 March 2021 to EUR 0.5 million for three months ended 31 March 2022.

Adjusting items for three months ended 31 March 2022 relate to non-recurring items arising from:

- EUR 0.5 million of employee severance costs;

Adjusting items for three months ended 31 March 2021 relate to non-recurring items arising from:

- EUR 1.1 million of employee severance costs;
- EUR 0.3 million mainly consultancy fees.

Net finance expense

Net finance expense for the three months ended 31 March 2022 was EUR 6.0 million (expense for the three months ended 31 March 2021: EUR 6.4 million).

Profit (loss) before income taxes

The loss before income taxes was EUR 4.6 million for the three months ended 31 March 2022 (the three months ended 31 March 2021: loss of EUR 1.6 million).

Cash generated from operations

Cash generated from operations during the three months ended 31 March 2022 amounted to a EUR 2.5 million outflow (the three months ended 31 March 2021 EUR 9.8 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 31 MARCH		
EUR'000	2022	2021
Proceeds from sale of property, plant and equipment	171	21
Acquisition of property, plant and equipment	(10,885)	(9,160)
Acquisition of intangible assets	(761)	(1,041)
Net Capital Expenditure	(11,475)	(10,180)

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

EUR'000	AS AT 31 MARCH 2022	AS AT 31 DECEMBER 2021
Total current assets	159,411	162,931
Cash and cash equivalents	(15,965)	(38,676)
Current receivable from related parties	(87)	(9)
Total current working capital assets	143,359	124,246
Total current liabilities	191,918	180,881
Bank overdrafts	(796)	-
Current portion of loans and borrowings	(21,029)	(18,941)
Current payable to related parties	-	(31)
Total current working capital liabilities	170,093	161,910
Net Working Capital	(26,734)	(37,664)

As of 31 March 2022, the Group had a negative net working capital of EUR 26.7 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 16.0 million as of 31 March 2022 (31 December 2021: EUR 38.7 million) on its balance sheet.

As at 31 March 2022, the Group had one revolving credit facility of EUR 30 million (31 December 2021: EUR 30 million). As at 31 March 2022 we have drawn EUR 2.0 million against this credit facility for bank guarantee (31 December 2021: EUR 2.4 million).

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 338.7 million as at 31 March 2022 (31 December 2021: EUR 314.3 million).

EUR'000	AS AT 31 MARCH 2022	AS AT 31 DECEMBER 2021
Senior secured note	250,000	250,000
Lease liabilities	47,052	46,531
Other credit institutions	20,936	21,349
Total debt excl shareholder credit facility	317,988	317,880
Shareholder credit facility (incl accrued interest)	35,900	35,126
Total debt incl shareholder credit facility	353,888	353,006
Total deferred financing costs	(3,974)	(4,565)
Total loans and borrowings as per note 12	349,914	348,441

EUR'000	AS AT 31 MARCH 2022	AS AT 31 DECEMBER 2021
Total loans and borrowings as per note 12	349,914	348,441
Less: Total deferred financing costs	(3,974)	(4,565)
Cash and cash equivalents	15,169	38,676
Net loans and borrowings	338,719	314,330



UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

THREE MONTHS ENDED 31 MARCH			
EUR'000	Note	2022	2021
Revenue	8	139,555	128,347
Other income		115	10
Total revenue		139,670	128,357
Raw materials and consumables used		(62,043)	(57,236)
Costs for subcontracting		(2,281)	(1,185)
Employee benefit expense		(35,826)	(33,891)
Other operating costs		(27,046)	(21,518)
Depreciation and impairment expense		(10,268)	(9,088)
Amortisation and impairment expense		(864)	(518)
Total operating expenses		(138,328)	(123,436)
Operating profit		1,342	4,921
Finance income		661	48
Finance expense		(6,618)	(6,526)
Net Finance Expense	10	(5,957)	(6,478)
Share in result of equity accounted investments		(46)	-
Profit (loss) before income taxes		(4,661)	(1,557)
Income tax	11	(522)	(838)
Profit (loss) for the period		(5,183)	(2,395)
Attributable to:			
Owners of the Company		(5,088)	(2,355)
Non-controlling interests		(95)	(40)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THREE MONTHS ENDED 31 MARCH		
EUR'000	2022	2021
Profit (loss) for the period	(5,183)	(2,395)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations, net of tax	(741)	2,259
Total comprehensive loss for the period, net of income tax	(5,924)	(136)
Attributable to:		
Owners of the Company	(5,733)	(80)
Non-controlling interests	(191)	(56)
Total comprehensive loss for the period	(5,924)	(136)



UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

EUR'000	Note	AS AT 31 MARCH 2022	AS AT 31 DECEMBER 2021
ASSETS			
Non-current assets			
Property, plant and equipment		157,600	149,836
Right of use assets		48,888	50,327
Intangible assets		15,381	15,488
Equity accounted investments		914	914
Other financial assets		24,130	22,263
Deferred income tax assets		17,857	18,018
Total non-current assets		264,770	256,846
Current assets			
Inventories		71,837	53,160
Trade and other receivables		61,323	60,993
Current income tax assets		874	860
Prepayments		9,412	9,242
Cash and cash equivalents		15,965	38,676
Total current assets		159,411	162,931
TOTAL ASSETS		424,181	419,777
EQUITY			
Share capital		-	-
Share premium		106,979	106,979
Other reserves		(142,632)	(141,987)
Accumulated deficit		(75,358)	(70,270)
Equity attributable to owners of the Company		(111,011)	(105,278)
Non-controlling interests		1,290	1,481
Total equity		(109,721)	(103,797)
LIABILITIES			
Non-current liabilities			
Loans and borrowings	12	328,885	329,501
Employee benefits		8,400	8,400
Provisions	13	176	194
Deferred income tax liabilities		4,524	4,601
Total non-current liabilities		341,985	342,696
Current liabilities			
Loans and borrowings	12	21,029	18,941
Bank Overdraft	12	796	-
Provisions	13	909	1,157
Current income tax liabilities		1,336	1,364
Trade and other payables		167,847	159,416
Total current liabilities		191,917	180,878
Total liabilities		533,902	523,574
TOTAL EQUITY AND LIABILITIES		424,181	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	-	-	-	(5,088)	(5,088)	(95)	(5,183)
Foreign currency translation differences – foreign operations; net of income tax	-	-	(645)	-	(645)	(96)	(741)
Total comprehensive loss for the year	-	-	(645)	(5,088)	(5,733)	(191)	(5,924)
Balance as at 31 March 2022	-	106,979	(142,632)	(75,358)	(111,011)	1,290	(109,721)

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)	(111,708)	1,679	(110,028)
Profit for the period	-	-	-	1,991	1,991	(83)	1,908
Other comprehensive expense for the year:							
Gain on remeasurement of net defined benefit liability, net of income tax: Note 22	-	-	-	45	45	-	45
Foreign currency translation differences – foreign operations; net of income tax	-	-	4,394	-	4,394	(115)	4,279
Total comprehensive loss for the year	-	-	4,394	2,036	6,430	(198)	6,232
Balance as at 31 March 2021	-	106,979	(141,987)	(70,270)	(105,278)	1,481	(103,797)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

THREE MONTHS ENDED 31 MARCH		
EUR'000	2022	2021
Operating result for the year	1,342	4,921
Adjustments for:		
Depreciation of property, plant and equipment and ROUA	10,268	9,088
Amortisation of intangible assets	864	518
Gain on sale of property, plant and equipment	(115)	(10)
Other non-cash items	(35)	153
Change in:		
Inventories	(18,614)	(14,945)
Trade and other receivables	(239)	4,071
Prepayments	(281)	1,158
Trade and other payables	4,594	4,899
Provisions and employee benefits	(276)	(38)
Cash generated from operations	(2,491)	9,815
Net finance cost paid	(869)	(1,084)
Income tax paid	(598)	(406)
Net cash inflow from operating activities	(3,985)	8,325
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	171	21
New long term loans receivable granted	(1,861)	(785)
Acquisition of property, plant and equipment	(10,885)	(9,160)
Acquisition of intangible assets	(761)	(1,041)
Net cash (outflow) from investing activities	(13,336)	(10,965)
Cash flows from financing activities		
Payment of transaction costs related to loans and borrowings	-	(55)
Proceeds from borrowings	239	-
Repayment of borrowings	(563)	(426)
Payment of lease liabilities	(5,518)	(4,356)
Net cash (outflow) from financing activities	(5,842)	(4,837)
Net change in cash and cash equivalents	(23,136)	(7,477)
Cash and cash equivalents at beginning of period	38,676	33,500
Net effect of exchange rate fluctuations on cash and cash equivalents	(371)	488
Cash and cash equivalents at end of period	15,169	26,511



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 Holding 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 31 March 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 has 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 109.7 million as well as loans and borrowings of EUR 349.9 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, a solid cash position as at 31 March 2022 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 10.4 million including capitalized and accrued interest was drawn as per 31 March 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	2022 March Closing	2022 Three Month Average	2021 March Closing	2021 Three Month Average
British pound	0.8459	0.8383	0.8521	0.8686
US dollar	1.1101	1.1195	1.1725	1.1981
Swiss franc	1.0267	1.0334	1.1070	1.0950

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 three months ended 31 March 2022, approximately 55% 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

THREE MONTHS ENDED 31 MARCH		
EUR'000	2022	2021
Sales of goods	124,556	116,345
Services rendered	14,998	12,002
Revenue	139,554	128,347

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.



THREE MONTHS ENDED 31 MARCH								
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Unallocated	Eliminations	Total
Total segment revenue	42,576	39,576	68,445	19,322	13,950	1,883	(46,197)	139,555
Inter-segment revenue	(12,577)	(18,669)	(13,827)	(1)	(67)	(1,055)	46,197	-
Total revenue from external customers	29,999	20,907	54,618	19,321	13,882	828	-	139,555
EBITDA after adjusting items	2,658	807	4,433	1,370	1,176	2,031	-	12,474
Depreciation	(1,843)	(2,077)	(4,683)	(1,125)	(822)	282	-	(10,268)
Amortization	(104)	(1)	(3)	(5)	(2)	(751)	-	(864)
Operating result	711	(1,271)	(253)	240	352	1,563	-	1,342

THREE MONTHS ENDED 31 MARCH							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	32,699	50,622	29,219	21,526	17,009	(22,728)	128,347
Inter-segment revenue	(8,075)	(5,135)	(7,018)	(5)	(4,495)	22,728	-
Total revenue from external customers	24,624	45,487	22,201	21,521	12,514	-	128,347
Operating result	2,068	1,523	(912)	1,396	846	-	4,921
Net finance cost							(6,477)
Income tax expense							(839)
Loss for the period							(2,395)

10. NET FINANCE COST

THREE MONTHS ENDED 31 MARCH		
EUR'000	2022	2021
Interest income on loans and receivables	82	48
Net foreign exchange gain	579	-
Finance income	661	48
Interest expense on borrowings	(4,817)	(5,006)
Amortisation deferred financing fees	(591)	(489)
Net foreign exchange (loss)	414	(272)
Other financial expenses	(1,210)	(758)
Finance expense	(6,618)	(6,525)
Net finance expense	(5,957)	(6,477)

Net finance expense for the three months ended 31 March 2022 was EUR 6.0 million (expense for the three months ended 31 March 2021: EUR 6.5 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 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 three months ended 31 March 2022 amounted EUR 522 thousand (three months ended 31 March 2021 income tax expense: EUR 839 thousand).

12. LOANS AND BORROWINGS

The carrying amounts of loans and borrowings are as follows:

EUR'000	AS AT 31 MARCH			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	-	(3,078)	(3,078)	-	(3,569)	(3,569)
Senior secured note at amortised cost	-	246,922	246,922	-	246,431	246,431
Other credit institutions	3,522	17,414	20,936	2,601	18,748	21,349
Shareholder credit facility (incl accrued interest)		35,900	35,900		35,126	35,126
Lease liabilities	17,507	29,545	47,052	16,340	30,192	46,532
Deferred financing costs	-	(896)	(896)	-	(996)	(996)
Total loans and borrowings	21,029	328,885	349,914	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 1.5 million to EUR 349.9 million, mainly due to slightly higher lease liabilities.

As at 31 March 2022, the Group had one revolving credit facility of EUR 30 million (31 December 2021: EUR 30 million). The Group has drawn EUR 2.0 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*	-	-	-
Provisions used during the year	(24)	(93)	(117)
Provisions reversed during the year	(147)	-	(147)
Effect of movements in exchange rates	-	(1)	(1)
As at 31 March 2022	351	734	1,085
Non-current	-	176	176
Current	351	558	909
Total provisions	351	734	1,085

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	635	1,157
Total provisions	522	829	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 Q1 2022, the provision for claims included claims related to disputes with customers. 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.

14. RELATED PARTY TRANSACTIONS

There have been no changes in the nature of the related party transactions in the three months ended 31 March 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 31 March 2022, an amount of EUR 10.4 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 31 March 2022 and 31 December 2021 are as follows.

EUR'000 Financial liabilities	AS AT 31 MARCH			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	238,663	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 geopolitical 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

