

# FIRST QUARTER 2023

SCHOELLER PACKAGING B.V.



Schoeller Allibert

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Schoeller Packaging B.V.

First quarter ended 31 March 2023

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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 over 1,800 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 65 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 2023 and 2022:

THREE MONTHS ENDED 31 MARCH		
EUR'000	2023	2022
Revenue	143,601	139,555
Revenue growth	2.9%	8.7%
Operating profit	834	1,342
Operating profit as % revenue	0.6%	1.0%
Adjusted EBITDA	14,822	13,037
EBITDA as a % of revenue	10.3%	9.3%
Profit (loss) before income taxes	(7,935)	(4,661)
Net capital expenditure	1,793	11,474
Net capital expenditure as a % of revenue	1.2%	8.2%
Cash generated from operations	(1,805)	(2,492)

The table below shows the Group's key other financial metrics as at 31 March 2023 and 31 December 2022:

EUR'000	AS AT 31 MARCH 2023	AS AT 31 DECEMBER 2022
Net working capital	(7,681)	(16,748)
Cash and cash equivalents	7,409	20,594
Total net loans and borrowings	382,055	363,143

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 2023 and 2022:

THREE MONTHS ENDED 31 MARCH		
EUR'000	2023	2022
Northern Europe	24,847	29,999
Central Europe	56,025	54,618
Southern Europe	30,907	20,907
United States of America	15,672	19,321
All Other Segments	16,150	14,710
<b>Revenue</b>	<b>143,601</b>	<b>139,555</b>

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

- Northern Europe: Includes the manufacturing and the sale of RTP products, as well as shipping and sale of parts, in the Netherlands, Belgium, UK, Sweden, Finland and Latvia.
- Central Europe: Includes the manufacturing and the sale of RTP products, as well as shipping and sale of parts, in Germany, Austria, Switzerland, Czech Republic, Hungary and Poland. Also the rental revenue in Germany, Switzerland and Poland\* are included as well.
- Southern Europe: Includes the manufacturing and the sale of RTP products, as well as shipping and sale of parts, in France, Italy, Spain and Portugal. Also the rental revenue in France\*, Spain and Italy are included as well.
- 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, as well as shipping and sale of parts, and technical support in Asia and South America.



\* As a result of the transaction concluded in December 2022, Rental boxes and contracts were transferred to other segments, refer to Note 34 of the Annual Financial Report of Schoeller Packaging B.V. for the year ended 31 December 2022.

Revenue in Northern Europe decreased by EUR 5.2 million, or 17.2%, to EUR 24.8 million for the three months ended 31 March 2023 from EUR 30.0 million for the three months ended 31 March 2022. This decrease in revenue was primarily attributable to lower pooling and retail volumes in the quarter partially offset by higher volumes in industrial manufacturing and beverages.

Revenue in Central Europe increased by EUR 1.4 million, or 2.6%, from EUR 54.6 million for the three months ended 31 March 2022 to EUR 56.0 million for the three months ended 31 March 2023. This increase in revenue was driven by higher volumes mainly from automotive partially offset by lower sales in beverage.

Revenue in Southern Europe increased by by EUR 10.0 million, or 47.8%, to EUR 30.9 million for the three months ended 31 March 2023 from EUR 20.9 million for the three months ended 31 March 2022. This increase was primarily attributable to higher volumes mainly from automotive and industrial manufacturing offset by lower volumes in agriculture sector.

Revenue in the USA decreased by EUR 3.6 million, or 18.9%, to EUR 15.7 million for the three months ended 31 March 2023 from EUR 19.3 million for the three months ended 31 March 2022. This decrease was attributable to lower pooling volumes.

Revenue in All Other Segments increased by EUR 1.5 million, or 9.8%, to EUR 16.2 million for the three months ended 31 March 2023 from EUR 14.7 million for the three months ended 31 March 2022. This increase is attributable to higher revenues due to better turnover from from the Services and International business.



# OPERATING RESULT

THREE MONTHS ENDED 31 MARCH		
EUR'000	2023	2022
Operating profit	834	1,342

Operating profit decreased by EUR 0.5 million, to EUR 0.8 million for the three months ended 31 March 2023 compared to EUR 1.3 million for the three months ended 31 March 2022.

The decline resulted from:

- An increase in depreciation and amortisation (-EUR 0.4 million) due to higher capex, especially in growth;
- higher adjusted EBITDA (+EUR 1.8 million) especially due to lower revenue;
- higher adjusting items (-EUR 1.9 million).

The following table shows a breakdown of operating result by geographic segment for the three months ended 31 March 2023 and 2022:

THREE MONTHS ENDED 31 MARCH				
EUR'000	Operating Profit 2023	Operating Profit 2022	Adjusted EBITDA 2023	Adjusted EBITDA 2022
Northern Europe	(1,776)	711	2,825	4,343
Central Europe	338	(253)	8,231	8,040
Southern Europe	303	(1,271)	5,196	2,616
United States of America	795	240	2,834	2,674
All Other Segments	1,174	1,915	(4,264)	(4,647)
<b>Total</b>	<b>834</b>	<b>1,342</b>	<b>14,822</b>	<b>13,026</b>

## Northern Europe

Operating profit decreased by EUR 2.5 million mainly as a result of lower production and sales volumes leading to lower cost absorption and margin and one off cost relating to accruals for severance.

## Central Europe

Operating profit in Central Europe was impacted by the lower production and sales volumes and the effect of the lower management fees charged this quarter.

## Southern Europe

Operating profit in Southern Europe increased mainly as a result of higher production and sales volumes leading to better cost absorption and margin.

## USA

Increase in operating profit is attributable to one off release of accruals for expenses.

## All Other Segments

Operating profit in All Other Segments was mainly impacted one off cost relating to the program cost for the Transformation Plan.



# 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, impairment and adjusting items. 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	2023	2022
Operating profit	834	1,341
Adjusting items	2,476	563
Depreciation and impairment expense	10,413	10,268
Amortisation and impairment expense	1,099	864
<b>Adjusted EBITDA</b>	<b>14,822</b>	<b>13,036</b>

Adjusting items increased by EUR 1.9 million from EUR 0.6 million for three months ended 31 March 2022 to EUR 2.5 million for three months ended 31 March 2023.

Adjusting items for three months ended 31 March 2023 relate to non-recurring items arising from:

- EUR 1.0 million of employee severance costs;
- EUR 1.2 million of program cost for the Transformation Plan;
- EUR 0.3 million of site closure and new site costs.

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

- EUR 0.5 million of employee severance costs.

## Net finance expense

Net finance expense for the three months ended 31 March 2023 was EUR 8.8 million (expense for the three months ended 31 March 2022: EUR 6.0 million).

## Profit (loss) before income taxes

The loss before income taxes was EUR 7.9 million for the three months ended 31 March 2023 (the three months ended 31 March 2022: loss of EUR 4.6 million).

## Cash generated from operations

Cash generated from operations during the three months ended 31 March 2023 amounted to a EUR 1.8 million outflow (the three months ended 31 March 2022 EUR 2.5 million outflow).

## 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	2023	2022
Proceeds from sale of property, plant and equipment	1,189	171
Acquisition of property, plant and equipment	(2,722)	(10,885)
Acquisition of intangible assets	(260)	(761)
<b>Net Capital Expenditure</b>	<b>(1,793)</b>	<b>(11,475)</b>

## 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).



EUR'000	AS AT 31 MARCH 2023	AS AT 31 DECEMBER 2022
Total current assets	143,664	140,514
Cash and cash equivalents	(10,269)	(20,594)
Current receivable from related parties	339	226
<b>Total current working capital assets</b>	<b>133,734</b>	<b>120,146</b>
Total current liabilities	162,346	156,313
Bank overdrafts	(2,860)	-
Current portion of loans and borrowings	(18,074)	(19,624)
Current payable to related parties	-	(235)
<b>Total current working capital liabilities</b>	<b>141,412</b>	<b>136,454</b>
<b>Net Working Capital</b>	<b>(7,678)</b>	<b>(16,308)</b>

As of 31 March 2023, the Group had a negative net working capital of EUR 7.7 million (31 December 2022 negative net working capital of EUR 16.3 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 7.4 million as of 31 March 2023 (31 December 2022: EUR 20.6 million) on its balance sheet.

As at 31 March 2023, the Group had one revolving credit facility of EUR 30 million (31 December 2022: EUR 30 million). As at 31 March 2023 we have drawn EUR 1.6 million against this credit facility for bank guarantee (31 December 2022: EUR 1.6 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 382.1 million as at 31 March 2023 (31 December 2022: EUR 363.1 million).

EUR'000	AS AT 31 MARCH 2023	AS AT 31 DECEMBER 2022
Senior Secured Notes	250,000	250,000
Lease liabilities	45,844	38,568
Other credit institutions	34,687	36,998
<b>Total debt excl shareholder credit facility</b>	<b>330,531</b>	<b>325,566</b>
Shareholder credit facility (incl accrued interest)	58,933	58,171
<b>Total debt incl shareholder credit facility</b>	<b>389,464</b>	<b>383,737</b>
Total deferred financing costs	(1,697)	(2,198)
<b>Total loans and borrowings as per Note 12</b>	<b>387,767</b>	<b>381,539</b>

EUR'000	AS AT 31 MARCH 2023	AS AT 31 DECEMBER 2022
Total loans and borrowings as per Note 12	387,767	381,539
Less: Total deferred financing costs	1,697	2,198
Cash and cash equivalents	(7,409)	(20,594)
<b>Net loans and borrowings</b>	<b>382,055</b>	<b>363,143</b>





# UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

THREE MONTHS ENDED 31 MARCH			
EUR'000	Note	2023	2022
Revenue	8	143,601	139,555
Other income		(158)	115
<b>Total revenue</b>		<b>143,443</b>	<b>139,670</b>
Raw materials and consumables used		(63,393)	(62,043)
Costs for subcontracting		(734)	(2,281)
Employee benefit expense		(36,514)	(35,826)
Other operating costs		(30,456)	(27,046)
Depreciation and impairment expense		(10,413)	(10,268)
Amortisation and impairment expense		(1,099)	(864)
<b>Total operating expenses</b>		<b>(142,609)</b>	<b>(138,328)</b>
<b>Operating profit</b>		<b>834</b>	<b>1,342</b>
Finance income		84	661
Finance expense		(8,853)	(6,618)
<b>Net Finance Expense</b>	<b>10</b>	<b>(8,769)</b>	<b>(5,957)</b>
Share in result of equity accounted investments		-	(46)
<b>Profit (loss) before income taxes</b>		<b>(7,935)</b>	<b>(4,661)</b>
Income tax	11	(45)	(522)
<b>Profit (loss) for the period</b>		<b>(7,980)</b>	<b>(5,183)</b>
Attributable to:			
Owners of the Company		(7,862)	(5,088)
Non-controlling interests		(118)	(95)



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THREE MONTHS ENDED 31 MARCH		
EUR'000	2023	2022
<b>Profit (loss) for the period</b>	<b>(7,980)</b>	<b>(5,183)</b>
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations, net of tax	396	(741)
<b>Total comprehensive loss for the period, net of income tax</b>	<b>(7,584)</b>	<b>(5,924)</b>
Attributable to:		
Owners of the Company	(7,122)	(5,733)
Non-controlling interests	(462)	(191)
<b>Total comprehensive loss for the period</b>	<b>(7,584)</b>	<b>(5,924)</b>



# UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

EUR'000	Note	AS AT 31 MARCH 2023	AS AT 31 DECEMBER 2022
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment		154,232	159,421
Right of use assets		52,983	44,099
Intangible assets		12,946	13,782
Equity accounted investments		958	958
Other financial assets		27,237	26,416
Deferred income tax assets		8,890	8,562
<b>Total non-current assets</b>		<b>257,246</b>	<b>253,238</b>
<b>Current assets</b>			
Inventories		56,966	45,237
Trade and other receivables		68,058	65,091
Current income tax assets		637	750
Prepayments		7,734	8,842
Cash and cash equivalents		10,269	20,594
<b>Total current assets</b>		<b>143,664</b>	<b>140,514</b>
<b>TOTAL ASSETS</b>		<b>400,910</b>	<b>393,752</b>
<b>EQUITY</b>			
Share capital		-	-
Share premium		106,979	106,979
Other reserves		(142,124)	(142,518)
Accumulated deficit		(109,009)	(101,147)
Equity attributable to owners of the Company		(144,154)	(136,686)
Non-controlling interests		1,019	1,135
<b>Total equity</b>		<b>(143,135)</b>	<b>(135,551)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	12	369,693	361,915
Employee benefits		5,673	5,702
Provisions	13	1,786	882
Deferred income tax liabilities		4,547	4,491
<b>Total non-current liabilities</b>		<b>381,699</b>	<b>372,990</b>
<b>Current liabilities</b>			
Loans and borrowings	12	18,074	19,624
Bank Overdraft	12	2,860	-
Provisions	13	39	54
Current income tax liabilities		2,301	1,645
Trade and other payables		139,072	134,990
<b>Total current liabilities</b>		<b>162,346</b>	<b>156,313</b>
<b>Total liabilities</b>		<b>544,045</b>	<b>529,303</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>400,910</b>	<b>393,752</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 2023</b>	-	106,979	(142,518)	(101,147)	(136,686)	1,135	(135,551)
Loss for the period	-	-	-	(7,862)	(7,862)	(118)	(7,980)
Foreign currency translation differences – foreign operations; net of income tax	-	-	394		394	2	396
<b>Total comprehensive loss for the year</b>	-	-	394	(7,862)	(7,468)	(116)	(7,584)
<b>Balance as at 31 March 2023</b>	-	106,979	(142,124)	(109,009)	(144,154)	1,019	(143,135)

EUR'000	Share capital	Share premium	Other reserves	Accumulated deficit	Total	Non-controlling interest	Total equity
<b>Balance as at 1 January 2022</b>	-	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)
<b>Total comprehensive loss for the year</b>	-	-	(645)	(5,088)	(5,733)	(191)	(5,924)
<b>Balance as at 31 March 2022</b>	-	106,979	(142,632)	(75,358)	(111,011)	1,290	(109,721)



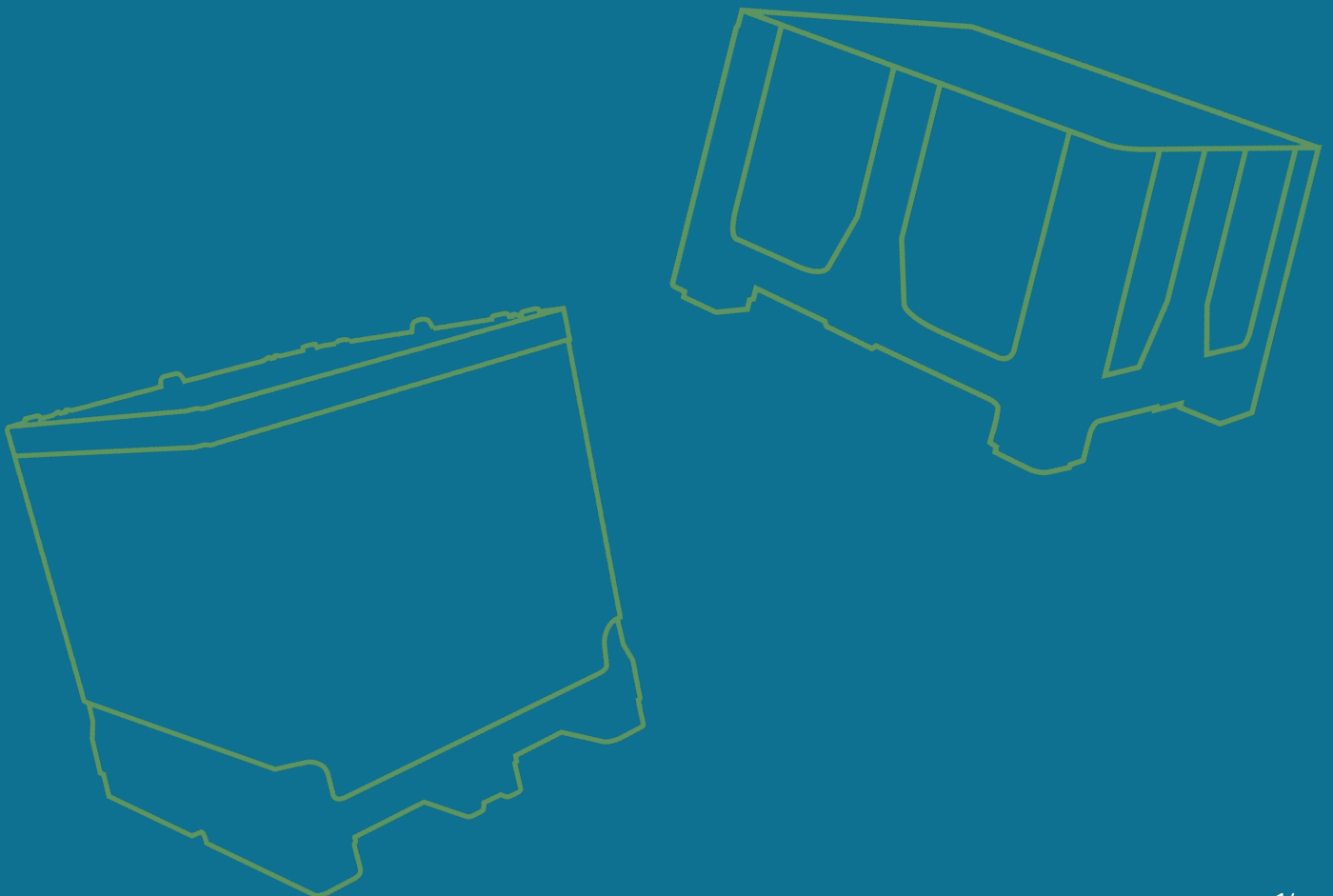
# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

THREE MONTHS ENDED 31 MARCH		
EUR'000	2023	2022
<b>Operating result for the year</b>	<b>834</b>	<b>1,342</b>
Adjustments for:		
Depreciation of property, plant and equipment and ROUA	10,413	10,268
Amortisation of intangible assets	1,099	864
Gain on sale of property, plant and equipment	158	(115)
Other non-cash items	(1,504)	(35)
Change in:		
Inventories	(11,886)	(18,614)
Trade and other receivables	(6,622)	(239)
Prepayments	1,119	(281)
Trade and other payables	3,679	4,594
Provisions and employee benefits	905	(276)
<b>Cash generated from operations</b>	<b>(1,805)</b>	<b>(2,491)</b>
Interest received	84	82
Interest paid	(1,484)	(951)
Income tax paid	435	(598)
<b>Net cash (outflow) from operating activities</b>	<b>(2,770)</b>	<b>(3,985)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	1,189	171
New long term loans receivable granted	(1,128)	(1,861)
Acquisition of property, plant and equipment	(2,722)	(10,885)
Acquisition of intangible assets	(260)	(761)
<b>Net cash (outflow) from investing activities</b>	<b>(2,921)</b>	<b>(13,336)</b>
<b>Cash flows from financing activities</b>		
Payment of transaction costs related to loans and borrowings	(160)	-
Proceeds from borrowings	(509)	239
Repayment of borrowings	(2,200)	(563)
Payment of lease liabilities	(4,650)	(5,518)
<b>Net cash (outflow) from financing activities</b>	<b>(7,519)</b>	<b>(5,842)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>20,594</b>	<b>38,676</b>
Net change in cash and cash equivalents	(13,210)	(23,136)
Net effect of exchange rate fluctuations on cash and cash equivalents	25	(371)
<b>Cash and cash equivalents at end of period</b>	<b>7,409</b>	<b>15,169</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 30 September 2019.

SP 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.

SP 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 Corporation, 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 2023 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 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 2022, which has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

## 3. GOING CONCERN

The Group issued Senior Secured Notes of EUR 250 million a coupon of 6.375% with a maturity date of 1 November 2024 and has a committed revolving credit facility of EUR 30 million (of which EUR 1.6 million was drawn as at 31 March 2023) with a maturity of 1 May 2024. The Group will need to refinance the revolving credit facility and the Senior Secured Notes before their respective maturity dates in 2024. Furthermore, the Group has access to a credit facility of up to EUR 100 million from its shareholder, subject to shareholder consent, of which EUR 59 million including capitalized and accrued interest was drawn as per 31 March 2023.

The Group has a negative equity of EUR 143.1 million as well as loans and borrowings of EUR 387.8 million. This financial position has been carefully considered by management in the going concern assessment. Management concludes that there is a material uncertainty around the refinancing of the Senior Secured Notes before November of 2024 that may cast significant doubt on the entity's ability to continue as a going concern. For a detailed analysis, reference is made to Note 2 of the Annual Financial Report of Schoeller Packaging B.V. for the year ended 31 December 2022, describing the basis for the application of going concern assumption and the conclusion that this 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 2022 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 2022 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 2022 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	2023 March Closing	2023 Three Month Average	2022 March Closing	2022 Three Month Average
British pound	0.8792	0.8790	0.8459	0.8383
US dollar	1.0875	1.0775	1.1101	1.1195
Swiss franc	0.9968	0.9982	1.0267	1.0334

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 2023, approximately 65% 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.

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.

## 8. REVENUE

THREE MONTHS ENDED 31 MARCH		
EUR'000	2023	2022
Sales of goods	126,646	124,557
Services rendered	16,955	14,998
<b>Revenue</b>	<b>143,601</b>	<b>139,555</b>

## 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.

The segment results for the three months ended 31 March 2023 and 2022 are as follows:

THREE MONTHS ENDED 31 MARCH							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All Other Segments	Eliminations	Total
Total segment revenue	39,255	65,915	37,805	15,672	17,494	(32,520)	143,601
Inter-segment revenue	(14,388)	(9,890)	(6,898)	-	(1,344)	32,520	-
<b>Total revenue from external customers</b>	<b>24,847</b>	<b>56,025</b>	<b>30,907</b>	<b>15,672</b>	<b>16,150</b>		<b>143,601</b>
<b>Operating result</b>	<b>(1,776)</b>	<b>338</b>	<b>303</b>	<b>795</b>	<b>1,174</b>	<b>-</b>	<b>834</b>
Other							-
Net finance cost							(8,769)
Income tax expense							(45)
<b>Loss for the period ended March 31, 2023</b>							<b>(7,980)</b>

THREE MONTHS ENDED 31 MARCH							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All Other Segments	Eliminations	Total
Total segment revenue	42,576	68,445	39,576	19,322	15,833	(46,197)	139,555
Inter-segment revenue	(12,577)	(13,827)	(18,669)	(1)	(1,123)	46,197	-
<b>Total revenue from external customers</b>	<b>29,999</b>	<b>54,618</b>	<b>20,907</b>	<b>19,321</b>	<b>14,710</b>		<b>139,555</b>
<b>Operating result</b>	<b>711</b>	<b>(253)</b>	<b>(1,271)</b>	<b>240</b>	<b>1,915</b>	<b>-</b>	<b>1,342</b>
Other							(46)
Net finance cost							(5,957)
Income tax expense							(522)
<b>Loss for the period ended March 31, 2022</b>							<b>(5,183)</b>

## 10. NET FINANCE COST

THREE MONTHS ENDED 31 MARCH		
EUR'000	2023	2022
Interest income on loans and receivables	84	82
Net foreign exchange gain	1,346	579
<b>Finance income</b>	<b>1,430</b>	<b>661</b>
Interest expense on borrowings	(5,650)	(4,817)
Amortisation deferred financing fees	(598)	(591)
Net foreign exchange (loss)	(2,552)	-
Other financial expenses	(1,399)	(1,210)
<b>Finance expense</b>	<b>(10,199)</b>	<b>(6,618)</b>
<b>Net finance expense</b>	<b>(8,769)</b>	<b>(5,957)</b>

Net finance expense for the three months ended 31 March 2023 was EUR 8.8 million (expense for the three months ended 31 March 2022: EUR 6.0 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 2023 amounted EUR 45 thousand (three months ended 31 March 2022 income tax expense: EUR 522 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		
	2023 Current	2023 Non- current	2023 Total	2022 Current	2022 Non- current	2022 Total
Senior Secured Notes	-	250,000	250,000	-	250,000	250,000
Deferred financing costs	-	(1,113)	(1,113)	-	(1,604)	(1,604)
<b>Senior Secured Notes at amortised cost</b>	<b>-</b>	<b>248,887</b>	<b>248,887</b>	<b>-</b>	<b>248,396</b>	<b>248,396</b>
Other credit institutions	3,900	30,787	34,687	4,133	32,865	36,998
Shareholder credit facility (incl accrued interest)		58,933	58,933		58,171	58,171
Lease liabilities	14,595	31,249	45,844	15,893	22,675	38,568
Deferred financing costs	(421)	(163)	(584)	(402)	(192)	(594)
<b>Total loans and borrowings</b>	<b>18,074</b>	<b>369,693</b>	<b>387,767</b>	<b>19,624</b>	<b>361,915</b>	<b>381,539</b>

### 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 on the Official List of The International Stock Exchange in Guernsey, Channel Islands.

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 6.3 million to EUR 387.8 million, mainly due to slightly higher lease liabilities.

As at 31 March 2023, the Group had one revolving credit facility of EUR 30 million (31 December 2022: EUR 30 million). The Group has drawn EUR 1.6 million from this facility for guarantees.



### 13. PROVISIONS

EUR'000	Restructuring	Claims	Total
<b>As at 1 January 2023</b>	<b>531</b>	<b>405</b>	<b>936</b>
Provisions made during the year	472	525	997
Provisions used during the year	(30)	-	(30)
Provisions reversed during the year	(15)	(25)	(40)
Effect of movements in exchange rates	(36)	(2)	(38)
<b>As at 31 March 2023</b>	<b>922</b>	<b>903</b>	<b>1,825</b>
Non-current	903	883	1,786
Current	19	20	39
<b>Total provisions</b>	<b>922</b>	<b>903</b>	<b>1,825</b>

EUR'000	Restructuring	Claims	Total
<b>As at 1 January 2022</b>	<b>522</b>	<b>829</b>	<b>1,351</b>
Provisions made during the year	588	210	798
Provisions used during the year	(167)	(593)	(760)
Provisions reversed during the year	(350)	(40)	(390)
Effect of movements in exchange rates	(62)	(1)	(63)
<b>As at 31 December 2022</b>	<b>531</b>	<b>405</b>	<b>936</b>
Non-current	497	385	882
Current	34	20	54
<b>Total provisions</b>	<b>531</b>	<b>405</b>	<b>936</b>

#### 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 2023, the provision for claims included claims related to disputes with customers.

#### Contingencies

Not applicable.

### 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 2023 as compared to the year ended 31 December 2022.

The Group has a commitment for a EUR 75 million investor facility from entities affiliated with Brookfield Corporation. As of 31 March 2023, an amount of EUR 31.4 million was drawn under this facility including capitalized and accrued interest.

## 15. RECONCILIATION MANUFACTURING AND RENTAL BUSINESS

Per 28 December 2022 the consolidated group, rearranged its Rental business internally. In order to report transparently, we have disclosed the following table.

Reconciliation Manufacturing and Rental business to Consolidated Statement of Profit or Loss and Balance Sheet:

EUR'000	Manufacturing	Rental	IC Elimination	Consolidated 2023
Total Revenue	141,539	1,908	(4)	143,443
Total operating expenses	(141,304)	(1,309)	4	(142,609)
Operating profit	235	599	-	834
Net finance expense	(7,996)	(773)	-	(8,769)
Profit (Loss) before income taxes	(7,761)	(174)	-	(7,935)
Income tax	(45)			(45)
Profit (Loss) for the period	(7,806)	(174)	-	(7,980)

EUR'000	Manufacturing	Rental	IC Elimination	Consolidated 2023
Total non-current assets	236,537	26,339	(5,630)	257,246
Total current assets	141,793	2,637	(766)	143,664
Total assets	378,330	28,976	(6,396)	400,910
Total equity	(138,553)	398	(4,980)	(143,135)
Total non-current liabilities	355,114	27,540	(955)	381,699
Total current liabilities	161,769	1,038	(461)	162,346
Total liabilities	516,883	28,578	(1,416)	544,045
Total equity and liabilities	378,330	28,976	(6,396)	400,910

## 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 second quarter, late 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 31 March 2023 and 31 December 2022 are as follows.

EUR'000 Financial liabilities	AS AT 31 MARCH			AS AT 31 DECEMBER		
	2023 Carrying amount	2023 Fair value	2023 Fair value hierarchy	2022 Carrying amount	2022 Fair value	2022 Fair value hierarchy
Senior Secured Notes	250,000	173,650	1	250,000	162,900	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

On 21 April 2023, following the proposed closure of the production facility in Beringen (Belgium), a social plan was agreed with the labour union.

On 25 April 2023, Schoeller Packaging B.V. announces that Oliver Iltisberger will step down as CEO effective 1 May 2023, for personal reasons. Adrian Letts has been seconded from Brookfield as interim CEO while the Company finalizes the search for a new CEO. The Company also announces that Hans Kerkhoven (CFO) will retire as of 19 May 2023. Åke Bengtsson, who joined the Company recently, has been appointed to replace Hans Kerkhoven.

Hoofddorp, 17 May 2023

