

# THIRD QUARTER 2022

SCHOELLER PACKAGING B.V.



Making plastic packaging  
too good to waste



Schoeller Allibert



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Schoeller Packaging B.V.

Third quarter ended 30 September 2022

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## CAUTIONARY STATEMENT

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

# PRINCIPAL ACTIVITIES

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

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

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

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

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



## KEY FINANCIAL RESULTS

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

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2022	2021	2022	2021
Revenue	137,764	169,728	443,568	440,755
Revenue growth	(18.8%)	41.0%	0.6%	17.2%
Operating profit	(5,895)	7,275	8	17,427
Operating profit as % revenue	(4.3%)	4.3%	0.0%	4.0%
Adjusted EBITDA	8,298	18,189	38,947	50,244
EBITDA as a % of revenue	6.0%	10.7%	8.8%	11.4%
Profit (loss) before income taxes	(13,703)	731	(20,724)	(2,273)
Net capital expenditure	8,633	19,630	27,035	39,702
Net capital expenditure as a % of revenue	6.3%	11.6%	6.1%	9.0%
Cash generated from operations	8,830	40,997	(2,100)	59,955

The table below shows the Group's key other financial metrics as at 30 September 2022 and 31 December 2021:

EUR'000	AS AT 30 SEPTEMBER 2022	AS AT 31 DECEMBER 2021
Net working capital	(6,689)	(37,664)
Cash and cash equivalents	(2,531)	38,676
Total net loans and borrowings	370,868	314,330

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

Cash and cash equivalents is defined as cash and cash equivalents on the balance sheet less bank overdrafts. Net loans and borrowings are defined as total current and non-current loans and borrowings less cash and cash equivalents.

## OPERATING AND FINANCIAL REVIEW

### Revenue

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

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2022	2021	2022	2021
Northern Europe	24,493	33,375	91,751	85,325
Central Europe	47,599	68,245	162,600	166,814
Southern Europe	27,407	23,029	77,817	72,974
United States of America	21,034	30,282	61,315	72,186
All Other Segments	17,231	14,798	50,085	43,456
Revenue	<b>137,764</b>	<b>169,728</b>	<b>443,568</b>	<b>440,755</b>

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.



Resin prices decreased 15-21% in Q3 2022 compared to Q2 2022. Schoeller Allibert has been able to pass on most of the cost increases (with a one to two months delay) to our customers.

Revenue in Northern Europe decreased by EUR 8.9 million, or 26.6%, to EUR 24.5 million for the three months ended 30 September 2022 from EUR 33.4 million for the three months ended 30 September 2021. This decrease was primarily attributable to lower revenue in pooling, beverage and automotive offset by higher revenue in food and processing.

Revenue in Central Europe decreased by EUR 20.6 million, or 30.3%, from EUR 68.2 million for the three months ended 30 September 2021 to EUR 47.6 million for the three months ended 30 September 2022. This decrease was primarily attributable to lower revenue in pooling, beverages partially offset by higher revenues from industrial manufacturing, retail, food and processing.

Revenue in Southern Europe increased by EUR 4.4 million, or 19.0%, to EUR 27.4 million for the three months ended 30 September 2022 from EUR 23.0 million for the three

months ended 30 September 2021. This increase was primarily attributable to higher revenues to beverages, food and processing and industrial manufacturing customers partially offset by lower volumes in automotive and agriculture.

Revenue in the USA decreased by EUR 9.2 million, or 30.5%, to EUR 21.0 million for the three months ended 30 September 2022 from EUR 30.3 million for the three months ended 30 September 2021. This decrease was attributable to lower revenues from pooling and retail offset by higher industrial manufacturing volumes.

Revenue in all Other Segments increased by EUR 2.4 million, or 16.4%, to EUR 17.2 million for the three months ended 30 September 2022 from EUR 14.8 million for the three months ended 30 September 2021. This increase is attributable to higher revenues due to better turnover from the Services and International business.



# OPERATING RESULT

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2022	2021	2022	2021
Operating profit	(5,895)	7,275	8	17,427

Operating profit decreased by EUR 13.2 million to EUR -5.9 million for the three months ended 30 September 2022 compared to EUR 7.3 million for the three months ended 30 September 2021. The decline resulted from:

- An increase in depreciation and amortisation (-EUR 1.7 million) due to higher capex, especially in growth
- Lower adjusted EBITDA (-EUR 9.9 million) especially due to lower revenue
- Lower adjusting items (+EUR 0.7 million)
- Operational improvements (-EUR 2.3 million)

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

THREE MONTHS ENDED 30 SEPTEMBER				
EUR'000	Operating Profit 2022	Operating Profit 2021	Adjusted EBITDA 2022	Adjusted EBITDA 2021
Northern Europe	(1,278)	1,315	(116)	3,452
Central Europe	(5,788)	6,426	(1,816)	9,415
Southern Europe	(2,374)	(1,903)	(112)	267
United States of America	318	(379)	601	761
All Other Segments	3,227	1,815	7,460	4,294
Total	<b>(5,895)</b>	<b>7,275</b>	<b>6,017</b>	<b>18,189</b>
Operational improvements	-	-	2,281	-
	-	-	8,298	-

NINE MONTHS ENDED 30 SEPTEMBER				
EUR'000	Operating Profit 2022	Operating Profit 2021	Adjusted EBITDA 2022	Adjusted EBITDA 2021
Northern Europe	1,260	3,296	6,168	9,190
Central Europe	(4,370)	11,624	5,388	20,283
Southern Europe	(3,625)	(3,313)	3,442	3,074
United States of America	(2,060)	2,201	558	5,494
All Other Segments	8,803	3,618	21,110	12,203
Total	<b>8</b>	<b>17,427</b>	<b>36,666</b>	<b>50,244</b>
Operational improvements	-	-	2,281	-
	-	-	38,947	-

## Northern Europe

Operating profit decreased by EUR 2.6 million mainly due to higher revenue offset by higher production costs.

## Central Europe

Operating profit was mainly impacted by lower sales and 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 by EUR 0.3 million due to higher volumes.

## USA

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

## All other segments

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



# ADJUSTED EBITDA-RECONCILIATION

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

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	2022	2021	2022	2021
Operating profit	(5,895)	7,275	8	17,427
Adjusting items	415	1,092	2,585	3,734
Operational improvements	2,281	-	2,281	-
Depreciation and impairment expense	10,238	9,378	30,869	27,643
Amortisation and impairment expense	1,259	444	3,204	1,440
Adjusted EBITDA	<b>8,298</b>	<b>18,189</b>	<b>38,947</b>	<b>50,244</b>

Adjusting items decreased by EUR 0.7 million from EUR 1.1 million for three months ended 30 September 2021 to EUR 0.4 million for three months ended 30 September 2022.

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

- EUR 0.3 million of legal fees and settlement costs;
- EUR 1.2 million of site closure and new site costs;
- EUR -0.7 million of result due to land sale;
- EUR -0.4 million of other items.

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.

Operational improvements include certain key areas where we can quickly reduce costs by up to EUR 3.5 million. Of this amount one third was realized in the third quarter and two third will be realized in the fourth quarter,

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.

hence this has been included in the Adjusted EBITDA.

## Net finance expense

Net finance expense for the three months ended 30 September 2022 was EUR 7.8 million (expense for the three months ended 30 September 2021: EUR 6.5 million).

## Profit (loss) before income taxes

The losses before income taxes was EUR 13.7 million for the three months ended 30 September 2022 (the three months ended 30 September 2021: profit of EUR 0.7 million).

## Cash generated from operations

Cash generated from operations during the three months ended 30 September 2022 amounted to a EUR 7.7 million inflow (the three months ended 30 September 2021 EUR 41.0 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.

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2022	2021		
Proceeds from sale of property, plant and equipment	1,168	142	1,440	508
Acquisition of property, plant and equipment	(8,163)	(18,779)	(25,270)	(37,186)
Acquisition of intangible assets	(543)	(993)	(2,110)	(3,024)
<b>Net Capital Expenditure</b>	<b>(7,538)</b>	<b>(19,630)</b>	<b>(25,940)</b>	<b>(39,702)</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).

As of 30 September 2022, the current receivables from related parties were equal to EUR 0.3 million (31 December 2021: EUR nil) and the current payables due to related parties were equal to EUR nil (31 December 2021: EUR nil).

EUR'000	AS AT 30 SEPTEMBER 2022	AS AT 31 DECEMBER 2021
Total current assets	155,847	162,931
Cash and cash equivalents	(19,893)	(38,676)
Current receivable from related parties	339	(9)
<b>Total current working capital assets</b>	<b>136,293</b>	<b>124,246</b>
Total current liabilities	186,558	180,881
Bank overdrafts	(22,424)	-
Current portion of loans and borrowings	(21,152)	(18,941)
Current payable to related parties	-	(30)
<b>Total current working capital liabilities</b>	<b>142,982</b>	<b>161,910</b>
<b>Net Working Capital</b>	<b>(6,689)</b>	<b>(37,664)</b>

As of 30 September 2022, the Group had a negative net working capital of EUR 6.7 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 -2.5 million as of 30 September 2022 (31 December 2021: EUR 38.7 million) on its balance sheet.

EUR'000	AS AT 30 SEPTEMBER 2022	AS AT 31 DECEMBER 2021
Cash and cash equivalents	19,893	38,700
Bank overdrafts	(22,424)	-
<b>Cash and cash equivalents</b>	<b>(2,531)</b>	<b>38,700</b>

As at 30 September 2022, the Group had one revolving credit facility of EUR 30 million (31 December 2021: EUR 30 million). The Group has drawn EUR 22.4 million in Cash drawing and EUR 1.7 million from this facility for guarantees.

## Total net loans and borrowings

Net loans and borrowings is defined as total current and non-current loans and borrowings excluding deferred financing costs less cash and cash equivalents, which increased to EUR 370.9 million as at 30 September 2022 (31 December 2021 EUR 314.3 million).

EUR'000	AS AT 30 SEPTEMBER 2022	AS AT 31 DECEMBER 2021
Senior secured note	250,000	250,000
Lease liabilities	40,742	46,531
Other credit institutions	19,711	21,349
<b>Total debt excl shareholder credit facility</b>	<b>310,453</b>	<b>317,880</b>
Shareholder credit facility (incl accrued interest)	57,884	35,126
<b>Total debt incl shareholder credit facility</b>	<b>368,337</b>	<b>353,006</b>
Total deferred financing costs	(2,792)	(4,565)
<b>Total loans and borrowings as per note 12</b>	<b>365,545</b>	<b>348,441</b>

EUR'000	2022	2021
Total loans and borrowings as per note 12	365,545	348,441
Less: Total deferred financing costs	(2,792)	(4,565)
Cash and cash equivalents	(2,531)	38,676
<b>Net loans and borrowings</b>	<b>370,868</b>	<b>314,330</b>





# UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

		THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
EUR'000	Note	2022	2021	2022	2021
Revenue	8	137,764	169,728	443,568	440,755
Other income (loss)		1,095	56	1,208	(101)
<b>Total revenue</b>		<b>138,859</b>	<b>169,784</b>	<b>444,776</b>	<b>440,654</b>
Raw materials and consumables used		(73,279)	(93,097)	(224,952)	(224,448)
Costs for subcontracting		(730)	(2,558)	(4,216)	(4,585)
Employee benefit expense		(31,787)	(33,330)	(102,049)	(99,655)
Other operating costs		(27,461)	(23,702)	(79,478)	(65,456)
Depreciation and impairment expense		(10,238)	(9,378)	(30,869)	(27,643)
Amortisation and impairment expense		(1,259)	(444)	(3,204)	(1,440)
<b>Total operating expenses</b>		<b>(144,754)</b>	<b>(162,509)</b>	<b>(444,768)</b>	<b>(423,227)</b>
<b>Operating profit</b>		<b>(5,895)</b>	<b>7,275</b>	<b>8</b>	<b>17,427</b>
Finance income	10	146	-	297	77
Finance expense	10	(7,954)	(6,544)	(21,029)	(19,775)
<b>Net Finance Expense</b>	<b>10</b>	<b>(7,808)</b>	<b>(6,544)</b>	<b>(20,732)</b>	<b>(19,698)</b>
Share in result of equity accounted investments		-	-	-	-
<b>Profit (loss) before income taxes</b>		<b>(13,703)</b>	<b>731</b>	<b>(20,724)</b>	<b>(2,273)</b>
Income tax	11	(1,293)	(894)	(3,200)	(2,246)
<b>Profit (loss) for the period</b>		<b>(14,996)</b>	<b>(163)</b>	<b>(23,924)</b>	<b>(4,519)</b>
Attributable to:					
Owners of the Company		(14,551)	(301)	(23,226)	(4,750)
Non-controlling interests		(445)	138	(698)	231



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2022	2021	2022	2021
<b>Profit (loss) for the period</b>	<b>(14,996)</b>	<b>(163)</b>	<b>(23,924)</b>	<b>(4,519)</b>
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences - foreign operations, net of tax	576	493	455	2,481
<b>Total comprehensive loss for the period, net of income tax</b>	<b>(14,420)</b>	<b>330</b>	<b>(23,469)</b>	<b>(2,038)</b>
Attributable to:				
Owners of the Company	(13,958)	(74)	(22,741)	(2,450)
Non-controlling interests	(462)	404	(728)	412
<b>Total comprehensive loss for the period</b>	<b>(14,420)</b>	<b>330</b>	<b>(23,469)</b>	<b>(2,038)</b>



# UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

EUR'000	Note	AS AT 30 SEPTEMBER 2022	AS AT 31 DECEMBER 2021
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment		158,231	149,836
Right of use assets		46,116	50,327
Intangible assets		14,371	15,488
Equity accounted investments		903	914
Other financial assets		24,952	22,263
Deferred income tax assets		16,150	18,018
<b>Total non-current assets</b>		<b>260,723</b>	<b>256,846</b>
Current assets			
Inventories		64,022	53,160
Trade and other receivables		60,643	60,993
Current income tax assets		921	860
Prepayments		10,368	9,242
Cash and cash equivalents		19,893	38,676
<b>Total current assets</b>		<b>155,847</b>	<b>162,931</b>
<b>TOTAL ASSETS</b>		<b>416,570</b>	<b>419,777</b>
<b>EQUITY</b>			
Share capital		-	-
Share premium		106,979	106,979
Other reserves		(141,502)	(141,987)
Accumulated deficit		(93,496)	(70,270)
<b>Equity attributable to owners of the Company</b>		<b>(128,019)</b>	<b>(105,278)</b>
Non-controlling interests		753	1,481
<b>Total equity</b>		<b>(127,266)</b>	<b>(103,797)</b>
<b>LIABILITIES</b>			
Non-current liabilities			
Loans and borrowings	12	344,393	329,501
Employee benefits		8,252	8,400
Provisions	13	276	194
Deferred income tax liabilities		4,357	4,601
<b>Total non-current liabilities</b>		<b>357,278</b>	<b>342,696</b>
Current liabilities			
Loans and borrowings	12	21,152	18,941
Bank Overdraft		22,424	-
Provisions	13	757	1,157
Current income tax liabilities		956	1,364
Trade and other payables		141,269	159,416
<b>Total current liabilities</b>		<b>186,558</b>	<b>180,878</b>
<b>Total liabilities</b>		<b>543,836</b>	<b>523,574</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>416,570</b>	<b>419,777</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 2022</b>	-	106,979	(141,987)	(70,270)	(105,278)	1,481	(103,797)
Loss for the period	-	-	-	(23,226)	(23,226)	(698)	(23,924)
Foreign currency translation differences – foreign operations; net of income tax	-	-	485	-	485	(30)	455
<b>Total comprehensive loss for the period</b>	-	-	485	(23,226)	(22,741)	(728)	(23,469)
<b>Balance as at 30 September 2022</b>	-	106,979	(141,502)	(93,496)	(128,019)	753	(127,266)

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)
Profit/(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 period</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)

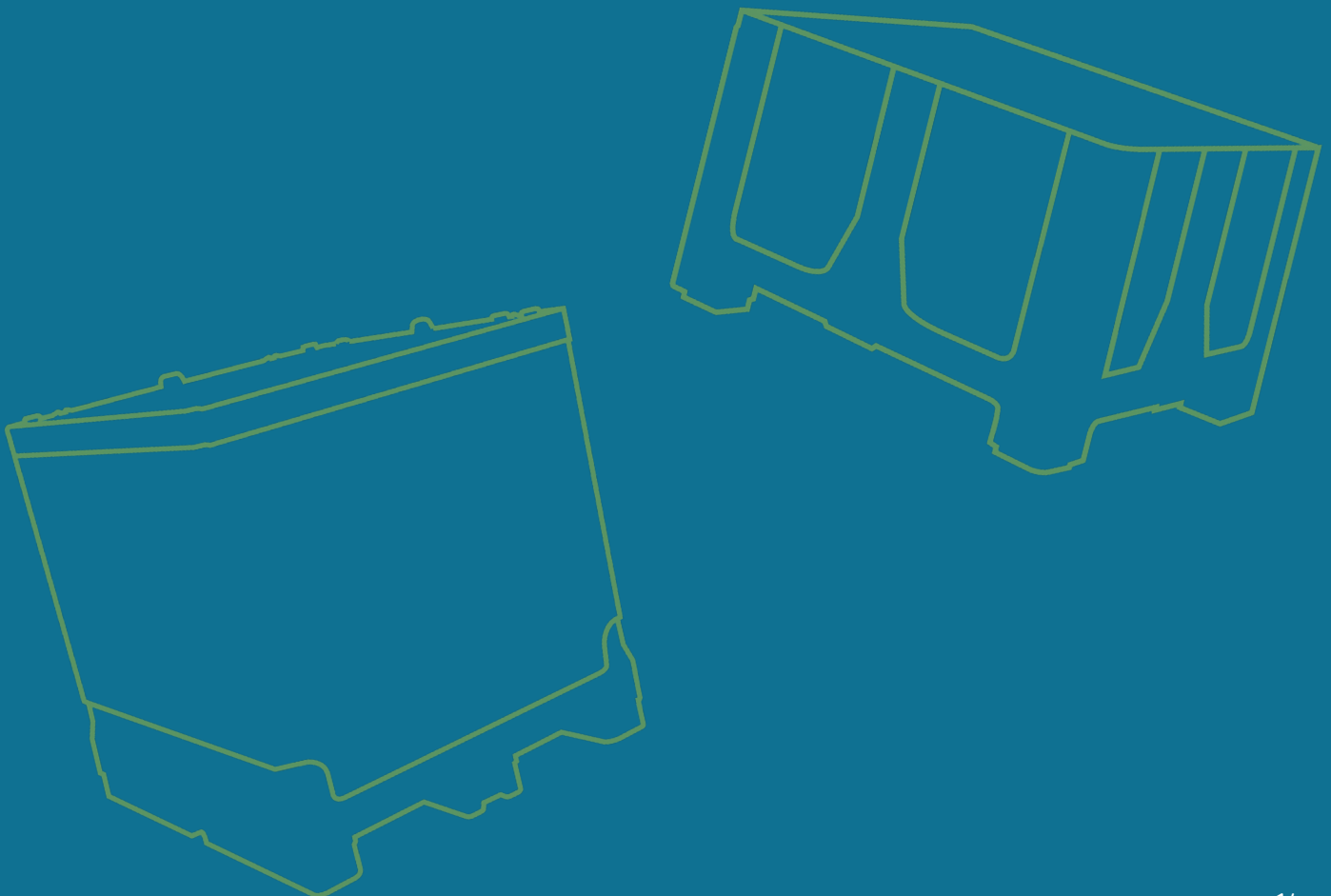




# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2022	2021	2022	2021
<b>Operating result for the year</b>	<b>(5,895)</b>	<b>7,275</b>	<b>8</b>	<b>17,427</b>
Adjustments for:				
Depreciation of property, plant and equipment and ROUA	10,238	9,378	30,869	27,643
Amortisation of intangible assets	1,259	444	3,204	1,440
Gain on sale of property, plant and equipment	(1,095)	(56)	(1,208)	101
Other non-cash items	393	(7)	(724)	(821)
Change in:				
Inventories	8,203	(1,685)	(9,389)	(23,550)
Trade and other receivables	13,739	3,360	1,175	(2,239)
Prepayments and accrued income	650	(432)	(1,271)	843
Trade and other payables	(19,609)	22,326	(25,250)	39,094
Provisions and employee benefits	(148)	393	(609)	16
<b>Cash generated from operations</b>	<b>7,735</b>	<b>40,996</b>	<b>(3,195)</b>	<b>59,954</b>
Net finance cost paid	(1,194)	(1,219)	(10,970)	(11,375)
Income tax paid	(737)	(349)	(1,742)	(1,479)
<b>Net cash inflow (outflow) from investing activities</b>	<b>5,804</b>	<b>39,429</b>	<b>(15,907)</b>	<b>47,100</b>
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	1,168	142	1,440	508
New long term loans receivable granted	(363)	(3,377)	(2,738)	(4,591)
Acquisition of property, plant and equipment	(8,163)	(18,779)	(25,270)	(37,186)
Acquisition of intangible assets	(543)	(993)	(2,110)	(3,024)
<b>Net cash (outflow) from investing activities</b>	<b>(7,901)</b>	<b>(23,007)</b>	<b>(28,678)</b>	<b>(44,293)</b>
Cash flows from financing activities				
Payment of transaction costs related to loans and borrowings	-	(894)	-	(999)
Proceeds from borrowings	9,993	-	20,172	-
Repayment of borrowings	(820)	(442)	(2,044)	(1,289)
Payment of lease liabilities	(4,463)	(4,433)	(14,688)	(13,041)
<b>Net cash (outflow) from financing activities</b>	<b>4,710</b>	<b>(5,769)</b>	<b>3,440</b>	<b>(15,329)</b>
Net change in cash and cash equivalents	2,613	10,653	(41,145)	(12,522)
Cash and cash equivalents at beginning of period	(4,862)	10,737	38,676	33,500
Effect of exchange rate fluctuations on cash and cash equivalents	(282)	197	(62)	609
<b>Cash and cash equivalents at end of period</b>	<b>(2,531)</b>	<b>21,587</b>	<b>(2,531)</b>	<b>21,587</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 September 2019 and is registered with the Dutch Commercial Register under number 75962357. The Company received the shares in Schoeller Allibert Group B.V. as part of a share premium contribution from Schoeller Packaging B.V. After this transaction, Schoeller Allibert Group B.V. is a wholly owned subsidiary of the Company.

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

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

## 2. BASIS OF PREPARATION

The interim financial information for the third quarter ended 30 September 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 Financial Report of Schoeller Packaging B.V. for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

## 3. GOING CONCERN

The Group has a negative equity of EUR 127.3 million as well as loans and borrowings of EUR 365.5 million. This financial position has been carefully considered by management in the going concern assessment.

The Group has a stable financing structure provided by senior secured notes and access to a EUR 30 million revolving credit facility. Furthermore, the Group has access to a credit facility of up to EUR 65 million from its shareholder Brookfield, subject to shareholder consent, of which EUR 31.3 million including capitalized and accrued interest was drawn as per 30 September 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 Financial 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 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 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 Financial 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:

2022				2021		
EUR'000	September Closing	Three Month Average	Nine Month Average	September Closing	Three Month Average	Nine Month Average
British pound	0.8830	0.8495	0.8492	0.8605	0.8569	0.8626
US dollar	0.9748	1.0545	1.0537	1.1579	1.1766	1.1936
Swiss franc	0.9561	1.0155	1.0056	1.0830	1.0800	1.0912

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 2022, 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	
	2022	2021	2022	2021
Sales of goods	117,497	150,264	390,589	397,236
Services rendered	20,267	19,464	52,979	43,519
<b>Revenue</b>	<b>137,764</b>	<b>169,728</b>	<b>443,568</b>	<b>440,755</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.

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 third quarter condensed consolidated interim financial statements.

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

THREE MONTHS ENDED 30 SEPTEMBER 2022							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	38,096	56,341	36,871	21,034	20,569	(35,147)	137,764
Inter-segment revenue	(13,603)	(8,742)	(9,464)	-	(3,338)	35,147	-
<b>Total revenue from external customers</b>	<b>24,493</b>	<b>47,599</b>	<b>27,407</b>	<b>21,034</b>	<b>17,231</b>	<b>-</b>	<b>137,764</b>
<b>Operating result</b>	<b>(1,278)</b>	<b>(5,788)</b>	<b>(2,374)</b>	<b>318</b>	<b>3,227</b>		<b>(5,895)</b>
Other							-
Net finance cost							(7,808)
Income tax expense							(1,293)
<b>Profit (loss) for the period</b>							<b>(14,996)</b>

THREE MONTHS ENDED 30 SEPTEMBER 2021							
EUR'000	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>-</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>-</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>

The segment results for the nine months ended  
30 September 2022 and 2021 are as follows:

NINE MONTHS ENDED 30 SEPTEMBER 2022							
EUR'000	Northern Europe	Central Europe	Southern Europe	USA	All other Segments	Eliminations	Total
Total segment revenue	130,639	195,321	118,171	61,341	57,015	(118,919)	443,568
Inter-segment revenue	(38,888)	(32,721)	(40,354)	(26)	(6,930)	118,919	-
<b>Total revenue from external customers</b>	<b>91,751</b>	<b>162,600</b>	<b>77,817</b>	<b>61,315</b>	<b>50,085</b>	<b>-</b>	<b>443,568</b>
<b>Operating result</b>	<b>1,260</b>	<b>(4,370)</b>	<b>(3,625)</b>	<b>(2,060)</b>	<b>8,803</b>	<b>-</b>	<b>8</b>
Other							-
Net finance cost							(20,732)
Income tax expense							(3,200)
<b>Profit (loss) for the period</b>							<b>(23,924)</b>

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>Operating result</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>

## 10. NET FINANCE COST

EUR'000	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
	2022	2021	2022	2021
Interest income on loans and receivables	146	-	297	77
Net foreign exchange gain	-	-	-	-
Finance income	146	-	297	77
Interest expense on borrowings	(4,942)	(4,798)	(14,529)	(14,650)
Amortisation deferred financing fees	(591)	(583)	(1,772)	(1,576)
Net foreign exchange (loss)	(436)	(312)	(423)	(1,163)
Other financial expenses	(1,985)	(851)	(4,305)	(2,387)
Finance expense	(7,954)	(6,544)	(21,029)	(19,775)
<b>Net finance expense</b>	<b>(7,808)</b>	<b>(6,544)</b>	<b>(20,732)</b>	<b>(19,699)</b>

Net finance expense for the three months ended 30 September 2022 was EUR 7.8 million (expense for the three months ended 30 September 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 30 September 2022 amounted EUR 1.3 million (three months ended 30 September 2021 income tax expense: EUR 0.9 million).



## 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	-	(2,095)	(2,095)	-	(3,569)	(3,569)
<b>Senior secured note at amortised cost</b>	<b>-</b>	<b>247,905</b>	<b>247,905</b>	<b>-</b>	<b>246,431</b>	<b>246,431</b>
Other credit institutions	4,209	15,502	19,711	2,601	18,748	21,349
Shareholder credit facility (incl accrued interest)		57,884	57,884		35,126	35,126
Lease liabilities	16,943	23,799	40,742	16,340	30,192	46,532
Deferred financing costs	-	(697)	(697)		(996)	(996)
<b>Total loans and borrowings</b>	<b>21,152</b>	<b>344,393</b>	<b>365,545</b>	<b>18,941</b>	<b>329,501</b>	<b>348,442</b>

### Senior Secured Notes and the Guarantors

On 25 October 2019, the Group issued EUR 250 million 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 17.1 million to EUR 365.5 million, mainly due to an increase in the shareholder credit facility.

As at 30 September 2022, the Group had one revolving credit facility of EUR 30 million (31 December 2021: EUR 30 million). The Group has drawn EUR 22.4 million in Cash drawing and EUR 1.7 million from this facility for guarantees.

### Shareholder credit facility

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 2022, an amount of EUR 31.3 million was drawn under this facility

including capitalized & accrued interest. The Group has a loan facility with Schoeller Packaging Holding B.V., which in its turn was part of the back to back loan facility with an entity affiliated with Brookfield Business Partners L.P. As of 30 September 2022, an amount of EUR 26.5 million was drawn under this facility including capitalized & accrued interest.

### 13. PROVISIONS

EUR'000	Restructuring	Claims	Total
As at 1 January 2022	522	828	1,350
Provisions made during the year	-	100	100
Provisions used during the year	(24)	(151)	(175)
Provisions reversed during the year	(241)	-	(241)
Effect of movements in exchange rates	-	(1)	(1)
<b>As at 30 September 2022</b>	<b>257</b>	<b>776</b>	<b>1,033</b>
Non-current	-	276	276
Current	257	500	757
<b>Total provisions</b>	<b>257</b>	<b>776</b>	<b>1,033</b>

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)
<b>As at 31 December 2021</b>	<b>522</b>	<b>828</b>	<b>1,350</b>
Non-current	-	194	194
Current	522	634	1,156
<b>Total provisions</b>	<b>522</b>	<b>828</b>	<b>1,350</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 Q3 2022, 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 nine months ended 30 September 2022 as compared to the year ended 31 December 2021.

The Group has a commitment for a EUR 65 million investor facility from entities affiliated with Brookfield Business Partners L.P. As of 30 September 2022, an amount of EUR 31.3 million was drawn under this facility including capitalized & 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 third quarter and in the fourth quarter with a comparative low period early in the first quarter.

## 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

EUR'000 Financial liabilities	AS AT 30 SEPTEMBER 2022			AS AT 31 DECEMBER 2021		
	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Senior secured note	250,000	199,000	1	250,000	255,025	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

There were no material events after the balance sheet date.

Hoofddorp, 10 November 2022

