

Second quarter 2022 report



SECOND QUARTER 2022 HIGHLIGHTS

- Revenue increased by 7%, to EUR 259 million, driven by growth in EMEA and Americas. Organic growth was 9%, of which 3% from currency translation.
- New revenue from acquired businesses in MENA and India was EUR 12 million in the quarter.
- Continued high raw material prices impacted the Q2 results negatively by approximately EUR 14 million.
- Adjusted EBITDA was EUR 25.3 million, reflecting an adjusted EBITDA margin of 9.8%.
- Elopak completed the acquisition of GLS Elopak to supply Roll Fed and Pure-Pak® cartons to the Indian market
- The leverage ratio increased to 3.4x as of second quarter 2022, primarily driven by dividend payment in May and lower Last Twelve Months EBITDA compared to last year.

Subsequent events

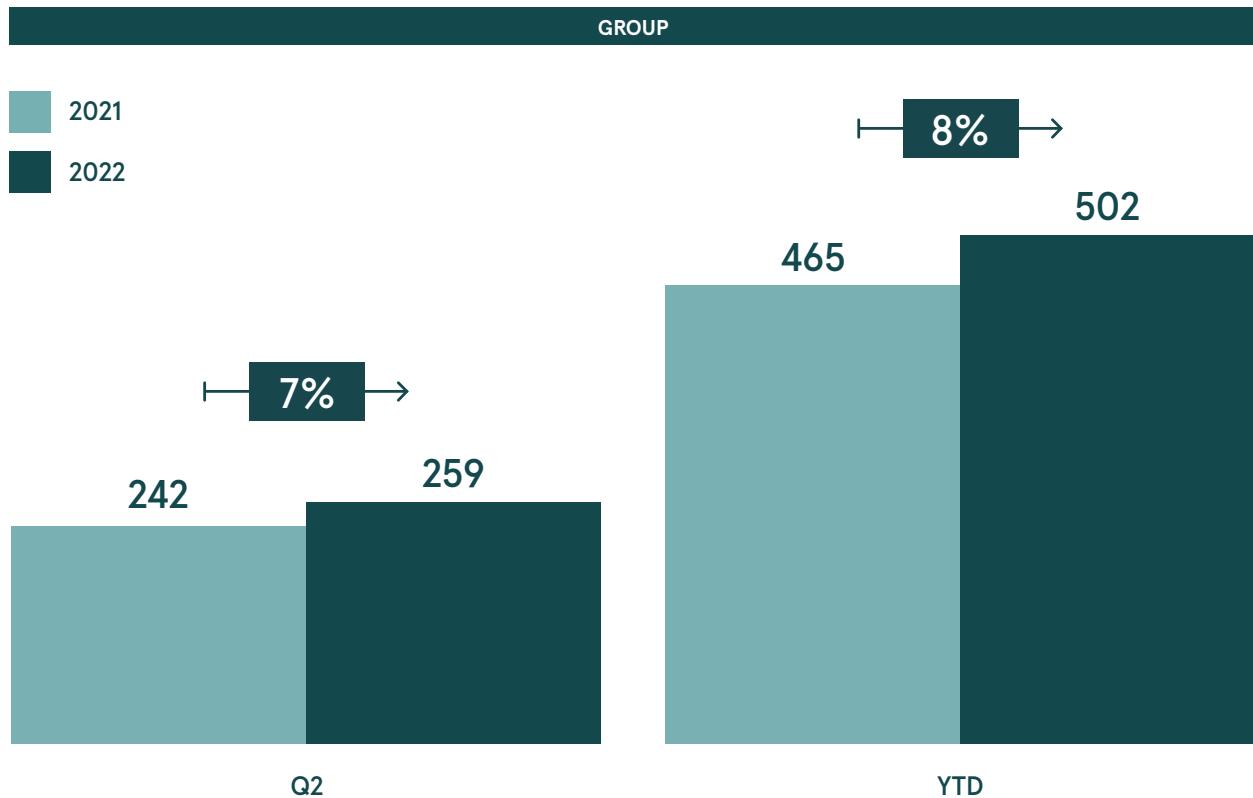
- On 15 July 2022, Elopak signed an agreement to divest its Russian subsidiary, subject to local government approval.

Summary of underlying financial results and liquidity

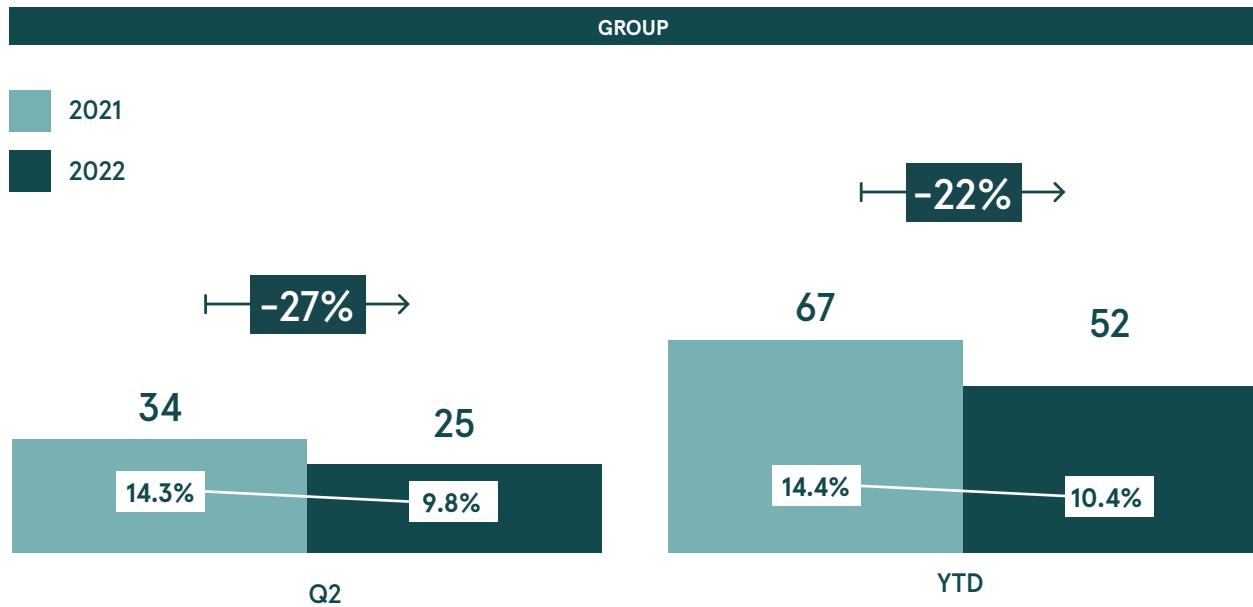
(EUR 1,000,000)	Quarter ended 30 Jun			Year to date ended 30 Jun		
	2022	2021	Change	2022	2021	Change
Revenues	259.1	242.1	7%	502.4	464.9	8%
EBITDA ¹⁾	32.2	29.4	9%	44.6	60.1	-26%
Adjusted EBITDA ¹⁾	25.3	34.7	-27%	52.3	67.1	-22%
Adjusted EBITDA margin	9.8%	14.3%	-32%	10.4%	14.4%	-28%
Profit for the period	13.6	12.4	10%	-3.7	23.4	-116%
Adjusted profit for the period ¹⁾	5.1	15.8	-67%	13.9	27.3	-49%
Net debt	363.3	254.5		363.3	254.5	
Leverage ratio ¹⁾	3.4	2.1		3.4	2.1	
Adjusted basic and diluted earnings per share (in EUR)	0.02	0.06		0.05	0.11	

¹⁾Definition of Alternative Performance Measures, including specification of adjustments, at the end of this report

Revenue (EURm), CAGR (%)



Adjusted EBITDA (EURm) and margin (%)



CEO COMMENTS

The second quarter of 2022 has been another eventful quarter for Elopak. We have relentlessly pursued our strategic growth initiatives, despite a challenging business environment. The most important achievements in the quarter were an agreement with GLS in India, post-merger integration and first full quarter of Naturepak operations in Elopak Group, and several price initiatives implemented across all markets.

Compared to the second quarter last year, we continue to deliver a strong revenue growth of 7%. The quarterly revenue increased mainly due to price increases on our products, strong business performance in Americas, positive currency effect (EURUSD), and inclusion of the Naturepak acquisition and entry in India, while Group revenues were negatively impacted by the loss of our Russian business. Overall, we are pleased with the underlying revenue growth in both Americas and EMEA. The Americas business continued to accelerate its growth, reporting an impressive 43% revenue growth compared to second quarter last year. The strategy implementation in Americas is progressing according to plan and we are pleased to report that we have signed twelve new filling machine contracts so far in 2022, with expected delivery from 2023, well ahead of our own expectations for the period.

The adjusted EBITDA in the second quarter was EUR 25 million, EUR 10 million lower than the strong second quarter of 2021. The unprecedented raw material situation in Europe and supply chain challenges were the main drivers that negatively impacted our margins. With the price increases implemented to customers from June, margins will improve in the second half of 2022.

On 28 April 2022, we announced the signing of an agreement with GLS, a leading packaging supplier in India. This agreement marks an exciting beginning of our venture into the largest milk market and the fastest growing liquid carton packaging market in the world - India. GLS Elopak is already operational, and we continue to attract high interest from a wide range of customers in the Indian market.

Our Ukrainian colleagues at the production plant in Fastiv have had a very challenging second quarter. However, despite the difficult circumstances, they have shown impressive resilience and attitude, managing to ramp up production and deliver packaging material to our European customers. We expect to further increase our Roll-Fed production in Fastiv in the coming months to serve our roll-fed growth in the EMEA markets.

On 15 July 2022, we announced the signing of an agreement with local management in Russia for the sale of all of Elopak's shares in JSC Elopak, representing a full divestment by Elopak from its existing Russian operations. The transaction is subject to government approval, and we expect to close the transaction during second half of this year.

The first half of 2022 was characterized by continued high raw material prices, general inflationary pressure in all markets, supply chain issues following the pandemic and more uncertain macro-economic environment. The supply chain challenges are especially impacting Elopak's filling machine and spare parts business as lead times increase and availability of certain components is limited.

We remain optimistic on the longer-term market fundamentals, despite the challenging macro-economic environment. Elopak sales is mainly to fresh dairy and aseptic milk and juice customers, which we expect to be resilient market segments. We do not expect any material negative impact on the overall demand for carton-based packaging in the near term.

Going forward, the implemented price increases are expected to lead to a margin recovery. The second half of 2022 will improve due to our current initiatives to grow our top-line and strengthen our results. Group Revenues for 2022 are expected to come in around EUR 1 billion.



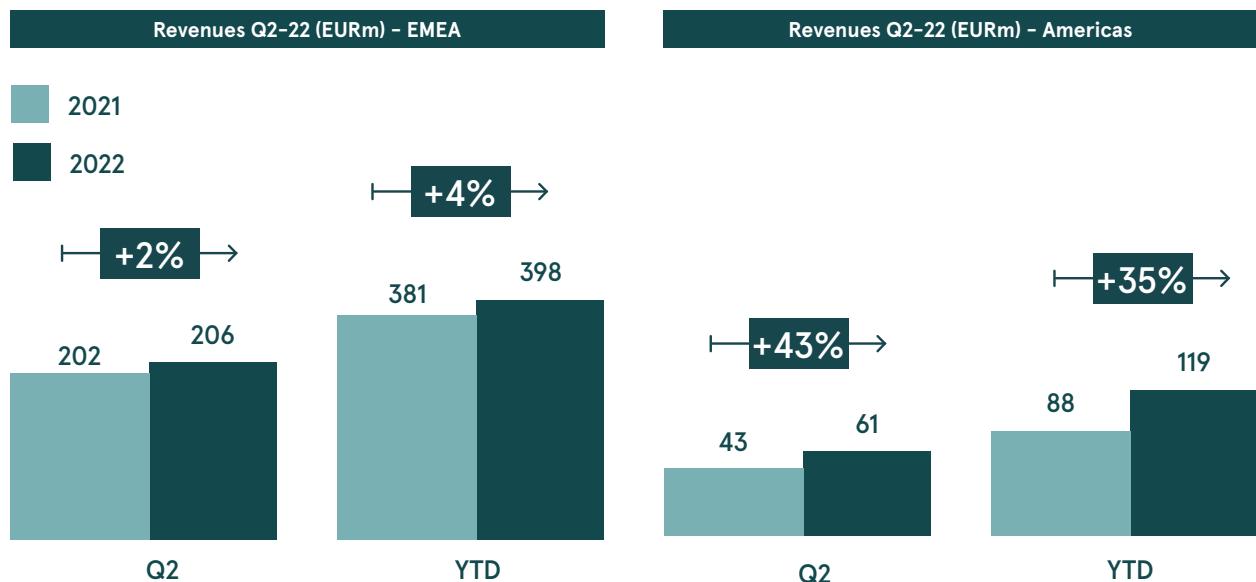
I am pleased to announce a strong revenue growth for Elopak in the second quarter. We are actively mitigating the unprecedented raw material prices and the challenging business environment. We expect margins to improve in the second half of 2022.

Thomas Körmendi

Chief Executive Officer - CEO

FINANCIAL REVIEW

Geographic revenue (EURm)



Revenues

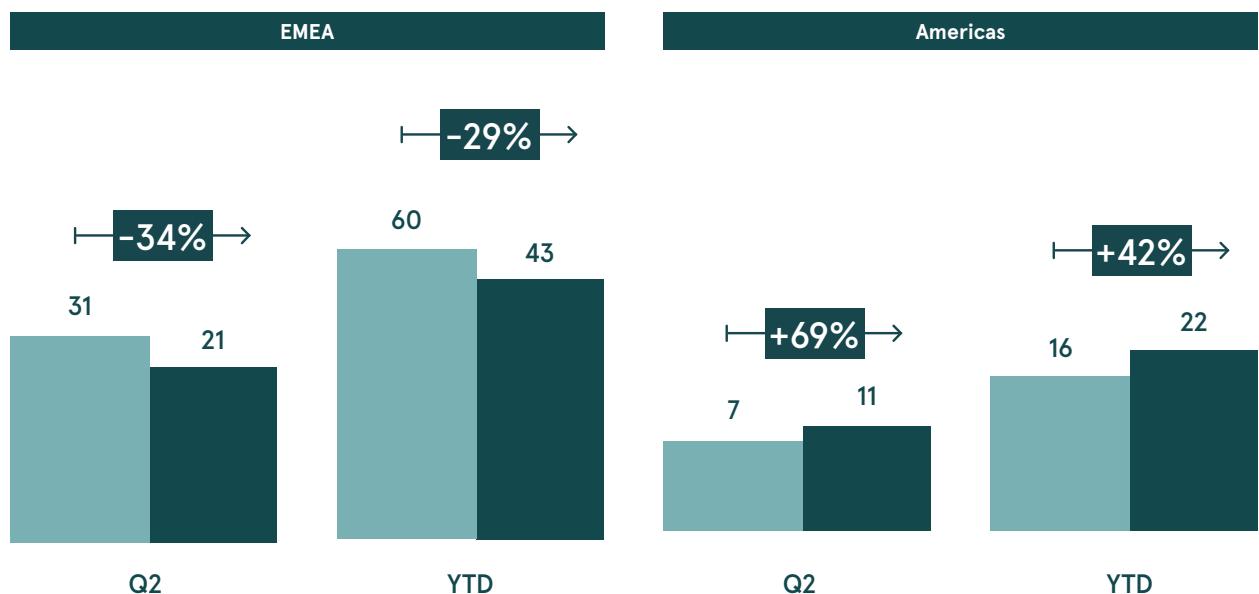
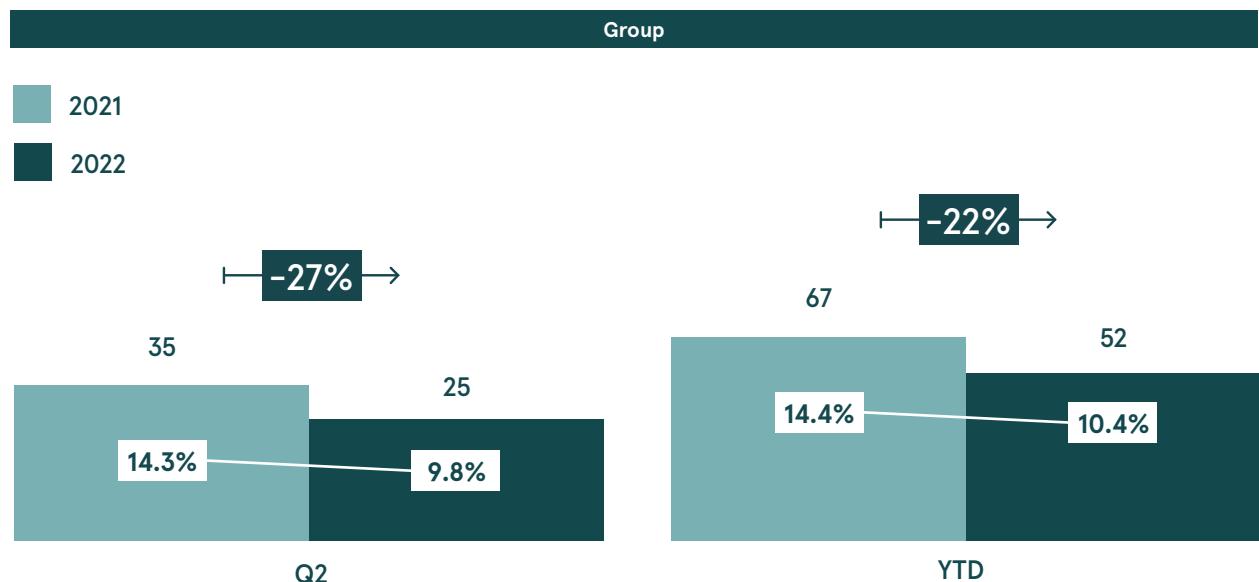
In the second quarter of 2022, revenues were at EUR 259.1 million, an increase of 7% compared to same period last year, or EUR 17.0 million. Adjusting for currency translation effects (EUR to USD) the increase was 4%, or EUR 10.0 million.

In EMEA, revenues increased by EUR 3.8 million compared to last year. The acquired businesses in MENA and India are reported as part of EMEA, contributing with a total of EUR 12.1 million in the quarter. Elopak will have control of the entity in India in accordance with IFRS 10 and will consolidate the company as a subsidiary in Elopak's financial statements. The conflict in Ukraine and suspension of activities in Russia had an estimated negative impact on revenues of EUR 16 million in the quarter. The underlying business in EMEA increased by EUR 8 million.

An important driver for the revenue development in the quarter was the impact of price increases. The price increases communicated during the first quarter started to have an impact in the end of the second quarter. In terms of volume, the development in the quarter was relatively stable for Pure-Pak®, when adjusting for acquired business and the conflict in Ukraine. Fresh volumes increased from new contracts in MENA and UK. Aseptic volumes had a slight decline, predominantly due to strong sale of ice tea in the comparative period. The revenue growth in EMEA is also partly driven by higher Roll-Fed volumes. Filling machine sales decreased mainly due to timing of projects.

The Americas business performed well, with total revenue growth of 43% compared to second quarter of 2021 (26% adjusted for currency

Adjusted EBITDA distribution (EURm)



translation effects). In Americas the strong development was driven by volume growth, price increases and positive effects from mix of cartons. Sale of school milk cartons has grown significantly compared to the same quarter last year, as volumes started to ramp up in the second half of 2021 following the opening of schools post Covid. Pass-through of raw materials had a positive impact in the quarter as material prices continue to increase. In the quarter, six new contracts for sale of filling machines were signed. The revenue from these contracts will be recognised when the machines are commissioned next year. The pipeline for filling machine sales in 2023 is healthy.

Year to date 2022 Group revenues increased by 8%, or EUR 37.6 million. Adjusting for currency translation effects, revenue growth was 6%. The conflict in Ukraine had an estimated negative impact on revenues of EUR 18 million year to date, equivalent to 7% of negative growth.

In EMEA, the main drivers of the underlying revenue growth year to date were price increases, higher Roll-Fed volumes and new contracts.

In Americas year to date revenues increased by EUR 31.0 million compared to last year. Currency translation effects had a EUR 11.0 million favourable impact, due to stronger USD against Euro. The underlying revenue growth was EUR 20 million, mainly a result of volume growth, price increases and pass-through of raw material prices.

Adjusted EBITDA and EBITDA

Adjusted EBITDA in the second quarter of 2022 decreased by EUR 9.4 million or 27%, from EUR 34.7 million in 2021 to EUR 25.3 million in 2022. The adjusted EBITDA margin at 9.8% is below the comparative period, predominantly due to higher raw material prices which affected the EBITDA margin negatively by 5.5 percentage points (pp).

In EMEA, adjusted EBITDA decreased by EUR 10.7 million in the quarter. Adjusted EBITDA margin in the quarter was 10.1%, compared to 15.6% in the same period last year. EBITDA from acquired business was EUR 1.8 million. The impact from loss of business in Russia and Ukraine is estimated at negative EUR 4–5 million in the quarter, due to significant volume losses while maintaining employee and other fixed costs. The high raw material cost was the main reason for the underlying margin decline in EMEA. We experience high purchase prices across most categories, including Polyethylene (PE), aluminium and electricity cost sourced at all time high levels. In total, raw material had an estimated negative impact of EUR 14.3 million in the European carton and closure business, this despite the mitigating effects of hedging activities. In EMEA, the impact from increased pricing of cartons and closures was EUR 8 million in the quarter, as additional price increases communicated during Q1 started to have an impact in the end of Q2. In manufacturing, there was satisfactory performance and output in the coating operations. In converting and Roll-Fed, production efficiency was slightly impacted by Covid-19-related sick leave and re-allocation of volumes produced in St. Petersburg for European customers.

In Americas, adjusted EBITDA increased by EUR 4.7 million in the quarter. Adjusted EBITDA margin was 18.7%, compared to 15.8% in the same period last year. Currency translation had a favourable impact of EUR 1.2 million. The growth in EBITDA was a result of volume growth and margin improvements, supported by lower waste and better labour efficiency following the installation of the UV flexo print line. Compared to the same period last year, new contracts have improved the mix of customer contracts and cartons. The raw material indexing in customer agreements provided protection against the higher raw material costs. Operations in the plant remained strong.

On a year to date basis, adjusted EBITDA for the Group decreased by 22%, or EUR 14.8 million. The decrease is

mainly a result of the higher raw material cost in EMEA and loss of business in Russia and Ukraine.

In EMEA adjusted EBITDA year to date decreased by 17.2 million. Adjusted EBITDA margin was 10.8%, down from 15.8% in the comparable period. The higher raw material cost had a negative impact of EUR 23 million.

In Americas adjusted EBITDA year to date increased by EUR 6.6 million. Adjusted EBITDA margin was 18.6%, up from 17.8% last year.

The Group operating cost increased as a result of strengthening central functions following the IPO and a general normalisation of, f.ex, travelling costs post Covid-19.

Operating profit

In the second quarter of 2022, operating profit increased by EUR 1.7 million, from EUR 14.8 million in same period last year to EUR 16.5 million in 2022.

The increase in operating profit was partly related to updated assessments of impairments of assets in the Russian and Ukrainian operations. As of 30 June, the impairment testing was updated resulting in a reversal of the impairment in the first quarter

of EUR 7.6 million, totalling to EUR 14.6 million in recognised impairment loss year to date. Elopak suspended all activities in Russia in March and has during the second quarter restarted operations in Ukraine. Due to the ongoing nature of the crisis, there is uncertainty involved in the assessment of impairment. The impairment loss is calculated using a weighted average of several possible scenarios. EUR 5.0 million of the reversed impairment impacted cost of materials and other operating expenses positively, while EUR 1.6 million impacted impairment, leading to a total positive impact on operating result in the quarter at EUR 6.6 million. See note 11 and APM section for further details.

In the quarter the IAS 37 provision for onerous contracts has been updated, from EUR 3.9 million as per 31 March to EUR 350 thousand as per 30 June. The provision has been reduced as a consequence of the implemented price increases which significantly reduces the risk of deliveries at negative margins.

In the quarter, Elopak incurred EUR 0.6 million in transaction cost linked to closing of Naturepak and GLS acquisitions. This is EUR 3.7 million lower than in the comparable period when the IPO was completed.

Reconciliation of EBITDA and adjusted EBITDA

(EUR 1,000)	Quarter ended 30 Jun		Year to date ended 30 Jun		Year ended 31 Dec
	2022	2021	2022	2021	2021
Operating profit	16,473	14,774	1,736	31,932	54,076
Depreciation, amortisation and impairment adjusted	17,390	14,664	30,957	28,161	56,450
Impairment fixed and long term assets Ukraine/Russia	-1,636	-	11,902	-	-
EBITDA	32,227	29,438	44,595	60,092	110,526
Total adjusted items with EBITDA impact	-7,952	4,343	5,728	5,163	6,820
Share of net income from joint ventures (continued operations) ²⁾³⁾	1,020	945	1,932	1,827	3,575
Adjusted EBITDA	25,297	34,726	52,256	67,083	120,921

¹⁾ Share of net income and impairment on investment from joint ventures included in adjusted figures

²⁾ See reconciliation of net income from joint ventures



Depreciation and amortisation was EUR 2.7 million higher than the same period last year, when adjusting for the Russian impairments. This is mainly due to amortisation of non-current assets in Naturepak.

Year to date operating profit decreased by EUR 30.2 million. EUR 11.9 million is due to impairments of fixed assets in Ukraine and Russia. EUR 2.8 million is due to increased depreciation of assets, predominantly related to Naturepak. The remaining margin development is a result of the factors explained above in adjusted EBITDA section.

The following table provides a reconciliation from reported operating profit to EBITDA and adjusted EBITDA. For further details and definitions, we refer to the APM section in the back of this report.

Profit for the quarter

In the second quarter of 2022, profit increased by EUR 1.2 million, from EUR 12.4 million in the same period of 2021 to EUR 13.6 million in 2022.

Share of income from joint ventures was EUR 1.0 million in the quarter, in line with the same period last year.

Net financial expenses increased by EUR 2.9 million.

In 2022, there were currency losses mainly related to Russian Rubel while gains related to a wider portfolio of currencies were recorded last year. Further, we have recorded EUR 2.5 million in gains on interest rate derivatives.

Tax expense for the quarter was EUR 0.9 million, which is a decrease of EUR 2.4 million compared to same period last year. As explained in the first quarter report, we have assumed that the impairments in Russia are not tax deductible, as there is uncertainty with regards to the value of the new tax assets linked to the impairments. Adjusting for these impacts, the underlying tax expense in the period is in line with expected tax rates. The expected tax at current statutory tax rates for the Group is approximately 24% depending on the relative mix of profits and losses taxed at varying rates in the jurisdictions in which Elopak operates.

Profit year to date decreased by EUR 27 million, in line with the development of the operating result and the reduction in income tax expense.

Cash flows

Year to date 2022, cash flow from operations was EUR 8.9 million. Cash from operations was impacted by tax payments and increased working capital. Net working capital normally increases in

the first half of the year due to the seasonality of the business. In 2022, we experienced additional adverse impacts from inflation, delayed filling machine placements and an EUR 16million delay in settlement of a VAT receivable.

Net cash flows used in investing activities was EUR -115.4 million. The main investments were the acquisitions of Naturepak and Elopak GLS. See note 10 for details. In the existing business, investments were EUR 22 million, mainly driven by

filling machine capex linked to a plastic-to-carton project in the UK, where we have installed two fresh filling lines with the customer Freshways. In the manufacturing plants projects progressed according to plans and investments were in line with the comparable period.

Net cash flows from financing activities were EUR 105.3 million, reflecting an increase in bank loans. The increase is predominantly due to the funding of acquisitions.

Cash flow

(EUR 1,000)	Year to date ended 30 Jun	
	2022	2021
Net cash flow from operations	8,889	27,252
Net cash flow from investing activities	-115,381	-3,680
Net cash flow from financing activities	105,292	-20,323
Foreign currency translation on cash	1,224	635
Net increase/decrease in cash	25	3,885

Capital structure

Net interest-bearing bank debt has increased from EUR 160 million at year end 2021 to EUR 282 million as of 30 June 2022. The main reason for the increase is funding of the acquisitions, as explained in cash flow section. Consequently, the Leverage Ratio as of 30 June, 2022 was 3.4x.

For a specification of the net debt, please refer to Alternative Performance Measures section.

On 22 June 2022, Elopak ASA signed an amendment letter to the existing loan agreement for the EUR 400 million Revolving Credit Facility. The amendments include i) extension of the Revolving Credit Facility to 23 May 2024, and ii) adjustment of the covenant path and margin grid in terms of the accounting calculated Gearing Ratio (Net Interest Bearing Debt/Consolidated EBITDA).

Equity decreased by EUR 9.9 million, from EUR 269.1 million as of 31 December 2021 to EUR 259.2 million as of 30 June, 2022. Total comprehensive income year to date 2022 was EUR 0.5 million. A dividend at EUR 19.6 million was paid on 19 May 2022. As part of the acquisition of Elopak GLS, a non-controlling interest in equity was established at EUR 9.2 million, reflecting our partner GLS' 50% share of the equity in the consolidated Indian entity.

The Board confirms that the accounts are presented under a going concern assumption.

Condensed consolidated quarterly financial statements





ASEPTIC

Pure-Pak®
eSense

Orange
juice

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Condensed consolidated statement of comprehensive income

(EUR 1,000)	NOTE	Quarter ended 30 Jun		Year to date ended 30 Jun	
		Unaudited	Unaudited	Unaudited	Unaudited
		2022	2021	2022	2021
Revenues	3	259,087	242,060	502,441	464,853
Other operating income		10	0	16	2
Total income	4	259,097	242,060	502,457	464,855
Cost of materials ¹⁾	11, 12	-169,295	-154,361	-338,717	-292,928
Payroll expenses		-45,670	-45,717	-89,721	-87,240
Depreciation, amortisation and impairment	5, 11	-15,754	-14,664	-42,859	-28,161
Other operating expenses	11	-11,905	-12,544	-29,424	-24,594
Total operating expenses		-242,624	-227,286	-500,720	-432,923
Operating profit	4	16,473	14,774	1,736	31,932
Financial income and expenses					
Share of net income from joint ventures		1,020	945	1,932	1,827
Financial income		2,563	-3	6,209	-46
Financial expenses		-3,780	-2,186	-6,985	-4,009
Foreign exchange gain/loss		-1,721	2,227	-2,166	1,769
Profit before tax		14,556	15,757	727	31,472
Income tax	9	-936	-3,349	-4,456	-8,114
Profit/loss		13,620	12,408	-3,729	23,359
Profit for the year attributable to:					
Elopak shareholders		13,874	12,408	-3,488	23,359
Non-controlling interest		-255	-	-241	-
Basic and diluted earnings per share (in EUR)		0.05	0.05	-0.01	0.09

Condensed consolidated statement of comprehensive income continued

(EUR 1,000)	Note	Quarter ended		Year to date ended	
		30 Jun		30 Jun	
		Unaudited	Unaudited	Unaudited	Unaudited
OTHER COMPREHENSIVE INCOME		2022	2021	2022	2021
Items that will not be reclassified subsequently to profit or loss					
Net value gains/losses on actuarial benefit plans, net of tax		47	12	26	-18
Items reclassified subsequently to net income upon derecognition					
Exchange differences on translation foreign operations		6,639	405	6,975	3,694
Net value gains/losses on cash flow hedges, net of tax		-3,402	5,256	-2,764	10,069
Other comprehensive income, net of tax		3,284	5,673	4,237	13,745
Total comprehensive income		16,904	18,080	509	37,103
Total comprehensive income attributable to:					
Elopak shareholders		17,149	18,080	740	37,103
Non-controlling interest		-245	-	-231	-

Condensed consolidated statement of financial position

(EUR 1,000)	Note	30 Jun 2022 Unaudited	30 Jun 2021 Unaudited	31 Dec 2021 Audited
ASSETS				
Non-current assets				
Development cost and other intangible assets	11	75,907	58,886	56,862
Deferred tax assets	11	22,406	21,364	21,640
Goodwill	10	111,302	52,149	51,866
Property, plant and equipment	10, 11	204,555	178,462	186,426
Right-of-use assets	5, 10, 11	58,645	64,173	62,952
Investment in joint ventures		32,677	28,207	27,527
Other non-current assets	10	15,010	15,113	13,501
Total non - current assets		520,503	418,355	420,775
Current assets				
Inventory	10, 11	162,640	134,317	145,115
Trade receivables ¹⁾	10, 11	94,169	90,326	91,533
Other current assets ¹⁾	10, 11	119,259	109,232	101,595
Cash and cash equivalents	10	24,287	10,328	24,262
Total current assets		400,355	344,204	362,505
Total assets	4	920,859	762,558	783,279

Condensed consolidated statement of financial position continued

(EUR 1,000)	Note	30 Jun 2022 Unaudited	30 Jun 2021 Unaudited	31 Dec 2021 Audited
EQUITY AND LIABILITIES				
EQUITY				
Share capital	6	50,155	50,155	50,155
Other paid-in capital	6	70,268	69,906	70,236
Currency translation reserve		-26,917	-38,236	-33,883
Cash flow hedge reserve		1,451	10,066	4,215
Retained earnings		155,243	168,171	178,330
Attributable to Elopak shareholders		250,199	260,061	269,054
Non-controlling interest		8,999	-	-
Total equity		259,198	260,061	269,054
LIABILITIES				
Non-current liabilities				
Pension liabilities		2,446	2,834	2,563
Deferred taxes	10	18,945	12,061	11,488
Non-current liabilities to financial institutions	7	304,233	173,896	169,433
Non-current lease liabilities	10	64,753	64,240	62,342
Other non-current liabilities	10	2,167	4,494	2,900
Total non-current liabilities		392,544	257,524	248,726
Current liabilities				
Current liabilities to financial institutions	7, 10	1,691	7,159	14,420
Trade payables	10	137,115	111,929	119,574
Taxes payable		2,578	9,843	4,335
Public duties payable		24,045	19,082	24,077
Current lease liabilities	10	16,162	18,746	18,261
Other current liabilities	10	87,525	78,213	84,832
Total current liabilities		269,116	244,973	265,499
Total liabilities		661,661	502,497	514,226
Total equity and liabilities		920,859	762,558	783,279

Skøyen, August 17, 2022


Jo Olav Lunder

Chairperson


Trond Solberg

Board member


Anna Belfrage

Board member


Sid Johari

Board member


Sanna Suvanto-Harsaae

Board member


Erlend Sveva

Board member


Anette Bauer Ellingsen

Board member


Thomas Körmendi

CEO

Condensed consolidated statement of cash flows

(EUR 1,000)	Note	Year to date ended 30 Jun	
		2022 Unaudited	2021 Unaudited
Profit before tax		727	31,471
Interest to financial institutions		1,106	1,606
Lease liability interest		2,290	2,414
Profit before tax and interest paid		4,124	35,491
Depreciation, amortisation and impairment		42,859	28,161
Write-down of financial assets		1,274	500
Net unrealised currency gain(–)/loss		15,284	-3,548
Income from joint ventures		-1,932	-1,827
Taxes paid		-7,114	-8,239
Change in trade receivables		607	24,049
Change in other current assets		-19,091	-40,011
Change in inventories		-13,715	3,151
Change in trade payables		15,133	-3,215
Change in other current liabilities		-28,002	-7,178
Change in net pension liabilities		-536	-82
NET CASH FLOW FROM OPERATIONS		8,889	27,252
Purchase of non-current assets		-21,784	-8,414
Proceeds from sales of non-current assets		662	10
Acquisition of subsidiaries and joint ventures	10	-97,356	-
Dividend from joint ventures		-	1,722
Change in other non-current assets		3,097	3,002
NET CASH FLOW FROM INVESTING ACTIVITIES		-115,381	-3,680
Proceeds of loans from financial institutions		586,540	404,183
Repayment of loans from financial institutions		-459,447	-452,213
Interest to financial institutions		-1,106	-1,606
Purchase and payments to non-controlling interest	10	9,239	-
Dividend paid		-19,623	-9,988
Capital increase		39	49,582
Lease payments		-10,350	-10,281
NET CASH FLOW FROM FINANCING ACTIVITIES		105,292	-20,323
Foreign currency translation on cash		1,224	635
Net increase/decrease in cash		25	3,885
Cash at beginning of year		24,262	6,443
Cash at end of period		24,287	10,328

Condensed consolidated statement of changes in equity

(EUR 1,000)

Year to date ended 30 Jun 2022 Unaudited	Note	Share capital	Currency				Non-controlling interests	Total equity
			Other paid-in capital	trans-lation reserve	Cash flow hedge reserve	Retained earnings		
Total equity 01.01		50,155	70,236	-33,883	4,215	178,330		269,054
Profit for the period		-	-	-	-	-3,488	-241	-3,729
Other comprehensive income for the period net of tax		-	-	6,966	-2,764	26	10	4,237
Total comprehensive income for the period		-	-	6,966	-2,764	-3,462	-231	509
Dividend paid		-	-	-	-	-19,623	-	-19,623
Settlement of share-based bonus 2021		-	-330	-	-	-	-	-330
Provision for share-based bonus 2022		-	369	-	-	-	-	369
Acquisition of GLS Elopak	10	-	-	-	-	-	9,229	9,229
Treasury shares		-1	-8	-	-	-	-	-9
Total capital transactions in the period	6	-1	30	-	-	-19,623	9,229	-10,364
Total equity 30.06		50,155	70,268	-26,917	1,451	155,243	8,999	259,198

(EUR 1,000)

Year to date 30 Jun 2021 Unaudited	Note	Share capital	Currency				Non-controlling interests	Total equity
			Other paid-in capital	trans-lation reserve	Cash flow hedge reserve	Retained earnings		
Total equity 01.01		47,482	15,332	-41,930	-3	164,564	-	185,444
Profit for the period		-	-	-	-	23,358	-	23,358
Other comprehensive income for the period net of tax		-	-	3,694	10,069	-18	-	13,745
Total comprehensive income for the period		-	-	3,694	10,069	23,340	-	37,103
Dividend paid		-	-	-	-	-9,988	-	-9,988
Purchase of treasury shares	58	1,112	-	-	-	-	-	1,170
Settlement of share-based bonus	5	-2,380	-	-	-	-	-	-2,375
Bonus issue and reclassification within equity	120	9,625	-	-	-	-9,745	-	-
Issue of new shares in IPO	2,490	47,308	-	-	-	-	-	49,798
Share issue expenses	-	-1,091	-	-	-	-	-	-1,091
Total capital transactions in the period	6	2,673	54,573	-	-	-19,733	-	37,513
Total equity 30.06		50,155	69,906	-38,236	10,066	168,171	-	260,061

Note 1 – General information

The Elopak Group consists of Elopak ASA and its subsidiaries. Elopak ASA is a public limited company registered in Norway. The Group is a leading global supplier of carton packaging and filling equipment. The consolidated financial information has not been subject to audit or review.

All numbers are presented in EUR 1,000 unless otherwise is clearly stated.

The Board of Directors approved the condensed consolidated interim financial statements for the period ended June 30, 2022 on August 17, 2022.

Note 2 – Basis of preparation

The consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 “Interim Financial Reporting”. The condensed interim financial statements do not include all information and disclosures required in the annual financial statement and should be read in conjunction with the Group’s Annual Report for 2021, which has been prepared according to IFRS as adopted by EU. The accounting policies applied in the preparation of the consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended December 31, 2021.

The preparation of interim financial statements requires the Group to make certain estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Estimates and judgements are continually evaluated by the company based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. Actual results may differ from these estimates. The most significant judgements used in preparing these interim financial statements and the key areas of estimation uncertainty are the same as those applied in the consolidated annual report for 2021.

The annual report for 2021 provides a description of the uncertainties and risks for the business.

Note 3 – Revenues

The Group's revenues consist of revenue from contracts with customers (99%) and rental income from lease of filling equipment (1%). Revenues are primarily derived from the sale of cartons and closures, sales and rental income related to filling equipment and service.

Revenues specified by geographical area	Quarter ended 30 Jun	Year to date ended 30 Jun		
(EUR 1,000)	2022	2021	2022	2021
Germany	42,157	39,370	78,705	76,255
USA	47,773	32,673	87,887	64,409
Russia	74	19,329	15,093	35,449
Netherlands	12,049	14,569	27,286	27,056
Norway	5,620	5,745	13,589	12,334
Other	151,413	130,374	279,880	249,350
Total revenues	259,087	242,060	502,441	464,853

The revenues are specified by location (country) of the customer.

Revenues by product and operating segment

Quarter ended 30 Jun 2022	EMEA	Americas	Other and eliminations	Total
Cartons and closures	176,528	60,811	-1,014	236,326
Equipment	10,011	8	-4,318	5,701
Service	11,603	-	-180	11,424
Other	7,449	509	-2,322	5,636
Total revenues	205,592	61,329	-7,834	259,087

Quarter ended 30 Jun 2021	EMEA	Americas	Other and eliminations	Total
Cartons and closures	169,792	40,070	-634	209,228
Equipment	15,036	2,521	-	17,558
Service	10,678	-	-118	10,560
Other	6,258	386	-1,930	4,714
Total revenues	201,764	42,978	-2,682	242,060

Note 3 – Revenues continued

Revenues by product and operating segment

(EUR 1,000)

Year to date ended 30 Jun 2022	EMEA	Americas	Other and eliminations	Total
Cartons and closures	341,093	118,049	-1,596	457,545
Equipment	19,456	18	-8,810	10,663
Service	23,096	-	-274	22,822
Other	14,584	928	-4,102	11,410
Total revenues	398,228	118,995	-14,782	502,441

Year to date ended 30 Jun 2021	EMEA	Americas	Other and eliminations	Total
Cartons and closures	328,144	84,670	-930	411,884
Equipment	20,282	2,529	-	22,811
Service	21,792	-	-239	21,553
Other	11,220	764	-3,380	8,604
Total revenues	381,438	87,963	-4,549	464,853

Note 4 – Operating segments

Information reported to the Group's chief operating decision makers, the Group Leadership Team, for the purpose of resource allocation and assessment of segment performance is focused on two key geographical regions – EMEA (including Commonwealth of Independent States) and Americas. Key figures representing the financial performance of these segments are presented in the following note. GLS Elopak is included in EMEA.

Operating segments

(EUR 1,000)

Quarter ended 30 Jun 2022	EMEA	Americas	Other and eliminations	Total
Total revenue and other operating income	205,602	61,329	-7,834	259,097
Operating expenses ¹⁾	-176,239	-50,878	247	-226,870
Depreciation and amortisation	-14,899	-1,811	-680	-17,390
Impairment	1,636	-	-	1,636
Operating profit	16,099	8,640	-8,266	16,473
EBITDA ²⁾	29,363	10,451	-7,586	32,228
Adjusted EBITDA ²⁾	20,783	11,467	-6,953	25,297
Total assets	920,302	144,649	-144,092	920,859
Purchase of non-current assets during the quarter	22,094	1,021	625	23,740

Quarter ended 30 Jun 2021	EMEA	Americas	Other and eliminations	Total
Total revenue and other operating income	201,764	42,978	-2,682	242,060
Operating expenses ¹⁾	-170,706	-37,249	-4,667	-212,622
Depreciation and amortisation	-11,698	-1,531	-630	-13,859
Impairment	-806	-	-	-806
Operating profit	18,555	4,198	-7,979	14,774
EBITDA ²⁾	31,058	5,729	-7,349	29,438
Adjusted EBITDA ²⁾	31,498	6,785	-3,557	34,726
Total assets	608,897	120,920	32,741	762,558
Purchase of non-current assets during the quarter	3,893	239	727	4,859

¹⁾Operating expenses include cost of materials, payroll expenses, and other operating expenses.

²⁾See the APM disclosure for the reconciliation of EBITDA and adjusted EBITDA.

Note 4 – Operating segments continued

Operating segments

(EUR 1,000)

Year to date ended 30 Jun 2022	EMEA	Americas	Other and eliminations	Total
Total revenue and other operating income	398,244	118,995	-14,782	502,457
Operating expenses ¹⁾	-358,380	-98,759	-722	-457,861
Depreciation and amortisation	-26,220	-3,373	-1,364	-30,957
Impairment	-11,902	-	-	-11,902
Operating profit	1,742	16,863	-16,868	1,736
EBITDA ²⁾	39,864	20,236	-15,504	44,595
Adjusted EBITDA ²⁾	42,873	22,184	-12,801	52,256
 Total assets	 920,302	 144,649	 -144,092	 920,859
Purchase of non-current assets during the quarter	27,587	2,532	-8,335	21,784

Year to date ended 30 Jun 2021	EMEA	Americas	Other and eliminations	Total
Total revenue and other operating income	381,440	87,963	-4,549	464,855
Operating expenses ¹⁾	-321,775	-74,278	-8,709	-404,763
Depreciation and amortisation	-23,144	-2,848	-1,305	-27,296
Impairment	-865	-	-	-865
Operating profit	35,657	10,838	-14,563	31,932
EBITDA ²⁾	59,665	13,685	-13,258	60,092
Adjusted EBITDA ²⁾	60,106	15,624	-8,647	67,083
 Total assets	 608,897	 120,920	 32,741	 762,558
Purchase of non-current assets during the quarter	6,742	430	1,242	8,414

¹⁾Operating expenses include cost of materials, payroll expenses, and other operating expenses.

²⁾See the APM disclosure for the reconciliation of EBITDA and adjusted EBITDA.

Note 5 – Leases

The Group as lessee

The Group leases several assets including buildings, plants, cars and filling machines.

Right-of-use assets

(EUR 1,000)

30 Jun 2022	Property and buildings	Machinery	Office and transport	Total
Cost at 1.1	53,861	29,987	22,179	106,027
Net additions (disposals)	14	3,274	2,179	5,468
Cost at 30.06	53,875	33,261	24,359	111,495
Accumulated depreciation at 1.1	-15,208	-17,001	-10,866	-43,075
Current year depreciation charge	-2,270	-2,544	-1,910	-6,724
Impairment losses (Note 11)	-2,850	-4	-197	-3,050
Accumulated depreciation and impairment losses at 30.06	-20,328	-19,549	-12,972	-52,849
Carrying amount at 30.06	33,547	13,712	11,387	58,646

31 Dec 2021	Property and buildings	Machinery	Office and transport	Total
Cost at 1.1	52,636	27,141	18,231	98,007
Net additions (disposals)	1,225	2,846	3,949	8,020
Cost at 31.12	53,861	29,987	22,179	106,027
Accumulated depreciation at 1.1	-10,133	-11,496	-7,108	-28,737
Current year depreciation charge	-5,075	-5,505	-3,758	-14,338
Accumulated depreciation at 31.12	-15,208	-17,001	-10,866	-43,075
Carrying amount at 31.12	38,652	12,986	11,314	62,952

The Group has no significant purchase options. Terminations in 2022 and 2021 are less than 1% of the right - of use assets. The gross additions to right-of-use assets, excluding adjustments to existing contracts, were EUR 3,190 thousand in 2022 and EUR 4,460 thousand in 2021. The expired and terminated contracts in 2022 were replaced by new leases for similar underlying assets.

The Group has signed a lease agreement for a High Bay warehouse adjacent to its existing warehouse in Terneuzen, Netherlands. The lease is for 20 years with a nominal value of EUR 46,720 thousand, with the commencement date in H2 of 2022. Additionally, the Group has signed a contract for Tethered Cap lines with a lease term of 5 years and a nominal value of EUR 23,201 thousand for the signed contract. The commencement dates are expected to be before the end of 2023.

Note 6 – Equity and shareholder information

As of June 30, 2022, the share capital is NOK 376,906,620 (EUR 50,155,321) and the total number of shares outstanding for Elopak ASA is 269,219,014, each with a face value of NOK 1.4 (EUR 0.19). All shares have equal voting rights and all authorised shares are issued and fully paid.

Share-based bonus:

The provision for share based bonus per December 31, 2021 were settled in the second quarter of 2022 through shares bought in the market and sold to members of the Management. The provision of EUR 330 thousand in other paid-in capital was reversed. As part of the settlement, Elopak repurchased 170 thousand shares, and settled the share based bonus with 165 thousand shares. As of June 30, 2022, the balance of treasury shares is 5,519. The treasury share capital is EUR 1 thousand and the treasury share premium is EUR 8 thousand.

Dividend:

The Board approved a dividend of NOK 0.75 per share for the financial year 2021 on May 19, 2022. The dividend payment was EUR 19,623 thousand based on 269 219 014 outstanding shares, of which EUR 11,740 thousand was paid to Ferd AS.

Share capital

Number of shares

2022	Ordinary shares issued	Treasury shares	Ordinary shares outstanding
Beginning of financial year	269,219,014	-	269,219,014
Treasury shares purchased	-	-170,000	-170,000
Treasury shares re-issued	-	164,481	164,481
End of financial period	269,219,014	5,519	269,213,495

2021	Ordinary shares issued	Treasury shares	Ordinary shares outstanding
Beginning of financial year	5,012,707	-	5,012,707
Shares issued for share-based bonus	8,959	-	8,959
Shares issued in stock split	246,061,634	-	246,061,634
Shares issued in IPO	18,135,714	-	18,135,714
Treasury shares purchased	-	-422,772	-422,772
Treasury shares re-issued	-	422,772	422,772
End of financial year	269,219,014	-	269,219,014

Note 6 – Equity and shareholder information continued

Basic and diluted earnings per share

(EUR 1,000 except number of shares)	Quarter ended 30 Jun		Year to date ended 30 Jun	
	2022	2021	2022	2021
Profit attributable to Elopak shareholders	13,874	12,408	-3,488	23,359
Issued ordinary shares at beginning of period, adjusted for share split in the period	269,219,014	250,635,350	269,219,014	250,635,350
Effect of shares issued	-488	2,797,100	-970	1,406,277
Weighted-average number of ordinary shares in the period	269,218,526	253,432,450	269,218,044	252,041,627
Basic and diluted earnings per share (in EUR)	0.05	0.05	-0.01	0.09

Note 7 – Interest-bearing loans and borrowings

Interest-bearing loans and borrowings

(EUR 1,000)	30 Jun 2022		31 Dec 2021	
	Available	Utilised	Available	Utilised
Current liabilities to financial institutions	56,943	1,691	56,804	14,420
Non-current liabilities to financial institutions	400,000	304,233	400,000	169,433
Total	305,925		183,854	

The long term loans are drawn under a EUR 400,000 thousand multi currency revolving credit facility. The facility has been amended to extend the termination date by 12 month and is available until May 2024.

Note 8 – Financial risk management

Balance sheet management

The Group manages the balance sheet to ensure a healthy financial position and liquidity. This is done through an annual budgeting process followed by performance management and forecasting updates to ensure adequate financial flexibility and liquidity for the company. The Group's main bank covenants, especially the net interest bearing debt/ EBITDA, are monitored closely on a continuous basis to ensure compliance at all times.

Financial risk policy

The Group is exposed to market risk, credit risk and liquidity risk. Risk management activities are governed by appropriate policies and procedures. Risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. There have been no significant changes in the management of risks related to financials during the period.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, commodity price risk and interest rate risk. Elopak buys derivatives in order to manage market risks, and seeks to apply hedge accounting in order to manage volatility in profit or loss.

Derivatives

(EUR 1,000)	30 Jun 2022			31 Dec 2021		
	Assets	Liabilities	Total	Assets	Liabilities	Total
Currency derivatives	248	4,097	-3,849	836	2,079	-1,244
Commodity derivatives	3,889	-	3,889	5,303	-	5,303
Interest derivatives	4,127	35	4,092	248	2,058	-1,811
Total	8,263	4,132	4,131	6,386	4,138	2,249

The full fair value of a derivative is classified as "Other non-current assets or "Other non-current liabilities" if the remaining maturity of the derivative is more than 12 months and, as a "Other current assets" or "Other current liabilities", if the maturity of the derivative is less than 12 months. The fair value estimation of derivative financial instruments has been arrived at by applying a level 2 valuation methodology which uses inputs other than unadjusted quoted prices for identical assets and liabilities. No other material financial assets or liabilities are measured at fair value through profit or loss.

Where eligible, derivatives used for hedging are designated in cash flow hedge accounting relationships.

Note 9 – Income tax

Due to NOK recognition for tax purposes of Group financing, the currency effects in the second quarter of 2022 and 2021 decreased the tax expense by EUR 992 thousand and EUR 383 thousand respectively.

Note 10 – Business combinations

Accounting policies

A business combination is as a transaction or other event in which an acquirer obtains control of one or more businesses. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Determining whether a particular set of assets and activities is a business should be based on whether the integrated set is capable of being conducted and managed as a business by a market participant.

Business combinations are accounted for according to IFRS 3 using the acquisition method, also called purchase price allocation (PPA). The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value at acquisition date according to IFRS 13, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill arises in a business combination when the fair value of consideration transferred exceeds the fair value of identifiable assets acquired less the fair value of identifiable liabilities assumed. Goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units, and tested subsequently for impairment.

Significant accounting estimates, assumptions and judgements

In a business combination, the assets acquired and liabilities assumed are valued at fair value at the time of acquisition. The various assets and liabilities are valued on the basis of different models, requiring estimates and assumptions to be made. Goodwill is the residual value in this allocation. Errors in estimates and assumptions can lead to an error in the split of the value between the various assets and liabilities incl. goodwill, but the sum of the total excess values will always be consistent with the purchase price paid.

The useful lives of the intangible assets acquired in a business combination are assessed as either finite or indefinite and may in some cases involve considerable judgements. Intangible assets acquired with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Note 10 – Business combinations continued

Significant accounting judgements

According to IFRS 3, goodwill is to be allocated at the acquisition date, to each of the acquirer's CGUs, or groups of CGUs, which are expected to benefit from the business combination. This can include existing CGUs of the acquirer irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The identification of CGUs may require significant judgement by management.

Acquisitions during Q2 2022

Company	Principal activity	Date of business combination	Percentage owned	Acquiring entity
Elopak GLS	Trading and manufacturing	13/05/2022	50%	Elopak BV (49,5%) Elopak UK Limited (0,5%)

Elopak and GLS signed on April 28th an agreement in which the two companies will have 50% ownership of a newly formed company, Elopak GLS. The completion date (closing) took place May 13, 2022. The agreement provides Elopak with exposure to variable returns and power to affect the returns from GLS Elopak, which means that Elopak will have control of Elopak GLS in accordance with IFRS 10 and will consolidate the company as a subsidiary in Elopak's financial statements. Elopak GLS will leverage the respective expertise, assets and networks of Elopak and GLS to capitalise on the significant consumer demand in India. The company is being established to manufacture and process high-quality fresh and aseptic packaging solutions, which are designed to ensure that liquid food is safe and accessible to consumers across the globe. The company will cater to both fresh and aseptic segments with applications such as dairy, plant-based drinks, juice, water and liquor.

The transaction is recorded as a business combination in accordance with IFRS 3 and the acquisition date is May 13, 2022.

The acquisition-date fair value of the total consideration transferred was EUR 11,973 thousand in cash. Transaction costs of EUR 340 thousand were expensed and are included in other operating costs. If the transactions had occurred 1 January 2022, Elopak GLS would have contributed EUR 73 thousand revenue and EUR -292 thousand profit before tax. From acquisition date to reporting date Elopak GLS has contributed EUR 350 thousand revenue and EUR -495 thousand profit before tax.

Note 10 – Business combinations continued

Fair values of the identifiable assets in Elopak GLS at acquisition date

(EUR 1,000)	
ASSETS	
Non-current assets	
Development cost and other intangible assets	31
Deferred tax assets	1
Property, plant and equipment	10,507
Total non-current assets	10,539
Current assets	
Inventory	52
Other current assets	1,584
Cash and cash equivalents	8,424
Total current assets	10,060
Total assets	20,599
Non-current liabilities	
Deferred tax liability	624
Other non-current liabilities	81
Total non-current liabilities	705
Current liabilities	
Trade and other payables	1,025
Other current liabilities	116
Total current liabilities	1,141
Total liabilities	1,846
Total identifiable net assets at fair value	18,753
Non-controlling interest	9,377
Purchase consideration	11,973
Goodwill arising from acquisition	2,597
Purchase consideration	
Cash consideration paid	11,973
Total consideration	11,973

Note 10 – Business combinations continued

Provision for deferred tax is made for the difference between acquisition cost and acquired tax base in accordance with IAS 12. Offsetting entry of this non-cash deferred tax is goodwill. The remaining goodwill comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognised.

None of the goodwill recognised is deductible for income tax purposes.

Analysis of cash flows on acquisition

(EUR 1,000)

Net cash acquired with the subsidiary	8,424
Cash paid	11,973
Net cash flow from acquisition (included in investing activities)	-3,549

Acquisitions during Q1 2022

Company	Principal activity	Date of business combination	Percentage owned	Acquiring entity
Naturepak Beverage Packaging Co Ltd	Trading and manufacturing	29/03/2022	100%	Elopak BV (99%) Elopak UK Limited (1%)

Naturepak Beverage Packaging Co Ltd Elopak acquired 100% of the voting shares of Naturepak Beverage Packaging Co Ltd (Naturepak) on March 29, 2022. Naturepak Beverage is the leading provider of fresh liquid carton and packaging systems in the MENA region with local production facilities in Morocco and Saudi Arabia, which will be integrated into Elopak's global production network. Present in 16 countries, Naturepak Beverage has an annual production capacity of 2.7 billion cartons across various product sizes and its customers are global blue chip FMCG players and strong regional champions. The acquisition will reinforce Elopak's position in the region and is an important milestone in management's ambitions to target 2-3% organic revenue growth, deliver inorganic opportunities and grow its global footprint by entering new geographies.

The transaction is recorded as a business combination in accordance with IFRS 3 and the acquisition date is March 29, 2022.

The acquisition-date fair value of the total consideration transferred was EUR 85,383 thousand in cash. Transaction costs of EUR 2,110 thousand were expensed and are included in other operating costs. If the transactions had occurred 1 January 2022, Naturepak would have contributed EUR 7,765 revenue and EUR 917 profit before tax. From acquisition date to reporting date Naturepak has contributed EUR 11,772 thousand revenue and EUR -616 thousand profit before tax.

Note 10 – Business combinations continued

Fair values of the identifiable assets in Naturepak Beverage Packaging Co Ltd at acquisition date (EUR 1,000)

ASSETS	
Non-current assets	
Development cost and other intangible assets	23,329
Property, plant and equipment	14,615
Right-of-use assets	50
Other non-current assets	446
Total non-current assets	38,439
Current assets	
Inventory	1,504
Trade receivables	4,829
Other current assets	2,643
Cash and cash equivalents	1,732
Total current assets	10,708
Total assets	49,147
Non-current liabilities	
Deferred tax liability	7,789
Non-current lease liabilities	32
Other non-current liabilities	2,371
Total non-current liabilities	10,192
Current liabilities	
Current liabilities to financial institutions	713
Trade and other payables	6,513
Current lease liabilities	19
Other current liabilities	3,147
Total current liabilities	10,393
Total liabilities	20,585
Total identifiable net assets at fair value	28,562
Purchase consideration	85,383
Goodwill arising from acquisition	56,821
Purchase consideration	
Cash consideration paid	85,383
Total consideration	85,383

Note 10 – Business combinations continued

Provision for deferred tax is made for the difference between acquisition cost and acquired tax base in accordance with IAS 12. Offsetting entry of this non-cash deferred tax is goodwill. The remaining goodwill comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognised.

None of the goodwill recognised is deductible for income tax purposes.

Analysis of cash flows on acquisition

(EUR 1,000)

Net cash acquired with the subsidiary	1,732
Cash paid	85,383
Net cash flow from acquisition (included in investing activities)	-83,651

Note 11 – Impairment

As of March 31, due to the Ukraine/Russia crisis, the Group has tested assets in Ukraine and Russia for impairment and recognised an impairment loss of EUR 22,222 thousand through the statement of comprehensive income and is within the operating segment EMEA. As of June 30, the impairment testing has been updated resulting in a reversal of the impairments from Q1 of EUR -7,626 thousand, totalling to EUR 14,598 thousand as per June 30 year to date.

Elopak suspended all activities in Russia in March and has restarted operations in Ukraine. Due to the ongoing nature of the crisis there is estimation uncertainty involved in the assessment of impairment. The impairment loss is calculated using a weighted average of several possible scenarios including for the Russian operations the sale of shares, nationalisation of assets, resuming operations, and winding down operations and for the Ukraine operations continuing operations and closing operations.

Due to the circumstances in Russia and Ukraine the impairment has been adjusted for and no deferred tax position has been accounted for in Russia.

Elopak suspended all activities in Russia in March 2022 and therefore has used the average foreign exchange rate from March 31, 2022.

Note 11 – Impairment continued

Balance sheet effect of impairment (at closing rate) (EUR 1,000)

ASSETS	30 Jun 2022
Non-current assets	
Development cost and other intangible assets	-16
Deferred tax assets	-1,191
Property, plant and equipment	-14,475
Right-of-use assets	-5,534
Other non - current assets	-1,203
Total non - current assets	-22,419
Current assets	
Inventory	-2,611
Trade receivables	-638
Other current assets	-10
Total current assets	-3,259
Total assets	-25,678
Difference between fx closing rate and fx rate used in PL	11,080
Impairment effect in PL	14,598

PL effect of impairment (at 31 March average rate)

(EUR 1,000)

COMPREHENSIVE INCOME	Quarter ended	Quarter ended	Year to date
	31 Mar 2022	30 Jun 2022	ended 30 Jun 2022
	Total	Total	Total
Cost of materials	4,488	-2,047	2,441
Depreciation, amortisation and impairment	13,537	-1,636	11,902
Other operating expenses	3,183	-2,948	235
Operating profit	21,208	-6,631	14,578
Financial items		-663	-663
Income tax	1,014	-332	683
Profit/loss	22,222	-7,626	14,598

Note 12 – Onerous contracts

Cost of materials includes IAS 37 provision for onerous contracts of EUR 350 thousand related to the current high prices of raw materials, and estimates the financial statement impact if material prices remain at the June 30th levels with no changes in contracted sales prices. The assumptions used in the estimate are historical material and sales prices and have not taken into account facts that were not present at the end of the reporting period.

Note 13 – Subsequent events

On 15 July, 2022 Elopak and Packaging Management and Investing LLC, a company beneficially owned by management of JSC Elopak, have reached an agreement (the “SPA”) for the sale and purchase of all of Elopak’s shares in JSC Elopak.

Reference is made to stock notices on 3 March 2022 and 4 March 2022 regarding the temporary suspension of Elopak’s business activities in Russia. In consequence of the outlook with respect to continued business operations in Russia, Elopak has reached an agreement with local management representatives in Russia for the sale of all of Elopak’s shares in JSC Elopak, representing a full divestment by Elopak from its existing Russian operations.

The SPA includes the materials terms of the transaction, including payment of the purchase price, which will be payable in five annual instalments, the first of which becomes due shortly after completion of the transaction. The completion of the sale is subject to local governmental approvals. We do not expect further material financial gains and losses in future periods as a result of concluding the transaction. However, the investment is reporting in RUB and the settlement is in RUB, hence there will be an inherent currency risk related to the transaction. As per Q2 2022, several scenarios of divesting JSC Elopak were considered as realistic and the entity was not classified as Discontinuing Operations under IFRS 5. Following the signing of the SPA, JSC Elopak will be presented as a discontinuing operation in the Financial Statements from Q3 2022.

In addition, in light of the unpredictable outlook in sanctions laws towards Russia, Elopak has a right to withdraw from the transaction until closing in the event that it becomes illegal under Norwegian law. It is expected that completion of the sale will take place in Q3 or Q4 2022.

A close-up photograph of a man's face and upper torso. He has short brown hair and is wearing a light-colored, patterned turtleneck sweater. He is looking slightly to the right of the camera. In his right hand, he holds a rectangular, brown paper-like carton with a white screw-on cap. The carton has the words "Pure-Pak" in a small, sans-serif font at the top, followed by "Packaging by Nature®" in a larger, bold, sans-serif font. The background is blurred, showing what appears to be a Christmas tree with green needles and some small ornaments.

Pure-Pak®

Packaging
by Nature®

Alternative Performance Measures (APMs)

The Group prepares and reports its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the IASB and as endorsed by the EU (IFRS). In addition, the Group presents several Alternative Performance Measures (APMs).

In accordance with European Securities and Market Authority (ESMA) guidelines dated May 10, 2015, an APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). It should be noted that these measures do not have any standardised meaning prescribed by IFRS and therefore are not necessarily comparable to the calculation of similar measures used by other companies. The APMs are regularly reviewed by the Group's management. The APMs are reported in addition to but are not substitutes for the Group's consolidated financial statements, prepared in accordance with IFRS.

The APMs provide supplementary information to measure the Group's performance and to enhance comparability between financial periods. The APMs also provide measures commonly reported and widely used by investors, lender, and other stakeholders as an indicator of the Group's performance. These APMs are among other, used in planning for and forecasting future periods, including assessing our ability to incur and service debt including covenant compliance. APMs are defined consistently over time and are based on the Group's consolidated financial statements (IFRS).

EBITDA

EBITDA is a measure of earnings before interest, taxes, depreciation, amortisation, and impairments. The Group presents this APM because management considers it to provide useful supplemental information for understanding the overall picture of profit generation in the Group's operating activities and for comparing its operating performance with that of other companies.

Adjusted EBITDA

Adjusted EBITDA is a measure of EBITDA adjusted for certain items affecting comparability (the Adjustment items) and further including the Group's share of net income from joint ventures (continued operations) presented as part of financial income and expenses. The Group presents this APM because management considers it to be an important supplemental measure for understanding the underlying profit generation in the Group's operating activities and comparing its operating performance with that of other companies.

Adjusted profit

Adjusted profit represents the Group's profit adjusted for certain items affecting comparability, taking into account the Adjustment items, related estimated calculatory tax effects based on a 24% statutory tax rate and excluding historical share of net income from joint ventures that have been discontinued. The Group presents this APM because management considers it to provide useful supplemental information for understanding the Group's profit and for comparability purposes with other companies.

Adjusted basic and diluted earnings per share (Adjusted EPS)

Represents adjusted profit divided by weighted average number of ordinary shares – basic and diluted. Elopak presents adjusted basic and diluted earnings per share because management considers it to be an important supplemental measure for understanding the Group's underlying profit for the year (period) on a per share basis and comparing its profit for the year (period) on a per share basis with that of other companies in the industry.

Net debt

Net debt is a measure of borrowings (including liabilities to financial institutions before amortisation costs and including lease liabilities) less cash and cash equivalents for the period. The Group presents this APM because management considers it as a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking into account cash and cash equivalents within the Group's business that could be utilised to pay down outstanding borrowings. Net debt is also used for monitoring the Group's financial covenants compliance by management.

Net debt/adjusted EBITDA (Leverage ratio)

Leverage ratio is a measure of net debt divided by adjusted EBITDA. The Group presents this APM because management considers it as a useful indicator of the Group's ability to meet its financial obligations. Net debt/adjusted EBITDA is also used for monitoring the Group's financial covenants compliance by management.

Items excluded from adjusted EBITDA

(EUR 1,000)	Quarter ended 30 Jun		Year to date ended 30 Jun		Year ended 31 Dec
	2022	2021	2022	2021	2021
Impairment fixed and long term assets Ukraine/Russia	-1,636	-	11,901	-	-
Impairment short term assets Ukraine/Russia	-4,995	-	2,676	-	-
Onerous contracts	-3,590	-	350	-	-
Transaction costs	633	4,343	2,703	5,163	6,820
Total adjusted items	-9,588	4,343	17,630	5,163	6,820
Calulatory tax effect ¹⁾	1,089	-999	26	-1,187	-1,637
Total adjusted items net of tax	-8,499	3,344	17,656	3,976	5,183

Reconciliation of EBITDA and adjusted EBITDA

Operating profit	16,473	14,774	1,736	31,932	54,076
Depreciation, amortisation and impairment adjusted	17,390	14,664	30,957	28,161	56,450
Impairment fixed and long term assets Ukraine/Russia	-1,636	-	11,902	-	-
EBITDA	32,227	29,438	44,595	60,092	110,526
Total adjusted items with EBITDA impact	-7,952	4,343	5,728	5,163	6,820
Share of net income from joint ventures (continued operations) ²⁾ ³⁾	1,020	945	1,932	1,827	3,575
Adjusted EBITDA	25,297	34,726	52,256	67,083	120,921

¹⁾Calulatory tax effect on adjusted items at 24%

²⁾ Share of net income and impairment on investment from joint ventures included in adjusted figures

³⁾ See reconciliation of net income from joint ventures

Adjusted profit

(EUR 1,000)	Quarter ended		Year to date ended		Year ended
	30 Jun		30 Jun		31 Dec
	2022	2021	2022	2021	2021
Profit	13,620	12,407	-3,729	23,359	33,809
Total adjusted items net of tax	-8,499	3,344	17,656	3,976	5,183
Adjusted profit	5,120	15,751	13,927	27,334	38,992

Net debt and leverage ratio

(EUR 1,000)	Quarter ended		Year to date ended		Year ended
	30 Jun		30 Jun		31 Dec
	2022	2021	2022	2021	2021
Bank debt ¹⁾	305,000	174,662	305,000	174,662	170,000
Overdraft facilities	1,691	7,159	1,691	7,159	14,420
Cash and equivalents	-24,287	-10,328	-24,287	-10,328	-24,262
Lease liabilities	80,915	82,986	80,915	82,986	80,604
Net debt	363,319	254,480	363,319	254,480	240,762

¹⁾Bank debt is excluding amortised borrowing costs of EUR 767 thousand as of June 30, 2022 and EUR 567 thousand as of December 31, 2021

Leverage ratio ²⁾	3.4	2.1	3.4	2.1	2.0
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²⁾Leverage ratio per June 30, 2022 is calculated based on last twelve months adjusted EBITDA of EUR 106,096 thousand

Adjusted EPS

(EUR 1,000 except number of shares)	Quarter ended		Year to date ended		Year ended
	30 Jun		30 Jun		31 Dec
	2022	2021	2022	2021	2021
Weighted-average number of ordinary shares	269,218,526	253,432,450	269,218,044	252,041,627	260,786,305
Profit	13,620	12,407	-3,729	23,359	33,809
Adjusted profit	5,120	15,708	13,927	27,334	38,992
Basic and diluted earning per share (in EUR)	0.05	0.05	-0.01	0.09	0.13
Adjusted basic and diluted earning per share (in EUR)	0.02	0.06	0.05	0.11	0.15

Reconciliation of net income from joint ventures

(EUR 1,000)	Quarter ended		Year to date ended		Year ended
	30 Jun	2021	30 Jun	2021	31 Dec
Share of net income joint ventures	2022	2021	2022	2021	2021
Lala Elopak S.A. de C.V.	491	644	1,159	1,422	2,589
Impresora Del Yaque	525	301	789	406	1,124
Elopak Nampak Africa Ltd	5	-	-16	-	-137
Total share of net income joint ventures	1,020	945	1,932	1,827	3,575
Share of net income joint ventures continued operations	1,020	945	1,932	1,827	3,575
Share of net income continued operations	1,020	945	1,932	1,827	3,575

Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period January 1 to June 30, 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Elopak Group's assets, liabilities, financial position and result for the period. We also confirm to the best of our knowledge that the financial review includes a fair review of significant events that have occurred during the financial period and their impact on the financial statements, any significant related parties transactions and a description of the principal risks and uncertainties for the financial period.

Elopak Group Consolidated Financial Statements

Skøyen, August 17, 2022
Board of Directors in Elopak ASA



Jo Olav Lunder
Chairperson



Trond Solberg
Board member



Anna Belfrage
Board member



Sid Johari
Board member



Sanna Suvanto-Harsaae
Board member



Erlend Sveva
Board member



Anette Bauer Ellingsen
Board member



Thomas Körmendi
CEO

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FINANCIAL CALENDAR

October 26, 2022 Quarterly Report – Q3

Elopak reserves the right to revise the date

Cautionary note

The interim report contains certain forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "plans", "targets", "aims", "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "continues", "should" and similar expressions. Any statement, estimate or projections included in the Information (or upon which any of the conclusions contained herein are based) with respect to anticipated future performance (including, without limitation, any statement, estimate or projection with respect to the condition (financial or otherwise), prospects, business strategy, plans or objectives of the Group and/or any of its affiliates) reflect, at the time made, the Company's beliefs, intentions and current targets/aims and may prove not to be correct. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. No representation or warranty is given as to the completeness or accuracy of any forward-looking statement contained in the Information or the accuracy of any of the underlying assumptions.



