Third quarter

2022 report

ELOPAK

OUR

VI
SI
ON

Chosen
by people,
packaged
by nature

OUR

MIS
SI
ON

As worldwide makers of carton-based packaging, we are committed to remaining our customers' partner and the consumers' favorite, through relentlessly developing new solutions for an expanding range of content.

Applying market-leading technology, skills and natural material sourcing, we always aim to provide the highest quality products that leave the world unharmed.

This is Elopak

Elopak is a leading global supplier of liquid carton packaging and filling equipment. We use renewable, recyclable and sustainably sourced materials to provide innovative packaging solutions. Our iconic Pure-Pak® cartons are designed with the environment, safety and convenience front of mind. They offer a natural and convenient alternative to plastic bottles and fit within a low carbon circular economy.

Elopak was founded in Norway in 1957. Today, Elopak has its head office in Oslo, employs 2,500 people and sells in excess of 14 billion cartons every year across more than 70 countries. Our customers are private companies in food and retail. Elopak has a Platinum CSR rating by EcoVadis, making it top 1% sustainable companies in the world.

THIRD QUARTER 2022 HIGHLIGHTS

- Reported revenue increased by 26%, to EUR 272.4 million, driven by growth in EMEA and Americas.
- Organic growth was 15.2% adjusted for currency translation of EUR 13.9 million and new revenue from acquired businesses of EUR 12.1 million.
- Price increases in the quarter compensated for the continued raw material increase of approximately EUR 17 million.
- Adjusted EBITDA was EUR 32.0 million, which is an improvement of EUR 2.0 million.
- Improved leverage ratio in the quarter from 3.6x to 3.3x as of third quarter 2022.

Subsequent events

- On July 15, 2022 Elopak entered into an agreement to divest the Russian legal entity. The agreement terms implies that Elopak lost control of the Russian entity on the date it was signed, hence the entity is no longer consolidated in the Elopak Group. The comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operation separately from the continuing operations. Revenues and results for 2021 and 2022 in below CEO comments and financial review exclude the impact from Russian entity. The comparative balance sheet has not been re-presented.

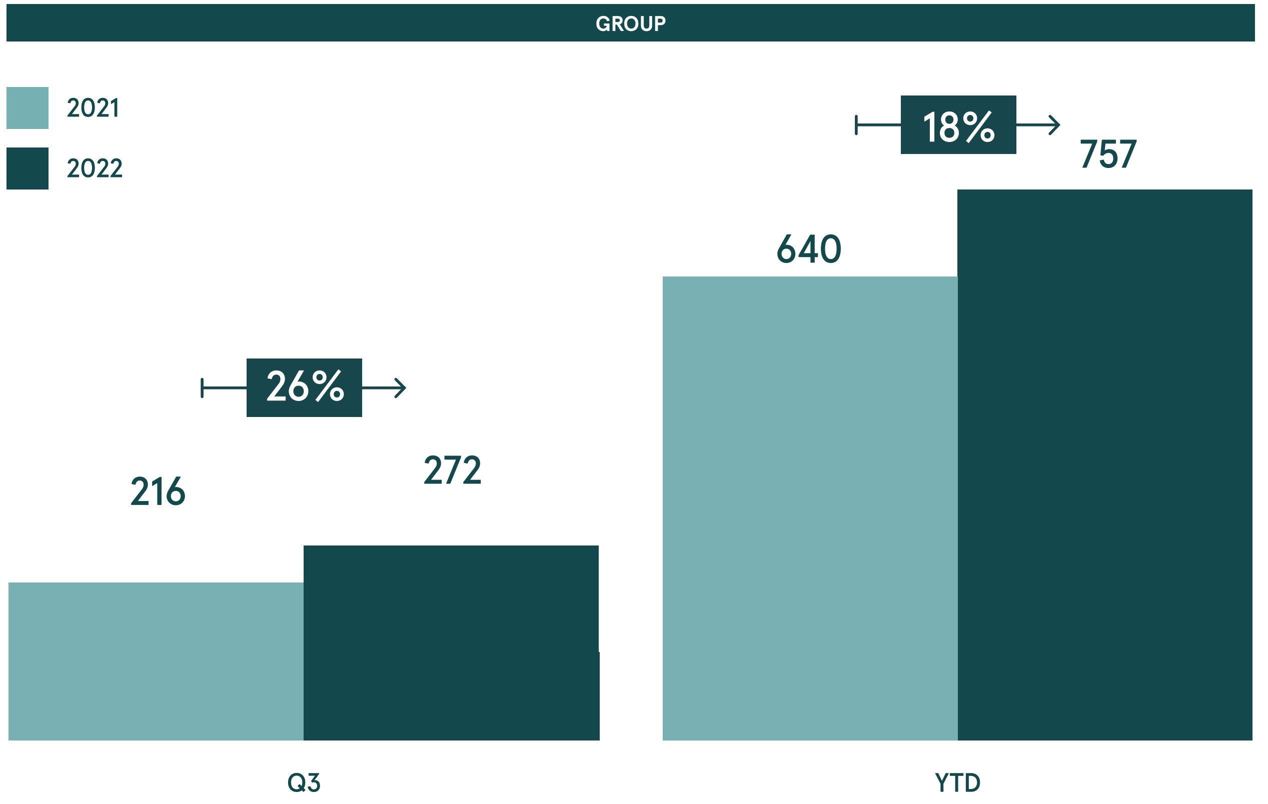
  The gain/loss in the third quarter resulting from the transaction and deconsolidation can be found in note 12.

Summary underlying financial and operating results and liquidity

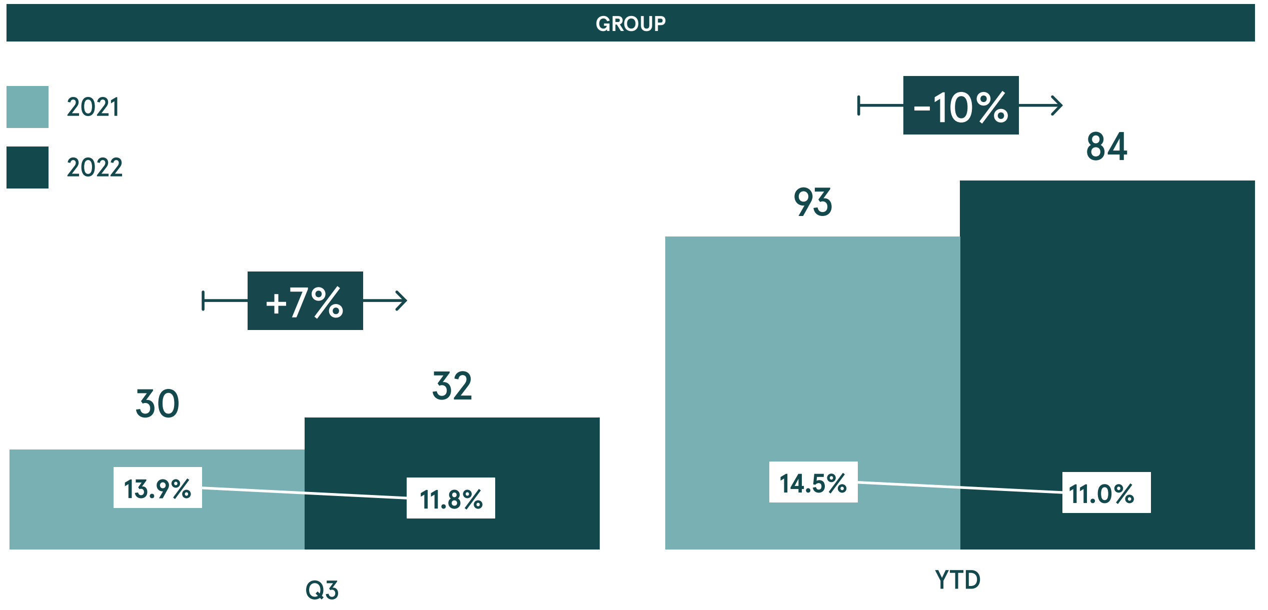
	Quarter ended September 30			Year to date ended September 30		
(EUR 1.000.000)	2022	2021	Change	2022	2021	Change
Revenues	272.4	216.3	26 %	756.6	640.0	18 %
EBITDA[1]	30.7	29.3	5 %	75.6	85.2	-11 %
Adjusted EBITDA[1]	32.0	30.0	7 %	83.5	92.9	-10 %
Adjusted EBITDA margin	11.8 %	13.9 %	-15 %	11.0 %	14.5 %	-24 %
Profit for the period	13.2	10.0	32 %	23.0	31.2	-26 %
Adjusted profit for the period[1]	13.7	10.1	36 %	31.9	35.3	-9 %
Net debt	346.7	247.1		346.7	247.1	
Leverage ratio[1]	3.3	-		3.3	-	
Adjusted basic and diluted earnings per share (in EUR)	0.05	0.04		0.12	0.15	

[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: Strong Performance in Challenging Times

Elopak's performance was strong in the third quarter (Q3) despite a challenging business environment. We continue to deliver profitable organic growth, as we execute on our sustainability-driven growth strategy. Among our most notable achievements in Q3 were a very strong performance in Americas, successful implementation of price increases on our products in Europe, first installation at customer site of our new aseptic Pure-Fill machine, and a better than expected start to our new business in India.

We reported a strong revenue growth of 26% in Q3, to EUR 272.4 million, compared to the same quarter last year. Adjusting for acquisitions and currency translation effects, organic revenue growth was 15.2%. As stated above, the Americas business had yet another quarter of strong growth, driven by higher volumes. In addition, price increases on our products in Europe contributed positively to the revenue growth for the group. Adjusted EBITDA in Q3 grew by 2.0 million to EUR 32.0 million, reflecting an 11.8% margin. Margins were lower than in the same quarter last year mainly due to inflationary pressures. To compensate for the cost increases, Elopak has been obliged to implement higher prices, most of which have been realized in full in Q3. This has resulted in a margin recovery compared to Q2.

A key achievement in our strategy implementation is the result of the excellent work that our colleagues in Americas have been doing over time. As previously communicated, we are broadening our portfolio in Americas and supplying the juice category with fit-for-purpose packaging material. In Q3, a milestone was reached when we qualified and started delivering cartons to one of the largest juice fillers in the US. We have also increased our market share of filling machines in the Americas.
Sales of filling machines has been very strong this year, driven by high quality equipment with attractive TCO (total cost of ownership).

We are pleased to see that our newly acquired business in MENA is delivering sales according to plan, while our new business in India is developing significantly better than expected, as we are working rigorously together with our partner, GLS, to adapt the organization to the significant growth potential ahead.

Given the recent global supply chain challenges, we are still experiencing some delays in the roll-out of our aseptic portfolio. However, in Q3, we delivered our first Pure-Fill 2-liter aseptic filling machine to a customer in Europe. This is a breakthrough for Elopak, as placement of our new and innovative Pure-Fill filling machines at customer sites is the first step in the roll-out of our new aseptic modular platform.

Sustainability drives everything we do, and in Q3 we started field-testing of our newest Pure-Pak® eSense carton with a major customer in Europe for plant-based products. The Pure-Pak® eSense is an aluminum-free carton, and contains a polymer-based barrier which reduces carbon footprint by up to 50% vs an aseptic aluminum-based carton. The removal of aluminum also simplifies recycling. Collaboration with our customers is progressing well and we continue our innovating efforts to reduce the carbon footprint of our products.

The global market for packaging is large and has so far been dominated by plastic. There is increasing consumer pressure to make packaging more sustainable, particularly within food and beverage, and many global Fast-Moving Consumer Goods (FMCG) companies have ambitious targets to reduce the use of plastic packaging. We expect the use of plastic food & beverage packaging to drop significantly in the long-term. Elopak is well-positioned to leverage this plastic-to-carton conversion trend.

So far, 2022 has been characterized by continued high raw material prices, general inflationary pressure in all markets, supply chain issues following the pandemic and a 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 constrained. Recently, this challenging environment has affected consumer behavior, leading to a preference towards typically lower-priced private label brands. Across the whole organization, we are working closely and relentlessly with our customers to minimize the impact of these challenges.

We remain optimistic on the longer-term market fundamentals. Elopak sales is mainly to fresh dairy and aseptic milk and juice customers, which have proven to be resilient market segments. Although we see near-term challenges in mature markets, we see significant growth in certain market segments, such as plant-based products. We still see market growth in MENA and APAC.

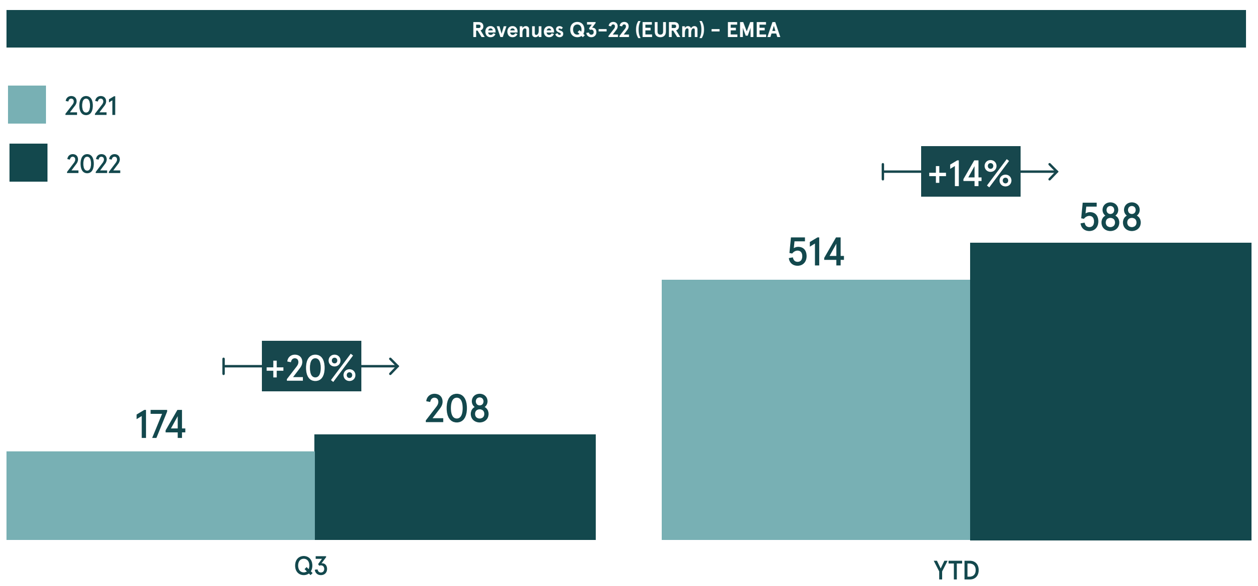
Going forward, we expect our performance in Q4 to improve due to our ongoing initiatives to grow our top-line and strengthen our results. For 2022, we expect group revenue to come in above EUR 1 billion. We expect adjusted EBITDA margin in Q4 2022 to be in line with Q3 2022.

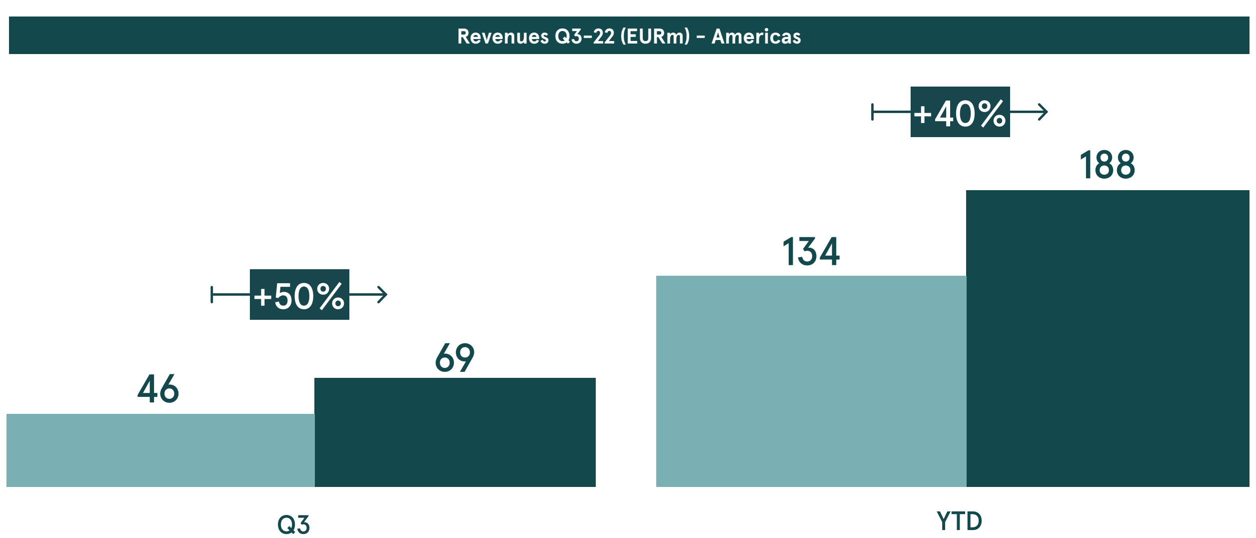
"I am happy to announce yet another quarter of strong revenue growth for Elopak. We are very pleased to report a 7% increase in EBITDA vs the same quarter last year, as we are actively mitigating the unprecedented raw material prices and the challenging business environment"

Thomas Körmendi
Chief Executive Officer - CEO

FINANCIAL REVIEW

Geographic revenue (EURm)





Revenues

Unless explicitly expressed, the statement of income for 2021 and 2022 excludes the Russian entity. As such the financial review focuses on the continuing operations.

In the third quarter of 2022, revenues were EUR 272.4 million, an increase of 26% compared to same period last year, or EUR 56.1 million. Adjusting for currency translation effects (EUR to USD) and acquisitions, the increase was 15%, or EUR 33.0 million.

In EMEA, revenues increased by EUR 34.3 million compared to the same quarter last year. The acquired businesses in MENA and India contributed with a total of EUR 12.1 million in the quarter.

The key driver for the strong organic revenue development in the quarter was the price increases on our products. While the second quarter was a period of implementation and ramp-up, most of the price increases have been fully realized in the third quarter. In terms of volume, the development in the quarter was relatively stable for Pure-Pak®, when adjusting for acquired business. Fresh volumes decreased mainly due to underlying consumption decline. Aseptic volumes had a slight increase, driven by continued growth in Ultra-High Temperature Milk (UHT) and a good summer season in Southern Europe. The revenue growth in EMEA is also partly driven by higher Roll-Fed volumes.

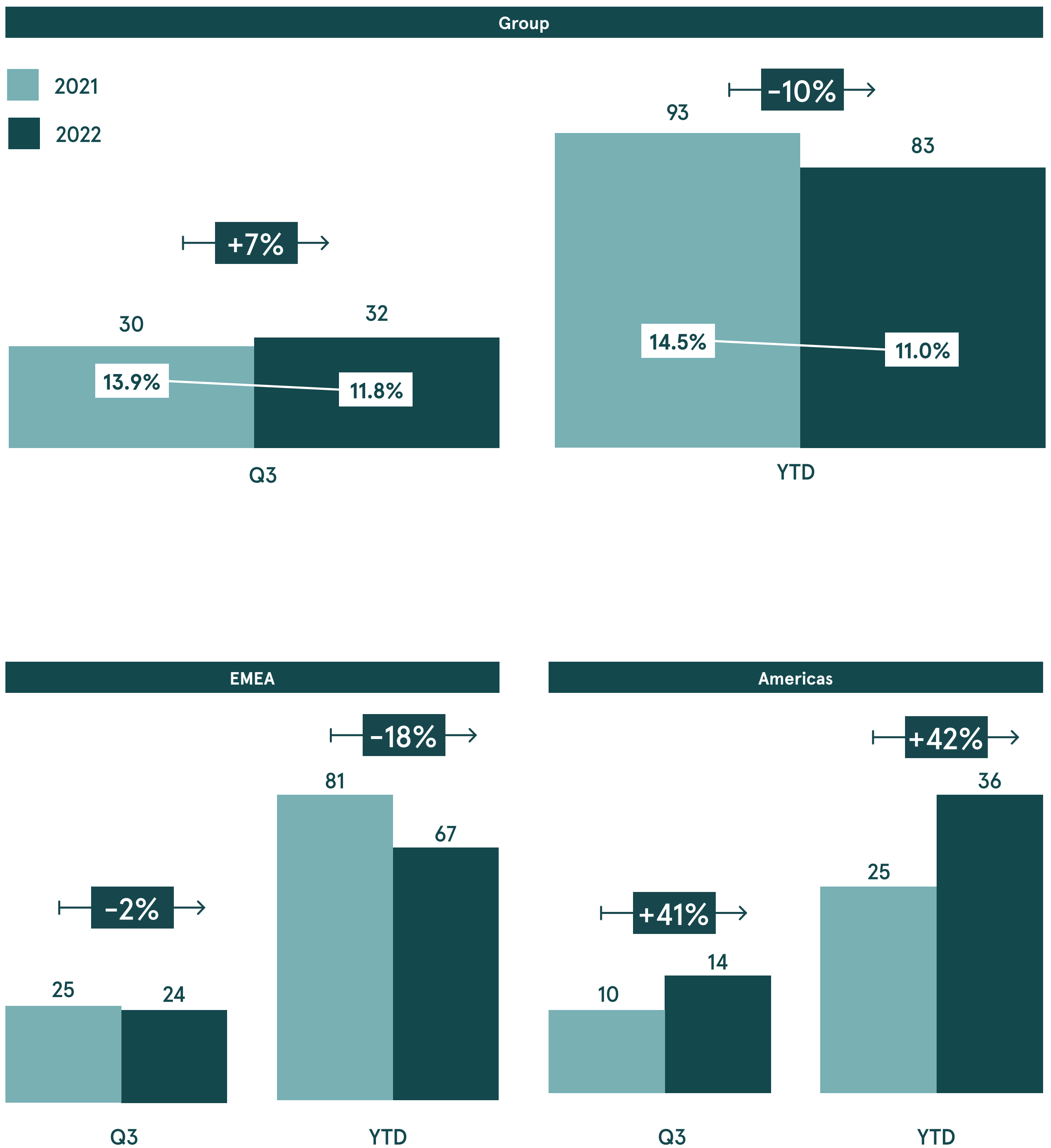
The Americas business performed well, with total revenue growth of 50% compared to third quarter of 2021 (26% adjusted for currency translation effects). In Americas the strong development was mainly driven by volume growth. In the juice- and plant-based segments the growth is supported by completed qualifications of board. Sale of school milk cartons continued to grow compared to the same quarter last year, although volumes started to ramp up in the second half of 2021. Pass-through of raw materials had a positive impact on revenue in the quarter as material prices continued to increase. In the quarter, two smaller filling machines were commissioned, contributing with EUR 2 million in revenue growth.

Year to date 2022, Group revenues increased by 18%, or EUR 117 million. Adjusted for currency translation effects, revenue growth was 15%. YTD impact from acquired business is EUR 24 million.

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

In Americas year to date revenues increased by EUR 53.9 million compared to last year. Currency translation effects had a EUR 22.0 million favourable impact, due to stronger USD against EUR. The organic revenue growth was EUR 31.9 million, mainly a result of volume growth, price increases and pass-through of raw material prices.

Adjusted EBITDA distribution (EURm)



Adjusted EBITDA and EBITDA

Adjusted EBITDA in the third quarter of 2022 increased by EUR 2.0 million or 7%, from EUR 30.0 million in 2021 to EUR 32.0 million in 2022. The adjusted EBITDA margin at 11.8% is below the comparative period, predominantly due to the inflationary pressure on raw materials and fixed cost.

In EMEA, adjusted EBITDA decreased by EUR 0.4 million in the quarter. Adjusted EBITDA margin in the quarter was 11.8%, compared to 14.3% in the same period last year. EBITDA from acquired business was EUR 1.6 million. The high raw material cost was the main reason for the underlying margin decline in EMEA. The market price of Polyethylene (PE) and aluminium declined in the period, but due to inventory turnover the material consumed in production in the quarter was still at a price level in line with the second quarter and well above the comparable period last year. Energy costs fluctuated significantly but were on average higher in the third quarter than in the second quarter. In total, raw material cost increases had an estimated impact of EUR 17 million in the European carton and closure business, which was mitigated by price increases of EUR 18 million. In manufacturing, production efficiency was slightly lower than last year due to increased complexity following the close-down in Russia.

In Americas, adjusted EBITDA increased by EUR 4.0 million in the quarter. Adjusted EBITDA margin was 19.7%, compared to 21.0% in the same period last year, which was a very strong quarter for Americas. Currency translation had a favourable impact of EUR 1.9 million. The underlying improvement in EBITDA was predominantly a result of top line growth and improved share of net profit in the two American Joint Ventures. The raw material indexing in customer agreements provided protection against the higher raw material costs. Operations in the Montreal plant remained strong.

On a year to date basis, adjusted EBITDA for the Group decreased by 10%, or EUR 9.4 million. The decrease is mainly a result of the higher raw material cost in EMEA.

In EMEA, adjusted EBITDA year to date decreased by EUR 14.4 million. Adjusted EBITDA margin was 11.3%, down from 15.7% in the comparable period. The higher raw material cost had a negative impact of EUR 40 million.

In Americas, adjusted EBITDA year to date increased by EUR 10.5 million. Adjusted EBITDA margin was 19.0%, up from 18.9% in the same period last year.

The Group operating cost increased as a result of strengthening central functions following the IPO and a general normalization of costs post Covid-19.

Operating profit

In the third quarter of 2022, operating profit decreased by EUR 2.0 million, from EUR 15.7 million in same period last year to EUR 13.7 million in 2022.

In the quarter, Elopak incurred EUR 0.1 million in transaction cost linked to closing of GLS acquisitions. This is in line with the comparable period.

Depreciation and amortisation were EUR 3.4 million higher than the same period last year. This is mainly due to amortisation of non-current assets related to Naturepak and GLS Elopak.

Year to date operating profit decreased by EUR 18.9 million. EUR 3.8 million is due to impairments of non-current assets in Ukraine. EUR 5.6 million is due to increased depreciation of other assets, predominantly related to Naturepak. The remaining margin development is a result of the factors

Reconciliation of EBITDA and adjusted EBITDA

	Quarter ended September 30		Year to date ended September 30		Year ended December 31
(EUR 1,000)	2022	2021	2022	2021	2021
Operating profit	13 654	15 666	25 669	44 582	49 224
Depreciation, amortisation and impairment adjusted	17 157	13 600	46 193	40 580	54 096
Impairment fixed and long term assets Ukraine	-126		3 777	-	-
EBITDA	**30 686**	**29 266**	**75 639**	**85 161**	**103 320**
Total adjusted items with EBITDA impact	-103	121	4 444	5 284	6 820
Share of net income from joint ventures (continued operations)[1) 2)]	1 455	627	3 387	2 454	3 575
Adjusted EBITDA	**32 038**	**30 014**	**83 471**	**92 899**	**113 715**

[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

Profit for the quarter

In the third quarter of 2022, profit from continuing operations increased to EUR 13.2 million in 2022, up by EUR 3.2 million, from EUR 10.0 million in the same period of 2021.

Share of net income from joint ventures was EUR 1.5 million in the quarter, an increase of EUR 0.8 million from 2021.

Net financial expenses improved by EUR 5.2 million in the quarter. The main driver is the EUR 2.6 million in value increase of interest rate derivatives, following the higher market rates. Net currency was positive by EUR 1.2 million compared to a net loss at EUR 1.1 million in the same period last year.

Tax expense for the quarter was EUR 4.1 million, which is an increase of EUR 0.8 million compared to same period last year. 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.

Year to date profit from continuing operations decreased by EUR 8.2 million, in line with the development of the operating result and the improvement in the financial expenses.

Discontinued operations - Russia

Profit from discontinued operations was EUR -10.1 million in the quarter. The negative result reflects the loss on the sale of the discontinued operations and includes a translation difference at EUR -7.1 million. The Russian entity is deconsolidated as of July 15, 2022. Until the transaction is closed, the fair value of the shares in the company are presented as other current assets in the Consolidated statement of financial position. The fair value reflects considerations of credit risk, settlement risk and the payment profile over 5 years.

Year to date profit from discontinued operations was EUR -23.6 million. The negative result reflects ordinary business until operations were suspended in March and the following impairments of assets as presented in the first and second quarter. For further details please refer to note 12.

Cash flow

	Year to date ended September 30		
(EUR 1,000)	2022	2021	Change
Net cash flow from operations	25 437	48 775	-48 %
Net cash flow from investing activities	-121 977	-13 843	781 %
Net cash flow from financing activities	91 542	-25 907	-453 %
Foreign currency translation on cash	5 566	707	687 %
Net increase/decrease in cash	**569**	**9 732**	**-94 %**

Cash flows

Year to date 2022, cash flow from operations was EUR 25.4 million which is an improvement of EUR 16.5 million compared to the last quarter. Cash from operations was impacted by increased working capital, mainly as a result of top line growth. Inventories increased year to date following inflationary pressure and delayed placement of filling machines.

Net cash flow used in investing activities was EUR -122.0 million. The main investments were the acquisitions of Naturepak and Elopak GLS. See note 10 for details. In the existing business, investments were EUR 29 million, consisting of filling machine projects in Europe and manufacturing plant projects in Europe and Americas. This is EUR 9 million higher than in the same period last year and in line with normal levels.

Net cash flows from financing activities were EUR 91,5 million, reflecting an increase in bank loans. The increase is predominantly due to the funding of acquisitions.

Capital structure

Net interest-bearing bank debt has increased from EUR 160 million at year end 2021 to EUR 273 million as of September 30, 2022. The main reason for the increase is funding of the acquisitions, as explained in the cash flow section. Consequently, the Leverage Ratio as of September 30, 2022 was 3.3x. In the fourth quarter the High Bay Warehouse will be finalized and the lease liability according to IFRS 16 will increase net debt. As announced in the stock market notice of June 22, 2022, Elopak has signed an amendment to the existing loan agreement to adjust the covenant to exclude the effect of the lease renewals.

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

Equity increased by EUR 3.8 million, from EUR 269.1 million as of December 31, 2021 to EUR 272.8 million as of September 30, 2022. Total comprehensive income year to date 2022 was EUR 13.8 million. A dividend at EUR 19.6 million was paid on May 19, 2022. As part of the acquisition of Elopak GLS, a non-controlling interest in equity was established at EUR 9.4 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

Condensed consolidated statement of comprehensive income

(EUR 1,000)	Note	Quarter ended September 30 Unaudited 2022	Unaudited 2021	Year to date ended September 30 Unaudited 2022	Unaudited 2021
Revenues	3	272 382	216 309	756 639	640 025
Other operating income		42	3	58	3
Total income	4	**272 425**	**216 312**	**756 697**	**640 028**
Cost of materials	11, 13	-184 043	-137 204	-507 562	-397 154
Payroll expenses		-44 509	-39 900	-131 919	-124 757
Depreciation, amortization and impairment	5, 11	-17 032	-13 600	-49 970	-40 580
Other operating expenses	11	-13 187	-9 942	-41 577	-32 955
Total operating expenses		**-258 771**	**-200 646**	**-731 028**	**-595 446**
Operating profit	4	**13 654**	**15 666**	**25 669**	**44 582**
Financial income and expenses					
Share of net income from joint ventures		1 455	627	3 387	2 454
Financial income		3 069	1 784	10 917	1 576
Financial expenses		-2 059	-3 712	-8 231	-7 240
Foreign exchange gain/loss		1 150	-1 124	-1 016	716
Profit before tax from continuing operations		**17 269**	**13 241**	**30 726**	**42 088**
Income tax	9	-4 067	-3 276	-7 726	-10 865
Profit from continuing operations		**13 202**	**9 964**	**23 000**	**31 222**
Discontinued operations Russia	12	-10 095	927	-23 622	3 027
Profit/loss		**3 107**	**10 892**	**-622**	**34 249**
Profit attributable to:					
Elopak shareholders		3 405	10 892	-84	31 222
Non-controlling interest		-298	-	-538	-
Basic and diluted earnings per share from continuing operations (in EUR)		0.05	0.04	0.09	0.11
Basic and diluted earnings per share from discontinued operations (in EUR)		-0.04	0.00	-0.09	0.01
Basic and diluted earnings per share attributable to Elopak shareholders (in EUR)		0.01	0.04	0.00	0.12

Condensed consolidated statement of comprehensive income continued

(EUR 1,000) OTHER COMPREHENSIVE INCOME	Note	Quarter ended September 30 Unaudited 2022	Unaudited 2021	Year to date ended September 30 Unaudited 2022	Unaudited 2021
Items that will not be reclassified subsequently to profit or loss					
Net value gains/losses on actuarial benefit plans, net of tax		21		47	-18
Items reclassified subsequently to net income upon derecognition					
Exchange differences on translation foreign operations	12	14 998	2 047	21 974	5 741
Net value gains/losses on cash flow hedges, net of tax		-4 832	-1 943	-7 596	8 125
Other comprehensive income, net of tax		**10 187**	**104**	**14 425**	**13 849**
Total comprehensive income		**13 294**	**10 995**	**13 803**	**48 098**
Total comprehensive income attributable to:					
Elopak shareholders		13 207	10 995	13 957	48 098
Non-controlling interest		87		-153	

Condensed consolidated statement of financial position

(EUR 1,000) ASSETS	Note	September 30, 2022 Unaudited	September 30, 2021 Unaudited	December 31, 2021 Audited
Non-current assets				
Development cost and other intangible assets	**11**	72 043	57 436	56 862
Deferred tax assets	**11**	22 369	22 070	21 640
Goodwill	**10**	107 987	52 033	51 866
Property, plant and equipment	**10, 11**	206 486	178 878	186 426
Right-of-use assets	**5, 10, 11**	60 027	63 197	62 952
Investment in joint ventures		36 732	28 945	27 527
Other non-current assets	**10**	19 565	14 688	13 501
Total non - current assets		**525 208**	**417 247**	**420 775**
Current assets				
Inventory	**10, 11**	180 069	134 529	145 115
Trade receivables	**10, 11**	105 065	91 813	91 533
Other current assets	**10, 11, 12**	103 652	111 323	101 595
Cash and cash equivalents	**10**	24 831	16 176	24 262
Total current assets		**413 617**	**353 840**	**362 505**
Total assets	4	**938 825**	**771 086**	**783 279**

Condensed consolidated statement of financial position continued

(EUR 1,000) EQUITY AND LIABILITIES	Note	September 30, 2022 Unaudited	September 30, 2021 Unaudited	December 31, 2021 Audited
EQUITY				
Share capital	**6**	50 155	50 155	50 155
Other paid-in capital	**6**	70 451	70 226	70 236
Currency translation reserve		-12 293	-36 189	-33 883
Cash flow hedge reserve		-3 381	8 122	4 215
Retained earnings		158 671	179 062	178 330
Attributable to Elopak shareholders		263 602	271 376	269 054
Non-controlling interest		9 223	-	-
Total equity		**272 825**	**271 376**	**269 054**
LIABILITIES				
Non-current liabilities				
Pension liabilities		2 386	2 458	2 563
Deferred taxes	**10**	18 499	12 144	11 488
Non-current liabilities to financial institutions	**7**	284 333	154 009	169 433
Non-current lease liabilities	**10**	59 988	62 755	62 342
Other non-current liabilities	**10**	2 649	3 817	2 900
Total non-current liabilities		**367 856**	**235 182**	**248 726**
Current liabilities				
Current liabilities to financial institutions	**7, 10**	12 713	27 442	14 420
Trade payables	**10**	142 284	109 102	119 574
Taxes payable		2 235	11 382	4 335
Public duties payable		24 671	20 855	24 077
Current lease liabilities	**10**	13 821	18 422	18 261
Other current liabilities	**10**	102 420	77 325	84 832
Total current liabilities		**298 145**	**264 527**	**265 499**
Total liabilities		**666 001**	**499 709**	**514 226**
Total equity and liabilities		**938 825**	**771 086**	**783 279**

Skøyen, October 26, 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 September 30 2022 Unaudited	 2021 Unaudited
Profit before tax (including discontinued operations)		7 901	45 871
Interest to financial institutions		3 225	818
Lease liability interest		3 250	3 603
Profit before tax and interest paid		**14 376**	**50 292**
Depreciation, amortization and impairment		56 648	42 340
Write-down of financial assets		500	500
Net unrealised currency gain(-)/loss		11 892	–1 966
Income from joint ventures		–3 387	–2 454
Taxes paid		–8 275	–10 853
Change in trade receivables		–8 504	23 596
Change in other current assets		–9 107	–42 178
Change in inventories		–28 727	4 130
Change in trade payables		19 193	–6 638
Change in other current liabilities		–18 587	–7 880
Change in net pension liabilities		–613	–110
NET CASH FLOW FROM OPERATIONS		**25 437**	**48 775**
Purchase of non-current assets		–29 461	–20 445
Proceeds from sales of non-current assets		1 200	15
Acquisition of subsidiaries and joint ventures	10	–97 356	–
Dividend from joint ventures		0	1 783
Change in other non-current assets		3 641	4 804
NET CASH FLOW FROM INVESTING ACTIVITIES		**–121 977**	**–13 843**
Proceeds of loans from financial institutions		873 387	550 055
Repayment of loans from financial institutions		–753 499	–598 582
Interest to financial institutions		–3 225	–818
Purchase and payments to non-controlling interest	10	9 223	–
Dividend paid		–19 623	–9 988
Capital increase		224	48 924
Lease payments		–14 945	–15 497
NET CASH FLOW FROM FINANCING ACTIVITIES		**91 542**	**–25 907**
Foreign currency translation on cash		5 566	707
Net increase/decrease in cash		569	9 733
Cash at beginning of year		24 262	6 443
Cash at end of period		24 831	16 176

Condensed consolidated statement of changes in equity

(EUR 1,000)

Year to date ended September 30, 2022 Unaudited	Note	Share capital	Other paid-in capital	Currency trans-lation reserve	Cash flow hedge reserve	Retained earnings	Non-con-trolling interests	Total equity
Total equity 01.01		**50 155**	**70 236**	**–33 883**	**4 215**	**178 330**	**–**	**269 054**
Profit for the period		–	–	–	–	–85	–538	–623
Other comprehensive income for the period net of tax		–	–	21 589	–7 596	47	385	14 425
Total comprehensive income for the period		**–**	**–**	**21 589**	**–7 596**	**–38**	**–153**	**13 802**
Dividend paid		–	–	–	–	–19 623	–	–19 623
Settlement of share-based bonus 2021		–	–330	–	–	–	–	–330
Provision for share-based bonus 2022		–	554	–	–	–	–	554
Acquisition of GLS Elopak	**10**	–	–	–	–	–	9 376	9 376
Treasury shares		–1	–8	–	–	–	–	–9
Total capital transactions in the period	**6**	**–1**	**215**	**–**	**–**	**–19 623**	**9 376**	**–10 032**
Total equity 30.09		**50 155**	**70 451**	**–12 293**	**–3 381**	**158 671**	**9 223**	**272 825**

(EUR 1,000)

Year to date ended September 30, 2021 Unaudited	Note	Share capital	Other paid-in capital	Currency trans-lation reserve	Cash flow hedge reserve	Retained earnings	Non-con-trolling interests	Total equity
Total equity 01.01		**47 482**	**15 332**	**–41 930**	**–3**	**164 564**	**–**	**185 444**
Profit for the period		–	–	–	–	34 249	–	34 249
Other comprehensive income for the period net of tax		–	–	5 741	8 125	–18	–	13 849
Total comprehensive income for the period		**–**	**–**	**5 741**	**8 125**	**34 231**	**–**	**48 098**
Dividend paid		–	–	–	–	–9 988	–	–9 988
Purchase of treasury shares		58	1 112	–	–	–	–	1 170
Settlement of share-based bonus 2020		5	–2 380	–	–	–	–	–2 375
Provision for share-based bonus 2021			320					320
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**	**54 893**	**–**	**–**	**–19 733**	**–**	**37 834**
Total equity 30.09		**50 155**	**70 226**	**–36 189**	**8 122**	**179 062**	**–**	**271 376**

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 September 30, 2022 on October 26, 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 September 30		Year to date ended September 30	
(EUR 1,000)	**2022**	**2021**	**2022**	**2021**
Germany	43 673	34 834	122 379	111 089
USA	51 508	32 581	139 395	96 990
Canada	17 857	13 080	48 768	36 302
Netherlands	13 804	11 810	41 090	38 865
Norway	5 571	6 137	19 161	18 472
Other	139 969	117 867	385 847	338 307
Total revenues	**272 382**	**216 309**	**756 639**	**640 025**

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

Revenues by product and operating segment

(EUR 1,000)

Quarter ended September 30, 2022	**EMEA**	**Americas**	**Other and eliminations**	**Total**
Cartons and closures	177 142	66 199	-1 231	242 110
Equipment	11 183	2 135	-1 013	12 305
Service	11 362	-	-157	11 206
Other	8 174	499	-1 912	6 761
Total revenues	**207 861**	**68 833**	**-4 312**	**272 382**

Quarter ended September 30, 2021	**EMEA**	**Americas**	**Other and eliminations**	**Total**
Cartons and closures	142 463	45 403	-1 290	186 576
Equipment	13 793	27	-	13 821
Service	10 856	-	-104	10 752
Other	6 490	543	-1 872	5 162
Total revenues	**173 602**	**45 974**	**-3 267**	**216 309**

Note 3 — Revenues continued

Revenues by product and operating segment

(EUR 1,000)

Year to date ended September 30, 2022	EMEA	Americas	Other and eliminations	Total
Cartons and closures	500 680	184 248	−2 827	682 101
Equipment	30 235	2 153	−9 823	22 564
Service	34 290	–	−431	33 860
Other	22 701	1 427	−6 014	18 114
Total revenues	**587 906**	**187 828**	**−19 094**	**756 639**

Year to date ended September 30, 2021	EMEA	Americas	Other and eliminations	Total
Cartons and closures	432 295	130 073	−2 221	560 148
Equipment	31 698	2 557	–	34 255
Service	32 281	–	−343	31 938
Other	17 628	1 307	−5 252	13 684
Total revenues	**513 903**	**133 937**	**−7 815**	**640 025**

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. The tables include investments in continuing operations only.

Operating segments

(EUR 1,000)

Quarter ended September 30, 2022	EMEA	Americas	Other and eliminations	Total
Total revenue and other operating income	207 904	68 833	−4 312	272 425
Operating expenses [1]	−183 115	−56 773	−1 851	−241 739
Depreciation and amortization	−14 531	−1 940	−686	−17 157
Impairment	126	–	–	126
Operating profit	**10 383**	**10 120**	**−6 850**	**13 654**
EBITDA [2]	24 789	12 060	−6 163	30 686
Adjusted EBITDA [2]	24 466	13 588	−6 016	32 038
Total assets	967 652	175 468	−204 294	938 825
Purchase of non-current assets during the quarter	4 658	2 305	714	7 677

Quarter ended September 30, 2021	EMEA	Americas	Other and eliminations	Total
Total revenue and other operating income	173 606	45 974	−3 267	216 312
Operating expenses [1]	−148 646	−37 085	−1 317	−187 048
Depreciation and amortization	−10 925	−1 819	−688	−13 432
Impairment	−169	–	0	−169
Operating profit	**13 867**	**7 069**	**−5 271**	**15 666**
EBITDA [2]	24 961	8 889	−4 583	29 266
Adjusted EBITDA [2]	24 843	9 633	−4 462	30 014
Total assets	610 378	127 952	30 344	771 086
Purchase of non-current assets during the quarter	4 248	6 967	816	12 032

[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 September 30, 2022	EMEA	Americas	Other and eliminations	Total
Total revenue and other operating income	587 964	187 828	-19 094	756 697
Operating expenses [1]	-522 953	-155 532	-2 573	-681 058
Depreciation and amortization	-44 663	-5 313	-2 050	-52 026
Impairment	2 056	-	-	2 056
Operating profit	**22 403**	**26 983**	**-23 718**	**25 669**
EBITDA [2]	65 010	32 296	-21 668	75 639
Adjusted EBITDA [2]	66 516	35 772	-18 817	83 470
Total assets	967 652	175 468	-204 294	938 825
Purchase of non-current assets during the year	32 245	4 838	-7 621	29 461

Year to date ended September 30, 2021	EMEA	Americas	Other and eliminations	Total
Total revenue and other operating income	513 911	133 937	-7 815	640 028
Operating expenses [1]	-433 481	-111 364	-10 027	-554 867
Depreciation and amortization	-32 887	-4 667	-1 993	-39 547
Impairment	-1 033	-	-	-1 033
Operating profit	**46 509**	**17 907**	**-19 834**	**44 582**
EBITDA [2]	80 430	22 574	-17 842	85 161
Adjusted EBITDA [2]	80 753	25 257	-13 110	92 899
	-	-	-	-
Total assets	612 790	127 952	30 344	771 086
Purchase of non-current assets during the year	10 991	7 397	2 057	20 445

[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)

September 30, 2022	Property and buildings	Machinery	Office and transport	Total
Cost at 1.1	53 861	29 987	22 179	106 027
Net additions (disposals) [1]	-2 164	6 959	2 704	7 499
Cost at 30.09	**51 697**	**36 946**	**24 883**	**113 526**
Accumulated depreciation at 1.1	-15 208	-17 001	-10 866	-43 075
Current year depreciation charge	-3 487	-4 020	-2 914	-10 421
Impairment losses (Note 11)		-4		-4
Accumulated depreciation and impairment losses at 30.09	**-18 695**	**-21 025**	**-13 780**	**-53 500**
Carrying amount at September 30	**33 002**	**15 922**	**11 103**	**60 027**

December 31, 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, continuing operation	-4 295	-5 505	-3 743	-13 543
Current year depreciation charge, discontinued operation	-780		-15	-795
Accumulated depreciation at 31.12	**-15 208**	**-17 001**	**-10 866**	**-43 075**
Carrying amount at December 31	**38 652**	**12 986**	**11 314**	**62 952**

[1] The deconsolidation of the Russian right-of-use assets are inluded in the net additions.

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 7,697 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 Q4 of 2022. Additionally, the Group has signed a contract for Tethered Cap lines with a lease term of

Note 5 — Leases continued

5 years and a nominal value of EUR 19,921 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 September 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 September 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

	Quarter ended September 30		Year to date ended September 30	
(EUR 1,000 except number of shares)	2022	2021	2022	2021
Profit attributable to Elopak shareholders	3 405	10 892	-84	31 222
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	-5 519	18 583 664	-2 183	7 309 163
Weighted-average number of ordinary shares in the period	**269 213 495**	**269 219 014**	**269 216 831**	**257 944 513**
Basic and diluted earnings per share attributable to Elopak shareholders (in EUR)	**0,01**	**0,04**	**0,00**	**0,12**

Note 7 — Interest-bearing loans and borrowings

Interest-bearing loans and borrowings

	September 30, 2022		December 31, 2021	
(EUR 1,000)	Available	Utilised	Available	Utilised
Current liabilities to financial institutions	57 622	12 713	56 804	14 420
Non-current liabilities to financial institutions	400 000	284 333	400 000	169 433
Total		**297 047**		**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

	September 30, 2022			December 31, 2021		
(EUR 1,000)	Assets	Liabilities	Total	Assets	Liabilities	Total
Currency derivatives	245	3 850	-3 605	836	2 079	-1 244
Commodity derivatives	1 297	2 811	-1 514	5 303	-	5 303
Interest derivatives	6 855	8	6 847	248	2 058	-1 811
Total	**8 397**	**6 669**	**1 728**	**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 third quarter of 2022 and 2021 decreased the tax expense by EUR 880 thousand in 2022 and increased the tax expense by EUR 642 thousand in 2021.

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	May 13, 2022	50%	Elopak BV (49,5%) Elopak UK Limited (0,5%))

Elopak and GLS signed on April 28, 2022 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 January 1, 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 2 059 thousand revenue and EUR -1 094 thousand profit before tax.

Note 10 — Business combinations continued

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

(EUR 1,000)	
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 liablities	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 activites)	**-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	March 29, 2022	100%	Elopak BV (99%) Elopak UK Limited (1%)

Elopak Arabia Holding Company acquired 100% of the voting shares of Naturepak Beverage Packaging Co Ltd 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 January 1, 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 22,204 thousand revenue and EUR -1,814 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	4 330
Current lease liabilities	19
Other current liablities	3 147
Total current liabilities	**8 210**
Total liabilities	**18 402**
Total identifiable net assets at fair value	30 745
Purchase consideration	85 383
Goodwill arising from acquisition	**54 638**
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 activites)	**−83 651**

Note 11 — Impairment

As of March 31, due to the Ukraine/Russia crisis, the Group has tested assets in Ukraine for impairment and recognised an impairment loss of EUR 7,476 thousand through the statement of comprehensive income and is within the operating segment EMEA. As of June 30 and September 30, the impairment testing was updated resulting in a reversal of the impairments in Q2 of EUR -2,076 thousand, and a reversal of impairments in Q3 of Eur −126 thousand, totaling to EUR 5,271 thousand as of September 30.

All assets and liabilities related to the Russian operation were derecognised as an effect of loss of control on July 15. Russian operation is reclassed to discontinued operation. Reported impairment only relates to continued operation and is related to Ukrainian operation. See note 12 Discontinued operations.

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 Ukraine the impairment has been adjusted for and no deferred tax position has been accounted for.

Note 11 — Impairment continued

Balance sheet effect of impairment
(EUR 1,000)

ASSETS	September 30, 2022
Non-current assets	
Development cost and other intangible assets	−15
Property, plant and equipment	−3 758
Right-of-use assets	−4
Total non - current assets	**−3 777**
Current assets	**-**
Inventory	−1 293
Trade receivables	−200
Total current assets	**−1 493**
Total assets	**−5 271**

PL effect of impairment
(EUR 1,000)

COMPREHENSIVE INCOME	Quarter ended March 31, 2022 Total	Quarter ended June 30, 2022 Total	Quarter ended September 30, 2022 Total	Year to date ended September 30, 2022 Total
Cost of materials	2 007	−713	–	1 294
Depreciation, amortisation and impairment	4 256	−354	−126	3 777
Other operating expenses	1 000	−800	–	200
Operating profit	**7 263**	**−1 867**	**−126**	**5 271**
Income tax	213	−213	–	–
Profit/loss	**7 476**	**−2 079**	**−126**	**5 271**

Note 12 — Discontinued operations

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. This represents a full divestment by Elopak from its existing Russian operations.

The SPA terms implies that Elopak lost control of JSC Elopak on the date it was signed, hence the entity is no longer consolidated in the Elopak Group Financial statements. The comparative consolidated statement of comprehensive income profit or loss with notes have been re-presented to show the discontinued operation separately from continuing operations. Until all activities in Russia were suspended in March 2022, the Russian entity purchased raw materials from other entities in the Group, as well as generating some minor revenue. Although intra-group transactions have been fully eliminated in the consolidated financial statements, management has elected to attribute the elimination of transactions between the continued and discontinued operation to the continuing operation. This is to reflect that the Group does not intend to continue similar transactions with Russia, subsequent to the disposal.

As per date of loss of control, total impairment in 2022 related to JSC Elopak was EUR 20,282 thousand effecting the Financial position and EUR 9,201 thousand effecting comprehensive income, the difference is due to fx variances. Loss on sale of discontinued operations reflects accumulated translation differences of EUR -7,086 thousand recycled from equity to profit or loss and the net of deconsolidated equity, redemption of loans from continuing operations to discontinued operations and fair value of the JSC Elopak shares. The fair value of JSC Elopak shares are presented as Other current assets in the consolidated statement of financial position.

Note 12 — Discontinued operations continued

	Quarter ended September 30		Year to date ended September 30		Previous year
Summary of financial data for discontinued operations	**Unaudited**		**Unaudited**		**Audited**
(EUR 1,000)	**2022**	**2021**	**2022**	**2021**	**2021**
Revenues	–	20 538	18 184	61 677	84 984
Total income	**–**	**20 538**	**18 184**	**61 677**	**84 984**
Cost of materials	–	-17 099	-15 197	-50 077	-69 789
Payroll expenses	–	-1 160	-2 311	-3 543	-4 864
Depreciation, amortisation and impairment		-579	-9 921	-1 760	-2 354
Other operating expenses	–	-547	-1 034	-2 128	-3 125
Total operating expenses		**-19 385**	**-28 463**	**-57 508**	**-80 132**
Operating profit	**–**	**1 153**	**-10 278**	**4 169**	**4 852**
Net financial income	–	6	-2 452	-386	-429
Profit before tax	**–**	**1 159**	**-12 730**	**3 783**	**4 423**
Income tax	–	-232	-797	-757	-885
Results from discontinued operations, net of tax	**–**	**927**	**-13 527**	**3 027**	**3 538**
Loss on sale of discontinued operations	-10 095	–	-10 095	–	–
Income tax on gain on sale	–	–	–	–	–
Profit/loss from discontinued operations	**-10 095**	**927**	**-23 622**	**3 027**	**3 538**
Net cash flow from operating activities	–	1 348	1 834	7 499	15 039
Net cash flow from investing activities	–	137	–	372	-1 470
Net cash flow from financing activities	–	-1 710	-186	-5 682	-6 821
Foreign currency translations	–	23	635	95	109
Net change in cash and cash equivalents	**–**	**-203**	**1 648**	**2 284**	**6 858**

Note 13 — Onerous contracts

Cost of materials includes IAS 37 provision for onerous contracts of EUR 100 thousand related to the current high prices of raw materials, and estimates the financial statement impact if material prices remain at the September 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 14 — Subsequent events

On July 15, 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. It is expected that completion of the sale will take place in Q4 2022.

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 attributable to Elopak shareholders

Adjusted profit attributable to Elopak shareholders represents the Group's profit attributable to Elopak share-holders 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 attributable to Elopak share-holders and for comparability purposes with other companies.

Adjusted basic and diluted earnings per share (Adjusted EPS)

Adjusted EPS represents adjusted profit attributable to Elopak shareholders 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

	Quarter ended September 30		Year to date ended September 30		Year ended December 31
(EUR 1,000)	**2022**	2021	**2022**	2021	2021
Impairment fixed and long term assets Ukraine	-126		3 777	-	-
Impairment short term assets Ukraine	-		1 494	-	-
Onerous contracts	-250		100	-	-
Transaction costs	147	121	2 850	5 284	6 820
Total adjusted items	**-229**	**121**	**8 221**	**5 284**	**6 820**
Calculatory tax effect [1]	404	-28	430	-1 215	-1 637
Total adjusted items net of tax	**175**	**93**	**8 651**	**4 069**	**5 183**

Reconciliation of EBITDA and adjusted EBITDA

	Quarter ended September 30		Year to date ended September 30		Year ended December 31
(EUR 1,000)	**2022**	2021	**2022**	2021	2021
Operating profit	13 654	15 666	25 669	44 582	49 224
Depreciation, amortisation and impairment adjusted	17 157	13 600	46 193	40 580	54 096
Impairment fixed and long term assets Ukraine	-126	-	3 777	-	-
EBITDA	**30 686**	**29 266**	**75 639**	**85 161**	**103 320**
Total adjusted items with EBITDA impact	-103	121	4 444	5 284	6 820
Share of net income from joint ventures (continued operations) [2] [3]	1 455	627	3 387	2 454	3 575
Adjusted EBITDA	**32 038**	**30 014**	**83 471**	**92 899**	**113 715**

[1] Calculatory 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 attributable to Elopak shareholders

(EUR 1,000)	Quarter ended September 30 2022	Quarter ended September 30 2021	Year to date ended September 30 2022	Year to date ended September 30 2021	Year ended December 31 2021
Profit	13 499	9 964	23 298	31 222	33 809
Total adjusted items net of tax	175	93	8 651	4 068	5 183
Adjusted profit	**13 674**	**10 057**	**31 948**	**35 291**	**38 992**

Net debt and leverage ratio

(EUR 1,000)	Quarter ended September 30 2022	Quarter ended September 30 2021	Year to date ended September 30 2022	Year to date ended September 30 2021	Year ended December 31 2021
Bank debt [1]	285 000	154 675	285 000	154 675	170 000
Overdraft facilities	12 713	27 442	12 713	27 442	14 420
Cash and equivalents	−24 831	−16 176	−24 831	−16 176	−24 262
Lease liabilities	73 810	81 176	73 810	81 176	80 604
Net debt	**346 692**	**247 118**	**346 692**	**247 118**	**240 762**

[1] Bank debt is excluding amortised borrowing costs of EUR 667 thousand as of September 30, 2022 and EUR 567 thousand as of December 31, 2021

Leverage ratio [2]	**3,3**		**3,3**		

[2] Leverage ratio per September 30, 2022 is calculated based on last twelve months adjusted EBITDA of EUR 104,287 thousand

Adjusted EPS

(EUR 1,000 except number of shares)	Quarter ended September 30 2022	Quarter ended September 30 2021	Year to date ended September 30 2022	Year to date ended September 30 2021	Year ended December 31 2021
Weighted-average number of ordinary shares	269 213 495	269 219 014	269 213 495	257 944 513	260 786 305
Profit from continuing operations	13 499	10 892	23 298	34 249	33 809
Adjusted profit	13 674	10 985	31 948	38 318	38 992
Basic and diluted earning per share (in EUR)	0,05	0,04	0,09	0,13	0,13
Adjusted basic and diluted earning per share (in EUR)	**0,05**	**0,04**	**0,12**	**0,15**	**0,15**

Reconciliation of net income from joint ventures

(EUR 1,000)	Quarter ended September 30 2022	Quarter ended September 30 2021	Year to date ended September 30 2022	Year to date ended September 30 2021	Year ended December 31 2021
Share of net income joint ventures					
Lala Elopak S.A. de C.V.	1 003	528	2 162	1 949	2 589
Impresora Del Yaque	525	217	1 314	622	1 124
Elopak Nampak Africa Ltd	−73	−117	−88	−117	−137
Total share of net income joint ventures	**1 455**	**627**	**3 387**	**2 454**	**3 575**
Share of net income joint ventures continued operations	1 455	627	3 387	2 454	3 575
Share of net income continued operations	**1 455**	**627**	**3 387**	**2 454**	**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 September 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, October 26, 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

February 21, 2023 Quarterly Report – Q4
May 4, 2023 Quarterly Report – Q1

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.

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