Cabka

PRESS RELEASE

Online investor presentation and Q&A at 10.30 CEST today via
https://channel.royalcast.com/landingpage/cabka/20220817_1/

Cabka: Record sales and resilient operational results in first six months of 2022[1]

***Amsterdam 17 August 2022.* Cabka N.V. (together with its subsidiaries, the "Company"), a leading integrated circular production company, listed at Euronext Amsterdam, announces its non-audited results for the first six months ended 30 June 2022, today.**

Financial Highlights

- Record sales of EUR 102.2 million representing a 27% Year-on-Year (YoY) top-level growth consisting of 12% YoY organic growth, well outperforming mid-term guidance of high single digit growth, and 15% YoY price effects
- Various rounds of price increases and indexation successfully implemented, covering the rapidly rising costs for energy and materials, albeit with some delay effect
- Gross profit up EUR 5 million at EUR 47.3 million (2021HY: EUR 42.3 million), gross margin at 46%, without dilution effect of higher pricing and costs 52% (2021HY: 52%)
- Resilient operational EBITDA at EUR 13.1 million (2021HY: EUR 14.7 million); EBITDA margin lower at 13%, due to inflation, ECO restructuring and higher costs for IT, medical & safety, and marketing (post-Covid) (2021HY: 18%)
- Net Income from operations EUR 0.7 million (2021H1: EUR 2.6 million) or EUR 0.03 per share. Net result after non-operational items mainly related to IPO cost EUR -1.9 million
- Net Working Capital at EUR 38.8 million or 20% of sales, in line with mid-term guidance
- Total CAPEX of EUR 13 million at HY2022 including maintenance & replacement investments of EUR 2.4 million, 2% of sales, (mid-term guidance: ~4%)

Strategic & Market Highlights

- Listing of Cabka N.V. on 1 March 2022 after 100% support of Dutch Star Companies shareholders for a business combination of Cabka Group GmbH and Dutch Star Companies TWO B.V. bringing in EUR 45.2 million in new capital (excluding IPO costs)
- Two-tier Board installed with a Management Board consisting of Mr. Tim Litjens CEO and Mr. Necip Küpcü CFO and a Supervisory Board consisting of: Mr. Manuel Beja (Chair) Mr. Gat Ramon (Vice-Chair), Mr. Niek Hoek (Vice-Chair), Mrs. Tova Posner Henkin, Mrs. Jeanine Holscher, and Mr. Stephan Nanninga
- Order intake up 36% compared to same period last year showing continued high growth supported by several high-volume multi-year commercial agreements, like Target announced 16 May, gradually kicking in over the coming years. Facilitates key strategic objectives of continuous innovation, expanding Cabka's position in large containers and customized solution
- Leverage on ECO products; Restructuring of Eco business completed, leading to closure of Genthin site and consolidation of production capacity in Weira (Germany) enhancing efficiency

[1] All results are based on regular operations excluding extraordinary items, based on IFRS, unless mentioned otherwise. This press release provides an overall summary of results, for full text see the attached Interim Report.

Sustainability

- Use of recycled material in products at 87% of total compared to a European average[2] of 14%
- ESG Strategy Project started establishing ESG KPIs; reporting and governance structure on track for publication of first ESG policy and reporting for 2022 to be published in 2023

Relevant events after 30 June 2022

- On 27 July Cabka's Hazelwood (MO, USA) plant was forced to shut down due to extreme rainfall and floods. All essential injection molding tools have been successfully recovered and are used to continue supply to key customers using alternative production capacities
- Mr. Wouter van der Woerd was appointed Chief People Officer responsible for HR and organizational development as of 1 July 2022. He is a former member of the Executive Board and VP Human Resources at SHV N.V.

Cabka CEO Tim Litjens, commented: *"The first six months of 2022 have shown operational resilience and strong delivery on strategic objectives. The listing on Euronext Amsterdam was a milestone for the company enhancing opportunities for growth as well as consolidating its position as a listed leading innovative circular production company with production output made from 87% recycled materials.*

New business continues to come in very strong, leading to record sales of over EUR 102.2 million and good expectations going further powered by our customized solutions knowledge and our highly capable innovation center.

Furthermore, Cabka made a major step in the consolidation of its Eco business driving economies of scale. Although the transition temporarily reduced our recycling capacity we are now back on track and the enhanced synergies will pay out. Regretfully, at the start of the third quarter exceptional floods damaged our production facilities in the US. Also, here Cabka showed resilience quickly securing alternative production capacities to maintain supply to key clients."

Outlook

The first half of 2022 has been characterized by high overall inflation, particularly manifesting itself through significantly higher energy, material, and labor costs. In response Cabka announced multiple rounds of price increases effective per January, April, and August this year.

While the material markets are starting to plateau, or even show some relief, the energy market remains highly volatile, recently moving to new highs. As a result, margins will continue to be impacted short-term until prices stabilize.

That said, we reiterate our mid-term guidance with the note that relative EBITDA margin is subject to inflationary developments.

[2] Systemiq April 2022 report Reshaping plastics. Pathway to a circular climate neutral plastics system in Europe

Financial Calendar

- 20 October 2022 Trading update third quarter 2022
- 15 March 2023 Publication preliminary full year results 2022 Cabka N.V. (IFRS)
- 25 April 2023 Publication Annual Report 2022 and Trading Update first quarter 2023
- 8 June 2023 Annual General Meeting
- 12 June 2023 Ex-Dividend Date
- 4 July 2023 Dividend Payment Date
- 22 August 2023 Publication Half Year Results 2023

Key figures first six months 2022 including split in operational and non-operational items

Condensed income statement[3] *in EURm*	**2022HY**	**2021HY**	**Change**
Sales	**102.2**	**80.7**	*27%*
Own work capitalized	1.6	0.6	*159%*
Amortization/depreciation	2.1	-5.0	*n.m.*
Other operating Income	0.8	1.5	*-48%*
Total Operating Income	**106.8**	**77.9**	***37%***
Expenses for materials, energy and purchased services	59.5	35.6	*67%*
Gross Profit	**47.3**	**42.3**	***12%***
Personnel expenses	21.1	16.5	*28%*
Other Operating expenses	13.1	11.1	*19%*
EBITDA	**13.1**	**14.7**	*-11%*
Depreciation	9.3	9.9	*-6%*
EBIT /Operating Income	**3.7**	**4.8**	*-22%*
Financial results	-1.1	-1.1	*-6%.*
Earnings before taxes	**2.6**	**3.7**	*-30%*
Taxes	1.9	1.1	*71%*
Net income from operations	**0.7**	**2.6**	*-74%*
Non-operational Items			
Extraordinary items (IPO related costs)	5.1	1.2	*n.m.*
Taxes on VSOP	1.0	-0.1	*n.m.*
Changes in value of Warrants	-3.5	-	*n.m.*
Minority interest	-0.1	-0.1	-
Net result	**-1.9**	**1.7**	*n.m.*

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[3] The condensed income statement provides operational and non-operational result items for insight on underlying operational performance. The attached statements I to IV in the half year report provide integral IFRS statements without this distinction.

About Cabka

Cabka is in the business of recycling plastics from post-consumer and post-industrial waste into innovative reusable transport packaging (RTP), like pallets- and large container solutions enhancing logistics chain sustainability. Cabka is leading the industry in its integrated approach closing the loop from waste, to recycling, to manufacturing. Backed by its own innovation center it has the rare industry knowledge, capability, and capacity of making maximum use bringing recycled plastics back in the production loop at attractive returns. Cabka is fully equipped to exploit the full value chain from waste to end-products.

Cabka employs some 700 FTE in Europe and the US recycling 150 kT of plastics into some 10 million pallets and 200,000 large containers realizing EUR 170m in revenues in 2021 and EUR 102m in the first half of 2022.

Cabka is listed at Euronext Amsterdam as of 1 March 2022 under the CABKA ticker with international securities identification number NL00150000S7.

Disclaimer

The content of this press release may include statements that are, or may be deemed to be, ''forward-looking statements''. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms ''believes'', ''estimates'', ''plans'', ''projects'', ''anticipates'', ''expects'', ''intends'', ''may'', ''will'' or ''should'' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth, or strategies.

Readers are cautioned that any forward-looking statements are not guarantees of future performance. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this press release. The Company undertakes no obligation to publicly update or revise the information in this press release, including any forward-looking statements, except as may be required by law.

This document contains information that qualifies as inside information within the meaning of Article 7(1) of Regulation (EU) No 596/2014 on market abuse.

Cabka N.V.

Amsterdam

Interim Report
&
Unaudited interim condensed consolidated financial statements first six months of 2022

Cabka

Company Statement

Introduction to the first six months of Cabka N.V. in 2022
This half-year report is the first of its kind published by Cabka N.V. (Cabka) marking the transformation of Cabka from a privately owned company to a listed company following the support of 100% of Dutch Star Companies TWO B.V. (DSC2) shareholders for a business combination of Cabka Group GmbH and DSC2 into Cabka N.V. and subsequent listing on Euronext Amsterdam, on 1 March 2022. This report covers all operations of Cabka N.V. as of 1 January 2022 so retroactive from listing on 1 March 2022.

Governance
As a result of the listing governance of Cabka changed significantly to meet the requirements as a listed company. A two-tier Board was installed with a Management Board consisting of Mr. Tim Litjens CEO and Mr. Necip Küpcü CFO as well as a Supervisory Board of six members: Mr. Manuel Beja (Chair) Mr. Gat Ramon (Vice-Chair), Mr. Niek Hoek (Vice-Chair), Mrs. Tova Posner Henkin, Mrs. Jeanine Holscher, and Mr. Stephan Nanninga. Of the supervisory board members Messrs. Ramon, Hoek and Nanninga are not considered independent in accordance with the Dutch Corporate Governance Code. Mr. Özgür Yildirim is the corporate secretary for both the Management Board and Supervisory Board.

The Board of Management is further supported by a Management Team including Mr. Geert de Wilde as Chief Operations Officer, Mr. Jean-Marc van Maren as Chief Product Development Officer, and as of 1 July 2022 Mr. Wouter van der Woerd as Chief People officer responsible for HR and organizational development.

Financial and operational performance first six months of 2022
The first half of 2022 was dominated by the Russian invasion of Ukraine on 24 February and its subsequent impact on social and economic developments as well as financial markets.

Although Cabka had no direct exposure to the Ukraine, Russia or Belarus, indirect impact was significant. First and foremost, as energy and material prices increased unprecedentedly leading to significantly higher costs for energy and materials. Cabka is leading the industry in pricing and has achieved several price increases to compensate for the higher input costs. Nevertheless, despite compensation in pricing the higher production costs led to at least a temporarily margin pressure due to delays in passing on increased costs to customers as well as lower margins as (energy and material) costs now represent a higher fraction of total revenues. On the other hand, as lumber prices and supplies are far more impacted than plastics, the relative competitive position of plastic pallets and large containers improved.

Overall, we have seen exceptionally strong commercial results showing high demand for our products that continued throughout the half year leading to strong sales over the period of EUR 102.2 million (up 27% YoY). Various rounds of price increases and indexation covered rapidly rising costs for energy and materials (albeit with a delay), accounting for a total favorable price effect of 15% Year-on-Year. The remaining 40% of the increase was based on organic growth especially from customized solutions underlining Cabka's focus on key strategic objectives. The US-business with large containers was highly successful with a multi-year contract with Target bringing in significant revenues as of the third quarter 2022. Also, the European large container market looks promising as reflected in the new contracts with, among others, BMW and a leading material handling company starting up production in Q3 of 2022 but only resulting in new sales in the first half of next year.

Although Cabka has been able to compensate most of its higher costs through its product prices, the steep rise over a short period had bottom line impact (albeit partly temporarily due to a delay in translating higher costs into price increases). With an additional price increase of 5% announced early July for 1 August, pricing should be at par with costs at that moment and providing no extreme increases going further. In order to be able to react more dynamically to the currently highly volatile conditions in the energy and material market, an indexed pricing adjustment mechanism has been introduced as a prerequisite for all new contracts.

The increase in sales and ability to translate cost increases into product prices clearly reflects the resilient and strong market position of Cabka. In addition, Cabka was able to partly mitigate impact of the shortage and price increase of materials as Cabka sources a high amount of feed stock (up to 70%) from internal production recycling activities. However, due to lagging in time as well as an overall higher cost base, margins are affected at least in the short-term.

The restructuring of the Eco business with the closure of Genthin and shift to Weira is set to additionally improve long-term profitability albeit having a temporarily negative operational impact of EUR 0.8 million in the second quarter of 2022. This was mainly triggered by the temporary shutdown of production to facilitate the move, which conclusively reduced the intake of mixed plastics. However, this effect is expected to be offset in the second half of the year as economies of scale and increase of additional processing capacities should result in a higher output.

Overall, the 27% increase in total revenues over the first half year compared to the same period of 2021 could not fully compensate the 67% increase in the costs for materials, energy and purchased services resulting in just a EUR 5 million higher gross profit at EUR 47.3 million (2021HY: EUR 42.3 million) and a lower relative gross margin (gross profit/sales) down to 46.3% from 52.4% in 2021HY.

Overall management is positive on top line development and absolute margins, however, long-term impact on the relative margins is highly depending on the development of costs for energy and materials and the probability of returning to the levels of previous years. To improve margins management closely followed market developments and the opportunity to translate cost inflation in prices. In addition, several actions were initiated primarily focused to reduce costs with a target of 10% for this year and local management requested to also allow for bottom-up initiatives to drive local costs down. Given the current markets Cabka is shifting its own production facilities to higher added value (customized) products and using tollers as much as possible for more standardized products.

EBITDA

Group EBITDA excluding extraordinary items came in at EUR 13.1 million (2021HY: EUR 14.7 million). This result primarily reflects the trends underlying the development in revenue and gross profit. The latter is affected especially as due to lag in price increases some EUR 1.2 million in higher energy costs over the first quarter 2022 could not be recovered. Further a lower intake of mixed plastics due to the physical consolidation led to missing revenues in the Eco Products business of EUR 0.8 million in the second quarter of the year.

Additionally, higher production and revenues in the first half year 2022 (+27%) resulted in higher personnel and operating expenses versus the comparable period in prior year. Salary and wage adjustments in the entire Group were made beginning of the second quarter to compensate inflationary developments.

The table below compares the buildup of EBITDA excluding extraordinary items as reported earlier based on German GAAP to the current IFRS based figures.

Buildup EBITDA from German GAAP to IFRS *in EURk*	**2022 HY**	**2021 HY**
EBITDA German GAAP	**12,217**	**13,555**
IFRS 16 (leasing)	1,555	1,487
IFRS 15 (revenue recognition)	3	113
Share based payment expense (PS/PSU)	-220	0
Reclassification other taxes in expenses	-495	-418
EBITDA IFRS	**13,060**	**14,737**

Cash flows and cash position
The first half-year saw a lower cash conversion as absolute Net Working Capital was higher than usual at EUR 38.8 million or 20.3%[4] (HY 2021: 18.7%) although still within the mid-term guidance of approximately 20%. Higher requirements for working capital were mainly driven by inflation as higher product pricing leads to higher inventory value and higher receivables. Nevertheless, actions were taken to improve the NWC position which is expected to normalize in line with the supply side.

Cash flows from operating activities came in at EUR -11.0 million, predominantly by the increase of Net Working Capital by EUR 11.4 million. Based on higher demand for products in the first half year 2022 the trade account receivables increased by EUR 2.6 million and the inventories by EUR 8.6 million. The latter is caused by producing certain customer demands on stock, but also by inflation. Additionally, some of the raw materials were secured at still decent cost prices versus market developments. Trade account payables were reduced by EUR 0.2 million. The other non-cash transactions are including primarily the value change of warrants EUR 3.5 million and change in share-based programs EUR 1.5 million besides other non-cash items.

Cash flows from investing activities totaling EUR 32.8 million are including sale of assets EUR 0.7 million, investments for growth, maintenance, and replacement EUR 10.9 million, intangible asset of EUR 0.2 million, US minority shares EUR 1.8 million and the cash injection from the Business combination of EUR 45.2 million.

Cash flows from financing activities combined from repayments and receipt are totaling EUR 4.7 million. The changes in cash and cash equivalents result in a cash position of EUR 36.5 million.

CAPEX
Group CAPEX for first six months of 2022 came in at EUR 13 million including the acquisition of minority shares of the US subsidiary totaling EUR 1.8 million. The remaining investments mainly account for ECO Restructuring and new molds (EUR 8.7 million). Maintenance and replacement CAPEX is at EUR 2.4 million or with 2.3% of revenues in line with then mid-term guidance (app. 4%) also due to the significant increase in revenues.

Commercial performance
The first half of 2022 showed record sales of EUR 102.2 million a 27% increase over the same period last year. Growth was especially strong in reusable transport packaging (RTP), whereas RTP US up 49% to EUR 15.0million as well in customized solutions and contract manufacturing in Europe, up respectively 40% to EUR 18.7 million and 46% to EUR 20.3 million. The increase of European RTP portfolio to EUR 32.6 million was approximately in line with the regular price increases, while ECO products temporarily shrunk by 6% as a result of the relocation of activities to Weira.

The geographical spread of sales did not significantly change in the first half-year except for sales in the US that showed a very strong increase by 50% to EUR 15 million (2021HY: EUR 10 million). Average daily order intake in first half-year 2022 was up 36% compared to same period last year, with especially high order intake for June as a result of the new multi-year Target contract.

Strategic progress
Cabka has made substantial progress with regard to its strategic objectives. With major long-term commercial contracts, the company is underlining its focus on providing highly customized solutions and is growing its footprint in the large container segment.

[4] Actual NWC includes liabilities for invoices to be received in trade payables under IFRS, corresponding NWC under German GAAP would be app. 24% of revenue

Cabka

Operationally, the closure of the Genthin site on 31 May 2022, enables the company to concentrate all Eco production activities in the Weira plant. This consolidation helps Cabka in its efforts to continuously improve production efficiencies within its Eco-product lineup.

Principal risks

As every company in these challenging times, Cabka underlies some business-related risks that must be mentioned. Though central risks have been previously detailed in the Shareholder Circular issued in the course of Cabka's IPO on 1 March 2022, there are some factors that need to be revisited or addressed separately.

The war between Russia and Ukraine has not had direct implications for the organization. Nonetheless, it caused high uncertainty in the energy markets which led to highly volatile prices for gas and energy in general. As a production company specialized in injection molding, energy scarcity and ambiguous energy pricing are highly relevant factors for Cabka and are, thus, being closely monitored on a regular basis.

The war in the region has not only impacted value chains and commodity prices but has also created pressure on finance markets and exchange rates. As a result, the Euro has suffered from substantial depreciation versus the US-Dollar in Q3-2022. This is an important factor for Cabka due to its operations and broad customer base in the United States. With this leading to US revenues increasing there are also positive implications to this development.

In the context of the USA, another geopolitical risk to be wary of is the tension with China around Taiwan. Although Cabka does not conduct business in the area and there is therefore no direct impact expected in case of an escalation, the situation might have implications in a broader, possibly global, scope.

Finally, while the signing of another major long-term supply agreement in the FLC--business with US-retailer Target entails promising revenue outlooks for Cabka and helps the company to further establish its strong competitive position, it can also be associated with risks. As mentioned in the Shareholder Circular, a material share of Cabka's revenue is dependent on a limited group of large customers. The new agreement must also be accounted for in this context. The associated large volumes are also expected to intermittently occupy large shares of Cabka's overall production capacity, limiting the possibility to produce other products. However, this risk is being mitigated by an additional machine, that was acquired especially for the realization of said volumes.

ESG

Cabka is striving to be the circularity leader in its industry. As to circularity, with our products in the first half of 2022 for 87% made from recycled materials, 100% reusable with take-back clauses for recycling and supporting the collection of additional plastics for recycling we clearly established a leading position. The average for Europe was in 2021 still at 14% recycled plastics targeting to get to 33% by 2030.[5]

This year we turned focus not only to the recycling of plastics, but also on how we recycle plastics. Until recently Cabka -as a privately owned company- did not specifically measure ESG performance and efforts. To counteract this, Cabka has initiated efforts to outline an ESG Strategy. Currently, the first stage of the ESG Strategy Project is ongoing with the goal to establish a running reporting structure by the end of 2022. The project comprises of a thorough analysis of Cabka's current ESG position and stakeholder expectations to meet the requirements according to the non-financial reporting directive (NFRD). A double materiality assessment supported by PwC Netherlands was conducted leading to the establishment of base ambition levels that were agreed upon with the full management team in June.

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[5] Systemiq April 2022 report Reshaping plastics. Pathway to a circular climate neutral plastics system in Europe

That resulted in a sustainability governance structure with a hybrid model of decentralized and centralized reporting. ESG teams -both central and local- were established and the assignment of teams is ongoing. The next step will be outlining strategic roadmaps by the appointed ESG leaders and their teams ass well to establish data collection of KPI's which were defined on the basis of a gap analysis. The first ESG report for 2022 will be published in 2023 and support quantitative target setting for the different teams and businesses.

Statement of the directors' responsibilities

The Directors declare that, to the best of their knowledge:

1. Half-year financial statements, as included on pages 11 to 35 of this report, give a true and fair view of the assets, liabilities, financial position, and profit or loss of Cabka N.V. and the undertakings included in the consolidation taken as a whole; and
2. The half-year report, as included on pages 11 to 35 of this report, gives a true and fair view of the development and performance of the business and the position of Cabka N.V. and the undertakings included in the consolidation taken as a whole (details of which are included in the half-year financial statements) on the reporting date. The half-year report also gives a true and fair view of the expected development and performance of the business, the investments and the conditions on which the development of revenues and return depend.

Tim Litjens, CEO
Necip Küpcü, CFO

Cabka

SECTION A. 2022 HY FINANCIAL OVERVIEW

I. Interim condensed consolidated statement of profit and loss and other comprehensive income (IFRS based unaudited)
first six months 2022 (2021)

Interim condensed statement of profit and loss *in EURk*	notes	**HY 2022**	**HY 2021**
Net turnover	7	**102,211.7**	**80,748.7**
Other own work capitalized		1,647.1	635.0
Change in inventories of finished goods and work in progress		2,129.4	-5,014.6
Other operating income		785.4	1,521.2
Total Operating income		**106,773.7**	**77,890.2**
Material expenses / expenses for purchased services		59,460.5	35,594.3
Personnel expenses		21,067.4	16,495.6
Amortization/depreciation of intangible and tangible fixed assets		9,322.2	9,937.1
Other operating expenses		18,296.9	12,256.3
Total Operating expenses		**108,147.0**	**74,283.3**
Other interest income and similar income		3,484.1	0.2
Interest expenses and similar charges		1,126.1	1,058.5
Financial Result		**2,358.0**	**-1,058.3**
Result before taxes		**984.6**	**2,548.6**
Taxation	16	2,965.9	1,014.1
Net Result		**-1,981.3**	**1,534.6**
thereof minority interest		*-77.4*	*-118.0*
thereof shares of CABKA N.V.		***-1,903.9***	***1,652.6***

Other comprehensive income *in EURk*	notes	**HY 2022**	**HY 2021**
Net Result		**-1,981.3**	**1,534.6**
Items which may be recycled to profit or loss			
Exchange differences on translation of foreign operations		-3.9	96.0
Other comprehensive loss /income (net of tax)		**-3.9**	**96.0**
Total comprehensive loss / income		**-1,985.2**	**1,630.5**
thereof minority interests		-77.4	-105.9
thereof shares of Cabka N.V.		**-1,907.7**	**1,736.5**

II. Consolidated interim Balance Sheet (IFRS based unaudited)
as of 30 June 2022 (2021)

Consolidated interim Balance Sheet *in EURk*	notes	30.06.2022	31.12.2021
ASSETS			
Non-current assets			
Other intangible assets	10	616.6	605.5
Property, plant and equipment	11, 12	79,041.7	73,895.7
Long-term financial assets	13	90.5	90.5
Other long-term assets		0	9,7
Deferred taxes	16	964.8	1,911.9
		80,713.5	**76,513.3**
Current Assets			
Inventories	14	39,370.0	30,802.8
Trade receivables		29,865.9	27,218.8
Short-term financial assets	13	24.2	201.1
Other short-term assets	15	8,945.4	6,522.0
Cash and cash equivalents		36,490.9	9,982.5
		114,696.4	**74,727.2**
		195,410.0	**151,240.5**
LIABILITIES			
Equity			
Share capital	17	266.8	3,363.4
Capital reserve		57,974.0	12,982.6
Retained earnings		15,700.9	17,604.8
Foreign currency translation reserve		-383.5	-379.6
Minority interests		0.0	57.9
		73,558.3	**33,629.0**
Non-current liabilities			
Long-term financial liabilities	19	42,297.6	45,172.5
Other long-term liabilities	20	168.3	68.9
Deferred taxes	16	1,823.4	1,712.9
		44,289.3	**46,954.3**
Current liabilities			
Short-term financial liabilities	19	34,826.8	27,289.5
Provisions		1,309.7	1,041.5
Contract liabilities		2,560.7	2,210.4
Trade payables		30,449.0	30,667.9
Income tax liabilities		777.5	0.6
Other short-term liabilities	20	7,638.8	9,447.4
		77,562.4	**70,657.2**
		195,410.0	**151,240.5**

III. Interim condensed consolidated statement of changes in equity

for the six months ended 30 June 2022 and 30 June 2021

Interim condensed consolidated statement of changes in equity (01.01. - 30.06.2022)							
in EURk	Share capital	Capital reserve	Retained earnings	Foreign currency translation reserve	Total	Minority interest	Total equity
Balance at 1 January 2022	**3,363.4**	**12,982.6**	**17,604.8**	**-379.6**	**33,571.1**	**57.9**	**33,629.0**
Result for the period	0.0	0.0	-1,903.9	0.0	-1,903.9	-77.4	-1,981.3
Other comprehensive loss	0.0	0.0	0.0	-3.9	-3.9	0.0	-3.9
Proceeds on issuing shares and conversion warrants	-3,096.6	39,555.6	0.0	0.0	36,459.0	0.0	36,459.0
Others	0.0	5,435.9	0.0	0.0	5,435.9	19.5	5,455.4
Balance at 30 June 2022	**266.8**	**57,974.0**	**15,700.9**	**-383.5**	**73,558.3**	**0.0**	**73,558.3**

Interim condensed consolidated statement of changes in equity (01.01. - 30.06.2021)							
in EURk	Share capital	Capital reserve	Retained earnings	Foreign currency translation reserve	Total	Minority interest	Total equity
Balance at 1 January 2021	**3,363.4**	**12,982.6**	**17,256.5**	**-542.5**	**33,060.0**	**364.7**	**33,424.7**
Result for the period	0.0	0.0	1,652.6	0.0	1,652.6	-118.0	1,534.6
Other comprehensive income	0.0	0.0	0.0	83.9	83.9	12.1	96.0
Balance at 30 June 2021	**3,363.4**	**12,982.6**	**18,909.1**	**-458.6**	**34,796.4**	**258.8**	**35,055.2**

IV. Interim condensed consolidated statement of cash flow
for the six months ended 30 June 2022 and 30 June 2021

Interim condensed consolidated statement of cash flow *in EURk*	HY 2022	HY 2021
Cash flows from operating activities		
Net loss / income for the period	-1,981.3	1,534.6
Interest paid	863.2	831.9
Amortization/depreciation of intangible and tangible fixed assets	9,322.2	9,937.1
Cash flow	**8,204.1**	**12,303.6**
Increase (-) / decrease (+) of inventories, trade receivables and other assets	-12,504.1	-8,153.0
Increase (+) / decrease (-) of trade payables and other liabilities	-422.2	6,741.4
Other non-cash transactions	-6,262.1	-1,230.5
Cash flow (used in)/from operating activities	**-10,984.3**	**9,661.5**
Cash flow from investing activities		
Cash inflow from sale of property, plant and equipment	662.9	2,385.0
Cash outflow for investment in property, plant and equipment	-10,938.2	-9,121.2
Cash inflow from intangible assets	0.0	47.4
Cash outflow for investments in intangible assets	-244.2	-17.7
Cash inflow/outflow from investments in fully consolidated companies	43,349.9	0.0
Net cash from/(used in) investing activities	**32,830.3**	**-6,706.6**
Cashflow from financing activities		
Cash outflow for other financial liabilities	0.0	-4,280.3
Cash inflow from other financial liabilities	198.8	0.0
Cash outflow for the repayment of liabilities to banks	-2,085.1	-2,878.0
Cash inflow from receipt of liabilities to banks	6,548.7	0.0
Interest paid	0.0	-831.9
Net cash from/(used in) financing activities	**4,662.4**	**-7,990.3**
Changes in cash and cash equivalents	**26,508.4**	**-5,035.4**
Cash and cash equivalents at the beginning of the period	9,982.5	9,177.7
Cash and cash equivalents at the end of the period	36,490.9	4,142.3

Cabka

Section B. Notes to the interim condensed consolidated financial statements

1. Corporate information

Cabka N.V. is a listed public company which is registered in the Chamber of Commerce Amsterdam under number 80504493 and has its registered office at Johan Cruijff Boulevard 65-71, 1101 DL Amsterdam, The Netherlands.

On 1 March 2022 Dutch Star Companies TWO B.V. ("DSC2") merged with Cabka Group GmbH, Berlin, Germany and immediately changed its name to Cabka N.V.

Cabka N.V is based in the Netherlands with subsidiaries in the US, Spain, Germany and Belgium. Cabka is listed at Euronext Amsterdam. Throughout this report, the name "Cabka", "Cabka Group", "the Company" or "the Group" will be used interchangeably to refer to Cabka N.V. and its subsidiaries. These consolidated financial statements comprise the Company and its subsidiaries.

Cabka is in the business of recycling plastics from post-consumer and post-industrial waste into innovative reusable pallets- and large container solutions enhancing logistics chain sustainability (the so-called "RTP-Business") and the "Eco-Products-Business". The latter are sustainable products made from 100% recycled post-consumer plastic waste. They are used, among other things, in construction, road and traffic safety, as well as in gardening and landscaping. With products made approximately 90% of recycled plastics Cabka is leading the industry in its integrated approach closing the loop from waste to recycling, to manufacturing.

The interim condensed consolidated financial statements of Cabka N.V. and its subsidiaries for the six months ended 30 June 2022 are presented in thousands of Euro, unless indicated otherwise. They have been authorized for publication by the Supervisory Board on 16 August 2022 and are unaudited.

2. Basis of preparation

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

These condensed consolidated interim financial statements are based on the annual financial statements of Cabka Group GmbH, Berlin, Germany, for the year ended 31 December 2021 and shall be read with this.

For periods up to and including the year ended 31 December 2021, Cabka Group GmbH prepared its consolidated financial statements in accordance with local generally accepted accounting principles in Germany (German GAAP) according to German Commercial Code (HGB). As a result of the listing of Cabka on 1 March 2022, as of 1 January 2022, the Group financial statements are prepared in accordance with IFRS as adopted by the European Union (EU-IFRS) and also comply with financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, as far as applicable. For comparison the 2021 financials were retroactively prepared under IFRS.

A bridge of the consolidated income statement and opening and closing balance of the Group for the year 2021 are provided in tables V to VII in section C of this report. The tables provide a reconciliation of the financial position for the Group as of 1 January 2021 (date of transition) and the financial position as of 31 December 2021 and the income statement 2021 (last consolidated financial statements according to German GAAP) including remeasurements (i.e., items that are valued differently under IFRS) and reclassifications (i.e., items that are represented under a different category under IFRS).

3. Summary of significant accounting policies

General
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated), but do not have a material impact on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Basis of consolidation
The interim condensed consolidated financial statements comprise the interim financial figures of the Company and its subsidiaries as of 30 June 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, 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 administrative expenses.

The Group's consolidated financial statements are presented in Euros, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Current and Non-Current Classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
  or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
  or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair Value Measurement
The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
  or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Property Plant and Equipment
Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The costs include the purchase price and any directly attributable transaction costs. Supplier discounts have been deducted. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Cabka

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Buildings 25 to 50 years
- Plant, machinery and equipment, other office and business equipment including vehicles 3 to 15 years

The Group reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Group considers the impact of health, safety, and environmental legislation in its assessment of expected useful lives and estimated residual values.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings, plant, and machinery 3 to 15 years
- Motor vehicles and other equipment 3 to 5 years

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Revenue from contracts with customers

Cabka is in the business of recycling plastics from post-consumer and post-industrial waste streams into innovative reusable pallets and large container solutions enhancing logistics chain sustainability (the so-called “RTP-Business”), as well as “Eco-Products” which find application mainly in the road safety and construction sector. Cabka does receive a recycling fee from suppliers for handling and recycling of specific post-consumer waste, so called mixed plastics.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of pallets and containers
Revenue from sale of pallets and containers is recognized at the point in time when control of the asset is transferred to the customer, generally on collection of goods by customers ex works.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of pallets and containers, the Group considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

Recycling Fees
Revenue from recycling fees is recognized at the point in time when the specific performance obligation is fulfilled by Cabka. As the relevant performance obligation Cabka did identify the obligation to receive and to recycle the mixed plastic. Consequently, revenue is recognized at the point in time in which the material is used in the production process.

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

A contract liability is recognized if a payment is received, or a payment is due (whichever applies first) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Inventories
Raw materials and supplies, spare parts and trading goods are valued at acquisition costs on an average price basis.

Finished and work in progress goods are valued at the lower of Cost of production or net realizable value. The production costs include material costs, manufacturing costs, and special costs of production as well as adequate parts of the necessary material costs, manufacturing costs, and the value consumption of the fixed assets.

Reasonable costs of the administration costs are also included in those costs. Devaluations to the lower fair value have been made, as far as this was required.

Financial Instruments
Financial instruments are contracts which result in a financial asset with one company and a financial liability or an equity instrument with another. On the one hand, financial instruments comprise primary financing instruments such as receivables and trade payables or also financial receivables and financial liabilities.

On the other hand, they also include derivative financial instruments such as options, forwards as well as interest rate swaps and currency swaps.

Financial assets and liabilities are categorized as follows:

1. Assets and liabilities measured at amortized cost
2. Asset and liabilities measured at fair value through profit or loss

3. Asset and liabilities measured at fair value through other comprehensive income

A financial asset or a financial liability is initially measured at fair value plus, in the case of the first category, transaction costs.

The subsequent measurement of financial assets and liabilities of the first category is made at amortized cost or by using the effective interest method at the lower of the fair value. Risks are covered by impairment losses, which are recognized and reversed affecting net income.

Financial assets and liabilities of the second category are measured at fair value on the balance sheet date. Market fluctuations must be recognized in the income statement.

Other assets
Other receivables and other assets are recognized at the lower of amortized cost or market value. Account is taken of all identifiable individual risks and general default risks by means of appropriate value reductions. Specific cases of default lead to the receivable in question being written off.

Other liabilities
Other liabilities are initially recognized at fair value less transaction costs and subsequently measured at amortized cost using the effective interest method.

Taxes
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences with some exceptions under IFRS.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, with some exceptions according to IFRS.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

There are only intangible assets with finite useful lives. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Share based payments
Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized in personnel expenses, together with a corresponding increase in equity (capital reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

4. Significant judgements and estimates
In preparing these interim condensed consolidated financial statements, management has made a number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income, and expenses. The actual results may differ from these judgements.

Accounting for the transaction between Cabka Group GmbH and Dutch Star Companies Two B.V.
On 1 March 2022 a transaction was concluded between Cabka Group GmbH and Dutch Star Companies Two B.V. (DSC2). The Management Board has determined that based on the IFRS accounting principles and a number of facts and circumstances the legal acquiree (Cabka Group GmbH) should be considered to be the accounting acquirer of transaction. The facts and circumstances that the Management Board considers to be the most important are the relative size of the two entities, the prominent role of the Cabka Group GmbH Management Board members in the new combined organization, and the significance of the former majority shareholder of Cabka Group GmbH in the new combined entity. Consequently, the Board does identify Cabka Group GmbH as the accounting acquirer and DSC2 as the accounting acquiree.

Second step in the evaluation of the acquisition is whether DSC2 represents a business and consequently the transaction would have to be reported as a Business Combination under IFRS 3. Based on a number of indicators, Management Board concluded that DSC2 does not constitute a business. Based on the so-called "concentration test" and on the evaluation that the entity has a number of inputs (e.g. cash, financial instruments, listing status) but has no processes to convert these inputs into output, management concluded DSC2. does not constitute a business. Based on this conclusion, it would be inappropriate to account for the transaction as an IFRS3 Business Combination.

Accordingly, the transaction must be reported as an acquisition of a number of net assets and the listing status, against the issue of equity instruments. This transaction falls within scope of IFRS 2. The net assets need to be reported at its fair value.

From the point of view of the shareholders of the legal acquiree, Cabka Group GmbH, they contributed a value of EUR 175 million in the combination. The majority shareholder with a 63.84% shareholding in that entity, contributes to aggregate EUR 111.72 million. In exchange for the shares in Cabka Group GmbH, it receives 11,172,000 shares in DSC2, after the transaction being renamed in Cabka N.V. with a market value of EUR 111.72 million. From the perspective of the majority shareholder of the legal acquiree, the contribution equals the fair value of the shares received as consideration. No separate value is to be recognized for the stock exchange listing.

Based on the above, the interim financial statements do not include an expense for the service received to acquire a listing on the stock-exchange.

The transaction between Cabka Group GmbH and DSC2 has been accounted under IFRS 2. Using the guidance of IFRS 3 the consolidated financial statements are similar to those produced under reverse acquisition accounting except that no goodwill arises. The balance sheet of 28 February 2022 of DSC2 is consolidated with the accounts of Cabka Group GmbH. The comparative financial statements are restated to reflect the legal capital of the legal parent (DSC2).

5. Seasonal fluctuations

There are no seasonal fluctuations besides the mentioned ones that are considered to have material impact during the first six months of 2022.

6. Significant events and transactions

The most impactful geopolitical event with economic repercussions was undoubtedly the Russian invasion of Ukraine on 24 February, just a few days before the listing of Cabka and certainly turning the market perspectives to a more negative outlook. Until publication of this report the situation and the further development of the war and Russian actions remain highly uncertain as is the outlook on further consequences for the global economy and financial markets. This impact was described in more detail in the company statement preceding this financial section.

More specific for the company was the business combination with DSC2 as supported by 100% of the DSC2 shareholders on 28 February 2022 and subsequent listing of Cabka on 1 March 2022 and a capital inflow of EUR 45.2 million. Further Cabka gained full ownership of its US subsidiary Cabka North America Inc. by acquiring the remaining 7.71% shares on 22 March 2022. Finally, the Genthin site was closed on 31 May 2022, enabling the company to concentrate all Eco production activities in the Weira plant.

Cabka

7. Revenue from contracts with customers and segment reporting

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Revenues by Product Segment *in EURm*	**2022HY**	**2021HY**	**Change**
RTP Europe	**62.7**	**50.0**	*25%*
Portfolio	32.6	28.6	*14%*
Customized Solutions	18.7	13.3	*40%*
Contract Manufacturing	11.3	8.0	*41%*
RTP US	**15.0**	**10.1**	***49%***
Eco Products	**6.3**	**6.4**	***-1%***
Recycling Fees	**4.7**	**5.4**	***-13%***
Others	**13.5**	**8.8**	*53%*
Non RTP-Products	9.0	5.9	*52%*
Material Sales & Freight	4.5	2.9	*54%*
Total	**102.2**	**80.7**	*27%*

Revenues by Geography *in EURm*	**2022HY**	**2021HY**	**Change**
Europe	**85.9**	**69.4**	*24%*
DACH	35.4	29.8	*19%*
West & Nordics	37.6	28.8	*31%*
CEE	2.7	2.3	*19%*
South	10.1	8.6	*18%*
North America	**15.1**	**10.0**	*50%*
RoW	**1.3**	**1.4**	*-8%*
Total	**102.2**	**80.7**	*27%*

The revenue and profit generated by each of the Group's operating segments RTP and ECO-products are summarized as follows:

Segment Performance 2022HY				
in EUR million	RTP Business[6]	ECO products	Others	Total
Net turnover	**86.7**	**11.0**	**4.5**	**102.2**
Other own work capitalized			1.6	1.6
Change in inventories of finished goods and work in progress	2.5	-0.4	-	2.1
Other operating income			0.8	0.8
Total Operating income	**89.2**	**10.6**	**6.9**	**106.8**
-/- Material expenses/ expenses for purchased services	52.1	3.9	3.4	59.5
Gross Profit	**37.1**	**6.7**	**3.5**	**47.3**
-/- Operating expenses				34.2
-/- Depreciation				9.3
EBIT				**3.7**
-/- Interest				1.1
EBT				**2.6**
-/- Taxation				1.9
Net Income from operations 2022HY				**0.7**

Segment Performance 2021HY				
in EUR million	RTP Business[7]	ECO products	Others	Total
Net turnover	**66.0**	**11.8**	**2.9**	**80.8**
Other own work capitalized			0.6	0.6
Change in inventories of finished goods and work in progress	-4.4	-0.6		-5.0
Other operating income			1.5	1.5
Total Operating income	**61.7**	**11.2**	**5.0**	**77.9**
-/- Material expenses/ expenses for purchased services	31.5	2.3	1.9	35.6
Gross Profit	**30.2**	**8.9**	**3.1**	**42.3**
-/- Operating expenses				27.6
-/- Depreciation				9.9
EBIT				**4.8**
-/- Interest				1.1
EBT				**3.7**
-/- Tax				1.1
Net Income from operations 2022HY				**2.6**

Assets and liabilities are not monitored by segment and therefore not presented per segment.

6 Including non-RTP products made on the same machines as RTP
7 Including non-RTP products made on the same machines as RTP

8. Changes in the scope of consolidation

An agreement regarding the transfer of the remaining 7.71% shares in Cabka North America Inc., Missouri (USA) was reached on 22 March 2022 providing Cabka full ownership of its US activities.

9. Fair value measurement

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- shares in affiliated companies and shares in companies in which participations are held
- trade and other receivables;
- cash and cash equivalents;
- bank loans; lease liabilities and liabilities to other financial institutions
- trade and other payables

Such fair value measurements are classified as level 2 of the fair value hierarchy of IFRS 13. There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments. Such transfers may occur where directly observable prices may become available or where market data from independent sources may no longer be available.

BC & IPO warrants measured at fair value based on market share price (level 1), classified under other liabilities.

10. Other intangible assets

The carrying value of intangible assets including among others software licenses is summarized below:

Other intangible Assets *in EURk*	**30.06.2022**	**31.12.2021**
Customer relationships	45.0	60.0
Internally developed intangible assets	20.1	44.0
Purchased intangible assets	445.8	501.4
Advance payments charged	105.7	0.0
Other intangible assets	**616.6**	**605.5**

11. Property, plant, and equipment

The carrying value of property, plant and equipment is summarized below:

Property, plant and equipment *in EURk*	**30.06.2022**	**31.12.2021**
Land and buildings	16,261.1	14,796.8
Technical equipment	33,412.9	35,774.5
Furniture and office equipment	11,094.1	10,545.9
Advance payments charged	18,273.6	12,778.5
Property, plant and equipment	**79,041.7**	**73,895.7**

12. Right-of-use assets

The carrying value of the right-of-use assets included in the position „property, plant, and equipment“ are summarized below:

Right-of-use assets *in EURk*	30.06.2022	31.12.2021
Land and buildings	3,548.2	2,204.8
Technical equipment	4,452.5	5,511.3
Other furniture and office equipment	611.6	619.6
Right-of-use assets	**8,612.3**	**8,335.7**

13. Financial assets

Financial assets by maturity *in EURk*	30.06.2022 < 1 year	30.06.2022 1-5 years	30.06.2022 > 5 years	30.06.2022 Total	31.12.2021 Total
Shares in affiliated companies	0	0	87.1	87.1	87.1
Shares in companies in which participations are held	0	0	3.4	3.4	3.4
Receivables to affiliated companies	3.1	0	0	3.1	180
Receivables to shareholders	21.1	0	0	21.1	21.1
Financial assets	**24.2**	**0**	**90.5**	**114.7**	**291.6**

14. Inventories

Inventories *in EURk*	30.06.2022	31.12.2021
Raw material, consumables, and supplies	17,907.0	13,287.6
Work in process	2.767.9	2,138.9
Finished goods and merchandise	18.695.1	15,376.3
Inventories	**39.370.0**	**30,802.8**

15. Other short-term assets

Other short-term assets *in EURk*	30.06.2022	31.12.2021
Refund energy tax	1,342.2	1,002.0
Prepaid expenses	4,238.2	2,259.9
Refund VAT	1,628.4	1,437.9
Refund income tax	1,682.1	1,682.1
Others	54.5	140.1
Other short-term assets	**8,945.4**	**6,522.0**

16. Income tax

Deferred tax assets are recognized for any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilized.

Other deferred tax assets relate to the difference between the carrying amount of assets and liabilities and their fiscal values.

Deferred tax liabilities mainly relate to the difference between carrying amounts of assets and liabilities and their fiscal values.

In addition to the recognition of deferred taxes the group recognizes period income tax expenses in form of advance payments and estimates with regard to the expected annual taxes. Income tax expense represents the sum of the tax currently payable and deferred tax.

Taxes *in EURk*	**2022HY**	**2021HY**
Actual taxes	1,941.3	1,135.8
Deferred taxes from different valuations	1,024.7	-121.7
Deferred taxes from losses carried forward	0	0
Income tax expenses	**2,965.9**	**1,014.1**

The deferred tax expense in the first half year 2022 results in particular from settlement of the virtual stock option program („VSOP-Plan"), and the valuation differences between German GAAP and IFRS.

17. Equity

On 22 December 2021 DSC2 entered into a Business Combination Agreement with Cabka Group GmbH and RAM.ON Finance GmbH, valuing Cabka at EUR 250m (enterprise value), corresponding to around EUR 175m value for the equity, for a consideration of EUR 63.3 million in cash to the Minority Shareholders and 11.172.000 ordinary shares of DSC2 of which 5.000.000 newly issued and 6,172,000 existing shares held in treasury in exchange for RAM.ON Finance's shares in Cabka to RAM.ON Finance. The share price as of February 28, amounted to EUR 10 per share, so the consideration paid in total amounts to EUR 111.72m in shares and EUR 63m in cash, in aggregate around EUR 175m.

Due to conversion of warrants and issuance of additional shares as per 30 June 2022 23,982,191 ordinary shares are issued.

The equity in the financial statements reflects the legal capital of DSC2, the legal parent. During the period a number of transactions are reported in the equity of the company.

- A number of "special shares" are converted into ordinary shares against a specific formula. Conversion took place after the transaction and as a result 1,370,189 shares were converted to ordinary shares against no consideration.
- Based on a mandatory conversion of warrants from the ordinary shareholders 440,000 shares were issued, at a consideration of EUR 4.4k.

A larger number of warrants, special shares and "performance shares" are still outstanding and may be converted to ordinary shares based on the share price performance. Significant dilution for the existing shareholders may result when these instruments are converted into shares. An overview is provided in the table below.

Cabka share capital per 30 June 2022	Shares	ISIN
Ordinary Shares issued	**23,982,191**	CABKA / NL00150000S7
Ordinary Shares in treasury	16,388,000	DSC2S / NL 00150002R5
Total Ordinary Shares	**40,370,191**	
Special Shares	97,778	
Total shares	**40,467,969**	

Potential dilution of the total number of issued ordinary shares can be triggered at the following thresholds.

- VSOP, former performance share program management: maximum of 392,520 shares on request of employee between 1 March 2023 and 1 March 2028
- EUR 11 share price: maximum of 190,471 shares resulting from PSU current performance share program management
- EUR 12 share price: maximum of 190,471 shares resulting from PSU; DSCW2 warrants conversion into maximum of 880,000 shares; and conversion of remaining 1/3rd of Special Shares converting into 684,446 shares[8]:
- EUR 13 share price: maximum of 190,471 shares resulting from PSU; and DSCW3-warrants conversion into maximum of 1,320,000 shares
- EUR 16 share price: 750,000 shares from Performance Shares.
- EUR 18 share price: 750,000 shares from Performance Shares.
- EUR 20 share price: 750,000 shares from Performance Shares.

18. Earnings per share

Based on 23,982,191 ordinary shares issued the Net Income per ordinary share amounts to EUR -0.08 per share.

19. Financial liabilities

The contractual maturities of the Group's financial liabilities are as follows:

Financial liabilities split by remaining term on 30 June 2022				
in EURk	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Bank loans	27,495.0	33,437,5	0	60,932.5
Lease liabilities	2,742.2	4,900.5	1,040.6	8,683.4
Liabilities to shareholders	1,664.7	0	0	1,664.7
Liabilities to other financial institutions (PPE financing)	2,924.9	2.918.9	0	5,843.9
Financial liabilities	**34,826.8**	**41,257.0**	**1,040.6**	**77,124.4**

Financial liabilities split by remaining term on 31 December 2021				
in EURk	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Bank loans	20,843.9	35,625.0	0	56,468.9
Lease liabilities	2,852.8	5,256.3	277.0	8,386.2
Liabilities to other financial institutions (PPE financing)	3,592.8	3,600.7	413.3	7,606.8
Financial liabilities	**27,289.5**	**44,482.1**	**690.4**	**72,462.0**

[8] If Specials Shares DSCT have not vested by 1 March 2027 they will vest at a conversion rate of 1 (i.e., 1 ordinary share per special share) into 97,778 ordinary shares. See shareholder circular for full details

The financial risks include credit risk, liquidity risk, and market risk (including currency exchange risk and interest rate risk). Cabka's financing agreements contain covenants, representations and warranties. The breach of any covenants, representations or warranties, or non-performance of the obligations by Cabka under its financing agreements, if not cured or waived within specified periods, could result in the acceleration of debt repayment or the payment of penalties under the relevant financing agreement. The management will continue to monitor such risks closely and manage the internal control systems accordingly.

20. Other liabilities

These amounts represent liabilities for goods and services provided to the group prior to the end of the reporting period which are unpaid

Other liabilities split by term *in EURk*	30.6.2022 Short-term	30.6.2022 Long-term	30.6.2022 Total	31.12.2021 Total
Liabilities to affiliated companies	217.3	0	217.3	91.1
Liabilities to tax authorities	1,096.9	0	1,096.9	2,196.4
Liabilities from social security	144,7	0	144,7	242.3
Accruals	2,347.7	0	2,347.7	5,946.1
Others	3,832.2	168.3	4.000.5	1,040.5
Other liabilities	**7,638.8**	**168.3**	**7,807.1**	**9,516.3**

21. Share-based payments

Cabka Group GmbH issued in prior years a "Virtual stock-option plan" (hereinafter referred to as "VSOP") to offer virtual shares in Cabka to employees and members of the management as variable compensation. As Cabka listed on 1 March 2022, the „VSOP" agreement was adjusted in a Rollover Agreement in which 1/3rd of the outstanding amount was settled in cash at listing (representing a total value of EUR 1,938k) and the remaining 2/3rd in the form of stock options to acquire ordinary shares Cabka that can be exercised as of 1 March 2023 (representing a total equivalent value of EUR 3,817k).

In addition, a performance share unit plan has been adopted (the PSU Plan), effective as of 1 March 2022. The PSU-Plan allows key employees a one-off award of performance share units (PSU) where each PSU covers (the value) of one Share. Subject to the terms and conditions of the PSU Plan, vesting of the awarded PSUs will occur on different vesting dates subject to the performance condition being met. Finally, the CEO is entitled to Performance Shares (PS) subject to the performance conditions being met.

For the six months ended 30 June 2022 (30 June 2021), the Group has recognized the following share-based payment expenses for the above-mentioned plans in the statement of profit or loss:

Share plans expenses *in EURk*	2022HY	2021HY
VSOP	1,361.9	293
PSU	140.0	0
PS	80.0	0
Personnel expenses for share-based payments	**1,581.9**	**293**

22. Commitments and Contingencies

There are no material commitments and contingencies existing at the moment.

23. Related party balances and transactions/disclosures

Service and rental agreements with the major shareholder are in place. All transactions are charged at arm's length.

24. Events after the reporting date

On 27 July Cabka's Hazelwood (MO, USA) plant was forced to shut down due to extreme rainfall and floods. All essential injection molding tools have been successfully recovered and are used to continue supply to key customers using alternative production capacities.

Cabka

SECTION C. BRIDGE BETWEEN IFRS AND GERMAN GAAP 2021

The tables V to VII in this section provide an overview of the bridge from German GAAP reporting to EU-IFRS reporting. The notes A to G give the background to the applicable changes in reporting. Reference to these notes is made in applicable lines of the tables V to VII. Specified are both remeasurements (i.e., items that are valued differently under IFRS) and reclassifications (i.e., items that are represented under a different category under IFRS).

V. Bridge overview interim Consolidated Income Statement IFRS 2021 from German -GAAP

The table below gives the reconciliation of the Consolidated Income Statement and Comprehensive Income Statement for the year 2021 from German GAAP to IFRS. See notes at the end of section C after table VII.

Consolidated Income Statement FY2021 *in EURk*	notes	**Local GAAP**	**Remeasurement**	**Reclassification**	**IFRS**
Net turnover	C	**170,642.7**	**-653.6**	**0**	**169,989.1**
Other own work capitalized		3,003.0	0	0	3,003.0
Change in inventories of finished good and work in progress		708.6	0	0	708.6
Other operating income	F	3,317.4	-454.8	0	2,862.6
Total operating income		**177,671.7**	**-1.108.4**	**0**	**176,563.3**
Material expenses / expenses for purchased services		89,501.0	0	0	89,501.0
Personnel expenses	D	33,145.2	3,083.0	750.0	36,978.2
Amortization/depreciation of intangible and tangible fixed assets	A	16,753.8	2,930.1	0	9,683.9
Other operating expenses	A	29,515.5	-3,021.6	-750.0	25,744.0
Total operating expenses		**168,915.4**	**2,991.6**	**0**	**171,907.0**
Other interest income and similar income		19.3	0	0	19.3
Interest expenses and similar charges	A	1,968.1	142.2	0	2,110.2
Financial result		**-1,948.7**	**-142.2**	**0**	**-2,090.9**
Result before taxes		**6,807.5**	**-4,242.2**	**0**	**2,565.3**
Taxation	B	2,194.5	281.9	0	2,476.4
Net Result		**4,613.0**	**-4,524.1**	**0**	**88.9**
thereof minority interests		*323.5*	*0*	*0*	*323.5*
thereof shares of CABKA		***4,289.5***	***-4,524.1***	***0***	***-234.6***

Consolidated Statement of Comprehensive Income (FY2021)				
in EURk	**Local GAAP**	**Remeasurement**	**Reclassification**	**IFRS**
Net Result	**4,613.0**	**-4,524.1**	**0.0**	**88,9**
Items which may be recycled to profit or loss				
Exchange differences on translation of foreign operations	201.7	0	0	201.7
Other comprehensive income	201.7	0	0	201.7
Total comprehensive income	**4,814.7**	**-4,524.1**	**0**	**290.6**
thereof minority interests	*323.5*	*0*	*0*	*323.5*
thereof shares of CABKA	*4,491.1*	*-4,524.1*	*0*	*-33.0*

VI. Bridge overview opening Balance Sheet 2021 IFRS from German Gaap

The table below gives the reconciliation of the financial position for the Group as of 1 January 2021 from German GAAP to IFRS. See notes at the end of section C after table VII.

Group reconciliation of equity on 1 January 2021					
		Local GAAP	Remeasurement	Reclassification	IFRS
in EURk	notes	31.12.2020	01.01.2021	01.01.2021	01.01.2021
ASSETS					
Non-current assets					
Goodwill		90.0	0.0	-90.0	0.0
Other intangible assets		1,022.1	0.0	90.0	1,112.1
Property, plant and equipment	A	64,258.7	10,553.9	-88.9	74,723.6
Long-term financial assets		90.5	0.0	0.0	90.5
Other long-term assets		4.1	0.0	0.0	4.1
Deferred taxes	B	0.0	2,289.4	0.0	2,289.4
		65,465.4	**12,843.3**	**-88.9**	**78,219.8**
Current assets					
Inventories		25,152.5	0.0	0.0	25,152.5
Trade receivables		20,483.7	0.0	0.0	20,483.7
Other short-term assets		3,790.0	0.0	0.0	3,790.0
Cash and cash equivalents		9,177.7	0.0	0.0	9,177.7
		58,603.8	**0.0**	**0.0**	**58,603.8**
		124,069.2	**12,843.3**	**-88.9**	**136,823.5**
LIABILITIES					
Equity					
Share capital		3,363.4	0.0	0.0	3,363.4
Capital reserve		12,982.6	0.0	0.0	12,982.6
Retained earnings		18,078.3	-821.7	0.0	17,256.5
Foreign currency translation reserve		-542.5	0.0	0.0	-542.5
Minority interests		364.7	0.0	0.0	364.7
		34,246.4	**-821.7**	**0.0**	**33,424.7**
Non-current liabilities					
Long-term financial liabilities	A	44,928.6	7,808.3	0.0	52,736.8
Other long-term liabilities		166.6	0.0	-88.9	77.7
Deferred taxes	B	470.0	1,219.4	0.0	1,689.4
		45,565.2	**9,027.7**	**-88.9**	**54,503.9**
Current liabilities					
Short-term financial liabilities	A	19,184.1	2,745.6	0.0	21,929.7
Provisions	G	5,720.6	0.0	-4,558.7	1,161.9
Contract liabilities	C	529.6	1,556.8	0.0	2,086.4
Trade payables		15,230.4	0.0	0.0	15,230.4
Income tax liabilities		880.3	0.0	0.0	880.3
Other short-term liabilities	D,G	2,712.6	335.0	4,558.7	7,606.3
		44,257.6	**4,637.4**	**0.0**	**48,895.0**
		124,069.2	**12,843.3**	**-88.9**	**136,823.5**

VII. Bridge overview closing Balance Sheet 2021 IFRS from German Gaap

The table below gives the reconciliation of the financial position for the Group as of 31 December 2021 from German GAAP to IFRS. See notes at the end of section C after table VII.

Group reconciliation of equity on 31 December 2021					
		Local GAAP	Remeasurement	Reclassification	IFRS
in EURk	notes	31.12.2021	31.12.2021	31.12.2021	31.12.2021
ASSETS					
Non-current assets					
Goodwill	E	60.0	0.0	-60.0	0.0
Other intangible assets	E	545.5	0.0	60.0	605.5
Property, plant and equipment	A	65,663.8	8,335.7	-103.8	73,895.7
Long-term financial assets		90.5	0.0	0.0	90.5
Other long-term assets		9.7	0.0	0.0	9.7
Deferred taxes	B	0	1,911.9	0.0	1,911.9
		66,369.4	**10,247.6**	**-103.8**	**76,513.3**
Current assets					
Inventories		30,802.8	0.0	0.0	30,802.8
Trade receivables		27,218.8	0.0	0.0	27,218.8
Short-term financial assets		201.1	0.0	0.0	201.1
Other short-term assets		6,522.0	0.0	0.0	6,522.0
Cash and cash equivalents		9,982.5	0.0	0.0	9,982.5
		74,727.2	**0.0**	**0.0**	**74,727.2**
		141,096.7	**10,247.6**	**-103.8**	**151,240.5**
LIABILITIES					
Equity					
Share capital		3,363.4	0.0	0.0	3,363.4
Capital reserve	F	12,527.7	454.8	0.0	12,982.6
Retained earnings		23,014.8	-5,410.0	0.0	17,604.8
Foreign currency translation reserve		-345.4	-34.2	0.0	-379.6
Minority interests		57.9	0.0	0.0	57.9
		38,618.5	**-4,989.4**	**0.0**	**33,629.0**
Non-current liabilities					
Long-term financial liabilities	A	39,639.1	5,533.4	0.0	45,172.5
Other long-term liabilities		172.7	0.0	-103.8	68.9
Deferred taxes	B	490.4	1,222.5	0.0	1,712.9
		40,302.2	**6,755.8**	**-103.8**	**46,954.3**
Current liabilities					
Short-term financial liabilities	A	24,385.8	2,903.7	0.0	27,289.5
Provisions	G	8,679.0	0.0	-7,637.4	1,041.5
Contract liabilities	C	0.0	2,210.4	0.0	2,210.4
Trade payables	G	25,558.5	0.0	5,109.4	30,667.9
Income tax liabilities		0.6	0.0	0.0	0.6
Other short-term liabilities	D,G	3,552.2	3,367.1	2,528.1	9,447.4
		62,176.0	**8,481.2**	**0.0**	**70,657.2**
		141,096.7	**10,247.6**	**-103.8**	**151,240.5**

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Notes to the bridge between IFRS and German GAAP 2021 tables V - VII

A IFRS 16 - Leases

Under IFRS a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities.

As a result, the Group recognized an increase of EUR 10,553k (31 December 2021: EUR 8,437k) of lease liabilities included under long-term and short-term financial liabilities. The right-of-use assets are recognized in the amount of EUR 10,553k (31 December 2021: EUR 8,336k) under property, plant, and equipment. Additionally, depreciation increased by EUR 2,930k, finance costs increased by EUR 142k and leasing expenses decreased by EUR 3,021k for the year ended 31 December 2021.

B Deferred tax

The various transitional adjustments resulted in various temporary differences. Under German GAAP there is an option to recognize deferred tax assets (this applies in particular to deferred taxes on unused loss carryforwards). Deferred tax assets have not yet been recognized. According to IFRS the Group have to recognize the tax effects of differences in measurement and other impacts.

C Revenue recognition

IFRS has detailed regulations on when to recognize revenues. Therefore, adjustments were necessary. Revenues from contracts with customers for the year ended 31 December 2021 was reduced by EUR 653k. The corresponding deferred revenues are to be reported as contract liabilities. The contract liabilities increased by EUR 1,557k as of 31 December 2020 and by EUR 2,210k as of 31 December 2021.

D Measurement virtual stock option program (VSOP)

According to IFRS the valuation of the VSOP differs from the valuation according to Local GAAP. Therefore, the other liabilities increased by EUR 335k as of 31 December 2020 and by EUR 3,367k as of 31 December 2021. The expenses relating the VSOP are to be presented as personnel expenses.

E Reclassification within intangible assets

Under German GAAP a Goodwill is shown in the amount of EUR 60k. This asset does not fulfil the criteria of a goodwill under IFRS as it does represent assets like customer relationship. Consequently, this amount was reclassified to other intangible assets.

F Changes in parents' ownership in a subsidiary

In 2020 Cabka did enter into an agreement, which did increase its ownership in a subsidiary. The subsidiary was already controlled and consequently consolidation before this transaction. Under German GAAP this transaction did result in other operating income of EUR 455k in the reporting period 2021. Under IFRS 10 this transaction was considered to be an equity transaction and the P&L impact was eliminated via capital reserve.

G Presentation of Provisions, Trade Payables and other Liabilities

Under German GAAP some positions are presented as provisions which do not fulfill the criteria of a provision under IFRS and need to be presented as a liability under IFRS: Under German GAAP Cabka does present a provision for outstanding invoices which is presented as a trade payable under IFRS. Under German GAAP Cabka does present provisions for example for overtime hours and outstanding holidays which is presented as other liabilities under IFRS.

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