‘21

Cabka annual report 2021

Transformation Matters.

These financials relate to the period prior to the listing of Cabka's shares. Being a German company, Cabka's financial statements have historically been prepared in accordance with German GAAP. The financial information in this annual report relates to the results of Cabka Group GmbH in the annual year 2021 and has also been prepared in accordance with German GAAP.

As of 1 March 2022, Cabka has converted into a Dutch public company (*naamloze vennootschap*) with its shares listed and admitted to trading on Euronext Amsterdam. Accordingly, as of 1 March 2022, Cabka N.V. will report financial information under International Financial Reporting Standards (IFRS), as adopted by the European Union, instead of German GAAP and adhere to all requirements applicable to listed companies (e.g.with respect to its annual report).

Cabka
Transformation
Matters.

“We are well positioned for a healthy future”

CEO introduction

The theme of this annual report is ‘Transformation matters’, and there is every reason for that. Because for us at Cabka, 2021 was a year of change in many ways.

From a financial perspective to begin with: 2021 has been a very successful year for Cabka. After a tough 2020, impacted by the Covid pandemic, we managed a full recovery in 2021. The revenue increased to EUR 170.6 million or 26.8% year-on-year in 2021. All relevant parameters, revenue, underlying EBITDA and net income improved to record levels. Much of this success is rooted in Cabka’s DNA. We turn plastic waste into sustainable logistics solutions – enabling a better future for all. So transformation is our everyday business. We proved in 2021 once again that we are leading the industry in our integrated approach, closing the loop from waste, to recycling, to manufacturing.

At the same time we have prepared the transformation from our family owned company, through the business combination with Dutch Star Companies TWO, enabling Cabka to list at Euronext Amsterdam as of 1 March 2022. The listing provides increased visibility and financial flexibility to enhance growth.

And thirdly, we are operating in a market that is facing major challenges when it comes to smart logistics and supply chain management, revolving around speed, costs, efficiency and sustainability. On top of that, the start to 2022 brought inflation and significantly higher energy and material costs. And far more important, who could have imagined that the Russian invasion of Ukraine would shake the world.

In these highly uncertain circumstances, we nurture our solid foundation, laid by our people, and we are well positioned for a healthy future.

I want to express my sincere thanks to everyone at Cabka for their efforts and contributions to a successful 2021.

Tim Litjens
Chief Executive Officer

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Management summary

Cabka shows strong post-Covid recovery in 2021

The year 2021 showed a strong comeback after a year that was severely impacted by the COVID pandemic. All relevant parameters, revenue, underlying EBITDA and net income improved to record levels.

The revenue increased to EUR 170.6 million or 26.8% year-on-year in 2021, corresponding to approximately 6% increase versus pre-COVID 2019 levels. This despite lagging demand in the first quarter of 2021 caused by continued COVID effects, and supply interruptions in the automotive sector.
Revenue growth was supported predominantly by the increase of Cabka's global reusable pallets and large container business. Total growth was well above 20% in both Europe and the US, with especially strong growth in the US large container business, almost doubling in revenue. The US pallet business, however, experienced slower growth, amid initiating expansion of local operations. Meanwhile, Cabka's ECO business and other products also showed strong growth.

Material and energy prices significantly increased over the year. In 2021 the gross margin decreased slightly to 51.7%, compared to an exceptionally

Management summary

high result in 2020 at 55.2%, primarily effected by higher raw material costs, and reinstated temporary staffing in production. The gross margin includes temporary employment under cost of purchased services according to the Handelsgesetzbuch (HGB) under German GAAP.

Own personnel expenses increased by EUR 2.0 million or 6.6% compared to 2020. Main drivers are the increase of production output, and further expansion of our Innovation Center, strengthening our core competencies in product development, material formulations, processing and automation technologies.

Consolidation ECO business

In line with the defined operational levers supporting future growth and profitability, Cabka decided to physically consolidate the Genthin ECO business within the Weira production site, driving up efficiencies and overall capacity. The consequential closure of the Genthin production site results in a provision for one-off severance and restructuring costs in 2021. The integration is expected to be completed in the third quarter of 2022. Finally, other operating expenses increased by 18%, compared to a 27% increase in revenues, illustrating the company's operational leverage.

All in all, Cabka realized a net profit of EUR 4.6 million in 2021, versus a loss of EUR 3.2 million in 2020.

Total capital expenditures were at EUR 19.3 million, whereby the maintenance- and replacement-CAPEX equals EUR 7.1 million or 4.2% over revenue. Growth- and cost-reduction-CAPEX comes in at EUR 12.2 million, including the restructuring of the ECO business. Net Working Capital improved in 2021 to 19% over revenue.

Developments after 31 December 2021

The first quarter of 2022 was an historic one for Cabka. After a business combination with Dutch Star Companies TWO Cabka Group GmbH became a legal subsidiary of Cabka N.V. a listed entity on Euronext Amsterdam, as of 1 March 2022. The listing also marked a change in formal leadership for Cabka as founder Gat Ramon stepped down as Co-CEO to join the new supervisory board and Mr. Necip Küpcü joined the management board as CFO.

As of 1 March, a supervisory board of Cabka was installed consisting of Mrs. Tova Posner Henkin (Interim Chair), Mr. Gat Ramon (Vice-Chair), Mr. Niek Hoek (Vice-Chair), Mrs. Jeanine Holscher, Mr. Stephan Nanninga. In addition, Mr. Manuel Beja is nominated as a member of the supervisory board for the 31 May Annual General Meeting.

Strengthening financial position

Following the completion of the business combination Cabka considerably strengthened its financial position with EUR 45.5 million in new capital. Furthermore, the start to 2022 is characterized by high overall inflation, particularly manifesting itself through significantly higher energy and material costs, further fueled by the war in Ukraine. In anticipation Cabka announced a round of price increases in the fourth quarter of 2021, effective per January 2022. However, as these inflationary effects came in even stronger than anticipated, there is an expected delay in the full conversion to the market, impacting our margins on the shorter term. That said, supported by further mitigating actions focused on enhancing our product mix and efficiencies, we stick to the mid-term guidance as provided earlier.

Financial Highlights

in EUR million	2021	2020	Change
Revenue	170.6	134.6	27%
Gross Profit	88.2	74.3	19%
Underlying EBITDA	28.0	20.2	39%
IFRS-16 Underlying EBITDA	31.0	21.9	41%
Net Income	4.6	(3.2)	n.m.

Milestones in Cabka’s history

Cabka’s history reflects 28 years of constant growth, putting recycling and sustainability first by turning waste into value, closing the loop from waste, to recycling, to manufacturing. These are our milestones.

1994

Incorporation of Cabka

1998

Start selling first recycled plastic pallet

2005

Start operations in the US

2008

Opening of sales office and production facility in Valencia (Spain)

2012

Opening of the headquarters in Berlin (Germany)

2013

Acquisition of IPS in Ieper (Belgium), expanding geographical footprint to Belgium, product portfolio and market diversification

2015

Acquisition of plastic pallet producer Eryplast (Belgium)

2018

Opening of innovation center in Valencia (Spain)

2022

Business combination Dutch Star Companies Two and Cabka Group


100815


Yale

01

Mission, vision and objectives

Ready for a new era

Terms like circularity and upcycling hardly existed back in 1994, when we started as a recycling company. Ever since, Cabka has been about trying out new concepts, exploring unknown territories, and growing together. In that sense Cabka is almost like an organism, or a family, rather than a company. We have never been conventional, we have used the money we made to take chances, to invest in innovation and in people. And to us it was also perfectly clear from the start that where ecology and economy come together, the economy will always win. So if you want to close the loop, if you want to add something positive to the world, you need to turn waste into value, to create useful products. We are down to earth idealists.

The new business combination with Dutch Star Companies TWO fits in perfectly, it enables Cabka to enhance further growth in a better future. At the same time it is a bit like children leaving home, and the parents staying behind in an empty nest, experiencing mixed emotions. Even though we gradually growed towards this major step. But we know we have teached them to be independent, to make the right decisions, we trust them to be successful and to have fun, to enjoy what they are doing. And actually, the children are staying home, it's the both of us embarking on a new and exciting journey.

It makes us both proud and humble that Cabka has become such a successful company and that it has always been true to its beliefs and its core values. We wish it to remain unconventional and to maintain closeness between all stakeholders inside and outside the company.
We are convinced that Cabka, as it enters a new era, will not lose its DNA, its curiosity, its pioneering character. Because transformation matters.

Gat and Heike Ramon
Founders of Cabka

Enabling a better future for all

At Cabka, we don't believe in progress unless it's for everyone, including future generations. Our vision is a world where supply chains don't just move things, but change things fundamentally.

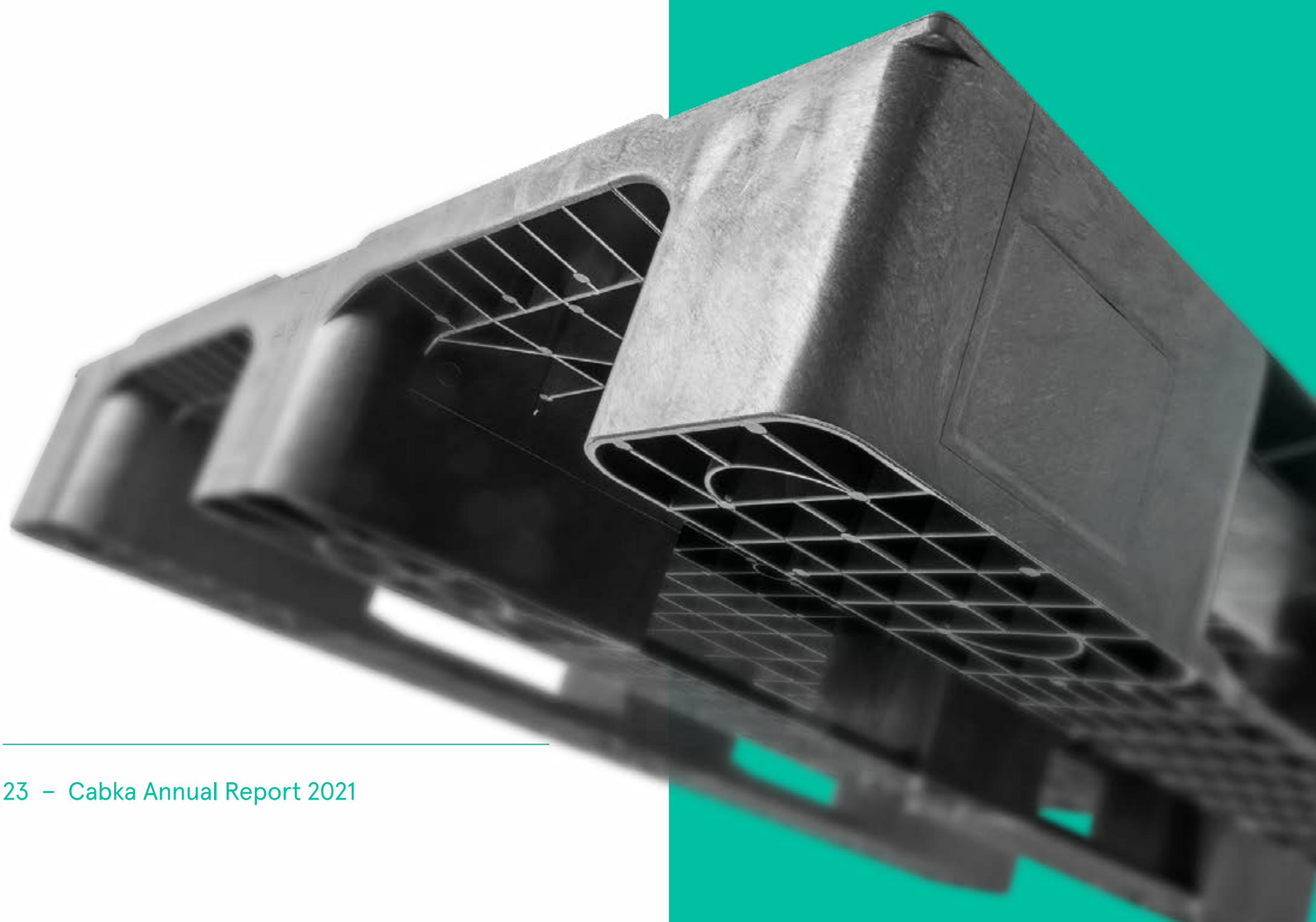
Cabka is in the business of recycling plastics from post-consumer and post-industrial waste into innovative reusable pallets- and large container solutions enhancing logistics chain sustainability. Our vision is a world where supply chains don't just move things, but rather change things fundamentally and have a positive impact – both for our customers and for the environment. At Cabka, we don't believe in progress unless it's for everyone, including future generations.

We design with sustainability and circularity in mind. Many of our products are made from reused and recycled materials. They are also 100% recyclable at the end of their lifespan. We process 70% of our plastic in-house, and we process more than 150 kilotons of recycled material in total, from different sources, made into a wide range of our products. It is the equivalent of over 4.5 million EU citizens plastic waste. They can be used again and again, and finally recycled for a fresh start. We keep waste out of landfills, averting both unwanted

70%
of our plastic is recycled in-house

150,000
tons of recycled material processed yearly

4,500,000
times the plastic waste of a EU citizen



Mission, vision and objectives

cost and unwanted accumulation.
We transform our customers' supply-chain processes, optimizing them for efficiency, safety, sustainability, and ease of use. Cabka's roots lie in recycling, so we know for certain that sustainability and prosperity are not mutually exclusive.

Co-creating with our customers

We do so through a business model aimed at zero-waste. With support of our suppliers we are constantly identifying new plastic waste streams and engineering them to become a source of material for our products. In close cooperation with our customers we are developing lighter, more efficient reusable products which at the end of their llifespan are returned to Cabka, fully recycled and channelled back into production. Together with our partners we create a true closed loop, aimed to reduce, and reuse waste, actively reducing CO_2 consumption in the chain. One ton of recycled plastic saves around 2 tons of CO_2 emissions, 5,774 kilowatt hours of energy and 16.3 barrels of oil. Together, we can make sustainability work for business, society, and the environment.

Closing the loop

Responsibility for our environment is anchored in our business model, it has been integral to Cabka for more than 25 years. We are leading the industry in its integrated approach closing the loop from waste, to recycling, to manufacturing. Backed by its own innovation center Cabka 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. We make sustainability work for business, society, and the planet.
From day one, we've been reusing and recycling our products and the plastics that make them. Even as we've grown, our priority remains the same: sustainability for all. At Cabka we don't believe in progress unless it is for everyone, including the generations to come. Resources are not considered endless. Waste is not considered an inconvenient side effect.
With our activities we want to continue contributing to the transition to a circular economy and continue to work on reducing the carbon footprint of our products.

Transformation through innovation

We are committed to manufacturing high quality, useful products from recycled plastic and creating value-enhancing, sustainable solutions together with our customers. Maximizing the potential of waste materials with minimal ecological and economic effort is always in the foreground. We understand that resources are finite, but that possibilities are endless at the same time.

Transformation is at the heart of our company, it is the basis for further development and progress.

That is why innovation is an integral part of our corporate strategy. Combining our research and development activities at one site, the Innovation Center at Valencia Technology Park in Spain, enables us to intensify our work on promising new technologies, true to our motto: transformation matters.

Progress for everyone

We aim to turn the used into the useful, considering waste as an opportunity.

An opportunity to create new valuable products using waste as our input, specifically designed to be reused and recycled, thereby contributing to a more sustainable future.

We see opportunity in waste. To us, every challenge is just an opportunity for positive change—for the industry, for the environment, and for the people living in it. Because progress is only progress when it's for everyone.

We want to become the world's leading developer and manufacturer of reusable transport packaging made from recycled plastic.With our pallets and containers we turn plastic waste into clever and sustainable transport solutions – enabling a better future for all.

"We turn plastic waste into clever and sustainable transport solutions"

Our power is t

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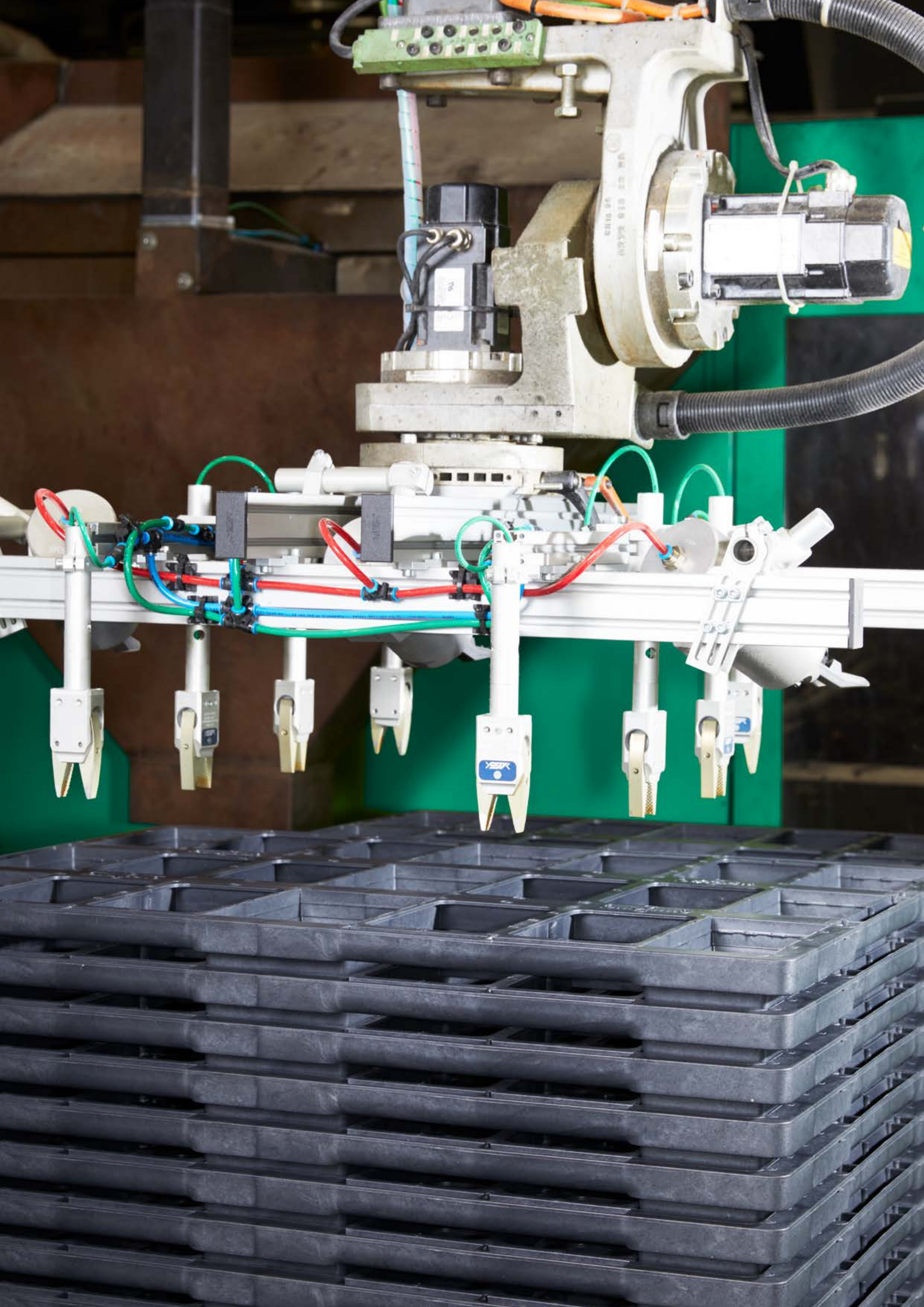
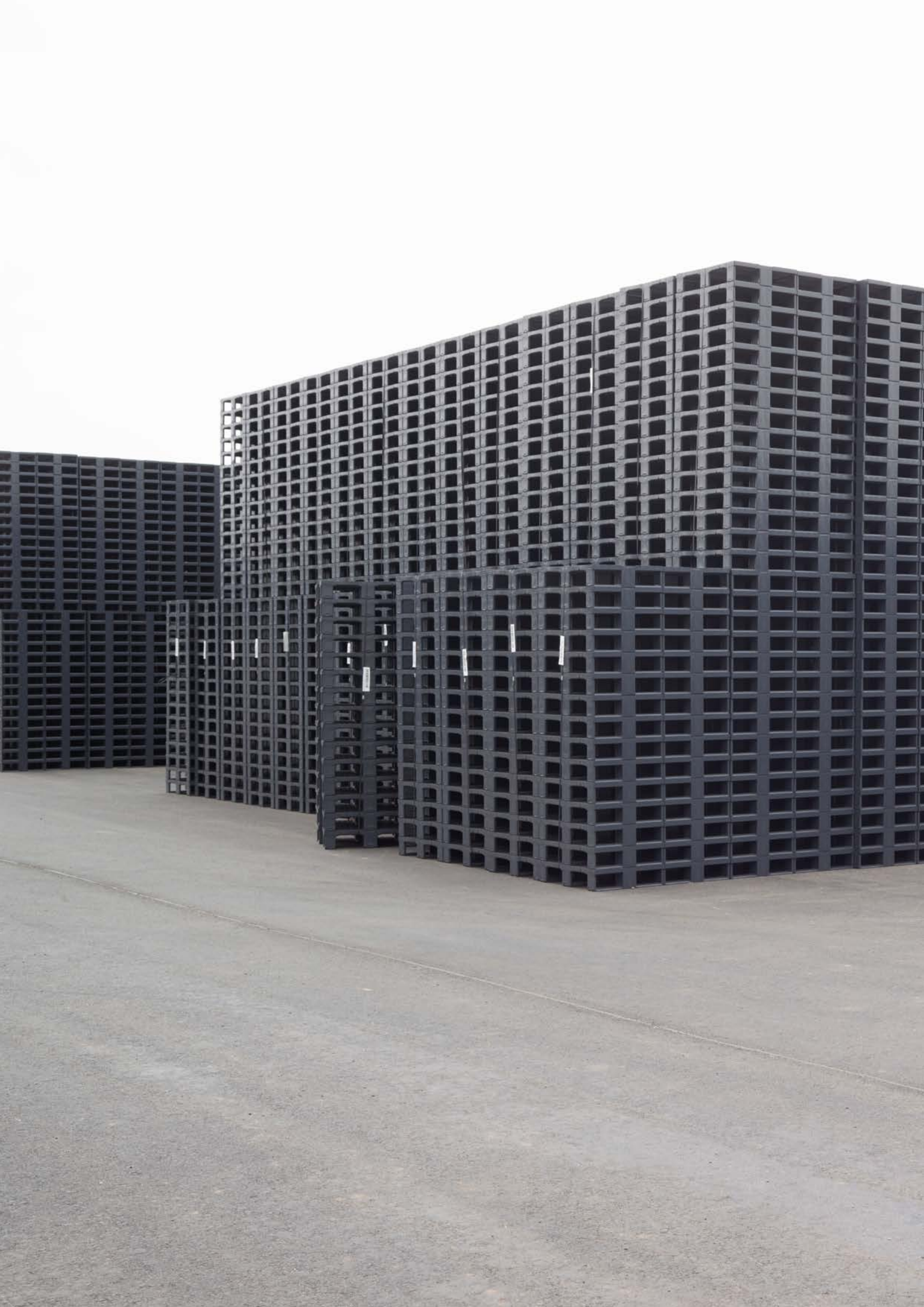




02

Key strengths and strategy


tosca

Product development is key

Every day companies use approximately 1.2 million of our leased pallets for their transport. Product development is essential in our pooling business. The market is changing rapidly, new logistics processes create new demands, transport costs continue to rise, so empty pallets must be optimally stackable. Of course, this should not be at the expense of quality, continuous availability is crucial for us.

After establishing Contraload in 2004, I bought my first pallet from IPS, which later became part of Cabka, as Contraload became part of Tosca. Our many years of experience with intensive use provides Cabka with extremely valuable information for product development. We meet a few times a year to discuss developments in the market and how the affect the pipeline for future products.
Together, we achieve great results. For example, for years we have been using a certain pallet made of various glued parts. This has certain disadvantages and we wanted a one-shot single cast pallet. Our successful cocreation resulted in a new pallet we are using since 2021.
We are continously exploring next steps in the use of recycled plastics, without compromising the required quality. We are now working together on a pallet of post consumer plastic waste, which can be used in pooling. If it's up to me, that new pallet will be available in 2023. This is particularly interesting because of the raw material costs and because products in our market segment have to meet the requirements of the most intensive user. Not every tenant is equally careful with it, there are chunky pilots among them.

We experience the cooperation as very positive, both professionally and personally. I am therefore looking forward to continuing and intensifying the relationship in the coming years.

Jesse Sels
President EMEA at Tosca

Frontrunner in innovation from the start

At Cabka, product and supply chain innovation has always been fully integrated in our business model.

Since its incorporation over 25 years ago, Cabka has gathered an extensive track-record of bringing innovative solutions to the market, with many of these have ended up becoming industry standards. In 2018, Cabka initiated its innovation center in Valencia, Spain, centralizing all R&D efforts in one place and integrating all expertise under one roof. The Innovation Center focusses on the development of future products and undertakes testing for existing products in order to ensure market and legal requirements.
More than 40 R&D specialists focus on innovations in three main areas:

• **Advanced material engineering** – Cabka operates a recycled material lab that enables continuous testing of material characteristics. This has resulted in a unique database of over 3,000 recycled materials and material formulations.
• **Product design** – Leveraging on access to its extensive material database, we are able to design and simulate products meeting the exact needs of customers across various sectors, be it load-bearing capacity, size or carbon footprint. Intellectual property prevents competitors to reproduce Cabka's solutions.
• **Advanced processing technology** – This provides Cabka with an opportunity to process low value waste streams rather than purchasing virgin input materials, thereby securing part of its feedstock at negative costs while substantially improving its products' carbon footprint.

Unique in-house end-to-end process turning waste into high-value products

Cabka closes the plastic loop for its customers. We control the full value chain from waste to product, which

3,000
recycled materials and material formulations in our unique database

60%
reduction of CO_2-emission

Key Strengths

starts in the recycling facilities and ultimately ends with end-of-life product management, where Cabka takes back its products and reinserts them in the production process.

Impact on customers costs and CO_2 footprint

We are convinced that a sustainable business model revolves around the impact on a customers logistics chain. Therefore, Cabka's product development is focused on intelligent solutions that optimize logistics chain efficiency while simultaneously offering CO_2 footprint improvements. Our solutions are superior both from a cost of ownership and sustainability perspective. For instance Cabka's nestable pallet, compared to a wooden pallet, reduces total costs per pallet per trip by 50% and CO_2-emissions by 60%. This positively affects the key aspects in customers' purchasing behaviour.

Strong regional focus creates market leadership positions in key markets

Appreciating the large addressable market for both pallets and large containers in both the EU and North America, low plastic penetration rate and the urgency for sustainable solutions, Cabka deliberately focuses on creating a market leading position in these blue ocean markets leveraging on its unique recycled plastics based proposition.

Europe

Cabka currently is the leader in plastic pallets (volume-based, recycled and virgin), a position that has formed the basis of a quick expansion in the large containers segment towards its current #7 position, which the Company envisages to expand towards market leadership. In respect of feedstock, the European market is attractive since collection systems for post-consumer packaging waste are well established. The European measures are the most stringent in the world. The EU has set a target for recycling 50% of plastic packaging by 2025 and has prohibited EU companies to unload plastic waste on countries in the developing world. This provides a huge opportunity for Cabka that holds a key position in the transition towards a circular economy.

North America (operations in the US)

Cabka currently holds a #4 position in

plastic pallets (volume-based, recycled + virgin) in the US, and our ambition is market leadership. Simultaneously, Cabka is now set for accelerated growth in the plastic large container segment and looking to gain a significant foothold, leveraging on the aforementioned customized solutions and European project pipeline. In respect of feedstock, the US market is more focused on post-industrial waste. But more stringent regulation on post-consumer waste recycling is expected within reasonable time. In 2021, the first two Extended Producer Responsibility (EPR) laws for packaging passed in Oregon and Washington indicating US momentum for packaging EPR is growing.

Blue-chip customer base

Resulting from its unrivalled innovation-centered solutions and its integrated business model, Cabka actively works on and cherishes long-term relationships with numerous blue-chip customers across various industries. These customers place their trust in us for enhancing logistics chain efficiency with sustainable solutions because Cabka has scale in both Europe and North America. For Cabka, securing these household names holds multiple benefits:

- Doing business with trustworthy counterparties lowers business risk;
- Generally, these customers are looking to establish long-term partnerships with preferred suppliers that are capable of providing a solution that is deeply embedded in their core logistics chain, resulting in a consistent year-on-year order inflow and customer stickiness;
- Successful case studies with these customers act as an extra quality stamp in discussions with potential new customers, especially within the same industry.

Strong financial profile with high percentage revenue recurring by nature

Cabka has an asset-backed balance sheet, and has demonstrated stable revenue growth. Cabka has managed to rebound to pre-COVID levels, mainly resulting from a high share of revenue recurring by nature. The margin improvement is mainly a result of the strategic reorientation, with further upside to be realized in the coming years based on a number of identified operational levers.

At Cabka w
progress is fo
including futur

we believe
or everyone,
re generations

Innovation basis for growth

Cabka's strong competitive position is founded on its focus on selected innovation areas and key markets with attractive characteristics. This has formed the basis of Cabka's consistent growth.

Levering on its unique integrated and high value-add business model, Cabka has developed trusted, long-term relationships with its customers, primarily large companies across various sectors. Over time, Cabka has established a vital position within the core logistics chain of these companies through customized solutions, resulting in a high percentage of revenue being recurring by nature.

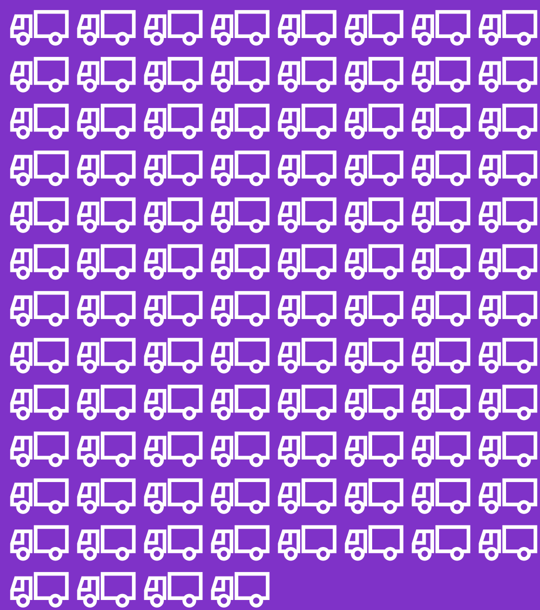
Cabka holds a strong position in its market, with in-house developed (customized) products based on proprietary material formulation, product design and processing technology. These products are designed to support its customers in achieving maximum logistics chain efficiency while minimizing carbon footprint.

Complementing its strong competitive position is Cabka's professional family culture, with key values Respect, Openness, Equal Treatment, Environmental Protection and Teamwork. Additionally, Cabka is led by an experienced management team and has a highly skilled and committed group of employees. In 2018, the management team successfully initiated a strategic reorientation, which resulted in renewed focus on selected innovation areas (through its innovation hub in Valencia) and key markets with attractive characteristics. All this has formed the basis of Cabka's consistent growth.

Cabka expects to continue to be successful driven by five strategic growth pillars:

Plastic pallets can last more than

100 trips



Wooden pallets usually last less than

20 trips

Strategy

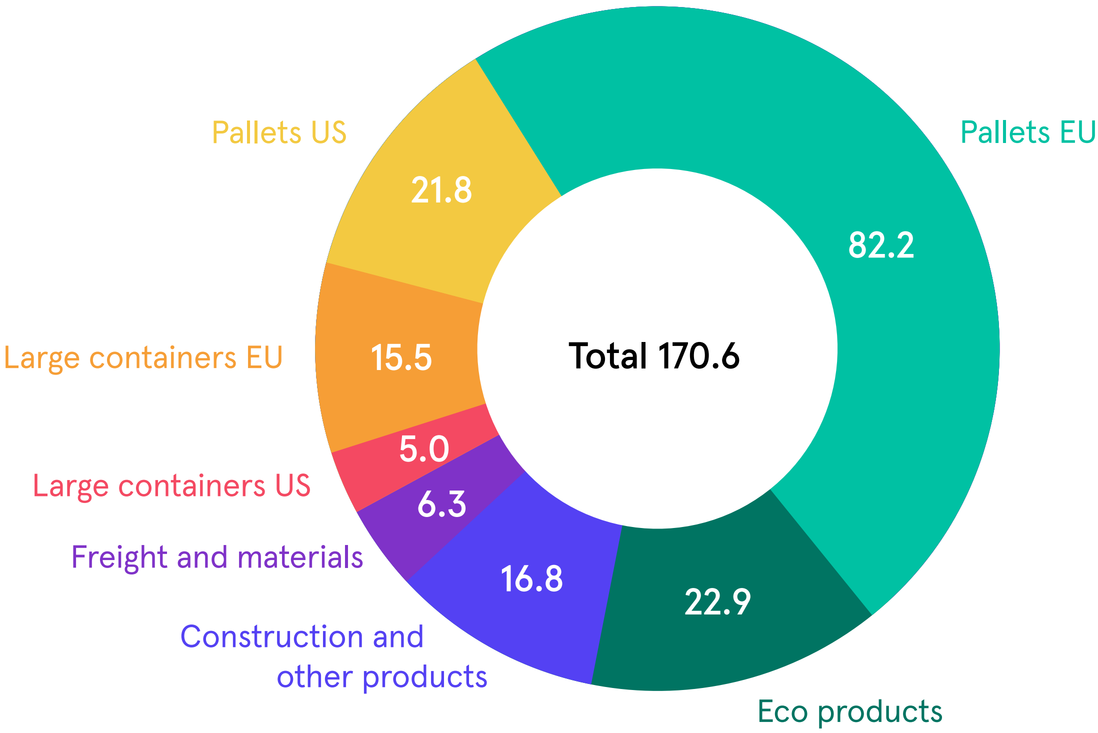
1 Continuous innovation in product portfolio

Currently, Cabka holds the broadest portfolio of pallets within Europe. Through its dedicated innovation center in Valencia we aim to consistently bring innovative solutions to the market that meet customers' logistics chain and sustainability demands. In turn, superior performance of these products at attractive pricing will fuel revenue growth. Cabka has meticulously identified gaps between current product offering and customer demands and prioritized the resulting opportunities based on, amongst others, addressable market, margin profile and intensity of competition. Cabka will invest in various new tools per year in the coming years to be able to upgrade and complement its product portfolio. Where possible, tools will be designed to be size-adaptable so that several market demands can be fulfilled with just one tool. In parallel, the company has performed an assessment of the overall quality and performance status of the tools.

2 Increasingly shift towards customized solutions

Based on over 25 years of experience and research, Cabka has gained a unique competitive position through its ability to offer fully customized solutions. Controlling the complete value chain from waste stream to end products allows the company to design products based on a database of over 3,000 material blends and proprietary processing technology to turn these materials into high-value products. We can seamlessly meet the exact customer specifications, including material type, load-bearing capacity, weight, size and handling speed. Given today's highly complex logistics chain and sustainability demands, having the capability to fully tailor to customer needs results in a strong competitive position. In recent years, Cabka has realized substantial growth in this area and views this as one of the key growth engines going forward. Large companies, operating through complex logistics chains, require sophisticated transport packaging solutions. Cabka can play a vital role in their logistics chain through long-term partnerships, and tailored solutions that perfectly match.

Revenue per product sector
in million euro



”Cabka has established a vital position within the logistics chain of its customers”

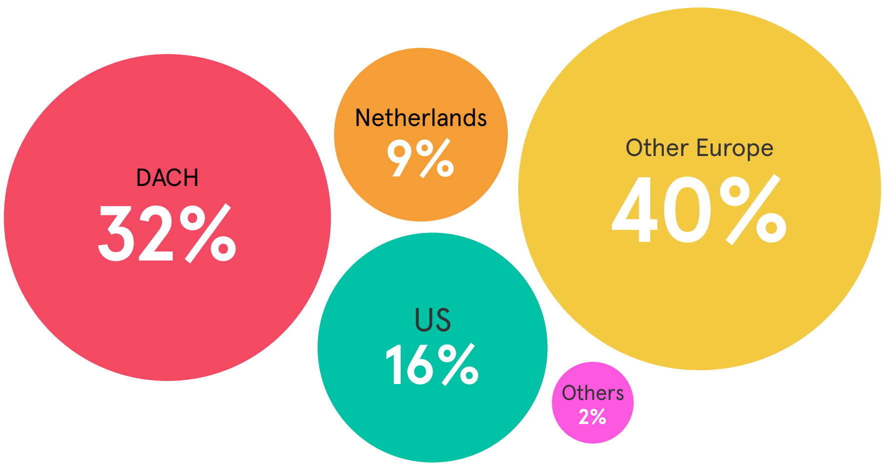
3 Expand large container position

In recent years, Cabka has increasingly focused on developing plastic large container solutions. Introducing innovative alternatives will enable Cabka to break into an entirely new market space, which is characterized by higher value and higher margins. Cabka has established a targeted strategy focused on Europe and North America to drastically enlarge market share in this space.

4 Leverage on ECO products to further drive both margins and cashflow

Cabka's ECO business offers impactful solutions based on hard to recycle consumer waste streams and as a result the margin profile is appealing. These plastic waste streams would otherwise end up in the incineration ovens, whereas Cabka makes products out of it that can last between 10 and 25 years. This niche market is mainly capacity driven since Cabka is one of the few parties with the capabilities to recycle this low-value material. We envisages to increase our ECO capacity to further exploit this value adding business unit. Additionally, we have laid out a roadmap to further propel margins through efficiency improvements.

Total revenue share per geography



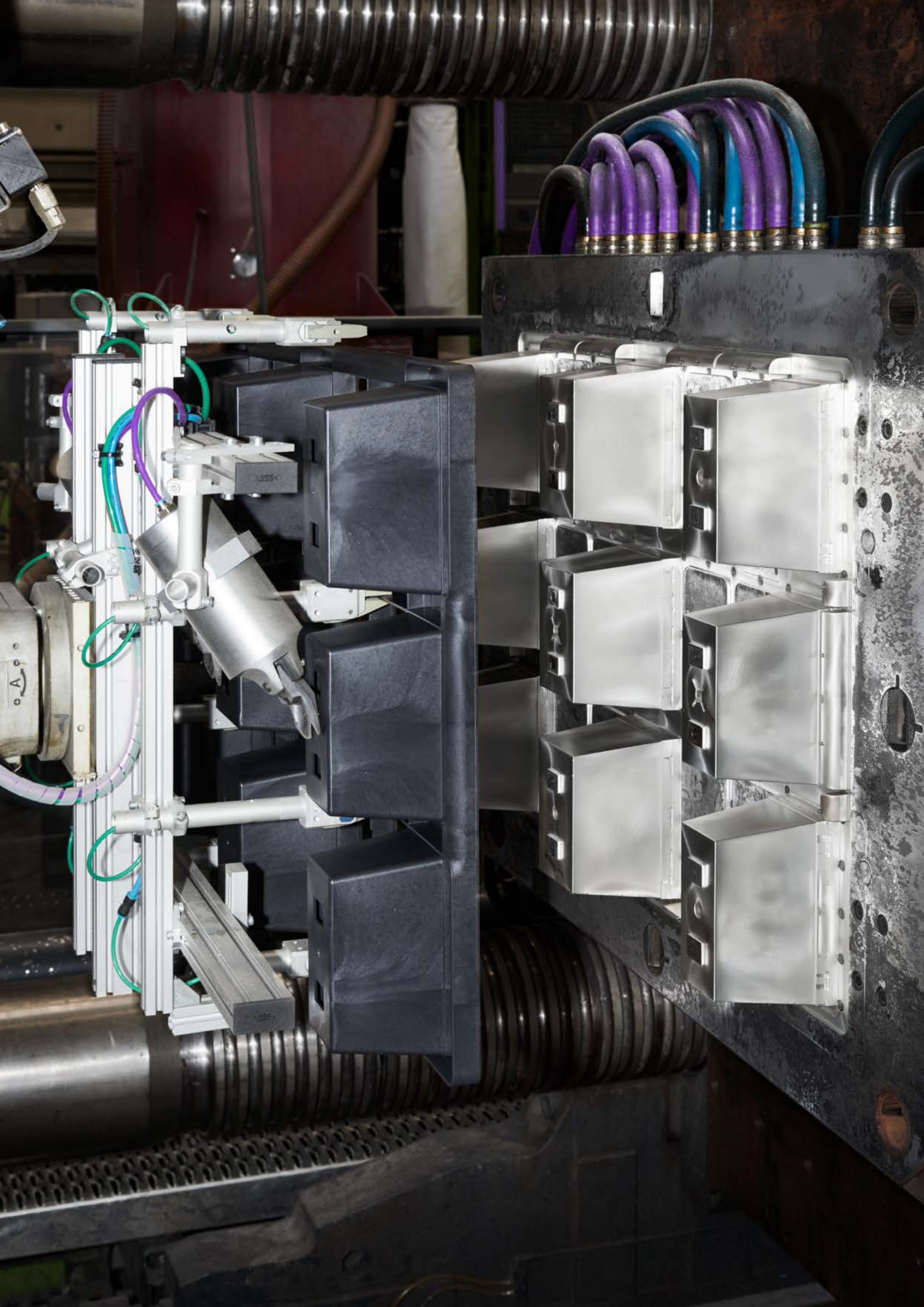
5 Further propel growth through targeted acquisitions

Complementing the organic growth strategy, is ample opportunity for additional growth through acquisitions. Our acquisition strategy focuses on expanding both end-market and recycling position across Europe and the US.
In respect of end-markets, the company is looking to capitalize on Europe's fragmented market landscape and acquire smaller market players, thereby mainly improving proximity to the market.
At the same time, we aim to benefit from increased supply chain control through recycling or even from further backward integrating through acquisitions in waste management.
Besides the strategic benefit, these acquisitions also create synergies for the Cabka's current business. For example, we successfully integrated our most significant acquisition, Belgium-based IPS, substantially improving revenue, EBITDA and net profit while reducing headcount.

Four operational levers to further strengthen margin profile

Cabka has identified four operational levers to optimize efficiency within the organisation and productively allocate capital:

- **Formulation** – engineering recycled plastic products, complemented by in-house recycling, resulting in shift towards lower value waste streams. This shift results in lower material costs, increased competitiveness and a higher security of supply;
- **Automation** – A target of >30% reduction of manual labour through automation and identified >15 projects to be executed by 2024;
- **Enhanced efficiency** – Improve average capacity utilization rates to utilize approximately 20% spare capacity in current facilities, driving significant efficiency improvements leveraging the existing asset base;
- **Asset light** – Outsourcing of production with limited specialized know-how. For example through using external tolling partners, which results in lower capital intensity and shifts focus of investments to new products and automation, subsequently improving cash conversion.



03

Market and operations

Creating a cleaner world together

I am very proud that as Kras Recycling we have started working together with Cabka in the Circular Plastics Alliance in 2021. We supply plastic granulate to Cabka's factory in Belgium, which makes products from it and sells it to the market. We collect these products at the end of their life cycle to turn them into raw materials once again. It is a closed loop with complete traceability from waste to end product. The materials are tracked and traced from the source of collection to its final processing for reuse applications in durable plastic pallets as produced by Cabka, like pallets and palletboxes.

Our ambition as Circular Plastics Alliance is to deliver and collect 5,000 tons of recycled plastic in 2022. Together we make the chain more circular, with the motto 'let's create a cleaner world together'.

In principle, we can sell our raw materials anywhere, but by establishing this new and innovative strategic agreement we are able to connect and control all links in the chain, thus closing the loop. Cooperation is in our DNA as a family business that is now in its third generation: we are convinced that we can only grow by working together. If you want to multiply, you have to share.

Gat Ramon and I have known each other for over fifteen years, and it gives me great pleasure that we have now started working together in the Alliance, which also means working with Cabka on business development in the chain, in which economy and ecology go hand in hand. I am sure this is just the beginning, much more is possible from waste to worth, as we say at Kras.

Henk Kras
Kras Recycling /Circular Plastics

Leading in our integrated approach

Based on over 25 years' experience as a dedicated family business, we are leading the industry in our integrated approach closing the loop from waste, to recycling, to manufacturing.

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. We are a leading integrated circular production company, focused on providing pallets and large containers to a wide range of industries and customers from the Automotive, Chemical, Food & Beverage, Pharma, Pooling and Retail industries across Europe and North America.

Based on over 25 years' experience as a dedicated family business, we are leading the industry in our integrated approach closing the loop from waste, to recycling, to manufacturing.
Cabka focuses on two main segments within the reusable packaging products market, being pallets and large containers.
Cabka recycles about 70% of the total recycled material used in its production process, and sources the remaining part from external suppliers. The Company operates through seven production locations, of which five process the approximately 150 kiloton post-industrial

CabCube

50%
lighter than a metal cage

75%
floor space saved when collapsed

100%
recyclable

and post-consumer waste streams. Two of these seven locations are based on tolling contracts following the company's asset light strategy.

Market dynamics

Global size

The global pallet market was estimated at approximately $78.1 billion in 2020, and is expected to grow to approximately $110.6 billion in 2027 at a cumulative average growth rate of 5.1%. The global large container market is estimated at approximately €50 billion (as per 2020), with growth in the coming years believed to be above global pallet market growth. The addressable market in Cabka's key market segments, Europe and North America, for both pallets and large containers is sizeable, currently representing over one billion new pallets and approximately 650 million large containers produced per year respectively (50/50 split between the EU and North America for pallets and 40/60 split for large containers). Plastic penetration rates are believed to be only 5.5% for pallets to 2% for large containers. These figures translate into a current plastic pallet market estimated at a value of about €1.25 billion (€550 million EU vs €700 million North America) and an estimated €1.0 billion for large containers (€400 million EU vs €600 million North America).

Changing supply chain landscape

The main driver for the envisaged growth in both the pallet and large container market is a changing supply chain landscape, driven by amongst others the rise of e-commerce, resulting in

"Supply chain rationalization and focus on sustainability are reshaping logistics"

shorter supply cycles. In turn, these are characterized by increasing pallet and large container movements and decreasing average cargo weight per movement.

Status quo: pallets and large containers

Currently, about 94% of all produced pallets comprise wooden pallets, with other main material categories being plastic, corrugated paper and metal. For years, the wooden pallet has served as a feasible transport packaging solution as a result of the abundant feedstock availability, simple production process and most importantly attractive pricing compared to other solutions. Similarly, currently approximately 75% of all produced large containers are corrugated paper, with other significant material categories being plastic, wood and metal.

However, two global forces are now reshaping the global pallet and large container industry, driving increased demand to replace wood by reusable and recyclable plastics: logistic chain rationalization and sustainability.

Supply chain rationalization

Supply chain dynamics have resulted in companies reconsidering their complete logistics chain, as the strategic relevance of logistics chains has substantially increased and these have even become a key differentiator driving businesses' success. This is driving the need for innovative, customized solutions.

Furthermore, an accelerated shift towards fully automated warehousing results in zero tolerance for system failure, thus requiring transport packaging solutions with minimal breakage or damage rates. Additionally, businesses are eyeing maximum logistics chain efficiency, implying reducing handling and cleaning time and simultaneously optimizing transportation and lowering costs. Finally, there is an increasing demand for more hygienic pallet solutions. Plastic pallets and large containers are a suitable solution when it comes to enhancing supply chain efficiency and hygiene.

Focus on sustainability

In addition to the supply chain rationalization trend, a growing focus un sustainability boosts a shift in corporate agendas towards circular business models incorporating sustainable products, reusability, recyclability and recycled

Market and operations

materials, with a high residual value. The (recycled) plastic segment of the pallet and large container market will benefit from the sustainability trend, having a substantial lower CO_2 footprint for most applications compared to the status quo feedstock. An important consideration is the number of trips. Plastic pallets can make as many as 100 trips through the supply chain, wood pallets will last for a maximum of 15 to 20 trips, with significant repairs required after every three or four trips. In addition, (recycled) plastic product solutions can be tailored to customer need which can further decrease CO_2 footprint (e.g. smaller pallets, nestable pallets). Therefore, Cabka's market segment of recycled plastics is envisaged to demonstrate the fastest growth over the 2020-2027 period.

Prices wooden pallets increasing

The prices of wooden pallets are steadily increasing, substantially accelerated by the recent significant increase in wood prices across both the EU and North America as a result of supply shortages and supply chain disruptions caused by COVID-19. This is accelerating the shift towards the recycled plastics segment.

Sustainability assessments

EcoVadis is a provider of business sustainability ratings and has created a global network of more than 85,000 rated companies to date. The EcoVadis sustainability assessment methodology is an evaluation of how well a company has integrated the principles of sustainability into their business and management system. The sustainability scorecard of EcoVadis illustrates performance across 21 indicators in four themes: environment, human rights, ethics and sustainable procurement. In 2021, Cabka has achieved the EcoVadis silver score, implying Cabka belongs to the top 25% of all companies.
Circulytics is a self-assessment company-level measuring tool developed by the Ellen MacArthur Foundation in collaboration with more than 30 companies and academic organisations. The insights gathered through Circulytics assessment empowers businesses to find a competitive edge, reduce costs through waste elimination, and meet environmental ambitions. Circulytics accurately measures the readiness and overall performance with regards to the circular economy. Cabka reached an second highest possible score A- score.

Competitive position Cabka

Cabka is one of the few players with coverage of both the EU and North American markets. Cabka holds a market leading position in the EU pallet market (volume-based) and additionally has a significant position in the large container market. In North America, Cabka has established a significant position in the US pallet market and has recently started to gain a foothold in the large container market based on development of a number of customized solutions.

Cabka follows a dedicated strategy focused on creating market-leader positions in its key market segments. Cabka is perfectly positioned to expand its business, based on its significant position and its continuous focus on innovation, R&D and sustainability. We are fully equipped to exploit the full value chain from waste to end-products. Cabka distinguishes itself being able to integrate the entire recycling-to-production chain in a one-of-a-kind process, significantly lowering customer's costs and carbon footprint. Our strong regional focus has ample room for growth with some 20% spare capacity in current facilities. Investments in new machines have further enlarged this capacity.

Cabka shall endeavour to continue to be successful going forward based on its attractive market position, supportive trends in its segment of recycled plastics and product design capabilities resulting in unique customized solutions.

"We are fully equipped to exploit the full value chain from waste to end-products"

Cabka is able t
entire recycling
chain, <u>lowering</u>
<u>costs and car</u>

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bon footprint

Market and operations

Operations overview

Cabka has production facilities in Europe and the United States. Our operations comprise two divisions, Material Handling division and ECO Products division.

The Material Handling division (about 85% of annual turnover) relates to the reusable packaging products (pallets and large containers). Material Handling's input consists for the majority of post-industrial and post-consumer recycled waste. To obtain these recycled plastics, the different plastic waste streams are subjected to strict separation methods. The plastics are manually pre-sorted, washed, shredded and subjected to float-sink methods. The identification and separation of the different types of plastics (PP, PE, PET etc.) is performed with infrared sorting techniques. Result is a recycled PE, PP or PO (Polyolefins) with high purity to be used in the Material Handling products. Cabka additionally processes some virgin plastic (approximately 15% of Material Handling processing and 10% of total processing). Cabka uses virgin for products that (a) have to comply with certain hygiene regulations, (b) need a specific colour, and (c) need a very high consistency in the composition of the material.
The production process of the pallets and containers is carried out through injection moulding machines. The products (through moulds) can be produced on different machines with distinctive features and capacity.

The ECO products division (about 15% of annual turnover) relates to sustainable products, made from unsorted mixed plastics which are generated out of 100% post-consumer plastic waste. Products are used for gardening and landscaping as well as for construction and transport. Post-consumer plastic waste (mixed plastics packaging such as trays, tubs, pots and films) can be mechanically recycled, and it is both economically and environmentally effective to do so. Cabka has in five of its facilities the infrastructure and permits for storage and reprocessing these resources and turn it into ECO products (for example fence feet and grass grids). On a high-level, this recycling process entails the input of consumer waste bales and process these through different steps from shredding, drying, separating, and cleaning. The cleaned and dried fraction is used as base material for production of the ECO Products.

Production technologies

We use a variety of moulding technologies and machine sizes and have proprietary expertise of all technologies, often resulting in adjustments being made to the moulding machines to optimize output and increase competitive edge.

The main techniques are:

- Injection moulding
- Gas-assist injection moulding
- Compression moulding

In-house tool-making center

Cabka has a large mould division which is solely focused on manufacturing and repairing moulds. This division is responsible for not only developing moulds, but also for performing a variety of analyses such as mould flow analysis.

Integrated production test center

We are currently setting up a production test center in Castalla (Spain), aiming for reduced time to market through centralizing all factory acceptance testing (FAT). Tests incorporate the complete step up of Injection Moulding Machine, Moulds, Automation and Material suitability and performance.

Operational excellence

Cabka has initiated an operational excellence program, focused on achieving maximum production efficiently. Most prominently, we are implementing a Manufacturing Execution System (MES). The MES will run on each plant, allowing us to continuously measure production performance per machine.

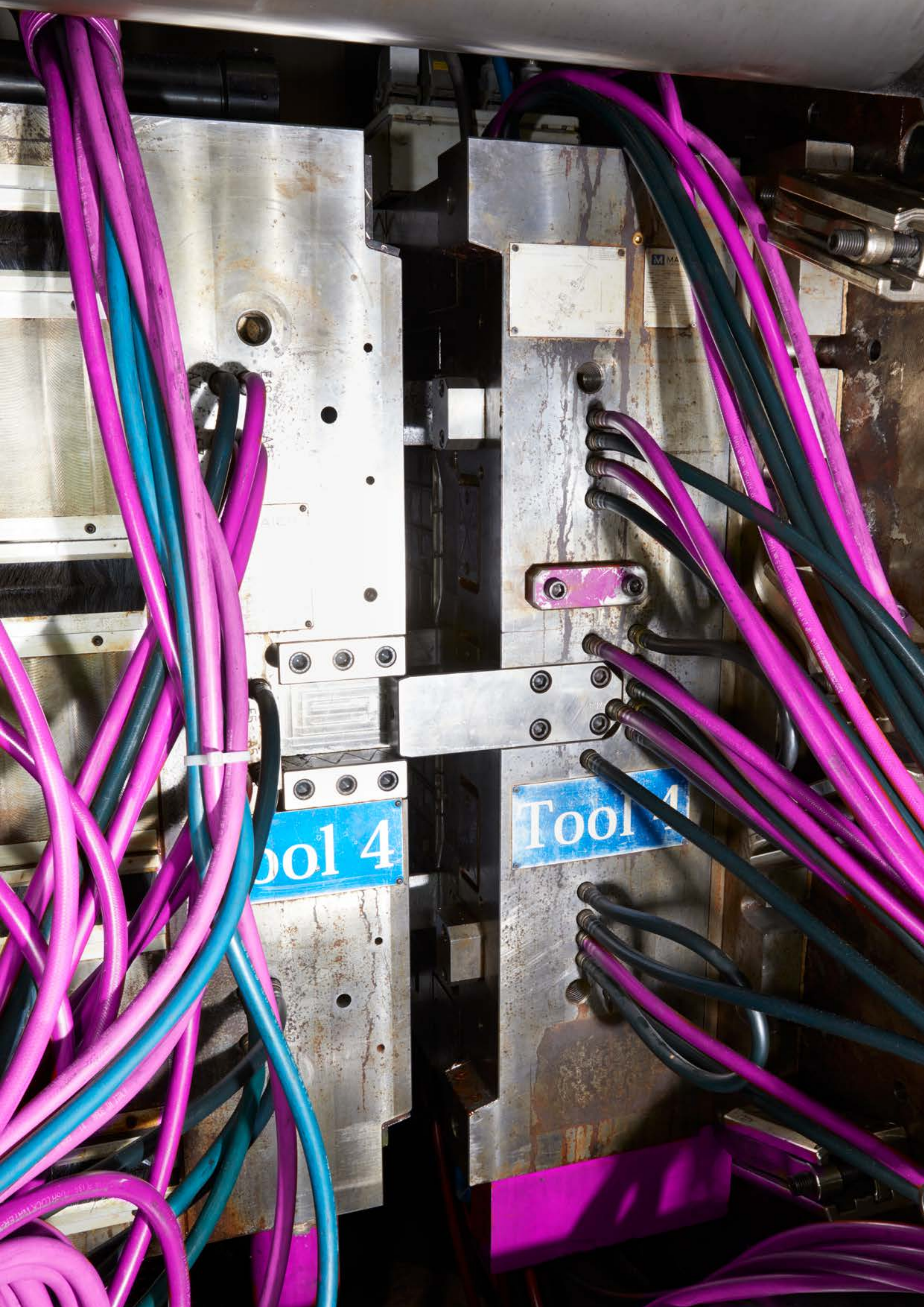
We expect to improve the overall equipment effectiveness significantly after complete roll-out of the MES in combination with the operational excellence program.

The innovation center Valencia uses the results of MES to improve the in-house designed production processes. This allows the R&D team to develop new material blends which will provide better performance or better processing.

ISO Standards

Cabka strictly follows ISO-standards (see page 96).


TREMCO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Tool 4

04

Financial and operational results

Gerbrand ter Brugge

Stephan Nanninga

Niek Hoek

Long-term cooperation

The objective of Dutch Star Companies TWO was to raise capital and to invest in high performing 'star companies'. Cabka ticks all our boxes, as a unique frontrunner in the circular production of reusable plastic pallets and large containers for smart logistics. Market dynamics are driving further demand for reusable plastics. Cabka is clearly demonstrating perspective on future growth, consistently focusing on innovation and being able to integrate the entire recycling-to-production chain in a one-of-a-kind process, significantly lowering customer's costs and carbon footprint. Through its integrated approach Cabka is closing the loop from waste, to recycling, to manufacturing. In 2021, Cabka has shown that it operates a profitable business model with solid returns for shareholders.

In that same year we embarked on our journey towards the new business combination, which we are convinced is a long term win-win for both Cabka and Dutch Star Companies TWO companies and its shareholders. With Cabka we bring a true circular company to Euronext Amsterdam. The listing will significantly strengthen the profile and position of the company on Euronext Amsterdam which is the leading European stock exchange for smaller and medium sized ESG companies.

Our perspective as a significant shareholder matches perfectly with that of the Ramon family that remains fully committed as the largest shareholder. We are looking forward to a profitable long-term cooperation, founded on Cabka's DNA and its impressive 25 year tracking record, and further strengthened by the new business combination. The motto of this annual report, 'transformation matters' is highly applicable on both this DNA and the transition of Cabka to a listed company.

Niek Hoek
Stephan Nanninga
Gerbrand ter Brugge
Executive Directors
Dutch Star Companies TWO

Strong comeback after COVID pandemic

The year 2021 showed a strong comeback after following a year that was severely impacted by the COVID pandemic. All relevant parameters, revenue, underlying EBITDA and net income improved to record levels.

Operational and financial performance 2021

The revenue increased to EUR 170.6 million or 26.8% year-on-year in 2021, corresponding to approximately 6% versus pre-COVID 2019 levels. This despite lagging demand in the first quarter of 2021 caused by continued COVID effects, and supply interruptions in the automotive sector.

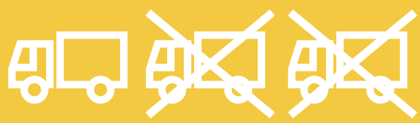
Revenue

Revenue growth is supported predominantly by the increase of Cabka's global reusable pallets and large container business. Total growth was well above 20% in both Europe and

Nesting pallets

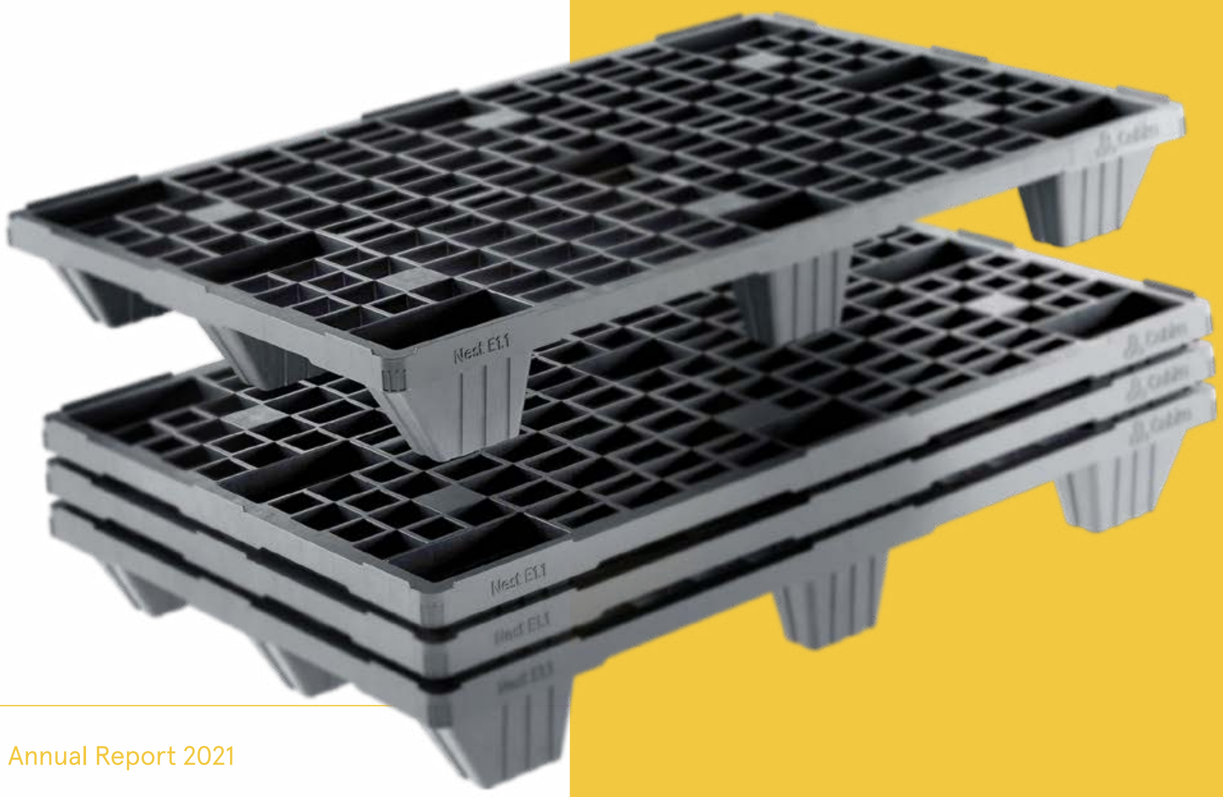
1/2

of the hight of a wooden pallet stack



2/3

less handling with 1230 pallets in a large trailer



the US, with especially strong growth in the large container business, almost doubling in revenue. The US pallet business, however, experienced slower growth, amid initiating expansion of local operations. Meanwhile, Cabka's ECO business and other products also showed strong growth.

Costs

Material and energy prices significantly increased over the year. In 2021 the gross margin decreased slightly to 51.7%, compared to an exceptionally high result in 2020 at 55.2%, primarily effected by higher raw material costs, and reinstated temporary staffing in production. The gross margin includes temporary employment under cost of purchased services according to the Handelsgesetzbuch (HGB) under German GAAP. Figures as published in the shareholder circular are excluding temporary staffing.
Own personnel expenses increased by EUR 2 million or 6.6% compared to 2020. Main drivers are the increase of production output, and further expansion of our Innovation Center, strengthening our core competencies in product development, material formulations, processing & automation technologies.

In line with the defined operational levers supporting future growth and profitability, Cabka decided to physically consolidate the Genthin ECO business within the Weira production site, driving up efficiencies and overall capacity. The consequential closure of the Genthin production site results in a provision for one-off severance and restructuring costs in 2021. The integration is expected to be completed in the third quarter of 2022.

Finally, other operating expenses increased by 18%, compared to a 27% increase in revenues, illustrating the company's operational leverage.

All in all, Cabka realized a net profit of EUR 4.6 million in 2021, versus a loss of EUR 3.2 million in 2020.
Tax structure in 2021 was equal to 2020, with a tax burden for the German entities of approximately 30% and some 25% for all other entities. As Cabka pays taxes on a national level without loss compensation between the different national legal entities this can influence the overall effective tax rate.

Capital Expenditures 2021

Total capital expenditures are at EUR 19.3 million, whereby the maintenance- and replacement-CAPEX equals EUR 7.1 million or 4.2% over revenue, in line with Cabka's mid-term guidance. Growth- and cost-reduction-CAPEX comes in at EUR 12.2 million, including the restructuring of the ECO business.

Net Working Capital

Net Working Capital improved in 2021 to 19% over revenue, in line with the mid-term guidance.

Debt covenant

In 2019, Cabka has combined all previous bilateral credit agreements into a five-year syndicated credit facility with an international banking group. Besides considerably increased access to financing, the Company ensured cross-border flexibility within the Group and drastically reduced handling complexity. The financial resources provided in this syndicated facility are subject to normal market credit terms (covenants).

The interest rate is the aggregate of the applicable margin and Euribor. The margin depends on the senior leverage. Over the year 2021 the senior leverage was between 2.00 and 2.50x EBITDA, implying an interest rate of 1.9% above Euribor.

Current Trading and Recent Developments

The continuing global spread of COVID-19 is still apparent everywhere. Other current challenges are sharply rising energy and transportation costs and the global shortage of various raw materials such as metals, wood and

"Total growth was well above 20% in both Europe and the US"

‘Further expa
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aluminium, but also plastics. This in turn leads in part to an enormous increase in the cost of material procurement. These challenges present Cabka, like many other companies, with challenges in securing the required quantities of materials at acceptable prices. Counter-measures to safeguard earnings were already initiated at an early stage through continuous monitoring at the end of the past financial year and at the beginning of the current year by means of contractual commitments to material volumes. In addition, customer prices have been adjusted to compensate for material price increases wherever possible. Moreover, Cabka's R&D facility in Valencia enables Cabka to optimise its cost price, since its activities provide Cabka insight into feedstock quality and the development of products with a lower volume of raw materials.

Key Factors Affecting Results of Operations

The results of the Cabka Group's operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Cabka Group's control.

Customer and supplier relationships

Cabka relies on various key customer and supplier relationships. Cabka's top three customers represented approximately 15% of total revenue. Cabka also relies on various key supply relationships for the supply of raw materials and the supply of services including energy, machinery, equipment, storage and transportation. Cabka consolidates the purchase of key raw materials such as plastic waste among a limited group of key suppliers. Cabka's top 10 suppliers represented approximately 40% of the total amount of raw material procured in terms of volume. Some customer, distributor and supplier relationships are governed by binding written contracts, while others are governed by informal arrangements such as purchase orders and standard terms and conditions.

Cost of raw materials and services and energy

The availability and price of of raw materials and services are subject to potential supply shortages, suppliers' allocation to other purchasers, interruptions in production by suppliers, worldwide pricing levels and new laws or regulations.

Cabka's production costs are particularly sensitive to the price of energy. Energy prices, in particular oil and natural gas, have fluctuated recently.

Competition

Cabka faces competition in the sale of its products and competes with multiple companies in each of its product lines. Cabka competes based on a number of considerations, including price, service, quality, product characteristics and the ability to supply products to customers in a timely manner.

Production facilities

At year end 2021, Cabka has seven production facilities (including two contract manufacturers) in Germany, the U.S., Belgium, and Spain. These sites ensure that Cabka's products are available in more than 80 countries. Cabka's success depends on the uninterrupted operation of such sites.

Permits, licences, approvals and certificates

Cabka is required to obtain and maintain valid permits, licenses, certificates and approvals from various governmental and regulatory authorities or institutions under applicable laws and regulations, for example relating to plastic waste management and its production sites. Cabka must comply with the restrictions and conditions imposed by various levels of governmental and regulatory authorities or institutions to maintain its permits, licenses, approvals and certificates.

Management team and other key employees

Cabka depends on its ability to recruit, retain and motivate high quality senior management and other personnel with experience in fields including R&D in relation to plastics and recycled products, and production technology, machinery and equipment.

Intellectual property rights

Cabka's business relies on a combination of copyright, patent, trademark and other intellectual property laws, nondisclosure agreements and other protective measures to protect its proprietary rights.

Financing agreements

Cabka has agreed upon a facilities agreement for a EUR 65 million term loan and revolving credit facilities agreement. Furthermore, Cabka and certain of its subsidiaries are party to separate subordinated repayment loan agreements for an aggregate amount of EUR 5 million. The financing agreements contain numerous covenants, representations and warranties by Cabka. The breach of any covenants, representations or warranties, could result in the acceleration of debt repayment or the payment of penalties under the relevant financing agreement.

Product liability and product recall

Cabka is exposed to the risk of product liability and product recall claims if any of Cabka's products are alleged to fail to comply with specified standards, warranties and/or delivery requirements and/or have resulted in personal injury or property damage. While Cabka maintains product liability insurance, this may not be adequate to cover losses related to product liability claims brought against Cabka.
In the event of an uninsured loss or a loss in excess of Cabka's insured limits, Cabka could suffer damage to its reputation and/or lose all or a portion of its production capacity as well as future revenues.

Laws and regulations regarding plastic waste recycling, transfer, treatment, processing, production, and health, safety and employment

The laws and regulations of the jurisdictions in which Cabka operates have a substantial impact on Cabka's business. A large number of complex regulations, rules, orders, court decisions and interpretations govern environmental protection, health, safety, land use, recycling, storage, and disposal of wastes, discharges of pollutants to air and water and related matters in these jurisdictions. For example, Cabka falls under the scope of the Corporate Sustainability Reporting Directive (CSRD), and the new EU Taxonomy changing regulatory requirements criteria could potentially have an adverse effect on Cabka's financial conditions and results of operations.

Mid-Term Objectives

Cabka has set the following mid-term financial performance objectives:

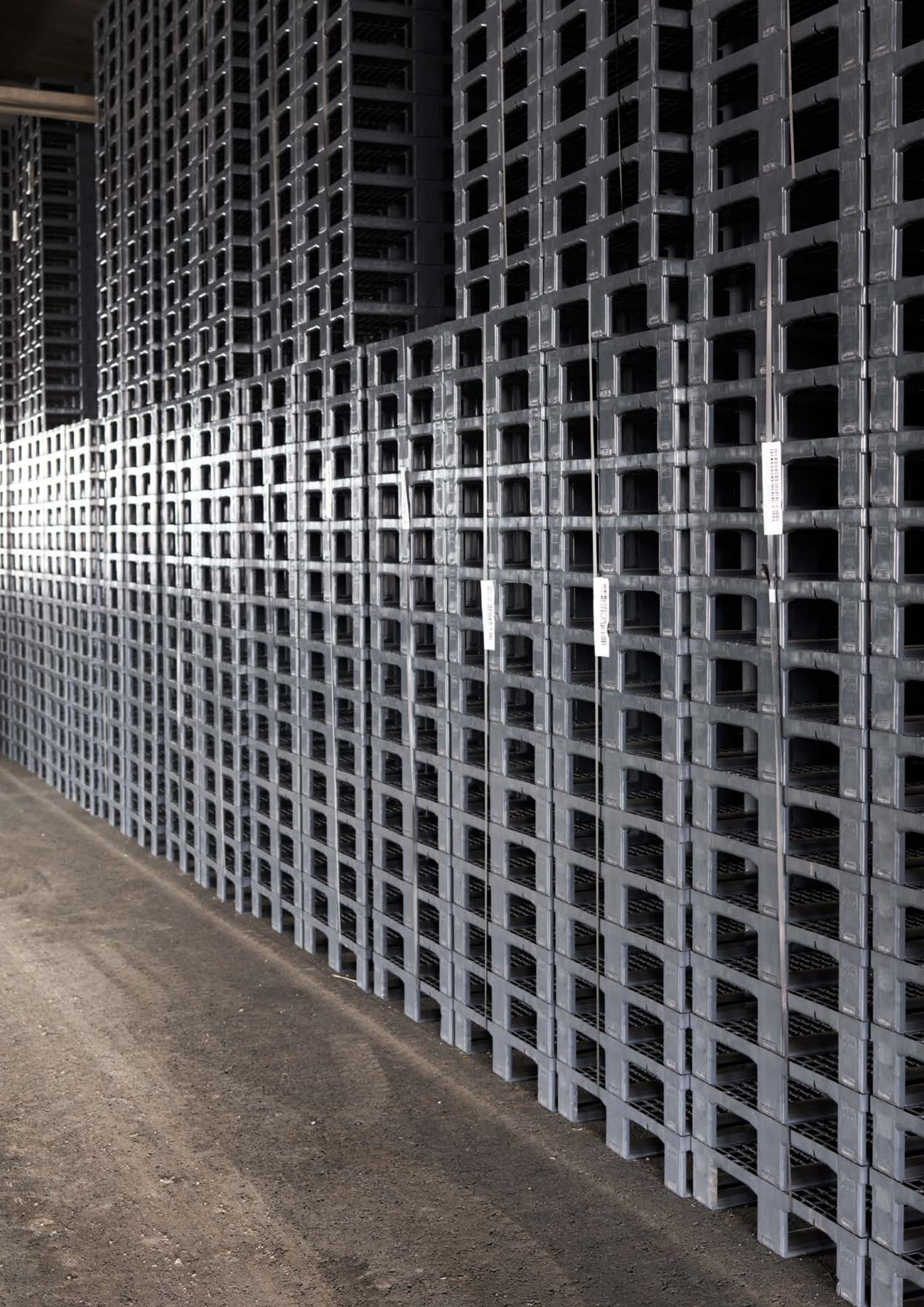
- Overall Revenue envisaged to grow in the mid-term at high single-digit rates;
- IFRS Adjusted Underlying EBITDA Margin in the mid-term above 20.0%;
- Maintenance and Replacement Capital

Expenditures in the mid-term equalling approximately 4% of Revenue;
- Net Working Capital position in the mid-term of approximately 20% of Revenue;
- A dividend pay-out ratio in the mid-term of approximately 30%-35% as percentage of net profit.

Cabka has not defined, and does not intend to define “mid-term”. Cabka’s mid-term objectives should not be read as forecasts, projections or expected results and should not be read as indicating that the Company is targeting such metrics for any particular year. They are merely objectives that result from the pursuit of its strategy.

Cabka’s ability to meet these objectives is based upon the assumption that it will be successful in executing its strategy and it depends, in addition, on the accuracy of a number of assumptions, involving factors that are significantly or entirely beyond its control and no assurance can be given that Cabka will be able to meet these objectives or that its financial position or results of operations will not be materially different from these objectives.

”Overall revenue envisaged to grow in the mid-term at high single-digit rates”

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Cabka and society

My job is to make it happen

At Cabka, we are proud of our Innovation Centre, where we develop products for our own portfolio and customized products in cocreation and interaction with our clients.
But there is no innovation without implementation. It all starts with someone coming up with an idea. After that we have a clearly defined set of stages for each project, from the first evaluation to the scoping phase, the detailed design, the tools and finally the investment decision. The whole process from first idea to production can take one year minimum.
It is my job to make sure that all necessary steps are followed, from the very early stage to production start. This means tracking timing and budget of all departments: from design, sourcing to tooling, including the information flow between these departments. Part of my job is also onboarding new suppliers, or to develop new components with our existing suppliers, if we need to tackle technical challenges.

It's all about communication in our very international environment, with people of different backgrounds and cultures. With colleagues and with customers. You need to identify what everybody wants, and to make sure they get what they need.
For instance, I am proud of the box on wheels we are developing for the retail market, a highly innovative packaging solution that allows transport from the storage area to the shop. It is very inspiring and rewarding when it all comes together in a final and successful product.

I want to reach each milestone at the right time and the right costs. It is my job to make it happen, to bring a project to life, cost wise and time wise, to make the designers' dream come true and to come up with new products that Cabka and its clients need.

Gwen Thibault
Program manager at
Cabka Innovation Centre, Valencia

Focus on environment, health and safety

Responsibility for our environment is anchored in our business model and our employees play a decisive role in our company's success. We focus on maximising the potential of waste materials with minimal ecological and economic effort.

Management structure

In 2021 Cabka's governance reflected that of a family owned company with the Ramon family holding app. 64% of all shares being de facto the decision making shareholder. During 2021 Cabka was led by a 1-tier Board consisting of two co-CEO's; Mr Gat Ramon and Mr. Tim Litjens. Preparations started in 2021 to comply governance to the listing requirements as of 1 March 2022, establishing a 2-Tier Board as of that date with Mr. Ramon joining the Supervisory Board and Mr. Litjens remaining as CEO of the Executive Board.

Our plastic pallets are water repellent

Easy to wash

Hygienic

Cabka and society

Human resources

Our employees play a decisive role in our company's success. When implementing our strategy for the future, we rely on the professional, personal and social skills of our workforce.
In all our companies, trained and committed employees represent the success of our Group. In addition to the offered training programmes, we constantly look for and support committed leadership talent in our own ranks. We maintain an open dialogue, which is a key success factor for our journey to becoming the preferred choice for our employees and customers.

In the Group were employed on a yearly average:

	2021	2020
Salaried employees	180	185
Wage-earners	475	476
	655	661

The management team consisted of 10 men and 3 women of 7 nationalities at year end.

Education

Environment, Health and Safety
Responsibility for our environment is anchored in our business model. We are committed to manufacturing high quality, useful products from recycled plastic and, together with our customers, creating value-adding, sustainable solutions. Maximising the potential of waste materials with minimal ecological and economic effort will always be in the foreground.

Cabka has an environmental policy and a health and safety policy in place, both approved by the management on 17 September 2021. These policies are commitments shared by all employees at all levels of the organisation.
The environmental policy commits Cabka, in particular, to:

1. utilize policies, procedures and standards to ensure proper management of environmental aspects and impacts to monitor, reduce and prevent environmental pollution;
2. investigate all environmental incidents to prevent recurrence;
3. ensure that all employees receive necessary and required training regarding material environmental

issues and the environmental effects of the Group's activities.

Further, Cabka seeks to make its products, operations and sites more environmentally friendly on a continuous basis. This means, for instance, improving energy efficiency and minimising energy consumption and greenhouse gas emissions. Cabka also seeks to optimize water use and preserve water quality, and to foster the responsible management of chemicals along the product chain.

Under the health and safety policy, Cabka is committed to providing safe and healthy working conditions for the prevention of work-related injury and ill health which are appropriate to the specific nature of the health and safety risks to which workers are exposed. This policy commits Cabka, in particular, to

1. identify hazards properly and assess health and safety risks and opportunities;
2. ensure that workers are aware of relevant hazards and related occupational health and safety risks that can impact them;
3. ensure all employees receive necessary training;
4. establish and implement processes needed to prepare for and respond to potential emergency situations.

Cabka is in the process of rolling out a compliance monitoring system for environmental, health and safety matters, which will be used to automatically receive updates on environmental, health and safety requirements for all relevant jurisdictions. In compliance management software was introduced and is being

"Responsibility for our environment is anchored in our business model"

implemented in Weira as the pilot site. Roll-out to selected other sites is planned during 2022.
Cabka undertakes prevention measures at each site of the Cabka Group in order to establish a safe work environment and prevent accidents from happening. These measures mainly comprise of internal audits that record processes and actions undertaken so that learnings can be drawn and new processes developed.

Cabka operates strictly following ISO-standards.

Compliant and in possession:

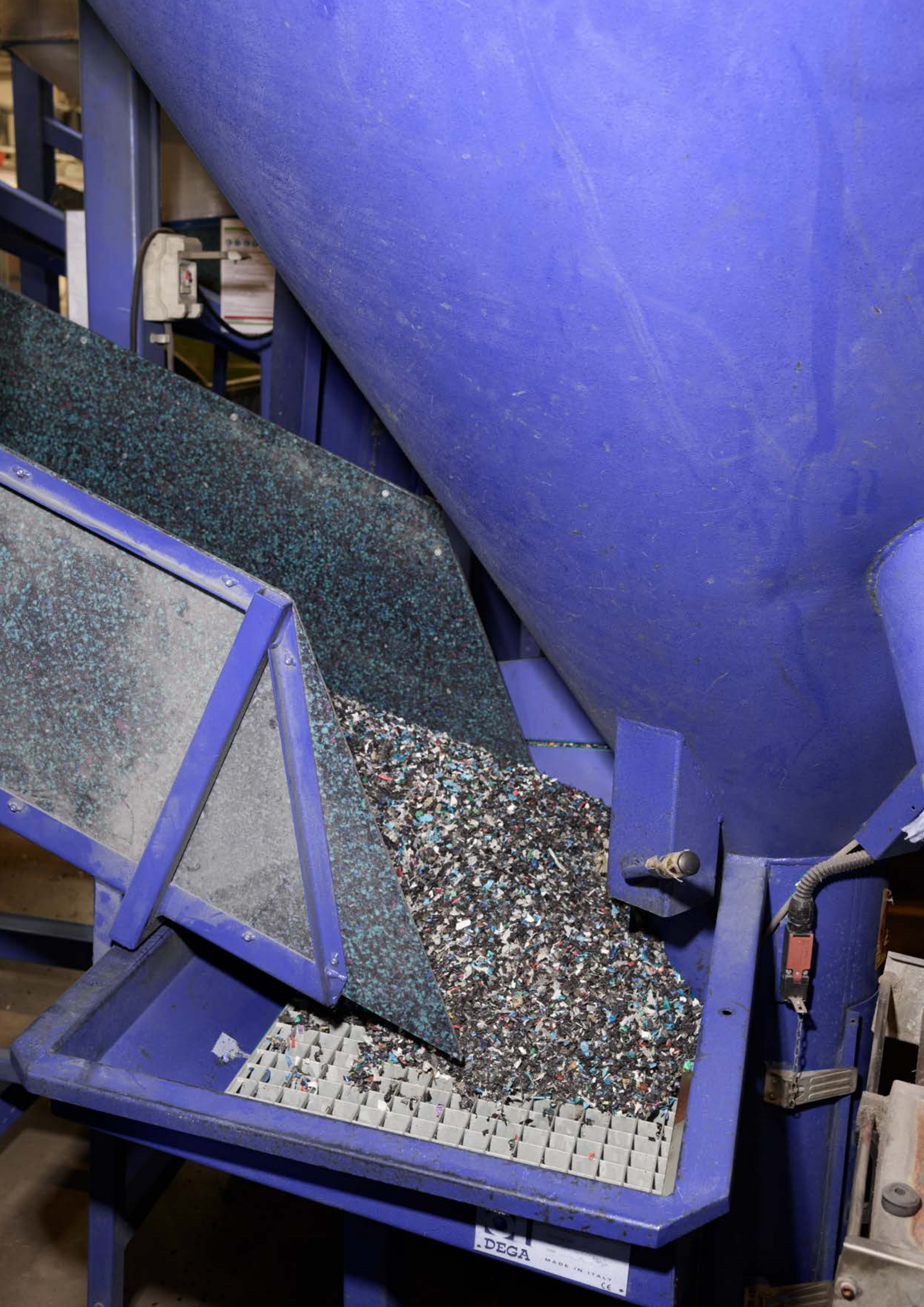
- ISO-9001 – the international standard that specifies requirements for a quality management system. Cabka uses this standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements. All production plants are in possession of this ISOstandard.
- ISO-50001 – an ISO standard which specifies requirements related to energy consumption and shows that an organization guards their energy consumption. For example Cabka's plant in Weira automatically monitors its energy consumption and switches systems off for efficiency reasons. The standard looks at efficiency, but not at zero reduction. Cabka Weira is in possession of this ISOstandard.
- Cabka is investigating whether this specific standard should be applied to the other locations.
- ISO-14001 – an ISO standard which specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance. The norm helps an organization achieve the intended outcomes of its environmental management system, which provide value for the environment and the organization itself. The intended outcomes of an environmental management system include the enhancement of environmental performance, the fulfilment of compliance obligations and the achievement of environmental objectives. Cabka did undergo the baseline measurement in Weira and expects to receive this standard over the course of 2022 (Weira) and 2023 for all her production locations.
- ISO-45001 – an ISO standard which specifies requirements for an occupational health and safety

(OH&S) management system to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance by eliminating hazards and minimize OH&S risks (including system deficiencies), taking advantage of OH&S opportunities, and addressing OH&S management system nonconformities associated with its activities. Cabka did undergo the baseline measurement in Weira and expects to receive this standard over the course of 2022 (Weira) and 2023 for all her production locations.

Codes of conduct

Cabka's believe that progress should suit all, is reflected in the principles Cabka has stipulated for employees and suppliers in 2021. The principles described in this code of ethics are not confined to the instruction to comply with the law, which is different in each country. Rather, they aim to encourage self-reflection and a sense of responsibility in each employee and to respect society and the environment. The code of ethics does not only provide a guideline on expected behavior of everyone at Cabka or working for Cabka, it also includes a whistleblowing procedure.

Cabka expects its suppliers to additionally comply with applicable national and international laws and regulations including the International Labor Convention and the United Nations Universal Declaration of Human Rights, industry standards and all other relevant legal requirements. If there are legal provisions or other rules in individual countries where the supplier operates that differ from the requirements of the code, the stricter requirements in each case shall be complied with. The supplier code includes suppliers to comply with exclusion of forced labor and human trafficking and ban child labor and ensure fair wages and working hours, freedom of association, non-discrimination and health and safety at work, as well as taking ecological responsibility and comply with ethical business conduct.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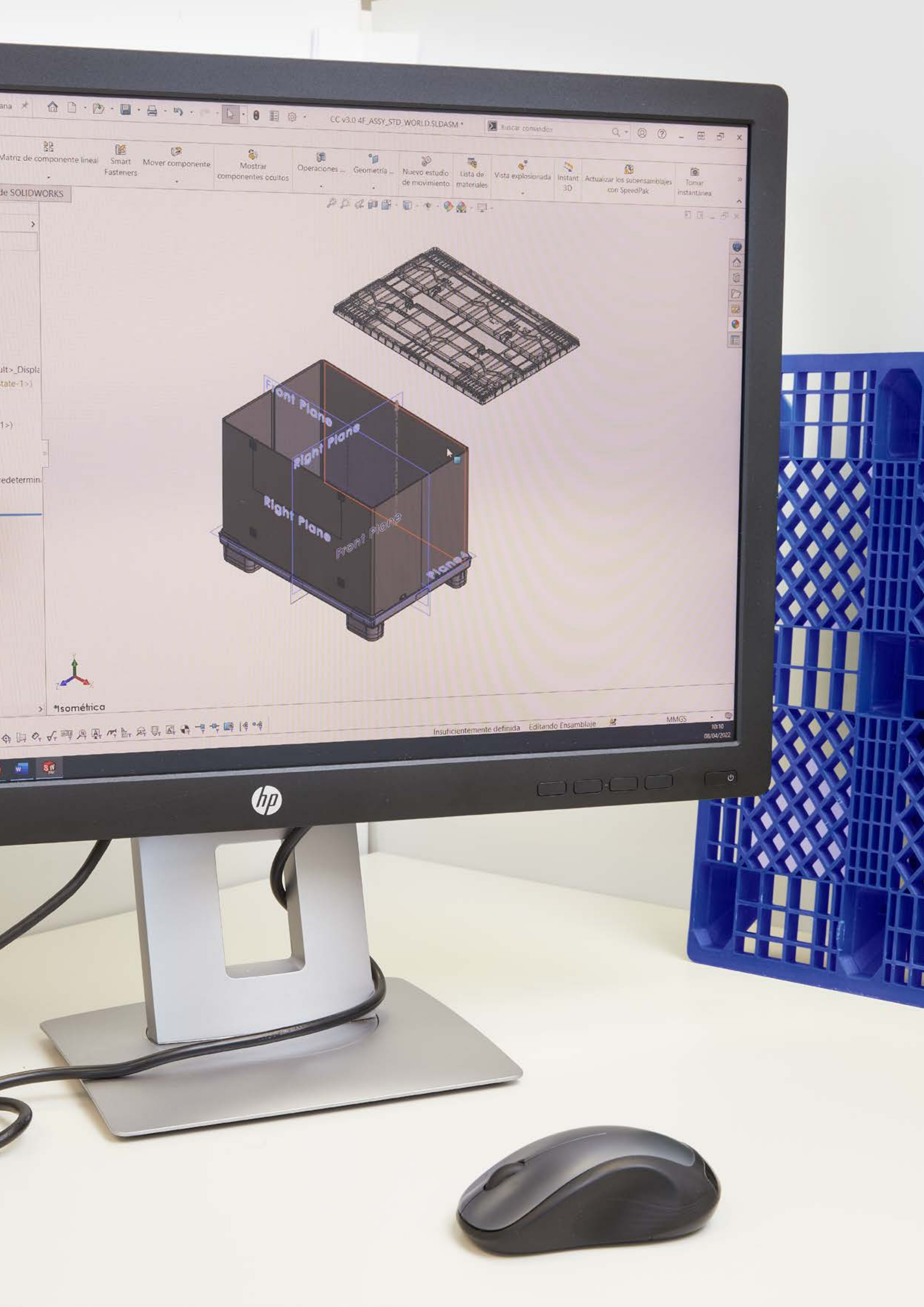
MADE IN ITALY


CC v3.0 4F_ASSY_STD_WORLD.SLDASM *
Matriz de componente lineal
Smart Fasteners
Mover componente
Mostrar componentes ocultos
Operaciones ...
Geometría ...
Nuevo estudio de movimiento
Lista de materiales
Vista explosionada
Instant 3D
Actualizar los subensamblajes con SpeedPak
Tomar instantánea
de SOLIDWORKS
Front Plane
Right Plane
Right Plane
Front Plane
Plane4
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06

Financial report 2021

Consolidated balance sheet

December 31, 2021

ASSETS	2021 x1000 EURO			2020 x1000 EURO
A. FIXED ASSETS				
I. Intangible assets				
1. Self-created industrial property rights and similar rights and values	44			92
2. Industrial rights and assets and similar rights and assets	501			904
3. Goodwill	60			90
4. Payments on account for intangible assets	0			26
		606		1,112
II. Property, plant and equipment				
1. Land, land rights and buildings	12,592			12,870
2. Technical plant and machines	30,263			35,544
3. Other assets, factory and office equipement	10,030			11,812
4. Payments on account and assets under construction	12,779			4,033
		65,664		64,259
III. Financial assets				
1. Shares of affiliated enterprises	87			87
2. Participations	3			3
		90		90
			66,360	65,461
B. CURRENT ASSETS				
I. Inventories				
1. Raw materials, consumables and supplies	13,288			8,349
2. Work in progress / Services	2,139			2,012
3. Finished goods and merchandise	15,376			14,792
		30,803		25,153
II. Receivables and other assets				
1. Trade receivables	27,219			20,484
2. Receivables from affiliated enterprises	180			
3. Receivables from shareholders	21			0
4. Other assets	4,272			1,748
		31,692		22,232
III. Cash and cash equivalents		9,982		9,178
			72,477	56,563
C. PREPAID EXPENSES			2,260	2,045
			141,097	124,069

EQUITY AND LIABILITIES

	2021 x1000 EURO		2020 x1000 EURO
A. EQUITY			
I. Subscribed capital	3,363		3,363
II. Capital reserve	12,528		12,528
III. Retained earnings	285		285
IV. Balance sheet profit	22,730		17,793
V. Equity capital difference from currency conversion	-345		-542
VI. Adjustement item for minority interests	58		365
		38,618	33,792
B. SPECIAL ITEM		173	621
C. ACCRUALS			
1. Tax accruals	1		880
2. Other accruals	8,679		5,721
		8,680	6,601
D. LIABILITIES			
1. Liabilities to banks	56,469		50,254
2. Liabilities from finance leasing	7,556		12,215
3. Payments received on account of orders	0		530
4. Trade payables	25,558		15,230
5. Payables to affiliated enterprises	91		93
6. Liabilities to shareholders	0		1,491
7. Other liabilities	3,461		2,772
		93,136	82,585
E. ACCRUED EXPENSES		0	0
F. DEFERRED TAX LIABILITIES		490	470
		141,097	124,069

Consolidated income statement

From January 1 to December 31, 2021

	2021 x1000 EURO		2020 x1000 EURO
1. Sales	170,643		134,552
2. Inventory changes	709		-1,188
3. Own work capitalized	3,003		2,496
4. Other operating income	3,317		2,927
5. Cost of materials			
a) Cost of raw materials, consumables and supplies and of purchased goods	75,350		54,726
b) Cost of purchased services	14,151		9,780
		88,171	74,281
6. Personnel expenses			
a) Wages and salaries	27,953		26,353
b) Social security and old age pension cost thereof for old age pensions: EUR 31,564 (PY: EUR 28,000)	5,192		4,753
7. Depreciation			
Depreciation and amortisation on intangible fixed assets and tangible fixed assets	16,754		18,220
8. Other operating expenses	28,722		24,209
		78,621	73,535
9. Other interest and similar income	19		9
10. Interest and similar expenses	1,968		2,350
		-1,949	-2,341
11. Taxes on income		2,195	812
12. Result after taxes		5,406	-2,407
13. Other taxes		793	807
14. Net income (PY Net loss)		4,613	-3,214
15. Deduction of minority interests at annual result	324		183
16. Profit carried forward from previous year	17,793		20,824
		18,117	21,007
17. Balance sheet profit		22,730	17,793

Consolidated flow of fund analysis for the year 2021

	2021 x1000 EURO	2020 x1000 EURO
Profit from the period (consolidated net income for the financial year including minority interests)	4,613	-3,214
Depreciation of fixed assets	16,754	18,220
Increase in long-term accruals	3,503	427
Other non-cash expenses/income	-1,385	641
Increase/decrease in inventories, trade receivable and other assets not related to investing or financing activities	-14,359	4,423
Increase/decrease in trade payables and other liabilities not related to investing or financing activities	9,239	-4,179
Gain(-)/loss on disposal of fixed assets	119	91
Interest expense	1.733	2.145
Income from special items	-9	-10
Income tax expense	2,195	813
Income taxes paid	-3,660	-2,594
Cash flow from operating activities (1)	**18,743**	**16,763**
Proceeds from disposal of intangible fixed assets	0	0
Payments to acquire intangible fixed assets	-317	-142
Proceeds from disposal of tangible fixed assets	2,428	4,093
Payments to acquire tangible fixed assets	-18,994	-12,408
Proceeds from disposal of long-term financial assets		0
Payments to acquire long-term financial assets		0
Payments for increases in the scope of consolidation		0
Cash flow from investing activities (2)	**-16,883**	**-8,457**
Payments from equity reductions to other shareholders	0	0
Payment to minorities	0	-220
Proceeds from borrowings (including finance leasing)	2,948	40
Repayments for borrowings (including finance leasing)	-1,391	-17,096
Proceeds from grants received	9	10
Interest paid	-1,733	-2,145
Cash flow from financing activities (3)	**-167**	**-19,411**

	2021 x1000 EURO	2020 x1000 EURO
Net change in cash funds (1)+(2)+(3)	1,693	-11,105
Effect on cash funds from exchange rate changes and remeasurements	-889	798
Effect on cash funds from changes in the scope of consolidation		0
Cash funds at beginning of period	9,178	19,485
Cash funds at end of period	**9,982**	**9,178**
Composition of the financial fund		
Liquid funds	9,982	9,178
At all reasonable times payable liabilities to banks	0	0
Cash funds at end of period	**9,982**	**9,178**

Consolidated equity schedule for the year 2021

Equity attributalbe to parent company

	Subscribed capital	**Capital reserve** in accordance with section 272(2) no. 4 of the HGB	**Retained earnings** Other retained earnings	**Equity capital difference from currency conversion**
	X 1000 EURO			
Balance at January 1, 2021	3,363	12,528	285	-543
Currency conversion	0	0	0	197
Other changes	0	0	0	0
Consolidated net income / net loss for the financial year	0	0	0	0
Balance December 31, 2021	3,363	12,528	285	-345

The equity is not subject to any legal or constitutional payout blocks, with the exception of the payout block mentioned in the notes.

		Non-controlling interest			Group equity
Profit / loss carried forward	Consolidated net income / net loss for the financial year attributable to parent company	Non-controlling interests before equity capital difference from currency conversion andnet income / net loss for the financial year	Equity capital difference from currency conversion attributable to non-controlling interests	Profit or loss attributable to non-controlling interests	
		X 1000 EURO			X 1000 EURO
17,793	0	644	-55	-224	33,792
0	0	0	17	0	214
0	0	0	0	0	0
0	4,937	0	0	-324	4,613
17,793	4,937	644	-39	-547	38,618

Notes to the financial report 2021

I. PRESENTATION OF GROUP RATIOS

1. General information

Cabka Group GmbH with its head office in Berlin is registered in the Commercial Register at the Local Court in Charlottenburg under number HRB 153237.

The consolidated financial statement of the Cabka Group GmbH is prepared according to the rules of the German Commercial Code (HGB). The disclosures in the notes are in EURO unless it is commented differently.

The Profit and Loss statement has been prepared according to the total cost method based on § 275 clause 2 HGB.

2. Key date of the consolidated financial statement and the included year-end accounts

The consolidated financial statement is prepared on the date of the parent company, Cabka Group GmbH, Berlin. Also the fully consolidated companies of the consolidated financial statement present their financial statements on the same date as the parent company and are included without any preparation of interim accounting into the Group.

3. General information on the scope of consolidation

The scope of consolidation is based on the principles of §§ 294, 296 HGB (German GAAP). According to § 294 clause 1 HGB the consolidated financial statement includes besides the parent company Cabka Group GmbH, Berlin, the following subsidiaries in accordance to the principles of full consolidation:

PARTICIPATION RATE	%
Cabka North America Inc., Missouri (USA)	92.29%
Cabka Spain S.L.U., Valencia (Spain)	100%
System Technik GmbH, Weira	100%
Cabka GmbH & Co. KG, Weira	100%
Cabka Belgium N.V., Ieper (Belgium)	100%
Cabka N.V., Ieper (formerly Innova Packaging Systems N.V.) (Belgium)	100%
Cabka Eco Products GmbH & Co. KG, Weira	100%

Various restructuring measures were carried out within the Cabka Group in the reporting year. First, the shares held by Cabka Group GmbH in Cabka GmbH Genthin, Genthin were transferred to Cabka GmbH & Co. KG, Weira. Subsequently Cabka GmbH Genthin, Genthin was merged into the new established Cabka Eco Products GmbH & Co. KG, Weira, with effect from June 1, 2021. Cabka Eco Products GmbH & Co. KG is a German limited partnership with registered seat in Weira. In course of further consolidation of the "Eco Products" business unit the branch of activities was hived down from Cabka GmbH & Co. KG, Weira into Cabka Eco Products GmbH & Co. KG, Weira, with effect from July 1, 2021. Any effects from restructuring within the group were eliminated as part of the consolidation measures.

Following companies were not considered in the consolidation as those entities have limited impact on the group and whose net asset, finance and earning position:

	PARTICIPATION RATE %	Equity x1000 EURO	Result x1000 EURO
Cabka Verwaltungs GmbH, Weira	100	32	1
Cabka Verwaltungs GmbH Eifel, Bad Münstereifel	100	59	0

Equity and net income are based on the financial statements from 2020.

4. Exempting effect due to § 264b No. 3 HGB

The consolidated financial statement has exempting effect due to § 264b No. 3 HGB for Cabka GmbH & Co. KG and Cabka Eco Products GmbH & Co. KG.

II. INFORMATION ON ACCOUNTING AND EVALUATION

1. Indication of the applied accounting and valuation methods of the Balance Sheet and the Profit and Loss statement

To improve the structure and transparency of the Balance Sheet and Profit and Loss statement notes and comments were mainly discussed in the Notes.

Investment supplements are covered firstly in a special reserve, which are initially without a net result effect in the P&L. The pro rata temporis dissolution is reported under other operating income.

2. Statement of the basis for the translation of monetary items

All audited financial statements prepared in foreign currency were converted in the consolidation. Assets and liabilities are valued at the average spot rate on the balance sheet key date, income and expenses at the average rate on an annual basis. Resulting from different rates in the balance sheet and profit and loss account, exchange gains or losses are reported without net result effects directly in Equity under the heading "Equity difference from currency translation".

The included components of Equity and Retained earnings of the actual value method are translated at historical rates. Changes in the rates since the date of the first consolidation are displayed at the balance sheet key date in the equity position "Equity difference from currency translation", resulting in neither profit or loss.

The major currencies of countries, not participating in the European Monetary Union, have been developed as follows:

UNIT OF FOREIGN CURRENCY PER EUR	Average rate 2021	Closing Rate Dec 31st, 2021	Closing Rate Dec 31st, 2020
US-Dollar	0.84552	0.88292	0.81417

III. INFORMATION AND NOTES TO THE CONSOLIDATION METHODS

1. Equity consolidation

The consolidation of the subsidiaries is in accordance to § 301 clause 1 no. 2 HGB based on the revaluation method. Hereby is effected the offset of booking value of shares with the value to be attributed of Equity based on foundation date or date of purchasing the affiliates.

Due to the consolidation of Innova Packaging Systems N.V., Ieper (Belgium) a positive difference from the asset allocation of KEUR 484 has been entered as "Goodwill" in the balance and depreciated over the useful life of 5 years linear.

Resulting from the first consolidation of Cabka GmbH & Co. KG Eifel, which was merged into Cabka GmbH & Co. KG with effect from 1 January 2020 there are hidden reserves of KEUR 774. In 2015 those were allocated to land (KEUR 114), buildings (KEUR 217), machines and operating and office equipment (KEUR 166) and customer base (KEUR 277). The depreciation is due to the regular useful life and amounts to KEUR 12 in 2021. Land and building were sold in 2020.

2. Elimination of intercompany profit and loss

The intercompany profit and losses between parent company and subsidiaries have been eliminated in the reporting year.

3. Deferred taxes

The option to capitalise due to § 274 HGB is not exercised with regard to losses carryforward.

Deferred taxes due to § 306 HGB were entered at the first consolidation of Innova Packaging Systems N.V., Ieper according to the revaluation method. The amount of the deferred tax assets for existing loss carryforwards at the date of the first consolidation was KEUR 2.384, at the closing date the amount is KEUR 0. Furthermore deferred tax liabilities in an amount of KEUR 945 were entered at the date of the first consolidation due to hidden reserves and liabilities that were uncovered. At the closing date those deferred tax liabilities decreased to KEUR 621 (PY KEUR 677).

Deferred taxes on intercompany profits were made in accordance to § 306 HGB amounting at KEUR 131 (PY KEUR 207), after which the standard tax rate is the corporate tax rate of the individual company involved. In total, this results in a deferred tax liability of KEUR 490 (PY KEUR 470) and tax expense from deferred taxes of KEUR 20 (PY KEUR 50).

The individual tax rates of any entity were applied.

The deferred tax assets and deferred tax liabilities are displayed netted in the position “Deferred tax liabilities”.

IV. INFORMATION AND NOTES ON INDIVIDUAL ITEMS IN THE CONSOLIDATED BALANCE SHEET AND CONSOLIDATED STATEMENTS OF INCOME

1. Individual items of fixed assets

The development of the fixed assets is shown on the following page.

Group statement of fixed assets

At cost

	1-1-2021	Diverences in currency	Additions	Retirements	Transfers	12-31-2021
	2021 X 1000 EURO					
I. Intangible assets						
1. Self-created industrial property rights and similar rights and values	244	0	0	0	0	244
2. Industrial rights and assets and similar rights and assets	7,432	0	317	47	0	7,728
3. Goodwill	705	0	0	0	26	705
4. Payments on account for intangible assets	26	0	0	0	0	0
	8,406	0	317	47	0	8,676
II. Property, plant and equipment						
1. Land, land rights and buildings	27,309	210	933	497	0	27,956
2. Technical plant and machines	106,494	1,570	6,061	2,681	957	112,401
3. Other assets, factory and office equipement	55,484	656	1,647	1,151	19	56,656
4. Payment on account and assets under construction	4,098	200	10,353	832	-976	12,843
	193,386	2,637	18,994	5,160	0	209,856
III. Financial assets						
1. Shares of affiliated enterprises	275	0	0	0	0	275
2. Participations	3	0	0	0	0	3
	279	0	0	0	0	279
	202,070	**2,637**	**19,311**	**5.208**	**0**	**218,810**

Accumulated depreciation						Net book value	
1-1-2021	Differences in currency	Additions / Transfers	Retirements	Transfers	12-31-2021	12-31-2021	12-31-2020
X 1000 EURO						X 1000 EURO	
151	0	48	0	0	199	44	92
6,528	0	746	47	0	7,226	501	904
615	0	30	0	0	645	60	90
0	0	0	0	0	0	0	26
7,294	0	824	47	0	8,070	606	1.112
14,440	66	1,199	340	0	15,364	12,592	12,870
70,950	1,138	10,921	872	0	82,137	30,263	35,544
43,672	544	3,810	1,401	0	46,626	10,030	11,812
65	0	0	0	0	65	12,779	4,033
129,127	1,748	15,930	2,613	0	144,192	65,664	64,259
188	0	0	0	0	188	87	87
0	0	0	0	0	0	3	3
188	0	0	0	0	188	90	90
136,609	**1,748**	**16,754**	**2,660**	**0**	**152,451**	**66,360**	**65, 461**

Intangible assets

Self-created intangible assets are valued at production costs within the reporting period, depreciation (pro rata temporis) will be 3 years in the future. According to § 248 clause 2 HGB capitalized development costs are KEUR 44 at balance sheet date, for the relevant projects developments costs have been capitalized the first time in 2019.

Acquired intangible assets are valued at investment costs, less depreciation. The depreciation method is straight-line (pro rata temporis) over the useful life of 3 to 13 years.

Goodwill as per closing date are valued at acquisition costs, depreciation is straight-line (pro rata temporis) over the useful life of 5 years. The entire goodwill results from subsidiaries annual financial statements.

Fixed assets

Property, plant and equipment are valued on the basis of the acquisition and production costs, less depreciation. The acquisition costs include the purchase price and any directly attributable transaction costs. Supplier discounts have been deducted.

Investment grants are deducted from the carrying amount of the subsidized assets.

The internal activities are accounted for using the direct costs plus overhead prorated.

Assets are depreciated using the straight-line method.

In the fiscal year, extraordinary depreciations were made of KEUR 0 (PY KEUR 150).

In the reporting year items with acquisition costs up to EUR 800.00 are completely included in the expenses.

Disposals are written off to the net book value at the time of retirement (acquisition cost less accumulated depreciation).

The resulting book profits are reported in the profit and loss statement under “Other operating income”, the book losses are reported under “Other operating expenses”.

FINANCIAL ASSETS

Financial assets are unchanged in 2021.

2. Inventories

Raw materials and supplies, spare parts and trading goods are valued at acquisition costs. Finished goods and work in progress are valued based on cost of production or lower fair 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.

3. Receivables and other assets

Receivables and other assets are valued at their nominal amount or the lower of fair value. Default risks of receivables are considered through appropriate specific allowances. A general reserve for potential doubtful accounts was sufficiently taken into account.

An amount of KEUR 10 of the other assets have a remaining maturity of more than one year. All other receivables and other assets have a remaining maturity of up to one year.

4. Prepaid Expenses

The position includes the costs of finance leases, accrued discounts, fundraising and prepaid invoices. The prepaid expenses are recognized at the defined settlement amount.

5. Special items

This position includes the special items with reserve character and contains the received government grants since 2004. The dissolution of the special reserve follows the useful lifetime of assets.

In fiscal year 2021 the dissolution was KEUR 9.

Since 2020 an amount of KEUR 455 is shown as difference from the equity consolidation, which results from the acquisitions of the remaining shares of System Technik GmbH. The difference has the character of a liability. Due to the acquisition of minority interests, KEUR 675 was deducted from the adjustment item for minority interests. As the reasoning for the liability is no longer existing, the total amount of KEUR 455 was released in the reporting year shown under the position other operating income.

6. Accruals

The other accruals consider all risks and contingent liabilities, which arose up to the balance sheet date and incurred until finalization of the Financial Statements. The evaluation was carried out with the estimated settlement amount in accordance to caution principle.

The position includes especially outstanding invoices (KEUR 5,004), vacation benefits (KEUR 1,281), sales and distribution (KEUR 303), annual statement and taxation costs (KEUR 245), warranty (KEUR 684), provisions and bonuses (KEUR 939).

7. Liabilities

Liabilities as of December 31st, 2021

	Total	< 1 Year	Thereof maturity 1 - 5 Years	> 5 Years	Thereof secured
	X 1000 EURO				
1. Liabilities to banks	56,469	20,844	35,625	0	56,469
Previous Year	50,254	11,504	38,750	0	50,254
2. Liabilities from finance leasing	7,556	3,542	3,601	413	7,556
Previous Year	12,215	6,087	5,383	745	12,215
3. Payments received on account of orders	0	0	0	0	0
Previous Year	529	529	0	0	0
4. Trade payables	25,558	25,558	0	0	0
Previous Year	15,230	15,230	0	0	0
5. Payables to affiliated enterprises	91	91	0	0	0
Previous Year	93	93	0	0	0
6. Payables to shareholder	0	0	0	0	0
Previous Year	1,492	1,492	0	0	0
7. Other liabilities	3,461	3,461	0	0	0
Previous Year	2,772	2,721	51	0	0
Total	93,136	53,496	39,226	413	64,025
	82,585	37,656	44,184	745	62,469

The liabilities are presented at redemption value or the higher fair value.

Beside mortgage legal securities (KEUR 10,000) to the credit institutes, there are further securities resulting from abstract promises to perform an act (KEUR 10,000), securities from investments in subsidiaries and inventories. Additional machines were transferred as security.

Other liabilities of the reporting year are essentially tax liabilities (KEUR 1,229) and liabilities for social security (KEUR 320).

8. Sales

The domestic sales amounted to KEUR 53,182 (PY KEUR 41,460), the foreign revenues KEUR 117,460 (PY KEUR 93,092).

9. Other operating income and expenses

The income relating to other periods results from the release of accruals (KEUR 545), the disposal of fixed assets (KEUR 56) and other income from previous periods (KEUR 83). Other operating income includes currency translation income of KEUR 411.

Other operating expenses relating to other periods result from the disposal of fixed assets (KEUR 175), losses on receivables (KEUR 36) and other expenses from previous periods (KEUR 69).

Other operating expenses includes currency translation expenses of KEUR 16.

The Other operating costs include costs for total fees of the group auditor (KEUR 500). Those fees include costs for the yearend audit (KEUR 209), tax consulting (KEUR 15) and other services (KEUR 276).

10. Extraordinary income

Other income of exceptional size or importance in the amount of KEUR 963 result from the sale of a part of the business and the reversal of a liability of KEUR 455 recognized in 2020 related to the acquisition of minority interests.

Other expenses of an exceptional size or importance in the amount of KEUR 750 result from the creation of a provision for already earned phantom share entitlements.

There are expenses in the amount of KEUR 1.589, resulting from the restructuring measures in 2021. These expenses are recognized in the profit and loss statement as other expenses (KEUR 493), personnel expenses (KEUR 567) and material costs (KEUR 529).

As part of the preparation and signing of the business combination agreement (the BCA) between Cabka Group GmbH, Dutch Star Companies Two B.V. (DSC2) and RAM.ON finance GmbH other operating expenses incurred in the amount of KEUR 235 in 2021.

V. OTHER REQUIRED INFORMATION

1. Other financial obligations

Financial liabilities at the Balance Sheet date comprise the following elements:

	2021 x1000 EURO	2020 x1000 EURO
Rental agreements	2,313	1,789
Leasing and maintenance contracts	6,311	6,700
	8,624	8,489

Obligations from rental agreements have a remaining term of up to one year (KEUR 545), a remaining term of 1 to 5 years (KEUR 1.495) and a remaining term of more than 5 years (KEUR 272).

Obligations from leasing and maintenance contracts have a remaining term of up to one year (KEUR 2.409), a remaining term of 1 to 5 years (KEUR 3.897) and a remaining term of more than 5 years (KEUR 6).

2. Derivative financial instruments

A forward exchange transaction with a nominal value of KEUR 900 exists to hedge currency risks on intercompany receivables. The fair value of this forward exchange transaction, amounts to KEUR -33 at the balance sheet date.

3. Payout block

As per 31. December 2021 there is a payout block of KEUR 44 according to § 268 clause 8 HGB. The amount relates entirely to the self-created intangible assets.

4. Information regarding Board Members

Managing directors of the company are:

- Mr. Gat Ramon (until March 1, 2022) (Berlin)
- Mr. Tim Litjens (Berlin)
- Mr. Necip Küpcü (since March 1, 2022) (Berlin)

Information of the remuneration of directors has been disclaimed in accordance to § 286 clause 4 HGB.

5. Average number of employees

In the Group were employed on a yearly average:

	2021 GROUP	2020 GROUP
Salaried Employees	180	185
Wage earners	475	476
	655	661

6. Subsequent events

Going Public

On December 22nd, 2021, Cabka Group GmbH, Dutch Star Companies Two B.V. (DSC2), a Dutch private limited liability company, and RAM.ON finance GmbH (RAM.ON Finance), Cabka's majority shareholder, signed a business combination agreement (the BCA). In the key terms, various modalities were defined that had to be observed by February 28, 2022 (closing conditions) in order for the business combination to take effect.

After the closing conditions were met, Cabka Group GmbH became a subsidiary of Cabka N.V., a listed company at the Euronext Amsterdam. In this respect, the Cabka Group GmbH is now part of a listed group.

Virtual Stock Option Plan

Cabka issued in prior years a "Virtual stock-option plan" (hereinafter referred to as "VSOP") with the approval of the shareholders' meeting. Cabka was thereby authorized to offer virtual shares in Cabka to employees and members of the management of Cabka as variable compensation. The idea was to provide incentives to key management by participating in the long-term increase of the value of the company. The virtual shares do not exist in the full amount immediately upon allocation, but are vested in full in several installments over a period of 5 years.
A provision for the VSOP is made by the end of 2021 totalling KEUR 750 for the claims already earned by the beneficiaries.

Given the factual circumstances of Going Public as per March 1, 2022, the „VSOP" agreement was adjusted in a Rollover Agreement between the company and the key management. It is agreed to make a 1/3 cash settlement after going public (in total at a value of KEUR 1.938) and the remaining portion (2/3) in the amount of a total equivalent of KEUR 3.875 not in cash, but in the form of stock options to acquire ordinary shares in Cabka N.V. is granted, which can be exercised by the beneficiaries from March 1st, 2023 at the earliest.

Berlin, April 12, 2022

Cabka Group GmbH
Managing Directors

Tim Litjens

Necip Küpcü

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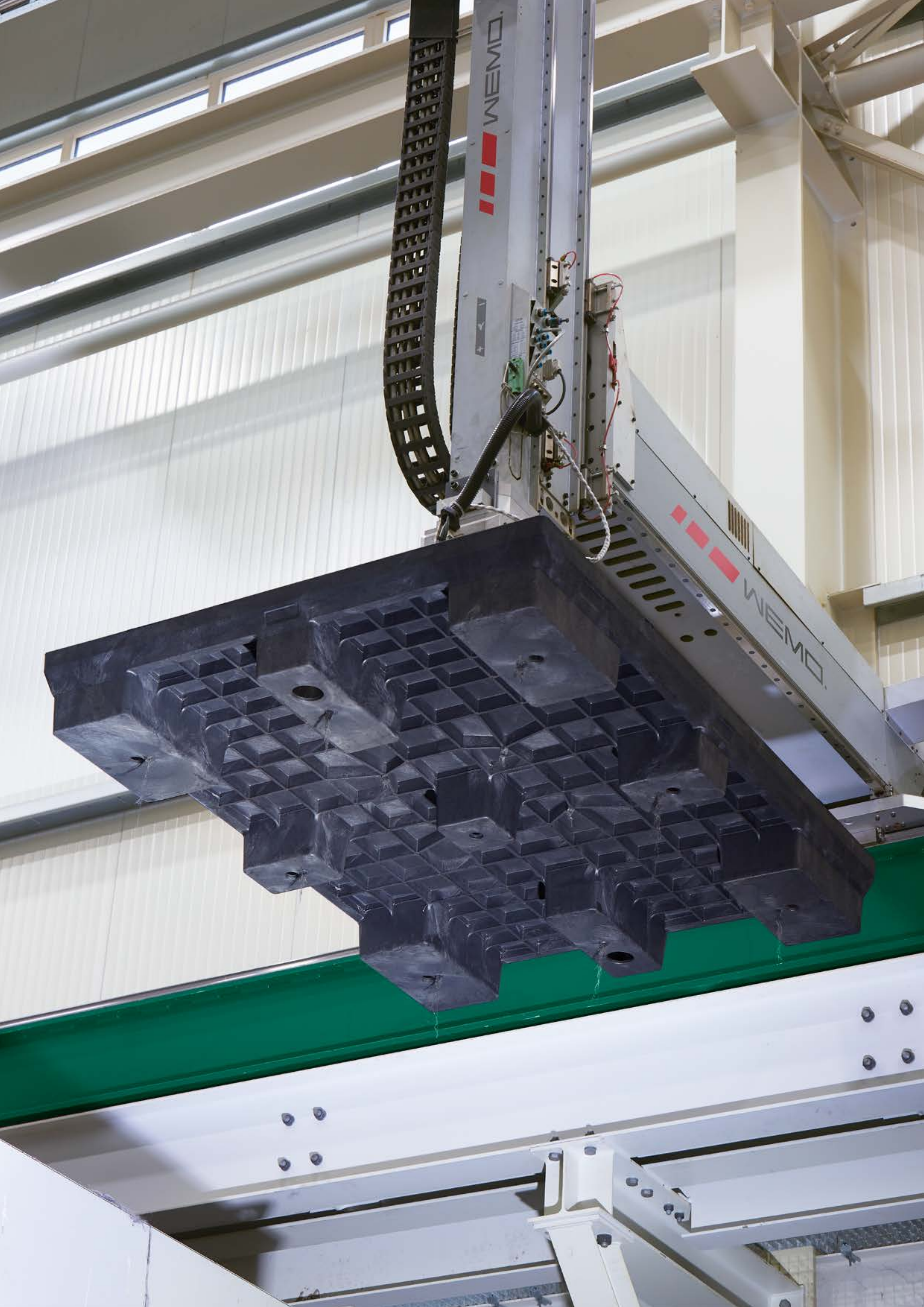
Station 4
Station 5
Station 7
Piovan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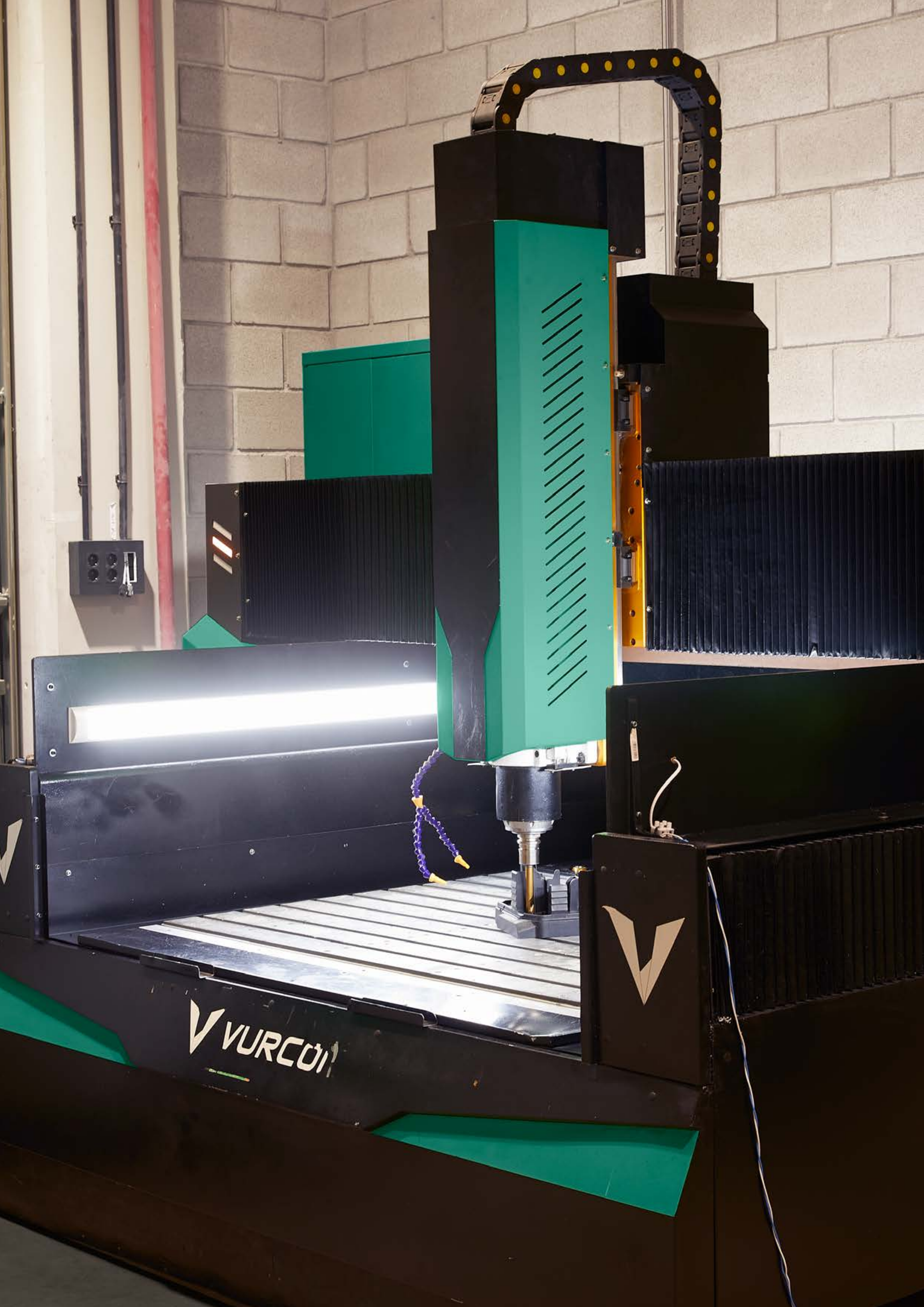

VURCON

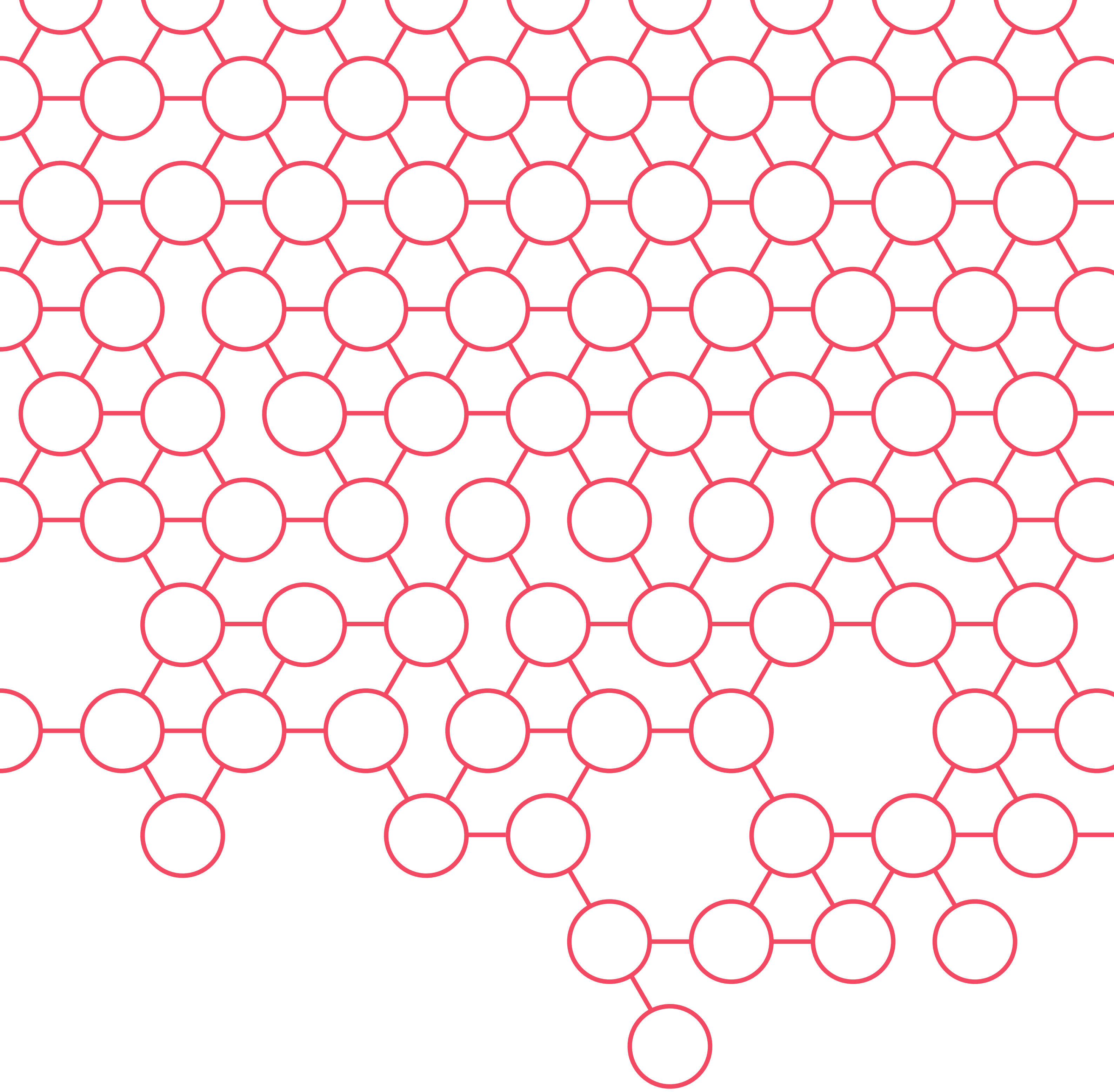
Cabka N.V.
Amsterdam Johan Cruijff Boulevard 65-71
1101 DL Amsterdam
The Netherlands
www.cabka.com

Cabka Corporate Office
Wintersteinstraße 22
10587 Berlin
Germany

Investor and press contact: IR@cabka.com
www.cabka.com/newsroom

Commercial contact: info@cabka.com

Text: Bauke ter Braak
Photography: Henk Wildschut
Design: Sjoerd van Heumen, Yke Bartels



Cabka

Transformation Matters.