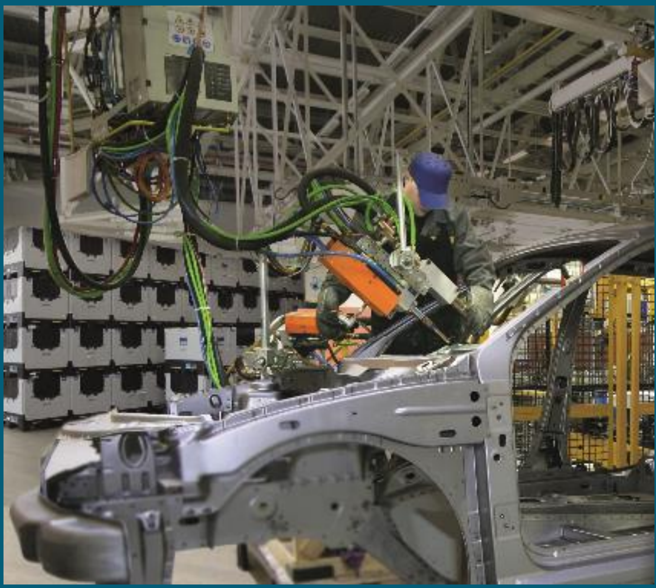




Schoeller Packaging B.V.
First Quarter 2020

Schoeller Allibert

Schoeller Packaging B.V.
First quarter ended 31 March 2020
Unaudited condensed consolidated interim financial statements

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

Principal Activities

Schoeller Packaging B.V. (the "Company") and its subsidiaries (collectively, the "Group" or "Schoeller Allibert") is Europe's largest manufacturer of plastic containers and returnable transit packaging (RTP). Schoeller Allibert offers a wide range of products to meet the storage, handling and distribution needs of large and medium sized companies on a local, regional and global level. Schoeller Allibert employs approximately 2,000 people with the majority employed in Europe, where the Group has production and sales activities in over 20 countries.

Schoeller Allibert's products include tough stacking containers, rigid pallet containers (RPCs) for secure distribution, heavy-duty rigid and folding large containers (FLCs), pallets and dollies which have been designed to protect small, large or unusually shaped components; to timely deliver goods and, thanks to foldable or stackable units to save valuable space on return journeys. Manufactured to precise dimensions, to fit and function seamlessly with all handling equipment, Schoeller Allibert's containers are the ideal handling medium for automated warehouses and distribution centers. They promote a reliable and consistent flow, withstanding heavy unit loads and allow fast movement through automated storage and retrieval systems, thereby helping customers to speed handling operations, reduce logistics costs and eliminate packaging waste.

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

Key Financial Results

The table below shows the Group's key consolidated financial results for the three months ended 31 March 2020 and 2019:

	THREE MONTHS ENDED 31 MARCH	
EUR'000	2020	2019
Revenue	121,962	109,049
Revenue growth	11.8%	1.6%
Operating profit	2,240	(174)
Operating profit as % revenue	1.8%	-0.2%
Adjusted EBITDA	12,098	10,698
EBITDA as a % of revenue	9.9%	9.8%
Profit (loss) before income taxes	(3,692)	(6,940)
Net capital expenditure	14,049	5,006
Net capital expenditure as a % of revenue	11.5%	4.6%
Cash generated from operations	8,381	(3,791)

The table below shows the Group's key other financial metrics as at 31 March 2020 and 31 December 2019

	AS AT 31 MARCH	AS AT 31 DECEMBER
EUR'000	2020	2019
Net working capital*	(12,022)	(9,191)
Cash and cash equivalents	10,091	21,687
Total net loans and borrowings	314,102	302,037

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

Cash and cash equivalents is defined as cash and cash equivalents on the balance sheet less bank overdrafts.

Net loans and borrowings are defined as total current and non-current loans and borrowings less cash and cash equivalents.

Operating and Financial Review

Revenue

The table below shows the Group's operating segment revenue for the three months ended 31 March 2020 and 2019:

	THREE MONTHS ENDED 31 MARCH	
EUR'000	2020	2019
Northern Europe	26,179	24,463
Central Europe	50,515	43,517
Southern Europe	21,726	22,773
United States of America	12,788	6,442
All Other Segments	10,754	11,854
Revenue	**121,962**	**109,049**

Operating segments are aggregated to the following reportable segments which include:

- Northern Europe: Includes the manufacturing of RTP products and the sale thereof in the Netherlands and Belgium, UK and Ireland, Sweden, Finland, Latvia, Ukraine and Russia.
- Central Europe: Includes the manufacturing of RTP products and the sale thereof in Germany, Austria, Switzerland, Czech Republic, Romania, Slovakia, Hungary and Poland.
- Southern Europe: Includes the manufacturing of RTP products and the sale thereof in France, Italy, Spain and Portugal.
- United States of America (USA): Includes the manufacturing of RTP products and the sale thereof in the United States of America.
- All Other Segments: Includes pooling services and sale of products and technical support in Asia and South America.

Revenue in Northern Europe increased by EUR 1,716 thousand, or 7.0%, to EUR 26,179 thousand for the three months ended 31 March 2020 from EUR 24,463 thousand for the three months ended 31 March 2019. This growth in revenue was primarily attributable to higher pooling volumes in the quarter offset by lower volumes in automotive.

Revenue in Central Europe increased by EUR 6,998 thousand, or 16.1%, from EUR 43,517 thousand for the three months ended 31 March 2019 to EUR 50,515 thousand for the three months ended 31 March 2020. This growth in revenue was driven by strong pooling volumes offset partly by weaker sales in the automotive market.

Revenue in the Southern Europe decreased by EUR 1,047 thousand, or 4.6%, from EUR 22,773 thousand for the three months ended 31 March 2019 to EUR 21,726 thousand for the three months ended 31 March 2020. This decrease was primarily attributable to lower sales to agriculture and traders customers.

Revenue in the USA increased by EUR 6,346 thousand, or 98.5%, from EUR 6,442 thousand for thse three months ended 31 March 2019 to EUR 12,788 thousand for the three months ended 31 March 2020. This increase was attributable to higher pooling volumes.

Revenue in all Other Segments decreased by EUR 1,100 thousand, or 9.3%, from EUR 11,854 thousand for the three months ended 31 March 2019 to EUR 10,754 thousand for the three months ended 31 March 2020. This decrease is attributable to lower revenues from the Services business.

Operating result

EUR'000	THREE MONTHS ENDED 31 MARCH 2020	2019
Operating profit	2,240	(174)

Operating profit increased by EUR 2,414 thousand, to EUR 2,240 thousand for the three months ended 31 March 2020 compared to a loss of EUR 174 thousand for the three months ended 31 March 2019. The higher profit resulted mainly from higher revenue for the quarter.

The following table shows a breakdown of operating result by geographic segment for the three months ended 31 March 2020 and 2019:

EUR'000	THREE MONTHS ENDED 31 MARCH **2020**	**2019**
Northern Europe	553	363
Central Europe	784	(357)
Southern Europe	(1,242)	(434)
United States of America	(1,660)	(3,143)
All Other Segments	3,805	3,396
Operating profit	**2,240**	**(174)**

Adjusted EBITDA– reconciliation

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

Adjusting items relate to material non-recurring items of income and expense arising from circumstances or events such as: business combinations; closure of manufacturing locations; litigation settlements and certain shareholder exit fees.

EUR'000	THREE MONTHS ENDED 31 MARCH **2020**	2019
Operating profit	2,240	(174)
Adjusting items	937	710
Shareholder management fees	250	375
Depreciation and impairment expense	8,213	9,347
Amortisation and impairment expense	458	440
Adjusted EBITDA	**12,098**	**10,698**

Adjusting items increase by EUR 227 thousand from EUR 710 thousand for three months ended 31 March 2019 to EUR 937 thousand for three months ended 31 March 2020.

Adjusting items for three months ended 31 March 2020 relate to non-recurring items arising from:

- EUR 0.6 million of employee severance costs;
- EUR 0.1 million provision for probable commercial settlements;
- EUR 0.2 million of other non-material adjusting items.

Adjusting items for three months ended 31 March 2019 relate to non-recurring items arising from:

- EUR 0.2 million of employee severance costs;
- EUR 0.5 million of fees and due diligence activities.

Net finance expense

Net finance expense for the three months ended 31 March 2020 was EUR 5,922 thousand (expense for the three months ended 31 March 2019: EUR 6,766 thousand).

Profit (loss) before income taxes

The loss before income taxes was EUR 3,692 thousand for the three months ended 31 March 2020 (the three months ended 31 March 2019: loss of EUR 6,940 thousand).

Cash generated from operations

Cash generated from operations during the three months ended 31 March 2020 amounted to a EUR 8,381 thousand inflow (the three months ended 31 March 2019 EUR 3,790 thousand outflow).

Net capital expenditure

Net capital expenditure is defined as total new finance leases plus acquisition of property, plant and equipment, and intangible assets less proceeds from sale of property, plant and equipment. Net capital expenditure was EUR 14,049 thousand outflow for the three months ended 31 March 2020 (the three months ended 31 March 2019: EUR 5,006 thousand outflow), which represented 11.5% of revenue for the three months ended 31 March 2020 (4.6% for the three months ended 31 March 2019). The increase was driven by higher investments in machinery and equipment.

Net working capital

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

As of 31 March 2020, the receivables from related parties were equal to nil (31 December 2019: nil) and the payables due to related parties were equal to EUR nil (31 December 2019: EUR 1 thousand).

As of 31 March 2020, the Group had a negative net working capital of EUR 12,022 thousand (31 December 2019 negative net working capital of EUR 9,191 thousand). The decrease in the net working capital was mainly due to lower trade receivables levels, offset partially by lower trade payable balances as of 31 March 2020.

Cash and cash equivalents

Cash and cash equivalents is defined as cash and cash equivalents on the balance sheet less bank overdrafts. The group had a net cash and cash equivalents of EUR 10,091 thousand as of 31 March 2020 (31 December 2019: EUR 21,687 thousand) on its balance sheet.

As at 31 March 2020, the Group had one revolving credit facility of EUR 30 million (31 December 2019: EUR 30 million). As at 31 March 2020 we have drawn €18.5 million against this credit facility (31 December 2019: EUR 5.0 million).

Total net loans and borrowings

Net loans and borrowings is defined as total current and non-current loans and borrowings less cash and cash equivalents, which increased to EUR 314.1 million as at 31 March 2020 (31 December 2019 EUR 302 million), difference mainly coming from investing activities.

Unaudited Condensed Consolidated Income Statement

		THREE MONTHS ENDED 31 MARCH	
EUR'000	Note	**2020**	**2019**
Revenue	8	121,962	109,049
Other income		(32)	108
Total revenue		**121,930**	**109,158**
Raw materials and consumables used		(55,926)	(49,698)
Costs for subcontracting		(467)	(594)
Employee benefit expense		(32,861)	(30,696)
Other operating costs		(21,765)	(18,556)
Depreciation and impairment expense		(8,213)	(9,347)
Amortisation and impairment expense		(458)	(440)
Total operating expenses		**(119,690)**	**(109,331)**
Operating profit		**2,240**	**(174)**
Finance income		379	19
Finance expense		(6,302)	(6,785)
Net Finance Expense	10	**(5,922)**	**(6,766)**
Share in result of equity accounted investments		(10)	-
Profit (loss) before income taxes		**(3,692)**	**(6,940)**
Income tax	11	(102)	(234)
Profit (loss) for the period		**(3,794)**	**(7,174)**
Attributable to:			
Owners of the Company		(3,719)	(7,055)
Non-controlling interests		(75)	(120)

Unaudited Condensed Consolidated Statement of Comprehensive Income

	THREE MONTHS ENDED 31 MARCH	
EUR'000	**2020**	**2019**
Profit (loss) for the period	**(3,794)**	**(7,174)**
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations, net of tax	(82)	2,012
Total comprehensive loss for the period, net of income tax	**(3,876)**	**(5,162)**
Attributable to:		
Owners of the Company	(3,719)	(5,051)
Non-controlling interests	(157)	(111)
Total comprehensive loss for the period	**(3,876)**	**(5,162)**

Unaudited Condensed Consolidated Balance Sheet

		AS AT 31 MARCH	AS AT 31 DECEMBER
EUR'000	Note	**2020**	**2019**
ASSETS			
Non-current assets			
Property, plant and equipment		126,085	119,085
Right of use assets		53,179	51,417
Intangible assets		10,621	9,415
Equity accounted investments		785	785
Other financial assets		14,774	15,117
Deferred income tax assets		11,672	11,669
Total non-current assets		**217,116**	**207,488**
Current assets			
Inventories		43,701	37,922
Trade and other receivables		48,699	59,857
Current income tax assets		2,073	2,521
Prepayments		10,203	12,607
Cash and cash equivalents		42,755	40,613
Total current assets		**147,431**	**153,520**
TOTAL ASSETS		**364,547**	**361,008**
EQUITY			
Share capital		-	-
Share premium		106,979	106,979
Other reserves		(144,358)	(142,881)
Accumulated deficit		(77,099)	(73,380)
Equity attributable to owners of the Company		(114,478)	**(109,282)**
Non-controlling interests		450	607
Total equity		**(114,027)**	**(108,676)**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	12	301,757	300,882
Employee benefits		9,327	9,311
Provisions	13	623	623
Deferred income tax liabilities		1,964	2,185
Total non-current liabilities		**313,671**	312,977
Current liabilities			
Loans and borrowings	12	15,305	15,534
Bank Overdraft	12	32,664	18,926
Provisions	13	1,284	1,005
Current income tax liabilities		1,266	1,700
Trade and other payables		114,384	119,517
Total current liabilities		**164,893**	**156,405**
Total liabilities		**478,564**	**466,382**
TOTAL EQUITY AND LIABILITIES		**364,547**	**361,008**

Unaudited Condensed Consolidated Statement of Changes in Equity

EUR'000	Share capital	Share premium	Other reserves	Accumulated deficit	Total	Non-controlling interest	Total equity
Balance as at 1 January 2020	-	106,979	(145,881)	(73,380)	(109,282)	607	(108,676)
Loss for the period	-	-	-	(3,719)	(3,719)	(75)	(3,794)
Foreign currency translation differences – foreign operations; net of income tax	-	-	(1,477)	-	(1,477)	(82)	(1,558)
Total comprehensive loss for the year	**-**	**-**	**(1,477)**	**(3,719)**	**(5,196)**	**(157)**	**(5,352)**
Balance as at 31 March 2020	**-**	**106,979**	**(144,358)**	**(77,099)**	**(114,478)**	**450**	**(114,027)**

EUR'000	Share capital	Share premium	Other reserves	Accumulated deficit	Total	Non-controlling interest	Total equity
Balance as at 1 January 2019	-	106,979	(145,267)	(60,820)	(99,108)	515	(98,593)
Profit/(loss) for the year	-	-	-	(12,091)	(12,091)	(132)	(12,223)
Other comprehensive expense for the year:							
Gain on remeasurement of net defined benefit liability, net of income tax:				(469)	(469)		(469)
Foreign currency translation differences - foreign operations; net of income tax			2,386	-	2,386	224	2,610
Total comprehensive loss for the year	**-**	**-**	**2,386**	**(12,560)**	**(10,174)**	**92**	**(10,081)**
Balance as at 31 Decembers 2019	**-**	**106,979**	**(142,881)**	**(73,380)**	**(109,282)**	**607**	**(108,676)**

Unaudited Condensed Consolidated Statement of Cash Flows

	THREE MONTHS ENDED 31 MARCH	
EUR'000	**2020**	**2019**
Profit (loss) for the period	**(3,794)**	**(7,174)**
Adjustments for:		
Depreciation and impairment	8,213	9,342
Amortisation and impairment	458	440
Profit on sale of property, plant and equipment	32	(108)
Net finance costs	4,538	7,183
Tax expense	102	234
Share of results of equity accounted investments	10	-
Change in:		
Inventories	(5,924)	(8,898)
Trade and other receivables	10,875	4,070
Prepayments and accrued income	1,985	101
Trade and other payables	(8,360)	(8,442)
Provisions and employee benefits	246	(538)
Cash generated from operations	**8,381**	(3,790)
Interest received	50	19
Interest paid	(953)	(1,077)
Income tax paid	(282)	(1,172)
Net cash inflow from operating activities	**7,195**	**(6,021)**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	(31)	132
New long term loans receivable granted	(48)	(450)
Acquisition of property, plant and equipment	(12,351)	(4,358)
Acquisition of intangible assets	(1,667)	(781)
Net cash (outflow) from investing activities	**(14,097)**	**(5,465)**
Cash flows from financing activities		
Payment of transaction costs related to loans and borrowings	(482)	9
Proceeds from borrowings	864	8,350
Repayment of borrowings	(842)	(223)
Payment of lease liabilities	(3,825)	(3,730)
Net cash (outflow) from financing activities	**(4,284)**	**4,405**
Net change in cash and cash equivalents	**(11,187)**	**(7,080)**
Cash and cash equivalents at beginning of period	21,687	8,634
Effect of exchange rate fluctuations on cash and cash equivalents	(409)	157
Cash and cash equivalents at end of period	**10,091**	**1,710**

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. General information

SCHOELLER PACKAGING B.V. (“SP” or “the Company”) is a company limited by shares incorporated and domiciled in the Netherlands, having its statutory seat in Amsterdam. The address of the Company’s registered office is Taurusavenue 35, 2132 LS, Hoofddorp. Schoeller Packaging B.V. was incorporated on 25 October 2019.

Schoeller Packaging B.V. was established on 30 September 2019 and is registered with the Dutch Commercial Register under number 75962357. The Company received the shares in Schoeller Allibert Group B.V. as part of a share premium contribution from Schoeller Allibert Packaging Holding B.V. After this transaction, Schoeller Allibert Group B.V. is a wholly owned subsidiary of the Company.

Because the Company did not exist prior to 30 September 2019, no consolidated financial information was prepared by the Company for the period before that date. The financial information before 30 September 2019 was derived from the consolidated financial statements of Schoeller Allibert Group B.V. and its direct and indirect subsidiaries. The Company is the continuation of the operations of Schoeller Allibert Group B.V. as the business is transferred to the Company in common control transaction. This transaction was primarily created to facilitate the refinancing of the Senior Secured Notes.

Schoeller Packaging B.V. is a wholly owned subsidiary of Schoeller Packaging Holding B.V., a company incorporated in the Netherlands that is owned 70% by BCP IV RTP Holdings Ltd., ultimately 100% held by Brookfield Asset Management Inc., and 30% by Schoeller Industries B.V., a company incorporated in the Netherlands that is active in supply chain systems.

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

2. Basis of Preparation

The interim financial information for the first quarter ended 31 March 2020 has been prepared on a going concern basis and in accordance with IAS 34 ‘Interim financial reporting’ as adopted by the European Union. The interim condensed consolidated financial statements are presented in in euros and rounded to the nearest thousand, unless otherwise stated. The interim condensed consolidated financial statements do not include all the information and disclosures required in the complete set of annual financial statements and should be read in conjunction with the audited Annual Report of Schoeller Packaging B.V. for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

3. Going concern

In Q1 2020, the Group increased its revenue and operating profit by EUR 12.8 million and EUR 2.4 million, however, the Group still registered a net loss for the quarter of EUR 3.8 million, negative working capital of EUR 12.0 million and negative equity of EUR 114.0 million which should be carefully considered when considering the entity’s ability to continue as a going concern. In spite of this, the Group has taken several measures and has reported improvements in its performance that will ensure the Company’s future.

The Group generated a net cash inflow from operating activities of EUR 7.2 million (Q1 2019: EUR 6.0 million outflow). The Group successfully refinanced its senior secured notes by issuing new notes for an amount of EUR 250 million at a coupon of 6.375% in Q4 2019, which is a significantly lower coupon rate than the previous notes, which had a coupon rate of 8%. The Group also refinanced its revolving credit facility of EUR 30 million. The Group now has a stable financing structure with a solid cash position as at 31 March 2020, access to a EUR 30 million credit facility and senior secured notes due in 2024. Furthermore, the Group has access to a committed credit facility of up to EUR 65 million from its shareholder Brookfield, subject to shareholder consent, of which EUR 7.6 million was drawn as of Q1 2020.

During the past years the Group has seen significant levels of capital expenditure focused on product innovation. These innovations have resulted in new product launches that have contributed to the revenue growth in Q1 2020 with further growth potential in the coming years.

Based on the above mentioned facts, Management of the Group believes that the application of the going concern assumption for the Q1 2020 consolidated financial statements is appropriate.

4. Auditor involvement

The content of this interim financial report has not been audited by our external auditor Deloitte.

5. Accounting policies

The accounting policies applied are consistent with those applied in the audited Annual Report 2019 of Schoeller Packaging B.V., except for the adoption of new and amended standards.

Other standards and interpretations

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

6. Critical accounting estimates and judgments

The preparation of condensed consolidated interim financial statements in accordance with generally accepted accounting principles under IAS 34 requires the Group to make estimates, judgments and assumptions that may affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities in the condensed consolidated interim financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition, rarely equal the related actual results. Actual results may differ significantly from these estimates, the effect of which is recognized in the period in which the facts that give rise to the revision become known.

In preparing these First Quarter condensed consolidated interim financial statements, the significant judgments made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty, were the same as those that applied to the audited Annual Report 2019 of Schoeller Packaging B.V.

7. Financial risk management

The Group's operations and financial results are subject to various risks and uncertainties that could adversely affect its business, financial position, results of operations and cash flows. The Group's risk management objectives and policies are consistent with those disclosed in the audited Annual Report 2019 of Schoeller Packaging B.V.

The Group operates internationally and generates foreign currency exchange risks arising from future commercial transactions, recognized assets and liabilities, investments and divestments in foreign currencies other than the Euro, the Group's reporting currency. The main exchange rates are shown below:

	2020		2019	
	March Closing	Three Month Average	March Closing	Three Month Average
British pound	0.8864	0.8577	0.8583	0.8715
US dollar	1.0956	1.1054	1.1235	1.1396
Swiss franc	1.0585	1.0686	1.1181	1.1298

Revenues and expenses are translated to Euro at the average exchange rate for the applicable period for inclusion in the condensed consolidated interim financial statements. The business generates substantial revenues, expenses and liabilities in jurisdictions outside the Euro zone.

For the three months ended 31 March 2020, approximately 68% of revenue was generated by operations inside the Euro zone. Consequently the translation risk of non-Euro results to the Euro is the most significant currency risk. Currency fluctuations of especially the US dollar and British pound could materially affect the consolidated Group results. Translation risks of non-Euro equity positions in the Group are not hedged.

The Group's companies are also exposed to foreign currency transactional risks on revenues and expenses that are denominated in a currency other than the respective functional currencies of the Group's entities. The Group tries to mitigate the risks of transactional currency exposures by natural hedges. The Group may use forward exchange contracts or currency swaps to hedge forecasted foreign exchange cash flow transactions.

8. Revenue

	THREE MONTHS ENDED 31 MARCH	
EUR'000	**2020**	**2019**
Sales of goods	108,056	99,741
Services rendered	13,906	9,309
Revenue	**121,962**	**109,049**

9. Segment Information

The Board of Directors ("BoD"), comprised of executive and non-executive directors, are responsible for allocating resources and assessing performance of the operating segments. This BoD has been identified as the chief operating decision-maker that makes strategic decisions. The operating segments are based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

The BoD considers the business primarily from a geographic perspective. The production and sale of Returnable Transport Packaging ("RTP") products' performance per region, also called the Manufacturing business is key. Smaller segments that are not meeting the aggregation criteria or individual reporting thresholds are all reported in "All Other Segments".

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of profit or loss.

Due to the fact that no balance sheet measures per operating segment are included in the information regularly reviewed by the BoD, no measures on assets per segment are disclosed in First Quarter condensed consolidated interim financial statements.

The segment results for the three months ended 31 March 2020 and 2019 are as follows:

THREE MONTHS ENDED 31 MARCH 2020

EUR'000	**Northern Europe**	**Central Europe**	**Southern Europe**	**USA**	**All other Segments**	**Eliminations**	**Total**
Total segment revenue	36,332	55,744	30,181	12,889	13,809	(26,993)	121,962
Inter-segment revenue	(10,153)	(5,229)	(8,455)	(100)	(3,055)	26,993	-
Total revenue from external customers	**26,179**	**50,515**	**21,726**	**12,788**	**10,754**	**-**	**121,962**
Operating result	**553**	**784**	**(1,242)**	**(1,660)**	**3,805**	**-**	**2,240**
Other							(10)
Net finance cost							(5,922)
Income tax expense							(102)
Loss for the period							**(3,794)**

THREE MONTHS ENDED 31 MARCH 2019

EUR'000	**Northern Europe**	**Central Europe**	**Southern Europe**	**USA**	**All other Segments**	**Eliminations**	**Total**
Total segment revenue	32,400	49,00	30,006	6,442	13,565	(22,369)	109,049
Inter-segment revenue	(7,937)	(5,488)	(7,233)	-	(1,711)	22,369	-
Total revenue from external customers	**24,463**	**43,517**	**22,773**	**6,442**	**11,854**	**-**	**109,049**
Operating result	**363**	**(357)**	**(434)**	**(3,143)**	**(3,396)**	**-**	**(173)**
Net finance cost							(6,766)
Income tax expense							(234)
Loss for the period							**(7,173)**

10. Net finance cost

EUR'000	THREE MONTHS ENDED 31 MARCH 2020	2019
Interest income on loans and receivables	50	19
Net foreign exchange gain	330	-
Finance income	**380**	**19**
Interest expense on borrowings	(5,078)	(4,742)
Amortisation deferred financing fees	(660)	(977)
Net foreign exchange (loss)	-	(546)
Other financial expenses	(564)	(520)
Finance expense	**(6,302)**	**(6,785)**
Net finance expense	**(5,922)**	**(6,766)**

Net finance expense for the three months ended 31 March 2020 was EUR 5,922 thousand (expense for the three months ended 31 March 2019: EUR 6,766 thousand). The largest item driving this decrease is higher FX gains.

The net foreign exchange results are mainly attributable to the fluctuations of the Euro against the US dollar, British pound, Swiss franc and Swedish krona.

11. Income tax expense

Income tax expense/income is recognized based on management's estimate of the average annual income tax rate expected for the full financial year. The total income tax expense for the three months ended 31 March 2020 amounted EUR 102 thousand (three months ended 31 March 2019 income tax expense: EUR 234 thousand).

12. Loans and borrowings

The carrying amounts of loans and borrowings are as follows:

	AS AT 31 MARCH			AS AT 31 DECEMBER		
			2020			**2019**
EUR'000	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Senior secured note	-	250,000	250,000	-	250,000	250,000
Deferred financing costs	-	(6,975)	(6,975)	-	(7,038)	(7,038)
Senior secured note at amortised cost	-	**243,025**	**243,025**	**-**	**242,962**	**242,962**
Other credit institutions	1,396	20,147	21,543	1,369	20,279	21,649
Lease liabilities	14,065	38,586	52,650	14,167	37,909	52,077
Deferred financing costs	(157)	-	(157)	(3)	(269)	(272)
Total loans and borrowings	**15,305**	**301,758**	**317,062**	**15,534**	**300,882**	**316,416**

* Figure includes accrued interest

Movements during the period

Senior Secured Notes and the Guarantors

On 25 October 2019, the Group issued EUR 250,000 thousand 6.375% Senior Secured Notes due in 2024. Interest on the Notes is paid semi-annually in arrears on 1 May and 1 November of each year and accrues at a rate equal to 6.375% per annum. The maturity date of the notes is 1 November 2024. The Notes are listed and permitted to deal with at The Channel Island Securities Exchange Authority Limited.

The Notes are the Group's general senior obligations and rank pari passu in right of payment with any existing and future obligations that are not subordinated in right of payment to the Notes, including the revolving credit facility. No financial covenants apply to the Notes unless a change of control occurs.

The Notes are guaranteed on a senior secured basis by some of the Group subsidiaries located in the Netherlands, the United Kingdom, France, Germany, Spain, Belgium and the United States (Guarantors) and are secured by first-ranking security interest over the same assets that secure the Revolving Credit Facility (collateral).

We or our affiliates may, at any time and from time to time, seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Total loans and borrowings increased by EUR 646 thousand to EUR 317,062 thousand, mainly due to slightly higher lease liabilities.

As at 31 March 2020, the Group had one revolving credit facility of EUR 30 million (31 December 2019: EUR 30 million). The Group has drawn EUR 18.5 million from this facility for guarantees and cash drawings.

13. Provisions

EUR'000	Restructuring	Claims	Total
As at 1 January 2020	1,238	390	1,628
Provisions made during the year*	260	20	280
Provisions used during the year	-	-	-
Provisions reversed during the year	-	-	-
Effect of movements in exchange rates	-	-	-
As at 31 March 2020	1,498	409	1,907
Non-current	623	-	623
Current	875	409	1,284
Total provisions	1,498	409	1,907

EUR'000	Restructuring	Claims	Total
As at 1 January 2019	1,099	1,512	2,611
Provisions made during the year	660	474	1,134
Provisions used during the year	(526)	(1,429)	(1,955)
Provisions reversed during the year	-	(200)	(200)
Effect of movements in exchange rates	5	33	38
As at 31 December 2019	1,238	390	1,628
Non-current			
Current	623	-	623
Total provisions	615	390	1,005
As at 31 December 2019	1,238	390	1,628

*part of the severance payments made have been recorded as Employee Benefit Cost (see note 8; and have not been separately reflected in the movement of the provisions.

The economic outflow of non-current provisions is expected to occur within one to three years. The discount relates to an immaterial portion of claims provision and the discount rate amounts to 5.9%

Restructuring

The restructuring provision reflects the directors' best estimates of the cost to fulfil internally announced plans. These costs are directly related to the plans and include the cost of employee settlements. It does not include any amount for the future performance of the ongoing businesses concerned.

Claims

In Q1 2020, the provision for claims included claims related to disputes with customers.

14. Contingencies

Dutch fiscal unity

The wholly owned subsidiaries established in The Netherlands constitute a tax group for the purpose of corporate income tax together with the shareholder Schoeller Packaging Holding B.V. As a consequence, each Group in the tax group is jointly and severally liable for tax liabilities of the tax entity as a whole. The Group recognises the corporate income tax as if it is solely responsible for its own corporate income tax.

Warranties

The Group does not provide for warranties, since no major claims have been received or payments made in connection with product warranty issues in recent years. However, contingencies might exist for product warranties, with no material losses expected.

Legal proceedings

The Group is involved in some legal proceedings and other claims. In the judgement of management, no losses in excess of provisions made, which would be material in relation to the Group's financial position, are likely to arise in respect of these matters, although their occurrence may have a significant effect on periodic results.

15. Related party transactions

There have been no changes in the nature of the related party transactions in the three months ended 31 March 2020 as compared to the year ended 31 December 2019.

The Group has a commitment for a EUR 65 million investor facility from entities affiliated with Brookfield Business Partners L.P. As of 31 March 2020, an amount of EUR 7.6m was drawn under this facility and an amount of EUR 0.8 million of interest was accrued on the amount drawn.

16. Seasonality of Operations

Historically, our business has not been subject to significant seasonality. Many of our end-markets have differing periods of seasonal highs and lows and therefore any seasonal effects in specific end-markets are counterbalanced by the divergent seasonal effects of other end-markets. However, demand for our products tends to peak in the second quarter, late in the third quarter and in the fourth quarter with a comparative low period early in the first quarter.

17. Fair value of financial instruments

The fair values of financial assets and liabilities as at 31 March 2020 and 31 December 2019 are as follows.

	AS AT 31 MARCH			AS AT 31 DECEMBER		
EUR'000			2020			2019
Financial liabilities	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Senior secured note	250,000	232,635	1	250,000	258,300	1

We have not added further disclosure on fair value as the carrying value of the other financial instruments are equal to their fair value.

18. Events after the balance sheet date

The Covid -19 ("Corona") virus has been spreading around the world since the end of 2019, having a major impact on society and businesses alike.

This is the status for Schoeller Allibert, its mitigating actions and Liquidity as of April 21st 2020.

Status

All operations are still up and running and our business is seen in several countries by the governments as critical to the food chain. All factories are producing.

The order book has held up well despite some decline. Daily order-intake is being tracked and there is a good level of orders especially in retail and pharma. There is a strong decline in automotive order intake.

There are only a limited number of Schoeller Allibert personnel in self quarantine due to colds and flu and 3 people have been confirmed as being infected.

Most (non-production related) people are currently working from home. Additional laptops and terminals have been provided as well as additional VPN connections. The sales force have migrated towards Tele Sales. This is up and running since about 2nd week of March. Depending on the period of the lock down (Italy, Spain) and other governmental measures and the potential impact of a recession on for instance the automotive markets and our customers, it is at this stage impossible to estimate the impact of the crisis on our revenues, statement of income and collectability of receivables and realisible value of customer specific products.

Mitigation

While the business impact has been limited so far, we have taken measures during March and April to prepare for a potential decline in activity.

The company has frozen all avoidable spending and has delayed or cancelled capital expenditure where possible. Actions have been implemented to reduce inventory further.

Action plans have been prepared for all factories and operations for a potential revenue and production decline including reduction of number of temporary workers, implementation of government measures (such as short work and later payment of taxes) and change in shift patterns.

Liquidity

The Group has a solid financial structure in place. It has been refinanced in October 2019 with a EUR 250m new Bond (no refinancing required until 2024) and with a EUR 30m Revolving Credit Facility, fully committed by three reputable and stable banks.

Brookfield, the majority shareholder, is a strong sponsor to support the business. As a consequence, we do not foresee significant implications on the possibility for the company to continue as a going concern.

The business follows the situation day by day and is well focused and prepared to get through the coming months.

Hoofddorp, 14 May 2020

Schoeller Allibert

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