Cabka

Interim Report
&
Unaudited interim condensed consolidated financial statements for the first half year 2024

Financial and operational performance for the first half year 2024

Sales performance

Total first half 2024 sales amounted to € 92.3 million, which is 11% lower compared to the same period last year.

From the 11% decline, 5% related to the intentional price reductions we implemented in our customer pricing strategy, passing on the normalizing raw material and energy prices to our customers. We achieved a growth in volume/mix of 10% in our performing segments. The remaining decline was the result of lower volumes in US Customised Solutions and soft demand in Contract Manufacturing. As the second quarter progressed, we have seen our order intake improve despite the persistent inflation and ongoing geopolitical issues, resulting in Q2 sales recovery of 9% in line with our earlier expectation.

Our European Portfolio business grew by 12.8% YoY to € 42.3 million (2023HY: € 37.5 million[1]). Customized solutions business in Europe remained resilient to market conditions increasing with 6.6% to € 16.0 million (2023HY: € 15.0 million[1]). Weak demand persisted in our Contract Manufacturing business throughout the first half of the year, resulting in a sales decline of € 9.4 million to € 8.4 million (2023HY: € 17.9 million).

In the US, our portfolio business performed well with a notable 13.8% increase as our concerted efforts to win new customer deals started to show. However, challenging market conditions continued to impact our Customized Solutions segment as key customers indicated that they are not expecting to commit to any further capex for the time being, resulting in a € 10.4 million decline in sales (-93%) compared to the same period last year.

In our ECO business we grew 3.4%, resulting in € 13.3 million sales for the first half of 2024 (2023HY: € 12.8 million). A small fire occurred in June at our warehouse in Weira, our ECO business did not suffer any significant impact from this, thanks to the swift response from our local team.

Looking ahead for the remainder of the year, it is expected that customer demand in some of our end markets remain muted, whilst other segments will continue to grow. As we continue to navigate these challenging market circumstances with agility and resilience, we consider it prudent to adjust our outlook for the year. Therefore, we lower our sales guidance for 2024 to € 180-185 million, reflecting the slow start of the year.

Cost developments

Our operational gross margin significantly improved compared to prior year, increasing to 50.5%, versus a margin of 46.5%[2] in H1 2023 as we continued to focus on our internal production capacities and strategic cost management across all our segments.

With the US plant completely up and running as of the second half of last year, we could regain our focus back to our own in-house production capacities. On top of this, we started to use a new raw material processing technology in the US, we increased automation and robotization at our plants and we continued to make a gradual shift to higher value-add products, which all contributed to the increase in our margin.

Operating expenses remained relatively stable, whilst the main increases in personnel costs, and on other fixed expenses were driven by the impact of inflation.

Depreciation and amortization increased by 21% to € 9.7 million, primarily attributable to the capitalization of assets we installed to reopen and expand our plant in the US.

[1] Prior year segmentation has been updated to align with the updated segmentation of certain customer products, for further information refer to section B. Note 7.

[2] The presentation of the prior year income statement of has been adjusted to reflect the new classification of transportation cost and FX gains & losses. For more information refer to Section A - III.

Our focus within the organisation for the upcoming period will be on additional cost saving initiatives to further enhance our operational efficiencies and boost our sales organisation.

EBITDA

Operational EBITDA for the first half of 2024 amounted to € 10.4 million, which is € 3.1 million lower than last year (2023HY: € 13.5 million[2]). The lower EBITDA is predominantly driven by the decrease in sales for the first half of the year, followed by inflationary pressures on our fixed cost base.

Cash flows and cash position

Cash from operating activities was € 8.4 million, only €0.5 million lower than last year (2023HY: € 8.9 million), despite 11% lower sales. However the negative movement in our working capital of € 13.0 million (2023HY: € -1.3 million) led to an overall decrease of our cash generated from operating activities of € 4.4 million (2023HY: € 7.1 million).

Cash flows used in investing activities amounted to € 9.3 million (2023HY: € 12.3 million), all related to capital investments in tangible and intangible assets (2023HY: € 12.9 million).

Cash flows from financing activities amounted to € 11.9 million (2023HY: € -5.9 million). Main cash inflow for the half year was related to cash received from an additional draw down that took place on the debt facility of € 16.5 million, offset by repayment of debt facilities and interest totaling € -2.5 million (2023HY: € -3.8 million), and the repayment of lease facilities amounting to € -2.1 million (2023HY: € -2.7 million).

The total cash balance as at 30 June 2024 was € 4.7 million (31 December 2023: € 7.3 million).

Net Working Capital[3]

Net Working Capital position was € 38.6 million or 20.0% of sales LTM as per 30 June 2024, which is in line with our medium-term guidance. Compared to the same period last year, the net working capital position increased marginally by 4.0% from € 37.0 million.

The movement in Net Working Capital for the first six months of 2024 was € -12.0 million. The negative movement in Net Working Capital is the result of a € 5.3 million decrease in trade payables, followed by an increase in trade receivables of € 4.3 million, an increase in inventories of € 3.6 million and an increase in received prepayments from customers of € 1.2 million.

The decrease in trade payables was primarily the result of final settlements made towards machinery and equipment installed in our US plant committed during 2023. Trade receivables increased due to timing of customer payments dates, given a few large shipments were concluded shortly before end of June. The increase in inventory value during the first half of 2024 was due to additional raw materials acquired in anticipation of planned production runs that took place in July.

CAPEX

CAPEX investments for the first half of 2024 amounted to € 9.3 million, which is € 3.6 million lower compared to the same period last year (2023HY: € 12.9 million). Considering that the final investments have now been made in the St. Louis plant after the 2022 flooding, it is expected that the capex spend for the remainder of the year will continue to be lower than last year.

Total investments in replacement & maintenance capex were € 4.6 million, or 5.0% of total sales. Total investments in the first half of 2024 for our St. Louis plant, amounted to € 1.2 million (2023HY: € 4.6 million). Investments in our ECO business remained stable compared to last year with € 1.1 million invested.

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[3] Net working capital position consists of inventory, trade receivables, prepayments received and trade payables. The Net Working capital movement therefore excludes other working capital movements of € -1.0 million.

Outlook

Based on the current challenging market conditions, we expect the US customized solutions and contract manufacturing segments to remain under pressure, whilst our other strategic segments continue to perform well. In light of this, we expect sales to be in the range of € 180-185 million, with a recovery in our EBITDA margin towards 13-15%, reflecting an estimated EBITDA range of € 23-27 million.

Key figures first six months 2024 including split in operational and non-operational items

Condensed income statement bridge operations to IFRS[4] *in Euro million*	**2024 HY**	**2023 HY (restated)** [5]	**Change**
Sales	**92.3**	**104.3**	*-11%*
Other operating income items	1.7	0.2	*645%*
Total Operating Income	**94.0**	**104.5**	***-10%***
Expenses for materials, energy and purchased services	(47.5)	(56.0)	*-15%*
Gross Profit from operations	**46.6**	**48.5**	*-4%*
Operating expenses	(36.2)	(35.0)	*3%*
EBITDA from operations	**10.4**	**13.5**	*-23%*
Depreciation, amortization and impairment of intangible and tangible fixed assets	(9.7)	(8.0)	*21%*
EBIT /Operating Income	**0.7**	**5.5**	*-87%*
Financial results	(2.0)	(1.5)	*40%*
Earnings before taxes	**(1.3)**	**4.0**	*-133%*
Taxes	(0.6)	(1.0)	*-37%*
Net income from operations	**(1.9)**	**3.0**	*-165%*
Non-operational and exceptional items[6]	*0.0*	*(2.2)*	
Non-controlling interest	-	-	
Net result reported IFRS	**(1.9)**	**0.8**	*n.m.*

[4] The condensed income statement provides operational and non-operational result items for insight on underlying operational performance. The statements in the attached Half Year Report 2024 provide integral IFRS statements without this distinction.
[5] The presentation of the prior year income statement of has been adjusted to reflect the new classification of transportation cost and FX gains & losses. For more information refer to Section A - III.
[6] For more information on the non-operational and exceptional items during the half year, please refer to Section B. note 8.

Strategic progress

During the 3rd quarter of this year, we will revisit and evaluate our current strategy to ensure it aligns with our long-term goal of sustainable growth and value creation, whilst taking the current market conditions in consideration. While we undertake this strategic review, we will continue to execute our existing strategy with the same commitment and focus as before.

On 25 November, the company will be hosting a Capital Markets Day, during which more detail will be shared on our strategy.

Risk Management

During the first half of 2024, we continued to prioritize our comprehensive risk management process. In May, the Risk Committee performed their periodic year review over the 15 principal risks that were previously identified and reported on in our 2023 annual report. The review was conducted together with the various key functional department heads, discussing the internal and external developments that impact the risks they are responsible for.

Compared to the full year risk review there has not been any material changes in Cabka's risk profile. The only key change we have implemented in our review process this year was the scale with which we measure the impact and likelihood of our identified risks, changing this from a 3-point to a 5-point scale. The reason for change was to align this process more closely with the way we measure the materiality within our ESG risks.

In Q4, the risk committee will be conducting a thorough bottom-up risk assessment on our operations. The objective of this assessment is to ensure that we have covered all risks associated within our operational processes. The findings of this review will be shared with the Management and Supervisory board.

ESG

Plastics circularity continues to receive great attention on corporate agendas as well as from regulatory bodies both in Europe and in the US. In the European Union, the Packaging and Packaging Waste Regulation was voted in and is expected to be finally adopted later this year. More policy documents under the EU Circular Economy Action Plan are still being worked on and will be considered by the new European Parliament.

A circular economy for plastics represents the core of Cabka's business model and strategy. Cabka is the circularity leader in the RTP industry and with our high share of recycled plastics intake we want to continue to make a positive impact. In the first half year of 2024, 86% of our raw material intake came from secondary sources (2023HY: 87%). Thus, Cabka maintains its exceptional circular economy performance and continues to re-introduce plastic waste material into reusable applications.

The EU's Sustainability agenda also impacts Cabka's sustainability reporting. The Corporate Sustainability Reporting Directive (CSRD) requires stock-listed companies to provide advanced reporting on environmental, social and governance (ESG) matters beginning for financial year 2024.

In the first half of the year, Cabka's CSRD readiness project focused on the update of our materiality assessment according to the new reporting standards. This analysis included impacts, risks and opportunities (IRO) in Cabka's value chain and involved numerous internal and external stakeholders to identify and evaluate IRO materiality. The results are implemented within Cabka's governance structure and work continues to provide a first full CSRD compliant report for 2024 in April 2025.

Statement of the directors' responsibilities

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

1. Half-year financial statements, as included on pages 12 to 19 of this report, give a true and fair view of the assets, liabilities, financial position, and profit or loss of Cabka N.V. and the undertakings included in the consolidation taken as a whole; and
2. The half-year report, as included on pages 12 to 19 of this report, gives a true and fair view of the development and performance of the business and the position of Cabka N.V. and the undertakings included in the consolidation taken as a whole (details of which are included in the half-year financial statements) on the reporting date. The half-year report also gives a true and fair view of the expected development and performance of the business, the investments and the conditions on which the development of revenues and return depend.

Alexander Masharov, CEO
Frank Roerink, CFO

Cabka

SECTION A. 2024 HY FINANCIAL OVERVIEW

I. Interim condensed consolidated statement of profit and loss and other comprehensive income (unaudited)

first six months 2024 (2023)

Interim condensed statement of profit and loss *in Euro million*	Note	2024 HY	2023 HY (restated)[7]
Revenue	7	**92.3**	**104.3**
Change in inventories of finished goods and work in progress		(0.3)	(2.3)
Other operating income		2.1	4.3
Total Operating income		**94.0**	**106.2**
Material expenses / expenses for purchased services		(47.5)	(59.1)
Personnel expenses	8	(22.9)	(21.2)
Amortization/depreciation and impairment of intangible and tangible fixed assets		(9.7)	(8.0)
Other operating expenses	8	(13.9)	(15.6)
Total Operating expenses		**(94.0)**	**(103.9)**
Finance income	6	1.2	0.4
Finance expenses		(2.5)	(1.8)
Net Financial Result		**(1.4)**	**(1.4)**
Result before taxes		**(1.3)**	**1.0**
Income tax expense	4	(0.5)	(0.2)
Result for the period		**(1.9)**	**0.8**
Attributable to:			
Non-controlling interest		-	-
Equity holders of CABKA N.V.		**(1.9)**	**0.8**

Other comprehensive income *in Euro million*	Note	2024 HY	2023 HY
Results for the year		**(1.9)**	**0.8**
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translation of foreign operations		0.1	(0.2)
Total comprehensive loss / income		**(1.8)**	**0.6**
Attributable to:			
Non-controlling interest		-	-
Equity holders of CABKA N.V.		**(1.8)**	**0.6**

[7] The presentation of the prior year income statement of has been adjusted to reflect the new classification of transportation cost and FX gains & losses. For more information refer to Section A - III.

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II. Consolidated interim Statement of Financial Position (unaudited)
as at 30 June 2024 (2023)

Consolidated Statement of Financial Position *in Euro million*	Note	30.06.2024	31.12.2023
ASSETS			
Non-current assets			
Intangible assets		2.6	2.8
Property, plant and equipment		82.7	80.8
Right of Use assets		10.7	10.2
Long-term financial assets		0.1	0.1
Other long-term assets		0.0	0.0
Deferred tax assets	4	8.6	8.0
		104.8	**101.9**
Current Assets			
Inventories		35.7	32.1
Trade receivables		31.9	27.6
Short-term financial assets		0.0	0.0
Other short-term assets		11.9	12.6
Cash and cash equivalents		4.7	7.3
		84.2	**79.5**
		189.0	**181.4**
LIABILITIES			
Equity			
Share capital		0.4	0.4
Treasury shares		(0.2)	(0.2)
Share premium	10	74.0	77.7
Other reserves	10	7.3	7.8
Retained earnings		(15.4)	(13.6)
Foreign currency translation reserve		(1.4)	(1.4)
Non-controlling interests		-	-
		64.8	**70.7**
Non-current liabilities			
Long-term financial liabilities		42.4	43.3
Other long-term liabilities		(0.0)	-
Deferred tax liabilities		0.1	0.1
		42.5	**43.3**
Current liabilities			
Short-term financial liabilities	6,10	40.3	20.8
Provisions		0.7	0.8
Contract liabilities		4.8	4.4
Trade payables		27.3	32.6
Income tax liabilities		-	-
Other short-term liabilities		8.5	8.7
		81.7	**67.3**
		189.0	**181.4**

Interim condensed consolidated statement of changes in equity
for the six months ended 30 June 2024

Interim condensed consolidated statement of changes in equity (01.01.2024 – 30.06.2024) *In Euro million*	Share capital	Share premium	Treasury shares	Other reserves	Foreign currency exchange reserve	Retained earnings	Non-Controlling interest	Total equity
At 31 December 2023	**0.4**	**77.7**	**(0.2)**	**7.8**	**(1.4)**	**(13.6)**	**-**	**70.7**
Net result for the period	-	-	-	-	-	(1.9)	-	(1.9)
Other comprehensive income/(loss) for the period	-	-	-	-	-	0.1	-	0.1
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**(1.8)**	**-**	**(1.8)**
Transactions with owners of the Company								
Dividends payable	-	(3.7)	-	-	-	-	-	(3.7)
Share-based payments	-	-	-	(0.5)	-	-	-	(0.5)
Total transactions with owners of the Company	**-**	**(3.7)**	**-**	**(0.5)**	**-**	**-**	**-**	**(4.2)**
At 30 June 2024	**0.4**	**74.0**	**(0.2)**	**7.3**	**(1.4)**	**(15.4)**	**-**	**64.8**

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Interim condensed consolidated statement of cash flow
for the six months ended 30 June

Consolidated Statement of Cash Flows		
In Euro million	**2024 HY**	**2023 HY**
Cash flows from operating activities		
Net result after tax	(1.9)	0.8
Adjustments for:		
Amortization/depreciation of intangible and tangible fixed assets	9.7	8.0
Attribution from reversal impairments	-	(0,5)
Loss (+) on disposal / Profit (-) on sale of property, plant & equipment	(0.1)	0.0
Share-based payment expense	(0.5)	0.3
Other non-cash transactions	(0.1)	(0.2)
Finance income	(1.1)	(0.2)
Finance expenses	2.2	1.4
Income tax expenses	0.5	0.2
Net foreign exchange differences	0.3	0.1
Changes in:		
Inventories	(3.6)	0.6
Trade receivables and other current assets	(3.4)	4.0
Trade payables and other current liabilities	(6.0)	(5.9)
Cash (utilized)/generated from operations	(3.8)	8.6
Income taxes paid	(0.6)	(1.5)
Cash flow (used in)/from operating activities	(4.4)	7.1
Cash flow from investing activities		
Cash inflow from sale of property, plant and equipment	0.0	0.6
Cash outflow for investment in property, plant and equipment	(9.2)	(12.5)
Cash outflow for investment in intangible assets	(0.1)	(0.4)
Interest received on cash and equivalents	0.0	0.0
Net cash from/(used in) investing activities	(9.3)	(12.3)
Cashflow from financing activities		
Cash inflow from sale of Treasury shares	-	1.2
Cash outflow from VSOP Rollover	-	(1.1)
Cash outflow for the repayment of liabilities to banks	(0.6)	(2.4)
Cash inflow from receipt of liabilities to banks	16.5	0.5
Cash outflow for the repayment of lease liabilities	(1.4)	(1.0)
Cash outflow for the repayment of rental purchase liabilities	(0.7)	(1.7)
Interest paid	(1.9)	(1.4)
Net cash from/(used in) financing activities	**11.9**	**(5.9)**
Changes in cash and cash equivalents	**(1.8)**	**(11.0)**
Cash and cash equivalents at the beginning of the period	7.3	21.0
Net foreign exchange difference	(0.8)	(0.2)
Cash and cash equivalents at the end of the period	**4.7**	**9.8**

III. Restatement as a result of material reclassification

During 2024, the company performed a comprehensive reassessment on the classification of certain costs within our financial statements, in order to enhance the transparency and accuracy of our financial reporting.

As a result of this reassessment, the company made two reclassifications in the statement of profit and loss and other comprehensive income. These reclassifications were deemed necessary to better represent the financial results of our operations.

Transportation cost related to finished goods sold, previously included within operating expenses, has been reclassed to expenses for materials, energy and purchased services, given that these costs better reflect the direct costs involved in production and sale of our goods.

In addition, gains related to FX, previously included within other operating income, have been reclassed to financial income, and losses related to FX, previously included within operating expenses, have been reclassed to financial expenses.

These reclassifications have been adjusted in the 2023HY comparative years disclosed in interim condensed consolidated financial statements for the first half year 2024. These restatements did not impact the company statement of profit or loss nor equity. The impact of the restatement is disclosed in the table below:

Interim condensed statement of profit and loss (extract) *in Euro million*	2023 HY	Restatement	2023 HY (restated)
Revenue	**104.3**	**-**	**104.3**
Change in inventories of finished goods and work in progress	(2.3)	-	(2.3)
Other operating income	4.5	(0.2)	4.3
Total Operating income	**106.4**	**(0.2)**	**106.2**
Material expenses / expenses for purchased services	(57.0)	(2.1)	(59.1)
Personnel expenses	(21.2)		(21.2)
Amortization/depreciation of intangible and tangible fixed assets	(8.0)		(8.0)
Other operating expenses	(18.0)	2.4	(15.6)
Total Operating expenses	**(104.2)**	**0.3**	**(103.9)**
Finance income	0.2	0.2	0.4
Finance expenses	(1.5)	(0.3)	(1.8)
Net Financial Result	**(1.3)**	**(0.1)**	**(1.4)**
Result before taxes	**1.0**	**-**	**1.0**
Income tax expense	(0.2)	-	(0.2)
Result for the period	**0.8**	**-**	**0.8**
Attributable to:			
Non-controlling interest	-	-	-
Equity holders of CABKA N.V.	**0.8**	**-**	**0.8**

Section B. Notes to the interim condensed consolidated financial statements

1. Corporate information

Cabka N.V. is a listed public company which is registered in the Chamber of Commerce Amsterdam under number 80504493 and has its registered office at John M. Keynesplein 10, 1066 EP Amsterdam, The Netherlands.

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

Cabka is creating clever and transformative packaging solutions for moving goods around the world in a sustainable fashion. We take post- industrial plastic waste and recycled plastics and transform it into reusable transport packaging (RTP), namely pallets and large containers. In addition to transport packaging, we develop and produce Eco products. These are made from post-consumer plastic waste and are used in road construction, traffic safety systems and gardening.

We are leading the industry in our integrated approach closing the loop from waste, to recycling, to manufacturing. Thanks to our many years of experience and the work of our engineers at our state-of- the-art Innovation Center, we are able to bring recycled plastics back into the production cycle at attractive prices. This enables us to significantly reduce both the costs and the environmental footprint of our customers.

The interim condensed consolidated financial statements of Cabka N.V. and its subsidiaries for the six months ended 30 June 2024, are presented in millions of Euro, unless indicated otherwise. They have been authorized for publication by the Supervisory Board on 12 August 2024, and are unaudited.

2. Basis of preparation

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024, have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments, as derivatives, Special Shares liabilities, as well as share-based payments and warrants, which are measured at fair value.

These condensed consolidated interim financial statements are based on the annual financial statements of Cabka N.V., for the year ended 31 December 2023, and shall be read with this.

3. Summary of significant accounting policies

Cabka N.V. applied accounting standards consistently for all annual periods as described in detail in the 2023 Annual Report financial section.

The interim condensed consolidated financial statements comprise the interim financial figures of the Company and its subsidiaries as of 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated, applying the equity method, from the date on which control is transferred to the Group.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

There is no change in the ownership interest of the subsidiaries in the first six months of 2024.

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

There are no material changes or amendments compared to the accounting policies presented in the 2023 Annual Report, other than the reclassification as described in section A III.

4. *Significant judgements and estimates*

In preparing these interim condensed consolidated financial statements, management has made a number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income, and expenses. The actual results may differ from these judgements. There are no material changes of judgements compared to the accounting policies presented in the 2023 Annual Report.

Critical judgement on Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. In the first half year 2024 deferred tax assets of € 0.5 million were recognized, which are expected to be utilized in the coming periods.

Further, there are no significant changes in management's estimates compared to the financial statements in 2023.

5. *Seasonal fluctuations*

There are no seasonal fluctuations besides the mentioned ones that are considered to have material impact during the first six months of 2024.

6. *Significant events and transactions*

Value Change in Special Shares

Special share liabilities are measured at fair value at each reporting date using the modified Black-Scholes-Merton option pricing model. Hereby the conversion option is recognized as financial liability at fair value through the interim condensed statement of profit and loss. Resulting from the decrease of the stock price in the first half year 2024, the financial liability decreased subsequently, leading to a favorable impact in the profit and loss totaling € 0.7 million recorded under finance income.

Breach of loan agreements
The Company is obliged to maintain certain financial ratios. The next assessment for compliance with the agreed covenants is on 29 August 2024. In order to comply with all financial obligations, Cabka is currently in negotiations with the banks to waive and adjust some of the covenants.

7. Revenue from contracts with customers and segment reporting

Set out below is the disaggregation of the Group's revenue from contracts with customers split to different segments and ECO-products.

Revenues by Product Segment *in Euro million*	**2024 HY**	**2023 HY**	**Change**
RTP Europe	**64.7**	**62.5**	*+ 4%*
Portfolio	42.3	37.5	*+13%*
Customized Solutions	16.0	15.0	*+7%*
Contract Manufacturing	6.3	10.0	*-37%*
RTP US	**11.1**	**20.3**	*-45%*
Eco Products	**6.3**	**5.7**	***+11%***
Recycling Fees	**7.0**	**7.1**	***-2%***
Others	**3.2**	**8.6**	
Non RTP-Products	2.1	7.8	
Material Sales	1.2	0.8	
Total	**92.3**	**104.3**	

During 2024, the company updated the product segmentation of certain customers to better reflect their strategic positioning within our revenue segments.

Consequently, the revenue figures for the prior year have been realigned to match the new segmentation for a more accurate comparison. The realignment of prior year revenue figures change did not affect the total revenue reported for the prior year, however it did impact the revenue recorded for Portfolio Europe, as it increased by € 1.5 million compared to the published numbers over 2023HY, and Customized solutions Europe decreased with the same amount.

Segment Performance Half Year 2024 *In Euro million*	**Europe**	**North America**	**Total**
Revenue	**81.1**	**11.2**	**92.3**
Change in inventories of finished goods and work in progress	(0.6)	0.3	(0.3)
Other operating income	2.0	0.1	2.1
Total Operating income	**82.4**	**11.6**	**94.0**
Material expenses / expenses for purchased services	(41.2)	(6.3)	(47.5)
Gross profit	**41.3**	**5.3**	**46.6**
Personnel expenses			(22.9)
Amortization/depreciation and impairment of intangible and tangible fixed assets			(9.7)
Other operating expenses			(13.9)
Share listing expenses			-
EBIT			**0.0**
Finance income			1.2
Finance costs			(2.5)
Financial Result			**(1.4)**
Result before taxes			**(1.3)**
Income tax expense			(0.5)
Net result for the period			**(1.9)**
Attributable to:			
Non-controlling interest			-
Equity holders of CABKA N.V.			***(1.9)***

Segment Performance Half Year 2023 *In Euro million*	**Europe**	**North America**	**Total**
Revenue	**84.0**	**20.3**	**104.3**
Change in inventories of finished goods and work in progress	1.2	(3.5)	(2.3)
Other operating income	2.7	1.6	4.3
Total Operating income	**87.9**	**18.4**	**106.2**
Material expenses / expenses for purchased services	(48.0)	(11.0)	(59.1)
Gross profit	**39.9**	**7.3**	**47.2**
Personnel expenses			(21.2)
Amortization/depreciation and impairment of intangible and tangible fixed assets			(8.0)
Other operating expenses			(15.6)
EBIT			**2.4**
Finance income			0.4
Finance costs			(1.8)
Financial Result			**(1.4)**
Result before taxes			**1.0**
Income tax expense			(0.2)
Net result for the period			**0.8**
Attributable to:			
Non-controlling interest			-
Equity holders of CABKA N.V.			***0.8***

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

8. Non-operational and exceptional items excluded from net income from operations

To ensure a better understanding of our true operational performance, certain items are excluded from net income from operations due to their materiality, nature and/or occurrence. Total non-operational and exceptional items including tax were a cost of nil (2023HY: € 2.2 million).

As previously reported, we recorded a € 3.1 million net impact of flooding related expenses in the first half of 2023. This net impact primarily consisted of additional tolling expenses incurred during the restoration period of the plant in St. Louis. In the first half of 2024, there was no further impact resulting from the flooding.

The fair value of the Special Shares and warrants were estimated at the reporting date using a modified Black-Scholes-Merton option pricing model, taking into account the market conditions. During the half year, a fair value gain of € 0.7 million (2023HY: € 0.1 million) has been recorded.

During the first half of 2024, a small fire occurred at our operating plant in Weira. This fire resulted in approximately € 0.2 million in estimated damages for which management has made a provision in the costs for the half year 2024.

The company incurred one-off costs totaling € 0.5 million during the first half of the year (2023HY: € nil). These costs were primarily related to employee severance packages incurred as a result of certain functions within the organization made redundant. Operational efficiencies are expected to enhance the organization moving forward.

Taxes related to non-operational and exceptional items amounted to € 0.1 million (€ 0.8 million).

9. *Fair value measurement*

The Group's best estimate is that the book value of the following financial assets and liabilities is considered a reasonable approximation of their fair value

- trade and other receivables;
- cash and cash equivalents;
- bank loans; lease liabilities and liabilities to other financial institutions
- trade and other payables.

Derivative financial instruments such as interest rate swaps are measured at fair value and are recorded as financial asset or financial liability depending on their fair value (positive or negative). Such fair value measurements are classified as level 2 of the fair value hierarchy of IFRS 13.

Special Shares liabilities are measured at fair value based on estimations at each reporting date using a modified Black-Scholes-Merton option pricing model, taking into account the market conditions. Further details on the valuation and terms are disclosed in Note 6 and 10. Such fair value measurements are classified as level 3 of the fair value hierarchy of IFRS 13.

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

10. *Share Capital and share premium*

An overview of the issued share capital of Cabka N.V. can be specified as follows:

Cabka share capital	Shares 30.06.24	Shares 31.12.23	ISIN
Ordinary Shares issued	24,710,600	24,710,600	CABKA / NL00150000S7
Ordinary Shares in treasury	15,994,378	15,994,378	DSC2S / NL 00150002R5
Total Ordinary Shares	**40,704,978**	**40,704,978**	
Special Shares	97,778	97,778	
Total shares	**40,802,756**	**40,802,756**	

A number of warrants, special shares and "performance shares" are still outstanding and may be converted to ordinary shares based on the share price performance. Significant dilution for the existing shareholders may result when these instruments are converted into shares. Potential dilution of the total number of issued ordinary shares can be triggered at the following thresholds.

- € 11 share price: maximum of 190,471 shares resulting from PSU current performance share program management of which 98,928 are already granted.
- € 12 share price: maximum of 190,471 shares resulting from PSU of which 98,928 are already granted; DSCW2 warrants conversion into maximum of 880,000 shares; and conversion of remaining 1/3rd of Special Shares converting into 684,446 shares[8]:
- € 13 share price: maximum of 190,471 shares resulting from PSU of which 98,928 are already granted; and DSCW3-warrants conversion into maximum of 1,320,000 shares.
- € 16 share price: 600,000 shares from Performance Shares.

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

- € 18 share price: 600,000 shares from Performance Shares.
- € 20 share price: 600,000 shares from Performance Shares.

Cabka share capital (including fully diluted)	Shares 06.30.24
Ordinary Shares issued	**24,710,600**
Special Shares	97,778
Potential dilution from	
- *Warrants*	*2,200,000*
- *Special shares*	*586,668*
- *Performance Shares*	*1,800,000*
- *PSU's*	*571,411*
Total Shares fully diluted	**29,966,457**

Granted PSU shares in total 142,853 and 450,000 performance shares of the former CEO lapsed as the service condition of remaining in the company until the above-mentioned hurdles are reached can't be fulfilled anymore.

Dividends payable in relation to the financial year 2023
The AGM of Cabka decided on 30 May 2024, to distribute to the holders of ordinary shares a total amount of € 0.15 per ordinary share in cash. The distribution will be payable by 16 August 2024.

Dividends payable totaling € 3,707,000 are recorded under short-term financial liabilities.

11. Earnings Per Share

Based on 24,710,600 shares issued entitled to dividend, the Net Income per ordinary share for 2024HY amounts to € -0.06 per share compared to € 0.03 from the same period in 2023.

12. Related party balances and transactions/disclosures

There are no material related party transactions other then also presented in the 2023 Annual Report. All transactions are charged at arm's length as summarized below.

On 1 November 2017, Cabka Group GmbH entered into a rental agreement for the office in Berlin with Ram.on real estate GmbH for a period of 10 years, where total fees are amounting to € 296.000 in 2023. In addition to that Cabka Spain S.L.U. entered into a rental agreement with Ram.on real estate GmbH for the office building in Valencia commencing 5 June 2022 for 10 years as well, with total fees in the fiscal year of € 146.000.

In addition to the above-mentioned agreements there is a consultancy agreement between Cabka N.V. (NL) and Ram.ON finance GmbH with effective starting date 1 March 2022 for four years, covering services for high level strategic consulting with regard to the future corporate strategy and positioning of Cabka in the market using the special know-how of the consultant. The fees amount to € 529.000 per year.

In addition to the related party transactions as disclosed above, the Group has issued several equity instruments to shareholders and key management employees.

13. Events after the reporting date

On 1 August 2024, an Extraordinary General Meeting of Shareholders confirmed the appointment of Alexander Masharov as Chief Executive Officer and a member of the Management Board, for a term ending directly following the Annual General Meeting in 2028.

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