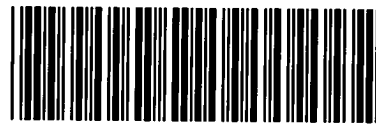


Company registration number 02997052 (England and Wales)

**IFCO SYSTEMS UK LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

SATURDAY



\*AD00ER22\*

A20

30/03/2024

#176

COMPANIES HOUSE

# IFCO SYSTEMS UK LTD

## COMPANY INFORMATION

---

**Directors**

C. Taylor  
Dr. J. Zu-Putlitz  
M. Meierhofer  
M. B. Pooley

**Secretary**

FLR Nominees Limited

**Company number**

02997052

**Registered office**

Albert House  
Queen Victoria Road  
High Wycombe  
Buckinghamshire  
HP11 1AG

**Auditor**

Rouse Audit LLP  
55 Station Road  
Beaconsfield  
Buckinghamshire  
HP9 1QL

---

# **IFCO SYSTEMS UK LTD**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 3
Directors' report	4 - 6
Profit and loss account	10
Balance sheet	11 - 12
Statement of changes in equity	13
Notes to the financial statements	14 - 30

---

# **IFCO SYSTEMS UK LTD**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

---

The directors present the strategic report and financial statements of IFCO Systems UK Ltd for the year ended 30 June 2023.

#### **Fair review of the business**

Until 30 May 2019, the Company was part of a supply-chain logistics group ("the Brambles Group"), operating primarily through the CHEP and IFCO brands. Following the divestment by Brambles, the Company was purchased by investment firms Triton and the Abu Dhabi Investment Authority (ADIA) on 31 May 2019.

On 4th July 2022 the Company acquired 100% of the share capital of Ralph Coleman International Limited, Nuneaton, England ("RCI") from Ralph Coleman Holdings Limited. RCI provides tray washing and ancillary services exclusively for IFCO in the UK since more than twenty years. Additionally, RCI has a small logistic business. With this acquisition the Company is able to run the washing centres in the United Kingdom on its own and to reduce costs through process improvements.

The Company specialises in the pooling of reusable unit-load equipment and the provision of associated services, focusing on the management of returnable plastic containers (RPCs).

The Company has traded satisfactorily during the year and is continually innovating and developing its service offering to customers. The business is expected to continue to grow and to trade satisfactorily in the future.

The Company is wholly owned by IFCO Systems GmbH which is headquartered in Munich, Germany. IFCO Systems GmbH is ultimately owned by Irel BidCo SARL.

#### **Key performance indicators**

The Directors consider revenue growth to be one of the fundamental financial measures. Revenue remained relatively stable with a slight decrease of 0.1%, reflecting the strong position of the Company in the UK market.

#### **Results**

The results for the year are set out in the statement of profit or loss and other comprehensive income on page 11.

#### **Financial Position**

The net assets of the Company have increased from £26,719,341 at 30 June 2022 to £30,116,481 at 30 June 2023. The revenue of the Company has decreased from £162,520,125 at 30 June 2022 to £162,308,635 at 30 June 2023.

The Directors consider the Company is in a strong and stable financial position to continue its current operations.

# IFCO SYSTEMS UK LTD

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2023**

---

### **Principal risks and uncertainties**

#### **Financial instrument risk**

The Company manages its financial risk in conjunction with IFCO GmbH. The Company is exposed to a variety of financial and market based risks, including exposure to fluctuating interest and exchange rates. Standard financial derivatives are used by IFCO GmbH to manage financial exposure in the normal course of business in accordance with IFCO GmbH group policies. Dealings in financial derivatives are restricted by IFCO GmbH approved delegated authorities. No derivatives are used for speculative purposes. Derivatives are transacted predominately with relationship banks, with individual credit limits assigned to those banks thereby limiting exposure to credit-related losses in the event of non-performance by a counterparty.

#### **Funding and liquidity**

The Company borrows from or lends to other IFCO GmbH companies from time to time. To minimise foreign exchange risks IFCO GmbH borrowings are arranged in the currency of the relevant operating asset to be funded.

#### **Interest rate risk**

The IFCO GmbH's interest rate risk policy is designed to reduce volatility in funding costs through prudent selection of hedging instruments. This policy comprises maintaining a mix of fixed and floating rate instruments within a target band over a certain time horizon. The Company has no significant exposure to external interest rate risk.

#### **Foreign exchange risk**

The Company has transactional currency exposures which arise from sales and purchases in currencies other than its functional currency as well as the currency risk associated with intercompany transactions in various currencies. The IFCO GmbH's foreign exchange exposures are managed from the perspective of protecting the shareholder value. Under the IFCO GmbH group foreign exchange policy, foreign exchange hedging is mainly to hedge transaction exposures where they exceed a certain threshold, and as soon as a defined exposure arises. New exposures may arise with external parties or by way of cross-border intercompany transactions. Forward foreign exchange contracts are primarily used for these purposes.

#### **Other risks and uncertainties**

The Company operates robust risk management processes to ensure recognition and appropriate escalation of key financial, commercial, compliance, reputational and environmental risks. We strive to ensure sound risk management is embedded in all decision making and performance management processes. The Directors believe that appropriate delegated authority and processes are in place to proactively manage emerging risks.

The principal risks and uncertainties of the Irel BidCo SARL group do not form part of this report but they are disclosed in the Irel BidCo SARL group report for 2023. Copies of the Irel BidCo SARL consolidated financial statements can be obtained from the Company Secretary at 2, Rue Edward Steichen, 2540 Luxembourg, B 231829.

# IFCO SYSTEMS UK LTD

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2023**

---

### Section 172 Statement

#### *The likely consequence of any decision in the long term*

The Board plans future business performance annually looking to the following year and medium term but paying close regard to achieving sustainable business that can support all stakeholders and meet all business obligations.

#### *The interest of the company's employees*

The Board engage with employee regularly and value their contribution as a key stakeholder. The Board seek to maintain a safe working environment free from risk or injury or prejudice in which employees can contribute as fully as they can.

#### *The need to foster the company's business relationships with suppliers, customers and others*

The Board understands that no business can survive without customers to purchase its product nor suppliers to assist the fulfilment of customers' expectations. The company works closely with customers affected to minimise financial pressures without passing those pressures onto suppliers.

#### *The impact of the company's operations on the community and the environment*

The Board values all locations in which it operates and seeks to contribute to local initiatives whilst maintaining the lowest possible disruptive footprint. For many years the Board has promoted reduced carbon emissions where it can and will continue to seek to drive down emissions. The SECR report is included within the Director's report.

#### *The desirability of the company maintaining a reputation for high standards of business conduct*

The company follows the IFCO Group Global Code of Conduct. All staff receive regular training and updates in acceptable corporate behaviour.

#### *The need to act fairly as between members of the company*

The company is a wholly owned subsidiary, so this requirement is not relevant.

On behalf of the board

*Chris Taylor*

.....  
C. Taylor  
Director

Date: 27-Mar-2024  
.....

# **IFCO SYSTEMS UK LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

---

The directors submit their report and the audited financial statements of IFCO Systems UK Limited ("the Company") for the year ended 30 June 2023.

#### **Results and dividends**

The results for the year are set out on page 10.

The company has not paid an interim dividend during the year (2022: Nil). The directors do not recommend payment of a final dividend (2022: Nil).

The Company is expected to continue to provide its management services in relation to RPCs with no significant changes for the foreseeable future. The Company entered into an RPC rental agreement with IFCO Systems GmbH effective 1 July 2020, per agreement the expected annual rental revenue, operating expenses and management charges will be determined at prescribed ratios.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C. Taylor  
Dr. J. Zu-Putlitz  
M. Meierhofer  
M. B. Pooley

#### **Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors assessment of going concern is shown in Note 1.2 to the financial statements.

#### **Financial instruments**

The financial risk management objectives and exposure to risks are discussed within the Strategic Report on page 2 in accordance with s414C (11) of the Companies Act 2006.

#### **Branches outside the UK**

The Company has one branch, registered in South Africa.

#### **Post reporting date events**

No material events occurred after the year end of 30 June 2023 and before the signing of the Company's financial statements.

# IFCO SYSTEMS UK LTD

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### Energy and carbon report

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 IFCO Systems UK Ltd are mandated to disclose UK energy use and associated greenhouse gas (GHG) emissions. As a minimum IFCO Systems UK Ltd are required to report those GHG emissions relating to natural gas, electricity and transport fuel, as well as an intensity ratio, under the Streamlined Energy and Carbon (SECR) Regulations.

IFCO Systems UK Ltd have commissioned The Energy Hub to calculate GHG emissions required under the SECR regulations.

The period covered by SECR is 1st July 2022 to 30th June 2023 and calculations have been made for the following scopes:

- Building related energy - natural gas (scope 1) and electricity (scope 2)

IFCO Systems UK Ltd do not have any transportation other than electric forklifts. Emissions associated with the electric forklifts are reported within the groups overall electricity consumption.

IFCO Systems UK Ltd therefore have no scope 1 or scope 3 transport based emissions to report.

	2023 kWh	2022 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	1,842,203	3,018,021
- Electricity purchased	1,626,711	1,459,861
	<u>3,468,914</u>	<u>4,477,882</u>
	2023 metric tonnes	2022 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	336.65	553.50
- Fuel consumed for owned transport	-	-
	<u>336.65</u>	<u>553.50</u>
Scope 2 - indirect emissions		
- Electricity purchased	324.67	320.66
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	-	-
	<u>661.32</u>	<u>874.16</u>
Total gross emissions		
	<u>661.32</u>	<u>874.16</u>
<i>Intensity ratio</i>		
Tonnes CO2 per employee	11.60	16.81
	<u>11.60</u>	<u>16.81</u>

#### Calculation methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

#### Measures taken to improve energy efficiency

No energy efficiency measures have been implemented over the reporting period.

# IFCO SYSTEMS UK LTD

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2023**

---

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor are unaware, and
- the director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

*Chris Taylor*

.....  
C. Taylor

**Director**

Date: 27-Mar-2024  
.....

# IFCO SYSTEMS UK LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IFCO SYSTEMS UK LTD

---

#### Opinion

We have audited the financial statements of IFCO Systems UK LTD (the 'company') for the year ended 30 June 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# IFCO SYSTEMS UK LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF IFCO SYSTEMS UK LTD

---

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- Through discussions with the directors and other management we identified the laws and regulations applicable to the Company; and
- Focusing on the specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, we assessed the extent of compliance with those laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

# IFCO SYSTEMS UK LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF IFCO SYSTEMS UK LTD

---

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates detailed in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual bank transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Rouse Audit LLP*

**Joanna Lovatt (Senior Statutory Auditor)**  
**For and on behalf of Rouse Audit LLP**

28-Mar-2024  
Date: .....

**Chartered Accountants**  
**Statutory Auditor**

55 Station Road  
Beaconsfield  
Buckinghamshire  
HP9 1QL

# IFCO SYSTEMS UK LTD

## STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 30 JUNE 2023**

		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
Turnover	<b>3</b>	162,308,635	162,520,125
Cost of sales		(148,094,948)	(144,359,024)
<b>Gross profit</b>		<b>14,213,687</b>	<b>18,161,101</b>
Administrative expenses		(9,643,906)	(9,820,021)
<b>Operating profit</b>	<b>4</b>	<b>4,569,781</b>	<b>8,341,080</b>
Interest receivable and similar income	<b>9</b>	644,807	320,854
Interest payable and similar expenses	<b>8</b>	(631,451)	(427,342)
<b>Profit before taxation</b>		<b>4,583,137</b>	<b>8,234,592</b>
Tax on profit	<b>10</b>	(1,185,997)	(1,632,691)
<b>Profit and total comprehensive income for the financial year</b>		<b>3,397,140</b>	<b>6,601,901</b>

The notes on pages 14 to 30 are an integral part of these financial statements.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# IFCO SYSTEMS UK LTD

## BALANCE SHEET

AS AT 30 JUNE 2023

		2023	2022
	Notes	£	as restated £
<b>Fixed assets</b>			
Property, plant and equipment	12	12,389,451	1,184,955
Right-of-use assets	11	12,170,477	9,065,450
Investments	13	6,762,022	-
		<u>31,321,950</u>	<u>10,250,405</u>
<b>Current assets</b>			
Deferred tax asset	16	1,928,914	94,615
Other debtors	14	35,060,168	37,990,721
Cash at bank and in hand		7,991,125	8,795,923
		<u>44,980,207</u>	<u>46,881,259</u>
<b>Creditors: amounts falling due within one year</b>	15	(30,935,583)	(20,946,171)
<b>Net current assets</b>		<u>14,044,624</u>	<u>25,935,088</u>
<b>Total assets less current liabilities</b>		<u>45,366,574</u>	<u>36,185,493</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(10,919,015)	(8,107,648)
<b>Provisions for liabilities</b>			
Deferred tax liabilities	16	(2,766,025)	-
Other provisions	17	(1,565,053)	(1,358,504)
		<u>(4,331,078)</u>	<u>(1,358,504)</u>
<b>Net assets</b>		<u><u>30,116,481</u></u>	<u><u>26,719,341</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,000	1,000
Profit and loss account		30,115,481	26,718,341
<b>Total equity</b>		<u><u>30,116,481</u></u>	<u><u>26,719,341</u></u>

The notes on pages 14 to 30 are an integral part of these financial statements.

# IFCO SYSTEMS UK LTD

## BALANCE SHEET (CONTINUED)

**AS AT 30 JUNE 2023**

27-Mar-2024

The financial statements were approved by the Board of directors and authorised for issue on .....

Signed on its behalf by:

*Chris Taylor*

.....  
C. Taylor  
Director

**Company Registration No. 02997052**

# IFCO SYSTEMS UK LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

		Share capital £	Profit and loss reserves as restated £	Total £
<b>Balance at 1 July 2021</b>		1,000	20,116,440	20,117,440
<b>As restated for the year ended 30 June 2022:</b>				
Profit and total comprehensive income for the year		-	4,954,479	4,954,479
Prior year restatement	25	-	1,647,422	1,647,422
<b>Adjusted balance at 30 June 2022</b>		1,000	26,718,341	26,719,341
<b>Year ended 30 June 2023:</b>				
Profit and total comprehensive income for the year		-	3,397,140	3,397,140
<b>Balance at 30 June 2023</b>		1,000	30,115,481	30,116,481

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 1 Accounting policies

##### Company information

Until 30 May 2019, IFCO Systems UK Ltd ("the Company") was part of a supply-chain logistics group ("the Brambles Group"), operating primarily through the CHEP and IFCO brands. Following the divestment by Brambles, the Company was purchased by an investment firm Triton and the Abu Dhabi Investment Authority (ADIA) on 31 May 2019.

The Company specialises in the pooling of reusable unit-load equipment and the provision of associated services, focussing on the outsourced management of returnable plastic containers (RPCs).

The Company is a wholly owned subsidiary of the IFCO GmbH group, which is headquartered in Pullach, Germany.

IFCO Systems UK LTD is a private company limited by shares incorporated in England and Wales. The registered office is Albert House, Queen Victoria Road, High Wycombe, Buckinghamshire, HP11 1AG.

#### 1.1 Accounting convention

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with FRS 101. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 ("the Act"). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

IFCO Systems UK LTD is a wholly owned subsidiary of Irel BidCo SARL and the results of IFCO Systems UK LTD are included in the consolidated financial statements of Irel BidCo SARL which are available from 2, Rue Edward Steichen, 2540 Luxembourg, B 231829.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 1 Accounting policies

(Continued)

As permitted by FRS 101, in the preparation of these financial statements the Company has (where relevant) taken full advantage of the disclosure exemptions from the requirements of IFRS in relation to the following :

- business combinations;
- non-current assets held for sale and discontinued operations;
- financial Instruments;
- fair value measurement;
- presentation of comparative information in respect of certain assets;
- presentation of a cash flow statement
- a statement of financial position as at the beginning of the preceding period;
- capital management
- standards not yet effective
- related party transactions; and
- impairment of assets.

Where required, equivalent disclosures are given in the consolidated financial statements of Irel BidCo SARL and are available to the public.

#### 1.2 Going concern

The Directors assessment has considered trading up to the date of signing these financial statements and to date revenues have proved resilient. While the directors expect the Company to continue to generate new revenues, the continuing impact of the cost of living crisis with high inflation and rising interest rate have provided challenges.

The Company will have sufficient fund to meets its liabilities and if additional funding is required, this can be received from its ultimate parent company, IFCO Systems GmbH. The ultimate parent company, IFCO Systems GmbH, has indicated that if required it will provide additional financial support. As the company is reliant on the continued support from ultimate parent company IFCO Systems GmbH the directors have assessed the intention and ability of IFCO Systems GmbH to continue to provide that support. IFCO Systems GmbH has indicated its intention to continue to make available such funds as are needed by the IFCO Systems UK Limited for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 1.3 Turnover

The Company is in the business of providing reusable plastic containers (RPC) for fruits, vegetables, meat, fish, eggs and bread to producers. The Company cooperate with both producers and retailers globally by accompanying producers along their supply chain from filling to shipment of agricultural goods and by making the logistic process as efficient as possible for retailers. Producers order RPCs directly and pay a rental fee for the one time usage of RPCs. Producers use the RPC for the purpose of shipment to a registered retailer. After delivery from the producer to the retailer the retailers are using the RPCs for the purpose of efficient distribution and placing the fresh produce in their shelves. Retailers arrange the RPCs for collection in central warehouses. After recollection of the RPCs and complementing the logistics cycle, The Company inspect all returned RPCs, and those RPCs which are not damaged and may be used further are washed, disinfected and prepared ready for reuse in a new cycle. Based on the Company's accounting policy the revenues generated from provision of pooling equipment to customers for a period and hence the contracts with these producers constitute a lease and hence revenue is recognised as IFRS 16.

The Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 1 Accounting policies

(Continued)

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

#### 1.4 Goodwill

Intangible assets represent purchased goodwill arising on the acquisition of the RPC business of CHEP UK Limited a former Brambles Group undertaking, on 1 October 2011, and is stated at cost less provision for impairment. Cost represents the book carrying value on the date of transition to IFRS on 30 June 2016.

#### 1.5 Tangible fixed assets

Land and buildings comprise mainly service centres for pooling equipment and offices. Land and buildings are stated at historical cost less subsequent depreciation for buildings. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	5 years
Fixtures, fittings and equipment	10 years
Plant and machinery	3-10 years
Right of use assets - Land and buildings	Length of the lease
Right of use assets - Motor vehicles	Length of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 11).

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 1 Accounting policies

(Continued)

##### 1.7 Impairment of tangible and intangible assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

##### 1.8 Cash at bank and in hand

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

##### 1.9 Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Derecognition takes place when the company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows are attributable to the instrument are passed through to an independent third party.

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

##### **Financial assets held at amortised cost**

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets are recognised on balance sheet when the Company becomes a party to the contractual provisions of the instrument. Derecognition takes place when the Company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

##### **Trade and other receivables**

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

---

### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### **1.10 Financial liabilities**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

#### ***Borrowing costs***

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **1.11 Equity instruments**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 1 Accounting policies

(Continued)

##### **Deferred tax**

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **1.13 Provisions**

Provisions for dilapidations are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### **1.14 Retirement benefits**

The Company's post-employment schemes comprise a defined contribution pension plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **1.15 Leases**

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within tangible fixed assets, apart from those that meet the definition of investment property.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 1 Accounting policies

(Continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other tangible fixed assets. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

#### 1.16 Foreign exchange

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income.'

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2023**

---

### **2 Critical accounting estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### **Key sources of estimation uncertainty**

##### **Deferred income**

There is an estimate for a sales credit note accrual included in the financial statements. The accrual is to recognise the credit notes issued for deposits on nesting tray sales which have not been returned before the year end.

The calculation is based on management's best estimate of trays out on hire at the year end.

##### **Dilapidations provision**

The dilapidations provision is based on the estimated total cost of remedial works for each property leased. These costs include painting, cleaning, repairs and dismantling are based on a combination of reports from external surveyors and internal estimations based on past experience taking into account tenant requirements stated in the lease.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 3 Turnover

An analysis of the company's turnover is as follows:

##### Geographical market

	2023	2022
	£	as restated £
UK	88,438,385	89,425,880
Europe	73,028,275	72,128,187
Rest of World	841,975	966,058
	<u>162,308,635</u>	<u>162,520,125</u>

#### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Wages and salaries	2,981,329	2,774,554
Social security costs	357,748	339,377
Other pension costs	420,687	347,194
	<u>3,759,764</u>	<u>3,461,125</u>
Staff costs		
Net foreign exchange losses/(gains)	(36,828)	118,916
Audit fees payable to the Company's auditor	92,000	92,000
Depreciation of property, plant and equipment	344,031	624,257
Depreciation - leased assets	2,094,923	2,037,147
	<u></u>	<u></u>

#### 5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
Audit of the company's financial statements	88,500	88,500
Fee for preparation of the company's annual accounts	3,500	3,500
	<u>92,000</u>	<u>92,000</u>
Total fees		

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administration	23	25
Warehouse	13	16
Sales	11	12
	<u>47</u>	<u>53</u>

#### 7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	<u>169,057</u>	<u>222,025</u>

Two (2022: two) of the Directors did not receive emoluments or any other benefits as described in Schedule 5 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the Company during the year. Those directors receive remuneration from IFCO Systems GmbH as employees of that Company and, due to the non-executive nature of their services, it is not appropriate to make an apportionment of their emoluments in respect of the Company.

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>169,057</u>	<u>225,025</u>
--------------------------------------	----------------	----------------

#### 8 Interest payable and similar expenses

	2023 £	2022 £
Interest paid to group undertakings	130,130	-
Other interest	<u>501,321</u>	<u>427,342</u>
	<u>631,451</u>	<u>427,342</u>

#### 9 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	40,484	17,119
Interest receivable from group companies	<u>604,323</u>	<u>303,735</u>
Total income	<u>644,807</u>	<u>320,854</u>

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 10 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	1,669,617
Adjustments in respect of prior periods	3,855	(233)
Other taxes	250,416	-
<b>Total UK current tax</b>	<u>254,271</u>	<u>1,669,384</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>931,726</u>	<u>(36,693)</u>
<b>Total tax charge</b>	<u>1,185,997</u>	<u>1,632,691</u>

In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. This rate change was substantively enacted on 24 May 2021 and, as such, the impact of the rate change has been taken into consideration in measuring the closing deferred tax balances.

Tax expense for the year is higher (2022: higher) than the standard rate of corporation tax in the UK for the year ended 30 June 2023 of 19% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit before taxation	<u>4,583,137</u>	<u>8,234,592</u>
Expected tax charge based on a corporation tax rate of 19.00% (2022: 19.00%)	870,796	1,564,572
Effect of expenses not deductible in determining taxable profit	881	72,008
Income not taxable	-	(3,855)
Adjustment in respect of prior years	3,855	(233)
Effect of change in UK corporation tax rate	223,614	(8,807)
Depreciation on assets not qualifying for tax allowances	1,039	-
Effect of overseas tax rates	-	9,006
Super-deduction expenditure	(164,604)	-
Plastic packaging tax	250,416	-
<b>Taxation charge for the year</b>	<u>1,185,997</u>	<u>1,632,691</u>

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 11 Right of use assets

	Land and buildings	Motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 30 June 2022	14,825,336	354,623	15,179,959
Additions	5,199,950	-	5,199,950
At 30 June 2023	20,025,286	354,623	20,379,909
<b>Amortisation and impairment</b>			
At 30 June 2022	5,848,246	266,263	6,114,509
Charge for the year	2,039,162	55,761	2,094,923
At 30 June 2023	7,887,408	322,024	8,209,432
<b>Carrying amount</b>			
At 30 June 2023	12,137,878	32,599	12,170,477
At 30 June 2022	8,977,090	88,360	9,065,450

#### 12 Tangible fixed assets

	Leasehold improvements	Assets under construction	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2022	963,437	-	8,317,597	281,802	9,562,836
Additions	-	11,547,367	1,160	-	11,548,527
At 30 June 2023	963,437	11,547,367	8,318,757	281,802	21,111,363
<b>Accumulated depreciation and impairment</b>					
At 1 July 2022	963,437	-	7,282,573	131,871	8,377,881
Charge for the year	-	-	318,328	25,703	344,031
At 30 June 2023	963,437	-	7,600,901	157,574	8,721,912
<b>Carrying amount</b>					
At 30 June 2023	-	11,547,367	717,856	124,228	12,389,451
At 30 June 2022	-	-	1,035,024	149,931	1,184,955

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 13 Investments

	Current 2023 £	2022 £	Non-current 2023 £	2022 £
Investments in subsidiaries	-	-	6,762,022	-

The above investment relates to consideration paid for the entire share capital of Ralph Coleman International Ltd on 4 July 2022.

#### Movements in fixed asset investments

	Investments £
<b>Cost or valuation</b>	
At 1 July 2022	-
Additions	6,762,022
At 30 June 2023	6,762,022
<b>Carrying amount</b>	
At 30 June 2023	6,762,022
At 30 June 2022	-

#### 14 Debtors

	2023 £	2022 £
Trade debtors	23,384,067	21,963,865
Corporation tax recoverable	1,213,639	-
Amounts due from fellow group undertakings	4,283,428	12,649,112
Prepayments and accrued income	6,179,034	3,377,744
	<u>35,060,168</u>	<u>37,990,721</u>

Included within amounts due from group undertakings is a loan amount of £10,677 (2022: £12,536,152) due from IFCO Management GmbH. The loan has a principal amount of £20,000,000 and has a fixed term of 4 years from 18 June 2022. Interest is charged at a rate of 3.75%.

Also included within amounts due from group undertakings is a loan amount of £4,272,751 (2022: £nil) due from Ralph Coleman International Ltd. The loan has a principal amount of £15,000,000 and has a fixed term of 3 years from 5 July 2022. Interest is charged at a rate of 4.825%.

Both loans are intended as facilities with no fixed repayments. Interest of these loans is established at arm's length as determined in accordance with the agreements until the final settlement of the loans.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 15 Creditors

	Due within one year		Due after one year	
	2023	2022 as restated	2023	2022
	£	£	£	£
Trade creditors	6,487,110	5,274,049	-	-
Amounts owed to fellow group undertakings	14,248,883	3,345,740	-	-
Taxation and social security	117,243	1,457,823	-	-
Accruals and deferred income	8,033,563	9,236,438	-	-
Lease liabilities <b>18</b>	2,048,784	1,632,121	10,919,015	8,107,648
	<u>30,935,583</u>	<u>20,946,171</u>	<u>10,919,015</u>	<u>8,107,648</u>

#### 16 Deferred taxation

	2023 £	2022 £
Deferred tax assets	(1,928,914)	(94,615)
Deferred tax liabilities	2,766,025	-
	<u>837,111</u>	<u>(94,615)</u>

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £	Tax losses £	Total £
Asset at 1 July 2021	(57,922)	-	(57,922)
<b>Deferred tax movements in prior year</b>			
Charge/(credit) to profit or loss	(36,693)	-	(36,693)
Asset at 1 July 2022	(94,615)	-	(94,615)
<b>Deferred tax movements in current year</b>			
Charge/(credit) to profit or loss	2,860,640	(1,928,914)	931,726
Asset at 30 June 2023	-	1,928,914	1,928,914
Liability at 30 June 2023	<u>2,766,025</u>	<u>-</u>	<u>2,766,025</u>

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 17 Provisions for liabilities

	2023 £	2022 £
	<u>1,565,053</u>	<u>1,358,504</u>
Movements on provisions:		£
At 1 July 2022		1,358,504
Additional provisions in the year		<u>206,549</u>
At 30 June 2023		<u>1,565,053</u>

The balance at the 30 June 2023 comprises a provision for future dilapidation costs to which the Company was committed in relation to a repairing lease on the Company's Wakefield, Nuneaton, Warrington, Wellingborough and Milton Keynes business premises.

#### 18 Lease liabilities

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £	2022 £
Current liabilities	2,048,784	1,632,121
Non-current liabilities	<u>10,919,015</u>	<u>8,107,648</u>
	<u>12,967,799</u>	<u>9,739,769</u>

	2023 £	2022 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	501,321	427,342
Depreciation	<u>2,094,923</u>	<u>1,961,506</u>

#### ***The company's leasing activities and how these are accounted for:***

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 19 Retirement benefit schemes

#### Defined contribution schemes

The company contributes to a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £420,687 (2022: £347,194). The total amount payable at the year-end is £nil (2022: £nil).

### 20 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

### 21 Controlling party

The immediate parent undertaking is IFCO Systems GmbH which is incorporated in Germany.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Irel Bidco SARL. Copies of the Group financial statements are available from 2, Rue Edward Steichen, 2540 Luxembourg, B 231829.

### 22 Related party transactions

The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries of Irel Bidco SARL.

See Note 7 for disclosure of directors' remuneration.

There are no other related party transactions.

### 23 Contingent liabilities

There were no provisions for contingent liabilities made during year ended 30 June 2023 (2022: nil).

There are no capital commitments (2022: nil).

### 24 Charges held in the year

On 11 April 2022, IFCO Systems UK Ltd entered into a cash collateral agreement with JP Morgan Chase bank. An amount of £240,000 is held in a bank account with JP Morgan Chase bank as a guarantee. There is a first fixed charge and full title guarantee over the account and deposit.

IFCO Systems UK Ltd also have a first fixed charge and full title guarantee over the bank account held with HSBC Corporate Trustee Company (UK) Limited. This agreement also includes a first floating charge over all property or undertakings of IFCO Systems UK Ltd.

# IFCO SYSTEMS UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 25 Prior period adjustment

	2022 £
Profit as previously reported	4,954,479
<b>Adjustments to prior year</b>	
Prior year restatement	1,647,422
	<hr/>
Profit as adjusted	6,601,901
	<hr/> <hr/>

#### Notes to reconciliation

Included in accruals and deferred income, for the year ended 30 June 2022, was a balance of £3,359,276 relating to de-hire credits due to be issued for trays held by customers as at the year-end and returned post year end.

Following review of the accrual during the year ended 30 June 2023, it was noted that the methodology for calculating the credit note accrual used in the prior year was not sufficiently accurate, resulting in an overstatement of the accrual totalling £2,033,854. The methodology for calculating the accrual has now been updated.

The de-hire credit note accrual has been adjusted retrospectively. This has resulted in a decrease in creditors of £2,033,854 and related increase in corporation tax payable of £386,432. The overall effect is an increase in profit of £1,647,422 for year ended 30 June 2022. The comparative figures have been updated to reflect this.

**Registre de Commerce et des Sociétés**

Numéro RCS : B231829

Référence de dépôt : L230215931

Déposé et enregistré le 13/10/2023

# Irel BidCo SARL Consolidated Financial Statements and Management Report for the Group

for the year ending 30 June 2023

(with the report of the Réviseur d'Entreprises Agrée)

**Irel BidCo SARL**  
2, Rue Edward Steichen  
2540 Luxembourg  
B 231829

## **Table of contents**

---

**Management Report for the Group**

**Report of the Réviseur d'Entreprises Agrée**

**Consolidated Financial Statements**

## Table of contents

Management Report for the Group	6
Report of the Réviseur d'Entreprises Agrée	16
Consolidated Financial Statements	19
<b>1. Business development</b>	<b>7</b>
1.1 Company Information	7
1.2 Group structure	7
1.3 Business model	7
1.4 Performance of actual period	7
1.4.1 Results of operations	7
1.4.2 Cashflow analysis	9
1.4.3 Net assets	9
1.5 Acquisitions	10
1.6 Key performance indicators	11
<b>2. Position of the company</b>	<b>11</b>
<b>3. Principal risks and uncertainties</b>	<b>12</b>
3.1 Performance risks	12
3.1.1 Competition risks	12
3.1.2 Retailer related risks	12
3.1.3 Risks regarding RPC pooling equipment	12
3.1.4 Supplier risks	12
3.1.5 Environmental risks	12
3.1.6 Corona pandemic	13
3.1.7 Ukraine war	13
3.2 Financial risks	13
3.3 Legal risks	13
<b>4. Events after the balance sheet date</b>	<b>14</b>
<b>5. Others</b>	<b>14</b>
<b>6. Future developments</b>	<b>14</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>20</b>
<b>Consolidated Balance Sheet</b>	<b>21</b>
<b>Consolidated Cash Flow Statement</b>	<b>22</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>23</b>
<b>Note 1 About this Report</b>	<b>24</b>
1.1 Corporate information	24
1.2 Basis of Preparation	24
<b>Note 2 Significant accounting policies and material accounting estimates</b>	<b>26</b>
2.1 Consolidation	26
2.2 Business combinations and goodwill	26
2.3 Current versus non-current classification	27
2.4 Fair value measurement	27
2.5 Revenue	28
Revenue from leases	28
Other Revenue	29
2.6 Taxes	29
1) Income tax	29
2) Deferred tax	29

2.7 Foreign currency translation	30
1) Functional and presentation currency	30
2) Transactions and balances	30
3) Group companies	30
2.8 Property, Plant & Equipment	31
1) Recognition and Measurement	31
2) Depreciation of Property, Plant and Equipment	31
3) Pooling equipment disposals	32
4) Pooling equipment residual value	32
2.9 Leases as lessee	32
1) Recognition and measurement	32
2) Right-of-use assets	32
3) Lease liabilities	33
4) Leases of low-value assets	33
2.10 Intangible assets	34
2.11 Financial instruments	34
1) General	34
2) Financial assets	34
3) Financial liabilities	36
4) Offsetting of financial instruments	37
2.12 Impairment of non-financial assets	37
2.13 Provisions	37
2.14 Accounting Judgements and Estimates	38
1) Judgements	38
2) Estimates and assumptions	39
2.15 Hyperinflation Accounting	41
Note 3 IFCO's business performance presentation	43
Note 4 Business Combinations	46
Ralph Coleman International Limited	46
UAB PlasticPack	47
IFCO Oricon Co., Ltd.	48
Note 5 Revenues	50
Note 6 Other Income	50
Note 7 Cost of Sales	51
Note 8 Selling, General and Administrative Expenses	51
Note 9 Employment Costs	52
Note 10 Net Finance Costs	52
Note 11 Income Tax	53
11.1 Components of Tax Expense	53
11.2 Tax reconciliation	53
11.3 Components of deferred taxes	54
11.4 Movements in deferred taxes	54
11.5 Tax losses	55
Note 12 Cash and Cash Equivalents	56
Note 13 Trade and Other Receivables	56
Note 14 Deposit Receivables	57
Note 15 Prepayments	57

<b>Note 16 Current Tax Assets and Liabilities</b>	<b>58</b>
<b>Note 17 Property, Plant and Equipment</b>	<b>58</b>
<b>Note 18 Goodwill and Intangible Assets</b>	<b>59</b>
18.1 Net carrying amounts and movements during the year	59
18.2 Goodwill and intangibles assets with indefinite useful lives	60
<b>Note 19 Other assets</b>	<b>62</b>
<b>Note 20 Trade and Other Payables</b>	<b>62</b>
<b>Note 21 Refundable Deposits</b>	<b>63</b>
<b>Note 22 Deferred Revenue</b>	<b>63</b>
<b>Note 23 Accrued Interests and Fees</b>	<b>63</b>
<b>Note 24 Leases</b>	<b>64</b>
24.1 Group as a lessee	64
24.2 Group as a lessor	66
<b>Note 25 Provisions</b>	<b>67</b>
<b>Note 26 Other liabilities</b>	<b>67</b>
<b>Note 27 Interest-bearing loans and Borrowings</b>	<b>68</b>
<b>Note 28 Financial Instruments</b>	<b>70</b>
28.1 Fair value and fair value measurement	70
Net gains and losses	72
28.2 Risk management	72
<b>Note 29 Equity</b>	<b>78</b>
29.1 Subscribed capital	78
29.2 Capital reserve	78
29.3 Legal reserve	78
29.4 Translation reserve	78
29.5 Other Reserve	78
29.6 Total comprehensive income	78
<b>Note 30 Management Equity Plan</b>	<b>79</b>
<b>Note 31 Commitments</b>	<b>79</b>
<b>Note 32 Contingencies</b>	<b>80</b>
<b>Note 33 Related Party Information</b>	<b>80</b>
33.1 Group	80
33.2 Entities	81
33.3 Transactions	83
Terms and conditions of transactions with related parties	83
Compensation of key management personnel	83
<b>Note 34 Capital Risk Management</b>	<b>83</b>
Maintenance	83
Monitoring	83
<b>Note 35 Group Auditor's Remuneration</b>	<b>84</b>
<b>Note 36 Standards issued but not yet effective</b>	<b>85</b>
<b>Note 37 Events After Balance Sheet Date</b>	<b>85</b>

# Irel BidCo SARL Management Report for the Group

for the year ending 30 June 2023

# 1. Business development

## 1.1 Company Information

Irel BidCo SARL ("BidCo") is incorporated as a limited liability company (Société à Responsabilité Limitée) under the laws of the Grand Duchy of Luxembourg for an unlimited period, registered with the Trade and Company Register of the Grand Duchy of Luxembourg under number B231829 and with business address at 2, rue Edward Steichen, 2540 Luxembourg.

## 1.2 Group structure

Irel BidCo SARL is a Luxembourg based holding company ("IFCO Group" or "Group") for and the ultimate parent of Irel HoldCo GmbH located in Zugspitzstraße 3a/b, 82049 Pullach i. Isartal, Germany. Irel BidCo SARL is primarily operating through its shareholding in IFCO Management GmbH (formerly: Irel AcquiCo GmbH) with subsidiaries in Europe, North and South America and Asia. IFCO Group's European operations and the global headquarter are in Pullach, Germany.

## 1.3 Business model

IFCO Group is involved in the organization and administration of the rental, distribution, and purchase of reusable packaging containers ("RPC") for fresh grocery producers and offers a comprehensive RPC Management Services system. After an IFCO company has collected, sanitized and cleaned the RPCs, they are rented primarily to producers of fresh fruit and vegetables in exchange for a one-time usage fee. The producers' goods are transported in the RPCs to various intermediaries and ultimately to retailers for sale to consumers. The Group delivers the empty RPCs to customers (producers) and collects the empty RPCs from regional service points of retailers.

## 1.4 Performance of actual period

IFCO Group's consolidated financials for the current fiscal year ending 30 June 2023 include the parent company Irel BidCo SARL and its consolidated subsidiaries. "Fiscal Year 2023" or "FY 2023" will be used in the following when referring to the current fiscal year, "Fiscal Year 2022" or "FY 2022" for the prior period. The figures disclosed are mathematically rounded and are shown in million Euro (EURm).

### 1.4.1 Results of operations

To assess its performance, IFCO Group has established an internal management reporting of the business development. This reporting deviates from statutory financial statements with regards to various accounting matters, especially (i) revenue deferrals, (ii) accruals of cost of sales and the consideration of depreciation and profits or losses from the disposal of assets, (iii) treatment of marketing reimbursements and (iv) consideration of foreign exchange-related gains and losses and other non-operational items. In the description of business development, we will focus on the management reporting.

Total revenues of the Group amounted to EURm 1,392.2 in FY 2023 (EURm 1,198.4 in FY 2022). EURm 1,372.3 (EURm 1,181.6 in FY 2022) were derived from IFCO's main revenue stream which is the provision of pooling equipment (RPCs) to customers for a period. Geographically, Europe generated EURm 958.7 (EURm 871.9 in FY 2022) or 70% (74% in FY 2022) of these sales. Moreover, IFCO generated EURm 19.9 (EURm 16.8 in FY 2022) in other revenues.

In the internal management reporting, revenue deferrals are excluded to fully reflect the rental revenue development based on RPCs delivered and invoiced to customers. In addition, the effects from hyperinflation-accounting are reversed. According to this reporting, revenues excluding revenue deferrals amounted to EURm 1,391.2 in FY 2023 (EURm 1,199.7 in FY 2022).

Cost of Sales in management reporting (excluding depreciation and losses from disposals of assets but including accruals for outstanding collection costs) totaled EURm 999.7 in the period ending 30 June 2023 (EURm 855.7 in FY 2022). Hence gross profit amounted to EURm 391.5 in FY 2023 (EURm 343.9 in FY 2022). Main drivers were logistic fees which amounted to EURm 397.5 (EURm 356.1 in FY 2022), transport costs amounted to EURm 276.9 (EURm 232.2 in FY 2022) and washing costs amounted to EURm 292.4 (EURm 236.9 in FY 2022). Selling, General and Administrative expense (excluding depreciation and amortization) totaled EURm 87.5 in the period ending 30 June 2023 (EURm 63.3 in FY 2022). Other Income, net amounted to EURm 0.3 in FY 2023 (EURm 1.9 in FY 2022).

Adjusted EBITDA as key performance indicator in the internal management reporting (Earnings before interests, taxes, depreciation, amortization, losses from disposals of assets, foreign exchange gains/losses and non-operational items) amounted to EURm 304.3 for the period ending 30 June 2023 (EURm 282.6 in FY 2022). The adjustments used by management relate to losses on disposal of assets, foreign exchange gains/losses and non-operational items incurred.

Depreciation added up to EURm 102.6 for the period ending 30 June 2023 (EURm 95.0 in FY 2022), losses on disposal of assets were mainly based on the breakage and shrinkage of crates and totaled EURm 15.5 (EURm 20.8 in FY 2022).

Adjusted EBITA used as another key performance indicator in the internal management reporting (Earnings before interests, taxes, amortization, foreign exchange gains/losses and non-operational items) accounted for EURm 186.2 for the period ending 30 June 2023 (EURm 166.7 in FY 2022).

Amortization amounted to EURm 54.6 (EURm 53.6 in FY 2022). Net finance costs (excluding the impact from hyperinflation accounting) added up to EURm 96.3 for the period ending 30 June 2023 (EURm 60.3 in FY 2022) and included mainly interest expenses on the financing facilities which were raised in the course of the acquisition of IFCO Systems B.V.

Adjusted EBT (Earnings before taxes, losses from disposals of assets, foreign exchange gains/losses and non-operational items) accounted for EURm 35.2 for the period ending 30 June 2023 (EURm 52.8 in FY 2022) mainly due to increased interest expenses.

Non-operational items and impacts from the accounting differences to statutory financial statements added up to EURm 22.6 expenses for the period ending 30 June 2023 (EURm 43.5 in FY 2022). This category consists of personnel, legal and advisory expense outside of the ongoing operational business having more of a one-time character, as well as foreign currency effects which amounted to EURm -4.8 in FY 2023 (EURm -6.2 in FY 2022).

For the internal management reporting income taxes are not calculated separately. Thus, the income tax expense is based on statutory financial statements. Income tax expense amounted to EURm 12.1 for the period ending 30 June 2023 (EURm 17.2 in FY 2022) and is composed of current income tax expense of EURm 15.1 (EURm 12.4 in FY 2022) and deferred tax benefit amounting to EURm 3 in FY 2023 (deferred taxes expenses EURm 4.8 in FY 2022). The difference between deferred tax expense/income and actual tax expense is mainly driven by current year tax losses not recognized of EURm 5.4 (EURm 10.4 in FY 2022) as well as prior year adjustments of EURm 0.2 (EURm 1.7 income in FY 2022) and non-deductible expenses of EURm 3.2 (EURm 1.6 expenses in FY 2022).

The internal management reporting showed a profit of EURm 23.6 for the period ending 30 June 2023 (EURm 35.5 in FY 2022). In the statutory financial statements, the Group's loss for the period ending 30 June 2023 totaled EURm -2.7 (EURm -12.4 in FY 2022).

#### 1.4.2 Cashflow analysis

The focus of the treasury management is steering the measures for maintaining the Group's liquidity for reducing debts and liabilities and for managing bank transactions within the Group. In addition, the Group also focuses on identifying and managing financial risks resulting from exchange rate fluctuations and from national interest and inflation rates.

The Group's cash flow statement for the period ending 30 June 2023 can be summarized as follows:

Cash flow from operating activities for the period ending 30 June 2023 amounted to EURm 206,9 (EURm 238.8 in FY 2022).

Cash flow used in investing activities for the period ending 30 June 2023 totaled EURm -219.5 (EURm -347.6 in FY 2022) and reflects mainly capital expenditure. Additions to intangible assets and property, plant and equipment for the period added up to EURm -253.9 (EURm -319.5 in FY 2022) mainly comprised of pooling equipment. Proceeds from disposals of EURm 38,1 (EURm 33.5 in FY 2022) reduced the amount of cash outflows from investing activities.

Net Cash flow from financing activities for the period ending 30 June 2023 added up to EURm 26.7 (EURm 7.4 in FY 2022) reflecting proceeds from borrowings that amounted to EURm 124.0 (EURm 83.0 in FY 2022) as well as payments of lease liabilities totaled to EURm -12.7 (EURm -10.6 in FY 2022) and repaid loan principal amounting to EURm -84.6 (EURm -65.0 in FY 2022). The main loan principal repayment related to the Capex Facility in August 2022.

#### 1.4.3 Net assets

The total assets amounted to EURm 4,046.9 as at 30 June 2023 and increased by EURm 136 in FY 2023 compared to EURm 3,910.9 on 30 June 2022.

As at 30 June 2023, non-current assets of EURm 3,171.1 (EURm 3,109.5 in FY 2022) mainly consisted of goodwill and other intangible assets of EURm 1.801 (EURm 1,838.9 in FY 2022) and property, plant & equipment of EURm 1,277.1 (EURm 1,196.6).

The goodwill results from the acquisition of IFCO Systems B.V. in 2019 and amounted to EURm 1,067.7 at that time. Due to the foreign exchange rate development and the acquisition of IFCO Oricon in FY 2022, RCI and PlasticPack in FY 2023, the goodwill of IFCO Group amounted to EURm 1,074.4 as of 30 June 2023 (EURm 1,071.1 in FY 2022). Other intangible assets amounted to EURm 726.6 (EURm 767.8 in FY 2022) and included mainly customer relationships, the IFCO brand and patents (technology).

Property, plant and equipment (including right-of-use assets) amounted to EURm 1,348.7 (EURm 1,256.4 in FY 2022) and included mainly the RPC pool of EURm 1,139.9 (EURm 1,104.1 in FY 2022).

Total current assets amounted to EURm 875.7 as of 30 June 2023 (EURm 801.5 in FY 2022) and included mainly trade, deposit and other receivables of EURm 670.1 (EURm 605.8 in FY 2022) and cash of EURm 187.7 (EURm 177.9 in FY 2022). The deposit fees are charged to customers mainly in Europe.

Equity amounted to EURm 818.5 as of 30 June 2023 (EURm 831.1 in 2022), and beside subscribed capital of EURk 12 consisted of capital reserves that amounted to EURm 818.5 (EURm 843.1 in FY 2022).

Non-current liabilities amounted to EURm 1,935.7 as of 30 June 2023 (EURm 1,886.4 in FY 2022) and mainly consisted of non-current interest-bearing loans and borrowings of EURm 1,541.1 (EURm 1,501.5 in FY 2022). The majority of debt facilities was raised in the course of the acquisition of IFCO Systems B.V. in Fiscal Year 2019. In addition, non-current liabilities also included leasing liabilities of EURm 62.4 (EURm 49.2 FY 2022) and deferred tax liabilities of EURm 328.5 (EURm 334.0 in FY 2022).

Current liabilities of EURm 1,292.7 (EURm 1,193.4 in FY 2022) included mainly trade and other payables of EURm 611.7 (EURm 572.3 in FY 2022) and refundable deposits of EURm 558.4 (EURm 534.0 in FY 2022) as the largest component. The increase of the payables is mainly due to increasing logistic costs and increasing transportation costs.

Net debt (adjusted) of the Group mainly consisted of the facilities which had been raised in the course of the acquisition less cash and short-term deposits and excluding trade and other receivables (based on their short-term character) and amounted to EURm 1,928 as of 30 June 2023 (EURm 1,885.2 in FY 2022).

## 1.5 Acquisitions

On 4 July 2022 IFCO Group acquired 100% of the share capital of Ralph Coleman International Limited, Nuneaton, England ("RCI") from Ralph Coleman Holdings Limited.

RCI provides tray washing and ancillary services exclusively for IFCO in the UK since more than twenty years. Additionally, RCI has a small logistic business. With this acquisition IFCO is able to run the washing centers in the United Kingdom on its own and to reduce costs through process improvements.

With the RCI acquisition the group acquired mainly fixed assets of the washing depots amounting to EURm 5.8 and intangible assets representing advantageous energy supply contracts amounting to EURm 8.2. Furthermore, the acquisition led to a goodwill of EURm 0.4. RCI contributed EURk 750 revenues and EURk -6,654 to the Group's profit before taxes for the period between the date of acquisition and the reporting date 30 June 2023.

On 9 January 2023 IFCO Group acquired 100% of the share capital of UAB PlasticPack, Vilnius, Lithuania ("PlasticPack") from Rima Michalauskiene.

PlasticPack is the current market leader in Lithuania, providing reusable packaging in the meat and dairy supply chains. IFCO aims to become the leading provider of RPCs for the fresh grocery supply chain in the Baltic region serving Lithuania, Latvia, and Estonia.

With the PlasticPack acquisition the group acquired mainly RPC pool assets amounting to EURm 1.7 and intangible assets representing customer relationships amounting to EURm 0.8. Furthermore, the acquisition led to a goodwill of EURm 1.0. PlasticPack contributed EURk 931 revenues and EURk 1 to the Group's profit before taxes for the period between the date of acquisition and the reporting date 30 June 2023.

In FY 2022 IFCO Group acquired 100% of the share capital of IFCO Oricon from Sanko Lease Co., Ltd., Japan. IFCO Oricon was established by Sanko Lease Co., Ltd in the course of the carve out of its entire collapsible RPC pooling business into Fresh Grocery RPC Co., Ltd, by way of a corporate

split ("shinsetsu bunkatsu"). That company was later on renamed into IFCO Oricon, Ltd. (in the following: "IFCO Oricon").

IFCO Oricon is engaged in the marketing, pooling and distribution of RPC that are offered on a rental basis for the transport of consumable products such as pre-packaged food (RPC Pooling Services Business).

Due to better knowledge about the acquired business obtained up until the end of February 2023 some of the amounts recognized related to assets acquired and liabilities assumed had to be adjusted. The revised amount for the acquired RPC pool assets was EURm 48.6 and a receivable to the seller regarding missing crates amounting to EURm 13.9. Intangible assets representing customer relationships amounting to EURm 7.1 haven't changed. Furthermore, the acquisition led finally to a goodwill of EURm 13.8.

## 1.6 Key performance indicators

The Group's key performance indicators are the number of rentals and the average turn rate as non-financial indicators and sales revenue and Adjusted EBITDA (Earnings Before Interest and Taxes, Depreciation, loss on disposals of assets, Amortization and non-operational items and is based on unchanged accounting principles used compared to last year) as well as Adjusted EBITA (Earnings before interests, taxes, amortization, F/X-gains/losses and non-operational items).

## 2. Position of the company

The Group operates in the global fresh food packaging market with 386 million RPCs in use as of 30 June 2023 and a total of 2.1 billion annual trips, serving over 300 retailers and 15.000 producers worldwide. For pooled RPCs the main competitors are Euro Pool System in Europe and Tosca Ltd, which operates in Europe and North America. Other RPC poolers operate at a regional level. The overall RPC market penetration remains lower compared to single-use packaging like cardboard, which dominates the global fresh food packaging market, but RPC volumes are constantly growing overall.

As the global leader in the provision of RPC solutions, the Group has scale advantages due to a global network backed by the largest pool of RPCs allowing for efficient RPC management, with timely delivery and full seasonal coverage. The Group has the financial strength to commit the required material up-front capex investment for sizeable new contracts.

## 3. Principal risks and uncertainties

### 3.1 Performance risks

#### 3.1.1 Competition risks

IFCO Group faces competition in all business segments in which it operates. IFCO Group continues to experience competitive pressure from other RPC pooling providers and traditional packaging manufacturers, especially cardboard producers. The impact of this competition could limit IFCO Group's growth opportunities, increase the price pressure on IFCO Group's products or otherwise affect IFCO Group's business results.

#### 3.1.2 Retailer related risks

In most regions, IFCO Group's operational business depends on relationships with a relatively small number of large retailers. Failure to maintain these relationships or to establish new relationships on comparable terms would undermine IFCO Group's ability to maintain its competitiveness in these operating markets. The loss of one or more of these retailer relationships could potentially have a significant negative impact on IFCO Group's net assets, financial position and results of operations.

#### 3.1.3 Risks regarding RPC pooling equipment

Despite our experience in managing RPC pooling and transportation, as well as the durability and reliability of our RPCs, IFCO's RPC pool is subject to some shrinkage due to unpredictable loss and damage during transport operations and product distribution. Increased RPC loss or damage might also raise IFCO Group's costs for maintaining the current size of the RPC pool. Additional capital expenditures without higher rentals could potentially reduce profitability. To effectively monitor and manage risks regarding its RPC pool, IFCO Group has set up operational, logistical and analytical tools to measure, reduce and minimize these risks. Moreover, the Group has established a deposit fee system for the RPC pool in Europe. Thus, the largest RPC pool has the strongest risk coverage. In addition, pooling equipment related risks are considered in the Group's accounting policy.

#### 3.1.4 Supplier risks

The Group's business depends on the availability and timely delivery of its RPCs at reasonable commercial terms. The RPCs are mainly sourced from two suppliers with whom the Group has established long-term business relationships and contractual relationships. The dual supply strategy mitigates the risk of IFCO Group not being able to source RPCs at acceptable terms and conditions. Not having a sufficient supply of RPCs would limit IFCO Group's ability to provide RPCs to customers in a timely manner, thus negatively impacting the Group's operating results. IFCO Group owns patents to all its RPC designs and can prevent manufacturers from supplying its RPCs to competitors. In addition, the Group has access to all design drawings and owns a significant number of the molds used in the RPC manufacturing process. Moreover, the supplier risk is further mitigated by the fact that the Group is entering into a broader business relationship with other suppliers in all regions.

#### 3.1.5 Environmental risks

IFCO Group's business is governed by a variety of environmental laws and regulations, including safety, hygiene, handling and disposal of waste products, fuel storage and air pollution control. Violations of these laws and regulations can result in serious consequences, including civil and criminal charges, fines and penalties, even to the extent of business restriction or site closures. IFCO Group monitors and manages these risks through rigorous internal procedures and the Group's internal management reporting system.

### **3.1.6 Corona pandemic**

The Covid-19 pandemic, which started in spring 2020 with a severe restriction to public life and material economic consequences for many businesses, did not lead to material additional risks for IFCO in Fiscal Year 2023. Closed offices and restaurants did not negatively affect the demand for fruits and vegetables in supermarkets which remains to be the driver for IFCO's business performance. Free shipping of fruits and vegetables across countries has remained possible, and deliveries have not been blocked at borders for long periods. IFCO has no indication for a material risk to net assets, financial position or results of operations from the coronavirus pandemic in the future.

### **3.1.7 Ukraine war**

The outbreak of war in Ukraine in February 2022 was simultaneously accompanied by strict sanctions imposed on Russia by European and other countries. The war resulted in a shortage of transport capacities due to a lack of truck drivers, many of whom are sourced in Eastern European countries, as well as in a shortage of export of fresh products from Ukraine. The sanctions against Russia led to an even more tense relationship on the energy market and resulted in a further increase in the inflation rates in the Europe region. IFCO's investments in Ukraine and Russia as well as business relationships with clients and partners in Ukraine and Russia are very limited. So far, IFCO has not identified a material direct risk from the war in Ukraine.

## **3.2 Financial risks**

The Group is exposed to various financial risks as a consequence of the company's global business activities and capital structure. Financial risks regularly arise from interest rate risks, exchange rate risks, credit risks and liquidity risks, which can be limited using derivative financial instruments, among other things. IFCO Group's objectives and policies in respect of managing these financial risks are further described in note 28 to the consolidated financial statement of IFCO Group.

## **3.3 Legal risks**

Legal risk is the risk of losses resulting from non-compliance with regulations and contractual obligations. Legal risk also includes the risk of lawsuits with customers, suppliers or any other third party. The Group's legal department in the German headquarters manages these legal risks groupwide and handles all legal matters the Group is facing in its relations with stakeholders. The central legal department leads in identifying, analyzing, assessing and reducing the Group's legal risk exposure. The legal function takes on groupwide tasks such as drafting and reviewing contracts for IFCO Group companies as well as forms required by the Group, while providing strategic, guidance and advice to various departments, and handling lawsuits.

## 4. Events after the balance sheet date

On 1 August 2023 IFCO acquired 100% of the share capital of Benimar S.A. Mercobox, Montevideo, Uruguay. Benimar S.A. Mercobox business model focuses on crate pooling services. Prior to the acquisition, Benimar was IFCO Uruguay's main competitor, due to serving nearly half of the RPC F&V. The most valuable retailer relationship of Benimar is with Disco. By acquiring Benimar IFCO will be able to obtain around 70% of the RPC business in the country.

The financial effects of this transaction have not been recognized at 30 June 2023. The operating results and assets and liabilities of the acquired company will be consolidated from 1 August 2023. The consideration transferred amounted to EURk 1,276.

## 5. Others

IFCO Group has not engaged in research and development. There is no branch owned directly by Irel BidCo SARL. Neither Irel BidCo SARL nor any subsidiary acquired its own shares and did not allocate free shares to its staff in the year ended 30 June 2023 as well as in the year ended 30 June 2022.

## 6. Future developments

The business of the Group is influenced by the global economic situation only to a limited extent, as the fresh food producing and retailing industries, being the main customers of IFCO Group, are not as exposed to economic cycles as other industries. As a result of this resilience the Group is well-positioned to grow in a steady and stable manner.

Moreover, IFCO Group is poised to leverage its leadership and market experience in Europe to achieve or even surpass overall market growth. To achieve this, IFCO Group will continue to strengthen its sales initiatives and aspires to further expand its geographic presence in Western, Central and Eastern Europe, North America, South America, and Asia.

Against this backdrop IFCO Group expects to grow its rentals and sales revenue both by a compound annual growth rate in the range of a medium to high single-digit percentage by end of FY2026.

Adjusted EBITDA margin is assumed to remain fairly stable overall over the projection period until the end of FY 2026 at around 22% to 26% driven by scale effects and price increases offsetting cost inflation and favorable mix shift to higher margin geographies.

Furthermore, the average turn rate of RPCs is expected to increase slightly as a result of the favorable mix shift in rentals to higher turn rate geographies and a stable turn rate development in Europe due to higher volumes in core categories and resulting efficiency effects.

To achieve the projected growth, IFCO Group will continue to invest in the RPC pool. Regarding capital expenditure the breakage and shrinkage rate per rental of RPCs is expected to decline slightly over the projection period until the end of FY2026 driven by a shift to newer RPC models with greater durability and higher associated security deposits resulting in higher customer accountability.

Regarding its financial position IFCO Group expects sufficient liquidity based on significant net cash flows from operating activities in combination with the existing loan facilities.

Luxembourg, 28 September 2023

Joakim Lindström-Formicola      Andreas Neugebauer



**Building a better  
working world**

**Ernst & Young**  
Société anonyme

35E, Avenue John F. Kennedy  
L-1855 Luxembourg

Tel: +352 42 124 1

[www.ey.com/luxembourg](http://www.ey.com/luxembourg)

B.P. 780  
L-2017 Luxembourg

R.C.S. Luxembourg B 47 771  
TVA LU 16063074

## **Independent auditor's report**

To the Shareholders of  
Irel BidCo S.à r.l.  
2 rue Edward Steichen,  
L-2540 Luxembourg

### **Report on the audit of the consolidated financial statements**

#### **Opinion**

We have audited the consolidated financial statements of Irel BidCo S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 30 June 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

#### **Basis for Opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

The Board of Managers is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Managers and those charged with governance for the consolidated financial statements**

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on other legal and regulatory requirements**

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Anca Lungu Negoita

# Irel BidCo SARL Consolidated Financial Statements

for the year ending 30 June 2023

Audit report

# Consolidated Statement of Comprehensive Income

for the year ending 30 June 2023

in EURk	Note	2023	2022
Revenues	5	1,392,163	1,198,363
Cost of Sales	7	-1,153,460	-1,015,337
<i>thereof depreciation</i>	7	-95,874	-89,963
<i>thereof losses for the disposals of assets</i>	7	-51,484	-51,826
<b>Gross profit</b>		<b>238,703</b>	<b>183,026</b>
Selling, General & Administrative Expenses	8	-169,318	-142,725
<i>thereof depreciation</i>	8	-2,331	-2,467
<i>thereof amortization</i>	8	-60,086	-53,646
Other income, net	6	30,892	26,687
<i>thereof gains from disposals of assets</i>	6	35,391	30,981
<i>thereof foreign exchange gains/losses</i>	6	-4,825	-6,196
<b>Operating result</b>		<b>100,277</b>	<b>66,988</b>
Finance costs	10	-95,391	-62,812
Finance income	10	6,028	607
Result from indexation of IAS 29 Hyperinflation		-1,514	0
<b>Profit before taxes</b>		<b>9,401</b>	<b>4,783</b>
Tax expenses	11	-12,116	-17,219
<b>Loss for the period</b>		<b>-2,715</b>	<b>-12,436</b>
<b>Other Comprehensive Income:</b>			
Foreign exchange translation differences		-27,661	25,551
<b>Other comprehensive (expense)/income for the period</b>		<b>-27,661</b>	<b>25,551</b>
<b>Total comprehensive (expense)/income for the period</b>	<b>29</b>	<b>-30,377</b>	<b>13,115</b>

# Consolidated Balance Sheet

for the year ending 30 June 2023

in EURk

	Note	30 June 2023	30 June 2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	187,717	177,865
Trade and other receivables	13	311,488	276,752
Deposit receivables	14	358,632	329,025
Prepayments	15	15,235	12,012
Current tax assets	16	2,652	5,798
<b>Total current assets</b>		<b>875,724</b>	<b>801,452</b>
<b>Non-current assets</b>			
Investments		280	32
Property, plant and equipment	17	1,277,119	1,196,597
Right-of-use assets	24	71,610	59,846
Goodwill and intangible assets	18	1,801,084	1,838,896
Deferred tax assets	11	9,601	7,621
Other assets	19	11,447	6,461
<b>Total non-current assets</b>		<b>3,171,141</b>	<b>3,109,453</b>
<b>Total assets</b>		<b>4,046,864</b>	<b>3,910,905</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	611,667	572,314
Refundable deposits	21	558,395	534,024
Deferred Revenue	22	46,799	38,240
Accrued interests and fees	23	49,399	23,778
Lease liabilities	24	12,199	11,750
Tax liability	16	6,265	9,774
Provisions	25	7,949	3,551
<b>Total current liabilities</b>		<b>1,292,672</b>	<b>1,193,431</b>
<b>Non-current liabilities</b>			
Borrowings	27	1,541,112	1,501,527
Lease liabilities	24	62,442	49,266
Provisions	25	1,483	863
Deferred tax liabilities	11	328,499	334,025
Other liabilities	26	2,180	734
<b>Total non-current liabilities</b>		<b>1,935,717</b>	<b>1,886,415</b>
<b>Total liabilities</b>		<b>3,228,389</b>	<b>3,079,846</b>
<b>Equity</b>			
Subscribed capital	29	12	12
Reserves	29	818,463	831,047
<b>Total equity</b>		<b>818,475</b>	<b>831,059</b>
<b>Total equity and liabilities</b>		<b>4,046,864</b>	<b>3,910,905</b>

# Consolidated Cash Flow Statement

for the year ending 30 June 2023

In EURk	Note	2023	2022
<b>Operating activities</b>			
<b>Profit for the period</b>		<b>-2,715</b>	<b>-12,436</b>
Taxes on income	11	12,116	17,219
Results from Indexation of IAS 29 Hyperinflation		1,514	0
Finance result	10	89,362	62,205
<b>Operating profit</b>		<b>100,277</b>	<b>66,988</b>
Depreciation and amortisation		158,291	146,077
Loss from disposals		16,093	20,846
Unrealized foreign exchange loss/gain		3,811	5,287
<b>"Operating profit including non-cash-effects"</b>		<b>278,472</b>	<b>239,196</b>
Working capital movements excl. Provisions:		-5,140	70,899
<i>Trade, deposit and other receivables</i>		-60,585	-68,977
<i>Prepayments</i>		-2,792	-2,230
<i>Other assets</i>		-2,241	-342
<i>Trade, deposit and other payables</i>		60,477	142,448
Provision movements		5,389	-5,990
Interest received		5,983	607
Interest paid		-62,865	-54,818
Tax paid		-14,972	-11,090
<b>Net cash flows from operating activities</b>		<b>206,867</b>	<b>238,804</b>
<b>Investing activities</b>			
Acquisition of tangible and intangible assets		-253,892	-319,544
<i>Pooling Maintenance Capex</i>		-115,269	-123,931
<i>Pooling Growth/non-maintenance Capex</i>		-80,391	-138,475
<i>Non-pooling Capex</i>		-58,232	-57,138
Proceeds from disposals		38,123	33,482
Acquisition of a subsidiary		-3,698	-61,502
<b>Net cash flows used in investing activities</b>		<b>-219,467</b>	<b>-347,564</b>
<b>Financing activities</b>			
Re-Payment of lease liabilities		-12,691	-10,604
Proceeds from borrowings	27	124,000	83,000
Loan principal repaid		-84,631	-64,999
<b>Net cash flows from financing activities</b>		<b>26,678</b>	<b>7,398</b>
Net increase / decrease in cash and cash equivalents		14,291	-101,361
Net foreign exchange difference		-4,439	-730
Cash and cash equivalents at 30 June 2022		177,865	279,956
<b>Cash and cash equivalents at 30 June 2023</b>	<b>12</b>	<b>187,717</b>	<b>177,865</b>

# Consolidated Statement of Changes in Equity

for the year ending 30 June 2023

in EURk	Note	Reserves				Retained earnings	Equity (attributable to shareholder of parent)
		Subscribed capital	Capital reserve	Translation reserve	Other reserve		
<b>Closing balance at 30.06.2021</b>		<b>12</b>	<b>843,086</b>	<b>-46,589</b>	<b>0</b>	<b>21,435</b>	<b>817,944</b>
Profit for the period		0	0	0	0	-12,436	-12,436
Other comprehensive (expense)/income		0	0	25,551	0	0	25,551
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>25,551</b>	<b>0</b>	<b>-12,436</b>	<b>13,115</b>
<b>Closing balance at 30.06.2022</b>	<b>29</b>	<b>12</b>	<b>843,086</b>	<b>-21,038</b>	<b>0</b>	<b>8,999</b>	<b>831,059</b>
Profit for the period		0	0	0	0	-2,715	-2,715
Other comprehensive (expense)/income		0	0	-27,661	0	0	-27,661
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>-27,661</b>	<b>0</b>	<b>-2,715</b>	<b>-30,377</b>
Hyperinflation		0	0	0	20,542	-2,749	17,793
<b>Closing balance at 30.06.2023</b>	<b>29</b>	<b>12</b>	<b>843,086</b>	<b>-48,699</b>	<b>20,542</b>	<b>3,535</b>	<b>818,476</b>

# Notes to the Consolidated Financial Statements

*for the year ending 30 June 2023*

## Note 1 About this Report

### 1.1 Corporate information

---

Irel BidCo SARL ("BidCo") is incorporated as a limited liability company (Société à Responsabilité Limitée) under the laws of the Grand Duchy of Luxembourg for an unlimited period, registered with the Trade and Company Register of the Grand Duchy of Luxembourg under number B231829 and with business address at 2, rue Edward Steichen, 2540 Luxembourg.

BidCo is a Luxembourg based holding company for and the ultimate parent of Irel HoldCo GmbH located in Zugspitzstraße 3a/b, 82049 Pullach i. Isartal, Germany, primarily operating through its shareholding in IFCO Management GmbH (formerly: Irel AcquiCo GmbH) with subsidiaries in Europe, North and South America, Japan and China. BidCo and its subsidiaries are hereafter also referred to as "IFCO Group" or "Group". IFCO Group's European operations and the global headquarter are in Pullach, Germany.

IFCO Group is involved in the organization and administration of the rental, distribution and purchase of reusable packaging containers ("RPC") and offers a comprehensive RPC Management Services system. The RPCs are rented primarily to producers of fresh fruit and vegetables in exchange for a one-time usage fee. The producers' goods are transported in the RPCs to various intermediaries and ultimately to retailers for sale to consumers. The company delivers the empty RPCs to customers (producers) and collects the empty RPCs from regional service points of retailers. After the collection the crates will be inspected, sanitized and cleaned to be ready for the next use.

The consolidated financial statements of the Group for the year ended 30 June 2023 were authorized for issue in accordance with a resolution of the Board of Managers on 28 September 2023. Under Luxembourg law, the consolidated financial statements have to be approved by the shareholders at the Annual General Meeting.

### 1.2 Basis of Preparation

---

The consolidated financial statements of IFCO Group have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union. Negative net current assets are no indicator against the going concern assumption as only the individual refundable deposits have a short-term character but refundable deposits in principle will continuously be a material line within liabilities and have a quasi-permanent character as long as crates are rented out in Europe.

The following amendments and revisions to existing standards became effective, where applicable, for the IFCO Group consolidated financial statements:

- Amendments to IFRS 3, IFRS 9, IAS 1, IAS 8 and IAS 12

The amendments had no or no material impact on the financial position and financial results of the IFCO Group.

The Group's consolidated financial statements for the current financial reporting year ending 30 June 2023 include the parent company Irel BidCo SARL and its consolidated subsidiaries. In the following FY 2023 comprises the period from 1 July 2022 to 30 June 2023, and FY 2022 comprises the period from 1 July 2021 to 30 June 2022.

The consolidated financial statements have been prepared on a historical cost basis. The financial statements of the domestic and foreign subsidiaries included in the consolidated financial statements have been prepared uniformly in accordance with the classification, accounting and measurement principles applicable in accordance with IFRS. The following accounting principles were applied uniformly for all periods presented in the consolidated financial statements. IFCO Group uses the Euro ("EUR") as the functional currency. The figures disclosed are mathematically rounded and are shown in thousand Euro ("EURk").

## **Note 2 Significant accounting policies and material accounting estimates**

### **2.1 Consolidation**

---

The consolidated financial statements comprise the financial statements of IFCO Group and its subsidiaries as at 30 June 2023. Control is achieved when IFCO Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee.

Profit or loss and each component of other comprehensive income 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 IFCO 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.

### **2.2 Business combinations and goodwill**

---

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

Acquisition-related costs are expensed as incurred and included in other operating expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is more than the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses as disclosed in Note 18.2.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

## 2.3 Current versus non-current classification

---

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

## 2.4 Fair value measurement

---

For the goodwill impairment test, the Group calculates the fair value of each CGU that is carrying a goodwill.

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

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

For all financial assets and liabilities that are regularly recognized in the financial statements at fair value, IFCO Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at every balance sheet date.

## 2.5 Revenue

---

### Revenue from leases

#### 1) General

IFCO Group is in the business of providing reusable packaging containers (RPC) for fruits, vegetables, meat, fish, eggs and bread to producers. The Group's subsidiaries cooperate with both producers and retailers globally by accompanying producers along their supply chain from filling to shipment of fresh groceries and by making the logistic process as efficient as possible for retailers. Producers order RPCs directly from IFCO's subsidiaries and pay a rental fee for the one-time usage of RPCs. Producers use the RPC for the purpose of shipment to a registered retailer. After delivery from the producer to the retailer, the retailers are using the RPCs for the purpose of efficient distribution and placing the fresh groceries on their shelves. Retailers arrange the RPCs for collection in central warehouses. After recollection of the RPCs and complementing the logistics cycle, IFCO's subsidiaries inspect all returned RPCs, and those RPCs which are not damaged and may be used further are washed, disinfected and prepared ready for reuse in a new cycle. However, every delivery is arranged separately, RPCs are not tracked individually during the cycle and are also not assigned long-term to a certain producer or retailer. For deliveries in Europe the Group charges the producer with security deposits for every RPC ordered and the producer is required to compensate the Group for any losses or damages. Hence a strong risk coverage by a deposit fee is in place for approx. 70% of the Group's business.

Generally, the principles according to which an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer are established by IFRS 15. IFRS 15.5 states several exceptions when entities should apply other reporting standards than the IFRS 15 standard for revenue recognition including lease contracts within the scope of IFRS 16 Leases. Based on the Group's accounting policy the revenues generated from the provision of pooling equipment to customers for a period and, hence, the contracts with these producers constitute a lease and therefore IFRS 16 is the relevant IFRS-standard for revenue recognition.

#### 2) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The contract with the producer as the customer of IFCO subsidiaries does not provide any purchase option, as IFCO Group's business model is not about selling RPCs, but on short-term rental of RPCs of no longer than 7-30 days. The lease term is being specified as the non-cancellable usage period of the RPC and starts with the delivery of the RPC to the producer. The lease term regularly ends with the shipment of the filled RPCs to retailers because there is neither a direct nor an indirect lease with retailers. RPCs are used by numerous registered producers without any modifications. The costs incurred for the transport of the RPCs to the producer and the collection of the RPCs from the retailer as well as the washing costs are fulfilment activities within the logistic cycle.

Lease income is accounted for on a straight-line basis over the rental period at the customer. The rental cycle varies between 7 and 30 days depending on the respective country to reflect the usage period for crates delivered to customers. As revenue is initially recognized when the RPCs are received by the producer IFCO Group recognizes a revenue deferral as of the balance sheet date. The lease term is further described in Note 2.14 2) a). The lease payments are significantly lower than the RPCs' fair value.

Considering that IFCO Group receives payments regularly once based on the delivery, there are no significant effects of future lease payments on the lease cycle. Due to insignificant length of the lease term (in exceptional cases up to 30 days) in comparison with the full reporting period a maturity analysis on lease payments has been conducted which validates the insignificant effects from future lease payments for the current reporting period.

The depreciation of underlying assets subject to operating leases is calculated in accordance with IAS 16. Furthermore, the group applies IAS 36 to determine whether an underlying asset subject to an operating lease is impaired and to account for any impairment loss identified. In order to determine an appropriate value of potential future losses of pooling equipment, the Group considers a shrinkage rate, refer to Note 2.14 2) b).

## **Other Revenue**

In addition to the main revenue stream which consists of revenue from leases, IFCO generates other revenues from waste management services, proceeds from sale of pallets on which the containers are transported, proceeds from sales of rejected containers from other pooling providers and fuel surcharges related to transported containers.

The revenues are recognized when the service is rendered.

## **2.6 Taxes**

---

### **1) Income tax**

The income tax expense or benefit for the year is the tax payable or receivable on the current and previous year's taxable income based on the national income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

### **2) Deferred tax**

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, calculated using tax rates which are enacted or substantively enacted as at the balance sheet date.

Deferred tax assets and liabilities are not recognized:

- When the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of temporary differences associated with investments in subsidiaries and joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for carried forward tax losses and current temporary differences to the extent that the realization of the related tax benefit through future taxable profits are probable. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that enough taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The criteria for recognizing deferred tax assets arising from the carry forward of unused tax losses and tax credits are the same as the criteria for recognizing deferred tax assets arising from deductible temporary differences. However, the existence of unused tax losses is strong evidence that future taxable profit may not be available.

Therefore, when an entity has a history of recent losses, the entity recognizes a deferred tax asset arising from unused tax losses, tax credits or temporary differences only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity.

The benefit from tax losses will only be obtained if:

- IFCO Group derives future assessable income of a nature and of an amount enough to enable the benefit from the deductions for the losses to be realized; IFCO Group takes a planning horizon of several years as a basis regarding the recoverability of such tax losses
- IFCO Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- No changes in tax legislation adversely affect IFCO Group realizing the benefit from the deductions for the losses.

## **2.7 Foreign currency translation**

---

### **1) Functional and presentation currency**

Items included in the financial statements of each of IFCO Group's entities are measured using the functional currency of each entity. The consolidated financial statements are presented in EUR, which is IFCO Group's functional and presentation currency.

### **2) Transactions and balances**

Foreign currency transactions are translated into the functional currency of each entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies, are recognized in profit or loss, except where attributable to part of the net investment in foreign subsidiaries which are deferred in equity.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within other income. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### **3) Group companies**

The results and financial position of foreign operations that have a functional currency different from the functional currency of the parent are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated using monthly closing date exchange rates for the respective period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), except for companies in scope of IAS 29 *Financial Reporting in Hyperinflationary Economies*, please also refer to Note 2.15 and
- All resulting exchange rate differences are recognized in other comprehensive income

On consolidation basis, exchange rate differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The most important exchange rates affecting IFCO Group were:

	Year End	2023 Average	Year End	2022 Average
EUR in USD	1.09	1.05	1.04	1.12
EUR in GBP	0.86	0.87	0.86	0.85
EUR in CHF	0.98	0.98	1.00	1.04
EUR in JPY	157.16	144.62	141.54	132.53
EUR in BRL	5.26	5.40	5.42	5.87
EUR in CLP	872.48	899.27	960.87	920.12

## 2.8 Property, Plant & Equipment

### 1) Recognition and Measurement

Property, plant and equipment (PPE) is stated at cost, net of depreciation and any impairment, except land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of assets, and, where applicable, an initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to IFCO Group. Repairs and maintenance are expensed in profit or loss in the period they are incurred.

PPE is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any net gain or loss arising on derecognition of the asset is included in profit or loss and presented within other income/operating expenses in the period in which the asset is derecognized.

### 2) Depreciation of Property, Plant and Equipment

Depreciation is recognized on a straight-line or reducing balance basis on all PPE (excluding land) over their expected useful lives to a residual value. Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The expected useful lives of PPE are generally:

- pooling equipment: 3 to 10 years
- other plant and equipment (owned and leased): 1 to 6 years
- leasehold improvements: 1 to 23 years

The cost of improvements to leasehold properties is amortized over the unexpired portion of the leases, or the estimated useful life of the improvements to IFCO Group, whichever is shorter. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

### **3) Pooling equipment disposals**

IFCO Group's pooling equipment operations differ globally in terms of business models, market dynamics, customer and distribution channel profiles, contractual arrangements and operational details. IFCO Group monitors its pooling equipment operations using detailed analytics with key performance indicators (KPIs) and conducts audits continuously to confirm the existence and the condition of its pooling equipment assets and to validate its customer hire records. During these audits, which take place at IFCO Group's plants, customer sites and other locations, pooling equipment is counted on a sample basis and reconciled to the balances shown in IFCO Group's customer hire records. The Group uses a shrinkage rate which is determined by reference to historical statistical data in each market, including the outcome of audits and analytics in order to estimate a proper value of potential future losses of pooling equipment. Loss is an inherent risk of pooling equipment operations. Regarding possible future losses of pooling equipment, which is determined by applying a shrinkage rate, critical accounting estimates are to be made by the Group's management (refer to Note 2.14 Accounting judgements and estimates).

### **4) Pooling equipment residual value**

The estimation of the residual value is an important factor for the depreciation. Based on the significance of pooling equipment for the balance sheet the assessment of the residual value for crates is important. The Group's estimation is based on current market information and takes into account the long-term market development even for the majority of the pooling equipment that will be fully recycled and used for the production of new crates.

## **2.9 Leases as lessee**

---

### **1) Recognition and measurement**

The Group applies a single recognition and measurement approach for all leases, except for leases of low-value assets. As a lessee, IFCO Group is required to recognize a lease liability representing its obligation to make future lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term. In this context, IFCO Group, as a lessee, recognizes right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group includes short term leases and recognizes respective right-of-use assets and lease liabilities for leases with a term of less than 12 months.

### **2) Right-of-use assets**

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

- Land and building:
  - Warehouse/Depot/Office space: 8 years, whereas some of them have an estimated useful life of up to 23 years (5 up to 23 years in FY 2022)
- Other equipment:
  - IT Equipment: 3-6 years (4 years in FY 2022)
  - Car leasing: 3 years
  - Other: 4 years

Amended estimates for land and buildings, as well as IT equipment result from newly signed contracts, as well as new procurements. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### **3) Lease liabilities**

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate (see Note 2.14 Accounting Judgements and Estimates) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group has several lease contracts that include extension and termination options. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Judgements applied are discussed in further detail in Note 2.14 Accounting Judgements and Estimates.

### **4) Leases of low-value assets**

The Group applies the lease of low-value assets recognition exemption to any leases involving underlying leased asset valued less than EURk 5. Lease payments on leases of low value assets are recognized as expense on a straight-line basis over the lease term.

## 2.10 Intangible assets

---

Intangible assets acquired are capitalized at cost, unless acquired as part of a business combination, in which case they are capitalized at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less provisions for amortization and impairment. The Group amortizes intangible assets with finite useful lives using the straight-line method over the shorter of their contractual terms or their expected useful lives.

The costs of acquiring computer software for internal use are capitalized as intangible non-current assets where it is used to support a significant business system and the expenditure leads to the creation of an asset.

Useful lives have been established for all non-goodwill intangible assets. Amortization charges are expensed in profit or loss on a straight-line basis over those useful lives. Estimated useful lives are reviewed annually.

The expected useful lives of intangible assets are:

- Customer Lists and relationships (customer base): 6–25 years
- Computer software: 3–8 years
- Patents: 22 years

There are no non-goodwill intangible assets with indefinite useful lives except for the brand “IFCO”. The company brand “IFCO” has a high recognition effect in the market and offers added value towards the customer. The acquired brand “IFCO” is deemed to have an indefinite useful life as there is no foreseeable limit on the period during which the Group expects to derive economic benefits from this asset. The brand is tested for impairment annually with the goodwill impairment test. The company brand is strongly linked to IFCO’s operating activities with focus on the European market.

Intangible assets except for goodwill and IFCO brand are tested for impairment only where an indicator of impairment exists, either individually or at the CGU level. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

## 2.11 Financial instruments

---

### 1) General

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the Group becomes party to the contractual provisions of an instrument.

### 2) Financial assets

#### a) Initial recognition and measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost and fair value through profit or loss for the investment.

The classification of financial assets (“debt instruments”) at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them.

Except for trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price.

For a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Please refer to Note 28 for an overview of the financial assets' classification and measurement.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

## **b) Subsequent measurement**

### **Financial assets at amortized cost (debt instruments)**

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are subsequently measured at fair value. Gains or losses are recognized in profit or loss.

The Group's financial assets at amortized cost include trade and other receivables, cash, and cash equivalents.

## **c) Impairment**

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

ECLs are recognized in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For credit exposures for which there has been a significant increase in credit risk (30 days) to the point where it is considered credit-impaired, i.e. where objective evidence of impairment such as insolvency exists, interest revenue is calculated based on the loan's amortized cost (that is, the gross carrying amount less the loss allowance). Lifetime ECLs are recognized, as in Stage 2.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers trade receivables in default when contractual payments are 120 days past due. For the remaining financial assets, the Group considers default when contractual payments are 90 days overdue. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

#### **d) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated Balance Sheet) when the contractual rights to receive cash flows from these assets have expired or the Group has transferred substantially all the risks and rewards or has neither transferred nor retained substantially all the risks and rewards but transferred the control of the assets.

### **3) Financial liabilities**

#### **a) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans, and borrowings. When the Group becomes party to the contractual provisions of a financial liability, the financial liability is assessed whether they contain embedded derivatives. In case of any embedded derivative that must be bifurcated, the initial carrying amount is adjusted to reflect the separate recognition of a derivative financial asset or liability.

#### **b) Financial liabilities at amortized cost (loans and borrowings)**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 28.

### **c) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **4) Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## **2.12 Impairment of non-financial assets**

---

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on the income approach due to the absence of observable market prices and comparable input parameters. Consequently, the company converts future cash flows to a single discounted amount from which cost of disposals are deducted. The company assesses cost of disposals by deriving transaction costs from a hypothetical transaction. The value in use calculation is based on a Discounted Cash Flow (DCF) model.

The cash flows are derived from the forecast for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 18.

## **2.13 Provisions**

---

Provisions for liabilities are made on the basis that, due to a past event, the business has a constructive or legal obligation to transfer economic benefits that are of uncertain timing or amount. Provisions are measured at the present value of management's best estimate at the balance sheet date of the expenditure required to settle the obligation. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks appropriate to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in profit or loss.

Employee entitlements are provided by IFCO Group in accordance with the legal and social requirements of the country of employment. Principal entitlements are for annual leave, sick leave, long service leave, bonuses and contract entitlements. Annual leave and sick leave entitlements are presented within other payables.

Liabilities for annual leave, as well as those employee entitlements that are expected to be settled within one year, are measured at the amounts expected to be paid when they are settled. All other employee entitlement liabilities are measured at the estimated present value of the future cash outflows to be made in respect of services provided by employees up to the reporting date.

Employee entitlements are classified as current liabilities unless IFCO has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## **2.14 Accounting Judgements and Estimates**

---

The preparation of the Group's consolidated financial statement goes along with judgements, estimates and assumptions that affect the amount of revenues, expenses, assets, and liabilities including corresponding disclosures. The inherent uncertainty in these assumptions and estimates could require a material adjustment to the carrying amounts in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Capital risk management in Note 34
- Financial instruments in Note 28
- Sensitivity analysis disclosures in Note 18 and Note 28.2

### **1) Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### **a) Determining the lease term of lease contracts with renewal and termination options**

IFCO Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group included the renewal period as part of the lease term for leases of property, plant and equipment with shorter non-cancellable period (3 years). The Group typically exercises its option to renew for these. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### **b) Allocation of the company brand**

IFCO's brand is fully attributable to IFCO's European business as all the benefits arising from the company brand are recognized in the European markets. The brand is functionally connected to the assets of the European operating unit by generating recognition effects resulting into surpluses in the European market. Thus, the company brand is inseparable from CGU Europe and regularly tested for impairment on an annual basis (see Note 18).

## **2) Estimates and assumptions**

Described below are the major assumptions concerning key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of IFCO Group's assets and liabilities within the next financial year. IFCO Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Major assumptions about future developments may change due to market changes or other circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### **a) Determination of the lease term of contracts with customers**

The Group executes operating leases through its provisioning of RPCs to producers of agricultural goods. The lease term is being specified as the non-cancellable usage period of the RPC and starts with the delivery of the RPC to the producer. The lease term regularly ends with the shipment of the filled RPCs to retailers because there is neither a direct nor an indirect lease with retailers. Leases of RPCs have terms of between 7 and 30 days which are assessed on a country-by-country basis and are applied in the recognition of revenues. As of the balance sheet date IFCO Group calculates a revenue deferral on a straight-line basis over the before named timeframe (refer to Note 24).

### **b) Pooling equipment shrinkage rate**

In order to determine an appropriate value of potential future losses of pooling equipment, the Group uses a shrinkage rate. This shrinkage rate is judgmentally determined by the Group by reference to historical statistical data in each market, including the outcome of audits and analytics in order to estimate an appropriate value of potential future losses on disposals of pooling equipment. The pooling equipment shrinkage is considered within disposals of pooling equipment as depicted in Note 17.

### **c) Pooling equipment residual value**

The estimation of the residual value is an important factor for the depreciation and due to the significance of pooling equipment for the balance sheet the residual value for crates is substantive. The Group's estimation is based on current market information and is taking into account the long-term market development even for the majority of the pooling equipment of which the majority will be fully recycled and used for the production of new crates.

The residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

### **d) Impairment of non-financial assets**

At each reporting date, IFCO Group assesses whether there is any indication that an asset, or cash generating unit (CGU) to which the asset belongs, may be impaired. Where an indicator of impairment exists, IFCO Group makes a formal estimate of the recoverable amount. The recoverable amount of goodwill and the brand "IFCO" is tested for impairment annually (refer to Note 18). The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by IFCO Group. Both, value in use and fair value less cost of disposal are determined as the estimated future post-tax cash flows discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group applies post-tax discount rates for discounting post-tax cash flows leading to the same result as by using pre-tax data. Where the carrying value of an asset exceeds its recoverable amount, the asset is impaired and is written down to its recoverable amount. The impairment loss is recognized in profit or loss in the reporting period in which the write-down occurs. Current fiscal year's composition of the impairment test is further discussed in Note 18.

#### **e) Leases – Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). In applying the IBR the Group measures its lease liabilities as presented in Note 24.

#### **f) Provision for expected credit losses of trade receivables**

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates which are determined via net debt provision and sales over the last three periods.

The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forward-looking elements (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forward-looking elements and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forward-looking elements. The Group's historical credit loss experience and forward-looking elements may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 28.

#### **g) Estimates used for calculating taxes**

IFCO Group is a global Group and is subject to income taxes in many jurisdictions around the world. Significant judgement is required in determining the provision for income taxes on a worldwide basis. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. IFCO Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts provided, such differences will impact the current and deferred tax liabilities in the period in which such outcome is obtained.

In addition, IFCO Group assesses the recognition and recoverability of deferred tax assets on a regular basis. This requires judgements about the application of income tax legislation in jurisdictions in which IFCO Group operates. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that enough taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The recognition and measurement of uncertainties related to income taxes is based on the best-estimate of those uncertainties in accordance with IFRIC 23 and IAS 12. The income tax assessment is generally performed at the level of individual circumstances, considering any interactions that may exist. If recognition of the tax treatment is probable, current and deferred taxes must be recognized on this basis. If there is uncertainty regarding recognition, the most probable amount that would be recognized for tax purposes is generally used, unless the expected value of different scenarios leads to more meaningful results. Tax authorities are always assumed to have full knowledge of the facts and circumstances. The assumptions and decisions made are reviewed at each reporting date and adjusted if necessary, based on new information.

Further details on taxes are disclosed in Note 11.

## 2.15 Hyperinflation Accounting

---

The functional currency of IFCO SYSTEMS Argentina S.A., Buenos Aires, Argentina ("IFCO Argentina") is the Argentine peso, which is hyperinflationary within the meaning of IAS 29 *Financial Reporting in Hyperinflationary Economies*.

The functional currency of IFCO Lojistik Sistemleri Tic. Ltd. Sti., Istanbul, Turkey ("IFCO Turkey") is the Turkish lira, which is hyperinflationary within the meaning of IAS 29 *Financial Reporting in Hyperinflationary Economies*.

According to IAS 21.43, the financial statement of IFCO Argentina and IFCO Turkey must be restated in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies* to reflect the current purchasing power at the end of the reporting period before being included in the Combined Financial Statements of BidCo. Hyperinflationary accounting is applied to all the entity's assets and liabilities before translation. All amounts in the entity's financial statements have been translated at the closing rate at the balance sheet date.

Non-monetary assets and liabilities, shareholders' equity, and comprehensive income in the financial statements of IFCO Argentina and IFCO Turkey must be restated to reflect the development of the respective price index. There is no restatement necessary for monetary assets and liabilities because they represent money held, to be received or to be paid and are therefore already expressed in current purchasing power at the balance sheet date. A general price index, which reflects changes in the purchasing power and should be used by all entities that report in the currency of the same economy, must be determined for the restatement. BidCo follows the approach proposed by the Federación Argentina de Consejos Profesionales de Ciencias Económicas ("FACPCE") in Resolution JG 539/18, which prescribes the indices to be used by entities with a functional currency of the Argentine peso for the application of the restatement procedures. These indices are largely based on the Wholesale Price Index for periods up to December 31, 2016, and the Retail Price Index thereafter. The detailed table of indices is published monthly by FACPCE. For the restatement of financial statements of IFCO Turkey BidCo selected the consumer price index that is monthly calculated and published by the Turkish Statistical Institute (TURKSTAT) as it is the most reliable indicator of changes in general price levels, and it is normally closest to the concept of the general price index required by IAS 29. This is because it is at the end of the supply chain and it reflects the impact of prices on the general population's consumption basket.

The index and corresponding conversion factors for the last years were as follows:

	INDEX	INDEX VALUE	ANNUAL CHANGE
JUN. 30, 2023	FACPCE	1.613,59	103,5%
JUN. 30, 2022	FACPCE	793,03	-
JUN. 30, 2023	CPI TURKSTAT	1.300,60	33,0%
JUN. 30, 2022	CPI TURKSTAT	977,90	-

For the restatement of non-monetary items (excluding shareholders' equity), BidCo used the increase in the general price index from the transaction date when they first recognized (e.g., date of acquisition for property, plant and equipment) to the end of the reporting period. No restatement is required for non-monetary assets and liabilities carried at amounts current at the end of the reporting period, such as net realizable value or fair value. Restated non-monetary assets following the guidance in IAS 29 *Financial Reporting in Hyperinflationary Economies* are still subject to impairment assessment in accordance with the relevant guidance. If an asset's recoverable amount is less than its restated amount, an impairment loss must be recognized in the profit or loss despite no impairment of the asset in the historical cost financial statement was apparent.

At the beginning of the first period when IAS 29 *Financial Reporting in Hyperinflationary Economies* is applied, the components of equity, excluding retained earnings and any revaluation surplus, are restated by applying a general price index from the dates on which the items were contributed or otherwise arose. This includes reserves created by amounts recognized in other comprehensive income. Any revaluation surplus that arose in previous periods is eliminated. Retained earnings are restated for the balancing figure derived from the other amounts in the restated opening balance sheet. At the end of the first period and in subsequent periods, subscribed capital and capital reserves are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in comprehensive income for the current year are restated by applying the change in the general price index from the dates when the items of income and expense were originally recorded. Current year restated net income is added to the balance of the restated opening retained earnings.

The monetary gain or loss can be calculated as the difference between the historical cost amounts and the result from the restatement of non-monetary items, equity and items in the Consolidated Statement of Comprehensive Income.

## **Note 3 IFCO's business performance presentation**

To reflect the specifics of IFCO's business model more adequately and to approximate statutory financial reporting and management reporting, the company subsequently introduces a business performance reporting which presents the income statement in a slightly modified way, and which includes "Consolidated EBITDA", "Consolidated EBITA" and "Consolidated EBIT" as a set of alternative performance measures (APM). According to this reporting structure, "Consolidated EBITDA" is defined as earnings before depreciation, gains/losses from disposals of assets, amortization, net finance costs, foreign currency gains/losses and tax expenses; "Consolidated EBITA" is defined as earnings before amortization, net finance costs, foreign currency gains/losses and tax expenses; "Consolidated EBIT" is calculated as earnings before net finance costs, foreign currency gains/losses and tax expenses.

FY 2023

FY 2023

In EURk	Consolidated Statement of Comprehen- sive Income	Depreciation	Gains/(losses) from the disposal of assets	Amortization	Foreign exchange losses	IFCO's Business Performance Reporting	
Revenues	1,392,163					1,392,163	Revenues
Cost of Sales	-1,153,460	95,874	51,485			-1,006,101	Cost of Sales excluding depreciation and losses from disposals of assets
thereof depreciation	-95,874	95,874				0	
thereof losses from the disposals of assets	-51,485		51,485			0	
<b>Gross Profit</b>	<b>238,703</b>	<b>95,874</b>	<b>51,485</b>			<b>386,062</b>	<b>Gross Profit</b>
Selling, General & Administrative expense	-169,318	2,331		60,086		-106,901	SG&A excluding depreciation and amortization
thereof depreciation	-2,331	2,331				0	
thereof amortization	-60,086			60,086		0	
Other income, net	30,892		-35,391		4,825	325	Other income, net excluding amortization and foreign exchange losses
thereof gains from the disposal of assets	35,391		-35,391			0	
thereof foreign exchange losses	-4,825				4,825	0	
<b>Operating result</b>	<b>100,277</b>	<b>98,205</b>	<b>16,093</b>	<b>60,086</b>	<b>4,825</b>	<b>279,486</b>	<b>Consolidated EBITDA</b>
		-98,205				-98,205	Depreciation
			-16,093			-16,093	Losses from disposals of assets
						<b>165,189</b>	<b>Consolidated EBITA</b>
				-60,086		-60,086	Amortization
					4,825	<b>105,102</b>	<b>Consolidated EBIT</b>
Finance cost	-95,391					-95,391	Finance costs
Finance income	6,028					6,028	Finance income
					-4,825	-4,825	Foreign exchange losses
Results from indexation of IAS 29 Hyperinflation	-1,514					-1,514	Results from indexation of IAS 29 Hyperinflation
<b>Profit before taxes</b>	<b>9,401</b>					<b>9,401</b>	<b>Profit before taxes</b>
Tax expense	-12,116					-12,116	Tax expense
<b>Profit for the period</b>	<b>-2,715</b>					<b>-2,715</b>	<b>Profit for the period</b>

FY 2022

FY 2022

In EURk	Consolidated Statement of Comprehensive Income	Depreciation	Gains/(losses) from the disposal of assets	Amortization	Foreign exchange gains	IFCO's Business Performance Reporting	
Revenues	1,198,363					1,198,363	Revenues
Cost of Sales	-1,015,337	89,963	51,826			-873,548	Cost of Sales excluding depreciation and losses from disposals of assets
<i>thereof depreciation</i>	-89,963	89,963					
<i>thereof losses from the     disposals of assets</i>	-51,826		51,826				
<b>Gross Profit</b>	<b>183,026</b>	<b>89,963</b>	<b>51,826</b>			<b>324,815</b>	<b>Gross Profit</b>
Selling, General & Administrative expense	-142,725	2,467		53,646		-86,612	SG&A excluding depreciation and amortization
<i>thereof depreciation</i>	-2,467	2,467					
<i>thereof amortization</i>	-53,646			53,646			
Other income, net	26,687		-30,981		6,196	1,902	Other income, net excluding amortization and foreign exchange gains/(losses)
<i>thereof gains from the     disposal of assets</i>	30,981		-30,981				
<i>thereof foreign     exchange gains</i>	-6,196				6,196		
<b>Operating result</b>	<b>66,988</b>	<b>92,430</b>	<b>20,845</b>	<b>53,646</b>	<b>6,196</b>	<b>240,105</b>	<b>Consolidated EBITDA</b>
		-92,430				-92,430	Depreciation
			-20,845			-20,845	Losses from disposals of assets
						<b>126,830</b>	<b>Consolidated EBITA</b>
				-53,646		-53,646	Amortization
						<b>73,184</b>	<b>Consolidated EBIT</b>
Finance cost	-62,812					-62,812	Finance costs
Finance income	607					607	Finance income
					-6,196	-6,196	Foreign exchange gains
<b>Profit before taxes</b>	<b>4,783</b>					<b>4,783</b>	<b>Profit before taxes</b>
Tax expense	-17,219					-17,219	Tax expense
<b>Profit for the period</b>	<b>-12,436</b>					<b>-12,436</b>	<b>Profit for the period</b>

## Note 4 Business Combinations

### Ralph Coleman International Limited

On 4 July 2022 IFCO Group acquired 100% of the share capital of Ralph Coleman International Limited, Nuneaton, England ("RCI") from Ralph Coleman Holdings Limited.

RCI provides tray washing and ancillary services exclusively for IFCO in the UK since more than twenty years. Additionally, RCI has a small logistic business. With this acquisition IFCO is able to run the washing centers in the United Kingdom on its own and to reduce costs through process improvements.

The transaction represents a business combination as defined in IFRS 3.

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	Acquisition date fair value
	EURk
Net assets before PPA adjustments excluding fixed assets	-4,842
Fair value of advantageous energy supply contracts	8,184
Fixed Assets	5,815
Deferred tax liabilities	-1,711
Total identifiable assets acquired, and liabilities assumed (net assets after PPA adjustments)	7,446
Goodwill	407
Consideration transferred	7,853

In the course of the transaction a pre-existing relationship between RCI and IFCO was identified and valued. The corresponding fair value of EURk 1,108 has been treated as a separate effect within the profit and loss statement.

The post-merger integration process is still ongoing. However, after 12 months since the acquisition date the fair values mentioned above are on final basis.

The consideration transferred is satisfied by cash payments to the amount of EURk 7,084. Thereof an amount of EURk 746 was deferred and will be paid in twelve resp. 24 months from the closing date.

The net cash outflows arising from the acquisition amount to the consideration transferred, since no cash and cash equivalents were acquired.

Receivables (inter-group loans) in the amount of EURk 3,756 were assumed. The fair values of the financial assets equal the gross contractual amounts.

The goodwill of EURk 407 is attributable to the expected process improvements to be realized by applying IFCO Group's experiences from other wash centers already operated by IFCO Group. The goodwill is expected to be not deductible for income tax purposes. The respective goodwill in local currency amounts to GBPk 349,8. This goodwill is attributed to the CGU Europe. The deferred tax liabilities are mainly related to the advantageous energy supply contracts acquired.

RCI contributed EURk 750 revenues and EURk -6,654 to the Group's profit before taxes for the period between the date of acquisition and the reporting date 30 June 2023. The negative result in FY 2023 was materially impacted by the amortization of the fair value of advantageous energy supply contracts of EURk 5,401.

The impact on revenues and the Group's profit if the acquisition had been completed on the first day of the financial year is not disclosed because it is impracticable to determine these amounts.

## UAB PlasticPack

On 9 January 2023 IFCO Group acquired 100% of the share capital of UAB PlasticPack, Vilnius, Lithuania ("PlasticPack") from Rima Michalauskiene.

PlasticPack is the current market leader in Lithuania, providing reusable packaging in the meat and dairy supply chains. IFCO aims at becoming the leading provider of RPCs for the fresh grocery supply chain in the Baltic region serving Lithuania, Latvia, and Estonia. The transaction represents a business combination as defined in IFRS 3.

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	Acquisition date fair value
	EURk
Net assets before PPA adjustments excluding fixed assets	273
Property, plant and equipment (mainly RPCs)	1,733
Customer relationship	764
Debt, Lease and long-term liabilities	-1,101
Deferred tax liabilities	-79
Total identifiable assets acquired and liabilities assumed (net assets after PPA adjustments)	1,590
Goodwill	1,015
Consideration transferred	2,605

The amount of the acquired RPC pool is measured on a provisional basis, as the validation of RPC existence is ongoing since the RPCs are moving within the network of customers. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of the acquisition, then the accounting for the acquisition will be revised.

The net cash outflows arising from the acquisition amount to the consideration transferred, since no cash and cash equivalents were acquired.

No financial assets were acquired. The consideration transferred is satisfied by cash payments. Thereof an amount of EURk 1,027 was deferred and will be paid in 24 months from the closing date. Due to immateriality, this amount is not discounted.

The goodwill of EURk 1,015 arising from the acquisition consists of future business potential with the existing business and with IFCO's business in the Baltic region. The goodwill is expected to be not deductible for income tax purposes and is attributed to the CGU Europe.

PlasticPack contributed EURk 931 revenues and EURk 1 to the Group's profit before taxes for the period between the date of acquisition and the reporting date 30 June 2023.

The impact on revenues and the Group's profit if the acquisition had been completed on the first day of the financial year would have been approx. EURk 2.

## **IFCO Oricon Co., Ltd.**

---

In the previous fiscal year on 1 March 2022 IFCO Group acquired 100% of the share capital of IFCO Oricon Co., Ltd., Tokyo, Japan (in the following: "IFCO Oricon"). Within the true-up period we recognized necessary adjustments to the preliminary purchase price allocation and the residual goodwill.

The main asset of the acquired business is the RPC pool that has been specified and guaranteed by the seller to the purchaser in the share purchase agreement. In line with the agreement the size of the pool acquired had to be verified based on scanning data. The preliminary purchase price allocation was made under the assumption that all the crates provided in the share purchase agreement would be available and in use at the time of the acquisition. So, all the crates provided in the share purchase agreement have been shown in fixed assets. The scanning data haven't verified the pool size from the share purchase agreement. Accordingly, the quantity of the RPC pool in fixed assets had to be reduced. The fair value of the missing crates (that have to be delivered from the seller at no costs) are shown in the final allocation in the new line "Receivable for crates". The final execution of the share purchase agreement, especially the receivables for crates, is still in progress, while IFCO Group is in discussions with the seller.

The valuation of the RPC pool and the receivable for crates as of the acquisition date is based on the replacement costs and the residual value. The replacement costs have been agreed with Sanko Lease Ltd. and other Sanko companies in the supply agreement effective as of 1 March 2022. Following IFCO's accounting policies the residual value for crates is determined by material, weight, and the possibility of recycling of the material. These residual value assumptions had to be adjusted compared to the preliminary valuation. The estimated average age of the pool of 4 years has not changed.

As a result of the adjustments to the preliminary purchase price allocation the goodwill has increased.

The preliminary amounts assumed in the previous year and the corrected ones as of 30 June 2023 are shown in the table below. The values are considered at acquisition date with the foreign exchange rate from 1 March 2022 (1 EUR / 128,15 JPY):

EURk	Preliminary acquisition date fair value	Final acquisition date fair value
Customer relationships	7,085	7,085
Property, plant, and equipment: RPC pool	77,245	48,632
Receivable for crates	0	13,902
Deferred tax assets/(liabilities), net	1,570	6,075
<b>Total identifiable assets acquired, and liabilities assumed</b>	<b>85,900</b>	<b>75,694</b>
Goodwill	3,558	13,764
<b>Consideration transferred</b>	<b>89,458</b>	<b>89,458</b>

The total consideration transferred and the split into three instalments has not changed, however the second instalment had not been paid as scheduled due to ongoing discussions about the missing crates:

1. Instalment: JPY 7,881.5 Mio. (EURk 61,502) were transferred at 1 March 2022,
2. Instalment: JPY 1,433.0 Mio. (EURk 10,125) scheduled for 1 March 2023 (not yet paid),
3. Instalment: JPY 2,149.5 Mio. (EURk 15,187) at 1 March 2024 and based on the achievement of certain revenues.

Therefore, the two instalments still outstanding amounting to EURk 25,312 are presented as liabilities as at 30 June 2023, unchanged to the prior year note disclosure.

The final goodwill of EURk 13,764 arising from the acquisition consists of future business potential and synergies within IFCO Group as the largest RPC-pooling group in Japan. The goodwill resulting from the purchase price allocation under IFRS is expected to be non-deductible for income tax purposes.

The deferred tax liabilities result from the non-recognition of the customer relationship asset for tax purposes. The deferred tax assets result from the goodwill that is higher and deductible for tax purposes as customer relationships are not recognized as assets for tax purposes. As the deferred tax assets exceed the deferred tax liabilities a net deferred tax asset is shown in the table above.

All the other disclosures from last year's notes haven't changed.

## Note 5 Revenues

IFCO Group's main revenue stream is the provisioning of pooling equipment in the form of reusable packaging containers ("RPC") for a non-cancellable period of 7-30 days. The rental fee is charged and billed on the issuance of the pooling equipment at the time when the ordered RPCs are received by the producer. As of the balance sheet date IFCO Group recognizes a revenue deferral on a straight-line basis (refer to Note 22).

in EURk	2023	2023	2022	2022
<b>Revenue from Leases per region</b>				
Europe	958,726	70%	871,858	74%
North America	276,104	20%	211,493	18%
South America	62,949	5%	49,897	4%
Asia	74,499	5%	48,348	4%
<b>Total Revenue from Leases</b>	<b>1,372,278</b>	<b>100%</b>	<b>1,181,596</b>	<b>100%</b>
Other Revenue (under IFRS 15)	19,885		16,767	
<b>Total Revenue</b>	<b>1,392,163</b>	<b>100%</b>	<b>1,198,363</b>	<b>100%</b>

Other revenue mainly includes income from waste management services in the UK of EURk 6,276 (EURk 7,869 in FY 2022) as well as proceeds from sales of rejected containers from other pooling providers of EURk 5,313 (EURk 4,211 in FY 2022). Additionally other revenue also contains proceeds from the sale of pallets of EURk 915 (EURk 1,863 in FY 2022) on which the containers are transported, and which is generated in the US market, and fuel surcharges related to containers transported of EURk 5,489 (EURk 1,129 in FY 2022).

## Note 6 Other Income

in EURk	2023	2022
Income from disposals of assets	35,392	30,981
Net foreign exchange losses	-4,825	-6,196
Other	325	1,902
<b>Total</b>	<b>30,892</b>	<b>26,687</b>

## Note 7 Cost of Sales

in EURk	2023	2022
Logistic fees	-397,524	-358,466
Washing	-294,542	-252,623
<i>thereof Employment costs</i>	-32,917	-14,789
Delivery	-146,279	-131,619
Depreciation	-95,874	-89,963
Collection	-126,821	-101,030
Expenses for the disposals of assets	-51,485	-51,826
Other Cost of Sales	-40,935	-29,810
<i>thereof Employment costs</i>	-15,443	-13,393
<b>Total</b>	<b>-1,153,460</b>	<b>-1,015,337</b>

Logistic fees increased by EURk 39,058 in FY 2023 due to higher retailer volume. Washing costs increased by EURk 41,919 because of rising energy costs in FY 2023. Delivery costs rose from EURk 131,619 in FY 2022 to EURk 146,279 in FY 2023; and Collection costs increased from EURk 101,030 in FY 2022 to EURk 126,821 in FY 2023 due to higher fuel prices, rising transportation costs as well as price inflation in Europe and North America.

## Note 8 Selling, General and Administrative Expenses

in EURk	2023	2022
Amortization	-60,086	-53,646
Employment costs	-57,737	-45,444
Subcontractors and outsourcing	-21,254	-17,200
Transaction and professional fees	-13,932	-10,460
Depreciation	-2,331	-2,467
Provision for doubtful accounts	-2,603	-824
Other costs	-11,375	-12,682
<b>Total</b>	<b>-169,318</b>	<b>-142,725</b>

## Note 9 Employment Costs

Total employment costs amounted to EURk 90,654 in 2023 (EURk 73,626 in FY 2022), thereof social security and retirement benefits of EURk 8,900 (EURk 7,542 in FY 2022).

## Note 10 Net Finance Costs

In EURk	2023	2022
<b>Finance income</b>		
Interest income	6,005	607
Other	24	0
<b>Total</b>	<b>6,028</b>	<b>607</b>
<b>Finance costs</b>		
Interest expense on bank loans and borrowings	-92,018	-59,202
Lease interest	-3,373	-2,562
Other	0	-1,047
<b>Total</b>	<b>-95,391</b>	<b>-62,812</b>
<b>Net finance costs</b>	<b>-89,362</b>	<b>-62,205</b>

Finance income includes primarily interest income arising from interest-bearing deposits in the amount of EURk 1,924 in FY2023 (EURk 316 in FY 2022) as well as interest income from Interest Rate Cap amounting to EURk 3,811 in FY23 ( EURk 0 in FY22). Finance costs regarding interest expense on bank loans and borrowings include substantially interest expenses and transaction costs based on the effective interest method. Due to increased market interest rates, as well as the higher utilization of the revolving credit facility, the Groups interest expense was significantly higher in the financial year 2023. Finance costs resulting from Interest Rate Cap amount to EURk 1,312 in FY23 (EURk 0 in FY22).

# Note 11 Income Tax

## 11.1 Components of Tax Expense

in EURk	2023	2022
<b>Amounts recognized in the statement of comprehensive income</b>		
Current income tax expenses	-15,085	-13,991
thereof prior year	-188	-167
Deferred tax (expenses)/benefit	2,969	-3,228
<b>Tax expenses recognized in profit or loss</b>	<b>-12,116</b>	<b>-17,219</b>

The applicable tax rate of 24,925% (same as in 2022) used on group level for reconciliation between tax expense and accounting profit before tax is the tax rate applicable for the German fiscal unity in accordance with IAS 12.85. The German tax rate is used due to the fact that the main assets are located within these entities and the operational headquarters are in Germany. The Luxembourg tax rate is not used as it does not reflect the actual situation and the actual taxation will not occur in Luxembourg. Only the shares of the German entities are held in Luxembourg and no operational business is conducted there. The local tax rates range between 9% (Hungary) to 35% (Argentina).

## 11.2 Tax reconciliation

in EURk	2023	2022
<b>Profit before tax</b>	<b>9,401</b>	<b>4,783</b>
Tax at standard rate of 24,925% (24,925% in 2022)	-2,343	-1,192
Effect of tax rates in other jurisdictions	-596	211
Prior year adjustments	-201	-1,689
Change in realizability of deferred tax assets	-2,451	2,707
Change in tax rates	153	1
Non-deductible expenses and permanent balance sheet differences	3,231	-1,598
Interests carry forward not recognized	-6,464	-942
Current year tax losses not recognized	-2,833	-13,134
Other taxes foreign countries	0	-1,573
Other	-613	-10
<b>Total income tax expenses</b>	<b>-12,116</b>	<b>-17,219</b>
<b>Effective tax rate</b>	<b>129%</b>	<b>360%</b>

## 11.3 Components of deferred taxes

Deferred tax assets and liabilities shown in the balance sheet are represented by cumulative temporary differences attributable to:

in EURk	30 June 2023		30 June 2022	
	Assets	Liabilities	Assets	Liabilities
PPE	0	232,969	0	220,605
Intangible Assets	0	176,301	0	175,797
Leases	14,641	15,674	11,012	12,319
Loans	0	989	0	3,009
Provisions and accruals	22,637	0	14,643	0
Losses available for offsetting against future taxable income	69,755	0	59,671	0
<b>Deferred tax assets/ liabilities</b>	<b>107,033</b>	<b>425,933</b>	<b>85,326</b>	<b>411,730</b>
Set off	-97,432	-97,432	-77,705	-77,705
<b>Net deferred tax assets/liabilities</b>	<b>9,601</b>	<b>328,500</b>	<b>7,621</b>	<b>334,025</b>
Current	0	0	0	0
Non-current	9,601	328,500	7,621	334,025

## 11.4 Movements in deferred taxes

in EURk	2023		2022	
	Assets	Liabilities	Assets	Liabilities
As at 30 June 2022	7,621	334,025	7,978	329,572
Charged to profit or loss	-1,233	-4,202	-1,165	2,063
Acquisition of subsidiary	4,463	2,138	3,545	2,056
Reclassification	-463	-463	-3,385	-3,385
Foreign exchange differences	-788	-2,998	648	3,719
<b>As at 30 June 2023</b>	<b>9,601</b>	<b>328,500</b>	<b>7,621</b>	<b>334,025</b>

## 11.5 Tax losses

At reporting date, IFCO Group has unused tax losses of EURk 598,318 (EURk 524,895 in 2022) available for offset against future profits including interest carry forwards of IFCO Management GmbH of EURk 54,244 (EURk 37,473 in 2022) and Irel BidCo SARL Luxembourg of EURk 20,579 (EURk 20,579 in 2022), and IFCO US EURk 15,750 (EURk 0 in 2022).

Due to the unpredictability of future profit streams in the relevant jurisdictions, no deferred tax asset has been recognized. As a consequence of this, there remain unrecognized tax losses of EURk 299,785 (EURk 278,678 in 2022) including interest carry forwards of IFCO Management GmbH of EURk 54,244 (EURk 37,473 in 2022) and Irel BidCo SARL Luxembourg of EURk 20,579 (EURk 20,579 in 2022). These unrecognized tax losses - for which no deferred tax asset has been recognized - have several different expiry dates based on local jurisdictions:

Jurisdiction	Terms for tax loss carry forward	2023 Unrecognized tax losses in EURk	2022 Unrecognized tax losses in EURk
Germany, United Kingdom, Luxembourg (Interest carry forward) (in 2022 incl. Austria and Norway)	Indefinitely	231,333	215,375
Luxembourg (Loss carry forward)	Mainly 15 years	23,883	23,883
Japan (Oricon)	Mainly 9 years	41,816	35,574
Poland, Hungary, Slovakia, China, Morocco	Mainly 4 years	2,753	3,846

The unused tax losses for Germany amounting to EURk 285,631 (EURk 243,122 in 2022) comprise interest carry forwards of EURk 54,244 (EURk 37,473 in 2022) losses for corporate income tax of EURk 68,730 (EURk 50,348 in 2022) as well as losses for trade tax amounting to EURk 13,125 (EURk 7,742 in 2022). The combined tax rate for corporate income tax and trade tax currently stands at 24,925%. This rate is basically also applicable for interest carry forwards in Germany whereas it also must be considered, that future interest deduction will result in a partial add back for trade tax purposes. The tax rate for corporate income tax is 15,825% and the tax rate for trade tax is 9,1%. In addition to this, special losses were incurred consisting of corporate income tax amounting to EURk 107,737 and trade tax amounting to EURk 39,822. The unused special tax losses for Germany arose before the tax group was established. Consequently, losses are unused as long as the tax group exists.

The amount of net deferred tax assets arising from all entities with negative taxable income (in current or prior year) amounts to EURk 0 (EURk 0 in 2022).

At reporting date, temporary differences related to investments in subsidiaries for which deferred tax liabilities have not been recognized in the financial statements are EURk 8,502 (EURk 8,592 in 2022).

Based on the OECD BEPS project to combat tax avoidance by multinational companies in the form of profit shifting and profit reduction, the so-called OECD/G20 Inclusive Framework (an association of approx. 140 countries) decided to introduce a global minimum taxation with the objective that multinational companies are subject to a minimum taxation of 15% in their respective countries of operation. In December 2021, the Organization for Economic Cooperation and Development (OECD) published so-called OECD Model Rules, which serve as a legislative template for implementation into national law, followed by guidance, commentary and interpretative guidance published in March 2022.

As soon as the implementation law for the OECD Model Rules has come into force in Germany, the Group may be subject to the so-called top-up tax. As soon as changes to the tax laws in other countries in which the Group operates have entered into force or will enter into force, the Group may be subject to the so-called qualified domestic minimum top-up tax. The application date of the national implementation laws is currently scheduled for the fiscal year 2024.

As IAS 12, including revisions regarding Pillar 2 taxes, has not been endorsed in the European Union as of the Financial Statement date, the group had concluded that not accounting for deferred taxes related to Pillar 2 taxes would result in the most relevant and reliable information.

IFCO's management closely monitors the progress of the legislative process in each country in which the Group operates. As of June 30<sup>th</sup> 2023, the Group did not have sufficient information to determine the potential quantitative impact.

## Note 12 Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

in EURk	30 June 2023	30 June 2022
Cash at bank and on hand	187,717	177,865
<b>Cash and cash equivalents</b>	<b>187,717</b>	<b>177,865</b>

Cash and cash equivalents mainly consist of cash held in banks.

## Note 13 Trade and Other Receivables

in EURk	30 June 2023	30 June 2022
<b>Current</b>		
Receivables	192,206	165,824
Others	62,681	63,544
<b>Trade Receivables</b>	<b>254,887</b>	<b>229,368</b>
Loss allowance for trade and other receivables	-4,901	-3,378
<b>Net trade receivables</b>	<b>249,986</b>	<b>225,990</b>
Other debtors	32,203	19,112
VAT receivables	29,299	31,651
<b>Total</b>	<b>311,488</b>	<b>276,752</b>

Trade receivables are recognized when services are provided, and the settlement is expected within normal credit terms. Trade receivables are non-interest bearing and are generally on 15-45-day payment terms with some exceptions up to 90 days for specific businesses.

Others mainly include debtors with credit balances.

Other debtors include marketing reimbursements, supplier with debit balances as well as Interest Rate Cap.

For trade and other receivables classified as financial assets please refer to Note 28.

## Note 14 Deposit Receivables

In EURk	30 June 2023	30 June 2022
Deposit receivables	360,282	331,557
Loss allowance deposit receivables	-1,650	-2,531
<b>Net trade deposit receivables</b>	<b>358,632</b>	<b>329,025</b>

The deposits are charged to customers based on contractual agreements. These deposits are invoiced on issue of pooling equipment to customers and are generally on 30-day payment terms. A large amount of these receivables is settled with credit notes to the customer, once the pooling equipment is returned.

For deposits classified as financial assets please refer to Note 28.

## Note 15 Prepayments

In EURk	30 June 2023	30 June 2022
<b>Current other assets</b>		
Prepayments	15,235	12,012
<b>Total</b>	<b>15,235</b>	<b>12,012</b>

Other assets are stated at cost less impairment losses. Current other assets primarily include prepayments with a term shorter than one year.

## Note 16 Current Tax Assets and Liabilities

Current tax assets mainly include corporate income tax (CIT) receivables from Chile and Colombia.

in EURk	30 June 2023	30 June 2022
Current tax assets	2,652	5,798
<b>Total</b>	<b>2,652</b>	<b>5,798</b>

Current tax liabilities reflect outstanding obligations for corporate income taxes (CIT).

in EURk	30 June 2023	30 June 2022
Current tax liabilities	6,265	9,774
<b>Total</b>	<b>6,265</b>	<b>9,774</b>

## Note 17 Property, Plant and Equipment

The net carrying amounts and movements during the year are described as follows:

in EURk	Land and buildings	Pooling equipment	Other plant and equipment	Total
<b>Closing net carrying amount at 30 June 2021</b>	<b>1,790</b>	<b>864,762</b>	<b>62,510</b>	<b>929,062</b>
Additions	1,616	261,841	36,435	299,891
Acquisitions from business combinations	0	77,245	0	77,245
Reclassification	554	-358	-1,487	-1,292
Internal transfer	0	565	0	565
Impairment	0	0	0	0
Disposals	-301	-53,074	-875	-54,251
Depreciation charge	-562	-66,945	-11,760	-79,267
Foreign exchange differences	49	20,071	4,521	24,644
<b>Closing net carrying amount at 30 June 2022</b>	<b>3,146</b>	<b>1,104,107</b>	<b>89,344</b>	<b>1,196,597</b>
Additions	605	195,838	57,407	253,851
Acquisitions from business combinations	621	-23,635	5,721	-17,294
Reclassification	463	211	-1,855	-1,181
Hyperinflation Adjustment	0	17,167	0	17,167
Internal transfer	0	-178	42	-136
Impairment	0	0	0	0
Disposals	-21	-53,820	-375	-54,216
Depreciation charge	-848	-68,715	-14,253	-83,816
Foreign exchange differences	-196	-31,077	-2,578	-33,851
<b>Closing net carrying amount at 30 June 2023</b>	<b>3,770</b>	<b>1,139,897</b>	<b>133,452</b>	<b>1,277,119</b>

Pooling equipment is subject to operating lease and used to generate rental income by providing pooling equipment in form of RPCs to customers for a short period (refer to Note 24).

Pooling equipment additions are classified for cash flow reporting purposes as maintenance investment to replace lost or broken RPCs, and growth investment into RPCs to increase the business (refer to Cash Flow Statement).

## Note 18 Goodwill and Intangible Assets

### 18.1 Net carrying amounts and movements during the year

In EURk	Goodwill	Brand	Software	Customer base	Intangible assets under construction	Other Intangibles	Total
<b>Closing carrying amount as at 30 June 2021</b>	<b>1,048,843</b>	<b>105,700</b>	<b>5,900</b>	<b>691,370</b>	<b>0</b>	<b>1,213</b>	<b>1,853,025</b>
Additions	0	0	4,855	0	5,148	0	10,002
Acquisition of subsidiaries	3,558	0	0	7,085	0	0	10,643
Reclassification	0	0	912	0	21	0	933
Impairment	0	0	0	0	0	0	0
Amortization charge	0	0	-2,635	-50,836	0	-175	-53,646
Disposals	0	0	-77	0	0	0	-77
Foreign exchange differences	18,677	0	-3	-661	0	0	18,016
<b>Closing carrying amount as at 30 June 2022</b>	<b>1,071,078</b>	<b>105,700</b>	<b>8,952</b>	<b>646,958</b>	<b>5,169</b>	<b>1,038</b>	<b>1,838,896</b>
Additions	0	0	3,375	0	6,732	1,711	11,818
Acquisition of subsidiaries	11,769	0	0	766	0	8,210	20,745
Reclassification	0	0	2,005	0	-2,005	0	0
Impairment	0	0	0	0	0	-1,296	-1,296
Amortization charge	0	0	-3,323	-51,187	0	-5,576	-60,086
Disposals	0	0	0	0	0	0	0
Foreign exchange differences	-8,405	0	-4	-584	0	0	-8,993
<b>Closing carrying amount as at 30 June 2023</b>	<b>1,074,442</b>	<b>105,700</b>	<b>11,005</b>	<b>595,954</b>	<b>9,896</b>	<b>4,087</b>	<b>1,801,084</b>

## 18.2 Goodwill and intangibles assets with indefinite useful lives

Goodwill represents the excess of the cost of the acquisition over the fair value of the net identifiable assets of the acquired IFCO Group at the date of acquisition. The Goodwill on the acquisition of IFCO is included in intangible assets. Goodwill is carried at cost less accumulated impairment losses and is not amortized. The brand "IFCO" with an indefinite useful live, and fully attributable to CGU Europe is tested for impairment as part of the goodwill impairment test for CGU Europe.

Upon acquisition, any goodwill arising is allocated to each group of Cash Generating Unit (CGU) expected to benefit from the acquisition. Consequently, goodwill is disclosed at the lowest CGU group level at which it is assessed for impairment:

In EURk	30.06.2023	30.06.2022	Portion
Europe incl. brand "IFCO"	899,751	897,546	76%
North America	183,993	187,615	16%
South America	47,358	47,497	4%
Asia	49,041	44,272	4%
<b>Total goodwill incl. brand "IFCO"</b>	<b>1,180,142</b>	<b>1,176,778</b>	<b>100%</b>

IFCO Group has performed the mandatory annual impairment test as of June 2023. The development of the operating segments (actuals vs forecast) is considered when reviewing for indicators of impairment. As at 30 June 2023, the recoverable amounts for the impairment test FY 2023 of IFCO Group's CGUs were above the corresponding carrying values. Key assumptions on which IFCO Group based its calculation of the fair value less costs of disposal (FVLCD) for each of the CGUs include the terminal value growth rates and after-tax discount rates. The model's underlying free cash flow projections for each individual CGU comprises a period of 5 years starting FY2023 based on the management's forecast and include the full set of projected cash in- and outflows resulting from operating activities such as functional costs, overheads, maintenance capital expenditures (CAPEX), and proceeds from disposals. In addition, the forecast adds growth in pooling equipment CAPEX in relation to growth in operating business complementing the cash outflows from investing activities. The determined fair value of the cash generating units is assigned to level 3 of the fair value hierarchy.

The fair value less costs to sell is mainly driven by the terminal value which is particularly sensitive to changes in the assumptions on the terminal value growth rate and discount rate. Both parameters are determined for each CGU individually.

The CGU specific discount rate is based on the weighted average cost of capital (WACC). The WACC takes into account both debt and equity. Cost of equity is calculated by using the Capital Asset Pricing Model ("CAPM") which comprises the determination of the risk-free rate of interest and the market risk premium. In addition, the underlying discount rates reflect the most recent market assessment of the risks specific to each CGU by considering specific peer group information on beta factors, leverage and cost of debt. The parameters for calculating the discount rates are based on external sources of information and the peer group is updated annually.

Terminal value growth rates take into consideration the area's macroeconomic environment and industry specific trends. IFCO Group estimates its market growth in North America with a terminal growth rate of 1.5% (1.5% in FY 2022) and in South America with a terminal growth rate of 2.0% (2.0% in FY 2022) annually. The sales growth in Europe is being considered with an average growth rate of 2.0% (2.0% in FY 2022) on an annual basis. Asia's terminal growth rate is estimated at 1.5% (1.5% in FY 2022) on average.

The following table displays key parameters used to determine the value in use for impairment test purposes of the CGUs to which a significant amount of goodwill is allocated:

in EURk	30 June 2023			30 June 2022		
	Carrying amount of Goodwill and brand "IFCO"	Terminal value growth rate	post-tax discount rate*	Carrying amount of Goodwill and brand "IFCO"	Terminal value growth rate	post-tax discount rate*
Europe incl. brand "IFCO"	899,751	2.0%	8.64%	897,546	2.00%	8.27%
North America	183,993	1.5%	7.43%	187,615	1.50%	7.49%
South America	47,358	2.0%	11.33%	47,497	2.00%	9.44%
Asia	49,041	1.5%	7.97%	44,272	1.50%	8.09%

\* The Group applied post-tax discount rates for discounting post-tax cash flows leading to the same result as by using pre-tax data. Sales in all CGUs' planning periods are based on annual average growth rates of about 5.4% for Europe (7% in FY 2022) and 12.5% for North America (17% in FY 2022) as well as 4.7% for South America (11% in FY 2022) and 8.1% for Asia (24% in FY 2022). IFCO Group expects a stable contribution to annual sales growth throughout the 5-year planning period from every CGU.

The Group concluded that no impairment is to be recognized on goodwill in any of the CGUs.

A sensitivity analysis has been conducted in order to check the robustness of the underlying impairment test. The assessment is based on a reduction in after-tax future cash flows by 10% (Scenario 1) or a stagnation in terminal value growth (Scenario 2) or an increase in after-tax discount rates by 1% (Scenario 3). IFCO Group observed that no impairment loss would have to be recognized in each of the scenarios. Even in the worst Scenario, the headroom is still approximately EURk 798 of the carrying amount of Goodwill and brand "IFCO". The calculation of fair value less costs of disposal (FVLCD) is most sensitive - especially for the terminal value - to the assumptions of growth rate and maintenance capex referring to the RPCs. Regarding the growth rate assumption throughout the 5-year planning period for each CGU we refer to the paragraph above. These growth rates are the starting point for the terminal value growth. If the growth rate for CGU South America would be 2.8% rather than 4.7% the IFCO Group will have an impairment. The RPC maintenance capex is among others necessary to maintain the RPC capacity to generate the expected revenues. IFCO Group estimates to have lower maintenance capex than depreciation charges due to RPC utilization optimization measures. Nevertheless, IFCO group considers a growth capex on top of maintenance capex, which is in the terminal value twice the amount of EBITA growth in terminal value. If the maintenance capex for CGU South America would be EURk 16.000 rather than EURk 13.000 the IFCO Group will have an impairment. However, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of any CGU to materially exceed its recoverable amount.

## Note 19 Other assets

in EURk	30 June 2023	30 June 2022
<b>Non-current other assets</b>		
Other assets	11,447	6,461
<b>Total</b>	<b>11,447</b>	<b>6,461</b>

Non-current other assets mainly consist of long-term prepayments amounting to EURk 8,765 in FY23 (EURk 6,461 in FY22) and Interest Rate Cap in the amount of EURk 2,682 in FY23 (EURk 0 in FY22).

## Note 20 Trade and Other Payables

In EURk	30.06.2023	30.06.2022
Trade payables	328,627	308,544
Accruals	127,216	116,351
Unpaid capex creditors	52,285	42,337
VAT payables	12,085	10,328
Other current payables	91,454	94,754
<b>Current trade and other payables</b>	<b>611,667</b>	<b>572,314</b>

Trade and other payables represent liabilities for goods and services provided to IFCO Group prior to the end of the financial year that remain unpaid at the reporting date. The amounts are unsecured, non-interest bearing and are settled within normal credit terms of 14–60 days. Moreover, they include liabilities for logistic services remuneration subject to the handling of RPCs.

Accruals consist of employee related obligations which are compulsory payments to employees in the event of leaving the company, sick leave, vacation or other similar matters.

Unpaid capex creditors include the liabilities to manufacturers of the RPCs.

Other current payables include mainly accounts receivables with credit balances amounting to EURk 62,151 (EURk 63,426 in FY 2022) and liabilities for other taxes of EURk 3,364 (EURk 3,657 in FY 2022).

VAT payables and accruals are not classified as financial liabilities in accordance with IFRS 9. For trade and other payables classified as financial liabilities please refer to Note 28.

## Note 21 Refundable Deposits

Deposits are charged to producers based on contractual agreements on issue of pooling equipment. Refundable deposits are accrued based on the number of RPCs outstanding. Deposits paid by producers are accounted for as financial liability under trade and other payables.

In EURk	30.06.2023	30.06.2022
Refundable deposits	558,395	534,024
<b>Total</b>	<b>558,395</b>	<b>534,024</b>

## Note 22 Deferred Revenue

Deferred revenue primarily relates to revenue that is invoiced at the issue of pooling equipment to customers. It is recognized in the statement of comprehensive income over the rental period (up to 30 days).

In EURk	30.06.2023	30.06.2022
Deferred revenue	46,799	38,240
<b>Total</b>	<b>46,799</b>	<b>38,240</b>

## Note 23 Accrued Interests and Fees

Accrued interests and fees relate to loans and borrowings. Terms of payment vary between one month and six months. Commitment fees are accrued in line with the terms and conditions set out in the Revolving Credit Facility (RCF). For the conditions of the interests please refer to Note 27.

EURk	30.06.2023	30.06.2022
Accrued interests	49,399	23,623
Commitment fees	87	156
<b>Total</b>	<b>49,485</b>	<b>23,778</b>

In the financial year 2023, IFCO entered into two interest rate cap hedges. The company hedged USDk 100,000 at 3% per annum rate of its tranche B2 USD loan effective from 1 July 2023 until 29 July 2024. Premiums are scheduled for 29 January and 29 July 2024 with USDk 446 respectively.

Additionally, IFCO also hedged EURk 500,000 at 2,75% per annum of its B1A EUR loan effective from 9 January 2023 until 9 January 2025. Premiums are scheduled every six months effective from starting date with an amount of EURk 1,080,000.

Furthermore, an Interest Rate Cap of Mio. USDk 100,000 at 2,75% 6-month-LIBOR expired on 30 June 2023.

For the Interest Rate Cap IFCO accrued interests in the amount of EURk 2,531 in FY 23 (EURk 0 in FY 22).

# Note 24 Leases

## 24.1 Group as a lessee

### a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognized and the respective movements during the period:

Right-of-use assets in EURk	Land and buildings	Other equipment	Total
<b>Carrying amount as at 30 June 2021</b>	<b>35,422</b>	<b>8,633</b>	<b>44,055</b>
Additions	25,011	1,605	26,616
Reclassification	0	358	358
Internal transfer	0	0	0
Disposals	0	0	0
Depreciation expense	-11,103	-2,061	-13,163
Foreign exchange effects	2,553	-573	1,980
<b>Carrying amount as at 30 June 2022</b>	<b>51,884</b>	<b>7,962</b>	<b>59,846</b>
Additions	23,296	3,321	26,617
Reclassification	0	1,182	1,182
Hyperinflation Adjustment	256	0	256
Internal transfer	0	0	0
Disposals	0	0	0
Depreciation expense	-12,308	-2,080	-14,389
Foreign exchange effects	-1,628	-274	-1,902
<b>Carrying amount as at 30 June 2023</b>	<b>61,500</b>	<b>10,110</b>	<b>71,610</b>

IFCO does not have low value assets recognized through profit and loss.

## b) Lease liabilities

Set out below are the carrying amounts of lease liabilities (included in Note 27 interest-bearing loans and borrowings) and the respective movements during the period:

in EURk	2023	2022
<b>Beginning Balance</b>	<b>61,016</b>	<b>43,623</b>
Additions	27,040	26,588
Accretion of interest	3,373	2,562
Payments	-16,487	-13,138
Acquisitions from business combinations	3,131	0
Foreign exchange effects	-2,397	2,296
Reclassification	-1,035	-915
<b>Ending Balance</b>	<b>74,641</b>	<b>61,016</b>
<i>Current</i>	<i>12,199</i>	<i>11,750</i>
<i>Non- Current</i>	<i>62,442</i>	<i>49,266</i>

The following are the amounts recognized in profit or loss:

EURk	2023	2022
Depreciation expense of right-of-use assets	14,389	13,163
Interest expense on lease liabilities	3,373	2,562
Variable lease expenses	188,890	197,332
Foreign exchange effects	-1,902	1,980
<b>Total amount recognized in profit or loss</b>	<b>204,750</b>	<b>215,037</b>

The Group had total cash outflows for leases of EURk 204,750 (EURk 215,037 in FY 2022).

As of 30 June 2023, there are no leases that have not yet commenced to which the Group is committed. Extension options of five years for building and property leases expiring in the period between 2026 until 2028 would lead to a lease liability by EURk 3,579 year by year.

The following table provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

in EURk	2023	2022
Fixed lease payments	15,860	17,706
Variable lease payments	188,890	197,332
<b>Total</b>	<b>204,750</b>	<b>215,037</b>
Ratio of variable lease payments	92%	92%

Variable lease payments are payments by the Group to third party washing centers which are presented as "Washing costs" as part of the Cost of Sales (refer to Note 7). The washing centre contracts constitute lease arrangements with IFCO companies as lessees under IFRS 16 but are considered fully variable.

The future cash outflows regarding variable lease payments over the course of the next four years to which the Group is potentially exposed to amount to EURk 1,007,377 (EURk 1,204,699 in FY 2022).

## 24.2 Group as a lessor

Revenue from leases recognized by the Group during the year was EURk 1,372,278 (EURk 1,182,829 in FY 2022). Please refer to Note 5 for disclosure of IFCO Group's sales. As the lease term is in all cases only up to 30 days a maturity analysis of future cash flows is non-informative.

For the assets subject to leases please refer to Note 24.

## Note 25 Provisions

Provisions (in EURk)	30.06.2023	30.06.2022
Employee bonuses	7,949	3,551
<b>Current</b>	<b>7,949</b>	<b>3,551</b>
Employee bonuses	1,483	764
Litigation and customer disputes	0	99
<b>Non-current</b>	<b>1,483</b>	<b>863</b>

A provision is recognized for employee bonuses consisting of variable payments as part of the total remuneration of employees, due next fiscal year closing and measured at best estimate.

Non-current provisions include long-term employee bonuses which are measured at best estimate.

in EURk	Employee bonuses	Litigation and customer disputes	Total
<b>Closing balance as of June 30 2022</b>	<b>4,315</b>	<b>99</b>	<b>4,414</b>
Arising during the year	10,075	0	10,075
Utilized	-4,587	0	-4,587
Unused amounts reversed	0	-99	-99
Foreign exchange effects	-371	0	-371
<b>Closing balance as of June 30 2023</b>	<b>9,432</b>	<b>0</b>	<b>9,432</b>

## Note 26 Other liabilities

in EURk	30 June 2023	30 June 2022
<b>Non-current other liabilities</b>		
Other liabilities	2,180	734
<b>Total</b>	<b>2,180</b>	<b>734</b>

Other liabilities longterm include Interest Rate Cap amounting to EURk 1,465 in FY 2023 (EURk 0 in FY2022)

## Note 27 Interest-bearing loans and Borrowings

in EURk	Interest rate %	Maturity	30.06.2023	30.06.2022
Facility B1A	EURIBOR+3.5	31.05.2026	1,278,582	1,274,300
Facility B2	LIBOR+4.5	31.05.2026	145,743	151,992
Revolving Facility	EURIBOR+3.75	30.11.2025	107,153	66,803
<b>Bank loans</b>			<b>1,531,477</b>	<b>1,493,095</b>
Non-current creditors			1,094	0
Leaseback liabilities			8,541	8,432
<b>Non-current loans</b>			<b>1,541,112</b>	<b>1,501,527</b>

At reporting date, the bank loans amount to EURk 1,531,477 (EURk 1,493,095 in 2022) and include substantially the facilities which have been raised in the course of the acquisition of IFCO Systems B.V. in 2019:

- Facility B1A (EURk 1,292,225)
- Facility B2 (USDk 160,000)
- Revolving Credit Facility (EURk 108,000)

In relation to these loans, cash and cash equivalents amounting to EURk 83,839 (EURk 75,335 in FY 2022) are pledged as a security. Furthermore, investments (shares) in consolidated subsidiaries are pledged as a security, but out of the consolidation process these investments are not recognized in the group financial statements. According to the terms of the facilities a minimum interest rate at 0% is agreed. However, this interest rate minimum is clearly and closely related and no bifurcation is applied.

As a result of the IBOR Benchmark Reform [EU Benchmark Regulation (BMV) 2016/1011], IBOR-based loan agreements (and also derivatives) will be converted to so-called "risk free rates" (RFR). EURIBOR was already reformed in November 2019 in line with the BMV and will initially continue to be used as the reference interest rate, so that no adjustments will be made to corresponding EURIBOR financing. The instruments denominated in EURIBOR are listed above in this paragraph.

The loan affected by the reform of reference rates in the future is essentially the reference rate, USD Libor for USD and amounts to EURk 145,743 as at 30 June 2023. This loan is measured at amortized costs. IFCO Group replaced the LIBOR with Term SOFR (Secured Overnight Financing Rate) on 1 July 2023 plus a credit adjustment spread, that depends on the length of the chosen interest rate period

Financial covenants don't exist for the facilities that are in use as of 30 June 2023 and before. The financial covenant becomes effective if the used amount of the Revolving facility minus Cash and Cash equivalents exceeds 40% of amount of the Revolving facility. So far, the Group has reporting requirements only.

Set out below is the reconciliation between the opening and closing balances for liabilities arising from financing activities:

	<b>01.07.2022</b>	<b>Cash received</b>	<b>Repayment made</b>	<b>Interest expense</b>	<b>Interest paid</b>	<b>Others</b>	<b>30.06.2023</b>
Lease Liabilities	61,016	0	-12,691	3,373	-3,373	26,315	<b>74,641</b>
Borrowings	1,516,874	124,000	-84,631	84,778	-63,682	-6,302	<b>1,571,037</b>
	<b>01.07.2021</b>	<b>Cash received</b>	<b>Repayment made</b>	<b>Interest expense</b>	<b>Interest paid</b>	<b>Others</b>	<b>30.06.2022</b>
Lease Liabilities	43,623		-10,604	2,562	-1,761	27,969	61,016
Borrowings	1,472,641	83,000	-64,999	59,202	-52,284	19,313	<b>1,516,874</b>

The position others mainly include new leases which are not cash neutral as well as currency effects.

## Note 28 Financial Instruments

### 28.1 Fair value and fair value measurement

The following table provides the fair value measurement hierarchy of the Group's financial instruments and a comparison, by class, of the carrying amounts and fair values, other than those with carrying amounts that are reasonable approximations of fair values. Except for the investments that are measured at fair value through profit or loss, none of the Group's financial assets and liabilities are measured at fair value and the Group's liabilities are only measured at fair value for disclosure reasons.

in EURk	Category (IFRS 9)	Carrying amount		Fair value (FV)		FV Level
		2023	2022	2023	2022	
<b>Financial assets</b>						
<b>Trade, deposit and other receivables</b>		640,821	574,127	-	-	-
<i>of which from trade receivables</i>	<i>amortized cost</i>	187,305	162,446	-	-	-
<i>of which from deposits</i>	<i>amortized cost</i>	358,632	329,025	-	-	-
<i>of which from other receivables</i>	<i>amortized cost</i>	62,681	63,544	-	-	-
<i>of which from other debtors</i>	<i>amortized cost</i>	32,203	19,112	-	-	-
<b>Interest Rate Cap</b>	<i>FVPL</i>	7,359	-	7,359	-	Level 2
<b>Investments</b>	<i>FVPL</i>	280	32	280	32	Level 3
<b>Cash and cash equivalents</b>	<i>amortized cost</i>	187,717	177,865	-	-	-
<b>Total financial assets</b>		<b>836,177</b>	<b>752,024</b>	<b>7,639</b>	<b>-</b>	
<b>Financial liabilities</b>						
<b>Loans and borrowings</b>		<b>1,541,112</b>	<b>1,501,527</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>of which from floating rate borrowings</i>	<i>amortized cost</i>	1,532,571	1,493,095	1,475,829	1,356,537	Level 3
<i>of which from leaseback agreements</i>	<i>amortized cost</i>	8,541	8,432	8,541	8,432	Level 2
<b>Lease liabilities</b>	<i>n/a</i>	74,641	61,016	-	-	-
<b>Trade, refundable deposits and other payables</b>		<b>1,030,762</b>	<b>979,659</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>of which from trade payables</i>	<i>amortized cost</i>	328,627	308,544	-	-	-
<i>of which from refundable deposits</i>	<i>amortized cost</i>	558,395	534,024	-	-	-
<i>of which from unpaid capex creditors</i>	<i>amortized cost</i>	52,285	42,337	-	-	-
<i>of which from other current payables</i>	<i>amortized cost</i>	91,454	94,754	-	-	-
<b>Total financial liabilities</b>		<b>2,646,515</b>	<b>2,542,202</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Group's total financial assets include only trade and other receivables, cash and cash equivalents. These trade receivables, cash and cash equivalents are debt instruments accounted for based on amortized cost. For trade and other receivables refer to Note 13, for deposit receivables refer to Note 14 and for cash and cash equivalents refer to Note 12.

For trade and other payables refer to Note 20, for refundable deposits refer to Note 21, for lease liabilities refer to Note 24, for interest bearing loans and borrowings refer to Note 27.

The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the Group's interest-bearing loans and borrowings are determined by using the discounted cash flow (DCF) method using the respective discount rate for each cash flow that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 30 June 2023 as well as at 30 June 2022 was assessed to be insignificant.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

#### **Total interest income and expense**

Interest income and interest expense are calculated by applying the effective interest rate to the gross carrying amount of financial assets and financial liabilities both at amortized cost.

Total interest income and expenses relating to financial instruments are as follows:

<b>in EURk</b>	<b>2023</b>	<b>2022</b>
Financial liabilities at amortized cost		
Interest expense	92,018	59,202
<b>Total interest expense</b>	<b>92,018</b>	<b>59,202</b>
Financial assets at amortized cost		
Interest income	2,622	605
<b>Total financial assets at amortized cost</b>	<b>2,622</b>	<b>605</b>
Financial assets at fair value through profit and loss	3,381	0
<b>Total interest income</b>	<b>6,003</b>	<b>605</b>

## Net gains and losses

The table below shows the net gains or losses of financial instruments included in the consolidated statement of income:

in EURk	2023	2022
Financial assets at amortized cost		
Interest Income	2,622	605
Currency gain / loss	9,152	-424
Impairment losses	-2,603	-824
<b>Total Financial Assets at amortized cost</b>	<b>9,171</b>	<b>-643</b>
Financial assets at fair value through profit and loss	3,381	0
<b>Net gain / loss</b>	<b>12,552</b>	<b>-643</b>
Financial liabilities at amortized cost		
Currency loss	3,737	10,678
Interest expense	92,018	59,202
<i>thereof from financial instruments</i>	1,312	0
<b>Net losses</b>	<b>95,755</b>	<b>69,880</b>

## 28.2 Risk management

### a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. The sensitivity analyses in the following sections relate to the position as at 30 June 2023 and 30 June 2022.

### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relate primarily to the Group's long-term debt obligations with floating interest rates.

IFCO Group's exposure to potential volatility in interest expense is managed by maintaining a mix of floating rate instruments within select target bands over defined periods and by entering into interest rate hedges.

The financial instruments exposed to interest rate risk at reporting date include interest-bearing loans and borrowings amounting to EURk 1,531,477 as of 30 June 2023 (EURk 1,493,095 in FY 2022).

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase in BP	Effect on EBT (in EURk)	Decrease in BP	Effect on EBT (in EURk)
<b>FY2023</b>				
Euro (EURIBOR)	+50	-7.001	-50	7.001
US Dollar (LIBOR)	+50	-736	-50	736
	Increase in BP	Effect on EBT (in EURk)	Decrease in BP	Effect on EBT (in EURk)
<b>FY2022</b>				
Euro (EURIBOR)	+50	-646	-50	
US Dollar (LIBOR)	+50	-80	-50	80

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

As stated in Note 27 Interest-bearing loans and Borrowings, IFCO Group is currently in negotiations with banks to replace the LIBOR with SOFR (Secured Overnight Financing Rate) and has not yet finalized its assessment of potential impact on the Group Financial Statements.

**c) Foreign currency risk**

Exposure to foreign currency risk generally arises from transactions denominated in a currency other than the functional currency of a subsidiary.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

### Foreign currency profile

The following table sets out the foreign currency mix profile of IFCO Group's financial instruments at reporting date. Financial assets include cash and cash equivalents and trade receivables. Financial liabilities include trade and other payables, interest-bearing loans and leasing liabilities.

in EURk	EUR	USD	GBP	CHF	OTHER	Total
Cash and cash equivalents	77,817	25,450	10,798	7,366	66,285	187,717
Trade receivables	500,632	21,746	29,864	22,291	66,288	640,821
<b>Financial assets as at 30.06.2023</b>	<b>578,450</b>	<b>47,196</b>	<b>40,661</b>	<b>29,658</b>	<b>132,573</b>	<b>828,538</b>
Trade and other payables	908,918	30,700	14,163	15,720	61,262	1,030,762
Interest-bearing loans	1,384,049	147,428	0	0	8,541	1,540,019
Lease liabilities	11,906	29,641	17,121	355	15,619	74,641
<b>Financial liabilities as at 30.06.2023</b>	<b>2,304,874</b>	<b>207,769</b>	<b>31,284</b>	<b>16,075</b>	<b>85,421</b>	<b>2,645,421</b>

in EURk	EUR	USD	GBP	CHF	OTHER	Total
Cash and cash equivalents	84,865	20,136	8,250	14,954	49,660	177,865
Trade receivables	460,452	19,388	28,523	19,295	46,470	574,127
<b>Financial assets as at 30.06.2022</b>	<b>545,317</b>	<b>39,524</b>	<b>36,773</b>	<b>34,249</b>	<b>96,129</b>	<b>751,992</b>
Trade and other payables	842,777	37,701	15,314	14,695	69,172	979,659
Interest-bearing loans	1,339,056	154,039	0	0	8,432	1,501,527
Lease liabilities	2,288	29,443	11,153	427	17,705	61,016
<b>Financial liabilities as at 30.06.2022</b>	<b>2,184,121</b>	<b>221,183</b>	<b>26,467</b>	<b>15,122</b>	<b>95,309</b>	<b>2,542,202</b>

### Sensitivity analysis

Based on the financial instruments held at 30 June 2023 and 30 June 2022, if exchange rates were to weaken/strengthen against the Euro by 10% with all other variables held constant, the transaction exposure within profit before tax would be:

FY	Strength/weakness of foreign currency against		Profit before tax Gain / Loss in EURk		
	EUR	USD	GBP	CHF	
2023	+10%	3,804	3,698		2,966
	-10%	-3,804	-3,698		-2,966
2022	+10%	10,253	5,538		4,430
	-10%	-10,253	-5,538		-4,430

### d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. IFCO Group is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, trade and other receivables. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.

**Cash and cash equivalents**

Since IFCO Group only cooperates with well-known credit-worthy banks, expected credit losses were not recorded due to immateriality. Furthermore, these financial assets are highly liquid and flexible and therefore can be easily accessed by IFCO Group.

**Trade and other receivables**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

IFCO Group trades only with recognized, creditworthy third parties. Customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Credit limits are set for individual customers and approved by credit managers in accordance with an approved authority matrix. These credit limits are regularly monitored and revised based on historic turnover activity and credit performance. In addition, over-due receivable balances are monitored and actioned on a regular basis.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

EURk		Days past due					
2023	Rental Receivables	Not due	1-90 days	91-180 days	181-360 days	> 360 days	Sum
	Gross Carrying Amount	151,098	50,618	4,069	1,389	1,011	208,184
	Loss Allowance	99	150	90	106	594	1,038
	Loss Rate	0.1%	0.3%	2.2%	7.6%	58.8%	0.5%
	Deposits						
	Gross Carrying Amount	516,391	4,062	2,027	3,703	4,370	530,554
	Loss Allowance	38	5	4	32	437	517
	Loss Rate	0.0%	0.1%	0.2%	0.9%	10.0%	0.1%
2022	Rental Receivables						
	Gross Carrying Amount	125,324	36,346	4,168	1,571	345	167,753
	Loss Allowance	118	126	113	82	345	783
	Loss Rate	0.1%	0.3%	2.7%	5.2%	95.5%	0.7%
	Deposits						
	Gross Carrying Amount	472,625	6,602	2,168	1,113	3,480	485,989
	Loss Allowance	56	7	22	34	348	468
	Loss Rate	0.0%	0.1%	1.0%	3.0%	10.0%	0.1%

The expected credit losses are determined based on a provision matrix supplemented by a case-by-case analysis based on objective evidence of impairment. The latter leads to expected credit losses amounting to EURk 6,551 (EURk 4,658 in FY 2022)

Set out below are the movements for loss allowance for expected credit losses during the period:

Credit loss allowances in EURk	2023	2022
Beginning balance	5,909	6,714
Loss Allowance increase through profit or loss	2,603	824
<i>thereof general allowance</i>	569	0
Reversal	-1,303	-205
Use of allowance	-789	-1,253
Foreign exchange effects	131	-171
Ending balance	6,551	5,909

#### e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility by using bank overdrafts, bank loans and lease contracts. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a revolving credit facility (RCF), which is an approved but not yet fully executed loan. The RCF comprises EURk 270,000 and can be drawn in case of liquidity needs.

The table below shows the undiscounted future cash flows of interest and repayment of the Group's financial liabilities based on contractual terms:

Interest and repayment for financial liabilities (in EURk)	<1 year	1 to 3 years	>3 to 5 years	>5 years	Total undisc. cash flows	Carrying amount 30 June 2022
Interest-bearing loans and borrowings	57,446	1,654,087	0	0	1,711,534	1,532,571
Leaseback liabilities	2,377	3,625	2,151	388	8,542	8,541
Leaseback liabilities Interests	40	61	36	7	144	
Lease liabilities	14,854	22,191	19,609	17,986	74,641	74,641
Lease interests	2,853	5,530	1,941	496	10,821	
Trade and other payables	611,667	0	0	0	611,667	611,667
<b>Total</b>	<b>689,240</b>	<b>1,685,494</b>	<b>23,738</b>	<b>18,879</b>	<b>2,417,350</b>	<b>2,227,421</b>

## **Note 29 Equity**

### **29.1 Subscribed capital**

---

Irel BidCo SARL (BidCo) was incorporated on 7 February 2019, with a subscribed capital of EUR 12,000 represented by 1,200,000 common shares with a nominal value of EUR 0.01. The subscribed capital is fully paid in.

### **29.2 Capital reserve**

---

The sole shareholder of Irel BidCo SARL (BidCo) has contributed EURk 843,086 to the capital reserve in the course of the acquisition of IFCO Group.

### **29.3 Legal reserve**

---

According to the articles of association of Irel BidCo SARL (BidCo) each year 5% of the net profit based on statutory accounts shall be allocated to the legal reserve. The allocation ceases to be compulsory when the legal reserve amounts to 10% of the issued subscribed capital. In prior years and as of 30 June 2023, no net profit was achieved.

### **29.4 Translation reserve**

---

The translation reserve comprises all foreign currency translations arising from the financial statements of foreign subsidiaries.

The translation reserve is mainly based on the currency conversion of US Dollar and Japanese Yen.

### **29.5 Other Reserve**

---

The Other reserves only includes effects of Hyperinflation Accounting according to IAS 29, which have been posted for the first time in the financial year 2023. The total amount recognized of EURk 20,542.4 is composed of EURk 17,408.6 and EURk 3,133.8 for Turkey and Argentina respectively.

### **29.6 Total comprehensive income**

---

Total comprehensive income includes the translation reserve and is attributable to the shareholder of the parent.

## Note 30 Management Equity Plan

Individual executives, members of the Advisory Committee of IFCO Group as well as selected other individuals indirectly hold shares of approx. 0.7% in the capital of IFCO Group through an indirect participation in Irel MidCo SARL. In accordance with IFRS 2.43B (b) in combination with IFRS 2.3a this program represents a share-based payment by means of equity instruments. In the event of retirement from active work for IFCO Group, the conditions of the participation program provide the manager to leave the participation program if this is desired by the shareholders. The repurchase price of the shares is determined by contractually agreed so-called "leaver" regulations. Their application depends on the type of leave from IFCO Group. The repurchase price is determined according to this mechanism in the range between the originally paid-in capital and the market value of the shares to be redeemed. The indirect participation in IFCO Group was acquired by the executives participating in the program at the respective fair value of the shares at the time of participation. The total number of individual executive's shares as at 30 June 2023 amounted to 2,198,344 (as at 30 June 2022: 2.177.656). In FY 2023 additions amounted to 142,006 (in FY 2022: 244,194) and disposals amounted to 121,318 (in FY 2022: 0).

## Note 31 Commitments

Capital expenditure (CapEx), principally relating to property, plant and equipment, contracted for but not recognized as liabilities at reporting date was as follows:

CapEx Commitments (in EURk)	30 June 2023	30 June 2022
Within one year	92,019	78,251
Between one and five years	146,170	246,765
After five years	0	15,284
<b>Total</b>	<b>238,189</b>	<b>340,301</b>

## Note 32 Contingencies

IFCO Group's activities entail the usage, handling and storage of materials which can cause disposal or remediation obligations in order to comply with internal and environmental regulations. Costs incur along the supply chain associated with environmental remediation of the Group's operating premises, disposal of assets, aftercare, monitoring and licensing. The Group assesses whether provisions are to be recognized by providing the best estimate of a potential obligation at balance sheet date. As of 30 June 2023, the company is not aware of any contingent liability due to remediation or disposal.

Additional liabilities may emerge due to several factors including changes in the numerous laws and regulations which govern environmental protection, liability, use of land, planning and other matters in each jurisdiction in which the Group operates or has operated. These extensive laws and regulations are continually evolving in response to technological advances, scientific developments and other factors. The Group is limited in predicting the extent to which it may be affected in future. However, no additional liabilities arising from the factors as described were identified at balance sheet date.

The Group may become a target in litigation because of legal disputes with stakeholders arising from business activities. In this case the company recognizes provisions for potential obligations when appropriate and if, the existence of the liability is sufficiently probable and reliably measurable. Receivables are recognized if there is insurance coverage and the recovery is deemed to be virtually certain. Contingent liabilities may exist for any amounts owed in excess to the amounts accrued. As of 30 June 2023 the Group has not identified contingent liabilities associated with litigations.

## Note 33 Related Party Information

### 33.1 Group

---

Borrowings under the bank credit facilities are undertaken by a limited number of BidCo's subsidiaries. Funding of other subsidiaries within BidCo is by way of intercompany loans, which are generally documented and carry commercial interest rates applicable to the currency and terms of the loans.

Irel BidCo SARL acts as a holding company for the group whereby the other subsidiaries of the group comprise for the most part operating activities regarding the organization and administration of the rental, distribution, and purchase of reusable packaging containers (RPC).

BidCo's group of companies are a party to cost sharing agreements to ensure that relevant costs are taken up by the entities receiving the benefits.

All amounts receivable and payable by entities within IFCO Group and any interest thereon are eliminated on consolidation.

## 33.2 Entities

Shareholding Name	Place of incorporation & branches	Interest held	Interest held
		30 June 2023	30 June 2022
Irel HoldCo GmbH *	Germany	100	100
IFCO Management GmbH *	Germany	100	100
IFCO SYSTEMS Management GmbH *	Germany	100	100
IFX Service Center Verwaltungs GmbH (formerly IFCO Investments GmbH) *	Germany	100	100
IFCO SYSTEMS GmbH *	Germany	100	100
IFX Service Center GmbH & Co KG *	Germany	100	100
IFCO Erste Holding GmbH *	Germany	100	100
IFCO Zweite Holding GmbH *	Germany	100	100
IFCO SYSTEMS Skandinavien A/S	Denmark & Norway	100	100
IFCO SYSTEMS Finland OY	Finland	100	100
IFCO SYSTEMS UK Ltd	England & South Africa	100	100
Ralph Coleman International LTD	England	100	0
IFCO SYSTEMS France S.A.S.	France	100	100
IFCO SYSTEMS (Schweiz) GmbH	Switzerland	100	100
IFCO SYSTEMS Italia S.r.l.	Italy	100	100
IFCO SYSTEMS Espana S.L.	Spain	100	100
IFCO SYSTEMS Hellas Ltd	Greece	100	100
International Food Container Organization SARL	Morocco	100	0
IFCO SYSTEMS Poland Sp. z o.o.	Poland	100	100
IFCO SYSTEMS d.o.o Beograd	Serbia	100	0
IFCO SYSTEMS Lithuania UAB (formerly UAB PlasticPack)	Lithuania	100	0
IFCO Lojistik Sistemleri Tic. Ltd. Sti.	Turkey	100	100
IFCO SYSTEMS Croatia d.o.o.	Croatia	100	100
IFCO SYSTEMS Austria GmbH	Austria	100	100
IFCO SYSTEMS Portugal Lda	Portugal	100	100
IFCO SYSTEMS Czech s.r.o.	Czech Republic	100	100
IFCO SYSTEMS Slovakia s.r.o.	Slovakia	100	100
IFCO SYSTEMS Hungary Kft.	Hungary	100	100
IFCO SYSTEMS (China) Company Ltd	China	100	100
IFCO Japan, Inc	Japan	100	100
IFCO Oricon Co., Ltd.	Japan	100	100
IFCO SYSTEMS Argentina S.A.	Argentina	100	100
IFCO SYSTEMS Chile S.A.	Chile	100	100
IFCO Uruguay S.A.	Uruguay	100	100
IFCO SYSTEMS do Brasil Servicos de Embalagem LTDA	Brazil	100	100
International Food Container Organisation Colombia SAS	Colombia	100	100
International Food Container Organisation SRL	Romania	100	100
IFCO SYSTEMS Rus LLC	Russia	100	100
IFCO SYSTEMS US, LLC	USA	100	100
IFCO US Holding LLC	USA	100	100
IFCO SYSTEMS Canada Ltd.	Canada	100	100
FreshCollect GmbH i.L. *	Germany	100	100

\*Company meets the requirements of Section 264 (3) respectively section 264b of the German Commercial Code (HGB) and exercises the option to be exempted from certain requirements on the preparation and disclosure, audit and publication (section 316 and 325 respectively of the German Commercial code) of the annual financial statements and the management report.

Investments in the above entities are primarily by means of ordinary or common shares.

The parent of Irel BidCo SARL is Irel MidCo SARL and the ultimate parent is Irel JVCo SARL. The Group's former subsidiaries, IFCO Systems B.V. and IFCO Systems Luxembourg S.à r.l. as well as IFCO SYSTEMS US Holdings B.V. have fully merged into Irel BidCo SARL.

The following subsidiaries

- IFCO SYSTEMS (China) Company Ltd
- IFCO SYSTEMS Argentina S.A.
- IFCO SYSTEMS Chile S.A.
- IFCO Uruguay S.A.
- IFCO SYSTEMS do Brasil Servicos de Embalagem LTDA
- International Food Container Organisation Colombia SAS
- IFCO SYSTEMS Rus LLC
- IFCO SYSTEMS Lithuania UAB (formerly UAB PlasticPack)

prepare accounts with a 31 December balance date due to local legal requirements. All other entities prepare accounts with a 30 June balance date.

Furthermore IFCO Japan, Inc holds minor interest investment amounting to EURk 29 (45%) in Kyoto Seika Godo Co Ltd as of 30 June 2023. IFCO Japan, Inc is neither exposed to variable returns from its involvement with the investee nor has IFCO Japan, Inc the ability to affect those returns through its power over the investee. Hence, Kyoto Seika Godo Co Ltd is not included in the consolidated financial statements of the Group.

### **33.3 Transactions**

---

There have been no contractual deliveries and services provided to related parties which are as well associated companies and/ or joint ventures of Triton and ADIA.

Funds managed by Triton and the Abu Dhabi Investment Authority are the major indirect shareholders of the ultimate parent company.

#### **Terms and conditions of transactions with related parties**

Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

#### **Compensation of key management personnel**

There has been no key management personnel compensation at the level of Irel BidCo SARL for the year ending 30 June 2023. On the group management level for the period ending 30 June 2023, there have been a compensation of key management personnel amounting to EURk 2,072 (EURk 3,621 in FY 2022) consisting of a base salary of EURk 1,457 (EURk 1,400 in FY 2022), a variable part of EURk 0,579 (EURk 1,832 in FY 2022) and social security expense of EURk 36 (EURk 30 in FY 2022). Key management personnel include the Chief Executive Officer and Chief Financial Officer.

## **Note 34 Capital Risk Management**

For the Group's capital management, capital includes shareholder funds and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and adjusts it considering changes in economic conditions and the requirements of the financial covenants.

#### **Maintenance**

To maintain or adjust the capital structure, the Group may inquire capital contributions from shareholders.

#### **Monitoring**

The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings including lease liabilities, trade and other payables, less cash and cash equivalents.

<b>in EURk</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
Interest-bearing loans and borrowings	1,541,112	1,501,527
Trade and other payables	611,667	572,314
Refundable deposits	558,395	534,024
Lease liabilities	74,641	61,016
<i>less</i>		
<i>Cash and short-term deposits</i>	187,717	177,865
<b>Net debt</b>	<b>2,598,099</b>	<b>2,491,016</b>
<b>Trade and other receivables</b>	<b>311,488</b>	<b>276,752</b>
<b>Deposit receivables</b>	<b>358,632</b>	<b>329,025</b>
<b>Net debt adjusted</b>	<b>1,927,979</b>	<b>1,885,238</b>
Equity	818,475	831,059
<b>Total equity</b>	<b>818,475</b>	<b>831,059</b>
<i>Gearing ratio</i>	<i>236%</i>	<i>227%</i>

No changes were made in the objectives, policies or processes for managing capital during the period ending 30 June 2023.

## Note 35 Group Auditor's Remuneration

For the financial period ending 30 June 2023, the expensed fees for the auditor and its affiliates of the consolidated financial statements amounted to a total of EURk 1,062 (EURk 749 in FY 2022) which are attributable to audit services. Non-audit fees summing up to EURk 91 in FY 2023 (EURk 411 in FY 2022).

## Note 36 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of IFCO Group's financial statements are disclosed below. IFCO Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. However, these adjustments are not expected to have a material impact on the consolidated financial statements of IFCO Group.

Standard/interpretation	Amendments	Effective Date
IAS 1 Presentation of Financial Statements	Disclosure of Accounting Policies	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Accounting Estimates	1 January 2023
IAS 12 Income Taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 1 Presentation of Financial Statements	Classification of Liabilities as Current or Non-current	1 January 2024

## Note 37 Events After Balance Sheet Date

On 1 August 2023 IFCO acquired 100% of the share capital of Benimar S.A. Mercobox, Montevideo, Uruguay.

Benimar S.A. Mercobox business model focuses on crate pooling services. Prior to the acquisition, Benimar was IFCO Uruguay's main competitor, due to serving nearly half of the RPC F&V. The most valuable retailer relationship of Benimar is with Disco. By acquiring Benimar, IFCO Uruguay will be able to obtain around 70% of the RPC business in the country.

The financial effects of this transaction have not been recognized at 30 June 2023. The operating results and assets and liabilities of the acquired company will be consolidated from 1 August 2023.

Details of the consideration transferred are:

EURk	
Cash paid	1,276 (USDk 1,400)
Liability assumed	67 (UYUk 2,760)
Deferred consideration	365 (USDk 400)
<b>Total</b>	<b>1,708</b>

At the time the consolidated financial statements were authorized for issue, the group had not yet completed the accounting for the acquisition of Benimar. In particular, the identification and fair values of the assets acquired, and liabilities assumed have not been completed as the identification and valuations procedures have not been finalized. It is also not yet possible to provide detailed information about assets acquired and the liabilities assumed.

The assets acquired comprises, among others, about 131,000 crates, a 1-year lease agreement for Benimar's facility, PP&E and tax prepayments. The liabilities assumed comprises, among others, trade payables, financial liabilities, as well tax liabilities and liabilities towards employees.

A Goodwill arising from this acquisition is not yet determined. Any goodwill is attributable to the expected process improvements to be realized by applying IFCO Uruguay's experience in the South American market. None of the goodwill is expected to be deductible for tax purposes.

Luxembourg, 28 September 2023

Joakim Lindström-Formicola

Andreas Neugebauer