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**Unaudited Condensed Consolidated Interim Financial
Statements**

**For the three and six-month periods ended June 30, 2020 and
2019**

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IPL Plastics Inc.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME**

For the three and six-month periods ended June 30, 2020 and 2019 (unaudited)

(In thousands of U.S. dollars except per share data)

		<i>Three months ended June 30</i>		<i>Six months ended June 30</i>	
	Notes	2020	2019	2020	2019
Revenue	2	\$153,317	\$168,629	\$294,370	\$310,410
Cost of sales		(118,102)	(130,809)	(232,757)	(246,407)
Gross profit		35,215	37,820	61,613	64,003
Operating expenses (net)		(20,760)	(21,457)	(40,285)	(41,194)
Transaction, reorganization and integration costs	3	(3,000)	(667)	(5,836)	(2,874)
Operating profit		11,455	15,696	15,492	19,935
Other income (net)	4	160	314	823	334
Share of loss of equity-accounted investee	5	—	—	—	(360)
Finance costs (net)	6	(3,782)	(4,465)	(8,122)	(8,392)
Profit before income taxes		7,833	11,545	8,193	11,517
Income tax expense	7	(2,521)	(3,075)	(1,021)	(1,970)
Net income: all attributable to equity holders of the Company		\$5,312	\$8,470	\$7,172	\$9,547
Earnings per share:					
Basic earnings per share	8	\$0.10	\$0.16	\$0.13	\$0.18
Diluted earnings per share	8	\$0.10	\$0.16	\$0.13	\$0.18

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IPL Plastics Inc.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**

For the three and six-month periods ended June 30, 2020 and 2019 (unaudited)

(In thousands of U.S. dollars)

	<i>Three months ended June 30</i>		<i>Six months ended June 30</i>	
	2020	2019	2020	2019
Comprehensive income				
Net income for the period	\$5,312	\$8,470	\$7,172	\$9,547
Items that are or may be reclassified subsequently to profit and loss				
Foreign operations – foreign currency translation adjustments	4,746	1,869	(7,132)	4,545
Changes in fair value of the effective portion of commodity price hedge	2,183	38	(109)	(1,212)
Tax impact of changes in fair value of commodity price hedge	(519)	(9)	24	294
Total other comprehensive income/ (loss)	6,410	1,898	(7,217)	3,627
Total comprehensive income/ (loss): all attributable to equity holders of the Company	\$11,722	\$10,368	\$(45)	\$13,174

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IPL Plastics Inc.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

As at June 30, 2020 and December 31, 2019 (unaudited)

(In thousands of U.S. dollars)

	Notes	June 30, 2020	December 31, 2019 Recast ⁽¹⁾
Assets			
Current assets			
Cash and cash equivalents		\$110,186	\$77,731
Trade and other receivables		117,378	95,846
Derivative financial assets	9	1,675	8
Inventories		75,940	85,569
		<u>305,179</u>	<u>259,154</u>
Non-current assets			
Trade and other receivables		12,906	13,021
Equity-accounted investees	5	112	112
Property, plant and equipment	10	302,756	314,603
Right-of-use asset	10	20,017	22,136
Investment property		1,202	1,251
Goodwill and intangible assets	11	281,542	291,412
		<u>618,535</u>	<u>642,535</u>
Total assets		<u>\$923,714</u>	<u>\$901,689</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables		\$92,745	\$99,329
Income taxes payable	7	6,104	4,800
Provisions		100	413
Government grants deferred		288	68
Derivative financial liabilities	9	889	1,292
Lease liabilities	12	1,887	1,062
Loans and borrowings	12	12,318	12,357
		<u>114,331</u>	<u>119,321</u>
Non-current liabilities			
Trade and other payables		3,927	4,419
Provisions		4,288	4,377
Government grants deferred		1,870	2,463
Lease liabilities	12	19,355	23,006
Loans and borrowings	12	371,801	337,351
Deferred tax liabilities		35,904	38,615
		<u>437,145</u>	<u>410,231</u>
Total liabilities		<u>551,476</u>	<u>529,552</u>
Shareholders' equity			
Share capital		384,019	384,019
Other reserves		(31,696)	(24,625)
Retained earnings		19,915	12,743
Total shareholders' equity		<u>372,238</u>	<u>372,137</u>
Total liabilities and shareholders' equity		<u>\$923,714</u>	<u>\$901,689</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

(1) The 2019 consolidated statement of financial position has been recast for fair value adjustments in connection with the Loomans acquisition as discussed in Note 15.

IPL Plastics Inc.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**

For the six-month period ended June 30, 2020 (unaudited)

(In thousands of U.S. dollars)

	Share capital	Translation reserve	Share- based payment reserve	Convertible loan note reserve	Hedging reserve	Retained earnings	Total
Balance at January 1, 2020	\$384,019	\$(28,440)	\$4,164	\$100	\$(449)	\$12,743	\$372,137
Total comprehensive income							
Net income for the period	—	—	—	—	—	7,172	7,172
Other comprehensive income							
Foreign operations – foreign currency translation adjustments	—	(7,132)	—	—	—	—	(7,132)
Changes in fair value of the effective portion of commodity price hedge	—	—	—	—	(109)	—	(109)
Tax impact on changes in fair value of commodity price hedge	—	—	—	—	24	—	24
Total other comprehensive (loss)/income	—	(7,132)	—	—	(85)	—	(7,217)
Total comprehensive (loss)/income	—	(7,132)	—	—	(85)	7,172	(45)
Transactions with owners of the Company							
Equity-settled share-based payment reserve – charge for the period	—	—	146	—	—	—	146
Total transactions with owners of the Company	—	—	146	—	—	—	146
Balance at June 30, 2020	\$384,019	\$(35,572)	\$4,310	\$100	\$(534)	\$19,915	\$372,238

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IPL Plastics Inc.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**

For the six-month period ended June 30, 2019 (unaudited)

(In thousands of U.S. dollars)

	Share capital	Translation reserve	Share- based payment reserve	Convertible loan note reserve	Hedging reserve	Retained earnings	Total
Balance at January 1, 2019	\$381,340	\$(35,426)	\$3,123	\$100	\$—	\$(1,895)	\$347,242
Total comprehensive income							
Net income for the period	—	—	—	—	—	9,547	9,547
Other comprehensive income							
Foreign operations – foreign currency translation adjustments	—	4,545	—	—	—	—	4,545
Changes in fair value of the effective portion of commodity price hedge	—	—	—	—	(1,212)	—	(1,212)
Tax impact on changes in fair value of commodity price hedge	—	—	—	—	294	—	294
Total other comprehensive income	—	4,545	—	—	(918)	—	3,627
Total comprehensive income	—	4,545	—	—	(918)	9,547	13,174
Transactions with owners of the Company							
Issue of common shares – exercise of share options	2,415	—	(511)	—	—	511	2,415
Equity-settled share-based payment reserve – charge for the period	—	—	636	—	—	—	636
Total transactions with owners of the Company	2,415	—	125	—	—	511	3,051
Balance at June 30, 2019	\$383,755	\$(30,881)	\$3,248	\$100	\$(918)	\$8,163	\$363,467

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IPL Plastics Inc.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

For the three and six-month periods ended June 30, 2020 and 2019 (unaudited)

(In thousands of U.S. dollars)

		<i>Three months ended June 30</i>		<i>Six months ended June 30</i>	
	Notes	2020	2019	2020	2019
Net cash flows from operating activities before working capital movements	13	\$25,256	\$26,518	\$39,562	\$42,825
Movements in working capital	13	7,639	(12,000)	(15,544)	(33,445)
Net cash flows from operating activities		32,895	14,518	24,018	9,380
Cash flows from investing activities					
Acquisition of subsidiary undertakings including associated costs and net of cash acquired	15	—	(1,145)	(4,137)	(53,623)
Acquisition of property, plant and equipment	10	(7,316)	(15,129)	(19,681)	(29,770)
Dividends received from financial assets	4	—	225	852	225
Proceeds from disposal of equity-accounted investee	5	—	—	—	9,459
Disposal of subsidiary undertakings		95	302	197	404
Government grant received		—	47	—	107
Net cash flows used in investing activities		(7,221)	(15,700)	(22,769)	(73,198)
Cash flows from financing activities					
Drawdown of bank borrowings		7,406	81,725	65,204	182,930
Repayment of bank borrowings		(3,007)	(70,986)	(21,239)	(109,365)
Finance costs paid		(3,995)	(4,352)	(8,465)	(7,707)
Repayment of lease liabilities		(839)	(1,205)	(1,874)	(2,218)
Net proceeds from equity issued		—	1,084	—	2,415
Net cash (used in)/from financing activities		(435)	6,266	33,626	66,055
Net increase in cash and cash equivalents		25,239	5,084	34,875	2,237
Cash and cash equivalents at beginning of period		83,677	47,052	77,731	49,857
Effect of movements in exchange rates on cash held		1,270	(5,429)	(2,420)	(5,387)
Cash and cash equivalents at period end		\$110,186	\$46,707	\$110,186	\$46,707

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

IPL Plastics Inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended June 30, 2020 (unaudited)

(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)

1. GENERAL INFORMATION, BASIS OF PREPARATION AND USE OF JUDGEMENTS AND ESTIMATES

IPL Plastics Inc. (the ‘Company’) is incorporated in Canada. The financial statements for the period ended June 30, 2020 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as the ‘Group,’ ‘IPLP,’ ‘IPLP Inc.’ or ‘IPL Plastics’) and show the Group’s interests in its equity-accounted investees under the equity method of accounting.

The unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors of the Company on August 11, 2020.

Acquisition of trade and assets of a U.K. based injection molding company

On January 10, 2020, the Company acquired the trade and assets of a U.K. based injection molding company. The primary nature of the business acquired is the manufacture of materials handling products. The assets acquired included injection molding machines, materials handling molds and ancillary molding equipment. The consideration paid was \$4.1 million (£3.1 million). The company is located in the U.K. and is part of the Large Format Packaging & Environmental Solutions (“**LF&E**”) business in Europe.

Acquisition of Loomans Group N.V.

On March 28, 2019, the Group completed the acquisition of 100% of the share capital of Loomans Group N.V. (“**Loomans**”). The total consideration for the acquisition transferred to former owners of \$54.5 million (€48.5 million) and the repayment of outstanding borrowings and related party debt amounting to \$40.0 million (€35.6 million) at the date of acquisition, was financed from the Company’s cash on hand and existing credit facilities. Loomans has its operations and headquarters in Belgium and is part of the Consumer Packaging Solutions (“**CPS**”) business in Europe.

Basis of preparation

The interim financial information, which is presented in U.S. dollars (“**USD**” or “**\$**”) rounded to the nearest thousand (except where stated), included in this report has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“**IAS 34**”) as issued by the International Accounting Standards Board (“**IASB**”). All references to “**\$**” and “**USD**” are to U.S. dollars and all references to “**C\$**”, “**£**” and “**€**”, are to Canadian dollars, Pounds sterling and euro, respectively.

This report should be read in conjunction with the consolidated financial statements of IPLP for the year ended December 31, 2019. The accounting policies, methods of computation and presentation including the associated basis of determination of judgments, estimates and assumptions as adopted in the preparation of the interim financial information are consistent with those described and applied in the IPLP financial statements for the financial year ended December 31, 2019, except as described below:

- Taxes on income in the interim periods are accrued using the effective tax rate that would be applicable to expected annual earnings.

New standards and interpretations

The impact of new standards, amendments to existing standards and interpretations issued and effective for the period beginning on or after January 1, 2020 do not have an impact on the condensed consolidated interim financial statements of the Group. At June 30, 2020, there are no IFRS standards that are not yet effective that would be expected to have a material impact on the Group.

IPL Plastics Inc.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the period ended June 30, 2020 (unaudited)

*(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)***1. GENERAL INFORMATION, BASIS OF PREPARATION AND USE OF JUDGEMENTS AND ESTIMATES****(Continued)****Impact of COVID-19 on operations**

The Directors are monitoring developments in relation to the COVID-19 pandemic, associated containment measures and governmental response measures. The pandemic has significant implications for the economies and markets in which the Group operates. The Directors have implemented an extensive range of business continuity measures as IPLP continues to keep all 14 of its manufacturing facilities operational. These include maintaining higher levels of free cash balances and undrawn committed bank lines, suspending and deferring non-essential capital expenditures, monitoring and reducing working capital, restructuring and cost reduction measures, temporary layoffs and furloughing employees in areas of the business where demand has reduced. The Company has also prepared a number of business projections and sensitivities attempting to model various assumptions as to how the revenues and cashflows of the business develop depending on how COVID-19 and the associated containment measures affect various end markets which the business serves. To the extent that the pandemic and the associated market slowdown impacts the Groups performance and future prospects, this may impact on the ultimate valuation and amount realized from the carrying value of the assets of the Group. During the six-month period ended June 30, 2020, a restructuring charge of \$1.2 million was recognized with respect to the rightsizing of the RPS fixed overhead cost base in response to the assessment of the impact of COVID-19 on the RPS business division, further details of which are included in Note 3. In addition, management completed an impairment test of Goodwill in response to COVID-19, the details of which are set out in Note 11.

Certain subsidiaries within the Group have applied for COVID-19 financial relief, predominantly in Canada under the Canada Emergency Wage Subsidy (“CEWS”) program. During both the three and six-month periods ended June 30, 2020, the Group recognized payroll subsidies totaling \$4.0 million principally under this wage subsidy program and similar plans in other jurisdictions. These subsidies were recorded as a reduction in the associated personnel costs which the Group incurred, and were recognized in cost of sales and operating expenses (net), as appropriate.

Going Concern

The financial position of the Group, its cash generation, capital resources and liquidity continue to provide a stable financing platform. Having made enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

Judgements and estimates

In preparing these unaudited condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2019.

Exchange rates

The principal non-USD currencies applicable to the Group are Pound Sterling, Canadian Dollar, Chinese Renminbi and euro. The average and closing rates to the U.S. dollar as at and for the three and six-month periods ended June 30, 2020 and 2019 for these currencies were:

	Three-month Average rate		Six-month Average rate		Closing rate	
	2020	2019	2020	2019	2020	2019
Pound Sterling	0.8057	0.7785	0.7936	0.7733	0.8148	0.7878
Canadian Dollar	1.3849	1.3380	1.3641	1.3338	1.3685	1.3087
Chinese Renminbi	7.0890	6.8276	7.0332	6.7713	7.0744	6.8704
euro	0.9079	0.8899	0.9074	0.8851	0.8930	0.8787

IPL Plastics Inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended June 30, 2020 (unaudited)

(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)

2. OPERATING SEGMENTS

Basis for segmentation

The Board of Directors of IPL Plastics Inc. is deemed as the Chief Operating Decision-Maker (“**CODM**”) within the Group. The Group is organized into three strategic business units, which are its reportable segments. These segments offer different products and services and are managed separately. The Board reviews quarterly internal management reports of each business unit. The Group structures the Company and the operating segments across the three-primary market facing activities: Large Format Packaging and Environmental Solutions (“**LF&E**”), Consumer Packaging Solutions (“**CPS**”), and Returnable Packaging Solutions (“**RPS**”), all of which primarily serve the North American and European markets.

The following summary describes the operations of each reportable segment:

Reportable segment	Operations
Large Format Packaging and Environmental Solutions	This segment comprises the manufacture of a range of large containers, crates and pails for the food, environmental, industrial, agricultural and retail end-markets in North America and Europe.
Consumer Packaging Solutions	This segment primarily consists of value-add specialty, customized thin-wall injection molded containers, lids and over caps primarily for branded and private label consumer products and custom packaging solutions in North America, Europe and China.
Returnable Packaging Solutions	This segment is primarily involved in the manufacture and sale of rigid plastic bulk packaging containers to the agriculture and automotive sectors primarily in North America and Europe.

The CODM monitors the results of the reportable segments separately in order to allocate resources between them and assess performance. Divisional performance is predominantly evaluated based on Adjusted EBIT and Adjusted EBITDA (see below for definition and calculations).

Information about reportable segments

Information related to each reportable segment is set out below. Segmental performance is evaluated based on Revenue, Adjusted EBIT and Adjusted EBITDA. The Board believes that Adjusted EBIT/EBITDA, while not defined under IFRS, provides a fair reflection of the underlying trading performance of the Group. Adjusted EBITDA represents net income before income taxes, finance costs, other (income)/expense, share of loss of equity-accounted investee, transaction, reorganization, and integration costs and depreciation and amortization. Adjusted EBIT is Adjusted EBITDA as described, less depreciation and amortization. Adjusted EBIT/EBITDA are therefore measured differently from net income or operating profit in the condensed consolidated interim financial statements as explained and reconciled to net income in the table below.

IPL Plastics Inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended June 30, 2020 (unaudited)

(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)

2. OPERATING SEGMENTS (Continued)

	<i>Three months ended June 30</i>		<i>Six months ended June 30</i>	
	2020	2019	2020	2019
Net Income	\$5,312	\$8,470	\$7,172	\$9,547
Adjusted for:				
Other income (net)	(160)	(314)	(823)	(334)
Finance costs	3,782	4,465	8,122	8,392
Share of loss of equity-accounted investee	—	—	—	360
Income tax expense	2,521	3,075	1,021	1,970
Operating profit	11,455	15,696	15,492	19,935
Transaction, reorganization and integration costs	3,000	667	5,836	2,874
Adjusted EBIT	14,455	16,363	21,328	22,809
Depreciation and amortization	12,322	12,158	24,518	22,978
Adjusted EBITDA	\$26,777	\$28,521	\$45,846	\$45,787

	<i>Three months ended June 30</i>									
	LF&E		CPS		RPS		Other⁽¹⁾		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External Revenue	\$64,134	\$77,570	\$63,533	\$59,618	\$23,846	\$26,471	\$1,804	\$4,970	\$153,317	\$168,629
Adjusted EBITDA	12,409	12,809	13,998	12,308	3,804	6,453	(3,434)	(3,049)	26,777	28,521
Depreciation and amortization	(4,911)	(4,748)	(4,490)	(4,250)	(2,391)	(2,741)	(530)	(419)	(12,322)	(12,158)
Adjusted EBIT	7,498	8,061	9,508	8,058	1,413	3,712	(3,964)	(3,468)	14,455	16,363
Transaction, reorganization and integration costs (note 3)	—	—	—	—	—	—	—	—	(3,000)	(667)
Other income (net) (note 4)	—	—	—	—	—	—	—	—	160	314
Finance costs (net) (note 6)	—	—	—	—	—	—	—	—	(3,782)	(4,465)
Income tax expense (note 7)	—	—	—	—	—	—	—	—	(2,521)	(3,075)
Net income for the period	—	—	—	—	—	—	—	—	\$5,312	\$8,470
Other segment information										
Capital additions (note 10)	\$1,974	\$3,391	\$2,843	\$5,406	\$502	\$2,686	\$8	\$13	\$5,327	\$11,496

IPL Plastics Inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended June 30, 2020 (unaudited)

(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)

2. OPERATING SEGMENTS (Continued)

	<i>Six months ended June 30</i>									
	LF&E		CPS		RPS		Other ⁽¹⁾		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External Revenue	\$127,178	\$151,762	\$121,807	\$104,902	\$39,526	\$43,059	\$5,859	\$10,687	\$294,370	\$310,410
Adjusted EBITDA	21,975	23,657	25,060	19,964	4,942	7,406	(6,131)	(5,240)	45,846	45,787
Depreciation and amortization	(9,741)	(9,283)	(8,999)	(7,414)	(4,720)	(5,474)	(1,058)	(807)	(24,518)	(22,978)
Adjusted EBIT	12,234	14,374	16,061	12,550	222	1,932	(7,189)	(6,047)	21,328	22,809
Transaction, reorganization and integration costs (note 3)	—	—	—	—	—	—	—	—	(5,836)	(2,874)
Other income (net) (note 4)	—	—	—	—	—	—	—	—	823	334
Share of loss of equity-accounted investee (note 5)	—	—	—	—	—	—	—	—	—	(360)
Finance costs (net) (note 6)	—	—	—	—	—	—	—	—	(8,122)	(8,392)
Income tax expense (note 7)	—	—	—	—	—	—	—	—	(1,021)	(1,970)
Net income for the period	—	—	—	—	—	—	—	—	\$7,172	\$9,547
Other segment information										
Capital additions (note 10)	\$8,662	\$11,182	\$5,657	\$8,980	\$1,203	\$4,205	\$318	\$69	\$15,840	\$24,436

⁽¹⁾ Includes central overhead costs and the results of the metals recycling business in the U.K.

IPL Plastics Inc.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the period ended June 30, 2020 (unaudited)

*(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)***3. TRANSACTION, REORGANIZATION AND INTEGRATION COSTS**

Transaction, reorganization and integration costs consists of business reorganization, acquisition and integration costs and gains/losses on disposal of associates. In accordance with the Group's accounting policy, the following items have been presented as transaction, reorganization and integration costs:

	<i>Three months ended June 30</i>		<i>Six months ended June 30</i>	
	2020	2019	2020	2019
Transaction, reorganization and integration costs				
Business reorganization costs	\$(2,851)	\$(486)	\$(5,549)	\$(2,544)
Acquisition related costs	(149)	(181)	(287)	(1,585)
Gain on disposal of associate	—	—	—	1,255
Total Transaction, Reorganization and Integration Costs	\$(3,000)	\$(667)	\$(5,836)	\$(2,874)

During the three-month period ended June 30, 2020, transaction, reorganization and integration costs were \$3.0 million and related primarily to business reorganization costs with respect to restructuring, redundancy and severance. In Q2 2020, \$2.9 million was expensed in respect of business reorganization costs which were incurred in relation to management restructuring, redundancies and severance, corporate reorganization activities including legal entity rationalizations, along with further amounts for the CPS Europe restructuring initiatives initiated in Q1 2020, and redundancy costs in our LF&E division in North America.

Transaction, reorganization and integration costs were \$5.8 million in YTD 2020 and related primarily to business reorganization costs with respect to restructuring, redundancy and severance. Restructuring and redundancy costs of \$1.2 million were recognized with respect to the rightsizing of the fixed overhead cost base in response to the assessment of COVID-19 on the RPS business division, \$1.6 million were recognized in respect of the ongoing restructuring initiatives implemented in CPS Europe during 2020, \$2.4 million were recognized at corporate level with respect to management restructuring and severance, and corporate reorganization activities, \$0.3 million of costs were recognized in respect of redundancy costs in our LF&E division in both the U.K. and North America. Acquisition related costs of \$0.3 million were recognized in respect of the acquisition of a U.K. based injection molding company in Q1 2020.

Transaction, reorganization and integration costs were \$2.9 million in YTD 2019 and related primarily to business reorganization costs with respect to restructuring and redundancy. Restructuring and redundancy costs were recognized relating to the streamlining of the RPS fixed overhead cost base following the trading difficulties experienced by that division in Q1 2019 and amounted to \$1.4 million, \$0.7 million related to other management restructuring and additional business reorganization costs in the LF&E division in North America of \$0.5 million. Acquisition related costs of \$1.6 million were recognized in YTD 2019 which primarily related to the acquisition of Loomans. These costs were offset by a gain of \$1.3 million related to the early settlement of an unsecured vendor loan note following the disposal of a 25% investment in Rilta Environmental Ltd ("Rilta") in January 2019 (Note 5).

4. OTHER INCOME (NET)

Other income and expenses comprise the following (charges)/credits:

	<i>Three months ended June 30</i>		<i>Six months ended June 30</i>	
	2020	2019	2020	2019
Other expenses				
Other ⁽ⁱ⁾	\$—	\$(114)	\$(226)	\$(197)
Other income				
Other ⁽ⁱⁱ⁾	160	203	197	306
Income received from financial asset ⁽ⁱⁱⁱ⁾	—	225	852	225

Total (net)	\$160	\$314	\$823	\$334
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IPL Plastics Inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended June 30, 2020 (unaudited)

(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)

4. OTHER INCOME (NET) (Continued)

(i) Other expenses

This principally comprises of costs with respect to the disposal of property, plant and equipment.

(ii) Other income

This principally comprises of deferred consideration received from the disposal of Smith Metals Limited in 2016.

(iii) Income received from financial asset

This principally comprises of dividend income from the Group's investment in Pioneer Green Energy LLC.

5. EQUITY-ACCOUNTED INVESTEEES

The Group has one associate undertaking at June 30, 2020; Altas Investments plc ("**Altas**"). The Group's interest in Altas, which is unlisted, is set out below.

The Group holds a 23.6% shareholding in Altas, an Irish company whose principal activity is that of an investment holding company in the road and energy sectors. On the basis of representation on the Board since June 2012 and the Group's 23.6% shareholding in Altas, the Group is deemed to have significant influence over the relevant activities of Altas and therefore Altas is an associate undertaking of the Group. The carrying value of the Group's investment in Altas at June 30, 2020 is \$0.1 million.

The Group previously held a 25% interest in Rilta following the disposal of 75% of the Group's 100% shareholding effective January 1, 2017. The 25% shareholding was retained by the Group under a five-year put and call option agreement. On January 11, 2019, the Group sold its 25% shareholding in Rilta for total proceeds of €8.25 million (\$9.5 million). The total proceeds include the settlement of both the 25% equity investment in the amount of €2.75 million (\$3.2 million) and the vendor loan note instrument in the amount of €5.5 million (\$6.3 million). The Group's loss on this equity-accounted investee of \$0.4 million was recognized in the consolidated statements of income in 2019.

The movement in equity-accounted investees since January 1, 2019 is as follows:

	Associates
Balance at January 1, 2019	\$3,624
Disposal of associate	(3,149)
Share of loss after tax	(360)
Currency translation adjustment	(3)
Balance at December 31, 2019	\$112
Currency translation adjustment	—
Balance at June 30, 2020	\$112

IPL Plastics Inc.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the period ended June 30, 2020 (unaudited)

*(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)***6. FINANCE COSTS (NET)**

	<i>Three months ended June 30</i>		<i>Six months ended June 30</i>	
	2020	2019	2020	2019
Financial liabilities measured at amortized cost – interest expense	\$(3,558)	\$(4,331)	\$(7,649)	\$(7,538)
Other interest	(6)	55	(34)	(475)
Interest expense on lease liabilities	(190)	(160)	(382)	(321)
Convertible loan note interest	(28)	(29)	(57)	(58)
Total finance costs (net)	\$(3,782)	\$(4,465)	\$(8,122)	\$(8,392)

7. INCOME TAXES

During the six-month period ended June 30, 2020, an income tax expense of \$1.0 million (YTD 2019: \$2.0 million) was recognized based on management's best estimate of the weighted average annual tax rate expected for the full financial year in accordance with the requirements of IAS 34. The income tax expense for the three-month period ended June 30, 2020 was \$2.5 million compared with a tax charge of \$3.1 million in Q2 2019, a decrease of \$0.6 million primarily driven by the decrease of \$3.7 million in income before tax to \$7.8 million in Q2 2020 and adjustments related to prior period estimates in certain group entities.

8. EARNINGS PER SHARE**(a) Basic earnings per share**

The calculation of basic earnings per share is based on the net income attributable to ordinary shareholders and the weighted-average number of common shares outstanding.

	<i>Three months ended June 30</i>		<i>Six months ended June 30</i>	
	2020	2019	2020	2019
Net income attributable to ordinary shareholders	\$5,312	\$8,470	\$7,172	\$9,547
Number of common shares in thousands:				
Issued common shares at January 1	54,382	53,948	54,382	53,563
Effect of treasury shares held	(87)	—	(87)	—
Weighted-average number of shares issued	—	32	—	239
Weighted-average number of common shares at June 30	54,295	53,980	54,295	53,802
Basic earnings per share	0.10	0.16	0.13	0.18

IPL Plastics Inc.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the period ended June 30, 2020 (unaudited)

*(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)***8. EARNINGS PER SHARE (Continued)****(b) Diluted earnings per share**

The calculation of diluted earnings per share is based on the net income attributable to ordinary shareholders noted in (a) above and the weighted-average number of common shares outstanding after adjustment for the effects of all dilutive potential common shares noted below.

	<i>Three months ended June 30</i>		<i>Six months ended June 30</i>	
	2020	2019	2020	2019
Net income attributable to ordinary shareholders	\$5,312	\$8,470	\$7,172	\$9,547
Number of common shares in thousands:				
Weighted-average number of common shares (basic)	54,295	53,980	54,295	53,802
Equity instruments with a dilutive effect – share options	—	608	—	608
Weighted-average number of common shares (diluted) at June 30	54,295	54,588	54,295	54,410
Diluted earnings per share	0.10	0.16	0.13	0.18

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on market prices for the period during which the options were outstanding.

9. FINANCIAL INSTRUMENTS**Measurement of fair values and fair value hierarchy**

There have been no changes to the methods and assumptions used in estimating the fair values of assets and liabilities disclosed in note 34 to the IPLP audited consolidated financial statements for the year ended December 31, 2019.

As regards to the fair value hierarchy, the Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At June 30, 2020 and December 31, 2019, the Group recognized and measured the following financial instruments at fair value using the level 2 valuation technique as described above:

IPL Plastics Inc.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the period ended June 30, 2020 (unaudited)

*(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)***9. FINANCIAL INSTRUMENTS (Continued)**

	Level 1	Level 2	Level 3	Total
June 30, 2020				
Derivative financial assets				
<i>At fair value through profit and loss</i>				
Foreign exchange contracts	—	\$1,675	—	\$1,675
Derivative financial liabilities				
<i>At fair value through profit or loss</i>				
Foreign exchange contracts	—	\$(364)	—	\$(364)
<i>At fair value through other comprehensive income</i>				
Commodity price contracts used in hedging	—	\$(525)	—	\$(525)
		\$(889)		\$(889)
December 31, 2019				
Derivative financial assets				
<i>At fair value through profit and loss</i>				
Foreign exchange contracts	—	\$8	—	\$8
Derivative financial liabilities				
<i>At fair value through profit and loss</i>				
Foreign exchange contracts	—	\$(479)	—	\$(479)
<i>At fair value through other comprehensive income</i>				
Foreign exchange contracts	—	\$(813)	—	\$(813)
	—	\$(1,292)	—	\$(1,292)

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSET

During the three-month period ended June 30, 2020, the Group had additions of \$5.0 million to property, plant and equipment (Q2 2019: \$11.5 million), and for the six-month period to June 30, 2020, additions amount to \$15.5 million (six months ended June 30, 2019: \$24.4 million), which included \$4.1 million of plant and machinery acquired as part of the acquisition of the trade and assets of a U.K. based injection molding company in Q1 2020 (Note 15). The depreciation charge was \$9.1 million for the three-month period ended June 30, 2020 (Q2 2019: \$10.0 million) and \$18.4 million for the six-month period ended June 30, 2020 (six months ended June 30, 2019: \$19.0 million). Other movements include foreign currency exchange movements of \$2.1 million for the three-month period end June 30, 2020 (Q2 2019: \$3.5 million) and \$8.9 million for the six-month period ended June 30, 2020 (six months ended June 30, 2019: \$5.5 million). The cash outflow for the purchase of property, plant and equipment was \$7.3 million for the three-month period ended June 30, 2020 (Q2 2019: \$15.1 million) and \$19.7 million for the six-month period ended June 30, 2020 (six months ended June 30, 2019: \$29.8 million) which includes movement in capital creditors.

During the three-month period ended June 30, 2020, the Group had additions of \$0.3 million to right-of-use assets (Q2 2019: \$Nil) and \$0.3 million for the six-month period ended June 30, 2020 (six months ended June 2019: \$Nil). The depreciation charge was \$1.1 million (Q2 2019: \$0.8 million) and \$2.0 million for the six-month period ended June 30, 2020 (six months ended June 30, 2019: \$1.7 million). The remaining movement during the period was a foreign exchange movement of \$0.1 million (Q2 2019: \$0.1 million) and \$0.4 million for the six-month period ended June 30, 2020 (six months ended June 30, 2019: \$1.0 million).

IPL Plastics Inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended June 30, 2020 (unaudited)

(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)

11. GOODWILL AND INTANGIBLE ASSETS

The amortization charge recognized for the three-month period ended June 30, 2020 was \$2.1 million (Q2 2019: \$2.2 million) and for the six-month period \$4.1 million (six months to June 30, 2019: \$4.0 million), with \$Nil additions for the three-month period ended June 30, 2020 (Q2 2019: \$0.1 million) and \$Nil million for the six-month period ended June 30, 2020 (six months ended June 30, 2019: \$0.2 million) and a foreign exchange movement of \$4.2 million (Q2 2019: \$1.4 million) and for the six-month period \$5.8 million (six months to June 30, 2019: \$3.2 million) was recognized during the same period. As part of the completion of the fair value assessment of Loomans, as permitted by IFRS 3, *Business Combinations*, adjustments to goodwill of \$2.4 million were recognized at March 31, 2020 in respect of the business combination (Note 15).

Impairment test for goodwill

Goodwill is not amortized but is tested annually for impairment at December 31 each year, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Management has considered whether any impairment indicators existed at the reporting date, or subsequently to the date that the unaudited condensed consolidated interim financial statements were approved for issue by the board of directors, including assessing whether any cash-generating units (“CGUs”) had experienced or are expected to experience prolonged cessation of operations or had suffered or are expected to suffer either an immediate decline in demand or prices and profitability, as a result of COVID-19. In addition, management assessed the likely impact of potential reduced economic activity in the markets in which the Group operates.

The carrying value for the net assets of the CGUs including the attributable goodwill is calculated based on the sum of the net assets of the entities comprising the CGUs. The carrying value is compared to the expected recoverable value. The recoverable amount of each of the CGUs is determined by value-in-use calculations. The value-in-use calculations are sensitive to changes in assumptions, particularly relating to assumptions on cashflows generated by each of the group of CGUs, growth rates and discount rates applied to these cashflows. As a result of this exercise, no impairment charge was recognized for the period ended June 30, 2020.

12. LOANS AND BORROWINGS AND LEASE LIABILITIES

	June 30, 2020	December 31, 2019
Current		
Term Loans	\$12,318	\$12,357
Lease Liabilities	1,887	1,062
Total Current Loans and Borrowings and Lease Liabilities	\$14,205	\$13,419
Non-current		
Term Loans and Revolving Credit Facility	\$371,801	\$337,351
Lease Liabilities	19,355	23,006
Total Non-Current Loans and Borrowings and Lease Liabilities	\$391,156	\$360,357
Balance at period ended	\$405,361	\$373,776

The Group is primarily funded by committed bank facilities and free cash flow generated from operations.

On April 17, 2018, IPLP entered into a facilities agreement (the “**New Facilities Agreement**”) which replaced its then existing credit facilities with committed facilities of €400.0 million (\$494.3 million) provided by way of a Term Loan Facility in the aggregate amount equal to €110.0 million (\$135.9 million) and a Revolving Credit Facility in the aggregate amount equal to €290.0 million (\$358.4 million). The New Facilities Agreement contains an accordion feature allowing IPLP to seek a maximum of two increases of the Revolving Credit Facility commitments in an aggregate maximum amount of €100.0 million (\$123.9 million) at any time during the availability period for the Revolving Credit Facility.

IPL Plastics Inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the period ended June 30, 2020 (unaudited)

(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)

12. LOANS AND BORROWINGS AND LEASE LIABILITIES (Continued)

On March 13, 2019, the Company signed a Supplemental Facilities Agreement with its syndicate of banks to enable it to utilize the accordion feature contained in the New Facilities Agreement, thereby obtaining an increase of the Revolving Credit Facility in the amount of €90.0 million (\$101.7 million). The increase in the Revolving Credit Facility was used to fund the acquisition of Loomans. The New Facilities Agreement permits the Company to seek one further increase of the Revolving Credit Facility under this accordion feature provided the combined increases sought do not exceed an aggregate amount of €100.0 million (\$113.0 million) at any time during the availability period for the Revolving Credit Facility.

The Term Loan Facility matures on April 17, 2023. Repayments must be made in quarterly installments of €2.75 million (\$3.0 million), the first of which occurred on October 17, 2019, being 18 months after the date of the New Facilities Agreement, with subsequent installments at three-month intervals thereafter. The balance must be repaid in full on April 17, 2023.

The Revolving Credit Facility matures on April 17, 2023. The outstanding balance must be repaid in full on April 17, 2023. The Group's bank facilities are secured by charges on the assets of IPL Plastics Inc. and its subsidiary undertakings, subject to exceptions (the "**Subsidiary Guarantors**"). The Company and the Subsidiary Guarantors have provided first ranking security interests, first fixed and floating charges, or negative pledge agreements, as the case may be, to the security agent for the benefit of the secured parties over all of their property, assets and undertakings. The Company and the Subsidiary Guarantors have also pledged, with few exceptions, all shares held by them as security.

The Facilities are available in euros, Pounds Sterling, U.S. dollars or Canadian dollars and subject to agreement with the lenders, some or all of the Facilities will be available in one or more alternative currencies. Subject to the terms of the New Facilities Agreement, the Facilities are available for five years from the date of the New Facilities Agreement. The Group's committed banking facilities total \$539.5 million at June 30, 2020 (December 31, 2019: \$550.5 million). At June 30, 2020, the Group's Net Debt was \$296.6 million. Net Debt is defined as loans and borrowings, lease liabilities and convertible loan notes less cash and cash equivalents. As of June 30, 2020, the Company was in compliance with all covenants contained in the New Facilities Agreement, and no event of default (as defined in the New Facilities Agreement) had occurred or been waived.

IPL Plastics Inc.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the period ended June 30, 2020 (unaudited)

*(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)***13. CASH GENERATED FROM OPERATIONS**

	<i>Three months ended</i>		<i>Six months ended June</i>	
	<i>June 30</i>		<i>30</i>	
	2020	2019	2020	2019
Net income for the period	\$5,312	\$8,470	\$7,172	\$9,547
Adjustments for:				
Depreciation and amortization charges	12,322	12,158	24,518	22,978
Amortization of government grants	(121)	(125)	(246)	(251)
Exchange differences	1,233	276	425	190
Gain / (loss) on sale of property, plant and equipment	142	(15)	71	(15)
Transaction, reorganization and integration costs	(125)	244	2,393	769
Income received from financial assets	—	(225)	(852)	(225)
Gain on disposal of subsidiary undertakings	(95)	(203)	(197)	(306)
Finance costs (net)	3,782	4,465	8,122	8,392
Movement on derivative financial instruments	957	(723)	(2,155)	574
Equity-settled share-based payment transactions	(468)	316	146	636
Income tax expense	2,521	3,075	1,021	1,970
Income taxes paid	(204)	(1,195)	(856)	(1,434)
Net cash flows from operating activities before working capital movements	25,256	26,518	39,562	42,825
Changes in:				
Inventories	4,704	74	9,629	(4,700)
Trade and other receivables	4,253	(11,501)	(18,583)	(20,329)
Trade and other payables	(1,318)	(573)	(6,590)	(8,416)
Total movements in working capital	7,639	(12,000)	(15,544)	(33,445)
Net cash flows from operating activities	\$32,895	\$14,518	\$24,018	\$9,380

14. RELATED PARTIES AND TRANSACTIONS**Transactions with equity-accounted investees**

Under IAS 24 *Related Party Disclosures*, the Group had a related party relationship with its associate undertaking, Altas (Note 5) during the current and prior year.

The following transactions took place during the period between the Group and Altas:

- Amounts totaling \$2,026 (June 30, 2019: \$2,697) were paid to the Group by Altas for fees relating to membership of that company's Board of Directors by IPLP employees during Q2 2020. No amounts were owing at June 30, 2020 (June 30, 2019: \$Nil).

IPL Plastics Inc.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the period ended June 30, 2020 (unaudited)

*(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)***15. BUSINESS COMBINATIONS*****Loomans Group N.V.***

On March 28, 2019, the Group completed the acquisition of 100% of the share capital of Loomans. The total consideration for the acquisition transferred to former owners of \$54.5 million (€48.5 million) and the repayment of outstanding borrowings and related party debt amounting to \$40.0 million (€35.6 million) at the date of acquisition, was financed from the Company's cash on hand and existing credit facilities. Loomans has its operations and headquarters in Belgium and is part of the CPS business. Loomans is a well invested, single site plastic business, operating for over fifty years. The acquisition of Loomans is consistent with IPL Plastics' acquisition strategy. It diversifies the Group's geographic footprint, adding new capacity and capabilities to serve a broader customer base such as the cosmetic/personal care and beverage sectors in the consumer space.

The Group incurred acquisition-related expenses of \$1.4 million in Q1 2019, primarily related to various professional fees incurred. These have been included in business reorganization, acquisition and integration costs (Note 3).

The Group completed the fair value assessment in Q1 2020, being twelve-months from the date of acquisition, as permitted by IFRS 3, *Business Combinations*. Adjustments in the amount of \$2.4 million were made in Q1 2020 to the provisional fair values as presented at December 31, 2019, reducing goodwill by an equivalent amount. The following table summarizes the final recognized fair value of the identifiable net assets acquired at the date of acquisition.

	At March 28, 2019
Property, plant and equipment	\$35,473
Intangible assets	16,178
Cash and cash equivalents	2,211
Trade and other receivables	17,304
Inventories	4,817
Loans and borrowings acquired	(28,182)
Trade and other payables and provisions	(20,759)
Income tax payable (net)	(3,349)
Deferred tax liability	(10,003)
Total identifiable net assets acquired	13,690
Consideration transferred at date of acquisition — cash	54,477
Goodwill at date of acquisition	\$40,787

At the date of acquisition, goodwill comprised of amongst other considerations, market entry and management knowhow, workforce skills and development, plant design and layout, procurement and other synergies and savings.

The gross contractual value of trade and other receivables at the date of acquisition amounted to \$17.3 million.

Acquisition of the trade and assets of a U.K. based injection molding company

On January 10, 2020, the Company acquired the trade and assets of a U.K. based injection molding company. The primary nature of the business acquired is the manufacture of materials handling products. The assets acquired included injection molding machines, materials handling molds and ancillary molding equipment. The consideration paid was \$4.1 million (£3.1 million). The company is located in the U.K. and is part of the LF&E business in Europe.

IPL Plastics Inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(In thousands of U.S. dollars except the number of shares and per share data and unless stated otherwise)

16. CONTINGENCIES AND COMMITMENTS

There have been no significant changes since December 31, 2019 in any of the Group's contingent assets or liabilities and commitments (including purchase commitments) requiring additional separate disclosure as at June 30, 2020.

17. SEASONALITY OF OPERATIONS

IPLP's business exhibits moderate seasonality driven by the seasonality of its customers' end markets. While certain variable costs of the Group can be managed to match seasonal patterns, a significant portion of our costs are fixed and cannot be adjusted for seasonality. For example, customers in the agricultural market are typically busiest through the second and third quarter of the year, which coincides with key produce growing seasons. Certain products in the food and consumer end-market, such as yogurt and ice cream, are also impacted by seasonality. Demand is typically strongest during the second and third quarters of the year. The number and timing of municipal and public council tenders fluctuates by year and is dependent on local micro economic conditions which can also cause variances in the operational performance of the LF&E environmental container business. For these reasons, IPLP's revenue and Adjusted EBITDA tend to be lower in the first and fourth quarters of each year when compared with the second and third quarters of such year.

18. SUBSEQUENT EVENTS

Disposal of trade and certain assets

On July 23, 2020, the Group completed the disposal of the trade and certain assets of a subsidiary of the metals recycling business in the U.K. that is included within the 'Other' operating segment. The assets disposed of included property, plant and equipment of \$0.5 million (£0.4 million) and inventory of \$0.2 million (£0.1 million), which are classified as held-for-sale within Trade and other receivables. The consideration received was \$1.6 million (£1.3 million).

Going Private Transaction

On July 29, 2020, IPLP announced that it had entered into an arrangement agreement (the "Arrangement Agreement") to be acquired (the "Going Private Transaction") by Intelligent Packaging Limited Purchaser Inc. (the "Purchaser"), an entity controlled by funds (the "MDP Funds") managed by Madison Dearborn Partners, LLC ("MDP"), a Chicago-based private equity firm. Under the terms of the Arrangement Agreement, subject to shareholder and other customary approvals, the Purchaser will acquire at C\$10.00 in cash per share (the "Purchase Price") all of the issued and outstanding common shares (the "Shares") of IPLP.

The majority of the outstanding Shares owned by Caisse de dépôt et placement du Québec ("CDPQ"), the largest shareholder of IPLP, are effectively to be rolled over at an implied value per Share equal to the Purchase Price, such that upon completion of the transaction, the MDP Funds will be the controlling shareholder of IPLP, with a wholly-owned subsidiary of CDPQ holding a minority equity interest of approximately 24.9%.

The Arrangement Agreement contains what is commonly referred to as a "go-shop" provision that allows the Company to solicit and engage in discussions and negotiations with respect to potential Superior Proposals during an initial 30-day period (with the possibility of a further 10-day extension under certain circumstances).

The Going Private Transaction will become effective only if it is approved by (i) at least 66^{2/3}% of the votes cast by shareholders at a special meeting of shareholders called to consider the transaction; (ii) a simple majority of the votes cast by shareholders, excluding for this purpose the votes attached to Shares held by CDPQ pursuant to Regulation 61-101 – respecting Protection of Minority Security Holders in Special Transactions ("MI 61-101"); and (iii) the Superior Court of Québec, after considering the procedural and substantive fairness of the transaction. The completion of the transaction is not subject to any financing condition.

The IPLP board of directors (the "Board") and the independent committee of the Board (the "Special Committee") unanimously recommend the Arrangement Agreement be approved by shareholders.

