



Illustrative disclosures

**Guide to condensed
interim financial statements**

IFRS® Standards

March 2022



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About this guide

This guide has been produced by the KPMG International Standards Group (part of KPMG IFRG Limited).

The guide is intended to help entities to prepare and present condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting* by illustrating one possible format for financial statements for a fictitious multinational corporation involved in general business activities. This hypothetical reporting entity has been applying IFRS Standards for some time – i.e. it is not a first-time adopter. For more information on adopting the Standards for the first time, see Chapter 6.1 in the 18th Edition 2021/22 of our publication [Insights into IFRS](#).

Content

This guide assumes that the hypothetical reporting entity:

- chooses to publish a set of condensed interim financial statements under IAS 34;
- has previously issued annual financial statements and the users of the interim financial statements will have access to the last annual financial statements;
- provides only significant updates to the information that was reported in the notes to the last annual financial statements;
- prepares its interim financial statements on a consolidated basis;
- applies the same accounting policies as in its last annual financial statements, unless otherwise stated; and
- prepares a half-yearly interim report, but does not prepare quarterly interim reports.

What's new in 2022?

[Appendix I](#) provides a comprehensive list of new standards and amendments issued by the International Accounting Standards Board (the Board), distinguishing between those that are effective for an entity with an annual reporting period beginning on 1 January 2022 and those with a later effective date. The newly effective standards and amendments do not introduce any new disclosures that are explicitly required in the condensed interim financial statements.

The Group applied *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)* for the first time in its condensed interim financial statements. Although IAS 34 does not set out specific disclosure requirements in respect of onerous contracts in condensed financial statements, IAS 34 does include a general requirement for entities to describe the nature and effect of any changes in accounting policies. See [Note 4](#) for an illustration of disclosure to explain the nature and effect of the change related to onerous contracts in the first year of application of the amendments.

The Group does not have any COVID-19-related rent concessions in the interim financial reporting period and therefore the new requirements under *COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)* are not illustrated in this guide. Entities that have COVID-19-related rent concessions in the interim financial reporting period for the first time should disclose the nature and effect of changes in accounting policies as required by IAS 34. For an illustrative example of disclosures on COVID-19-related rent concessions, see Section 5 of our [Guide to annual financial statements – COVID-19 supplement](#) (September 2020).

The Group does not have any transactions that are affected by the other newly effective standards and amendments.

Although it is not specifically required by IAS 34, entities that expect to be subject to emerging international tax reforms may determine that it is relevant to a user's understanding to disclose information about the expected future impacts. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework that is expected to be used by individual countries that signed the agreement to amend their local tax laws. See [Note 11](#) for an illustration of disclosure to explain the potential impact.

Standards covered

This guide reflects standards, amendments and interpretations (broadly referred to in this guide as 'standards') that have been issued by the Board as at 20 March 2022 and that are required to be applied by an entity with an annual reporting period beginning on 1 January 2022 ('currently effective requirements'). Standards other than IAS 34 are not illustrated in this guide, except in the context of disclosures on the face of or in the notes to the condensed interim financial statements. The early adoption of standards that are effective for annual periods beginning after 1 January 2022 ('forthcoming requirements') has not been illustrated.

In addition, the standards and their interpretation change over time. Accordingly, this guide should not be used as a substitute for referring to their requirements and other relevant interpretative guidance.

Preparers should also consider applicable local legal and regulatory requirements. This guide does not consider the requirements of any particular jurisdiction – e.g. IFRS Standards do not require the presentation of separate financial statements for the parent entity. Consequently, this guide includes only consolidated financial statements.

Financial reporting in uncertain times

Many entities are likely to be facing challenges in these uncertain times. External events such as COVID-19, geopolitical affairs and natural disasters are just a few of the major global issues driving global economic uncertainty today.

This evolving uncertainty creates a variety of issues and risks, including changes in consumer demand, disrupted supply chains, staff shortages, increased market volatility and changes to the way entities operate. It also creates the potential for additional accounting and disclosure implications.

This guide does not illustrate the potential impacts of external events on the interim financial statements of the hypothetical entity.

Depending on the industry and economic environment in which an entity operates, there may be various external events that affect the recognition and measurement of its assets and liabilities, income and expenses. Also, as a consequence of these events, entities may be facing going concern difficulties due to liquidity pressures. The considerations that apply for management's going concern assessment and the related disclosures when preparing annual financial statements also apply for interim financial statements.

Preparers should carefully evaluate and consider the impact of external events on their 2022 interim financial reporting and provide an update of relevant entity-specific disclosures since the last annual reporting date. Changes in circumstances may have made significant disclosures included in the recent annual financial statements less relevant. As such, preparers will need to consider providing additional supplementary disclosures in their interim financial statements. For example, entities may need to update and expand disclosures about liquidity – especially compared with what might have been included in previous annual or interim reports.

For guidance, see our [Financial reporting in uncertain times resource centre](#), and especially the web article [What is the impact of external events on interim financial statements?](#)

Climate change and financial reporting

All entities are facing climate-related risks and opportunities and are making strategic decisions in response – including around their transition to a low-carbon economy. These climate-related risks and strategic decisions could impact their financial statements – and KPIs. For an illustration of the climate change impact related to emission schemes, see [Note 19\(C\)](#).

Our [Climate change financial reporting resource centre](#) provides FAQs to help entities identify the potential financial statement impacts for their business.

Need for judgement

This guide is part of our suite of [guides to financial statements](#) and specifically focuses on compliance with IAS 34. Although it is not exhaustive, it illustrates the disclosures required by IAS 34 for a hypothetical reporting entity, merely for illustrative purposes and, as such, largely without regard to materiality.

The preparation and presentation of financial statements requires the preparer to exercise judgement in view of the objectives of IAS 34 – e.g. in terms of the choice of accounting policies, the ordering of notes to the financial statements, how the disclosures should be tailored to reflect the reporting entity's specific circumstances, and the relevance of disclosures considering the needs of the users.

Materiality

Materiality is relevant to the presentation and disclosure of items in the interim financial statements and should be assessed based on interim period financial information, not the full annual reporting period. The overriding goal is to ensure that an interim financial report includes all information that is relevant to understanding an entity's financial position on the interim reporting date and its financial performance during the interim period.

Preparers also need to take care not to reduce the understandability of their financial statements by obscuring material information with immaterial information or by aggregating material information that is different by nature or function. Individual disclosures that are not material to the financial statements do not have to be presented – even if they are a specific requirement of a standard. Preparers need to consider the appropriate level of disclosure based on materiality for the interim period.

Specific guidance on materiality and its application to interim financial statements is included in paragraphs 23–25 of IAS 34. Paragraphs 84–88 of Practice Statement 2 *Making Materiality Judgements* provide guidance on applying materiality in the preparation of interim financial statements.

When preparing interim financial statements under IAS 34, preparers need to consider the same materiality factors they consider in preparing their annual financial statements, while taking into consideration that the time period and the purpose of interim financial statements differ from those of annual financial statements. Preparers need to provide an update on the latest complete set of annual financial statements.

Remember the bigger picture

Financial reporting is not just about technical compliance, but also effective communication. Investors continue to ask for a step-up in the quality of business reporting, so preparers should be careful not to become buried in compliance to the exclusion of relevance. In preparing their financial statements, entities need to focus on improving their communication by reporting financial information in a meaningful way.

Entities may also consider innovating their financial statement presentation and disclosure in the broader context of corporate reporting. For more information, see our [Better business reporting](#) website.

References and abbreviations

References are included in the left-hand margin of this guide to identify their sources. Generally, they relate only to presentation and disclosure requirements.

<i>IAS 34.15</i>	Paragraph 15 of IAS 34.
<i>[IFRS 2.45]</i>	Paragraph 45 of IFRS 2. The square brackets indicate that the paragraph relates to presentation or disclosure requirements in annual financial statements. Such presentation or disclosures are not specifically required in condensed interim financial statements, unless they are judged to be material to understanding the interim period.
<i>Insights 2.3.60.10</i>	Paragraph 2.3.60.10 of the 18th Edition 2021/22 of our publication Insights into IFRS .

The following markings in the left-hand margins indicate the following.

- █ Disclosures that apply only to entities in the scope of IFRS 8 *Operating Segments* and IAS 33 *Earnings per Share*.
- || Major changes since the previous edition.

The following abbreviations are used often in this guide.

CGU	Cash-generating unit
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECL	Expected credit loss
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
NCI	Non-controlling interests
Notes	Notes to the condensed consolidated interim financial statements
OCI	Other comprehensive income

[Name of the Company]

Independent auditors' report on
review of condensed consolidated
interim financial statements



Independent auditors' report on review of condensed consolidated interim financial statements^a

To the Shareholders of [*Name of the Company*]

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of [*name of the Company*] as at 30 June 2022, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ('the condensed consolidated interim financial statements'). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six months ended 30 June 2022 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

KPMG

[Address]

[Date of report]

^a. This example report has been prepared based on International Standards on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. Its format does not reflect the legal requirements of any particular jurisdiction.

[Name of the Company]

Condensed consolidated interim financial statements

Condensed consolidated statement of financial position^{a, b, c}

IAS 34.8(a), 10, 20(a)

<i>In thousands of euro</i>	Note	30 June 2022	31 December 2021
Assets			
Property, plant and equipment ^d	15	26,154	33,230
Intangible assets and goodwill	16	6,175	4,541
Biological assets	13(B)	7,629	7,662
Investment property	15(C)	1,555	400
Equity-accounted investees		1,791	1,948
Other investments, including derivatives ^e	20	3,752	3,525
Deferred tax assets		1,649	1,379
Employee benefits		383	731
Non-current assets^f		49,088	53,416
Intangible assets ^g	16	115	120
Biological assets		156	140
Inventories ^h	13	11,589	12,119
Contract assets ⁱ	6(B)	1,316	782
Other investments, including derivatives	20	526	1,032
Current tax assets		-	228
Trade and other receivables	6, 20	20,379	19,824
Prepayments ^j		1,000	1,200
Cash and cash equivalents	20	2,355	1,850
		37,436	37,295
Assets held for sale ^k	14	12,891	-
Current assets^f		50,327	37,295
Total assets		99,415	90,711

[IFRS 15.105]

[IFRS 5.38, 40]

IAS 34.10

IAS 1.BC33, 34.8,
15B(g), 16A(a), 20(a),
Insights 5.9.30.22

IFRS 16.47(a), 48

Insights 7.10.40.50

IAS 1.60–61

IAS 1.66, Insights
3.1.30

- a. Each of the condensed primary financial statements includes, at a minimum, each of the headings and subtotals that were included in the last annual financial statements. Additional line items are included if their omission would make the financial statements misleading.
- b. When the interim financial statements are unaudited, this fact may, in practice, be disclosed. This disclosure may also be a requirement in some jurisdictions.
- c. Under IAS 34, the minimum components of condensed interim financial statements do not include a statement of financial position as at the beginning of the preceding period when comparative information is restated following a change in accounting policy, correction of an error or reclassification of items. However, disclosure is required for certain events and transactions, including a change in accounting policy or correction of a material prior-period error.
- d. The Group has presented right-of-use assets that do not meet the definition of investment property within 'property, plant and equipment' – i.e. the same line item in which it presents underlying assets of the same nature that it owns – with a separate disclosure in the notes. Alternatively, the Group may choose to present right-of-use assets separately in the statement of financial position. Right-of-use assets that meet the definition of investment property are presented within investment property.
- e. The Group has presented its derivative assets within the 'other investments' line item because they are insignificant. In our view, derivative assets and liabilities should be presented in separate line items in the statement of financial position if they are significant.
- f. The Group has made a current/non-current distinction in the statement of financial position. An entity may present its assets and liabilities broadly in order of liquidity if such a presentation provides information that is reliable and more relevant. Our [Guide to annual financial statements – Illustrative disclosures for banks](#) (December 2021) provides an example presentation of assets and liabilities in order of liquidity.
- g. The Group has classified certain intangible assets (emissions certificates) as current (see [Note 19\(C\)](#)) because they are expected to be realised within 12 months of the reporting date. An entity needs to apply the requirements in IAS 1 in determining whether to classify intangible assets as current or non-current.

Condensed consolidated statement of financial position (continued)

IAS 34.8(a), 10, 20(a)

<i>In thousands of euro</i>	Note	30 June 2022	31 December 2021
Equity			
Share capital	17	14,979	14,550
Share premium	17	4,777	3,500
Reserves		1,188	426
Retained earnings		15,975	13,795
Equity attributable to owners of the Company		36,919	32,271
Non-controlling interests		3,497	3,093
Total equity		40,416	35,364
Liabilities			
Loans and borrowings ^l	18, 20	23,467	21,145
Employee benefits	10	606	841
Trade and other payables ^m	20	252	1,675
Provisions	19	1,100	400
Deferred tax liabilities		2,587	1,567
Non-current liabilities^f		28,012	25,628
Bank overdraft	20	120	282
Current tax liabilities		1,323	-
Loans and borrowings ^l	18, 20	4,747	4,794
Trade and other payables ^{m, n}	20	20,792	22,906
Contract liabilities ⁱ	6(B)	148	117
Deferred income/revenue		57	420
Provisions	19	150	1,200
		27,337	29,719
Liabilities directly associated with the assets held for sale ^k	14	3,650	-
Current liabilities^f		30,987	29,719
Total liabilities		58,999	55,347
Total equity and liabilities		99,415	90,711

The notes on pages 20 to 59 are an integral part of these condensed consolidated interim financial statements.

IFRS 15.B21, BC367

h. IFRS 15 *Revenue from Contracts with Customers* and other standards do not specify where assets for rights to recover products from customers with regards to sales with a right of return should be presented. The Group has included the assets in 'inventories' and disclosed them separately (see Note 13(C)).

IFRS 15.105, 109, A, BC320–BC321, Insights 4.2.480.50

i. Although it is not specifically required, the Group has presented in the statement of financial position line items related to contract assets and contract liabilities. An entity also applies the requirements in IAS 1 in classifying contract assets and contract liabilities as current or non-current.

IAS 1.66, Insights 3.1.30

Although this guide uses the terms 'contract assets' and 'contract liabilities', an entity may also use other terms.

j. The Group has classified prepayments as current because they relate to the purchase of inventories and are expected to be realised within 12 months of the reporting date. An entity applies the requirements in IAS 1 in determining whether to classify prepayments as current or non-current.

IFRS 5.30, IAS 34.10, Insights 5.9.40.20

k. Although it is not specifically required by IAS 34, in our view non-current assets or a disposal group classified as held-for-sale or held-for-distribution at the interim reporting date should be presented separately from other assets and liabilities in the condensed statement of financial position.

IFRS 16.47(b)

l. The Group has presented lease liabilities within loans and borrowings. Alternatively, a lessee may choose to present lease liabilities separately from other liabilities in the statement of financial position.

Insights 3.1.10.30, 7.10.35.70–100, IU 12-20

m. The Group has presented amounts owed for the purchase of goods or services but related to reverse factoring within 'trade and other payables' because it considers that the nature and function of the financial liability is not different from other trade payables and does not warrant a separate presentation on the face of the statement of financial position. In our view, regardless of whether the original trade payable is derecognised, an entity should consider the appropriate presentation of amounts related to reverse factoring arrangements in the statement of financial position. The Group has disclosed those amounts separately in the notes (see Note 20).

IFRS 15.55

n. The Group has presented its refund liabilities under IFRS 15 as 'trade and other payables'. The Group's returns policy offers only an exchange for another good – i.e. the Group does not offer a cash refund. Therefore, refund liabilities do not meet the definition of a financial liability in IAS 32 *Financial Instruments: Presentation*. If a refund liability or a liability related to a repurchase agreement meets the definition of a financial liability in IAS 32, then it is subject to the disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*.

Condensed consolidated statement of profit or loss and OCI^{a, b}

IAS 34.8(b), 10, 20(b)

For the six months ended 30 June

<i>In thousands of euro</i>	Note	2022	2021 Re-presented*
Continuing operations			
Revenue ^c	6	52,530	51,586
Cost of sales	13, 15, 19	(31,303)	(31,922)
Gross profit		21,227	19,664
Other income	8, 15	644	190
Selling and distribution expenses		(7,698)	(7,498)
Administrative expenses	10, 19, 21	(8,474)	(8,358)
Research and development expenses		(605)	(179)
Impairment loss on trade and other receivables, including contract assets ^{b, d}	20	(190)	(170)
Other expenses	8, 14, 16, 21	(686)	-
Operating profit		4,218	3,649
Finance income ^e	20, 21	457	345
Finance costs ^f	20	(1,002)	(1,007)
Net finance costs		(545)	(662)
Share of profit of equity-accounted investees, net of tax		233	278
Profit before tax	5	3,906	3,265
Income tax expense	11	(1,109)	(741)
Profit from continuing operations		2,797	2,524
Discontinued operation^g			
Profit (loss) from discontinued operation, net of tax ^h	7	379	(422)
Profit for the period		3,176	2,102
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment		200	-
Remeasurements of the defined benefit liability (asset)		72	(15)
Equity investments at FVOCI – net change in fair value		141	48
Related tax ⁱ		(137)	(11)
		276	22
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		437	330
Reclassification of foreign currency differences on loss of significant influence	21	20	-
Net investment hedge – net loss		(3)	(8)
Equity-accounted investees – share of OCI		10	-
Cash flow hedges – effective portion of changes in fair value ^j		(93)	97
Cash flow hedges – reclassified to profit or loss ^{j, k}		(17)	(11)
Cost of hedging reserve – changes in fair value		34	10
Cost of hedging reserve – reclassified to profit or loss ^k		8	2
Debt investments at FVOCI – net change in fair value		55	74
Debt investments at FVOCI – reclassified to profit or loss ^k		(47)	(48)
Related tax ⁱ		19	(40)
		423	406
Other comprehensive income for the period, net of tax		699	428
Total comprehensive income for the period		3,875	2,530

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

IAS 1.99–100, 34.8(b),
8A, 10, 20(b)

a. The Group has presented comprehensive income following a one-statement approach and has analysed expenses based on functions within the Group. Alternatively, an entity may present the analysis based on nature if this presentation provides information that is reliable and more relevant. The analysis of expenses may also be presented in the notes. Appendix II provides an illustration of the alternative two-statement approach.

Condensed consolidated statement of profit or loss and OCI (continued)

For the six months ended 30 June

<i>In thousands of euro</i>	Note	2022	2021 Re-presented*
Profit attributable to:			
Owners of the Company		2,985	2,014
Non-controlling interests		191	88
		3,176	2,102
Total comprehensive income attributable to:			
Owners of the Company		3,660	2,396
Non-controlling interests		215	134
		3,875	2,530
Earnings per share			
Basic earnings per share (euro)		0.82	0.51
Diluted earnings per share (euro)		0.80	0.50
Earnings per share – Continuing operations¹			
Basic earnings per share (euro)		0.70	0.64
Diluted earnings per share (euro)		0.69	0.63
Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)^m	12	6,765	7,902

The notes on pages 20 to 59 are an integral part of these condensed consolidated interim financial statements.

IAS 34.8(b), 10, 20(b)

IAS 34.11

IAS 34.11

IAS 34.10, IAS 1.82

Insights 4.2.560.25

IAS 1.82(ba), 85, 31,
Insights 4.1.20.40

IAS 1.82(a),
Insights 7.10.70.15–20

IAS 1.82(b), IFRS 16.49

IFRS 5.30, IAS 34.10,
Insights 5.9.40.20

IFRS 5.33(a)–(b),
IAS 1.82(ea)

IAS 1.91, 34.10

IFRS 9.6.5.11, 6.5.15,
IAS 1.82A(a),
Insights 7.10.90.35

IAS 1.94, 34.10

IAS 34.10,
Insights 5.9.50.10

IAS 34.10,
Insights 4.1.150

- b. Each of the condensed primary financial statements includes, at a minimum, each of the headings and subtotals that were included in the last annual financial statements. Additional line items are included if their omission would make the financial statements misleading. IAS 1 *Presentation of Financial Statements* requires the separate presentation of specific line items in the statement of profit or loss but the Group has not presented some of them because during the interim period it did not have any events or transactions to be reflected in those line items.
- c. It appears that an entity is not required to present revenue from contracts with customers as a separate line item in the statement of profit or loss and may aggregate it with other types of revenue considering the requirements in IAS 1. However, in providing a separate disclosure of revenue from contracts with customers – either in the notes or in the statement of profit or loss – we believe that an entity should not include amounts that do not fall in the scope of IFRS 15.
- d. An entity that presents the analysis of expenses by function or by nature in the statement of profit or loss and OCI may face challenges in determining how this presentation interacts with the specific requirements to present the effect of some events or circumstances as a single amount in the statement of profit or loss and OCI – e.g. impairment losses determined under Section 5.5 of IFRS 9 *Financial Instruments*.
The Group has applied judgement in determining an appropriate presentation and disaggregated the impairment loss amount into:
– impairment related to trade and other receivables, including contract assets, which is presented separately in the statement of profit or loss and OCI; and
– impairment related to investments in debt securities, which is not presented separately but included under ‘finance costs’ due to materiality considerations.
The Group believes that this presentation is relevant to an understanding of its financial performance.
- e. The Group has presented interest income on financial assets that are subsequently measured at amortised cost or FVOCI as part of ‘finance income’ because it does not consider it as part of its revenue-generating activities. If interest income, calculated using the effective interest method, constituted revenue, then the entity would be required to separately present that income as interest revenue in the statement of profit or loss and OCI. It appears that an entity may present interest income from other financial assets in another revenue line item if it arises in the course of the entity’s ordinary activities.
- f. The Group has presented interest expense on the lease liability separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liability is a component of finance costs, which is presented separately in the statement of profit or loss and OCI.
- g. Although it is not specifically required by IAS 34, in our view operations that are discontinued at the interim reporting date or disposed of during the interim period should be presented separately, following the principles in IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.
- h. The Group has elected to disclose a single amount of post-tax profit or loss of discontinued operations in the statement of profit or loss and OCI, and has analysed that single amount into revenue, expenses and the pre-tax profit or loss in Note 7. Alternatively, an entity may present the analysis in the statement.
- i. The Group has elected to present individual components of OCI before related tax, with an aggregate amount presented for tax in the statement of profit or loss and OCI. Alternatively, individual components of OCI may be presented net of related tax effects.
- j. IFRS 9 specifies whether and when amounts previously recognised in OCI are reclassified to profit or loss. However, in some circumstances it may be unclear at the time when a gain or loss is recognised in OCI whether it will subsequently be reclassified to profit or loss. For example, if an entity hedges a future purchase of a non-financial item, then the related hedging gains and losses will subsequently be included in the initial cost of the non-financial item and affect profit or loss when the non-financial item is disposed of or written down. Conversely, if the future hedged cash flows are no longer expected to occur or if a loss is no longer expected to be recoverable, then the hedging gains or losses will be reclassified to profit or loss. Accordingly, in our view gains or losses on cash flow hedges and costs of hedging relating to the future recognition of a non-financial asset or liability should be presented in OCI as items that may be subsequently reclassified to profit or loss when specific conditions are met.
- k. The Group has elected to present reclassification adjustments in the statement of profit or loss and OCI. Alternatively, these adjustments may be presented in the notes.
- l. Although it is not specifically required by IAS 34, the Group has disclosed:
– the earnings per share from continuing operations on the face of the condensed consolidated statement of profit or loss and OCI; and
– the earnings per share from discontinued operations in the notes (see Note 7).
The appropriate level of disclosure for an interim reporting period may vary depending on materiality.
- m. The Group has disclosed adjusted EBITDA because management believes that this measure is relevant to an understanding of the entity’s financial performance. This disclosure is provided for illustrative purposes only.

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2022

Attributable to owners of the Company

IAS 34.8(c), 10, 20(c)

<i>In thousands of euro</i>	<i>Note</i>	Share capital	Share premium	Translation reserve	Hedging reserve
Balance at 31 December 2021		14,550	3,500	143	490
Total comprehensive income for the period					
Profit for the period		-	-	-	-
Other comprehensive income for the period		-	-	440	(74)
Total comprehensive income for the period		-	-	440	(74)
Hedging gains and losses and costs of hedging transferred to the cost of inventory		-	-	-	4
Transactions with owners of the Company					
Contributions and distributions					
Issue of ordinary shares	17	390	1,160	-	-
Issue of ordinary shares related to business combinations	21	24	63	-	-
Issue of convertible notes	18	-	-	-	-
Treasury shares sold ^a		-	19	-	-
Dividends	17	-	-	-	-
Equity-settled share-based payment ^b	9	-	-	-	-
Share options exercised	17	15	35	-	-
Total contributions and distributions		429	1,277	-	-
Changes in ownership interests					
Acquisition of NCI without a change in control	22	-	-	8	-
Acquisition of subsidiary with NCI	21	-	-	-	-
Total changes in ownership interests		-	-	8	-
Total transactions with owners of the Company		429	1,277	8	-
Balance at 30 June 2022		14,979	4,777	591	420

The notes on pages 20 to 59 are an integral part of these condensed consolidated interim financial statements.

Attributable to owners of the Company								
Cost of hedging reserve	Fair value reserve	Revaluation reserve	Treasury share reserve	Equity component of convertible notes	Retained earnings	Total	Non-controlling interests	Total equity
(26)	99	-	(280)	-	13,795	32,271	3,093	35,364
-	-	-	-	-	2,985	2,985	191	3,176
27	100	134	-	-	48	675	24	699
27	100	134	-	-	3,033	3,660	215	3,875
4	-	-	-	-	-	8	-	8
-	-	-	-	-	-	1,550	-	1,550
-	-	-	-	-	120	207	-	207
-	-	-	-	109	-	109	-	109
-	-	-	11	-	-	30	-	30
-	-	-	-	-	(1,243)	(1,243)	-	(1,243)
-	-	-	-	-	363	363	-	363
-	-	-	-	-	-	50	-	50
-	-	-	11	109	(760)	1,066	-	1,066
-	-	-	-	-	(93)	(85)	(115)	(200)
-	-	-	-	-	-	-	304	304
-	-	-	-	-	(93)	(85)	189	104
-	-	-	11	109	(853)	981	189	1,170
5	199	134	(269)	109	15,975	36,919	3,497	40,416

IAS 32.33,
Insights 73.750.10–20

a. IFRS Standards do not mandate a specific method of presenting treasury shares within equity. However, local laws may prescribe the allocation method. Therefore, an entity needs to take into account its legal environment when choosing how to present its own shares within equity. An entity needs to choose a presentation format, to be applied consistently to all treasury shares. The Group has elected to present the total cost of treasury shares as a separate category of equity.

Insights 4.5.900.30

b. Generally, IFRS 2 *Share-based Payment* does not address whether an increase in equity recognised in connection with a share-based payment transaction should be presented in a separate component within equity or within retained earnings. In our view, either approach is allowed under IFRS Standards. The Group has elected to present this increase in retained earnings.

Condensed consolidated statement of changes in equity (continued)

For the six months ended 30 June 2021

Attributable to owners of the Company

IAS 34.8(c), 10, 20(c)

<i>In thousands of euro</i>	<i>Note</i>	Share capital	Share premium	Translation reserve	Hedging reserve
Balance at 1 January 2021, as previously reported		14,550	3,500	(129)	434
Total comprehensive income for the period					
Profit for the period		-	-	-	-
Other comprehensive income for the period		-	-	248	74
Total comprehensive income for the period		-	-	248	74
Hedging gains and losses and costs of hedging transferred to the cost of inventory		-	-	-	(1)
Transactions with owners of the Company					
Contributions and distributions					
Dividends	17	-	-	-	-
Equity-settled share-based payment	9	-	-	-	-
Total transactions with owners of the Company		-	-	-	-
Balance at 30 June 2021		14,550	3,500	119	507

The notes on pages 20 to 59 are an integral part of these condensed consolidated interim financial statements.

Attributable to owners of the Company									
Cost of hedging reserve	Fair value reserve	Revaluation reserve	Treasury share reserve	Equity component of convertible notes	Retained earnings	Total	Non-controlling interests	Total equity	
(35)	17	-	-	-	8,516	26,853	2,720	29,573	
-	-	-	-	-	2,014	2,014	88	2,102	
8	62	-	-	-	(10)	382	46	428	
8	62	-	-	-	2,004	2,396	134	2,530	
1	-	-	-	-	-	-	-	-	
-	-	-	-	-	(524)	(524)	-	(524)	
-	-	-	-	-	173	173	-	173	
-	-	-	-	-	(351)	(351)	-	(351)	
(26)	79	-	-	-	10,169	28,898	2,854	31,752	

Condensed consolidated statement of cash flows

IAS 34.8(d), 10, 20(d)

For the six months ended 30 June

In thousands of euro

	Note	2022	2021
Cash flows from operating activities^a			
Profit for the period		3,176	2,102
Adjustments for:			
– Depreciation		2,604	2,490
– Amortisation		295	355
– (Reversal of) impairment losses on property, plant and equipment	15	(393)	1,123
– Impairment losses on intangible assets and goodwill	16	16	285
– Impairment losses on remeasurement of disposal group	14	25	-
– Change in fair value of biological assets		60	(38)
– Increase in fair value of investment property		(55)	(50)
– Net finance costs		545	662
– Share of profit of equity-accounted investees, net of tax		(233)	(278)
– Gain on sale of property, plant and equipment	15	(50)	(25)
– Gain on sale of discontinued operation, net of tax	7	(516)	-
– Equity-settled share-based payment transactions		361	173
– Tax expense		1,084	697
		6,919	7,496
Change in:			
– Intangible assets (emissions certificates) ^b		5	(20)
– Inventories		249	450
– Trade and other receivables		(7,441)	2,126
– Contract assets		(533)	-
– Prepayments		200	(1,200)
– Trade and other payables		3,676	(1,743)
– Contract liabilities		31	27
– Provisions and employee benefits		(329)	132
– Deferred income/revenue		(363)	(20)
Cash generated from operating activities		2,414	7,248
Interest paid ^{c, d}		(920)	(800)
Taxes paid		(200)	(950)
Net cash from operating activities		1,294	5,498
Cash flows from investing activities			
Interest received ^c		116	85
Dividends received ^c		51	100
Proceeds from sale of property, plant and equipment	15	1,177	406
Proceeds from sale of investments		495	359
Disposal of discontinued operation, net of cash disposed of ^e	7	10,890	-
Acquisition of subsidiary, net of cash acquired	21	(1,799)	-
Acquisition of property, plant and equipment	15	(11,859)	(2,315)
Acquisition of investment property		(300)	-
Purchase of non-current biological assets		(155)	(219)
Acquisition of other investments		(215)	-
Development expenditure		(846)	(881)
Net cash used in investing activities		(2,445)	(2,465)

Condensed consolidated statement of cash flows (continued)

IAS 34.8(d), 10, 20(d)

For the six months ended 30 June

In thousands of euro

	Note	2022	2021
Cash flows from financing activities			
Proceeds from the issue of ordinary shares	17	1,550	-
Proceeds from the issue of convertible notes	18	5,000	-
Proceeds from the issue of redeemable preference shares	18	2,000	-
Proceeds from the sale of treasury shares		30	-
Proceeds from exercise of share options	17	50	-
Proceeds from settlement of derivatives		6	11
Transaction costs related to loans and borrowings	18	(311)	-
Acquisition of non-controlling interests	22	(200)	-
Repayment of borrowings	18	(4,811)	(3,408)
Payment of lease liabilities ^f	18	(254)	(123)
Dividends paid ^c	17	(1,243)	(524)
Net cash from (used in) financing activities		1,817	(4,044)
Net increase (decrease) in cash and cash equivalents		666	(1,011)
Cash and cash equivalents at 1 January*		1,568	2,226
Effect of exchange rate fluctuations on cash held		1	7
Cash and cash equivalents at 30 June*		2,235	1,222

* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

The notes on pages 20 to 59 are an integral part of these condensed consolidated interim financial statements.

IAS 7.18, 34.10

- a. The Group has elected to present cash flows from operating activities using the indirect method.

Alternatively, an entity may present operating cash flows using the direct method, disclosing major classes of gross cash receipts and payments related to operating activities. An example of this presentation is illustrated in Appendix III to our [Guide to annual financial statements – Illustrative disclosures](#) (September 2021).

IAS 7.6, 11, Insights 2.3.20.11

- b. The Group has classified cash flows related to emissions certificates (current intangible assets) within operating activities because they relate to the Group's principle revenue-generating activities and the assets are not considered long-term in nature. The emissions certificates are expected to be realised within 12 months of the reporting date by surrendering them to the government to settle the annual emissions obligation. In determining the classification of cash flows, an entity considers the nature of the activity to which they relate.

IAS 7.31, Insights 2.3.50.10–20

- c. IFRS Standards require cash flows from interest and dividends received and paid to be disclosed separately. In our view, such disclosure is required in the statement of cash flows, rather than in the notes. In the absence of specific guidance in the Standards, an entity chooses an accounting policy, to be applied consistently, for classifying interest and dividends paid as either operating or financing activities, and interest and dividends received as either operating or investing activities. The Group has elected to classify cash flows from interest paid as operating activities, cash flows from interest received and dividends received as investing activities, and cash flows from dividends paid as financing activities.

Interest paid includes the interest portion of the lease liabilities. See footnotes (d) and (f) below.

Insights 2.3.50.38

- d. In our view, an entity should choose an accounting policy, to be applied consistently, to classify cash flows related to capitalised interest as follows:
- as cash flows from investing activities if the other cash payments to acquire the qualifying asset are reflected as investing activities; or
 - consistently with interest cash flows that are not capitalised.

The Group has presented capitalised interest consistently with interest cash flows that are not capitalised.

IAS 7.10, IFRS 5.33(c), Insights 5.4.220.50

- e. The Group has presented a condensed consolidated statement of cash flows that includes an analysis of all cash flows in total – i.e. including both continuing and discontinued operations; amounts related to discontinued operations are disclosed in the notes (see Note 7). However, in our view there are numerous ways in which the requirements of IFRS 5 and IAS 7 *Statement of Cash Flows* regarding cash flow presentation may be met.

IFRS 16.50, IAS 7.17(e)

- f. The Group has classified:
- cash payments for the principal portion of lease payments as financing activities;
 - cash payments for the interest portion as operating activities consistent with the presentation of interest payments chosen by the Group (see footnote (c) above); and
 - short-term lease payments and payments for leases of low-value assets as operating activities.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements^a

1. Reporting entity

[Name] (the 'Company') is a company domiciled in [country]. These condensed consolidated interim financial statements ('interim financial statements') as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as 'the Group'). The Group is primarily involved in manufacturing paper and paper-related products, cultivating trees and selling wood (see [Notes 5](#) and [6](#)).

2. Basis of accounting^{b, c}

These interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company's board of directors on [date].^d

IAS 34.10, 15, 19,
Insights 5.9.30.10

IAS 1.113–114

- a. Notes are presented, to the extent practicable, in a systematic manner and are cross-referred to/from items in the primary statements. In determining a systematic manner of presentation, an entity considers the effect on the understandability and comparability of the financial statements. The Group has applied its judgement in presenting related information together in a manner that it considers to be most relevant to an understanding of its financial performance and financial position. The order presented is only illustrative and entities need to tailor the organisation of the notes to fit their specific circumstances.

IAS 1.4, 25, 122,
10.14, 16, 34.15Insights 5.9.10.35,
37

- b. Although not illustrated in this guide, an entity considers whether it is relevant to disclose certain matters related to the use of the going concern basis of accounting in its interim financial statements. An entity discloses in interim financial statements any material uncertainties related to events or conditions that may cast significant doubt on its ability to continue as a going concern, identified before the date of authorisation for issue, regardless of whether they were disclosed in the last annual financial statements. Even when management concludes that there are no material uncertainties but reaching that conclusion involved significant judgement (a 'close-call' scenario), judgements made in concluding that there remain no material uncertainties related to events or conditions that may cast significant doubt on its ability to continue as a going concern need to be disclosed. For further details see our web article [Impact of external events on the going concern assessment and disclosures](#).

For example disclosures related to going concern matters, see Appendix IV to our [Guide to annual financial statements – Illustrative disclosures](#) (September 2021).

IAS 1.4, 34.20,
Insights 5.9.70

- c. Unless an entity is a new company, condensed interim financial statements include comparative primary financial statements; otherwise, they cannot claim to comply with IAS 34. However, IAS 34 is less specific in respect of the comparative information (both quantitative and narrative) that should be included in the selected explanatory notes. In our experience, entities generally include both quantitative and narrative comparative information in the explanatory notes because the disclosure is of continuing relevance to the current interim period. In our view, management should exercise judgement to decide what comparative information should be included in the selected explanatory notes.

IAS 10.17–18

- d. Although it is not specifically required by IAS 34, it may be relevant to a user's understanding to disclose the date of authorisation and who gave the authorisation, because any event that occurs after that date is not disclosed or adjusted in the condensed interim financial statements of the current interim period. These disclosures may also be required by local laws.

Notes to the condensed consolidated interim financial statements (continued)

3. Use of judgements and estimates^a

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Measurement of fair values^b

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the group audit committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

IAS 34.8(e)

IAS 34.41

IAS 34.15, 16A(d), 28

IAS 34.16A(j),
IFRS 13.93(g)

IAS 34.15, 16A(d),
28

a. Although it is not illustrated in this guide, an entity needs to carefully evaluate and consider the impact of external events – e.g. the COVID-19 pandemic, geopolitical affairs and natural disasters – on its financial reporting and provide an update of relevant entity-specific disclosures since the last annual reporting date. For relevant guidance, see our [Financial reporting in uncertain times resource centre](#), and especially the web article [What is the impact of external events on interim financial statements?](#)

IAS 34.15, 16A(j),
Insights 5.9.140.30

b. IAS 34 is clear that the fair value measurement (IFRS 13 *Fair Value Measurement*) disclosure requirements relate only to financial instruments, even though the related disclosure requirements of IFRS 13 also apply to other assets and liabilities. However, fair value disclosures related to non-financial assets and non-financial liabilities may be necessary in some circumstances – i.e. when an entity provides an explanation of events and transactions that are significant to an understanding of the changes in its financial position and performance since the last annual reporting date.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

3. Use of judgements and estimates (continued)

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in [Note 20](#).

*IFRS 13.95,
IAS 34.16A(j)*

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

IAS 34.16A(a)

4. Change in accounting policy^a

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021. The policy for recognising and measuring income taxes in the interim period is consistent with that applied in the previous interim period and is described in [Note 11](#).

The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2022.

IAS 37.68A, *Insights*
3.12.635

The Group has adopted *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37)* from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The Group has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

^a. The Group chose to present a separate note describing its change in accounting policy since the last annual financial reporting period. Alternatively, this information could be provided in the basis of accounting note – see [Note 2](#).

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

5. Operating segments

A. Information about reportable segments

In thousands of euro	Reportable segments					
	Non-recycled Papers		Recycled Papers		Packaging (Discontinued)** ^a	
	30 June 2022	30 June 2021 Restated*	30 June 2022	30 June 2021 Restated*	30 June 2022	30 June 2021 Restated*
External revenues	34,716	36,814	13,607	11,030	7,543	23,193
Inter-segment revenue	-	-	159	161	940	2,835
Segment profit (loss) before tax	2,035	2,630	3,449	1,101	(158)	(458)

IAS 34.16A(g)(i)

IAS 34.16A(g)(ii)

IAS 34.16A(g)(iii)

In thousands of euro	Reportable segments					
	Non-recycled Papers		Recycled Papers		Packaging (Discontinued)** ^a	
	30 June 2022	31 December 2021 Restated*	30 June 2022	31 December 2021 Restated*	30 June 2022	31 December 2021 Restated*
Segment assets ^b	39,054	25,267	21,025	16,003	-	13,250
Segment liabilities ^b	37,399	26,907	9,875	14,316	-	2,959

IAS 34.16A(g)(iv)

IAS 34.16A(g)(iv)

IFRS 8.29

* As a result of the acquisition of Papyrus Pty Limited (Papyrus) during the six months ended 30 June 2022 (see Note 21), the Group has changed its internal organisation and the composition of its operating segments, which resulted in a change in reportable segments. Accordingly, the Group has restated the previously reported segment information for the six months ended 30 June 2021 and as at 31 December 2021.

** See Note 7.

B. Reconciliation of reportable segment profit or loss

In thousands of euro	For the six months ended 30 June	
	2022	2021 Restated*
Total profit before tax for reportable segments	5,964	4,454
Profit before tax for other segments	385	98
Elimination of inter-segment profit	(1,695)	(1,235)
Elimination of discontinued operation	158	458
Unallocated amounts:		
– Other corporate expenses	(906)	(510)
Profit before tax	3,906	3,265

* See Notes 5(A)(*) and 7.

IAS 34.16A(g)(vi)

NOTES

Reportable segments											
Forestry		Timber Products		Research and Development		Total reportable segments		All other segments		Total	
30 June 2022	30 June 2021 Restated*	30 June 2022	30 June 2021 Restated*	30 June 2022	30 June 2021 Restated*	30 June 2022	30 June 2021 Restated*	30 June 2022	30 June 2021 Restated*	30 June 2022	30 June 2021
1,925	1,823	1,504	1,493	-	-	59,296	74,353	777	426	60,073	74,779
1,341	1,338	923	962	438	497	3,801	5,793	444	383	4,245	6,176
708	508	(120)	640	50	33	5,964	4,454	385	98	6,349	4,552

Reportable segments											
Forestry		Timber Products		Research and Development		Total reportable segments		All other segments		Total	
30 June 2022	31 December 2021 Restated*	30 June 2022	31 December 2021 Restated*	30 June 2022	31 December 2021 Restated*	30 June 2022	31 December 2021 Restated*	30 June 2022	31 December 2021 Restated*	30 June 2022	31 December 2021
20,046	16,942	4,521	3,664	2,323	1,946	86,969	77,072	6,398	3,683	93,367	80,755
4,769	7,097	1,236	1,456	169	158	53,448	52,893	237	454	53,685	53,347

- IAS 34.16A(g)(v)* a. The Group has presented the Packaging segment, which is also a discontinued operation, as an operating segment. If it no longer met the definition of an operating segment, then it would not have been included in the segment disclosures; however, a description of the difference from the last annual financial statements in the basis of segmentation would have been provided.
- IAS 34.16A(g)(iv)* b. The Group has disclosed measures of segment asset and segment liability for all reportable segments, although they are required only if they are regularly provided to an entity's chief operating decision maker and are materially different from the amounts disclosed in the entity's last annual financial statements for that reportable segment.

Notes to the condensed consolidated interim financial statements (continued)

6. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements (see also Note 7 for an operation that was discontinued during the reporting period). The Group's revenue is derived from contracts with customers, except for immaterial amounts related to hedge accounting presented as 'other revenue'.

A. Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 5).^{a, b, c}

For six months ended 30 June <i>In thousands of euro</i>	Reportable segments					
	Non-recycled Papers		Recycled Papers		Packaging (Discontinued) ^d	
	2022	2021	2022	2021	2022	2021
Primary geographic markets						
Europe	27,771	29,820	10,884	8,935	6,034	18,786
US	6,943	6,995	2,721	2,096	1,509	4,407
	34,714	36,815	13,605	11,031	7,543	23,193
Major products/service lines						
Standard paper products	27,771	29,452	10,884	8,825	-	-
Made-to-order paper products	6,943	7,363	2,721	2,206	-	-
Forestry services	-	-	-	-	-	-
Timber products	-	-	-	-	-	-
Packaging and other	-	-	-	-	7,543	23,193
	34,714	36,815	13,605	11,031	7,543	23,193
Timing of revenue recognition						
Products transferred at a point in time	27,771	29,452	10,884	8,825	7,543	23,193
Products and services transferred over time	6,943	7,363	2,721	2,206	-	-
Revenue from contracts with customers	34,714	36,815	13,605	11,031	7,543	23,193
Other revenue	2	(1)	2	(1)	-	-
External revenue as reported in Note 5	34,716	36,814	13,607	11,030	7,543	23,193

IFRS 15.114, B88, IE210-IE211

- a. The extent to which an entity's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances of the entity's contracts with customers.

In determining the appropriate categories, an entity considers how revenue is disaggregated in:

- disclosures presented outside the financial statements: e.g. earnings releases, annual reports or investor presentations;
- information reviewed by the chief operating decision maker for evaluating the financial performance of operating segments; and
- other similar information that is used by the entity or users of the entity's financial statements to evaluate performance or make resource allocation decisions.

IFRS 15.B89

Examples of categories that might be appropriate in disclosing disaggregated revenue include, but are not limited to, the following.

TYPE OF CATEGORY	EXAMPLE
Type of good or service	Major product lines
Geographic region	Country or region
Market or type of customer	Government and non-government customers
Type of contract	Fixed-price and time-and-materials contracts
Contract duration	Short-term and long-term contracts
Timing of transfer of goods or services	Goods or services transferred to customers: <ul style="list-style-type: none"> – at a point in time – over time
Sales channels	Goods or services sold: <ul style="list-style-type: none"> – directly to consumers – through intermediaries

Reportable segments									
Forestry		Timber Products		Total reportable segments		All other segments		Total	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
1,540	1,477	1,203	1,209	47,433	60,228	467	240	47,900	60,467
385	346	301	284	11,859	14,127	155	81	12,015	14,208
1,925	1,823	1,504	1,493	59,292	74,355	622	321	59,914	74,676
-	-	-	-	38,655	38,277	-	-	38,655	38,277
-	-	-	-	9,665	9,569	-	-	9,665	9,569
1,925	1,823	-	-	1,925	1,823	-	-	1,925	1,823
-	-	1,504	1,493	1,504	1,493	-	-	1,504	1,493
-	-	-	-	7,543	23,193	622	321	8,165	23,514
1,925	1,823	1,504	1,493	59,292	74,355	622	321	59,914	74,676
-	-	1,504	1,493	47,702	62,963	195	87	47,897	63,050
1,925	1,823	-	-	11,590	11,392	428	234	12,018	11,626
1,925	1,823	1,504	1,493	59,292	74,355	622	321	59,914	74,676
-	-	-	-	4	(2)	155	105	159	103
1,925	1,823	1,504	1,493	59,296	74,353	777	426	60,073	74,779

IFRS 15.112, 114, BC340

- b.** Some entities may not be able to meet the objective in paragraph 114 of IFRS 15 for disaggregating revenue by providing segment revenue information and may need to use more than one type of category. Other entities may meet the objective by using only one type of category. Even if an entity uses consistent categories in the segment note and in the revenue disaggregation note, further disaggregation of revenue may be required because the objective of providing segment information under IFRS 8 is different from the objective of the disaggregation disclosure under IFRS 15 and, unlike IFRS 8, there are no aggregation criteria in IFRS 15.

Nonetheless, an entity does not need to provide disaggregated revenue disclosures if the information about revenue provided under IFRS 8 meets the requirements of paragraph 114 of IFRS 15 and those revenue disclosures are based on the recognition and measurement requirements in IFRS 15.

IFRS 15.115

- c.** An entity is required to disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue and revenue information that is disclosed for each reportable segment, if the entity applies IFRS 8.

IFRS 15.114, 5.5B

- d.** Although it is not explicitly required by IAS 34 to include discontinued operations as part of the disaggregation of revenue from contracts with customers, the Group has provided that information.

Notes to the condensed consolidated interim financial statements (continued)

6. Revenue (continued)

B. Contract balances^a

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

<i>In thousands of euro</i>	Note	30 June 2022	31 December 2021
Receivables, which are included in 'trade and other receivables'		20,364	19,816
Receivables, which are included in 'assets held for sale'	14	1,385	-
Contract assets		1,316	782
Contract liabilities		(148)	(117)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on made-to-order paper products. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction of storage units and warehouses, for which revenue is recognised over time, and to the unredeemed customer loyalty points. This will be recognised as revenue when the points are redeemed by customers, which is expected to occur over the next two years.

The full amount of €117 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue in the six months ended 30 June 2022.

The amount of revenue recognised in the six months ended 30 June 2022 from performance obligations satisfied (or partially satisfied) in previous periods is €8 thousand (2021: nil). This is mainly due to changes in the estimate of the stage of completion of construction of storage units and warehouses.

C. Seasonality of operations

The Group's Forestry segment is subject to seasonal fluctuations as a result of weather conditions. In particular, the cultivation of pine trees and the provision of related services in key geographic areas are adversely affected by winter weather conditions, which occur primarily from January to March. This segment typically has lower revenues and results for the first half of the year.

For the 12 months ended 30 June 2022, the Forestry segment reported revenue of €6,486 thousand (12 months ended 30 June 2021: €6,280 thousand) and profit before tax of €1,184 thousand (12 months ended 30 June 2021: €1,687 thousand).^b

IAS 34.8(e)

IAS 34.15, 15C,
[IFRS 15.116–118]

IAS 34.16A(b)

IAS 34.21

IAS 34.15, 15C

IAS 34.21

- a.** Although it is not explicitly required by IAS 34, this disclosure is provided because the Group believes that it is relevant to an understanding of the changes in the Group's financial position and performance during the interim period.
- b.** An entity whose business is highly seasonal is encouraged to disclose additional information, including:
- financial information for the 12 months ended at the interim reporting date; and
 - comparative information for the comparable 12-month period.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

7. Discontinued operation^a

In February 2022, the Group sold its entire Packaging segment (see Note 5). Management committed to a plan to sell this division in January 2022, following a strategic decision to place greater focus on the Group's key competencies – being the manufacture of paper used in the printing industry, forestry and the manufacture of timber products.

The Packaging segment was not previously classified as held-for-sale or as a discontinued operation. The comparative condensed consolidated statement of profit or loss and OCI has been re-presented to show the discontinued operation separately from continuing operations.

Subsequent to the disposal, the Group has continued to purchase packaging from the discontinued operation. Although intra-group transactions have been fully eliminated in the consolidated financial results, management has elected to attribute the elimination of transactions between the continuing operations and the discontinued operation before the disposal in a way that reflects the continuance of these transactions subsequent to the disposal, because management believes that this is useful to the users of the financial statements.

To achieve this presentation, management has eliminated from the results of the discontinued operation the inter-segment sales (and costs thereof, less unrealised profits) made before its disposal. Because purchases from the discontinued operation will continue subsequent to the disposal, inter-segment purchases made by the continuing operations before the disposal are retained in continuing operations.

 IAS 34.16A(i),
 Insights 5.4.230

IFRS 5.33(b)(i)

IFRS 5.33(b)(i)

IFRS 5.33(b)(i)

IFRS 5.33(b)(i)

IFRS 5.33(b)(i)

IFRS 5.33(b)(ii)

IFRS 5.33(b)(iii)

IFRS 5.33(b)(iv)

IFRS 5.33(a)

<i>In thousands of euro</i>	For the six months ended 30 June	
	2022	2021
A. Results of discontinued operation^b		
Revenue	8,483	26,028
Elimination of inter-segment revenue	(940)	(2,835)
External revenue	7,543	23,193
Expenses	(8,641)	(26,486)
Elimination of expenses related to inter-segment sales	936	2,827
External expenses	(7,705)	(23,659)
Results from operating activities	(162)	(466)
Income tax	25	44
Results from operating activities, net of tax	(137)	(422)
Gain on sale of discontinued operation	846	-
Income tax on gain on sale of discontinued operation	(330)	-
Profit (loss) from discontinued operation for the period, net of tax	379	(422)
Basic earnings per share (euro) ^c	0.12	(0.14)
Diluted earnings per share (euro) ^c	0.11	(0.14)

IAS 34.15C, 16A(i)

a. An entity discloses the effects of changes in its composition during an interim reporting period. Although it is not specifically required by IAS 34, the Group has disclosed information that would be required by IFRS 5 in its annual financial statements. The appropriate level of disclosure may vary depending on the significance of the discontinued operation.

Insights 5.4.230.40

b. In our view, considering that IFRS 5 does not specify how the elimination should be attributed to continuing and discontinued operations, an entity may present transactions between the continuing and discontinued operations in a way that reflects the continuance of those transactions, when that is useful to the users of the financial statements. It may be appropriate to present additional disclosure either on the face of the statement of profit or loss and OCI or in the notes. In our experience, if the additional disclosure is provided in the statement of profit or loss and OCI, then judgement may be required whether the disaggregated information should be presented as part of the statement itself or as an additional disclosure alongside the totals in that statement. Clear disclosure of the approach taken to the elimination of intra-group transactions will be relevant, including an explanation of any additional analysis of discontinued operations in the notes to the statement of profit or loss and OCI.

IAS 33.68

c. Alternatively, basic and diluted earnings per share for the discontinued operation may be presented in the statement of profit or loss and OCI.

Notes to the condensed consolidated interim financial statements (continued)

7. Discontinued operation (continued)

A. Results of discontinued operation (continued)

The profit for the period from the discontinued operation of €379 thousand (2021: loss of €422 thousand) was attributable entirely to the owners of the Company. Of the profit from continuing operations of €2,811 thousand (2021: €2,524 thousand), an amount of €2,674 thousand was attributable to the owners of the Company (2021: €2,022 thousand).

B. Cash flows from (used in) discontinued operation^a

<i>In thousands of euro</i>	For the six months ended 30 June	
	2022	2021
Net cash used in operating activities	(225)	(910)
Net cash from investing activities	10,890	-
Net cash flow for the period	10,665	(910)

C. Effect of disposal on the financial position of the Group

<i>In thousands of euro</i>	Note	
Property, plant and equipment	15	(7,986)
Inventories		(134)
Trade and other receivables		(3,955)
Cash and cash equivalents		(110)
Deferred tax liabilities		110
Trade and other payables		1,921
Net assets and liabilities		(10,154)
Consideration received in cash		11,000
Cash and cash equivalents disposed of		(110)
Net cash inflow		10,890

8. Other income/expenses

A. Government grants^{b, c}

The Group was awarded a government grant, received in 2021, amounting to €420 thousand. This grant was conditional on the Group meeting certain volume targets for production and sale of recycled paper.

During the six months ended 30 June 2022, when the terms attached to the grant were complied with, the grant was recognised in 'other income' in the condensed consolidated statement of profit or loss and OCI.

B. Earthquake-related expenses^b

During the six months ended 30 June 2022, expenses of €219 thousand were incurred due to an earthquake near production facilities in [country]. The expenses relate to the survey of production facilities and the removal of damaged items. These are included in 'other expenses' in the condensed consolidated statement of profit or loss and OCI.

IAS 7.10,
IFRS 5.33(c),
Insights 5.4.220.50

a. In our view, there are numerous ways in which the requirements of IFRS 5 and IAS 7 on cash flow presentation may be met. The Group has elected to present:

- a statement of cash flows that includes an analysis of all cash flows in total: i.e. including both continuing and discontinued operations; and
- amounts related to discontinued operations by operating, investing and financing activities in the notes.

Alternatively, cash flows attributable to operating, investing and financing activities of discontinued operations can be presented separately in the statement of cash flows.

IAS 34.16A(c)

b. This is an example of disclosures about the nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

IAS 20.29,
Insights 4.3.140.10

c. The Group has elected to present government grants related to income separately as 'other income'. Alternatively, an entity may offset these grants against the related expenditure (net presentation).

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

9. Share-based payment arrangements^a

A. Description of share-based payment arrangements

At 30 June 2022, the Group had the following share-based payment arrangements.

i. Share option programme (equity-settled)

On 1 January 2018 and 1 January 2021, the Group established share option programmes that entitle key management personnel to purchase shares in the Company. On 1 January 2022, a further grant on similar terms was offered to key management and senior employees. Under these programmes, holders of vested options are entitled to purchase shares at the market price of the shares at the grant date. Currently, these programmes are limited to key management personnel and other senior employees.

All options are to be settled by physical delivery of shares. The terms and conditions of the share options granted during the six months ended 30 June 2022 are as follows.

Grant date/employees entitled	Number of instruments in thousands	Vesting conditions	Contractual life of options
Option grant to key management personnel on 1 January 2022	225	3 years' service from grant date and 5% increase in operating income in each of the 3 years	10 years
Option grant to senior employees on 1 January 2022	100	3 years' service from grant date	10 years

The fair value of services received in return for share options granted is based on the fair value of the share options granted, measured using the Black-Scholes model.

ii. Replacement awards (equity-settled)

In connection with the acquisition of Papyrus, the Group exchanged equity-settled share-based payment awards held by employees of Papyrus for 150,000 equity-settled share-based payment awards of the Group with a contractual life of nine years from the vesting date (see Note 21).

The fair value of the replacement awards at grant date (business combination date of acquisition) was determined using the Black-Scholes model.

iii. Share purchase plan (equity-settled)

On 1 January 2022, the Group offered 26 of its employees the opportunity to participate in an employee share purchase plan. To participate in the plan, the employees are required to save an amount of 5% of their gross monthly salary, up to a maximum of €300 per month, for a period of 36 months. Under the terms of the plan, at the end of the three-year period the employees are entitled to purchase shares using funds saved at a price 20% below the market price at grant date. Only employees who remain in service and save the required amount of their gross monthly salary for 36 consecutive months will become entitled to purchase the shares. Employees who cease their employment, do not save the required amount of their gross monthly salary in any month before the 36-month period expires, or elect not to exercise their options to purchase shares – e.g. because the share price is below the exercise price – will be refunded their saved amounts. The arrangement includes a dividends protection feature preventing any decline in the value of the option caused by the payment of a dividend.

The requirement that the employee has to save in order to purchase shares under the share purchase plan is a non-vesting condition. This feature has been incorporated into the fair value at grant date by applying a discount to the valuation based on a Monte Carlo simulation. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

IAS 34.15

(IFRS 2.45(a))

(IFRS 2.46–47(a)(i), IAS 1.125)

(IFRS 2.47(a)(i))

(IFRS 2.44–45(a))

IAS 34.15

- a. Although it is not explicitly required by IAS 34, share-based payment transactions may be significant to an understanding of the current interim reporting period. The Group has provided details of share-based payment transactions in the period and disclosed the changes since the last annual financial statements. The appropriate level of disclosure for an interim reporting period may vary depending on the significance of the events and transactions to an understanding of the interim reporting period.

Notes to the condensed consolidated interim financial statements (continued)

9. Share-based payment arrangements (continued)

A. Description of share-based payment arrangements (continued)

iv. Share appreciation rights (cash-settled)

On 1 January 2022, the Group granted 300,000 share appreciation rights (SARs) to employees that entitle them to a cash payment after three years of service. The SARs expire at the end of a five-year period after grant date. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

The fair value of the SARs at grant date is determined using the Black-Scholes model. The fair value of the liability, classified as an employee benefit liability, is remeasured at each reporting date and at settlement date.

B. Measurement of grant date fair values

The following inputs were used in the measurement of the fair values at grant date of the share-based payment plans.

	Share option programme				
	Key management personnel (see (a)(i))	Senior employees (see (a)(i))	Replacement awards (see (a)(iii))	Share purchase plan (see (a)(iii))	SARs (see (a)(iv))
Fair value at grant date	€3.54	€3.14	€3.81	€4.02	€2.82
Share price at grant date	€10.10	€10.10	€10.30	€10.10	€10.10
Exercise price	€10.10	€10.10	€10.30	€8.08	€10.10
Expected volatility (weighted-average volatility)	40.1%	40.1%	42.4%	43.3%	43.3%
Option life (expected weighted-average life)	8.6 years	5.4 years	5.9 years	3.0 years	3.2 years
Expected dividends	3.2%	3.2%	3.2%	n/a	3.2%
Risk-free interest rate (based on government bonds)	3.9%	3.8%	3.9%	3.9%	3.9%

Expected volatility is estimated taking into account historical average share price volatility.

10. Employee benefits^a

As a result of a plan amendment in the pension arrangement for a number of employees in [country], the Group's defined benefit pension obligation decreased by €100 thousand during the six months ended 30 June 2022 (six months ended 30 June 2021: nil). A negative past service cost of €100 thousand resulting from the plan amendment was included in 'administrative expenses' in the condensed consolidated statement of profit or loss and OCI for the six months ended 30 June 2022.

IAS 34.8(e)

[IFRS 2.45(a)]

[IFRS 2.47(a)(i)]

[IFRS 2.52]

[IFRS 2.47(a)]

IAS 34.15, 16A(d)

IAS 19.99, BC59, 34.B9, Insights 5.9.150

- ^a Determining whether there is a need to remeasure the net defined benefit liability (asset) for interim reporting purposes requires judgement and depends on the potential materiality of the remeasurements. However, an updated measurement of plan assets and obligations is required when a plan amendment, curtailment or settlement is recognised. In addition, significant market fluctuations may trigger the need for an updated actuarial valuation to remeasure the net defined benefit liability (asset). The Group has remeasured the net defined benefit liability during the interim reporting period due to a plan amendment, and has provided relevant disclosure. The appropriate level of disclosure for an interim reporting period may vary depending on the materiality.

Notes to the condensed consolidated interim financial statements (continued)

11. Income tax expense^a

A. Income tax expense for the period

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2022 was 28% (six months ended 30 June 2021: 23%). The change in effective tax rate was caused mainly by the following factors.

- In March 2022, the government in [country] introduced one-off tax relief in the form of additional tax deductions in response to a country-wide emergency. These deductions were available for a limited time against taxable income earned between 1 January and 30 June 2022. The Group recognised the impact of the tax relief in full during the six months ended 30 June 2022.
- On 31 March 2022, Papyrus, a former associate of the Group, became a subsidiary (see Note 21). The profit or loss from Papyrus, which operates in a tax jurisdiction with higher tax rates, had been presented as 'net of tax' under the equity method. This impact has been considered in determining the weighted-average annual income tax rate for the full financial year.
- In April 2022, the tax rate in [country], in which the Group generates 50% of its taxable income, increased by 3%. The new rate applies to taxable income generated after 1 May 2022.
- During the six months ended 30 June 2022, adjustments regarding transfer pricing at a subsidiary [entity name] caused an additional tax expense as a result of different tax rates between [entity name] and the Group. The Group recognised this obligation during the period.
- During the six months ended 30 June 2022, adjustments related to prior-period tax filings were recognised in full. These expenses relate to tax assessments raised by tax authorities from their review of filed tax returns for open tax years in certain jurisdictions.
- In April 2022, the government in [country] removed the five-year limit for the use of tax losses carried forward and companies will be able to utilise their tax losses indefinitely. As a result, the Group's management determined that a previously unrecognised deferred tax asset in relation to unused tax losses has become recoverable. This change has been reflected in calculating the expected annual effective tax rate and will be apportioned between the interim periods^b.

IAS 34.8(e)

IAS 34.15

IAS 34.30(c)

IAS 34.IE.B19

IAS 34.15

a. Although it is not explicitly required by IAS 34, this is an example of events and transactions for which disclosures are provided because the events and transactions are significant to an understanding of the current interim reporting period.

Insights 5.9.180.50

b. If management's estimate of the recoverability of unused tax losses changes during an interim period, then in our view it is acceptable for this change to be reflected in calculating the expected annual effective tax rate and apportioned between the interim periods.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

11. Income tax expense (continued)

B. Global minimum tax

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be subject to the top-up tax. At the date when the interim financial statements were authorised for issue, none of the jurisdictions in which the Group operates had enacted or substantively enacted the tax legislation related to the top-up tax, and therefore the Group is unable to determine the potential impact.^{a, b}

[IAS 1.17(c)]

- a.** Although it is not specifically required by IAS 34, groups that expect to be subject to the global minimum tax may determine that it is relevant to a user's understanding to disclose information about the impact. The OECD's draft legislative framework for the global minimum tax applies to multinational enterprise (MNE) groups with a total consolidated group revenue of €750 million or more in at least two of the four preceding years, although jurisdictions may introduce a lower threshold. Therefore, the Group may not be subject to this global minimum tax depending on the final enacted legislation. This disclosure is provided for illustrative purposes only.
- b.** It is noted that for the purposes of the top-up tax, if a single jurisdiction in which the group operates enacts changes to its tax laws, then the entire group may be impacted regardless of whether a similar tax law has been enacted in the jurisdiction of the ultimate parent. An entity needs to monitor the progress of the legislative process in each jurisdiction in which it operates to determine whether and when it may become subject to the top-up tax.

Notes to the condensed consolidated interim financial statements (continued)

12. Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)^a

Management has presented the performance measure adjusted EBITDA because it monitors performance at a consolidated level and believes that this measure is relevant to an understanding of the Group's financial performance. The definition of adjusted EBITDA is the same as in the last annual financial statements.

Adjusted EBITDA is not a defined performance measure in IFRS Standards. The Group's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

Reconciliation of adjusted EBITDA to profit from continuing operations

In thousands of euro	For the six months ended 30 June	
	2022	2021 Re-presented*
Profit from continuing operations	2,797	2,524
Income tax expense	1,109	741
Profit before tax	3,906	3,265
Adjustments for:		
– Net finance costs	545	662
– Depreciation	2,604	2,490
– Amortisation	295	355
– (Reversal of) impairment losses on property, plant and equipment	(393)	1,123
– Impairment losses on goodwill	116	-
– (Reversal of) impairment losses on intangible assets	(100)	285
– Impairment loss on remeasurement of disposal group	25	-
– Share of profit of equity-accounted investees, net of tax	(233)	(278)
Adjusted EBITDA	6,765	7,902

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

IAS 34.10, 1.55A, 85A–85B, BC38G

- a. The Group has disclosed adjusted EBITDA because management believes that this measure is relevant to an understanding of the Group's financial performance. This disclosure is provided for illustrative purposes only. If an entity presents additional subtotals in the statement of financial position or statement of profit or loss and OCI, then the subtotals:
- comprise line items made up of amounts recognised and measured in accordance with IFRS Standards;
 - are presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable;
 - are consistent from period to period;
 - are displayed with no more prominence than other subtotals and totals presented in the statement of financial position or statement of profit or loss and OCI; and
 - for the additional subtotals presented in the statement of profit or loss and OCI, are reconciled with the subtotals and totals required by IAS 1.

Notes to the condensed consolidated interim financial statements (continued)

13. Inventories

A. Write-down of inventories^a

During the six months ended 30 June 2022, the Group wrote down its finished goods inventory by €258 thousand due to a chemical reaction that rendered the goods obsolete. The write-down is included in 'cost of sales' in the condensed consolidated statement of profit or loss and OCI.^b There were no inventory write-downs recognised during the six months ended 30 June 2021.

B. Transfer from biological assets^a

During the six months ended 30 June 2022, harvested timber amounting to €1,131 thousand (2021: €985 thousand) was transferred to inventories.

C. Right to recover returned goods^a

Inventories at 30 June 2022 include a right to recover returned goods amounting to €572 thousand (2021: €478 thousand). These are measured with reference to the former carrying amount of the sold inventories less any expected costs to recover those inventories.

14. Disposal group held for sale^c

In June 2022, management committed to a plan to sell part of a manufacturing facility within the Non-recycled Papers segment. Accordingly, part of that facility is presented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected by April 2023.

As at 30 June 2022, the disposal group comprised assets of €12,891 thousand less liabilities of €3,650 thousand, detailed as follows.

<i>In thousands of euro</i>	Note	
Property, plant and equipment	15	8,756
Inventories		2,750
Trade and other receivables	6	1,385
Trade and other payables		(3,650)
		9,241

An impairment loss of €25 thousand writing down the carrying amount of the disposal group to its fair value less costs to sell has been included in 'other expenses' in the condensed consolidated statement of profit or loss and OCI.^a

IAS 34.15B

a. This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.

Insights 3.8.400.70

b. In our view, for an entity that presents an analysis of expenses by function in the statement of profit or loss and OCI, the write-down of inventories to net realisable value and any reversals should be included in 'cost of sales'.

IAS 34.16A(i)

c. An entity discloses the effects of changes in its composition during an interim reporting period. Although it is not specifically required by IAS 34, the Group has disclosed details of non-current assets and non-current liabilities held for sale that would be required in its annual financial statements. The appropriate level of disclosure may vary depending on the significance of the effects on the entity. For example disclosures for the distribution of non-cash assets to owners, see Appendix IV to our [Guide to annual financial statements – Illustrative disclosures](#) (September 2021).

Notes to the condensed consolidated interim financial statements (continued)

15. Property, plant and equipment

A. Acquisitions and disposals^a

During the six months ended 30 June 2022, the Group acquired assets with a cost of €12,156 thousand (six months ended 30 June 2021: €2,315 thousand). This amount excludes capitalised borrowing costs, but includes assets acquired through a business combination (see [Note 21](#)) of €1,955 thousand (six months ended 30 June 2021: nil). In addition, the Group acquired a piece of land with the intention of constructing a new factory on the site. The cost of acquisition was €1,100 thousand. The Group commenced construction of the new factory, and costs incurred up to the reporting date totalled €682 thousand.

During the six months ended 30 June 2022, the Group entered into a new lease agreement for use of production equipment for 10 years. The Group makes fixed payments and additional variable payments depending on the usage of the asset during the contract period. On lease commencement, the Group recognised €200 thousand of right-of-use asset and lease liability.

Assets with a carrying amount of €7,986 thousand were disposed of as part of the discontinued operation (see [Note 7](#)). Other assets with a carrying amount of €1,127 thousand were disposed of during the six months ended 30 June 2022 (six months ended 30 June 2021: €381 thousand), resulting in a gain on disposal of €50 thousand (six months ended 30 June 2021: gain of €25 thousand), which was included in 'other income' in the condensed consolidated statement of profit or loss and OCI. Assets with a carrying amount of €8,756 thousand were transferred to held-for-sale (see [Note 14](#)) (six months ended 30 June 2021: nil).

B. Reversal of impairment loss in relation to a new product^b

In 2021, regulatory restrictions on the manufacture of a new product in the Non-recycled Papers segment caused the Group to assess the recoverable amount of the related production line.

The production line relates to a new product that was expected to be available for sale in 2022. However, a regulatory inspection in 2021 revealed that the product did not meet certain environmental standards, necessitating substantial changes to the manufacturing process. As a result, production and the expected launch date were deferred.

Accordingly, management estimated the recoverable amount of the CGU (the production line) in 2021. The recoverable amount was estimated based on its value in use, assuming that the production line would go live in August 2021. Based on the assessment in 2021, the carrying amount of the production line was determined to be higher than its recoverable amount of €1,083 thousand and an impairment loss of €1,408 thousand was recognised for the year ended 31 December 2021. €1,123 thousand of the loss related to property, plant and equipment and €285 thousand related to capitalised development costs (see [Note 16](#)).

During the six months ended 30 June 2022, following certain changes to its plans, the Group reassessed its estimates and reversed part of the initially recognised impairment. The recoverable amount was determined to be €1,576 thousand. As a result, €493 thousand of the initially recognised impairment has been reversed; of this amount, €393 thousand related to property, plant and equipment and €100 thousand related to capitalised development costs.

IAS 34.8(e)

IAS 34.15B(d)

IAS 34.15B(b), 16A(d)

IAS 36.130(a)–(d)

IAS 36.130(e)

IAS 36.130(a)–(e)

IAS 34.15B

IAS 34.15B(b), 15C,
16A(d), B35–B36

- a. This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.
- b. IAS 34 requires disclosure of the nature and amount of changes in estimates. In addition, impairment losses and reversals of impairment losses are examples of events and transactions for which, if they are significant, disclosures are required by IAS 34. IAS 36 *Impairment of Assets* provides relevant disclosures to be considered in this regard. Furthermore, the Group has disclosed the key assumptions used (discount rate and terminal growth rate) to determine the value in use of the CGU in [Note 16B](#), although only disclosure of the discount rate is required if the recoverable amount is value in use and the CGU does not contain goodwill or intangible assets with indefinite useful lives. The appropriate level of disclosure for an interim reporting period may vary depending on the circumstances of the entity.

Notes to the condensed consolidated interim financial statements (continued)

15. Property, plant and equipment (continued)

B. Reversal of impairment loss in relation to a new product (continued)

The impairment loss and subsequent reversal have been included in 'cost of sales' in the condensed consolidated statement of profit or loss and OCI.^a

The estimate of value in use was determined using a pre-tax discount rate of 10.5% (2021: 9.8%) and a terminal value growth rate of 3% from 2028 (2021: 3% from 2027).

C. Transfer to investment property^b

During the six months ended 30 June 2022, a building with a carrying amount of €600 thousand was transferred to investment property, because it was no longer used by the Group and it was decided that the building would be leased to a third party.

Immediately before the transfer, the Group remeasured the property to fair value and recognised a gain of €200 thousand in OCI.

D. Capital commitments^b

During the six months ended 30 June 2022, the Group entered into a contract to buy property, plant and equipment for €1,465 thousand (six months ended 30 June 2021 and year ended 31 December 2021: nil). Delivery is expected in March 2023.

16. Intangible assets and goodwill

A. Reversal of impairment loss in relation to a new product

As described in Note 15, the Group recognised an impairment loss of €285 thousand in respect of capitalised development costs related to the affected production line in the year ended 31 December 2021. During the six months ended 30 June 2022, €100 thousand of the loss was reversed.

B. Impairment loss in relation to Timber Products^c

Following a loss in the Timber Products segment during the six months ended 30 June 2022 (see Note 5), the Group assessed the recoverable amount of the CGU that comprises that operating segment.

The carrying amount of the CGU was determined to be higher than its recoverable amount of €3,654 thousand and an impairment loss of €116 thousand (six months ended 30 June 2021: nil) was recognised. The impairment loss was allocated fully to goodwill, reducing the goodwill included in the Timber Products segment to €960 thousand; and has been included in 'other expenses' in the condensed consolidated statement of profit or loss and OCI.

The recoverable amount of the CGU was based on its value in use and was determined with the assistance of independent appraisers.

IAS 36.126,
Insights
3.10.410.20–30

^{a.} If an entity classifies expenses based on their function, then any loss is allocated to the appropriate function. In our view, in the rare case that an impairment loss cannot be allocated to a function, it should be included in 'other expenses' as a separate line item if it is significant – e.g. impairment of goodwill – with additional information given in a note. In our view, an impairment loss that is recognised in published interim financial statements should be presented in the same line item as in the annual financial statements, even if the asset is subsequently sold and the gain or loss on disposal is included in a line item that is different from impairment losses in the annual financial statements.

IAS 34.15B

^{b.} This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.

IAS 34.15B(b), 15C,
16A(d), B35–B36

^{c.} IAS 34 requires disclosure of the nature and amount of changes in estimates. In addition, impairment losses and reversals of impairment losses are examples of events and transactions for which, if they are significant, disclosures are required by IAS 34. IAS 36 provides relevant disclosures to be considered in this regard. The appropriate level of disclosure for an interim reporting period may vary depending on the circumstances of the entity.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

16. Intangible assets and goodwill (continued)

B. Impairment loss in relation to Timber Products (continued)

Value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGU. Value in use as at 30 June 2022 was determined similarly to the 31 December 2021 goodwill impairment test, and was based on the following key assumptions.

- A pre-tax discount rate of 9.6% (2021: 10.0%) was applied and based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.
- Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity of 1.8% from 2028 (2021: 2.0% from 2027) has been determined as the lower of the nominal gross domestic product (GDP) rates for the countries in which the CGU operates and the long-term compound annual EBITDA growth rate estimated by management.
- An average budgeted EBITDA growth rate for the next five years of 8.0% (2021: 9.0%) was applied based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next five years, in line with information obtained from external brokers who publish a statistical analysis of long-term market trends.

Following the impairment loss recognised in the Group's Timber Products CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse change in a key assumption may result in further impairment.

Other CGUs were not tested for impairment because there were no impairment indicators at 30 June 2022.

C. Reconciliation of carrying amount of goodwill

<i>In thousands of euro</i>	Note	30 June 2022
Cost		
Balance at 1 January 2022		3,545
Acquisition through business combination	21	541
Balance at 30 June 2022		4,086
Impairment losses		
Balance at 1 January 2022		138
Impairment loss		116
Balance at 30 June 2022		254
Carrying amounts		
Balance at 1 January 2022		3,407
Balance at 30 June 2022		3,832

 IAS 1.125, 36.134(d),
 134(f)

 IFRS 3.B67(d),
 IAS 34.16A(i)

Notes to the condensed consolidated interim financial statements (continued)

17. Capital and reserves

A. Issue of ordinary shares

In April 2022, the Company issued 130,000 ordinary shares at a price of €11.92 per share (2021: nil).

Additionally, 5,000 ordinary shares were issued as a result of the exercise of vested options arising from the 2018 share option programme by key management personnel (2021: nil). Options were exercised at an average price of €10 per share.

8,000 ordinary shares were also issued as a result of the acquisition of Papyrus (see [Note 21](#)).

All ordinary shares were issued with a par value of €3.

B. Dividends

The following dividends were declared and paid by the Company.

<i>In thousands of euro</i>	For the six months ended 30 June	
	2022	2021
25.97 cents per qualifying ordinary share (2021: 4.28 cents)	805	86
25.03 cents per non-redeemable preference share (2021: 25.03 cents)	438	438
	1,243	524

IAS 34.8(e)

IAS 34.16A(e)

IAS 34.16A(f)

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IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

18. Loans and borrowings^a

IAS 34.16A(e)

<i>In thousands of euro</i>	Note	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Balance at 1 January 2022						25,939
New issues						
Convertible notes	(a)	EUR	3.00%	2024	5,000	4,596
Redeemable preference shares	(b)	EUR	4.40%*	2028	2,000	1,939
Unsecured bank loan assumed	21	USD	3.80%	2022	510	500
Lease liabilities	15	EUR	6.2%	2032	282	200
Repayments						
Loan from associate		EUR	4.80%	-	(1,000)	(1,000)
Secured bank loan		GBP	SONIA+1.1%	-	(3,694)	(3,694)
Unsecured bank loans		EUR	5.5%	-	(117)	(117)
Lease liabilities		EUR	6.5–7.0%	-	(254)	(254)
Other movements						
				-	-	105
Balance at 30 June 2022						28,214

* Dividend rate for redeemable preference shares.

A. Convertible notes

In thousands of euro

Proceeds from issue of convertible notes (1,250,000 notes at €4 par value)	5,000
Transaction costs	(250)
Net proceeds	4,750
Amount classified as equity (net of transaction costs of €9 thousand)	(163)
Accrued interest	9
Carrying amount of liability at 30 June 2022	4,596

IAS 34.16A(e)

- a. Although IAS 34 only requires the disclosure of issues and repayments of debt securities, the Group has provided additional disclosure by reconciling the opening and closing balance of total loans and borrowings. The appropriate level of disclosure for an interim reporting period may vary depending on the significance of these transactions.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

18. Loans and borrowings (continued)

A. Convertible notes (continued)

The convertible notes have a three-year term. Interest is paid in arrears at a nominal annual interest rate of 3%. The notes are convertible into 250 thousand ordinary shares of the Group at any time until maturity.

B. Redeemable preference shares

In thousands of euro

Proceeds from issue of redeemable preference shares	2,000
Transaction costs	(61)
Carrying amount at 30 June 2022	1,939

During the six months ended 30 June 2022, 1,000,000 redeemable preference shares were issued as fully paid with a par value of €2 per share (2021: nil). The redeemable preference shares do not carry the right to vote. The holders of the redeemable preference shares participate in the Company's residual assets only to the extent of the face value of the shares.

The redeemable preference shares are mandatorily redeemable at par on 31 May 2028. The Group is obliged to pay holders of redeemable preference shares annual dividends of 4.4% of the par amount on 31 May each year until and on maturity.

Notes to the condensed consolidated interim financial statements (continued)

19. Provisions

A. Restructuring^a

A provision of €600 thousand was recognised during the year ended 31 December 2021 in respect of the Group's committed restructuring of the manufacturing and distribution division of Paper Pabus Co. This was due to a decrease in demand as a result of deteriorating economic circumstances. The restructuring was completed during the six months ended 30 June 2022 at a cost of €500 thousand. The unused provision of €100 thousand was reversed, and has been included in 'cost of sales' in the condensed consolidated statement of profit or loss and OCI.

B. Site restoration

i. Romania

In accordance with Romanian law, the Group's subsidiary in Romania is required to restore contaminated land to its original condition before the end of 2024. During the six months ended 30 June 2022, the Group provided €500 thousand for this purpose.

Because of the long-term nature of the liability, the biggest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials that are currently available. The provision has been calculated using a discount rate of 5.9%, which is the risk-free rate in Romania as at 30 June 2022. The rehabilitation is expected to occur progressively over the next two to three years.

ii. Acquisition of Papyrus

As part of the acquisition of Papyrus, the Group recognised environmental provisions of €150 thousand, measured on a provisional basis (see Note 21).

C. Emissions schemes

The Group participates in a 'cap and trade' scheme in various countries. The Group recognises a liability to surrender emissions certificates as it emits pollutants. The liability is measured based on the carrying amount of the certificates on hand (which are recognised as intangible assets) to the extent of emissions within the annual limit, and at the current market value of certificates to the extent that the Group would be required to purchase additional certificates to settle the obligation.

During the period, the Group recognised a provision for pollutants emitted of €60 thousand.

D. Levies

The Group recognised a liability to pay environmental taxes imposed by legislation in full at the end of the tax year (31 March), when the obligating event in the legislation occurs. The levy for the year ended 31 March 2022 of €30 thousand (2021: €30 thousand) has been recognised as administrative expense in profit or loss for the six months ended 30 June 2022. At 30 June 2022, no liability for environmental taxes has been recognised.

IAS 34.8(e)

IAS 34.15B(c),
Insights 4.1.30.40

IAS 34.16A(c)

IAS 34.16A(c)

IAS 34.16A(c)

IAS 34.15B

a. This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management

A. Accounting classifications and fair values^{a, b}

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Trade and other receivables and trade and other payables classified as held-for-sale are not included in the table below (see Note 14). Their carrying amount is a reasonable approximation of fair value.

30 June 2022 <i>In thousands of euro</i>	Carrying amount		
	Fair value – hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments
Financial assets measured at fair value			
Interest rate swaps used for hedging	116	-	-
Forward exchange contracts used for hedging	227	-	-
Other forward exchange contracts	-	86	-
Sovereign debt securities	-	213	-
Corporate debt securities	-	-	118
Equity securities	-	251	-
	343	550	118
Financial assets not measured at fair value			
Trade and other receivables	-	-	-
Cash and cash equivalents	-	-	-
Corporate debt securities	-	-	-
	-	-	-
Financial liabilities measured at fair value			
Interest rate swaps used for hedging	(20)	-	-
Forward exchange contracts used for hedging	(8)	-	-
Contingent consideration	-	(232)	-
	(28)	(232)	-
Financial liabilities not measured at fair value			
Bank overdrafts	-	-	-
Secured bank loans	-	-	-
Unsecured bank loans	-	-	-
Unsecured bond issues	-	-	-
Convertible notes – liability component	-	-	-
Redeemable preference shares	-	-	-
Dividends payable on redeemable shares	-	-	-
Trade payables*	-	-	-
	-	-	-

* Other payables that are not financial liabilities (refund liabilities recognised under IFRS 15 – €883 thousand) are not included. Trade payables also include €3,165 (2021: €3,518) of trade payables that have been factored by suppliers in a supply chain financing arrangement.

Carrying amount				Fair value			
FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
-	-	-	116	-	116	-	116
-	-	-	227	-	227	-	227
-	-	-	86	-	86	-	86
-	-	-	213	213	-	-	213
-	-	-	118	48	70	-	118
710	-	-	961	961	-	-	961
710	-	-	1,721				
-	20,379	-	20,379				
-	2,355	-	2,355				
-	2,557	-	2,557	2,561	-	-	2,561
-	25,291	-	25,291				
-	-	-	(20)	-	(20)	-	(20)
-	-	-	(8)	-	(8)	-	(8)
-	-	-	(232)	-	-	(232)	(232)
-	-	-	(260)				
-	-	(120)	(120)				
-	-	(7,589)	(7,589)	-	(8,325)	-	(8,325)
-	-	(501)	(501)	-	(519)	-	(519)
-	-	(9,012)	(9,012)	-	(9,675)	-	(9,675)
-	-	(4,596)	(4,596)	-	(4,671)	-	(4,671)
-	-	(1,939)	(1,939)	-	(2,036)	-	(2,036)
-	-	(20)	(20)	-	(22)	-	(22)
-	-	(20,218)	(20,218)				
-	-	(43,995)	(43,995)				

IFRS 7.8, 29

- a. The Group has disclosed the fair value of each class of financial assets and financial liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9. This presentation method is optional and different presentation methods may be desirable, depending on circumstances.

IFRS 7.B1–B3

- b. The Group has grouped its financial instruments into ‘classes’. Although IFRS 7 does not define ‘classes’, as a minimum instruments measured at amortised cost should be distinguished from instruments measured at fair value.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

A. Accounting classifications and fair values (continued)

IFRS 7.8, 25–26, 29,
13.93(a)–(b), 94, 97, 99,
IAS 34.16A(j)

31 December 2021 <i>In thousands of euro</i>	Carrying amount		
	Fair value – hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments
Financial assets measured at fair value			
Interest rate swaps used for hedging	131	-	-
Forward exchange contracts used for hedging	375	-	-
Other forward exchange contracts	-	89	-
Sovereign debt securities	-	568	-
Corporate debt securities	-	-	373
Equity securities	-	254	-
	506	911	373
Financial assets not measured at fair value			
Trade and other receivables	-	-	-
Cash and cash equivalents	-	-	-
Corporate debt securities	-	-	-
	-	-	-
Financial liabilities measured at fair value			
Interest rate swaps used for hedging	(5)	-	-
Forward exchange contracts used for hedging	(7)	-	-
	(12)	-	-
Financial liabilities not measured at fair value			
Bank overdrafts	-	-	-
Secured bank loans	-	-	-
Unsecured bank loans	-	-	-
Unsecured bond issues	-	-	-
Loan from associate	-	-	-
Trade payables*	-	-	-
	-	-	-

* Other payables that are not financial liabilities (refund liabilities recognised under IFRS 15 – €1,128 thousand) are not included. Trade payables also include €3,165 (2021: €3,518) of trade payables that have been factored by suppliers in a supply chain financing arrangement because they are considered to have a similar nature and function to other trade payables.

Insights
7.10.35.70–100

Carrying amount				Fair value			
FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
-	-	-	131	-	131	-	131
-	-	-	375	-	375	-	375
-	-	-	89	-	89	-	89
-	-	-	568	568	-	-	568
-	-	-	373	72	301	-	373
511	-	-	765	540	-	225	765
511	-	-	2,301				
-	19,824	-	19,824				
-	1,850	-	1,850				
-	2,256	-	2,256	2,259	-	-	2,259
-	23,930	-	23,930				
-	-	-	(5)	-	(5)	-	(5)
-	-	-	(7)	-	(7)	-	(7)
-	-	-	(12)				
-	-	(282)	(282)				
-	-	(11,093)	(11,093)	-	(12,861)	-	(12,861)
-	-	(117)	(117)	-	(125)	-	(125)
-	-	(9,200)	(9,200)	-	(9,381)	-	(9,381)
-	-	(1,000)	(1,000)	-	(1,039)	-	(1,039)
-	-	(23,453)	(23,453)				
-	-	(45,145)	(45,145)				

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values at 30 June 2022 and 31 December 2021 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 3.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.	<ul style="list-style-type: none"> – Expected cash flows (30 June 2022: range €318 – €388 thousand), 31 December 2021: N/A. – Risk-adjusted discount rate (30 June 2022: 15%, 31 December 2021: N/A). 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> – the expected cash flows were higher (lower); or – the risk-adjusted discount rate were lower (higher).
Equity securities	<i>Market comparison technique:</i> The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities, and the revenue and EBITDA of the investee. The estimate is adjusted for the net debt of the investee.	<ul style="list-style-type: none"> – Adjusted market multiple (30 June 2022: N/A*, 31 December 2021: 4–7). 	<ul style="list-style-type: none"> – The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower).
Corporate debt securities	<i>Market comparison/discounted cash flow:</i> The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted yields of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Not applicable.	Not applicable.

* See Note 20(B)(iii).

IFRS 13.91(a), 92, 93(d), (h)(i), 99, IAS 34.16A(j)

IFRS 3.B67(b)(iii)

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values (continued)

i. Valuation techniques and significant unobservable inputs (continued)

Financial instruments measured at fair value (continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using either quoted forward exchange rates at the reporting date or present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable.	Not applicable.
Interest rate swaps	<i>Swap models:</i> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable.	Not applicable.

ii. Transfers between Levels 1 and 2

At 30 June 2022, FVOCI corporate debt securities with a carrying amount of €48 thousand were transferred from Level 1 to Level 2 because quoted prices in the market for these debt securities were no longer regularly available. To determine the fair value of the debt securities, management used a valuation technique in which all significant inputs were based on observable market data. There were no transfers from Level 2 to Level 1 during the six months ended 30 June 2022 and no transfers in either direction during the six months ended 30 June 2021.

IFRS 13.93(c),
IAS 34.15B(k), 16A(j)

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values (continued)

iii. Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

<i>In thousands of euro</i>	<i>Note</i>	FVOCI – Equity securities	Contingent consideration
Balance at 1 January 2021		-	-
Gain included in OCI			
– Net change in fair value (unrealised)		6	-
Purchases		212	-
Balance at 30 June 2021		218	-
Balance at 1 January 2022		225	-
Assumed in a business combination	21	-	(250)
Gain included in ‘finance income’			
– Net change in fair value (unrealised)		-	18
Gain included in OCI			
– Net change in fair value (unrealised)		18	-
Transfers out of Level 3 (see below)		(243)	-
Balance at 30 June 2022		-	(232)

Transfer out of Level 3

The Group holds an investment in equity shares of MSE Limited with a fair value of €243 thousand at 30 June 2022. The fair value of this investment was categorised as Level 3 at 31 December 2021 (for information on the valuation technique, see (i) above). This was because the shares were not listed on an exchange and there were no recent observable arm’s length transactions in the shares.

During the six months ended 30 June 2022, MSE Limited listed its equity shares on an exchange and they are currently actively traded in that market. Because the equity shares now have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy at 30 June 2022.

Sensitivity analysis

For the fair value of contingent consideration, reasonably possible changes at 30 June 2022 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Contingent consideration

<i>Effect in thousands of euro</i>	Profit or loss	
	Increase	Decrease
30 June 2022		
Expected cash flows (10% movement)	(23)	23
Risk-adjusted discount rate (1% movement (100 bps))	6	(6)

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

C. Concentration of credit risk^a

The Group's strategy to generate an increasing proportion of its revenue from its wholesale customers has resulted in an increase in trade receivables outstanding (because wholesale customers are entitled to more favourable credit terms than other customers). As at 30 June 2022, wholesale customers comprised €14,672 thousand or approximately 72% of trade receivables (31 December 2021: €11,894 thousand or approximately 60%).

[IFRS 7.35H]

The movement in the allowance for impairment in respect of trade receivables and contract assets during the reporting period was as follows.

In thousands of euro

Balance at 31 December 2021	214
Amounts written off	(84)
Net remeasurement of loss allowance	190
Balance at 30 June 2022	320

The increase in the loss allowance is mainly attributable to the total increase in the gross carrying amounts of trade receivables and contract assets. The increase in the proportion of wholesale customers and increase in the gross carrying amount for other customers more than 90 days past due contributed to the increase in the loss allowance. The methodology for the calculation of ECLs is the same as described in the last annual financial statements.

D. Impairment of debt securities

During the six months ended 30 June 2022, the Group recognised an impairment charge of €30 thousand related to debt securities – financial assets measured at amortised cost (six months ended 30 June 2021: €8 thousand). The impairment is included in 'finance costs' in the condensed consolidated statement of profit or loss and OCI.

IAS 34.15B(b)

[IAS 1.82(ba)]

IAS 34.15–15C

- a. Although it is not specifically required by IAS 34, the Group has disclosed information that is relevant to an understanding of changes in the concentration of credit risk attributed to its trade receivables and contract assets.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

E. Interest rate benchmark reform^a

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposure to IBORs on its financial instruments that either have been or will be reformed as part of these market-wide initiatives. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to IBOR reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The Group's remaining IBOR exposures at the reporting date are corporate debt securities indexed to US dollar LIBOR. The alternative reference rate for US dollar LIBOR is the Secured Overnight Financing Rate (SOFR). In March 2021, the Financial Conduct Authority announced that US dollar setting (except for one-week and two-month US dollar settings) will either cease to be provided or no longer be representative after 30 June 2023. As explained in the previous annual financial statements, the Group had finished the process of implementing appropriate fallback clauses for all US dollar LIBOR-indexed exposures by the end of 2021. These clauses automatically switch the instrument from USD LIBOR to SOFR when US dollar LIBOR either ceases to be provided or is no longer representative.

There has been no significant change in the balance of unreformed contracts, which include those with a fallback clause that deals with the cessation of the existing IBOR since the previous annual reporting date. See the previous annual financial statements for more detail.

IAS 34.15–15C

^a. Although it is not specifically required by IAS 34, the Group has disclosed information that is relevant to an understanding of the impact of interest rate benchmark reform on its financial position and performance during the interim period.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

IAS 34.16A(i)

21. Acquisition of subsidiary^a

IFRS 3.B64(a)–B64(c)

On 31 March 2022, the Group acquired 65% of the shares and voting interests in Papyrus. As a result, the Group's equity interest in Papyrus increased from 25% to 90%, obtaining control of Papyrus. Papyrus is one of the Group's strategic suppliers and is principally engaged in the production of paper pulp in Kentucky, US. Papyrus is not publicly listed.

IFRS 3.B64(d)

Taking control of Papyrus will enable the Group to modernise its production process through access to Papyrus's patented technology. The acquisition is expected to provide the Group with an increased share of the standard paper market through access to Papyrus's customer base. The Group also expects to reduce costs through economies of scale.

IFRS 3.B64(q)

In the three months to 30 June 2022, Papyrus contributed revenue of €4,500 thousand and profit of €90 thousand to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been €58,480 thousand, and consolidated profit for the period would have been €3,427 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

A. Consideration transferred

IFRS 3.B64(f)

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

<i>In thousands of euro</i>	Note	
Cash		2,500
Equity instruments (8,000 ordinary shares)	17	87
Replacement share-based payment awards	9	120
Contingent consideration	20	250
Settlement of pre-existing relationship		(326)
Total consideration transferred		2,631

[IAS 7.40(a)–(b)]

i. Equity instruments issued

IFRS 3.B64(f)(iv)

The fair value of the ordinary shares issued was based on the listed share price of the Company at 31 March 2022 of €10.88 per share.

ii. Replacement share-based payment awards

IFRS 3.B64(l)

In accordance with the terms of the acquisition agreement, the Group exchanged equity-settled share-based payment awards held by employees of Papyrus (the acquiree's awards) for equity-settled share-based payment awards of the Company (the replacement awards). The details of the acquiree's awards and replacement awards are as follows.

	Acquiree's awards	Replacement awards
Terms and conditions	Grant date 1 April 2021 Vesting date 31 March 2025 Service condition	Vesting date 31 March 2025 Service condition
Market-based measure at date of acquisition	€527 thousand	€571 thousand

IFRS 3.59, 61, 63, IAS 34.16A(i)

- a. Under IAS 34, an entity discloses the effects of changes in its composition as a result of business combinations during an interim reporting period by providing information required by IFRS 3 *Business Combinations*. If the specific disclosures under the requirements of IFRS 3 and other standards are not sufficient to enable evaluation of the nature and financial effects of:
- business combinations effected in the current period; or
 - any adjustments recognised in the current period relating to business combinations effected in prior periods, then additional information necessary to meet these objectives is disclosed.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

21. Acquisition of subsidiary (continued)

A. Consideration transferred (continued)

ii. Replacement share-based payment awards (continued)

The value of the replacement awards is €520 thousand, after taking into account an estimated forfeiture rate of 9%. The consideration for the business combination includes €120 thousand transferred to employees of Papyrus when the acquiree's awards were substituted by the replacement awards, which relates to past service. The balance of €400 thousand will be recognised as post-acquisition compensation cost. For further details on the replacement awards, see [Note 9](#).

iii. Contingent consideration

The Group has agreed to pay the selling shareholders in three years' time additional consideration of €600 thousand if the acquiree's cumulative EBITDA over the next three years exceeds €10,000 thousand. The Group has included €250 thousand as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. At 30 June 2022, the contingent consideration had decreased to €232 thousand (see [Note 20](#)).

iv. Settlement of pre-existing relationship

The Group and Papyrus were parties to a long-term supply contract under which Papyrus supplied the Group with timber at a fixed price. Under the contract, the Group could terminate the agreement early by paying Papyrus €326 thousand. This pre-existing relationship was effectively terminated when the Group acquired Papyrus.

The Group has attributed €326 thousand of the consideration transferred to the extinguishment of the supply contract, and has included the amount in 'other expenses' in the condensed consolidated statement of profit or loss and OCI. This amount is the lower of the termination amount and the value of the off-market element of the contract. The fair value of the agreement at the date of acquisition was €600 thousand, of which €400 thousand related to the unfavourable aspect of the contract to the Group relative to market prices.

B. Acquisition-related costs

The Group incurred acquisition-related costs of €50 thousand relating to external legal fees and due diligence costs. These costs have been included in 'administrative expenses' in the condensed consolidated statement of profit or loss and OCI.

C. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

<i>In thousands of euro</i>	<i>Note</i>	
Property, plant and equipment	15	1,955
Intangible assets		250
Inventories		825
Trade and other receivables		848
Cash and cash equivalents		375
Loans and borrowings	18	(500)
Deferred tax liabilities		(79)
Contingent liabilities		(20)
Site restoration provision	19	(150)
Trade and other payables		(460)
Total identifiable net assets acquired		3,044

IFRS 3.B64(g), B67(b)

IFRS 3.B64(l)

IFRS 3.B64(m)

IFRS 3.B64(i),
[IAS 7.40(c)–(d)]

IFRS 3.B64(h)(i)

[IAS 7.40(c)]

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

21. Acquisition of subsidiary (continued)

C. Identifiable assets acquired and liabilities assumed (continued)

IFRS 3.B64(h)(ii)–(iii)

Trade and other receivables comprised gross contractual amounts due of €900 thousand, of which €52 thousand was expected to be uncollectable at the date of acquisition.

Fair values measured on a provisional basis

IFRS 3.B67(a)(i)–(ii)

The following fair values have been determined on a provisional basis.

- The fair value of Papyrus’s intangible assets (patented technology and customer relationships) has been measured provisionally, pending completion of an independent valuation.
- Papyrus is a defendant in legal proceedings brought by a customer that alleges that Papyrus supplied defective goods. Management’s assessment, based on its interpretation of the underlying sales contract and independent legal advice, is that the basis for the customer’s claim has little merit and it is not probable that an outflow will be required to settle the claim. Management’s assessment of the fair value of this contingent liability, taking into account the range of possible outcomes of the judicial process, is €20 thousand.
- Papyrus’s operations are subject to specific environmental regulations. The Group has conducted a preliminary assessment of the site restoration provisions arising from these regulations and has recognised a provisional amount. The Group will continue to review these matters during the measurement period.

IFRS 3.B64(j), B67(c),
[IAS 37.85]

D. Goodwill

Goodwill arising from the acquisition has been recognised as follows.

<i>In thousands of euro</i>	<i>Note</i>	
Total consideration transferred	(a)	2,631
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of Papyrus		304
Fair value of existing interest in Papyrus		650
Fair value of identifiable net assets	(c)	(3,044)
Goodwill	16	541

IFRS 3.B64(o)(ii)

IFRS 3.B64(p)(i)

IFRS 3.B64(p)(ii)

The remeasurement to fair value of the Group’s existing 25% interest in Papyrus resulted in a gain of €250 thousand (€650 thousand less the €420 thousand carrying amount of the equity-accounted investee at the date of acquisition plus €20 thousand of translation reserve reclassified to profit or loss). This amount has been included in ‘finance income’ in the condensed consolidated statement of profit or loss and OCI.

IFRS 3.B64(e), (k)

The goodwill is attributable mainly to the skills and technical talent of Papyrus’s work force, and the synergies expected to be achieved from integrating the company into the Group’s existing Standard Papers business. None of the goodwill recognised is expected to be deductible for tax purposes.

Notes to the condensed consolidated interim financial statements (continued)

IAS 34.8(e)

IAS 34.16A(i)

[IFRS 12.18]

22. Acquisition of NCI

In June 2022, the Group acquired an additional 15% interest in Swissolote AG, increasing its ownership from 60% to 75%. The carrying amount of Swissolote's net assets in the Group's consolidated financial statements on the date of acquisition was €767 thousand.

The following table summarises the effect of changes in the Company's ownership interest in Swissolote.

In thousands of euro

Carrying amount of NCI acquired (€767 x 15%)	115
Consideration paid to NCI in cash	200
A decrease in equity attributable to owners of the Company	(85)

The decrease in equity attributable to owners of the Company comprised:

- a decrease in retained earnings of €93 thousand; and
- an increase in the translation reserve of €8 thousand.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

IAS 34.15B(m)

23. Contingencies^a

Since 2018, a subsidiary has been defending an action brought by an environmental agency in Europe. The Group initially recognised a provision of €100 thousand in relation to this action because it appeared probable that settlement of the obligation would be enforced by law. However, in July 2022 the Group successfully defended the claim and has derecognised the provision in the current period. The counterparty will appeal the claim and if the appeal is successful, then fines and legal costs could amount to €450 thousand, of which €350 thousand would be reimbursable under an insurance policy. Based on legal advice, management does not expect the outcome of the action to have a material effect on the Group's financial position.

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IAS 34.15B

^a. This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.

Notes to the condensed consolidated interim financial statements (continued)

IAS 34.8(e)

IAS 34.15B(j)

24. Related parties^{a, b}

A. Parent and ultimate controlling party^c

During the six months ended 30 June 2022, a majority of the Company's shares were acquired by Cameron Paper Co from Brown Products Corporation. As a result, the new ultimate controlling party of the Group is AJ Pennypacker.

B. Transactions with key management personnel

i. Loans to directors

Unsecured loans advanced to directors during the six months ended 30 June 2022 were €65 thousand (six months ended 30 June 2021: €35 thousand). No interest is payable by the directors, and the loans are repayable in full three months after the issue date. As at 30 June 2022, the balance outstanding was €15 thousand (as at 31 December 2021: €8 thousand) and is included in 'trade and other receivables'.

ii. Key management personnel compensation^a

As a result of the termination of the employment of one of the Group's executives in France, the executive received an enhanced retirement entitlement. Accordingly, the Group has recognised an expense of €25 thousand for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

[IAS 19.171, 24.17(d)]

C. Other related party transactions

[IAS 24.18]

In thousands of euro	Transactions for the six months ended		Balance outstanding	
	30 June 2022	30 June 2021	30 June 2022	31 December 2021
Sale of goods and services				
Parent of the Group – Cameron Paper Co (2021: Brown Products Corporation)	128	165	110	150
Joint venture	328	67	156	121
Associate	208	71	157	119
Purchase of goods				
Joint venture	518	416	-	-
Others				
Associate – Loan and related interest	2	3	-	1,000

During the six months ended 30 June 2022, the Group repaid a loan of €1,000 thousand received from one of its associates (see [Note 18](#)).

All outstanding balances with related parties are to be settled in cash within six months of the reporting date. None of the balances is secured.

25. Subsequent event

IAS 34.16A(h)

On 22 July 2022, the Group announced its intention to acquire all of the shares of ABC Company for €6,500 thousand. The transaction still has to be approved by the Group's shareholders and by regulatory authorities. Approvals are not expected until late in 2022 or early in 2023.

IAS 34.15B(j),
Insights 5.9.60.50

- a. In respect of related party transactions, care should be taken in determining the level of disclosure that is necessary in the condensed interim financial statements. If related party transactions are significant, then disclosure may be necessary, even though the nature and amounts of those transactions are consistent with previous periods.
- b. For example disclosures for government-related entities that apply the exemption in paragraph 25 of IAS 24 *Related Party Disclosures*, see Appendix IV to our [Guide to annual financial statements – Illustrative disclosures](#) (September 2021).

Insights 5.9.60.60

- c. In our view, an entity does not generally have to update the disclosure of related party relationships unless there has been a significant change, such as a change in the ultimate controlling party.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

26. Standards issued but not yet effective^a

IAS 8.30–31

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

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IAS 8.30–31

- ^a. Although it is not explicitly required by IAS 34, an entity might describe updates to information relevant to assessing the possible impact that the application of the new standards will have on its financial statements in the period of initial application. The appropriate level of disclosure generally depends on the status of the reporting entity's preparations to adopt any standards not yet effective as well as the extent of disclosure in the last annual financial statements. See [Appendix I](#) for a list of new standards or amendments issued by the Board that are required to be applied for an annual period beginning after 1 January 2022.

Appendix I

New standards or amendments for 2022 and forthcoming requirements

Since the April 2021 edition of this guide, a number of standards, amendments and interpretations have been issued. This Appendix lists those new requirements that have been issued by the Board as at 20 March 2022, and contains two tables, as follows.

- **New currently effective requirements:** This table lists the recent changes to the Standards that are required to be applied by an entity with an annual reporting period beginning on 1 January 2022.
- **Forthcoming requirements:** This table lists the recent changes to the Standards that are required to be applied for an annual period beginning after 1 January 2022 and that are available for early adoption in annual periods beginning on 1 January 2022. These requirements are not included in this guide.

The tables also include references to KPMG guidance, as appropriate.

New currently effective requirements

Effective date	New standards or amendments	KPMG guidance
1 April 2021	<i>COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16</i>	<i>Insights into IFRS</i> (5.1.379), web article , handbook chapter
1 January 2022	<i>Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)</i>	<i>Insights into IFRS</i> (3.12.635), web article
	<i>Annual Improvements to IFRS Standards 2018–2020</i>	<i>Insights into IFRS</i> (2.4.795, 3.9.35, 6.1.1295, 7.6.415), web article
	<i>Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)</i>	<i>Insights into IFRS</i> (3.2.125), web article
	<i>Reference to the Conceptual Framework (Amendments to IFRS 3)</i>	N/A

Forthcoming requirements

Effective date	New standards or amendments	KPMG guidance
1 January 2023	<i>Classification of Liabilities as Current or Non-current – Amendments to IAS 1</i> ^a	<i>Insights into IFRS</i> (2.9.45, 3.1.47, 7.10.55), web article
	IFRS 17 <i>Insurance Contracts</i> ^{b, c}	<i>Insights into IFRS</i> (Chapter 8.1A), web article , First Impressions , A new transition option for IFRS 17
	<i>Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2</i>	<i>Insights into IFRS</i> (2.1.15), web article
	<i>Definition of Accounting Estimate – Amendments to IAS 8</i>	<i>Insights into IFRS</i> (2.8.115), web article
	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12</i>	<i>Insights into IFRS</i> (3.13.213, 6.1.235), web article
Available for optional adoption/ effective date deferred indefinitely ^d	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>	N/A

- a.** The amendments to IAS 1, as issued in January 2020 (2020 amendments), are subject to future developments. Certain application issues resulting from the 2020 amendments were raised with the Board, which resulted in the Board publishing exposure draft ED/2021/9 *Non-current Liabilities with Covenants* in November 2021. Further amendments to IAS 1 are proposed as well as a deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024. The exposure draft was open for comment until 21 March 2022. For further information, see our [web article](#).
- b.** Early application of IFRS 17 *Insurance Contracts* is permitted only for companies that also apply IFRS 9.
- c.** *Initial Application of IFRS 17 and IFRS 9: Comparative Information – Amendment to IFRS 17* was issued in December 2021 to reduce accounting mismatches in comparatives on first application of IFRS 9 and IFRS 17. This amendment does not change the original effective date of IFRS 17. For further information, see our [web article](#).
- d.** The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

Appendix II

Presentation of comprehensive income – Two-statement approach

Condensed consolidated statement of profit or loss^a

For the six months ended 30 June

In thousands of euro

IAS 34.8(b), 8A, 10,
20(b)

IAS 1.82(a)

IAS 1.82(ba)

IAS 1.82(b)

IAS 1.82(c)

IAS 1.82(d)

IAS 34.11A

IAS 34.11A

	Note	2022	2021*
Continuing operations			
Revenue	6	52,530	51,586
Cost of sales	13, 15, 19	(31,303)	(31,922)
Gross profit		21,227	19,664
Other income	8, 15	644	190
Selling and distribution expenses		(7,698)	(7,498)
Administrative expenses	10, 19, 21	(8,474)	(8,358)
Research and development expenses		(605)	(179)
Impairment loss on trade and other receivables, including contract assets	20	(190)	(170)
Other expenses	8, 14, 16, 21	(686)	-
Operating profit		4,218	3,649
Finance income	20, 21	457	345
Finance costs	20	(1,002)	(1,007)
Net finance costs		(545)	(662)
Share of profit of equity-accounted investees, net of tax		233	278
Profit before tax	5	3,906	3,265
Income tax expense	11	(1,109)	(741)
Profit from continuing operations		2,797	2,524
Discontinued operation			
Profit (loss) from discontinued operation, net of tax	7	379	(422)
Profit for the period		3,176	2,102
Profit attributable to:			
Owners of the Company		2,985	2,014
Non-controlling interests		191	88
		3,176	2,102
Earnings per share			
Basic earnings per share (euro)		0.82	0.51
Diluted earnings per share (euro)		0.80	0.50
Earnings per share – Continuing operations			
Basic earnings per share (euro)		0.70	0.64
Diluted earnings per share (euro)		0.69	0.63
Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)			
	12	6,765	7,902

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

IAS 1.10A

^a This Appendix illustrates the two-statement approach to the presentation of comprehensive income, consisting of a separate income statement displaying profit or loss, and a second statement displaying the components of OCI.

Condensed consolidated statement of profit or loss and OCI

For the six months ended 30 June

In thousands of euro

	<i>Note</i>	2022	2021*
Profit for the period		3,176	2,102
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment	15	200	-
Remeasurements of the defined benefit liability (asset)		72	(15)
Equity investments at FVOCI – net change in fair value		141	48
Related tax		(137)	(11)
		276	22
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		437	330
Reclassification of foreign currency differences on loss of significant influence	21	20	-
Net investment hedge – net loss		(3)	(8)
Equity-accounted investees – share of OCI		10	-
Cash flow hedges – effective portion of changes in fair value		(93)	97
Cash flow hedges – reclassified to profit or loss		(17)	(11)
Cost of hedging reserve – changes in fair value		34	10
Cost of hedging reserve – reclassified to profit or loss		8	2
Debt investments at FVOCI – net change in fair value		55	74
Debt investments at FVOCI – reclassified to profit or loss		(47)	(48)
Related tax		19	(40)
		423	406
Other comprehensive income for the period, net of tax		699	428
Total comprehensive income for the period		3,875	2,530
Total comprehensive income attributable to:			
Owners of the Company		3,660	2,396
Non-controlling interests		215	134
		3,875	2,530

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

[IAS 34.8(b), 8A, 10, 20(b)]

[IAS 1.82A]

[IAS 1.82A]

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APPENDICES

Appendix III

Condensed consolidated statement of profit or loss and OCI – Quarterly reporter^a

IAS 34.20(b)

[IAS 1.82(a)]

[IAS 1.82(ba)]

[IAS 1.82(b)]

[IAS 1.82(c)]

[IAS 1.82(d)]

<i>In thousands of euro</i>	<i>Note</i>	For the three months ended 30 June		For the six months ended 30 June	
		2022	2021*	2022	2021*
Continuing operations					
Revenue	6	27,823	26,421	52,530	51,586
Cost of sales	13, 15, 19	(15,405)	(16,119)	(31,303)	(31,922)
Gross profit		12,418	10,302	21,227	19,664
Other income	8, 15	570	101	644	190
Selling and distribution expenses		(4,337)	(3,802)	(7,698)	(7,498)
Administrative expenses	10, 19, 21	(5,783)	(4,098)	(8,474)	(8,358)
Research and development expenses		(260)	(145)	(605)	(179)
Impairment loss on trade and other receivables, including contract assets	20	(87)	(10)	(190)	(170)
Other expenses	8, 14, 16, 21	(244)	-	(686)	-
Operating profit		2,277	2,348	4,218	3,649
Finance income	20, 21	257	214	457	345
Finance costs	20	(614)	(754)	(1,002)	(1,007)
Net finance costs		(357)	(540)	(545)	(662)
Share of profit of equity-accounted investees, net of tax		124	172	233	278
Profit before tax	5	2,044	1,980	3,906	3,265
Income tax expense	11	(596)	(447)	(1,109)	(741)
Profit from continuing operations		1,448	1,533	2,797	2,524
Discontinued operation					
Profit (loss) from discontinued operation, net of tax	7	197	(220)	379	(422)
Profit for the period		1,645	1,313	3,176	2,102

* Comparative information has been re-presented due to a discontinued operation. See [Note 7](#).

Condensed consolidated statement of profit or loss and OCI – Quarterly reporter (continued)

IAS 34.20(b)

IAS 1.82A]

IAS 1.82A]

In thousands of euro	Note	For the three months ended 30 June		For the six months ended 30 June	
		2022	2021*	2022	2021*
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of property, plant and equipment	15	-	-	200	-
Remeasurements of the defined benefit liability (asset)		72	(15)	72	(15)
Equity investments at FVOCI – net change in fair value		148	-	141	48
Related tax		(69)	5	(137)	(11)
		151	(10)	276	22
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations – foreign currency translation differences		245	153	437	330
Reclassification of foreign currency differences on loss of significant influence	21	-	-	20	-
Net investment hedge – net loss		(3)	(5)	(3)	(8)
Equity-accounted investees – share of OCI		10	-	10	-
Cash flow hedges – effective portion of changes in fair value		(72)	32	(93)	97
Cash flow hedges – reclassified to profit or loss		(5)	(11)	(17)	(11)
Cost of hedging reserve – changes in fair value		16	6	34	10
Cost of hedging reserve – reclassified to profit or loss		5	-	8	2
Debt investments at FVOCI – net change in fair value		16	32	55	74
Debt investments at FVOCI – reclassified to profit or loss		(23)	-	(47)	(48)
Related tax		8	(24)	19	(40)
		197	183	423	406
Other comprehensive income for the period, net of tax		348	173	699	428
Total comprehensive income for the period		1,993	1,486	3,875	2,530

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

IAS 34.20

- a. This Appendix illustrates a condensed consolidated statement of profit or loss and OCI for an entity that publishes quarterly financial statements. The statement of financial position, statement of changes in equity and statement of cash flows for a quarterly interim reporter will be the same as those illustrated for the example entity that publishes a half-year interim report only.

Condensed consolidated statement of profit or loss and OCI – Quarterly reporter (continued)

IAS 34.20(b)

<i>In thousands of euro</i>	<i>Note</i>	For the three months ended 30 June		For the six months ended 30 June	
		2022	2021*	2022	2021*
Profit attributable to:					
Owners of the Company		1,547	1,258	2,985	2,014
Non-controlling interests		98	55	191	88
		1,645	1,313	3,176	2,102
Total comprehensive income attributable to:					
Owners of the Company		1,883	1,407	3,660	2,396
Non-controlling interests		110	79	215	134
		1,993	1,486	3,875	2,530
Earnings per share					
Basic earnings per share (euro)		0.44	0.34	0.82	0.51
Diluted earnings per share (euro)		0.40	0.33	0.80	0.50
Earnings per share – Continuing operations					
Basic earnings per share (euro)		0.32	0.47	0.70	0.64
Diluted earnings per share (euro)		0.28	0.46	0.69	0.63
Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)					
	<i>12</i>	3,515	4,586	6,765	7,902

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

IAS 34.11

IAS 34.11

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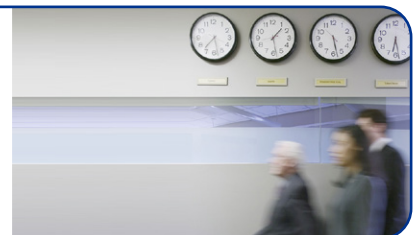
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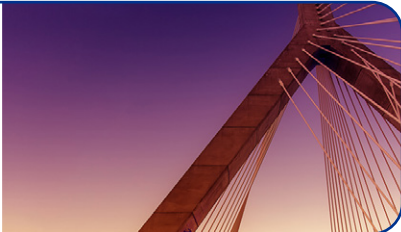
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