

Press Release

Amsterdam, 1 March 2022

Cabka commences trading on Euronext Amsterdam

- Trading in Cabka shares to commence under the symbol "CABKA" as of today
- Transaction includes a net capital inflow of EUR 45.5 million

Cabka N.V. (together with its subsidiaries, "Cabka"), a leading integrated circular production company announces trading in its shares on Euronext Amsterdam to commence today, 1 March 2022, following a business combination with Dutch Star Companies TWO B.V., a special purpose acquisition company.

Cabka is recycling plastics from post-consumer and post-industrial waste into innovative reusable pallets- and large container solutions enhancing logistics chain sustainability. Cabka is leading the industry with its integrated approach closing the loop from waste, to recycling, to manufacturing. Backed by its own innovation center it has the rare industry knowledge, capability, and capacity integrating recycled plastics back into the production loop at attractive returns. Cabka is fully equipped to exploit the full value chain from waste to end-products.

On 10 January 2022, Dutch Star Companies TWO B.V. ("DSCT"), a special purpose acquisition company, reached agreement with Cabka on forming a business combination. Following DSCT shareholders' approval of the legal merger at the Extraordinary General Meeting of shareholders held on 28 February 2022 all conditions for the completion of the business combination have been met.

The business combination will be structured as a legal acquisition of Cabka Group GmbH by DSCT and hence be renamed Cabka N.V.. Following the conclusion of the business combination DSCT's current listing on Euronext Amsterdam will be maintained, and as a result of the acquisition and renaming, listed shares in the company have been allotted to the existing shareholders of DSCT and additional investors of Cabka. The Company will trade under the symbol "CABKA" with international securities identification number NL00150000S7.

Tim Litjens, CEO Cabka, comments:

"The listing of Cabka in Amsterdam is a major step in accelerating the transformation of Cabka to realize our '500-million-euro-plus' revenue ambition.

The increased financial flexibility of this listing will benefit all stakeholders. It enables us to further build on the strong DNA and innovation Cabka developed over the past 27 years. To pursue our strategy of constant transformation via development of innovative products, advanced material engineering and processing technology.

As management we feel inspired to further focus on growing Cabka and strengthening our position as a now listed leader in the circular production of reusable plastic pallets and large containers for smart logistics."

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Rationale

The business combination offers Cabka the inflow of additional funds to support and accelerate the growth of the company. Funds that can be especially used for the funding of investments, sales and marketing expansion in Europe and the US, as well as to strengthen research and development, further vertical integration and to facilitate possible selective value enhancing acquisitions. All to ensure Cabka remains leading in the circular production of reusable plastic pallets and large containers. Furthermore, a listing on Euronext Amsterdam significantly enhances Cabka's profile towards (potential) clients, employees and other stakeholders, creates a new long-term shareholder base, provides the means to further incentivize key employees and attract new talent, and allows for acquisition currency. The transaction offers Cabka immediate additional funds to capture current organic as well as inorganic growth opportunities and can fuel the strategy and growth path in the long run.

Transaction details

Following the completion of the transaction Cabka will receive EUR 45.5 million in new capital. This inflow results after a total transaction of EUR 110 million from current DSCT shareholders minus buying out of minority shareholders for EUR 63.3 million, costs and negative interest and an inflow of EUR 367,000 from the DSCW1 warrant conversion.

Following completion of the transaction, and the mandatory conversion of the DSCW1 warrants and the special shares, the total number of issued Cabka ordinary shares as per Record Date 3 March 2022 will be 24,374,711.

Post listing and post DSCW1 conversion, the founder of Cabka, via RAM.ON Finance GmbH, will hold approximately 45.8% of Cabka ordinary shares outstanding, the DSC Executive Directors 5.6% and Cabka Key Employees 1.6%. All these parties are subject to a 365-day lock-up starting at the completion of the transaction (i.e. expiring on 28 February 2023). The lockups are subject to certain customary carve-outs.

For more details on the structure of the transaction and the conversion of warrants and special shares, reference is made to the DSCT shareholders' circular dated 10 January 2022 and the DSCT press release dated 28 February 2022 which can also be found on the News & Investor section of Cabka.com.

Investment and financial highlights Cabka

Cabka is in the business of recycling plastics from post-consumer and post-industrial waste into innovative reusable pallets and large container solutions enhancing the sustainability of logistic value chains. Cabka is leading the industry with its integrated approach of fully closing the loop - from waste, to recycling, and finally, manufacturing. Backed by its own innovation center it combines unique industry knowledge, development capability, and production capacity, maximizing the value of recycled plastics and keeping products within the recycling loop at attractive returns. Thus, Cabka enables its customers to fully participate in the circular economy.

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Product lowering cost and carbon profile

Cabka distinguishes itself in being able to integrate the entire recycling-to-production chain in a one-of-a-kind process, significantly lowering customer's costs and more than halving their carbon footprint.

Product portfolio tailored to clients

Cabka produces over 150 different models of pallets, containers & ECO products serving blue-chip clients in European key markets as well as the US. Over 85% of Cabka's revenue is recurring by nature, based on innovative customized solutions deeply embedded in its client's core logistic chain.

Global trends reshaping plastic transport packaging market

1. Logistics chain rationalization

The strategic relevance of logistics chains drives demand for innovative solutions. Plastic pallets are well equipped to be used in fully automated warehousing with zero tolerance for system failure and to fill the increasing demand for higher performance, more hygienic pallet solutions: easy to clean, no mold, no splinters etcetera. In addition, major pallet pooling companies are shifting towards plastic and larger consumer goods and retail players are forced to integrate plastic packaging solutions into their strategy.

2. Sustainability

Circular business models and sustainability are at the core of corporate and regulatory agendas enhancing a strong interest in sustainable products with characteristics like reusability, recyclability, and the use of recycled materials. Additionally, residual value management is developing into an increasingly important topic, with goods out of recycled plastics being especially attractive when they reach the end of their product life cycle.

Closing the loop from waste to end-products

Cabka has the unique ability to cover the entire recycling value chain from waste recovery to product design and production and manufacturing of high-end customized products. Most competitors only cover part of the value chain, either from waste to recycled material, or from recycled material to final product. This provides Cabka with a unique competitive advantage.

Consistent focus on R&D and creating intellectual property,

Providing a strong competitive edge through in-house developed, patented expertise in three distinctive areas:

- **Advanced material engineering:**
Material laboratory that enables continuous testing of material characteristics providing Cabka with a one-of-a-kind database of recycled materials and formulations and material formulation expertise, optimizing product material input with tailor-made approach.
- **Product design:**
Design and simulation of products to match the exact specs and needs of customers. Cabka owns the intellectual property on product design of most customized material handling solutions, further increasing competitive edge.
- **Advanced processing technology:**
In-house developed recycling, sorting, and processing technologies with strong focus on advancing Automation within Cabka's existing processes. Seamlessly incorporated cutting-

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edge low pressure and multiple molding technology, partly with in-house designed machines and tools.

Key strategic objective for targeted acquisitions

Cabka's has identified an acquisition strategy focused on expanding both end-market and recycling position across Europe and the US. As to end-markets focus will be on complimentary value adding products, and geographical spread. As for recycling, Cabka strongly believes it can benefit from increased supply chain control through recycling further backwards integration of its material in-flow.

Four operational levers to optimize efficiency

- **Formulation**
Engineering recycled plastic products, complemented by in-house recycling, resulting in shift towards lower value waste streams. This shift results in lower material costs, increased competitiveness and a higher security of supply
- **Automation**
A target of >30 percent reduction of manual labour through more than 15 identified opportunities for automation and smart factory technologies
- **Enhanced efficiency**
Improve average capacity utilization rates to utilize approx. 20 percent spare capacity in current facilities, driving significant efficiency improvements leveraging the existing asset base
- **Asset light strategy**
Outsourcing of production with limited specialized know-how (for example through using tollers and manufacturing partners for the use of high-pressure molding machines), which results in lower capital intensity and shifts focus of investments to new products and automation, subsequently improving cash conversion.

Strong balance sheet

Strong liquidity position, well within financial covenants as per YE21, with EUR 45.5m cash inflow following from Combination with Dutch Star Companies TWO

Financials demonstrating perspective on future growth

Cabka demonstrates a high potential, high-margin business ready for future growth. It focusses on four operational levers to further improve margins and cashflow and sees an attractive M&A landscape to further propel growth. In the mid-term Cabka is aiming at high single-digit growth, an IFRS Underlying EBITDA margin of at least 20% and a dividend pay-out-ratio expected to steadily increase -from an intended EUR 0.15 over 2022FY- to 30-35%.

The year 2021 showed a strong comeback after following a year that was severely impacted by the COVID pandemic. All relevant parameters, revenue, underlying EBITDA and net income improved to record levels. The revenue increased to EUR 170.6 million or 26.8% year-on-year in 2021, corresponding to approximately 6% versus pre-COVID 2019 levels. This despite lagging demand in the first quarter of 2021 caused by continued COVID effects, and supply interruptions in the automotive sector. The key financial indicators for FY 2021 are provided below.

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Key figures 2021

Financial Highlights Cabka (German GAAP)¹	
(in EUR million)	2021
Revenue	170.6
Gross Profit	87.8
Underlying EBITDA	28.0
IFRS-16 ² Underlying EBITDA	31.0
Net Income	4.5

Financial KPI's Cabka (German GAAP)	
	2021
Underlying EBITDA margin	16.4%
IFRS-16 adjusted underlying EBITDA margin	18.2%
Net Working Capital ³	19.3%
Gross Margin	51.5%
Maintenance & Replacement Capital Expenditure	4.2%

Total revenue per product sector	
in EUR million	2021
Large Container US	5.0
Large Container EU	15.5
Pallets US	21.8
Pallets EU	82.2
Total Reusable Transport Packaging	124.6
Eco Products	22.9
Total RTP + Eco Products	147.5
Construction and other products	16.8
Non-product revenue (freight & materials)	6.3
Total revenue	170.6

Financial Calendar Cabka 2022

- 1 March 2022 First day of listing Cabka N.V.
- 2 March 2022 Ex Date BC Warrants and IPO Warrants
- 3 March 2022 Record Date allotment BC Warrants and conversion of IPO warrants and BC warrants in ordinary shares for warrants that have converted
- 13 April 2022 Publication Annual Report and audited results Cabka Group GmbH 2021 (German Gaap)
Publication Annual Report and audited results Dutch Star Companies TWO 2021 (IFRS)
- 31 May 2022 Cabka Annual General Meeting
- 17 August 2022 Publication results and report of Cabka N.V. over the first six months of 2022 (IFRS)
- 15 March 2023 Publication preliminary full year results 2022 Cabka N.V. (IFRS)

¹ Based on the publication of preliminary figures for 2021 on 22 February 2022, the audited financial accounts 2021 will be published 13 April 2022. As to date Cabka is reporting under German Gaap and will start reporting based on IFRS as of 2022

² The IFRS-16 adjustment is based on a high-level gap analysis by DSC2 and its advisors

³ As defined in the shareholder circular published 10 January 2022

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About Cabka

Cabka is in the business of recycling plastics from post-consumer and post-industrial waste into innovative reusable pallets- and large container solutions enhancing logistics chain sustainability. Cabka is leading the industry in its integrated approach closing the loop from waste, to recycling, to manufacturing. Backed by its own innovation center it has the rare industry knowledge, capability, and capacity of making maximum use bringing recycled plastics back in the production loop at attractive returns. Cabka is fully equipped to exploit the full value chain from waste to end-products.

Cabka employs some 700 FTE in Europe and the US recycling 150 kton of plastics into some 10 million pallets and 200,000 large containers realizing EUR 171m in revenues, in 2021.

Cabka is listed at Euronext Amsterdam as of 1 March 2022 under the CABKA ticker with international securities identification number NL00150000S7.

Disclaimer

The content of this press release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth or strategies. A list and description of the risks, uncertainties and other risks relating to the Company can be found in the shareholder circular that has been made generally available in the Netherlands and can be found on News & Investor section of the cabka.com website.

Readers are cautioned that any forward-looking statements are not guarantees of future performance. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this press release. The Company undertakes no obligation to publicly update or revise the information in this press release, including any forward-looking statements, except as may be required by law.

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