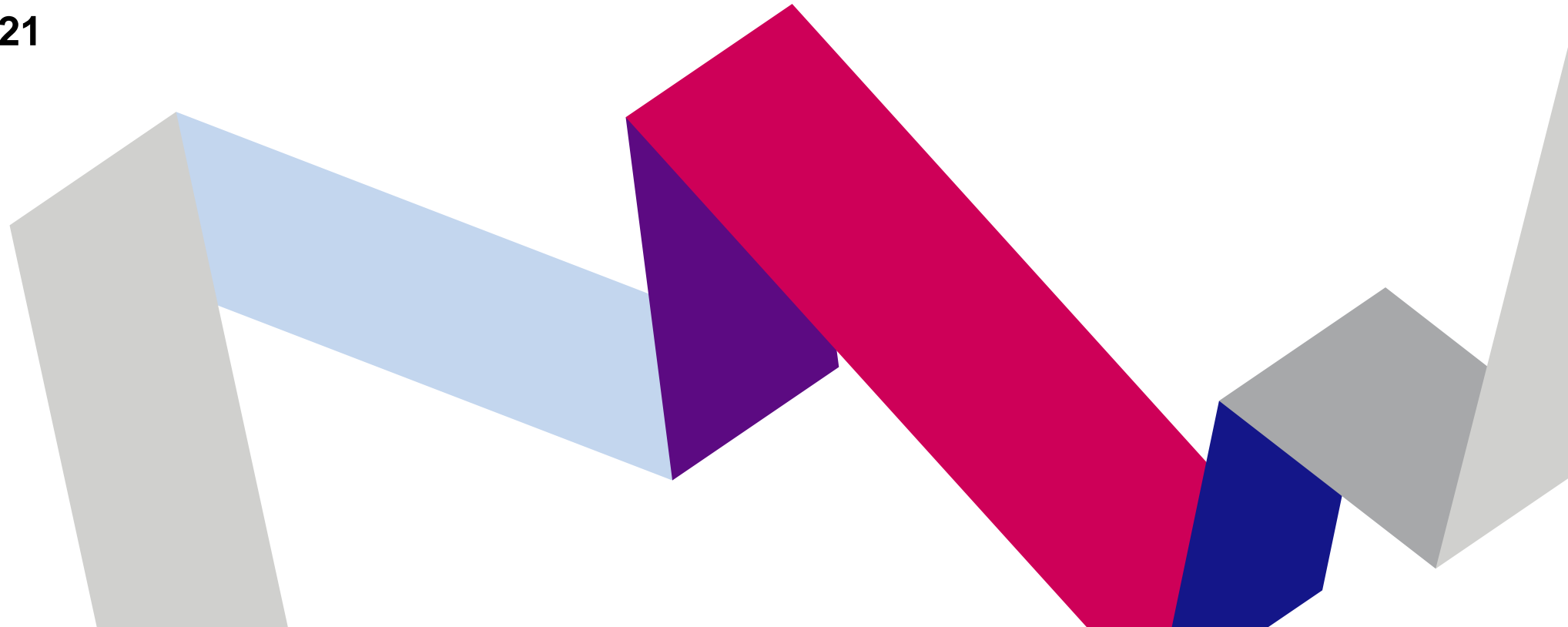


PERFORMANCE PRESENTATION

31 December
Fourth Quarter 2021





DISCLAIMER IMPORTANT INFORMATION

The unaudited consolidated financial information of Progroup AG (“Progroup”) as at and for the period ended 31 December 2021 included in this presentation, has been prepared in accordance with generally accepted accounting principles (Grundsätze ordnungsgemässer Buchführung) in the Federal Republic of Germany as in effect from time to time (“German GAAP”), which differ in certain respects from International Financial Reporting Standards as adopted by the European Union. Certain numerical figures included in this presentation have been rounded. Discrepancies or apparent inconsistencies between different amounts included in this presentation may occur due to such rounding.

This presentation may contain forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, projects, objectives, goals and targets, future developments in the markets in which we participate or are seeking to participate or anticipated regulatory changes in the markets in which we operate or intend to operate. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this presentation. Accordingly, prospective investors should not place undue reliance on these forward-looking statements, which speak only as at the date on which the statements were made (and in any case no later than the date of this presentation). We undertake no obligation, and do not intend, to update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

This presentation may contain information, data and predictions about our markets and our competitive position. We operate in an industry for which it is difficult to obtain precise industry and market information. Any market data and/or economic and industry data and forecasts used, and statements regarding our position in the industry made in this presentation are based upon market research, government and other publicly available information, reports prepared by independent industry consultants and independent industry publications. Any such information in this presentation that has been sourced from third parties has been accurately reproduced and, as far as we are aware and able to ascertain from the information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. While we believe the statements included in such third party publications to be reliable, they have not been independently verified, and we do not make any representation or warranties as to the accuracy or completeness of such information set forth in this presentation. In addition, certain market share information and other statements in this presentation regarding our industry and our position relative to competitors reflect our management’s best estimates, based on our experience and knowledge of our industry. We cannot assure you that these statements and information are accurate or that they correctly reflect the state and development of our position in the industry.

In this presentation, we present certain non-GAAP measures and ratios, including EBITDA, EBITDA margin, EBIT, free cash flow, net financial debt, net leverage and certain other financial data that are not required by, or presented in accordance with, German GAAP. Our management believes that the presentation of these non-GAAP measures is helpful for investors because these and other similar measures are widely used by certain investors, security analysts and other interested parties as supplemental measures of performance and financial position. However, you should not construe these non-GAAP measures as an alternative to net income determined in accordance with German GAAP or to cash flows from operating activities, investing activities or financing activities. In addition, the non-GAAP measures and ratios, including EBITDA, EBITDA margin, EBIT, free cash flow, net financial debt and net leverage presented by us may not be comparable to similarly titled measures used by other companies.

AG EN DA

01. Progroup – Highlights 31/12 | Q4 2021
02. Progroup – Financial Performance
03. Progroup – Summary & Outlook

**PROGROUP
HIGHLIGHTS
31/12 | Q4 2021**

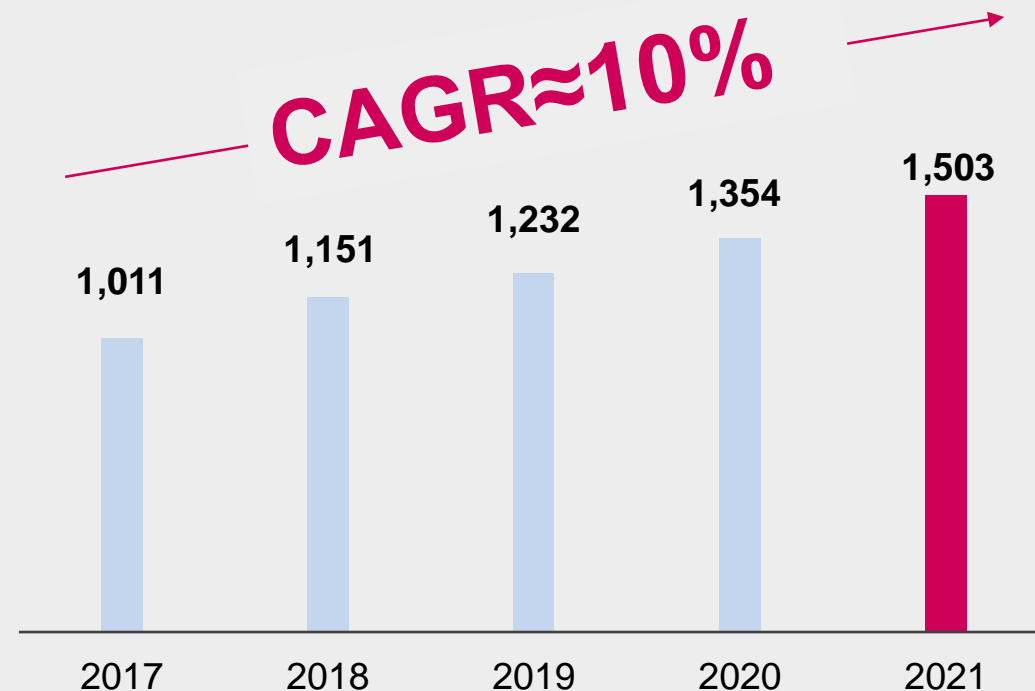


IMPROVING FINANCIAL PERFORMANCE

- Significant volume increases in our corrugated board (11.0%) and containerboard businesses (33.6%) in the full year 2021 vs. 2020, driven by higher production capacities and continuing strong demand
- Strong **sales** increase to **€393.5 mn in Q4 2021 (+70.0%** compared to Q4 2020) due to volume growth and significantly higher price levels
- Exceptional **EBITDA** increase to **€92.8 mn in Q4 2021 (+151.9%** vs. Q4 2020: €36.8 mn) due to higher gross margins and higher sales volumes
- **EBITDA margin** at **23.6%** in Q4
- Net financial debt decreased to €779.9 mn (31 December 2020: €804.8 mn)
- Significantly improved **net leverage of 2.9 x LTM EBITDA**

Volume corrugated board

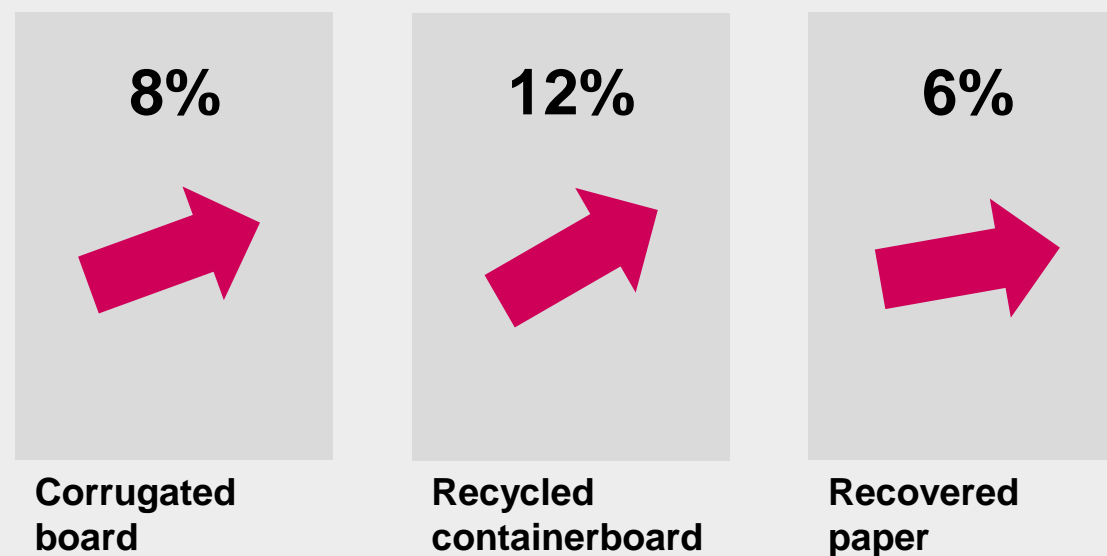
(in kt)



MARKET DEVELOPMENT

- Seasonally strong demand in our two businesses in Q4
- Increased demand from the e-commerce sector and the general economic recovery will also support future development
- Driven by a continuing strong demand prices for recycled containerboard and corrugated board increased further in Q4
- Strong demand for recovered paper due to higher utilisation rates in the entire industry as well as new containerboard capacities in Europe and limited collections due to COVID 19 impact led to further price increases in Q4
- Energy costs and freight rates increased significantly in 2021. Especially energy costs showed unusual strong price increases in Q4

Price development Q4 2021 compared to Q3 2021



PROGROU FINANCIAL PERFORMANCE



Quarterly view

CORRUGATED BOARD VOLUME GROWTH

Development

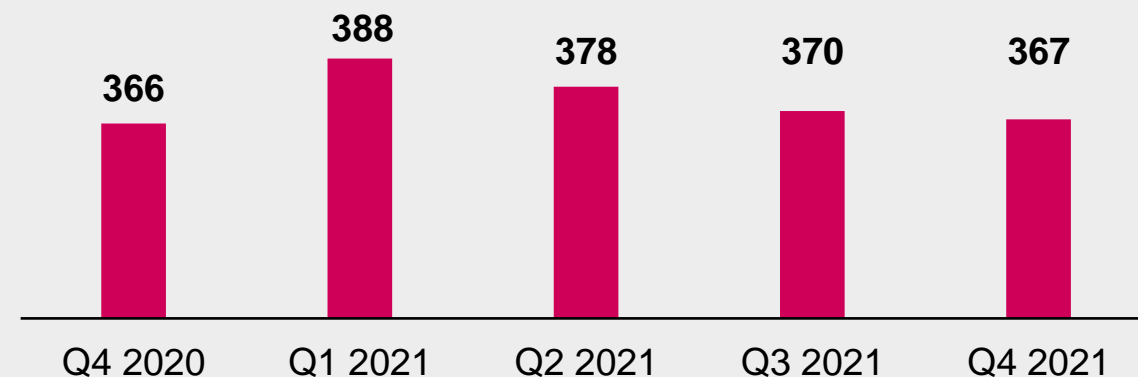
Corrugated board sales volume increased slightly in Q4 2021 (0.4%) compared to Q4 2020. Sales volume was limited by available capacities.

Year over year growth rate of 11.0%

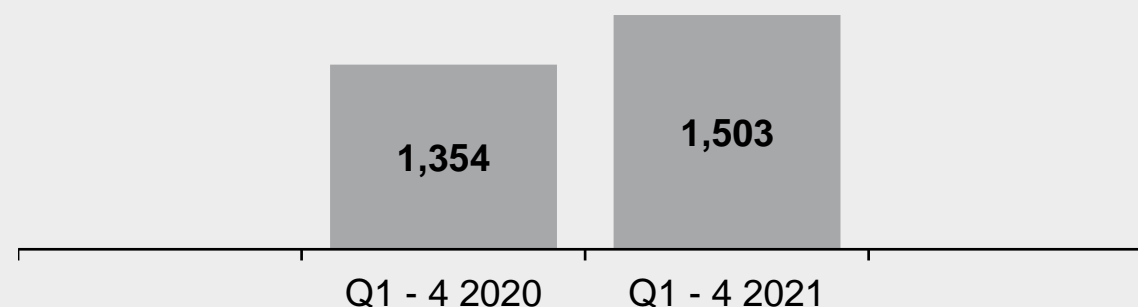
The main growth momentum came from our new German corrugated board plant. But also the higher capacity utilisation throughout the year contributed to the volume growth

Volume corrugated board

(in kt)



+11.0%



Quarterly view

INCREASING PAPER VOLUME

Development

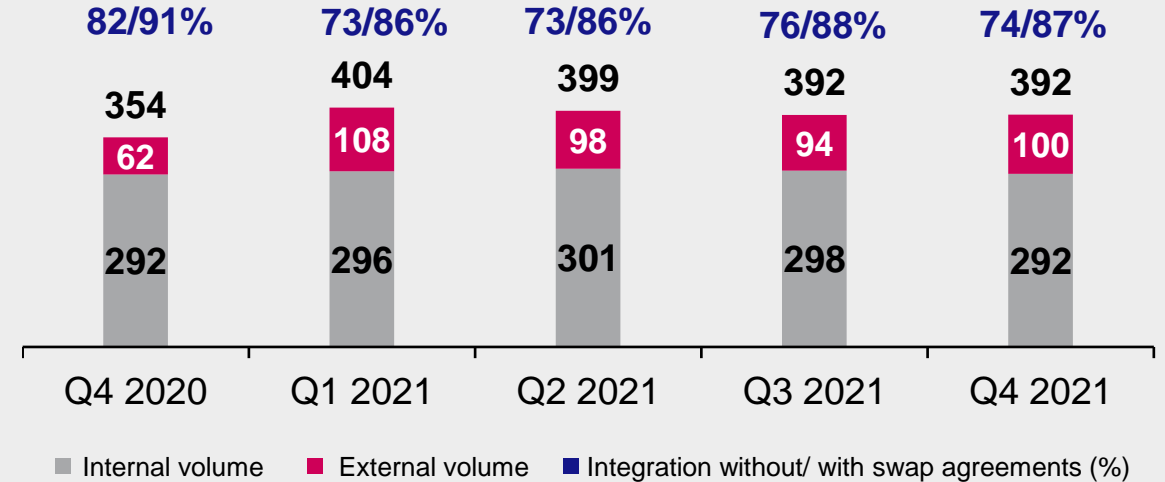
Increase of **10.9%** in Q4 sales volume compared to Q4/2020 and **33.6%** in the full year

The volume increase is driven by higher production capacities with the start-up of PM3

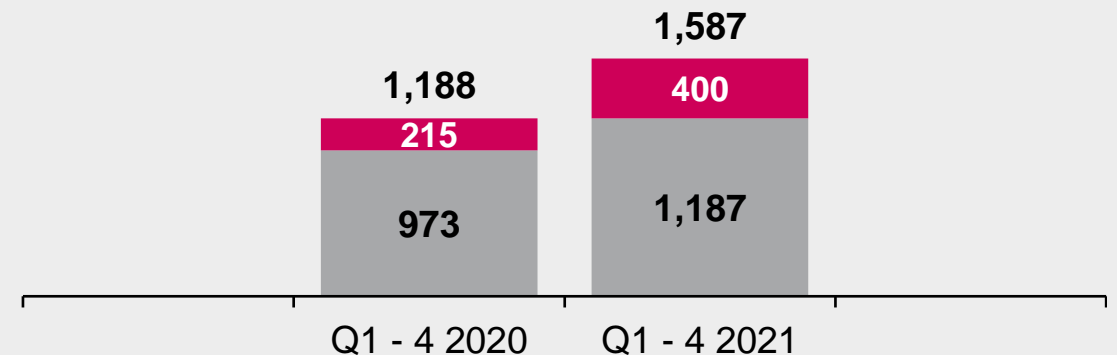
External sales volumes almost doubled in 2021 compared to prior year

Volume containerboard

(in kt)



+33.6%



Quarterly view

SALES DEVELOPMENT

Strong sales increase compared to Q4 2020

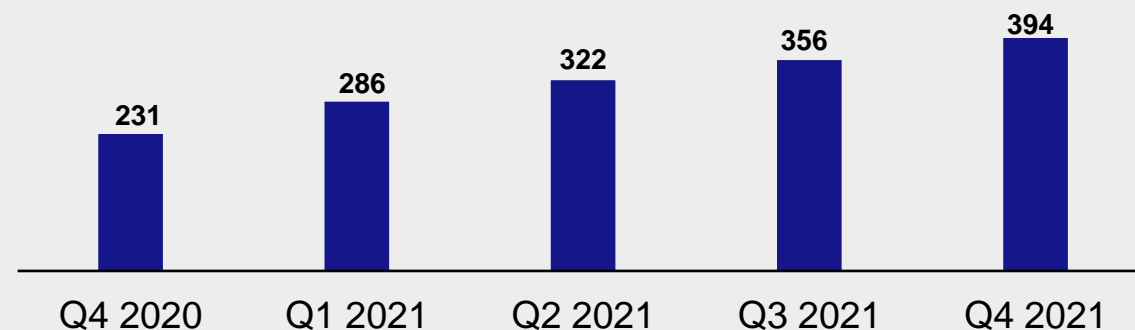
Positive volume effect of higher corrugated board sales volume and higher external containerboard sales volume and increased price levels led to strong sales growth

Year over year **sales were 54.1%** above prior year period

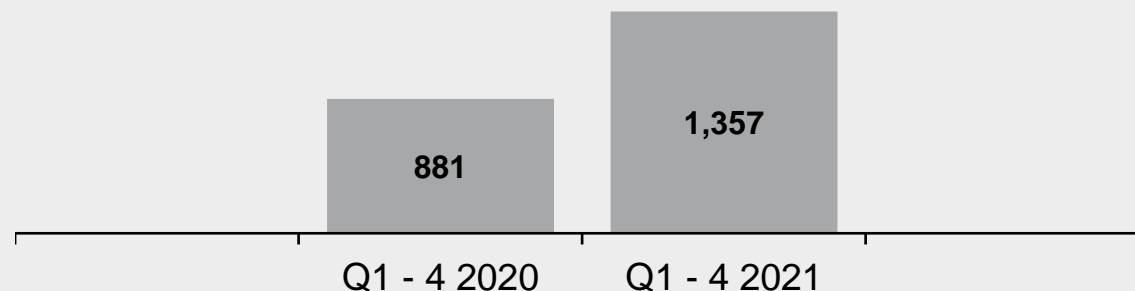
New sales records in Q4 2021 and for the full year 2021

Sales

(in € mn)



+54.1%

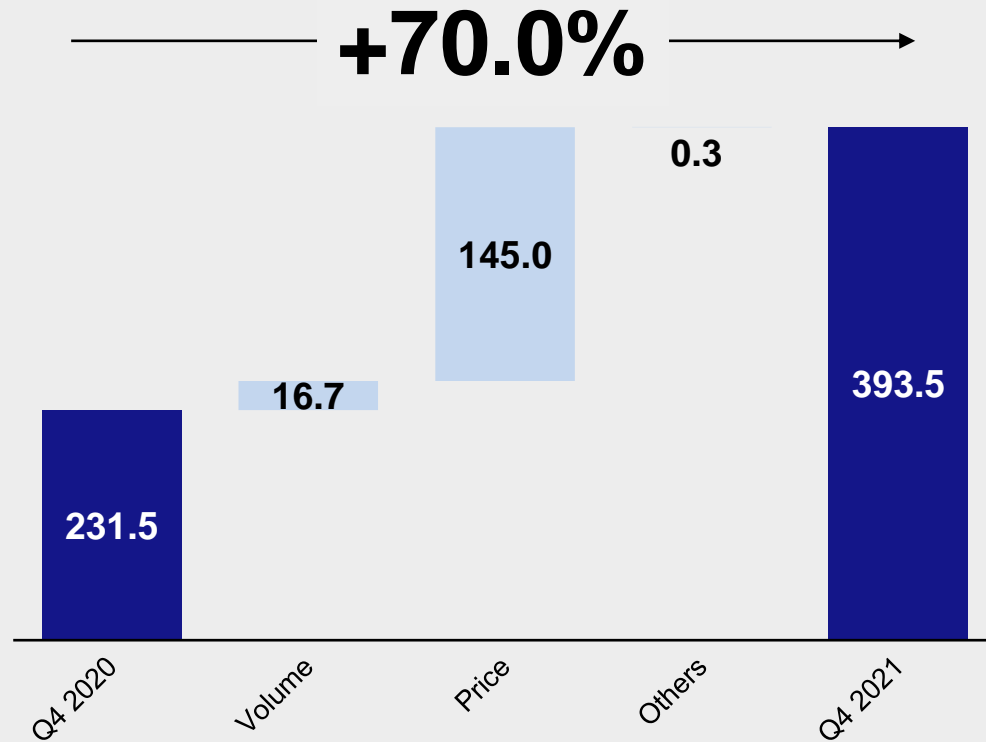


SALES INCREASE



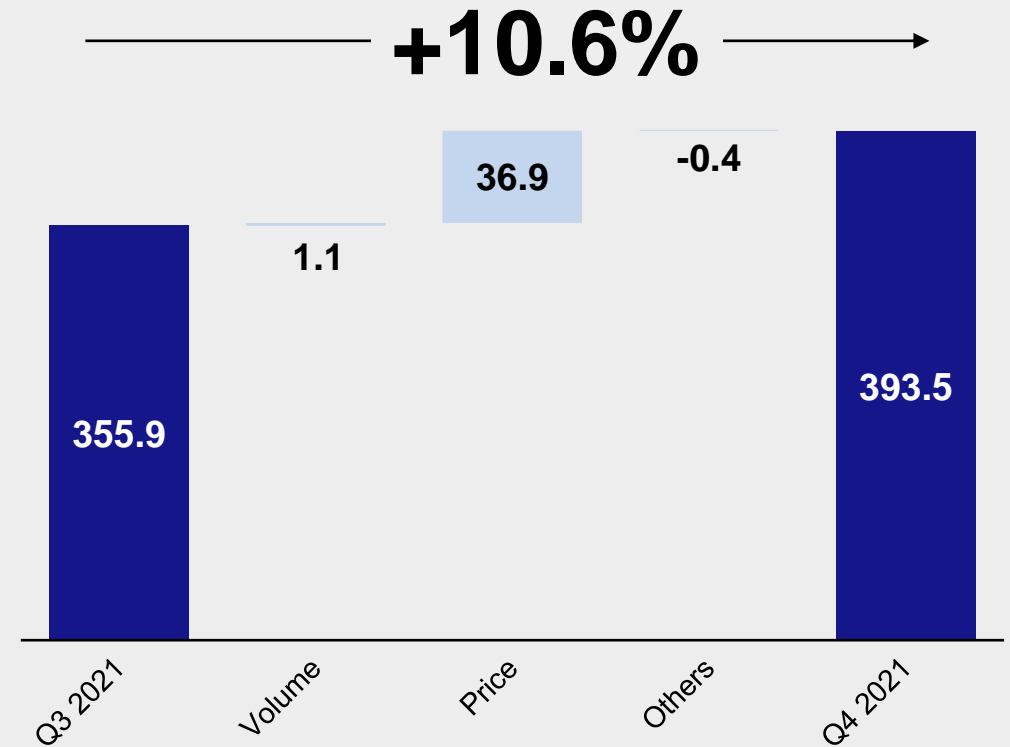
Sales Development – Q4 2020 / Q4 2021

(in € mn)



Sales Development – Q3 2021 / Q4 2021

(in € mn)



Quarterly view

DEVELOPMENT OF EBITDA/EBITDA MARGIN

EBITDA Q4 2021

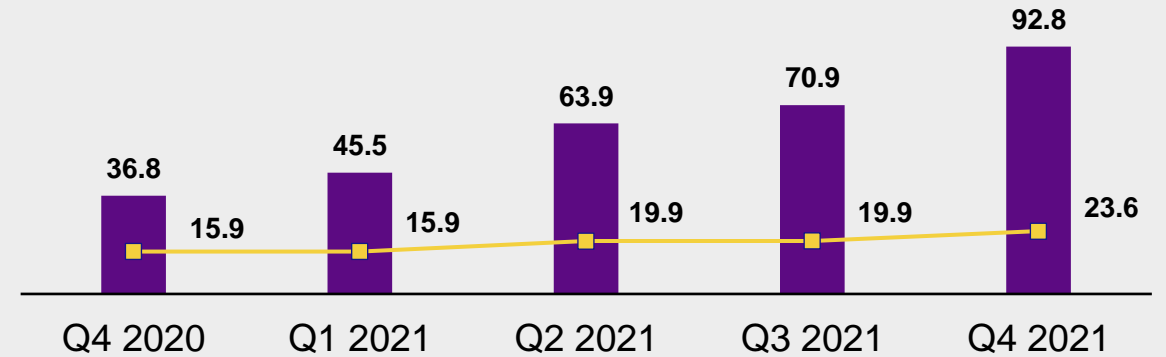
Shows a further improvement to **€92.8 mn**, as a result of higher gross margins following the implemented price increases. Nevertheless, higher energy and raw material costs as well as maintenance costs impacted the results.

Strong **EBITDA increase of 151.9%** in Q4 compared to Q4/2020 and **53.4%** in the full year

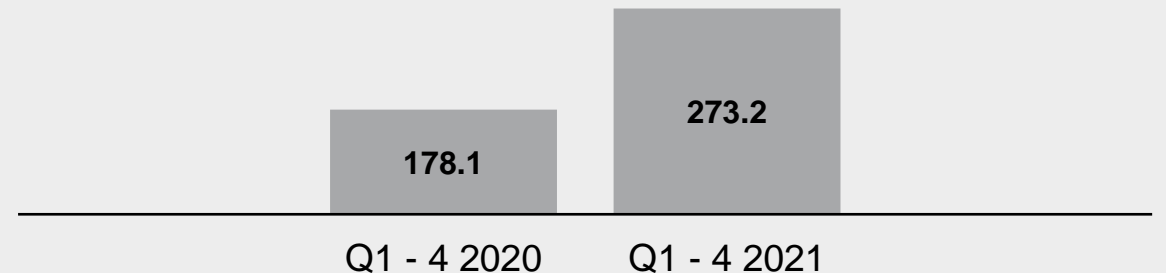
EBITDA margin increased in Q4 to **23.6%** (+3.7%) compared to Q3

EBITDA

(in € mn) —■— EBITDA margin (%)



+53.4%



Long-term view

EBITDA MARGIN LONG-TERM AVERAGE

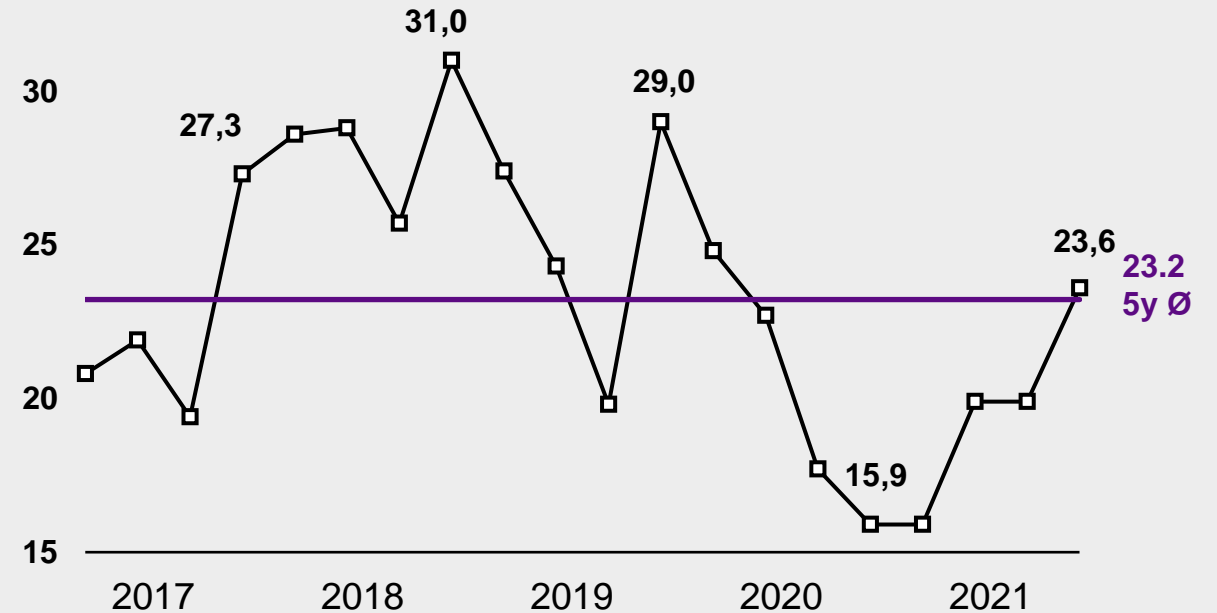
Strong EBITDA margin recovery in 2021

EBITDA margin 0.4% above 5-year average.
Strong recovery of nominal EBITDA is
compensated by significantly higher sales.

EBITDA margins returned to 5-year average
for the first time in Q4 after being below since
Q2 2020

EBITDA margin

(in %)



Using adjusted EBITDA margin (%) for Q3 and Q4 of 2016
[based on EBITDA adjusted for unplanned maintenance shutdown extension of CHP]

Quarterly view

DEVELOPMENT OF FREE CASHFLOW

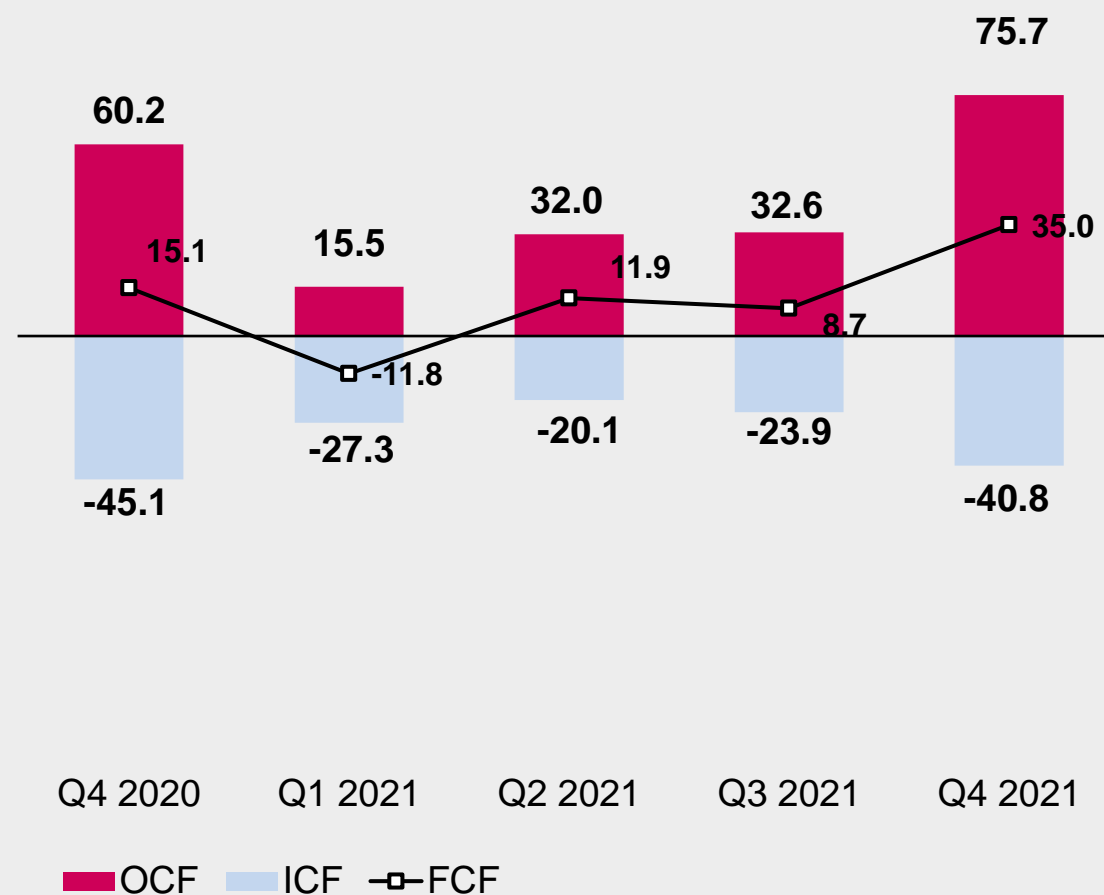
Positive free cash flow development

Free cash flow increased by €19.9 mn in Q4 2021 compared to Q4 2020

Operating cash flows **increased significantly** in the course of 2021 following the improved EBITDA levels.

Free cash flow

(in € mn)

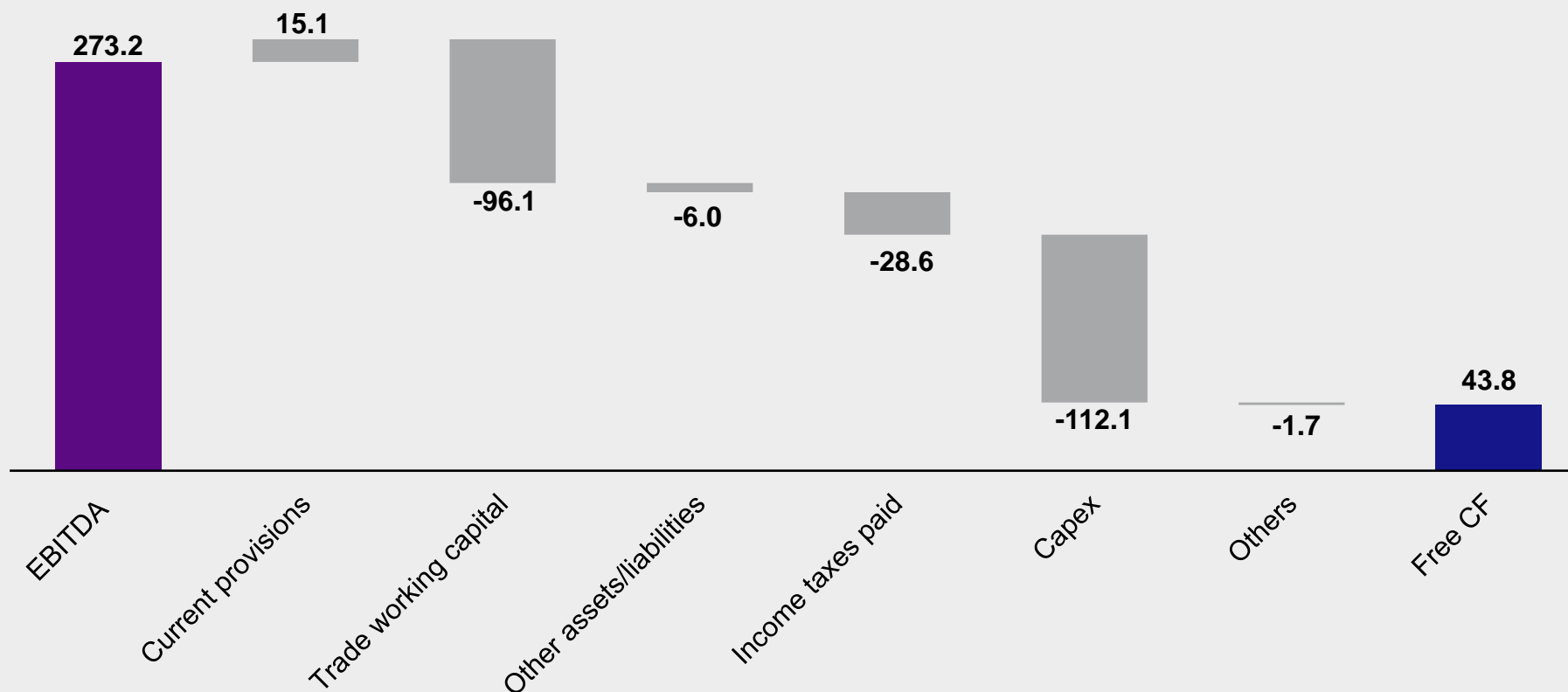




EBITDA TO FREE CASH FLOW

EBITDA to free cash flow

(in € mn)



Quarterly view

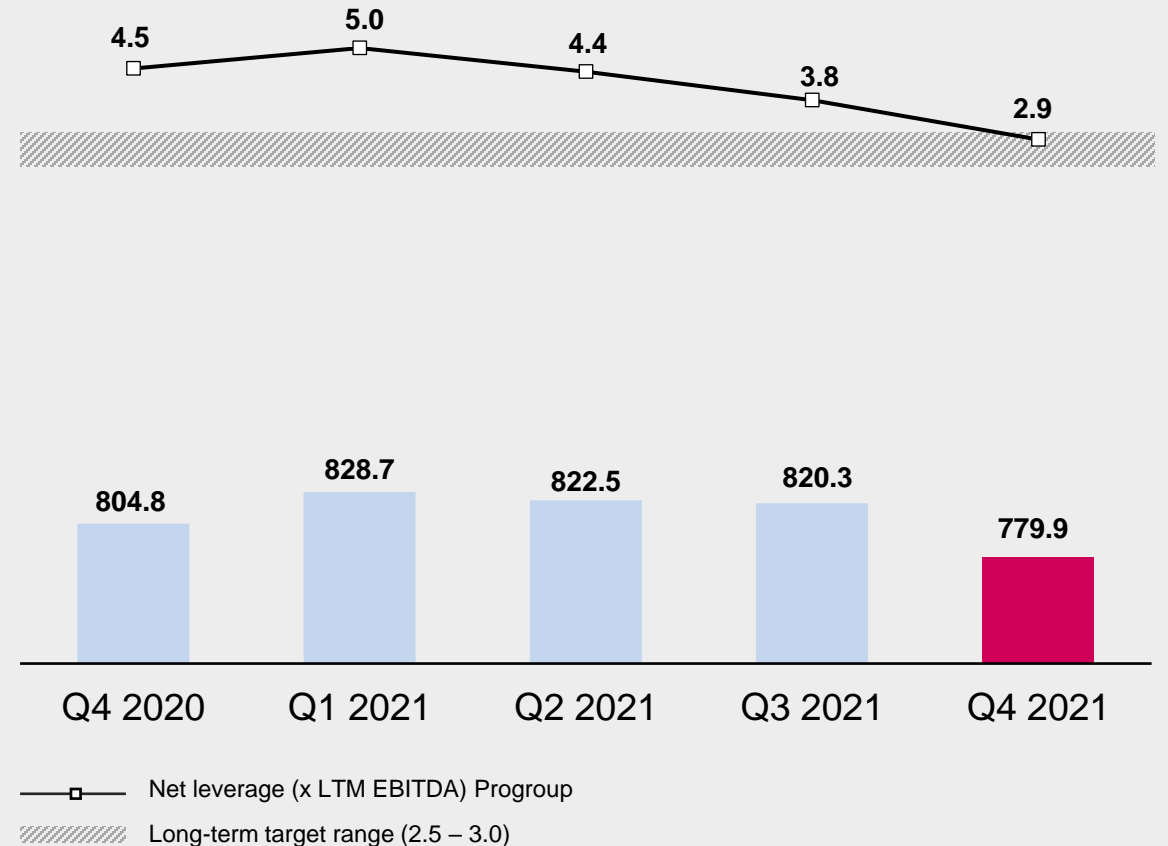
DEVELOPMENT OF NET FINANCIAL DEBT AND NET LEVERAGE

Net leverage decreased significantly to 2.9 due to higher LTM EBITDA and lower net debt and is now already well below the peak level of Q1 2021.

Long-term target net leverage range of 2.5 – 3.0 was reached again in Q4 2021 only two years after we left the target corridor due to the PM3 expansion project.

Net financial debt Progroup

(in € mn)



FINANCIAL DEBT AND FINANCE COSTS

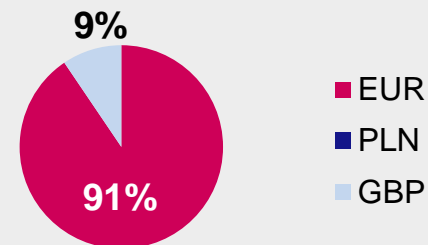
Net financial debt below year end 2020.

In addition to the regular repayments, the KfW special loan agreed in mid-2020 and a loan to finance PM3 were repaid ahead of schedule in Q4 2021 thanks to strong cash growth.

Average interest rate in the full year stable at 3.0%

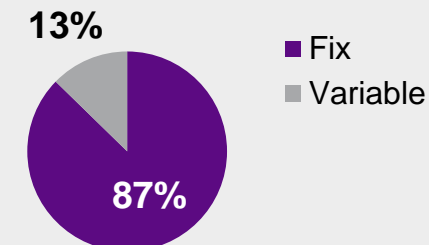
Currency split of current financial liabilities

(in %)



Interest split of current financial liabilities

(in %)



Financial debt and finance costs

(in € mn)

	31/12/2020	31/12/2021
Bonds	600	600
Committed bank facilities	486	328
thereof undrawn	155	50
Financial liabilities	935	879
Cash in hand, bank balances	130	100
Net financial debt	805	780
	Q1 – Q4 2020	Q1 – Q4 2021
Interest expenses*	28.2	29.4
Average interest rate	3.0%	3.0%

*excluding amortisation of lump sum fee payments

Quarterly view

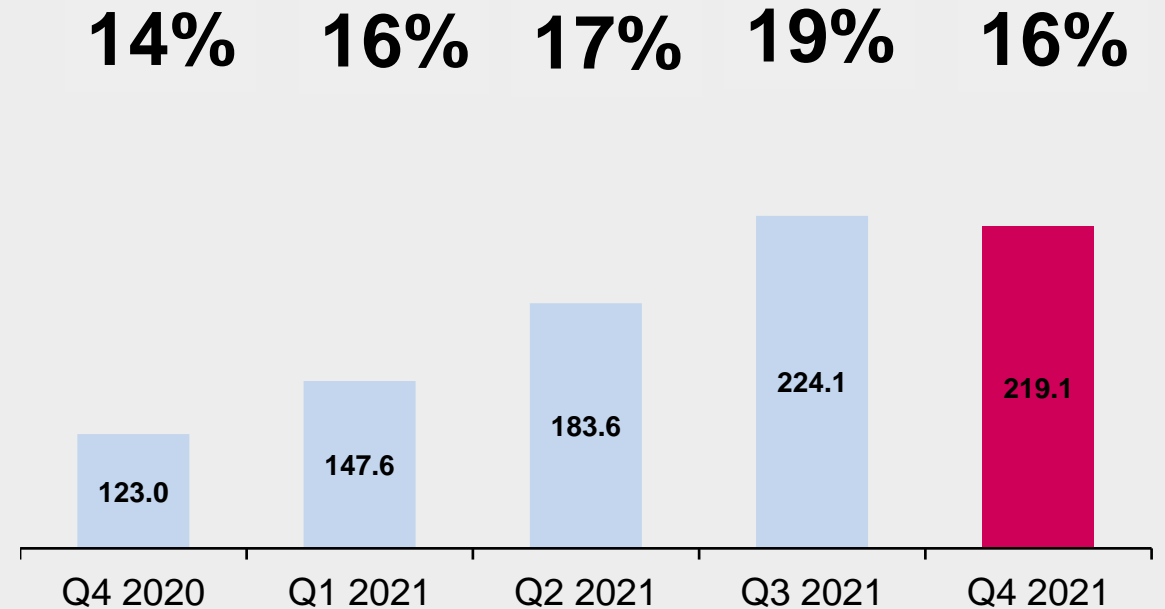
DEVELOPMENT OF WORKING CAPITAL

Working capital increased in Q4 2021 compared to Q4 2020, due to significantly higher sales and therefore higher trade receivables as well as higher inventories

In comparison to Q3 2021 working capital decreased slightly due to year end effects that led to a lower working capital as at 31. December 2021

Working capital*

(in € mn)



% of LTM Sales

*Working capital (not a German GAAP measure) is calculated as inventories plus trade receivables minus trade payables

PROGROUP SUMMARY & OUTLOOK



SUMMARY & OUTLOOK

Expectations

- Good demand for corrugated board in Q1 2022 but growth will be limited by available capacities
- Further price increases of corrugated board in Q1 2022 following the price increases of containerboard in Q4 2021
- Expect sideways movement of prices for recycled containerboard and slightly higher recovered paper prices
- EBITDA margin basically stable but impacted by the price increases of recovered paper and energy prices
- Project PW14 ongoing on plan; Earthworks have started for the construction of the corrugated sheet feeder plant PW15
- Plans for a new power plant next to PM3 have started
- Corona situation is continuously monitored and assessed. Currently, only minor impacts on our business.



WWW.IR.PROGROUP.AG



Progroup AG

Horstring 12
76829 Landau
Germany
Phone: +49 (0) 6341 / 55 76-0
Fax: +49 (0) 6341 / 55 76-109
ir@progroup.ag
www.ir.progroup.ag

