



**Financial Report  
Vetropack Group**

# Financial Report

## Vetropack Group

### Vetropack Group

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# At a Glance

|                         |                   | +/-   | 2019  | 2018  |
|-------------------------|-------------------|-------|-------|-------|
| Net Sales               | CHF millions      | 3.5%  | 714.9 | 690.7 |
| EBIT                    | CHF millions      | 15.1% | 90.2  | 78.4  |
| Consolidated Profit     | CHF millions      | 25.6% | 73.0  | 58.1  |
| Cash Flow*              | CHF millions      | 12.8% | 153.1 | 135.7 |
| Investments             | CHF millions      | 4.9%  | 123.7 | 117.9 |
| Production              | 1 000 metric tons | 1.0%  | 1 460 | 1 445 |
| Unit Sales              | billions          | 0.1%  | 5.16  | 5.16  |
| Exports (in unit terms) | %                 | -     | 43.9  | 42.5  |
| Employees               | number            | 2.3%  | 3 366 | 3 291 |

\* operating cash flow before change of net working capital

# Consolidated Balance Sheet

| CHF millions                                   | Note | 31.12.2019   | 31.12.2018   |
|--|------|--------------|--------------|
| <b>ASSETS</b>                                  |      |              |              |
| <b>Short-term assets</b>                       |      |              |              |
| Liquid funds                                   |      | 100.8        | 131.5        |
| Marketable securities                          |      | 0.4          | 0.7          |
| Accounts receivables                           | 1    | 115.6        | 126.2        |
| Other short-term receivables                   | 2    | 10.2         | 9.1          |
| Inventories                                    | 3    | 136.6        | 126.1        |
| Accruals                                       | 4    | 1.4          | 6.0          |
| Subtotal Short-term Assets                     |      | 365.0        | 399.6        |
| <b>Long-term Assets</b>                        |      |              |              |
| Tangible assets                                | 5    | 559.2        | 523.3        |
| Financial assets                               | 6    | 18.5         | 18.5         |
| Intangible assets                              | 7    | 6.5          | 6.0          |
| Subtotal Long-term Assets                      |      | 584.2        | 547.8        |
| <b>Total Assets</b>                            |      | <b>949.2</b> | <b>947.4</b> |
| <b>LIABILITIES</b>                             |      |              |              |
| <b>Liabilities</b>                             |      |              |              |
| <b>Short-term liabilities</b>                  |      |              |              |
| – Accounts payables                            |      | 87.6         | 87.3         |
| – Short-term financial debts                   | 8    | 0.3          | 53.9         |
| – Other short-term liabilities                 | 9    | 23.1         | 20.3         |
| – Deferrals                                    | 10   | 22.6         | 23.1         |
| – Short-term provisions                        | 11   | 4.4          | 2.6          |
| Subtotal Short-term Liabilities                |      | 138.0        | 187.2        |
| <b>Long-term liabilities</b>                   |      |              |              |
| – Long-term financial debts                    | 12   | 21.7         | 8.4          |
| – Other long-term liabilities                  |      | 1.2          | 1.5          |
| – Long-term provisions                         | 13   | 36.1         | 38.7         |
| Subtotal Long-term Liabilities                 |      | 59.0         | 48.6         |
| <b>Total Liabilities</b>                       |      | <b>197.0</b> | <b>235.8</b> |
| <b>Shareholders' Equity</b>                    |      |              |              |
| Share capital                                  | 14   | 19.8         | 19.8         |
| Capital reserves                               |      | 0.3          | 0.3          |
| Retained earnings                              |      | 659.1        | 631.0        |
| Consolidated profit                            |      | 73.0         | 58.1         |
| Subtotal shareholders' Equity excl. Minorities |      | 752.2        | 709.2        |
| Minority interests                             | 15   | –            | 2.4          |
| Subtotal Shareholders' Equity                  |      | 752.2        | 711.6        |
| <b>Total Liabilities</b>                       |      | <b>949.2</b> | <b>947.4</b> |

# Consolidated Income Statement

| CHF millions   | Note | 2019        | 2018        |
|--|------|-------------|-------------|
| <b>Net Sales from Goods and Services</b>             | 16   | 714.9       | 690.7       |
| Other operating income                               | 17   | 12.6        | 12.2        |
| Changes in inventories                               |      | 2.4         | - 4.1       |
| <b>Material costs</b>                                | 18   | - 116.0     | - 109.8     |
| Energy costs   |      | - 94.6      | - 95.7      |
| Personnel expenses                                   | 19   | - 169.7     | - 160.4     |
| Depreciation/Impairments of tangible assets          | 5    | - 74.7      | - 69.5      |
| Depreciation/Impairments of intangible assets        | 7    | - 2.0       | - 3.1       |
| Other operating expenses                             | 20   | - 182.7     | - 181.9     |
| <b>Operating Result (EBIT)</b>                       |      | <b>90.2</b> | <b>78.4</b> |
| Financial result                                     | 21   | - 3.6       | - 3.8       |
| <b>Ordinary Result</b>                               |      | <b>86.6</b> | <b>74.6</b> |
| Non-operating result*                                | 22   | 1.5         | - 0.5       |
| <b>Consolidated Profit before Income Taxes</b>       |      | <b>88.1</b> | <b>74.1</b> |
| Income taxes   | 23   | - 14.4      | - 14.0      |
| <b>Consolidated Profit before Minority Interests</b> |      | <b>73.7</b> | <b>60.1</b> |
| Minority interests from Group companies              |      | - 0.7       | - 2.0       |
| <b>Consolidated Profit</b>                           |      | <b>73.0</b> | <b>58.1</b> |
| <b>Earnings per Share</b>                            | 24   |             |             |
| Undiluted earnings per bearer share in CHF           |      | 184.1       | 146.5       |
| Undiluted earnings per registered share in CHF       |      | 36.8        | 29.3        |
| Diluted earnings per bearer share in CHF             |      | 184.1       | 146.5       |
| Diluted earnings per registered share in CHF         |      | 36.8        | 29.3        |

\* This includes depreciation of CHF 1.0 million on non-operating real estate and buildings (2018: CHF 1.0 million).

# Consolidated Cash Flow Statement

| CHF millions  | Note | 2019           | 2018           |
|---|------|----------------|----------------|
| Consolidated profit incl. minorities                              |      | 73.7           | 60.1           |
| + Asset depreciation  |      | 77.7           | 73.4           |
| +/- Loss/gain from applying/removing impairments                  |      | -              | 0.2            |
| +/- Increase/decrease in provisions                               |      | 1.1            | 0.2            |
| +/- Loss/gain from disposals of tangible assets                   |      | 0.2            | 3.1            |
| +/- Other changes in non-cash items                               |      | 0.4            | - 1.3          |
| = <b>Operating Cash Flow before Change of Net Working Capital</b> |      | <b>153.1</b>   | <b>135.7</b>   |
| +/- Decrease/increase in accounts receivables                     |      | 7.9            | - 14.1         |
| +/- Decrease/increase in inventories                              |      | - 11.5         | 0.8            |
| +/- Decrease/increase in other receivables and accruals           |      | 3.2            | - 0.1          |
| +/- Increase/decrease in accounts payables                        |      | 1.6            | 11.6           |
| +/- Increase/decrease in other liabilities and deferrals          |      | 2.4            | 1.7            |
| = <b>Cash Inflow/Drain from Operating Activities</b>              |      | <b>156.7</b>   | <b>135.6</b>   |
| - Outflows for investments in tangible assets                     | 25   | - 121.1        | - 114.2        |
| + Inflows for sales of tangible assets                            |      | 0.7            | 0.6            |
| - Outflows for investments in financial assets                    |      | -              | - 2.3          |
| - Cash-out for acquisitions of consolidated companies             |      | - 5.9          | -              |
| - Outflows for investments in intangible assets                   |      | - 2.6          | - 1.4          |
| +/- Changes in marketable securities                              |      | 0.3            | 10.3           |
| = <b>Cash Inflow/Drain from Investment Activities</b>             |      | <b>- 128.6</b> | <b>- 107.0</b> |
| - Dividend distribution to shareholders                           |      | - 19.8         | - 17.8         |
| - Dividend distribution to minorities                             |      | -              | - 0.1          |
| +/- Formation/repayment of short-tem financial debts              |      | - 44.6         | - 12.1         |
| +/- Formation/repayment of long-tem financial debts               |      | 4.8            | -              |
| = <b>Cash Inflow/Drain from Financing Activities</b>              |      | <b>- 59.6</b>  | <b>- 30.0</b>  |
| <b>Foreign Exchange differences</b>                               |      | <b>0.8</b>     | <b>- 0.7</b>   |
| <b>Changes in Liquid Funds</b>                                    |      | <b>- 30.7</b>  | <b>- 2.1</b>   |
| Liquid funds as per 1.1.  |      | 131.5          | 133.6          |
| Liquid funds as per 31.12.  |      | 100.8          | 131.5          |
| <b>Changes in Liquid Funds</b>                                    |      | <b>- 30.7</b>  | <b>- 2.1</b>   |
| Inflows from interest   |      | 0.4            | 0.3            |
| Outflows for interest   |      | - 0.4          | - 0.4          |
| Outflows for income taxes   |      | - 17.5         | - 16.5         |

# Changes in Consolidated Shareholders' Equity

CHF millions

|  | Share Capital | Capital Re-serves (Agio) | Retained Earnings | Subtotal excl. Minority Share Interests | Minority Share Interests | Subtotal incl. Minority Share interests |
|--|---------------|--------------------------|-------------------|---|--------------------------|---|
| Shareholders' Equity as per 1.1.2017   | 19.8          | 0.3                      | 585.2             | 605.3                                   | 0.1                      | 605.4                                   |
| Consolidated profit                    | –             | –                        | 57.0              | 57.0                                    | 0.4                      | 57.4                                    |
| Foreign exchange differences           | –             | –                        | 40.8              | 40.8                                    | –                        | 40.8                                    |
| Dividends                              | –             | –                        | – 15.3            | – 15.3                                  | –                        | – 15.3                                  |
| Shareholders' Equity as per 31.12.2017 | 19.8          | 0.3                      | 667.7             | 687.8                                   | 0.5                      | 688.3                                   |
| Consolidated profit                    | –             | –                        | 58.1              | 58.1                                    | 2.0                      | 60.1                                    |
| Foreign exchange differences           | –             | –                        | – 18.9            | – 18.9                                  | –                        | – 18.9                                  |
| Dividends                              | –             | –                        | – 17.8            | – 17.8                                  | – 0.1                    | – 17.9                                  |
| Shareholders' Equity as per 31.12.2018 | 19.8          | 0.3                      | 689.1             | 709.2                                   | 2.4                      | 711.6                                   |
| Acquisition of minority interests      | –             | –                        | – 2.8             | – 2.8                                   | – 3.1                    | – 5.9                                   |
| Consolidated profit                    | –             | –                        | 73.0              | 73.0                                    | 0.7                      | 73.7                                    |
| Foreign exchange differences           | –             | –                        | – 7.4             | – 7.4                                   | –                        | – 7.4                                   |
| Dividends                              | –             | –                        | – 19.8            | – 19.8                                  | –                        | – 19.8                                  |
| Shareholders' Equity as per 31.12.2019 | 19.8          | 0.3                      | 732.1             | 752.2                                   | –                        | 752.2                                   |

The legally non-distributable reserves of Vetropack Holding Ltd amount to CHF 4.0 million (2018: CHF 4.0 million). Vetropack Holding Ltd did not hold own shares from 2017 to 2019.





Financial Report –  
Vetropack Group

# | Consolidation Principles



## Basis for the Consolidated Financial Statement

The consolidation of the Group's financial statements provides an actual picture of the Group's assets, financial and income situation, and regards therefore the Vetropack Group as a single business entity.

Consolidated Group statements are based on financial statements for the year and are prepared in accordance with applicable national laws of each of the companies concerned. They are then restated in accordance with internal Group valuation and formatting principles. Financial statements conform to the principles of Swiss GAAP FER in addition to accounting prescriptions set out in regulations for companies listed on the Swiss Stock Exchange.

## Consolidation Scope

Consolidated Group statements include Vetropack Holding Ltd, as well as all domestic and foreign subsidiaries in which Vetropack Holding Ltd has a direct or indirect interest of more than 50%. In such cases, "Full Consolidation Method" is applied, i.e. assets, liabilities, expenses and incomes of consolidated companies are consolidated 100%, whereby all intra-Group transactions are eliminated (accounts receivables and payables, incomes and expenses).

Minority interests are posted separately in the balance sheet and income statement.

Holdings between 20% and 50% are included in Group accounts, and are carried out according to the "Equity Method". The Group's percentage share of net assets is reported in the balance sheet under Financial Assets. Percentage share of net income is stated in the Consolidated Income Statement.

Holdings below 20% are posted in the consolidated balance sheet at acquisition cost less any necessary value adjustments.

An overview of companies within Vetropack Group and methods used to consolidate them into Group financial statements is found [here](#).

## Capital Consolidation

Capital consolidation is carried out according to the "Purchase Method", whereby acquisition cost of an acquired company is charged against its net assets according to Group principles at the time of purchase. Any goodwill paid at the time of acquisition is charged directly to Group's reserves in acquisition year.

## Foreign Exchange (FX) Differentials

Financial statements produced by foreign companies within the Group in their respective currencies are converted into Swiss francs as follows:

- Balance sheet figures according to the exchange rate valid at year end.
- Income statement figures according to the average annual exchange rate.
- Cash flow statement figures according to average and year end rates respectively.

Exchange rate differentials resulting from such foreign currency conversions are charged to profit reserves. Exchange rate differentials caused by converting transactions and balance sheet items in foreign currencies are recorded in the books of the respective Group company. Foreign exchange rate effects on long-term intra-Group loans with the nature of shareholders' equity are recorded in the consolidated shareholders' equity, not affecting net income.

|     | Average Exchange Rate |         | Year End Exchange Rate |         |
|-----|-----------------------|---------|------------------------|---------|
|     | 2019                  | 2018    | 2019                   | 2018    |
| EUR | 1.11276               | 1.15527 | 1.08710                | 1.12270 |
| CZK | 0.04334               | 0.04504 | 0.04269                | 0.04355 |
| HRK | 0.15000               | 0.15573 | 0.14595                | 0.15152 |
| UAH | 0.03876               | 0.03584 | 0.04053                | 0.03542 |

# Valuation Principles

Financial statements for individual companies are consolidated into the Group's financial statements, and valued in accordance with uniform principles across the Group. The most important valuation methods for the individual balance sheet positions are as follows:

## Liquid Assets

Liquid assets include cash, current account balances at banks and other financial institutions, as well as fixed term deposits with maturity of no more than 90 days. Liquid assets are valued at their nominal rate.

## Marketable Securities

Short-term securities include marketable and easily realisable securities investments and term deposits with a maturity of three to twelve months. Securities are valued at market prices. Term deposits are valued at their nominal rate.

## Receivables

Receivables are valued at their nominal rate. Value adjustments are carried out for identifiable individual risks. Experienced based country-specific value adjustments (2% to 10%) are applied to other risks.

## Inventories

Inventories are valued at either their acquisition or manufacturing costs. However, if the market price is lower, this figure is applied instead. Manufacturing costs include the cost of raw materials, individual production costs and a portion of allocated general overhead costs. The values used for items whose marketability is limited, are partially or entirely corrected according to their recognisable risks of loss. Inventories of intra-Group distribution are not assigned an intermediate profit. Discounts are recorded as reductions in the cost of goods.

## Tangible Assets

Tangible assets are valued at their acquisition or manufacturing cost less any applicable depreciation. Depreciation is linear over the expected useful life of the asset, taking residual values into account. The relevant depreciation periods are as follows:

|                              |               |
|------------------------------|---------------|
| – Buildings                  | 15 – 50 years |
| – Production facilities      | 10 – 20 years |
| – Machinery and furnaces     | 5 – 24 years  |
| – Modules                    | 1 – 2 years   |
| – Vehicles                   | 5 – 7 years   |
| – Office and other equipment | 5 – 10 years  |

Assets of insubstantial value are directly expensed in the income statement upon acquisition. Intermediate profits arising from intra-Group asset transfers are eliminated.

## Leasing

Leased assets (financial leases) are reported as assets in the balance sheet. At the beginning of the contract, leasing payments are established by applying either the leased goods' purchase value or market value respectively. Alternatively cash value is applied if lower. The corresponding liability toward the leasing grantor is carried as liabilities from financial leasing. Cost from rental agreements and operational leasing are recorded in the income statement.

## Financial Assets

Non-consolidated participations are recorded in the balance sheet at their proportionate equity or purchase values. Loans and marketable securities are recorded at their nominal values or purchase prices respectively less any applicable value adjustments.

## Intangible Assets

Intangible assets include brands, patents, licences, software and other intangibles. Acquired intangible assets are reported in the balance sheet at acquisition cost and are subject to linear amortisation over their estimated useful life. If it is impossible to determine the useful life of an intangible asset, it is generally amortised over a period of five years.

|                             |             |
|-----------------------------|-------------|
| – Licences, patents, brands | 5 years     |
| – Software                  | 3 – 5 years |
| – Other intangible assets   | 5 years     |

Assets of insubstantial value are directly expensed in the income statement upon acquisition.

## Asset Impairment

If there is evidence that the value of an asset has been impaired, an "Impairment Test" is carried out. If the test reveals that there is indeed an impairment of assets, the book value is reduced with a net income effect on the attainable value (higher value of net market value and utility value).

## Liabilities

Short-term a.k.a. current liabilities are debts that are repayable within one year. When the due dates are beyond one year they are posted in the balance sheet under long-term liabilities. Liabilities (incl. financial debts) are recorded in the balance sheet at nominal value.

## Provisions

Provisions are formed when a legal or de facto obligation from past events has arisen. The outflow of funds to meet this obligation is likely, and provisionally it is possible to estimate its amount reliably. The future outflow of funds is reported in the balance sheet at nominal value. If material, it is discounted as per the balance sheet date.

## Taxes

All tax obligations, irrespective of their due dates, are set aside. Ongoing income taxes are calculated on the basis of taxable income and reported in the balance sheet under Liabilities. Deferred taxes are calculated based on all temporary differences between the values from the tax statement and the operating values. Tax relevant losses carried forward are only taken into account if it seems possible to offset them against income. The country specific tax rates are applied when calculating deferred taxes. Deferred tax assets are recorded in the balance sheet as financial assets and deferred tax liabilities as long-term provisions.

## Derivative Financial Instruments

Derivative financial instruments are valued for trading and hedging purposes at their current value. Balance sheet relevant derivatives are reported under Other short-term receivables or Other short-term liabilities. Valuation changes are reported in the income statement.



## 1. Accounts Receivables

| CHF millions           | 31.12.2019   | 31.12.2018   |
|------------------------|--------------|--------------|
| Gross receivables      | 118.5        | 127.9        |
| Value adjustments      | - 2.9        | - 1.7        |
| <b>Net receivables</b> | <b>115.6</b> | <b>126.2</b> |

## 2. Other Short-Term Receivables

| CHF millions                 | 31.12.2019  | 31.12.2018 |
|------------------------------|-------------|------------|
| VAT (value added tax) credit | 4.1         | 3.5        |
| Withholding tax credit       | 2.8         | 2.4        |
| Other short-term receivables | 3.3         | 3.2        |
| <b>Total</b>                 | <b>10.2</b> | <b>9.1</b> |

## 3. Inventories

| CHF millions                | 31.12.2019   | 31.12.2018   |
|-----------------------------|--------------|--------------|
| Raw materials               | 13.8         | 12.3         |
| Materials and supplies      | 48.4         | 43.6         |
| Work-in-progress            | 3.1          | 3.4          |
| Finished goods, merchandise | 107.2        | 105.3        |
| Advance payments            | 3.6          | 0.3          |
| Value adjustments           | - 39.5       | - 38.8       |
| <b>Total</b>                | <b>136.6</b> | <b>126.1</b> |

## 4. Accruals

| CHF millions                | 31.12.2019 | 31.12.2018 |
|-----------------------------|------------|------------|
| Ongoing income tax (credit) | 0.4        | 2.4        |
| Other active accruals       | 1.0        | 3.6        |
| <b>Total</b>                | <b>1.4</b> | <b>6.0</b> |

## 5. Tangible Assets

CHF millions

|                                 | Real Estate<br>& Buildings<br>Non-<br>operating | Real Estate<br>& Buildings<br>operating | Furnaces<br>Equipment<br>Prod. Facilities<br>Moulds | Other<br>Tangible<br>Assets | Advance<br>Payments &<br>Assets Under<br>Construction | Total          |
|---------------------------------|---|---|---|-----------------------------|---|----------------|
| <b>Acquisition Value</b>        |   |   |   |                             |   |                |
| As per 1.1.2018                 | 75.4  | 302.7                                   | 826.6   | 39.9                        | 13.7  | 1 258.3        |
| Additions                       | –   | 6.4                                     | 54.0  | 2.6                         | 51.2  | 114.2          |
| Disposals                       | –   | – 1.5                                   | – 50.9  | – 1.2                       | –   | – 53.6         |
| Reclassifications               | –   | 2.4                                     | 45.0  | 0.7                         | – 45.5  | 2.6            |
| Foreign exchange differences    | – 0.1   | – 9.8                                   | – 29.3  | – 1.2                       | – 0.6   | – 41.0         |
| As per 1.1.2019                 | 75.3  | 300.2                                   | 845.4   | 40.8                        | 18.8  | 1 280.5        |
| Additions                       | 0.1   | 1.9                                     | 29.1  | 1.5                         | 88.5  | 121.1          |
| Disposals                       | –   | – 0.4                                   | – 29.2  | – 1.7                       | –   | – 31.3         |
| Reclassifications               | –   | 0.9                                     | 64.8  | 0.7                         | – 62.9  | 3.5            |
| Foreign exchange differences    | – 0.1   | – 6.6                                   | – 14.5  | – 0.6                       | – 1.1   | – 22.9         |
| <b>As per 31.12.2019</b>        | <b>75.3</b>                                     | <b>296.0</b>                            | <b>895.6</b>  | <b>40.7</b>                 | <b>43.3</b>   | <b>1 350.9</b> |
| <b>Accumulated Depreciation</b> |   |   |   |                             |   |                |
| As per 1.1.2018                 | 29.6  | 180.2                                   | 518.2   | 31.3                        | –   | 759.3          |
| Ordinary depreciation           | 1.0   | 7.2                                     | 59.0  | 3.1                         | –   | 70.3           |
| Disposals                       | –   | – 1.3                                   | – 48.9  | – 1.1                       | –   | – 51.3         |
| Reclassifications               | –   | – 0.2                                   | 2.8   | –                           | –   | 2.6            |
| Asset impairments*              | –   | –                                       | 0.2   | –                           | –   | 0.2            |
| Foreign exchange differences    | – 0.1   | – 5.4                                   | – 17.5  | – 0.9                       | –   | – 23.9         |
| As per 1.1.2019                 | 30.5  | 180.5                                   | 513.8   | 32.4                        | –   | 757.2          |
| Ordinary depreciation           | 1.0   | 7.0                                     | 64.9  | 2.8                         | –   | 75.7           |
| Disposals                       | –   | – 0.2                                   | – 28.7  | – 1.6                       | –   | – 30.5         |
| Reclassifications               | –   | –                                       | 3.5   | –                           | –   | 3.5            |
| Asset impairments*              | –   | –                                       | –   | –                           | –   | –              |
| Foreign exchange differences    | –   | – 3.9                                   | – 9.9   | – 0.4                       | –   | – 14.2         |
| <b>As per 31.12.2019</b>        | <b>31.5</b>                                     | <b>183.4</b>                            | <b>543.6</b>  | <b>33.2</b>                 | <b>–</b>  | <b>791.7</b>   |
| <b>Book Value</b>               |   |   |   |                             |   |                |
| As per 1.1.2019                 | 44.8  | 119.7                                   | 331.6   | 8.4                         | 18.8  | 523.3          |
| <b>As per 31.12.2019</b>        | <b>**43,8</b>                                   | <b>**112,6</b>                          | <b>352.0</b>  | <b>7.5</b>                  | <b>43.3</b>   | <b>559.2</b>   |

\* The asset impairments relate to adjustments to the residual values of production facilities.

\*\* This includes vacant real estate plots valued at CHF 3.4 million (2018: CHF 3.6 million).

As per 31.12.2019 payments on assets under construction amounted to CHF 7.4 million (2018: CHF 5.2 million).

## 6. Financial Assets

| CHF millions                           | Note | 31.12.2019  | 31.12.2018  |
|--|------|-------------|-------------|
| Employer's contribution reserves       | 30   | 12.3        | 12.4        |
| Assets from pension funds              |      | 2.0         | 1.9         |
| Deferred taxes                         | 23   | 1.5         | 1.4         |
| Participations in associated companies |      | 0.5         | 0.5         |
| Other financial investments            |      | 2.2         | 2.3         |
| <b>Total</b>                           |      | <b>18.5</b> | <b>18.5</b> |

## 7. Intangible Assets

CHF millions

|                                 | Software    | Software in Development | Other Intangible Assets | Total       |
|---------------------------------|-------------|-------------------------|-------------------------|-------------|
| <b>Acquisition Value</b>        |             |                         |                         |             |
| As per 1.1.2018                 | 46.9        | 1.8                     | 1.3                     | 50.0        |
| Additions                       | 0.6         | 0.8                     | -                       | 1.4         |
| Disposals                       | - 0.1       | -                       | -                       | - 0.1       |
| Reclassifications               | 0.4         | - 0.4                   | -                       | -           |
| Foreign exchange differences    | -           | - 0.2                   | -                       | - 0.2       |
| As per 1.1.2019                 | 47.8        | 2.0                     | 1.3                     | 51.1        |
| Additions                       | 2.0         | 0.5                     | 0.1                     | 2.6         |
| Disposals                       | - 0.5       | -                       | -                       | - 0.5       |
| Reclassifications               | 1.1         | - 0.9                   | - 0.2                   | -           |
| Foreign exchange differences    | -           | -                       | -                       | -           |
| <b>As per 31.12.2019</b>        | <b>50.4</b> | <b>1.6</b>              | <b>1.2</b>              | <b>53.2</b> |
| <b>Accumulated Amortisation</b> |             |                         |                         |             |
| As per 1.1.2018                 | 41.0        | -                       | 1.2                     | 42.2        |
| Ordinary amortisation           | 3.1         | -                       | -                       | 3.1         |
| Disposals                       | - 0.1       | -                       | -                       | - 0.1       |
| Reclassifications               | -           | -                       | -                       | -           |
| Asset impairments               | -           | -                       | -                       | -           |
| Foreign exchange differences    | -           | -                       | - 0.1                   | - 0.1       |
| As per 1.1.2019                 | 44.0        | -                       | 1.1                     | 45.1        |
| Ordinary amortisation           | 2.0         | -                       | -                       | 2.0         |
| Disposals                       | - 0.4       | -                       | -                       | - 0.4       |
| Reclassifications               | -           | -                       | -                       | -           |
| Asset impairments               | -           | -                       | -                       | -           |
| Foreign exchange differences    | -           | -                       | -                       | -           |
| <b>As per 31.12.2019</b>        | <b>45.6</b> | <b>-</b>                | <b>1.1</b>              | <b>46.7</b> |
| <b>Book Value</b>               |             |                         |                         |             |
| As per 1.1.2019                 | 3.8         | 2.0                     | 0.2                     | 6.0         |
| <b>As per 31.12.2019</b>        | <b>4.8</b>  | <b>1.6</b>              | <b>0.1</b>              | <b>6.5</b>  |

There were no licences, patents or brands in 2018 or 2019.

The acquisition in Italy gave rise to goodwill in the amount of CHF 16.8 million in the 2015 fiscal year, which was charged directly to the shareholders' equity at the time of the acquisition. Were this to have been capitalised and amortised across a lifespan of five years, the shareholders' equity would be CHF 754.0 million as at 31 December 2019 (2018: CHF 716.8 million) and the 2019 consolidated profit would be CHF 69.6 million (2018: CHF 54.7 million). Amortisation in the reporting year would have amounted to CHF 3.4 million (2018: CHF 3.4 million).

The remaining book value of the goodwill would amount to CHF 1.8 million as at 31 December 2019 (2018: 5.2 million). There were no asset impairments in either the reporting year or the previous year.

## 8. Short-Term Financial Debts

As at 31 December 2018, this item mainly included a bank loan of CHF 44.9 million (EUR 40.0 million), which has an interest rate of 0.7% and runs until 30 June 2019.

## 9. Other Short-Term Liabilities

| CHF millions                 | 31.12.2019  | 31.12.2018  |
|------------------------------|-------------|-------------|
| Prepaid recycling fees       | 4.6         | 4.5         |
| Advance payments             | 1.1         | 1.2         |
| Liabilities to employees     | 5.4         | 4.9         |
| Other short-term liabilities | 12.0        | 9.7         |
| <b>Total</b>                 | <b>23.1</b> | <b>20.3</b> |

## 10. Deferrals

| CHF millions                                   | 31.12.2019  | 31.12.2018  |
|--|-------------|-------------|
| Ongoing liable income taxes                    | 2.8         | 4.1         |
| Unclaimed vacations and overtime compensations | 5.3         | 7.0         |
| Other deferrals                                | 14.5        | 12.0        |
| <b>Total</b>                                   | <b>22.6</b> | <b>23.1</b> |

## 11. Short-Term Provisions

CHF millions

|                              | Service<br>Anniver-<br>sary | Legal<br>Proceed-<br>ings | Guarantee<br>Warranty | Other | Total |
|------------------------------|-----------------------------|---------------------------|-----------------------|-------|-------|
| As per 1.1.2018              | 0.4                         | 0.1                       | 0.7                   | 2.5   | 3.7   |
| Reclassifications            | -                           | -                         | -                     | -     | -     |
| Formations                   | 0.3                         | -                         | 0.2                   | 1.2   | 1.7   |
| Liquidations                 | - 0.1                       | -                         | -                     | - 0.6 | - 0.7 |
| Utilisations                 | - 0.1                       | -                         | - 0.3                 | - 1.7 | - 2.1 |
| Foreign exchange differences | -                           | -                         | -                     | -     | -     |
| As per 1.1.2019              | 0.5                         | 0.1                       | 0.6                   | 1.4   | 2.6   |
| Reclassifications            | -                           | -                         | -                     | -     | -     |
| Formations                   | 0.3                         | -                         | 1.0                   | 3.5   | 4.8   |
| Liquidations                 | -                           | -                         | -                     | 0.2   | 0.2   |
| Utilisations                 | - 0.1                       | -                         | - 0.2                 | - 2.7 | - 3.0 |
| Foreign exchange differences | -                           | -                         | - 0.2                 | -     | - 0.2 |
| As per 31.12.2019            | 0.7                         | 0.1                       | 1.2                   | 2.4   | 4.4   |

## 12. Long-Term Financial Debts

This category comprises loans that fall due for repayment as follows:

| CHF millions     | 31.12.2019  | 31.12.2018 |
|------------------|-------------|------------|
| Residual period  |             |            |
| - 1 to 2 years*  | 2.5         | 2.5        |
| - 3 to 5 years** | 6.7         | 5.9        |
| - > 5 years***   | 12.5        | -          |
| <b>Total</b>     | <b>21.7</b> | <b>8.4</b> |

\* in CHF; interest rate 0.7% (2018: 0.7% to 1.995%)

\*\* in CHF; interest rate between 0.65% to 1.85% (2018: 0.85% to 1.85%)

\*\*\* in CHF; interest rate 0.99%

Short-term financial debts amounting to CHF 8.7 million were prolonged.



## 13. Long-Term Provisions

CHF millions

|                              | Deferred Tax<br>Liabilities | Service<br>Anniversaries | Pensions | Total |
|------------------------------|-----------------------------|--------------------------|----------|-------|
| As per 1.1.2018              | 21.4                        | 4.7                      | 14.8     | 40.9  |
| Reclassifications            | -                           | -                        | -        | -     |
| Formations                   | 2.0                         | -                        | 2.7      | 4.7   |
| Liquidations                 | - 3.3                       | - 0.2                    | -        | - 3.5 |
| Utilisations                 | -                           | - 0.1                    | - 1.9    | - 2.0 |
| Foreign exchange differences | - 0.6                       | - 0.1                    | - 0.7    | - 1.4 |
| As per 1.1.2019              | 19.5                        | 4.3                      | 14.9     | 38.7  |
| Reclassifications            | -                           | -                        | -        | -     |
| Formations                   | 1.4                         | 0.9                      | 2.1      | 4.4   |
| Liquidations                 | - 4.2                       | - 0.1                    | - 0.1    | - 4.4 |
| Utilisations                 | -                           | -                        | - 1.8    | - 1.8 |
| Foreign exchange differences | - 0.3                       | - 0.1                    | - 0.4    | - 0.8 |
| As per 31.12.2019            | 16.4                        | 5.0                      | 14.7     | 36.1  |

**Deferred Tax Liabilities:** details see [here](#).

**Service Anniversaries:** Provisions are formed in respect to remuneration for long service to the company as defined in the Employment Regulations. These provisions, which take into account country-specific corrective factors for the staff turnover, were discounted between 0% to 15% (2018: 0% to 15%) as per balance sheet date.

## 14. Share Capital

The share capital is structured as follows:

| CHF millions  | 31.12.2019  | 31.12.2018  |
|---|-------------|-------------|
| 220 480 Bearer shares (2018: 220 480) à nominal CHF 50.00 (issued and paid in full)     | 11.0        | 11.0        |
| 880 000 Registered shares (2018: 880 000) à nominal CHF 10.00 (issued and paid in full) | 8.8         | 8.8         |
| <b>Total</b>  | <b>19.8</b> | <b>19.8</b> |

The bearer shares (Security no. 622 761) are listed on the SIX Swiss Exchange, Swiss Reporting Standard, with a year end closing price of CHF 3,040.00 (2018: CHF 2,010.00). Their total capitalisation equalled CHF 1,205.3 million (2018: CHF 796.9 million). Each registered and bearer share holds one voting right.

### Major Shareholders with > 3% of Voting Rights

|                       | 31.12.2019 | 31.12.2018 |
|-----------------------|------------|------------|
| Cornaz AG-Holding     | 68.7%      | 67.2%      |
| Elisabeth Leon-Cornaz | 5.2%       | 5.2%       |
| La Licorne Holding SA | 4.6%       | 4.6%       |

Shareholder's agreements exist between these and other persons and/or their shareholders (details see [here](#)).

## 15. Minority Interests

Since 27 March 2019, Vetropack Austria Holding AG has held 100% of the shares in PrJSC Vetropack Gostomel (31 December 2018: 85.3%).

## 16. Segment Reporting

The segment reporting used at the top management level for corporate management has just one significant segment ("Glass packaging"). The secondary segment "Speciality glass" comprises only trade revenue in Switzerland (Müller + Krempel Ltd).

### Net Sales per Country

CHF millions

|                                | Change      | 2019         | 2018         |
|--------------------------------|-------------|--------------|--------------|
| Glass Packaging                |             |              |              |
| – Switzerland                  | 0.9%        | 74.5         | 73.8         |
| – Austria                      | 2.1%        | 203.0        | 198.9        |
| – Czech Republic               | 0.3%        | 73.6         | 73.4         |
| – Croatia                      | – 2.7%      | 124.4        | 127.9        |
| – Slovakia                     | 27.9%       | 60.5         | 47.3         |
| – Ukraine                      | 19.1%       | 81.7         | 68.6         |
| – Italy                        | – 4.0%      | 87.0         | 90.6         |
| Speciality Glass (Switzerland) | 0.0%        | 10.2         | 10.2         |
| <b>Total</b>                   | <b>3.5%</b> | <b>714.9</b> | <b>690.7</b> |

Vetropack Group does not publish details on its segment results, as there is a significant risk that this could cause competitive disadvantages. The markets in which the Business Units of Vetropack operate are narrow niche sectors with few, primarily private suppliers, who could draw conclusions about the margins and prices from the segment results.

## 17. Other Operating Income

CHF millions

|  | 2019        | 2018        |
|--|-------------|-------------|
| Material and energy sales                            | 3.7         | 3.3         |
| Ancillary services                                   | 0.9         | 0.8         |
| Real estate management income                        | 0.5         | 0.6         |
| Internally produced additions to plant and equipment | 1.7         | 1.1         |
| Supplier commissions                                 | 1.8         | 1.2         |
| Allocations disposal fees                            | 1.8         | 1.5         |
| Other income   | 2.2         | 3.7         |
| <b>Total</b>   | <b>12.6</b> | <b>12.2</b> |

## 18. Cost of Materials

| CHF millions | 2019         | 2018         |
|--------------|--------------|--------------|
| Raw material | 106.5        | 102.9        |
| Merchandise  | 9.5          | 6.9          |
| <b>Total</b> | <b>116.0</b> | <b>109.8</b> |

## 19. Personnel Expenses

| CHF millions             | 2019         | 2018         |
|--------------------------|--------------|--------------|
| Wages and salaries       | 127.4        | 121.4        |
| Social benefits          | 36.2         | 34.6         |
| Other personnel expenses | 6.1          | 4.4          |
| <b>Total</b>             | <b>169.7</b> | <b>160.4</b> |

### Headcount by country (final count)

|                | Change      | 31.12.2019   | 31.12.2018   |
|----------------|-------------|--------------|--------------|
| Switzerland    | 4.6%        | 298          | 285          |
| Austria        | 2.4%        | 714          | 697          |
| Czech Republic | 3.3%        | 467          | 452          |
| Croatia        | 2.1%        | 588          | 576          |
| Slovakia       | 1.1%        | 378          | 374          |
| Ukraine        | - 2.0%      | 631          | 644          |
| Italy          | 10.3%       | 290          | 263          |
| <b>Total</b>   | <b>2.3%</b> | <b>3 366</b> | <b>3 291</b> |

### Headcount by country (average)

|                | Change      | 2019         | 2018         |
|----------------|-------------|--------------|--------------|
| Switzerland    | 1.7%        | 293          | 288          |
| Austria        | 0.7%        | 710          | 705          |
| Czech Republic | 0.9%        | 468          | 464          |
| Croatia        | 2.4%        | 588          | 574          |
| Slovakia       | 2.2%        | 378          | 370          |
| Ukraine        | - 0.2%      | 637          | 638          |
| Italy          | 5.3%        | 276          | 262          |
| <b>Total</b>   | <b>1.5%</b> | <b>3 350</b> | <b>3 301</b> |

## 20. Other Operating Expenses

| CHF millions                                | 2019         | 2018         |
|---|--------------|--------------|
| Maintenance and repairs                     | 33.2         | 32.1         |
| Moulds                                      | 6.3          | 6.5          |
| Packaging material                          | 29.1         | 27.1         |
| Transport costs                             | 46.2         | 49.5         |
| Other administrative and operating expenses | 67.9         | 66.7         |
| <b>Total</b>                                | <b>182.7</b> | <b>181.9</b> |

## 21. Financial Result

| CHF millions             | 2019         | 2018         |
|--------------------------|--------------|--------------|
| Interest income          | 0.9          | 0.7          |
| Interest expenses        | - 0.4        | - 0.6        |
| Currency exchange gains  | 5.3          | 9.9          |
| Currency exchange losses | - 9.4        | - 13.7       |
| Other financial income   | -            | - 0.1        |
| <b>Total</b>             | <b>- 3.6</b> | <b>- 3.8</b> |

## 22. Non-Operating Result

| CHF millions   | 2019       | 2018         |
|--|------------|--------------|
| Non-operating real estate income                     | 3.9        | 3.6          |
| Non-operating real estate expenses                   | - 1.6      | - 1.6        |
| Non-operating real estate depreciation / impairments | - 1.0      | - 1.0        |
| Other non-operating income / expenses                | 0.2        | - 1.5        |
| <b>Total</b>   | <b>1.5</b> | <b>- 0.5</b> |

## 23. Income Taxes

| CHF millions          | 2019        | 2018        |
|-----------------------|-------------|-------------|
| Ongoing income taxes  | 17.1        | 14.2        |
| Deferred income taxes | - 2.7       | - 0.2       |
| <b>Total</b>          | <b>14.4</b> | <b>14.0</b> |

Loss carryforwards amounted to CHF 10.0 million (2018: CHF 9.9 million) in total at the end of the reporting year. No loss carryforwards were included in the calculation of the deferred income tax assets (2018: CHF 0.0 million). The impact on the tax on earnings of unrecognised loss carryforwards was CHF 2.1 million in the reporting year (2018: CHF 2.4 million). In the reporting year no unrecognised loss carryforwards were used (2018: CHF -3.7 million). There was no impact in the reporting year on income taxes due to the use of unrecognized losses carried forward (2018: CHF -0.7 million). In the reporting year, as in the previous year, there was no impact due to the use or expiry of unrecognised loss carryforwards.

The country-specific tax rates that apply to the calculation of the deferred taxes on earnings range from 11.0% to 25.0% (2018: 7.8% to 27.9%).

The weighted average tax rate to be applied based on the ordinary result is 20.0% (2018: 18.3%).

## 24. Results per Participation Right

The undiluted result per share is calculated by dividing the consolidated profit for the applicable year that is to be allocated to the shareholders of the Vetropack Group by the weighted average number of outstanding shares.

|   | 2019      | 2018      |
|---|-----------|-----------|
| Consolidated profit allocated to the shareholders of the Vetropack Group in million CHF | 73.0      | 58.1      |
| Weighted number of outstanding bearer shares for undiluted result per share             | 396 480   | 396 480   |
| Weighted number of outstanding registered shares for undiluted result per share         | 1 982 400 | 1 982 400 |
| Undiluted result per bearer share in CHF  | 184.1     | 146.5     |
| Undiluted result per registered share in CHF  | 36.8      | 29.3      |

The diluted result per share is calculated in the same way as the undiluted result for both share types, as no dilution potential exists for either.



## 25. Investments

Investment Breakdown:

| CHF millions   | 2019         | 2018         |
|----------------|--------------|--------------|
| Switzerland    | 2.5          | 3.2          |
| Austria        | 8.0          | 49.1         |
| Czech Republic | 9.2          | 5.8          |
| Croatia        | 24.6         | 5.8          |
| Slovakia       | 28.5         | 33.9         |
| Ukraine        | 26.6         | 8.6          |
| Italy          | 21.7         | 7.8          |
| <b>Total</b>   | <b>121.1</b> | <b>114.2</b> |

## 26. Off Balance Sheet Transactions

| CHF millions              | 31.12.2019 | 31.12.2018 |
|---------------------------|------------|------------|
| Recourse from drafts      | –          | –          |
| Letters of comfort        | 2.5        | 2.5        |
| Guarantees                | 0.6        | 0.5        |
| Off balance sheet leasing | 0.9        | 1.6        |
| <b>Total</b>              | <b>4.0</b> | <b>4.6</b> |

Contingent liabilities are stated at their maximum amounts (full sum of liability).

The repayment structure of the off balance sheet leasing liabilities is as follows:

| CHF millions   | 31.12.2019 | 31.12.2018 |
|----------------|------------|------------|
| Maturity       |            |            |
| – 1 to 2 years | 0.8        | 0.4        |
| – 3 to 5 years | 0.1        | 1.2        |
| – > 5 years    | –          | –          |
| <b>Total</b>   | <b>0.9</b> | <b>1.6</b> |

## 27. Pledged Assets

The following assets' book values are used as collateral to secure bank credits and mortgages:

| CHF millions          | 31.12.2019  | 31.12.2018  |
|-----------------------|-------------|-------------|
| Accounts receivables  | 10.4        | 7.4         |
| Marketable securities | –           | 0.3         |
| Real estate           | 30.1        | 31.3        |
| <b>Total</b>          | <b>40.5</b> | <b>39.0</b> |

## 28. Derivative Financial Instruments

As at 31 December 2019, Vetropack Holding Ltd has open currency swaps in the amount of EUR 7.6 million. No derivative financial instruments were held as at the reporting date in the previous year.

## 29. Transactions with Closely Associated Persons

| CHF millions                            | 31.12.2019 | 31.12.2018 |
|---|------------|------------|
| <b>Pension Funds</b>                    |            |            |
| Accounts receivables                    | -          | -          |
| Accounts payables                       | 0.2        | 0.2        |
| Interest expenses                       | -          | -          |
| <b>Associated Companies</b>             |            |            |
| Accounts receivables                    | -          | -          |
| Accounts payables                       | 0.8        | 0.8        |
| Capitalised services                    | -          | -          |
| Service income                          | -          | -          |
| Equity income                           | -          | -          |
| Glass cullet purchasing expenses        | - 4.0      | - 4.2      |
| Maintenance and repairs expenses        | - 0.2      | - 0.2      |
| Other service expenses                  | -          | -          |
| Equity valuation expenses               | -          | -          |
| <b>Other Closely Associated Persons</b> |            |            |
| Accounts receivables                    | -          | -          |
| Accounts payables                       | 0.2        | 0.2        |
| Investments in tangible assets          | -          | -          |
| Distribution income                     | -          | -          |
| Packaging material expenses             | - 0.5      | - 0.6      |
| Distribution expenses                   | -          | -          |
| Service expenses                        | -          | -          |
| Interest expenses                       | -          | -          |
| Tangible assets sales                   | -          | -          |

The classification of "Other Closely Associated Persons" includes transactions with the following natural persons and legal entities, irrespective of the Vetropack Company in which they occurred: shareholders with voting rights of more than 20%, BoD members, MB members and all companies that are directly or indirectly controlled by these persons.

Transactions with closely associated persons and companies are handled on the basis of normal market terms and conditions.

## 30. Pension Fund

There exist various pension schemes within the Group, which are based on regulations of their respective countries. In Switzerland, these are contributor funded schemes in accordance with Swiss pension fund law; abroad they are state-guaranteed contribution-based pension schemes. The schemes are financed either through contributions to legally independent institutions and trusts or by registering the pension fund liability in the financial statements of the Group companies.

### Employer's Contribution Reserves

#### Company Sponsored Pension Funds

| CHF millions                   | 2019  | 2018  |
|--------------------------------|-------|-------|
| Nominal value 31.12.           | 13.0  | 13.1  |
| Utilisation waiver 31.12.      | –     | –     |
| Other value adjustments 31.12. | –     | –     |
| Discounting effects 31.12.     | – 0.7 | – 0.7 |
| Book value 31.12.              | 12.3  | 12.4  |

### Assets and Liabilities from Pension Funds

| CHF millions                                  | Company Sponsored Pension Funds | Pension Funds without Excess / Deficiency Cover | Pension Funds with Excess / Cover | Pension Funds without own Assets | Total  |
|---|---------------------------------|---|-----------------------------------|----------------------------------|--------|
| Excess / deficiency cover 31.12.2019          | 11.2                            | –   | 22.3                              | –                                | 33.5   |
| Economic utilisation / liabilities 31.12.2018 | –                               | –   | –                                 | – 12.4                           | – 12.4 |
| Economic utilisation / liabilities 31.12.2019 | –                               | –   | –                                 | – 12.1                           | – 12.1 |
| Changes 2019                                  | –                               | –   | –                                 | – 0.3                            | – 0.3  |
| Contributions restricted to the period*       | –                               | –   | 2.4                               | 2.2                              | 4.6    |
| Pension expenses 2018                         | – 0.8                           | –   | 2.3                               | 2.2                              | 3.7    |
| Pension expenses 2019                         | –                               | –   | 2.4                               | 1.9                              | 4.3    |

\* including changes in employer's contribution reserves

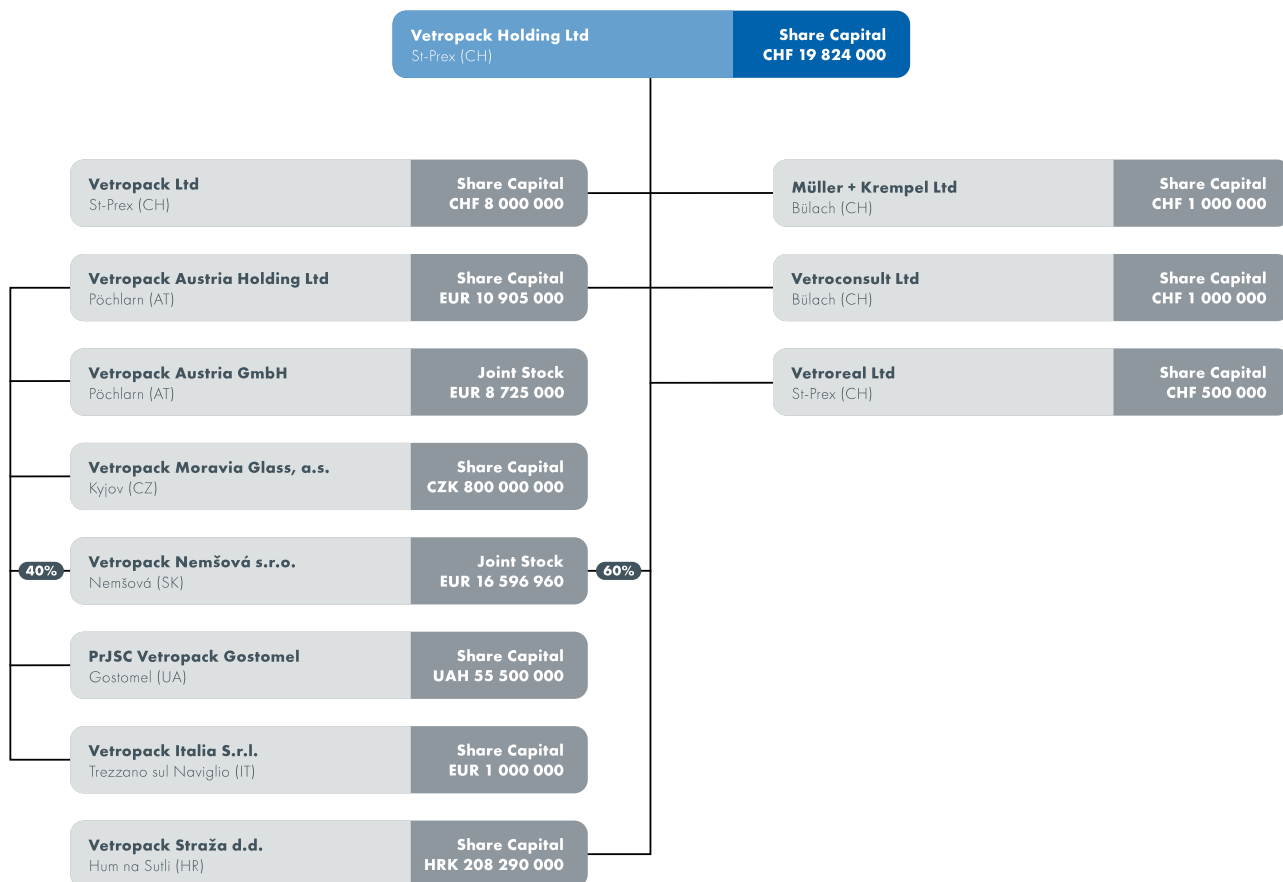
The values for pension funds of Swiss companies are based on previous years' financial statements, whereby all substantive decisions in the current fiscal year are taken into account. The uncommitted funds are not available to the Vetropack Group.

| CHF millions                                    | 2019       | 2018       |
|---|------------|------------|
| Key influential factors                         |            |            |
| – Changes in employer's contribution reserves   | 0.1        | – 0.8      |
| – Changes in economic utilisation / liabilities | – 0.3      | – 0.3      |
| – Pension fund contributions                    | 4.5        | 4.8        |
| <b>Total Pension Fund Expenses</b>              | <b>4.3</b> | <b>3.7</b> |

## 31. Events after the Balance Sheet Date

No significant events occurred between the balance sheet date and the Board of Directors approving the consolidated financial statements on 10 March 2020 that could negatively affect the declarations made in the 2019 annual financial statements.

# Ownership Structure





# Company Participations

| Company                        | Domicile        | Currency   | Share Capital    | * Share     | Consolidation | Owner      |
|--------------------------------|-----------------|------------|------------------|-------------|---------------|------------|
| <b>Switzerland</b>             |                 |            |                  |             |               |            |
| Vetropack Holding Ltd          | St-Prex         | CHF        | 19 824 000       |             | K             | the public |
| Vetropack Ltd                  | St-Prex         | CHF        | 8 000 000        | 100%        | K             | VPH        |
| Vetroconsult Ltd               | Bülach          | CHF        | 1 000 000        | 100%        | K             | VPH        |
| Vetro-Recycling Ltd            | Bülach          | CHF        | 100 000          | 100%        | K             | VPH        |
| Müller + Krempel Ltd           | Bülach          | CHF        | 1 000 000        | 100%        | K             | VPH        |
| Vetroreal Ltd                  | St-Prex         | CHF        | 500 000          | 100%        | K             | VPH        |
| <b>Austria</b>                 |                 |            |                  |             |               |            |
| Vetropack Austria Holding AG   | Pöchlarn        | EUR        | 10 905 000       | 100%        | K             | VPH        |
| Vetropack Austria GmbH         | Pöchlarn        | EUR        | 8 725 000        | 100%        | K             | VAH        |
| Austria Glas Recycling GmbH    | Wien            | EUR        | 50 000           | 24.5%       | E             | VPA        |
| PTP Pro Glas GmbH              | Wien            | EUR        | 35 000           | 50%         | E             | VPA        |
| <b>Czech Republic</b>          |                 |            |                  |             |               |            |
| Vetropack Moravia Glass, a.s.  | Kyjev           | CZK        | 800 000 000      | 100%        | K             | VAH        |
| <b>Croatia</b>                 |                 |            |                  |             |               |            |
| Vetropack Straza d.d.          | Hum na Sutli    | HRK        | 208 290 000      | 100%        | K             | VPH        |
| Straza-Imo d.o.o.              | Hum na Sutli    | HRK        | 855 031          | 25.1%       | E             | VST        |
| <b>Slovakia</b>                |                 |            |                  |             |               |            |
| Vetropack Nemšová s.r.o.       | Nemšová         | EUR        | 16 596 960       | 60/40%      | K             | VPH/VAH    |
| <b>Ukraine</b>                 |                 |            |                  |             |               |            |
| PrJSC Vetropack Gostomel       | Gostomel        | UAH        | 55 500 000       | **100%      | K             | VAH        |
| <b>Vetropack Italia S.r.l.</b> | <b>Trezzano</b> | <b>EUR</b> | <b>1 000 000</b> | <b>100%</b> | <b>K</b>      | <b>VAH</b> |

\* Capital shares and voting rights are identical

\*\* During the year under review, the Group's stake increased from 85.3% to 100%.

There were no other changes in company participations compared with 31 December 2018.

K = Fully consolidated companies

E = Equity method

VPH = Vetropack Holding Ltd

VAH = Vetropack Austria Holding AG

VPA = Vetropack Austria GmbH

VST = Vetropack Straža d.d.

As per 31 Dezember 2019

# Report of the statutory auditor on the consolidated financial statements

To the General Meeting of Vetropack Holding Ltd, Saint-Prex

Zurich, 10 March 2020

As statutory auditor, we have audited the consolidated financial statements of Vetropack Holding Ltd, which comprise the balance sheet, income statement, cash flow statement, statement of change in equity and notes (PDF version: pages 77 to 102 / online version: marked with the label "audited information"), for the year ended 31 December 2019.

**Board of Directors' responsibility.** The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility.** Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion.** In our opinion, the consolidated financial statements for the year ended 31 December 2019 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

**Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority.** Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibility section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

## Tangible Assets

**Area of focus.** The balance sheet position "tangible assets" as of 31 December 2019 amounts to MCHF 559.2 (Prior Year: MCHF 523.3) and therefore represents approximately 59% of total assets. More than half of the tangible assets are production facilities, which are exposed to hard industrial operations. This leads to two significant management assessments. Firstly, the management has to assess the moment a machine is ready for use and therefore depreciation can start. Secondly, management has to estimate the useful life and challenge the estimations continuously. Furthermore, events during production could lead to unplanned impairment of machines. These events can have an impact on the consolidated profit as well as the consolidated equity.

**Our audit response.** We assessed and tested controls regarding design and operational effectiveness of asset purchase respectively recognition and valuation of tangible assets. Besides testing controls we performed substantive procedures where we recalculated the depreciation rates, evaluated the appropriateness of tangible asset lives applied in the calculation of depreciation and searched for indications for impairment. Furthermore, we performed test of details regarding the recognition of tangible assets and assessed the timeliness of the transfer of assets in the course of construction.

Our audit procedures did not lead to any reservations concerning the recognition and measurement of the tangible assets.

Refer to consolidated Balance Sheet on page 28, Valuation Principles on page 34 as well as Note Nr. 6 on page 39 regarding the financial statement.

**Report on other legal requirements.** We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Daniel Zaugg  
Licensed audit expert  
(Auditor in charge)

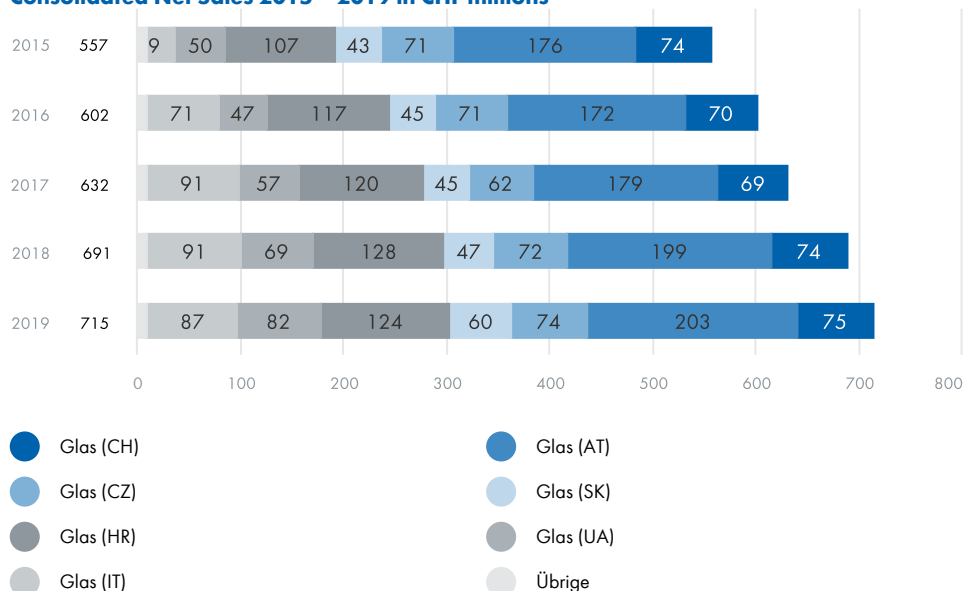
Marc Hegetschweiler  
Licensed audit expert

# Five Year Overview

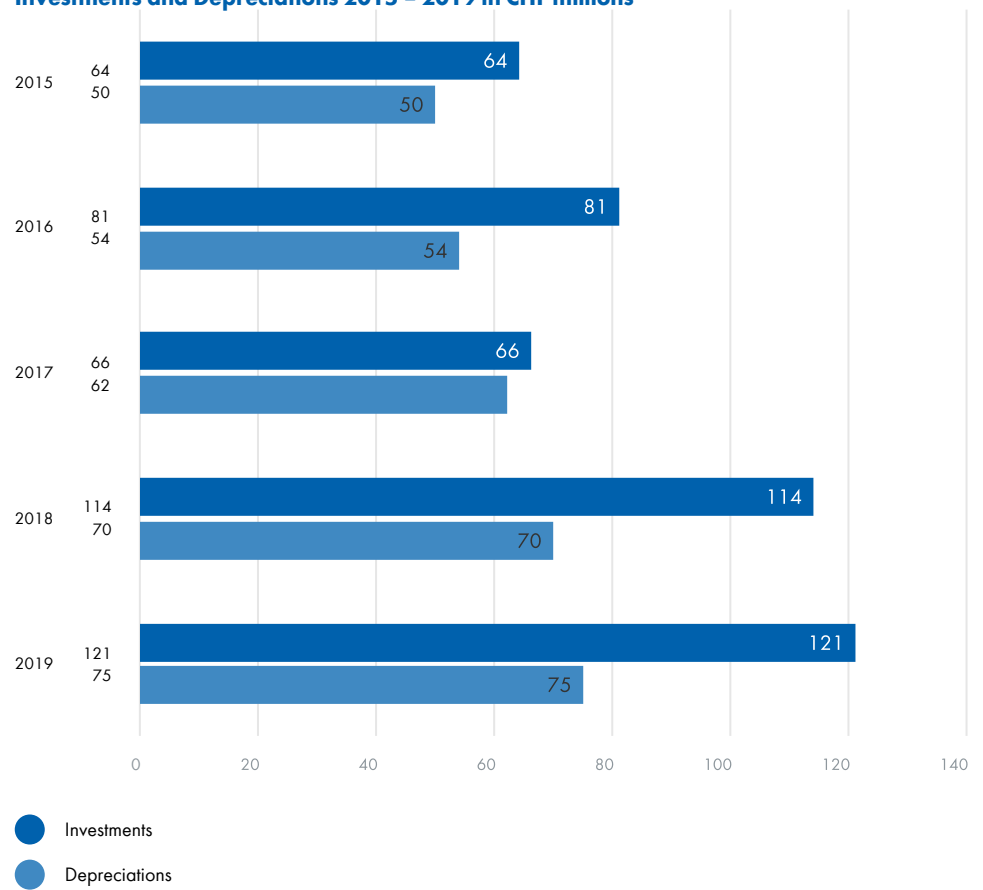
|  |              | 2019  | 2018  | 2017  | 2016  | 2015  |
|--|--------------|-------|-------|-------|-------|-------|
| <b>Consolidated Income Statement</b>                       |              |       |       |       |       |       |
| Net sales from goods and services                          | CHF millions | 714.9 | 690.7 | 631.5 | 601.7 | 557.0 |
| Change net sales from previous year                        | %            | 3.5   | 9.4   | 5.0   | 8.0   | - 7.1 |
| Employees  | number       | 3 366 | 3 291 | 3 257 | 3 243 | 3 228 |
| Net sales per employee                                     | TCHF         | 212   | 210   | 194   | 186   | 173   |
| Operating cash flow before change in net short-term assets | CHF millions | 153.1 | 135.7 | 126.3 | 105.1 | 103.7 |
| Cash flow as % of net sales                                | %            | 21.4  | 19.6  | 20.0  | 17.5  | 18.6  |
| Depreciations/Impairments on tangible assets*              | CHF millions | 75.7  | 70.5  | 62.5  | 55.3  | 51.6  |
| Income taxes   | CHF millions | 14.4  | 14.0  | 15.1  | 8.7   | 7.3   |
| Net profit   | CHF millions | 73.0  | 58.1  | 57.0  | 42.6  | 42.1  |
| <b>Consolidated Balance Sheet as per 31.12.</b>            |              |       |       |       |       |       |
| Investments in tangible assets                             | CHF millions | 121.1 | 114.2 | 65.5  | 81.4  | 63.7  |
| Total assets   | CHF millions | 949.2 | 947.4 | 932.2 | 840.7 | 784.3 |
| Short-term assets  | CHF millions | 365.0 | 399.6 | 407.9 | 339.9 | 312.1 |
| Long-term assets   | CHF millions | 584.2 | 547.8 | 524.3 | 500.8 | 472.2 |
| Liabilities  | CHF millions | 197.0 | 235.8 | 243.9 | 235.3 | 200.6 |
| Shareholders' equity                                       | CHF millions | 752.2 | 711.6 | 688.3 | 605.4 | 583.7 |
| Equity ratio   | %            | 79.2  | 75.1  | 73.8  | 72.0  | 74.4  |

\* This includes amortisation on non-operating real estate and buildings.

**Consolidated Net Sales 2015 – 2019 in CHF millions**



### Investments and Depreciations 2015 – 2019 in CHF millions







**Financial Report  
Vetropack Holding Ltd**

# Financial Report

## Vetropack Holding Ltd

### Vetropack Holding Ltd

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# Balance sheet

| CHF millions   | Note | 31.12.2019   | 31.12.2018   |
|--|------|--------------|--------------|
| <b>ASSETS</b>  |      |              |              |
| <b>Short-term assets</b>                                   |      |              |              |
| Liquid funds   |      | 79.1         | 100.5        |
| Accounts receivables from Group companies                  |      | 4.4          | 2.4          |
| Other short-term receivables in relation to holding        |      | 65.5         | 12.5         |
| Subtotal short-term Assets                                 |      | 149.0        | 115.4        |
| <b>Long-term Assets</b>                                    |      |              |              |
| Loans to Group companies                                   |      | 192.0        | 198.5        |
| Participations   | 4    | 116.5        | 116.5        |
| Tangible assets  |      | 0.1          | 0.2          |
| Subtotal long-term Assets                                  |      | 308.6        | 315.2        |
| <b>Total Assets</b>  |      | <b>457.6</b> | <b>430.6</b> |
| <b>LIABILITIES</b>   |      |              |              |
| <b>Liabilities</b>   |      |              |              |
| – Accounts payables to third                               |      | 1.5          | 0.6          |
| – Accounts payables to Group companies                     |      | 0.9          | 0.9          |
| Accounts payables  |      | 2.4          | 1.5          |
| – Short-term financial debts to third                      | 5    | 0.2          | 0.2          |
| – Short-term financial debts to Group companies            |      | 20.2         | 6.9          |
| Short-term interest-bearing financial debts                |      | 20.4         | 7.1          |
| Deferrals and short-term provisions                        |      | 3.0          | 3.7          |
| Subtotal Short-term liabilities                            |      | 25.8         | 12.3         |
| – Long-term financial debts to Group companies             |      | 3.0          | 3.0          |
| – Long-term provisions                                     |      | 0.7          | 0.7          |
| Subtotal Long-term liabilities                             |      | 3.7          | 3.7          |
| Total Liabilities  |      | 29.5         | 16.0         |
| <b>Shareholders' Equity</b>                                |      |              |              |
| Share capital  | 6    | 19.8         | 19.8         |
| Legal capital reserves / reserves from capital investments |      | 0.3          | 0.3          |
| Legal profit reserves                                      |      | 28.6         | 28.6         |
| – Free reserves  |      | 324.2        | 294.3        |
| Retained earnings brought forward from previous year       |      | 21.8         | 24.3         |
| Annual profit  |      | 33.4         | 47.3         |
| – Accumulated profits                                      |      | 55.2         | 71.6         |
| Voluntary retained earnings                                |      | 379.4        | 365.9        |
| Subtotal Shareholders' Equity                              |      | 428.1        | 414.6        |
| <b>Total Liabilities</b>                                   |      | <b>457.6</b> | <b>430.6</b> |



# Income Statement

| CHF millions                      | Note | 2019          | 2018          |
|-----------------------------------|------|---------------|---------------|
| Dividend income                   |      | 38.6          | 35.9          |
| Income generated from licenses    |      | 10.4          | 9.9           |
| Management fees                   |      | 10.2          | 7.2           |
| Other income                      |      | 2.6           | 2.3           |
| <b>Total income</b>               |      | <b>61.8</b>   | <b>55.3</b>   |
| Personnel expenses                |      | - 10.7        | - 7.9         |
| – Administrative expenses         |      | - 6.6         | - 4.8         |
| – Promotional expenses            |      | - 1.8         | - 1.2         |
| – various operating expenses      |      | - 2.3         | - 2.6         |
| Other operating expenses          |      | - 10.7        | - 8.6         |
| Depreciation of tangible assets   |      | - 0.1         | - 0.1         |
| <b>Operating Result (EBIT)</b>    |      | <b>40.3</b>   | <b>38.7</b>   |
| Interest expenses                 |      | -             | - 0.1         |
| Currency exchange losses          |      | - 12.7        | - 19.3        |
| <b>Total financial expenses</b>   |      | <b>- 12.7</b> | <b>- 19.4</b> |
| Interest income                   |      | 4.0           | 4.0           |
| Currency exchange gains           |      | 2.5           | 17.0          |
| Other financial income            |      | -             | -             |
| <b>Total financial income</b>     |      | <b>6.5</b>    | <b>21.0</b>   |
| <b>Ordinary Result</b>            |      | <b>34.1</b>   | <b>40.3</b>   |
| Extraordinary income              | 2/4  | -             | 7.9           |
| <b>Annual Profit Before Taxes</b> |      | <b>34.1</b>   | <b>48.2</b>   |
| Income taxes                      |      | - 0.7         | - 0.9         |
| <b>Annual Profit</b>              |      | <b>33.4</b>   | <b>47.3</b>   |

## 1. Information on the principles applied in the annual financial statement

The annual financial statement has been prepared in accordance with the provisions of Swiss law, in particular the articles governing commercial accounting and financial reporting in the Swiss Code of Obligations (Art. 957 ff).

## 2. Net release of hidden reserves

No hidden reserves were released in the reporting year (2018: CHF 7.9 million).

## 3. Range of full-time positions averaged across the year

The company employed between ten and 50 persons in the reporting year and the previous year.

## 4. Participations

The overview [here](#) provides a breakdown of the participations held directly or indirectly by Vetropack Holding Ltd. No value adjustments to participations were released in the reporting year (2018: CHF 7.9 million).

## 5. Short-term financial debts to third

Liabilities to pension funds amounted to CHF 0.2 million on the reporting date (2018: CHF 0.2 million).

## 6. Share capital

The detailed information on share capital can be found [here](#).

## 7. Derivative Financial Instruments

As at 31 December 2019, Vetropack Holding Ltd has open currency swaps in the amount of EUR 7.6 million. No derivative financial instruments were held as at the reporting date in the previous year.

## 8. Total amount of securities provided for third-party liabilities

A guarantee of CHF 2.5 million exists in favour of Vetropack Ltd, St-Prex (2018: CHF 2.5 million).

## 9. Joint Liability

In the framework of VAT group taxation, all affiliated Swiss companies within the Vetropack Group are jointly and severally liable for total debt owed to the federal tax authorities.

## 10. Contingent Liabilities

Vetropack Group operates a cash pooling system for which Vetropack Holding Ltd performs the function of pool master. As a result of the cash pooling agreements with the banks, the pool master has a liability for possible negative balances in the participating pool accounts.

## 11. Disclosure in Accordance with Swiss Code of Obligations (Art. 663c)

The table below lists the numbers of shares per member of the BoD and MB as of 31 December 2019. Shares held by closely associated persons are included in the total for the respective individual.

| <b>Voting Rights</b>               | <b>Registered Shares<br/>2019</b> | <b>Bearer Shares<br/>2019</b> | <b>Registered Shares<br/>2018</b> | <b>Bearer Shares<br/>2018</b> |
|------------------------------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Claude R. Cornaz*                  | 1 881                             | 589                           | 1 881                             | 589                           |
| Sönke Bandixen*                    | –                                 | 40                            | –                                 | 40                            |
| Pascal Cornaz*                     | 5 000                             | –                             | 5 000                             | –                             |
| Rudolf Fischer*                    | –                                 | 10                            | –                                 | 10                            |
| Richard Fritschi*                  | –                                 | 20                            | –                                 | 100                           |
| Jean-Philippe Rochat*              | –                                 | 10                            | –                                 | 10                            |
| Urs Kaufmann*                      | –                                 | 49                            | –                                 | 49                            |
| <b>Total</b>                       | <b>6 881</b>                      | <b>718</b>                    | <b>6 881</b>                      | <b>798</b>                    |
| David Zak**                        | –                                 | –                             | –                                 | –                             |
| Günter Lubitz**                    | –                                 | 140                           | –                                 | 140                           |
| Marcello Montisci**                | –                                 | 10                            | –                                 | 10                            |
| Johann Reiter**                    | –                                 | 15                            | –                                 | –                             |
| Johann Eggerth**                   | –                                 | –                             | –                                 | –                             |
| Nuno Cunha**                       | –                                 | –                             | –                                 | –                             |
| Evan Williams** (as of 01.06.2019) | –                                 | –                             | –                                 | –                             |
| <b>Total</b>                       | <b>–</b>                          | <b>165</b>                    | <b>–</b>                          | <b>150</b>                    |

\* BoD members; position see [here](#)

\*\* MB members; position see [here](#)

|                       | <b>31.12.2019</b> | <b>31.12.2018</b> |
|-----------------------|-------------------|-------------------|
| Cornaz AG-Holding     | 68.7%             | 67.2%             |
| Elisabeth Leon-Cornaz | 5.2%              | 5.2%              |

Shareholder's agreements exist between these and other persons and/or their shareholders (details see [here](#)).

# Board of Directors' (BoD) Proposal for the Corporate Profit Appropriation

The board of Directors proposes the following appropriation of profits to the Annual General Assembly of shareholders (AGA):

| CHF millions                        | 2019   | 2018   |
|-------------------------------------|--------|--------|
| <b>At disposal of the AGA</b>       |        |        |
| Retained earnings                   | 21.8   | 24.3   |
| Annual profit                       | 33.4   | 47.3   |
| Total profit                        | 55.2   | 71.6   |
| Total at the disposal of the AGA    | 55.2   | 71.6   |
| <b>Board of Directors' Proposal</b> |        |        |
| Total profit                        | 55.2   | 71.6   |
| Allocation profit                   | - 10.0 | - 30.0 |
| Dividend payment                    | - 25.8 | - 19.8 |
| Retained earnings                   | 19.4   | 21.8   |

Acceptance of this proposal results in the following dividend payments:

| CHF                                      | Gross Dividend | 35% Withholding Tax | Net Dividend |
|--|----------------|---------------------|--------------|
| Bearer share CHF 50.00 nominal value     | 65.00          | 22.75               | 42.25        |
| Registered share CHF 10.00 nominal value | 13.00          | 4.55                | 8.45         |

The dividend payment is to be paid to registered shareholders on 28 April 2020 via the usual appointed paying agents. Payment to holders of bearer shares is to be made in exchange for coupon number 24 at the Swiss branch offices of the following banks: Banque Cantonale Vaudoise, UBS, Credit Suisse, Zürcher Kantonalbank.

# Report of the statutory auditor on the financial statements

To the General Meeting of Vetropack Holding Ltd, Saint-Prex

Zurich, 10 March 2020

As statutory auditor, we have audited the financial statements of Vetropack Holding Ltd, which comprise the balance sheet, income statement and notes (PDF version: pages 109 to 113 / on-line version: marked with the label "audited information"), for the year ended 31 December 2019.

**Board of Directors' responsibility.** The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility.** Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion.** In our opinion, the financial statements for the year ended 31 December 2019 comply with Swiss law and the company's articles of incorporation.

**Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority.** Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

**Report on other legal requirements.** We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Daniel Zaugg  
Licensed audit expert  
(Auditor in charge)

Marc Hegetschweiler  
Licensed audit expert

# Five Year Overview

|  | 2019    | 2018  | 2017  | 2016  | 2015  |
|--|---------|-------|-------|-------|-------|
| <b>Income Statement and Balance Sheet (CHF millions)</b> |         |       |       |       |       |
| Total income   | 61.8    | 55.3  | 43.5  | 43.2  | 42.9  |
| Annual profit  | 33.4    | 47.3  | 47.1  | 35.4  | 25.9  |
| Total assets   | 457.6   | 430.6 | 410.0 | 370.5 | 370.7 |
| Participations   | 116.5   | 116.5 | 108.7 | 102.4 | 96.1  |
| Share capital  | 19.8    | 19.8  | 19.8  | 19.8  | 19.8  |
| Shareholders' equity                                     | 428.1   | 414.6 | 385.2 | 353.3 | 333.2 |
| <b>Share details (CHF)</b>                               |         |       |       |       |       |
| Share prices   |         |       |       |       |       |
| – Bearer share high                                      | 3 120   | 2 490 | 2 175 | 1 777 | 1 655 |
| – Bearer share low                                       | 1 900   | 1 740 | 1 710 | 1 350 | 1 200 |
| Earnings per share                                       |         |       |       |       |       |
|  | 184.1   | 146.5 | 143.9 | 107.5 | 106.3 |
| Dividends  |         |       |       |       |       |
| – Bearer share   | * 65.00 | 50.00 | 45.00 | 38.50 | 38.50 |
| – Registered share                                       | * 13.00 | 10.00 | 9.00  | 7.70  | 7.70  |
| Distribution ratio in %                                  |         |       |       |       |       |
|  | 35.3    | 34.1  | 31.3  | 35.8  | 36.2  |

\* Motion for the AGA on 22 April 2020

**Consolidated Annual Profit and Dividends 2015 – 2019 in CHF millions**

