



**Financial Report
Vetropack Group**

Financial Report

Vetropack Group

Vetropack Group	
At a Glance	82
Consolidated Balance Sheet	83
Consolidated Income Statement	84
Consolidated Cash Flow Statement	85
Changes in Consolidated Shareholders' Equity	86
Consolidation Principles	87
Valuation Principles	90
Notes	93
Ownership Structure	109
Company Participations	110
Report of the statutory auditor on the consolidated financial statements	112
Five Year Overview	114

At a Glance

		+/-	2020	2019 ¹⁾
Net Sales	CHF millions	- 7.3%	662.6	714.9
EBIT	CHF millions	- 14.9%	76.1	89.4
Consolidated Profit	CHF millions	12.2%	81.2	72.4
Cash Flow*	CHF millions	- 7.9%	141.2	153.3
Investments	CHF millions	- 40.4%	73.7	123.7
Production	1 000 metric tons	- 3.0%	1 416	1 460
Unit Sales	billion units	- 5.9%	4.86	5.16
Exports (in unit terms)	%	-	43.1	43.9
Employees	number	15.3%	3 882	3 366

¹⁾ adjusted; see [note No. 29](#)

* operating cash flow before change of net working capital

Consolidated Balance Sheet

CHF millions	Note	31.12.2020	31.12.2019 ¹⁾
ASSETS			
Short-term Assets			
Liquid funds		104.5	100.8
Marketable securities		–	0.4
Accounts receivables	1	123.5	115.6
Other short-term receivables	2	13.6	10.2
Inventories	3	151.7	136.6
Accruals	4	2.0	1.4
Subtotal Short-term Assets		395.3	365.0
Long-term Assets			
Tangible assets	5	573.5	559.2
Financial assets	6	16.8	18.5
Intangible assets	7	5.9	6.5
Subtotal Long-term Assets		596.2	584.2
Total Assets		991.5	949.2
LIABILITIES			
Liabilities			
Short-term liabilities			
– Accounts payables		88.0	87.6
– Short-term financial debts	8	5.5	0.3
– Other short-term liabilities	9	28.4	23.1
– Deferrals	10	27.2	21.3
– Short-term provisions	11	3.3	9.5
Subtotal Short-term Liabilities		152.4	141.8
Long-term liabilities			
– Long-term financial debts	8	39.3	21.7
– Other long-term liabilities		1.3	1.2
– Long-term provisions	11	34.9	36.1
Subtotal Long-term Liabilities		75.5	59.0
Total Liabilities		227.9	200.8
Shareholders' Equity			
Share capital	12	19.8	19.8
Capital reserves		0.3	0.3
Retained earnings		662.3	655.9
Consolidated profit		81.2	72.4
Subtotal shareholders' Equity excl. Minorities		763.6	748.4
Minority interests	13	–	–
Subtotal Shareholders' Equity		763.6	748.4
Total Liabilities		991.5	949.2

¹⁾ adjusted; see note No. 29

Consolidated Income Statement

CHF millions	Note	2020	2019 ¹⁾
Net Sales from Goods and Services	14	662.6	714.9
Other operating income	15	12.6	12.6
Changes in inventories		15.4	2.4
Material costs	16	- 111.9	- 116.0
Energy costs		- 89.1	- 94.6
Personnel expenses	17	- 167.5	- 169.7
Depreciation/Impairments of tangible assets	5	- 73.4	- 74.7
Depreciation/Impairments of intangible assets	7	- 2.7	- 2.0
Other operating expenses	18	- 169.9	- 183.5
Operating Result (EBIT)		76.1	89.4
Financial result	19	1.5	- 3.6
Ordinary Result		77.6	85.8
Non-operating result ²⁾	20	12.1	1.5
Consolidated Profit before Income Taxes		89.7	87.3
Income taxes	21	- 8.5	- 14.2
Consolidated Profit before Minority Interests		81.2	73.1
Minority interests from Group companies		-	- 0.7
Consolidated Profit		81.2	72.4
Earnings per Share	22		
Undiluted earnings per registered share A in CHF		4.10	182.61
Undiluted earnings per registered share B in CHF		0.82	36.52
Diluted earnings per registered share A in CHF		4.10	182.61
Diluted earnings per registered share B in CHF		0.82	36.52

¹⁾ adjusted; see note No. 29

²⁾ This position includes a gain from the sale of a non-operating property of CHF 11.7 million (2019: CHF 0.0 million).

Consolidated Cash Flow Statement

CHF millions	Note	2020	2019 ¹⁾
Consolidated profit incl. minorities		81.2	73.1
+ Asset depreciation		77.1	77.7
+/- Loss/gain from applying/removing impairments		-	-
+/- Increase/decrease in provisions		- 0.7	1.9
+/- Loss/gain from disposals of tangible assets		- 11.8	0.2
+/- Other changes in non-cash items		- 4.6	0.4
= Operating Cash Flow before Change of Net Working Capital		141.2	153.3
+/- Decrease/increase in accounts receivables		6.8	7.9
+/- Decrease/increase in inventories		- 11.0	- 11.5
+/- Decrease/increase in other receivables and accruals		- 1.0	3.2
+/- Increase/decrease in accounts payables		- 4.1	1.6
+/- Increase/decrease in other liabilities and deferrals		5.0	2.2
= Cash Inflow/Drain from Operating Activities		136.9	156.7
- Outflows for investments in tangible assets	23	- 71.6	- 121.1
+ Inflows for sales of tangible assets		14.8	0.7
- Outflows for investments in financial assets		-	-
+ Inflows for sales of financial assets		2.3	-
- Cash-out for acquisitions of consolidated companies	30	- 42.8	- 5.9
- Outflows for investments in intangible assets		- 2.1	- 2.6
+/- Changes in marketable securities		0.4	0.3
= Cash Inflow/Drain from Investment Activities		- 99.0	- 128.6
- Dividend distribution to shareholders		- 25.8	- 19.8
- Dividend distribution to minorities		-	-
+/- Formation/repayment of short-term financial debts		3.2	- 44.6
+/- Formation/repayment of long-term financial debts		- 10.1	4.8
= Cash Inflow/Drain from Financing Activities		- 32.7	- 59.6
Foreign Exchange differences		- 1.5	0.8
Changes in Liquid Funds		3.7	- 30.7
Liquid funds as per 1.1.		100.8	131.5
Liquid funds as per 31.12.		104.5	100.8
Changes in Liquid Funds		3.7	- 30.7
Inflows from interest		0.1	0.4
Outflows for interest		- 0.4	- 0.4
Outflows for income taxes		- 7.2	- 17.5

¹⁾ adjusted; see note No. 29

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 31.12.2018 ¹⁾	19.8	0.3	685.9	706.0	2.4	708.4
Acquisition of minority interests	–	–	– 2.8	– 2.8	– 3.1	– 5.9
Consolidated profit ¹⁾	–	–	72.4	72.4	0.7	73.1
Foreign exchange differences	–	–	– 7.4	– 7.4	–	– 7.4
Dividends	–	–	– 19.8	– 19.8	–	– 19.8
Shareholders' Equity as per 31.12.2019 ¹⁾	19.8	0.3	728.3	748.4	–	748.4
Accounting goodwill ²⁾	–	–	– 17.6	– 17.6	–	– 17.6
Consolidated profit	–	–	81.2	81.2	–	81.2
Foreign exchange differences	–	–	– 22.6	– 22.6	–	– 22.6
Dividends	–	–	– 25.8	– 25.8	–	– 25.8
Shareholders' Equity as per 31.12.2020	19.8	0.3	743.5	763.6	–	763.6

¹⁾ adjusted; see note No. 29

²⁾ see note No. 30

The legally non-distributable reserves of Vetropack Holding Ltd amount to CHF 4.0 million (2019: CHF 4.0 million). Vetropack Holding Ltd did not hold own shares from 2018 to 2020.



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	
	2020	2019	2020	2019
EUR	1.07033	1.11276	1.08570	1.08710
CZK	0.04049	0.04334	0.04136	0.04269
HRK	0.14199	0.15000	0.14388	0.14595
MDL*	0.05172	-	0.05176	-
RON*	0.22202	-	0.22230	-
UAH	0.03440	0.03876	0.03144	0.04053

* Average Exchange Rate: December 2020

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	31.12.2020	31.12.2019
Gross receivables	127.3	118.5
Value adjustments	- 3.8	- 2.9
Net receivables	123.5	115.6

2. Other Short-Term Receivables

CHF millions	31.12.2020	31.12.2019
VAT (value added tax) credit	3.9	4.1
Withholding tax credit	2.5	2.8
Other short-term receivables	7.2	3.3
Total	13.6	10.2

3. Inventories

CHF millions	31.12.2020	31.12.2019
Raw materials	13.5	13.8
Materials and supplies	54.9	48.4
Work-in-progress	4.1	3.1
Finished goods, merchandise	129.3	107.2
Advance payments	0.4	3.6
Value adjustments	- 50.5	- 39.5
Total	151.7	136.6

4. Accruals

CHF millions	31.12.2020	31.12.2019
Ongoing income tax (credit)	1.1	0.4
Other accruals	0.9	1.0
Total	2.0	1.4

5. Tangible Assets

CHF millions

	Real Estate & Buildings Non- operating	Real Estate & Buildings operating	Furnaces Equipment Prod. Facilities Moulds	Other Tangible Assets	Advance Payments & Assets Under Construction	Total
Acquisition Value						
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
As per 1.1.2020	75.3	296.0	895.6	40.7	43.3	1 350.9
Change consolidation scope	–	9.5	20.6	0.7	5.0	35.8
Additions	0.1	1.8	15.8	0.8	53.1	71.6
Disposals	– 22.2	– 0.3	– 24.5	– 1.5	–	– 48.5
Reclassifications	– 0.7	2.2	9.1	1.3	– 11.8	0.1
Foreign exchange differences	– 0.1	– 3.9	– 24.4	– 0.9	– 0.2	– 29.5
As per 31.12.2020	52.4	305.3	892.2	41.1	89.4	1 380.4
Accumulated Depreciation						
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
As per 1.1.2020	31.5	183.4	543.6	33.2	–	791.7
Ordinary depreciation	0.9	6.6	64.4	2.4	–	74.3
Disposals	– 19.5	– 0.2	– 24.2	– 1.5	–	– 45.4
Reclassifications	–	–	–	–	–	–
Asset impairments*	–	–	–	–	–	–
Foreign exchange differences	–	– 2.0	– 11.1	– 0.6	–	– 13.7
As per 31.12.2020	12.9	187.8	572.7	33.5	–	806.9
Book Value						
As per 1.1.2020	43.8	112.6	352.0	7.5	43.3	559.2
As per 31.12.2020	**39,5	**117,5	319.5	7.6	89.4	573.5

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

** This includes vacant real estate plots valued at CHF 2.6 million (2019: CHF 3.4 million).

As per 31.12.2020 payments on assets under construction amounted to CHF 2.5 million (2019: CHF 7.4 million).

6. Financial Assets

CHF millions	Note	31.12.2020	31.12.2019
Employer's contribution reserves	28	12.3	12.3
Assets from pension funds		2.1	2.0
Deferred taxes	21	1.7	1.5
Participations in associated companies		0.3	0.5
Other financial investments		0.4	2.2
Total		16.8	18.5

7. Intangible Assets

CHF millions

	Software	Software in Development	Other Intangible Assets	Total
Acquisition Value				
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	-	-	-	-
As per 1.1.2020	50.4	1.6	1.2	53.2
Additions	1.5	0.6	-	2.1
Disposals	- 0.1	-	-	- 0.1
Reclassifications	1.4	- 1.4	-	-
Foreign exchange differences	- 0.1	-	-	- 0.1
As per 31.12.2020	53.1	0.8	1.2	55.1
Accumulated Amortisation				
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	-	-	-	-
As per 1.1.2020	45.6	-	1.1	46.7
Ordinary amortisation	2.7	-	-	2.7
Disposals	- 0.1	-	-	- 0.1
Reclassifications	-	-	-	-
Asset impairments	-	-	-	-
Foreign exchange differences	- 0.1	-	-	- 0.1
As per 31.12.2020	48.1	-	1.1	49.2
Book Value				
As per 1.1.2020	4.8	1.6	0.1	6.5
As per 31.12.2020	5.0	0.8	0.1	5.9

There were no licences, patents or brands in 2019 or 2020.

8. Financial Debts

CHF millions	31.12.2020	31.12.2019
Residual period		
– < 1 year*	5.5	0.3
– 1 to 2 years**	6.1	2.5
– 3 to 5 years***	20.7	6.7
– > 5 years****	12.5	12.5
Total	44.8	22.0

* in CHF; interest rate between 0.0% to 5.0% (2019: 0.0% to 0.85%)

** in CHF; interest rate between 0.0% to 5.0% (2019: 0.7%)

*** in CHF; interest rate between 4.85% to 6.0% (2019: 0.65% to 1.85%)

**** in CHF; interest rate 0.99% (2019: 0.99%)

As of 31 December 2020, short-term financial debts mainly included bank loans from the company in Moldova that was acquired in the reporting year. In the year 2020 no short-term financial debts (2019: CHF 8.7 million) were prolonged.

9. Other Short-Term Liabilities

CHF millions	31.12.2020	31.12.2019
Prepaid recycling fee	5.0	4.6
Advance payments	2.2	1.1
Liabilities to employees	5.9	5.4
Other short-term liabilities	15.3	12.0
Total	28.4	23.1

10. Deferrals

CHF millions	31.12.2020	31.12.2019 ¹⁾
Ongoing liable income taxes	5.5	1.5
Unclaimed vacations and overtime compensations	7.4	5.3
Other deferrals	14.3	14.5
Total	27.2	21.3

¹⁾ adjusted; see note No. 29

11. Provisions

CHF millions

	Service Anniver- sary	Pensions	Deferred Tax Liabilities	Other	Total
As per 1.1.2019 ¹⁾	4.8	14.9	19.5	6.3	45.5
Reclassifications	-	-	-	-	-
Formations ¹⁾	1.2	2.1	1.4	5.3	10.0
Liquidations	- 0.1	- 0.1	- 4.2	0.1	- 4.3
Utilisations	- 0.1	- 1.8	-	- 2.9	- 4.8
Foreign exchange differences	- 0.1	- 0.4	- 0.3	-	- 0.8
As per 1.1.2020 ¹⁾	5.7	14.7	16.4	8.8	45.6
Reclassifications	-	-	-	-	-
Formations	0.6	1.8	0.6	2.7	5.7
Liquidations	- 0.2	- 0.1	- 1.6	- 5.7	- 7.6
Utilisations	- 0.1	- 1.7	-	- 3.2	- 5.0
Foreign exchange differences	- 0.1	- 0.2	- 0.2	-	- 0.5
As per 31.12.2020	5.9	14.5	15.2	2.6	38.2
Of which short-term	0.7	-	-	2.6	3.3
Of which long-term	5.2	14.5	15.2	-	34.9

¹⁾ adjusted; see note No. 29

12. Share Capital

The share capital is structured as follows:

CHF millions	31.12.2020	31.12.2019
13 774 000 Registered shares A (2019: 220 480) nominal value CHF 1.00 (2019: CHF 50.00) (issued and paid in full)	13.8	11.0
30 250 000 Registered shares B (2019: 880 000) nominal value CHF 0.20 (2019: CHF 10.00) (issued and paid in full)	6.0	8.8
Total	19.8	19.8

The registered shares A (Security no. 622 761) are listed on the SIX Swiss Exchange, Swiss Reporting Standard. With a closing price at the end of the year of CHF 59.70 (2019: CHF 3,040.00) total capitalisation is CHF 1,183.5 million (2019: CHF 1,205.3 million). Each registered share has one voting right.

Major Shareholders with > 3% of Voting Rights

	31.12.2020	31.12.2019
Shareholder group Cornaz according to latest SIX publication	76.1%	79.3%

The definition of major shareholders has been adjusted for this year and the previous year.

One shareholders' agreement exists between the shareholders of Cornaz AG-Holding, another between Cornaz AG-Holding and other shareholders (details see [here](#)).

13. Minority Interests

Since 27 March 2019, Vetropack Austria Holding AG has held 100% of the shares in PrJSC Vetropack Gostomel.

14. 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	2020	2019
Glass Packaging			
– Switzerland	3.9%	77.4	74.5
– Austria	– 4.4%	194.0	203.0
– Czech Republic	– 10.1%	66.2	73.6
– Croatia	– 18.3%	101.6	124.4
– Slovakia	2.3%	61.9	60.5
– Ukraine	– 33.0%	54.7	81.7
– Italy	4.5%	90.9	87.0
– Moldova	-	3.6	-
Speciality Glass (Switzerland)	20.6%	12.3	10.2
Total	– 7.3%	662.6	714.9

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.

15. Other Operating Income

CHF millions	2020	2019
Material and energy sales	3.0	3.7
Ancillary services	1.3	0.9
Real estate management income	0.6	0.5
Internally produced additions to plant and equipment	1.2	1.7
Supplier commissions	1.8	1.8
Allocations disposal fees	2.0	1.8
Other income	2.7	2.2
Total	12.6	12.6

16. Cost of Materials

CHF millions	2020	2019
Raw material	100.6	106.5
Merchandise	11.3	9.5
Total	111.9	116.0

17. Personnel Expenses

CHF millions	2020	2019
Wages and salaries	126.3	127.4
Social benefits	35.3	36.2
Other personnel expenses	5.9	6.1
Total	167.5	169.7

Headcount by country

	Change	31.12.2020	31.12.2019
Switzerland	- 2.0%	292	298
Austria	- 0.1%	713	714
Czech Republic	- 3.4%	451	467
Croatia	3.1%	606	588
Slovakia	1.6%	384	378
Ukraine	0.0%	631	631
Italy	3.8%	301	290
Moldova	-	504	-
Total	15.3%	3 882	3 366

18. Other Operating Expenses

CHF millions	2020	2019 ¹⁾
Maintenance and repairs	32.9	33.2
Mould costs	6.8	6.3
Packaging material	23.1	29.1
Transport costs	41.7	46.2
Other administrative and operating expenses	65.4	68.7
Total	169.9	183.5

¹⁾ adjusted; see note No. 29

19. Financial Result

CHF millions	2020	2019
Interest income	0.6	0.9
Interest expenses	- 0.3	- 0.4
Currency exchange gains	7.0	5.3
Currency exchange losses	- 5.8	- 9.4
Other financial income	-	-
Total	1.5	- 3.6

20. Non-Operating Result

CHF millions	2020	2019
Non-operating real estate income	2.7	3.9
Non-operating real estate expenses	- 1.4	- 1.6
Non-operating real estate depreciation / impairments	- 0.9	- 1.0
Other non-operating income/expenses *	11.7	0.2
Total	12.1	1.5

* This position includes a gain from the sale of a non-operating property of CHF 11.7 million (2019: CHF 0.0 million).

21. Income Taxes

CHF millions	2020	2019 ¹⁾
Ongoing income taxes	9.7	16.9
Deferred income taxes	- 1.2	- 2.7
Total	8.5	14.2

¹⁾ adjusted; see note No. 29

Loss carryforwards amounted to CHF 15.5 million (2019: CHF 10.0 million) in total at the end of the reporting year. CHF 4.5 million (2019: CHF 0.0 million) loss carryforwards were included in the calculation of the deferred income tax assets. The impact on the tax on earnings of unrecognised loss carryforwards was CHF 2.6 million in the reporting year (2019: CHF 2.1 million). In the reporting year CHF 3.5 million unrecognised loss carryforwards were used (2019: CHF 0.0 million). There was an impact of CHF -0.6 million in the reporting year on income taxes due to the use of unrecognized losses carried forward (2019: CHF 0.0 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% (2019: 11.0% to 25.0%).

The weighted average tax rate to be applied based on the ordinary result is 18.3% (2019: 20.0%).

22. 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.

	2020	2019 ¹⁾
Consolidated profit allocated to the shareholders of the Vetropack Group in million CHF	81.2	72.4
Weighted number of outstanding registered shares A for undiluted result per share	19 824 000	396 480
Weighted number of outstanding registered shares B for undiluted result per share	99 120 000	1 982 400
Undiluted result per registered share A in CHF	4.10	182.61
Undiluted result per registered share B in CHF	0.82	36.52

¹⁾ adjusted; see note No. 29

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. By resolution of the Annual General Assembly of 22 April 2020 a 1:50 share split was carried out for both categories on 4 May 2020. Furthermore, the listed bearer shares were converted into class A registered shares and the current registered shares are now designated as class B registered shares. In addition, 13,750,000 class B registered shares, each with a nominal value of CHF 0.20, were converted at a ratio of 5:1 into 2,750,000 class A registered shares, each with a nominal value of CHF 1.00.

23. Investments

Investment Breakdown:

CHF millions	2020	2019
Switzerland	2.6	2.5
Austria	11.3	8.0
Czech Republic	2.0	9.2
Croatia	34.7	24.6
Slovakia	3.5	28.5
Ukraine	3.9	26.6
Italy	9.2	21.7
Moldova	4.4	-
Total	71.6	121.1

24. Off Balance Sheet Transactions

CHF millions	31.12.2020	31.12.2019
Letters of comfort	2.5	2.5
Guarantees	0.4	0.6
Off balance sheet leasing	0.5	0.9
Total	3.4	4.0

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	31.12.2020	31.12.2019
Maturity		
– 1 to 2 years	0.4	0.8
– 3 to 5 years	0.1	0.1
– > 5 years	–	–
Total	0.5	0.9

25. Pledged Assets

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

CHF millions	31.12.2020	31.12.2019
Accounts receivables	18.2	10.4
Inventories	8.7	–
Real estate	68.9	30.1
Total	95.8	40.5

26. Derivative Financial Instruments

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

27. Transactions with Closely Associated Persons

CHF millions	31.12.2020	31.12.2019
Pension Funds		
Accounts receivables	–	–
Accounts payables	0.1	0.2
Interest expenses	–	–
Associated Companies		
Accounts receivables	–	–
Accounts payables	0.9	0.8
Capitalised services	–	–
Service income	–	–
Equity income	–	–
Glass cullet purchasing expenses	– 4.2	– 4.0
Maintenance and repairs expenses	– 0.3	– 0.2
Other service expenses	–	–
Equity valuation expenses	–	–
Other Closely Associated Persons		
Accounts receivables	–	–
Accounts payables	3.2	0.2
Investments in tangible assets	2.7	–
Distribution income	–	–
Packaging material expenses	– 0.3	– 0.5
Distribution expenses	–	–
Service expenses	– 0.1	–
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.

28. 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	2020	2019
Nominal value 31.12.	12.9	13.0
Utilisation waiver 31.12.	–	–
Other value adjustments 31.12.	–	–
Discounting effects 31.12.	– 0.6	– 0.7
Book value 31.12.	12.3	12.3

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 31.12.2020	13.8	–	32.2	–	46.0
Economic utilisation/liabilities 31.12.2019	–	–	–	– 12.1	– 12.1
Economic utilisation/liabilities 31.12.2020	–	–	–	– 11.9	– 11.9
Changes 2020	–	–	–	– 0.2	– 0.2
Contributions restricted to the period*	–	–	2.5	1.6	4.1
Pension expenses 2019	–	–	2.4	1.9	4.3
Pension expenses 2020	–	–	2.5	1.4	3.9

* 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	2020	2019
Key influential factors		
– Changes in employer's contribution reserves	–	0.1
– Changes in economic utilisation / liabilities	– 0.2	– 0.3
– Pension fund contributions	4.1	4.5
Total Pension Fund Expenses	3.9	4.3

29. Correction previous year's figures

Due to incorrect recordings of the wastewater quantities in the Austrian Kremsmünster production plant, sewer fees that were too low were charged to the plant in the years 2010 to 2019. In 2020, the extent of the deviation was recorded and reported to the responsible authority. This will lead in 2020 to an additional payment after taxes of CHF 3.8 million. For reasons of comparability, the previous year's figures have been adjusted as follows:

Consolidated Balance Sheet 31.12.2019

CHF millions	reported	correction	corrected
Deferrals	22.6	- 1.3	21.3
Short-term provisions	4.4	5.1	9.5
Retained earnings	659.1	- 3.2	655.9
Consolidated profit	73.0	- 0.6	72.4

Consolidated Income Statement Half Year 2019

CHF millions	reported	correction	corrected
Other operating expenses	- 182.7	- 0.8	- 183.5
Income taxes	- 14.4	0.2	- 14.2
Consolidated Profit	73.0	- 0.6	72.4

Consolidated Cash Flow Statement 31.12.2019

CHF millions	reported	correction	corrected
Consolidated profit incl. minorities	73.7	- 0.6	73.1
Increase/decrease in provisions (+/-)	1.1	0.8	1.9
Operating Cash Flow before Change of Net Working Capital	153.1	0.2	153.3
Increase/decrease in other liabilities and deferrals (+/-)	2.4	- 0.2	2.2

Changes in Consolidated Shareholders' Equity

CHF millions	reported	correction	corrected
Shareholders' Equity as per 1.1.2018	688.3	- 2.7	685.6
Consolidated profit	58.1	- 0.5	57.6
Shareholders' Equity as per 1.1.2019	711.6	- 3.2	708.4
Consolidated profit	73.0	- 0.6	72.4
Shareholders' Equity as per 31.12.2019	752.2	- 3.8	748.4

30. Acquisition

On 10 December 2020, the group acquired a Moldovan glass factory based in Chişinău and fully consolidated it for the first time from 30 November 2020.

The current values of the net assets as at the date of acquisition are as follows:

CHF millions	30.11.2020
Liquid funds	1.6
Accounts receivables	15.3
Other short-term receivables	2.9
Inventories	9.0
Subtotal Short-term Assets	28.8
Long-term Assets	37.1
Total Assets	65.9
Accounts payables	3.7
Short-term financial debts	2.0
Advance payments	2.4
Other short-term liabilities	2.2
Deferrals	1.0
Subtotal Short-term Liabilities	11.3
Long-term financial debts	27.8
Subtotal Long-term Liabilities	27.8
Total Liabilities	39.1
Acquired net assets, measured at current market value	26.8
Goodwill from the acquisition	31.7
Total	58.5
Total consideration	58.5
Analysis of cash outflow as a result of the company acquisition:	
Amount paid in 2020 (investment activity)	44.4
Cash acquired with the subsidiary (investment activity)	- 1.6
Actual cash outflow as a result of the company acquisition	42.8

The total consideration includes a fixed purchase price component of CHF 44.4 million and further payments dependent on future results, which presently is estimated at CHF 14.1 million.

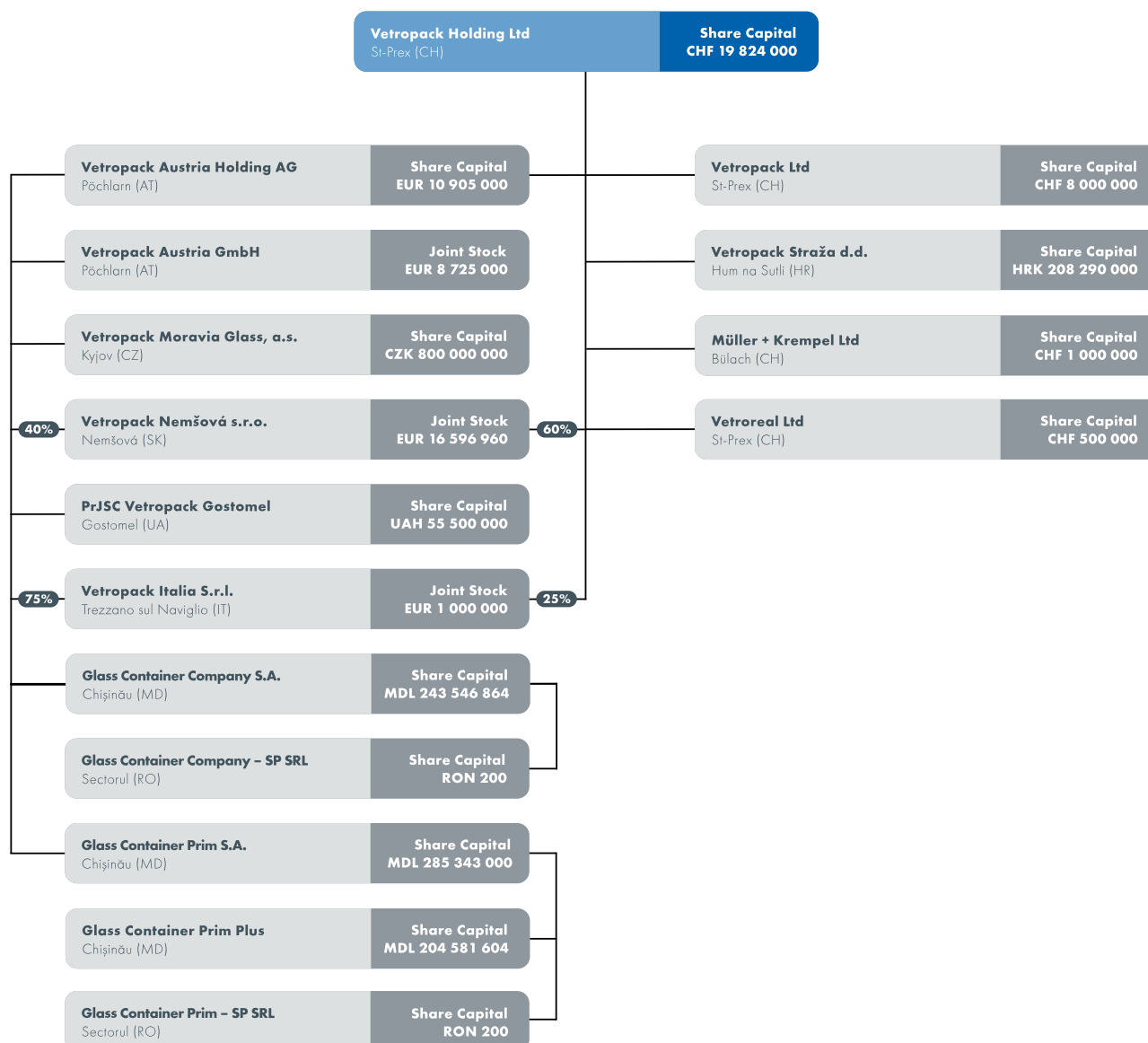
The goodwill of a purchased consolidated company is offset with equity at the date of acquisition. The theoretical amortisation of the goodwill is over the useful live of five years. A theoretical capitalisation of the goodwill would have the following impact on the consolidated financial statements:

CHF millions	2020	2019
Theoretical goodwill		
Gross book value as at 01.01.	16.8	16.8
Addition from acquisition	31.7	-
Gross book value as at 31.12.	48.5	16.8
Accumulated amortisation as at 01.01.	- 15.0	- 11.6
Amortisation	- 2.3	- 3.4
Accumulated amortisation as at 31.12.	- 17.3	- 15.0
Net book value as at 01.01.	1.8	5.2
Net book value as at 31.12.	31.2	1.8
Effect on Balance Sheet		
Shareholders' Equity according to Balance Sheet	763.6	748.4
Theoretical capitalisation of net book value of goodwill	31.2	1.8
Theoretical Shareholders' Equity incl. net book value of goodwill	794.8	750.2
Effect on Income Statement		
Consolidated Profit	81.2	72.4
Amortisation goodwill	- 2.3	- 3.4
Theoretical Consolidated Profit incl. amortization of goodwill	78.9	69.0

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 2021 that could negatively affect the declarations made in the 2020 annual financial statements.

Ownership Structure



Company Participations

Company	Domicile	Currency	Share Capital	* Share	Consolidation	Owner
Switzerland						
Vetropack Holding Ltd**	St-Prex	CHF	19 824 000		K	the public
Vetropack Ltd	St-Prex	CHF	8 000 000	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
Austria						
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
Czech Republic						
Vetropack Moravia Glass, a.s.	Kyjov	CZK	800 000 000	100%	K	VAH
Croatia						
Vetropack Straža d.d.***	Hum na Sutli	HRK	208 290 000	100%	K	VPH
Slovakia						
Vetropack Nemšová s.r.o.	Nemšová	EUR	16 596 960	60/40%	K	VPH/VAH
Ukraine						
PrJSC Vetropack Gostomel	Gostomel	UAH	55 500 000	100%	K	VAH
Italy						
Vetropack Italia S.r.l.	Trezzano	EUR	1 000 000	****75/25%	K	VAH/VPH
Moldova						
Glass Container Company S.A.	Chişinău	MDL	243 546 864	*****100%	K	VAH
Glass Container Prim S.A.	Chişinău	MDL	285 343 000	*****100%	K	VAH
Glass Container Prim Plus	Chişinău	MDL	204 581 604	*****100%	K	GCP
Romania						
Glass Container Company – SP SRL	Bucuresti	RON	200	*****100%	K	GCC
Glass Container Prim – SP SRL	Bucuresti	RON	200	*****100%	K	GCP

* Capital shares and voting rights are identical

** In the year under review, Vetroconsult Ltd was transferred to Vetropack Holding Ltd through an absorption merger.

*** Straža-Imo d.o.o. was sold during the reporting year.

**** In the year under review, a share of 25% was sold by Vetropack Austria Holding AG to Vetropack Holding Ltd.

***** Acquired in the reporting year via Vetropack Austria Holding AG, details see [here](#)

There were no other changes in company participations compared with 31 December 2019.

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.

GCC = Glass Container Company SA

GCP = Glass Container Prim SA

As per 31 Dezember 2020

Report of the statutory auditor on the consolidated financial statements

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

Zurich, 10 March 2021

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 83 to 111 / online version: marked with the label "audited information"), for the year ended 31 December 2020.

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 2020 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 2020 amounts to MCHF 573.5 (Prior Year: MCHF 559.2) and therefore represents approximately 58% 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 83, Valuation Principles on page 90 as well as Note No. 5 on page 94 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

Willy Hofstetter
Licensed audit expert
(Auditor in charge)

Marc Hegetschweiler
Licensed audit expert

Five Year Overview

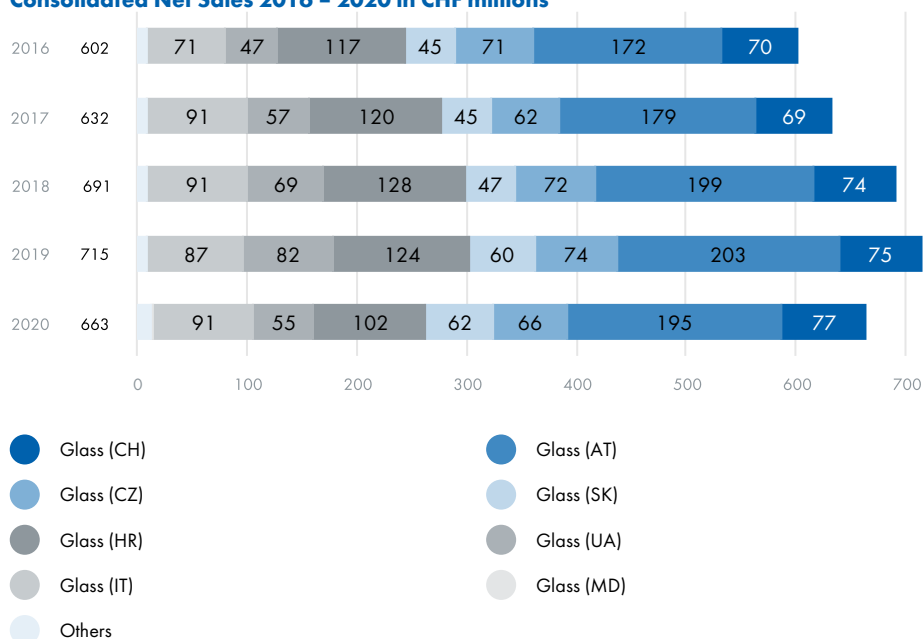
		2020	2019 ¹⁾	2018	2017	2016
Consolidated Income Statement						
Net sales from goods and services	CHF millions	662.6	714.9	690.7	631.5	601.7
Change net sales from previous year	%	- 7.3	3.5	9.4	5.0	8.0
Employees	number	3 882	3 366	3 291	3 257	3 243
Net sales per employee*	TCHF	195	212	210	194	186
Operating cash flow before change of net working capital ¹⁾	CHF millions	141.2	153.3	135.7	126.3	105.1
Cash flow as % of net sales	%	21.3	21.4	19.6	20.0	17.5
Depreciation/Impairments on tangible assets**	CHF millions	74.3	75.7	70.5	62.5	55.3
Income taxes ¹⁾	CHF millions	8.5	14.2	14.0	15.1	8.7
Net profit ¹⁾	CHF millions	81.2	72.4	58.1	57.0	42.6
Consolidated Balance Sheet as per 31.12.						
Investments in tangible assets	CHF millions	71.6	121.1	114.2	65.5	81.4
Total assets	CHF millions	991.5	949.2	947.4	932.2	840.7
Short-term assets	CHF millions	395.3	365.0	399.6	407.9	339.9
Long-term assets	CHF millions	596.2	584.2	547.8	524.3	500.8
Liabilities ¹⁾	CHF millions	227.9	200.8	235.8	243.9	235.3
Shareholders' equity ¹⁾	CHF millions	763.6	748.4	711.6	688.3	605.4
Equity ratio ¹⁾	%	77.0	78.7	75.1	73.8	72.0

¹⁾ adjusted only for the year 2019; see [note No. 29](#)

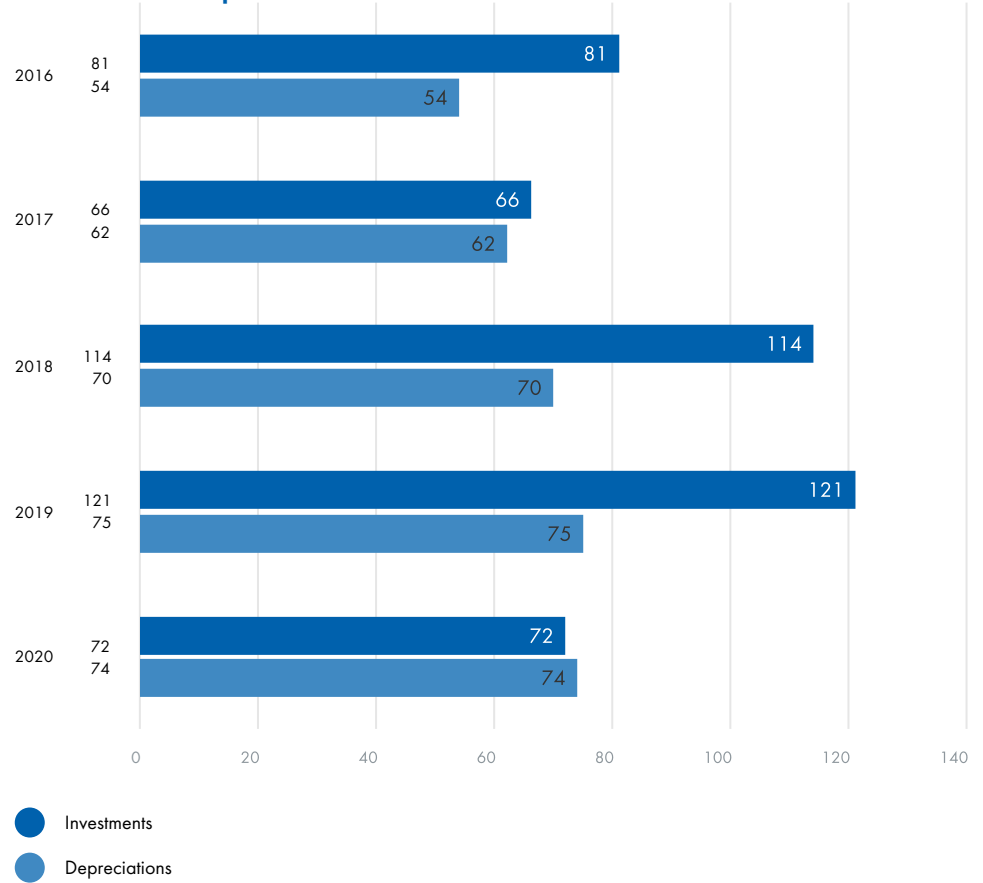
* excluding the company acquired on 10 December 2020

** including amortisation on non-operating real estate and buildings

Consolidated Net Sales 2016 – 2020 in CHF millions



Investments and Depreciations 2016 – 2020 in CHF millions





**Financial Report
Vetropack Holding Ltd**

Financial Report

Vetropack Holding Ltd

Vetropack Holding Ltd	
Balance Sheet	118
Income Statement	119
Notes	120
Board of Directors' (BoD) Proposal for the Corporate Profit Appropriation	123
Report of the statutory auditor on the financial statements	124
Five Year Overview	126

Balance Sheet

CHF millions	Note	31.12.2020	31.12.2019
ASSETS			
Short-term Assets			
Liquid funds		76.3	79.1
Accounts receivables from third parties		0.3	–
Accounts receivables from Group companies		4.3	4.4
Other short-term receivables from third parties		0.7	–
Other short-term receivables from Group companies		130.3	65.5
Accruals		0.3	–
Subtotal Short-term Assets		212.2	149.0
Long-term Assets			
Loans to Group companies		146.6	192.0
Participations	4	120.2	116.5
Tangible assets		0.1	0.1
Intangible assets		5.0	–
Subtotal Long-term Assets		271.9	308.6
Total Assets		484.1	457.6
LIABILITIES			
Liabilities			
– Accounts payables to third		2.0	1.5
– Accounts payables to Group companies		1.2	0.9
Accounts payables		3.2	2.4
– Short-term financial debts to third	5	0.1	0.2
– Short-term financial debts to Group companies		26.9	20.2
Short-term interest-bearing financial debts		27.0	20.4
Deferrals and short-term provisions		3.3	3.0
Subtotal Short-term Liabilities		33.5	25.8
– 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		37.2	29.5
Shareholders' Equity			
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		334.4	324.2
Retained earnings brought forward from previous year		19.4	21.8
Annual profit		44.4	33.4
– Accumulated profits		63.8	55.2
Voluntary retained earnings		398.2	379.4
Subtotal Shareholders' Equity		446.9	428.1
Total Liabilities		484.1	457.6

Income Statement

CHF millions	Note	2020	2019
Dividend income		39.3	38.6
Income generated from licenses		9.2	10.4
Management fees		8.7	10.2
Other income		20.3	2.6
Total income		77.5	61.8
Personnel expenses		- 16.5	- 10.7
– Administrative expenses		- 13.7	- 6.6
– Promotional expenses		- 1.3	- 1.8
– various operating expenses		- 2.6	- 2.3
Other operating expenses		- 17.6	- 10.7
Depreciation of tangible assets		- 0.1	- 0.1
Depreciation of intangible assets		- 2.5	-
Operating Result (EBIT)		40.8	40.3
Interest expenses		- 0.1	-
Currency exchange losses		- 1.8	- 12.7
Total financial expenses		- 1.9	- 12.7
Interest income		4.9	4.0
Currency exchange gains		1.4	2.5
Total financial income		6.3	6.5
Ordinary Result		45.2	34.1
Extraordinary income	2/4	0.2	-
Annual Profit Before Taxes		45.4	34.1
Income taxes		- 1.0	- 0.7
Annual Profit		44.4	33.4

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 (2019: CHF 0.0 million).

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

The company employed between 50 and 250 people in the reporting year. In the previous year there were between ten and 50 employees.

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 (2019: CHF 0.0 million).

5. Short-term financial debts to third

Liabilities to pension funds amounted to CHF 0.1 million on the reporting date (2019: CHF 0.2 million).

6. Share capital

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

7. Derivative Financial Instruments

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

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 (2019: 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. Off Balance Sheet Transactions

As of 31 December 2020 there were unrecognized leasing obligations in the amount of CHF 0.03 million (2019: CHF 0.00 million). CHF 0.02 million are due within 1 to 2 years and CHF 0.01 million are due within 3 to 5 years.

12. 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 2020. Shares held by closely associated persons are included in the total for the respective individual.

Voting Rights	Registered Shares A 2020	Registered Shares B 2020	Bearer Shares 2019	Registered Shares 2019
Claude R. Cornaz*	48 260	–	589	1 881
Richard Fritschi*	1 000	–	20	–
Sönke Bandixen*	2 000	–	40	–
Pascal Cornaz*	50 000	–	–	5 000
Rudolf Fischer*	500	–	10	–
Urs Kaufmann*	2 450	–	49	–
Jean-Philippe Rochat*	500	–	10	–
Total	104 710	–	718	6 881
Johann Reiter**	750	–	15	–
David Zak**	–	–	–	–
Nuno Cunha**	–	–	–	–
Johann Eggerth**	–	–	–	–
Günter Lubitz** (until 30.9.2020)	7 000	–	140	–
Evan Williams**	–	–	–	–
Marcello Montisci (until 31.12.2019)	–	–	10	–
Total	7 750	–	165	–

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

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

List of Major Shareholders with Holdings > 3%

	31.12.2020	31.12.2019
Shareholder group Cornaz according to latest SIX publication	76.1%	79.3%

The definition of major shareholders has been adjusted for this year from 5% voting rights to 3%. The previous year was adjusted accordingly.

One shareholders' agreement exists between the shareholders of Cornaz AG-Holding, another between Cornaz AG-Holding and other 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	2020	2019
At disposal of the AGA		
Retained earnings	19.4	21.8
Annual profit	44.4	33.4
Total profit	63.8	55.2
Total at the disposal of the AGA	63.8	55.2
Board of Directors' Proposal		
Total profit	63.8	55.2
Allocation profit	- 20.0	- 10.0
Dividend payment	- 25.8	- 25.8
Retained earnings	18.0	19.4

Acceptance of this proposal results in the following dividend payments:

CHF	Gross Dividend	35% Withholding Tax	Net Dividend
Registered share A CHF 1.00 nominal value	1.30	0.46	0.84
Registered share B CHF 0.20 nominal value	0.26	0.09	0.17

The dividend payment to the shareholders will be made on 27 April 2021 to the paying agent known to us.

Report of the statutory auditor on the financial statements

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

Zurich, 10 March 2021

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 118 to 123 / on-line version: marked with the label "audited information"), for the year ended 31 December 2020.

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 2020 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

Willy Hofstetter
Licensed audit expert
(Auditor in charge)

Marc Hegetschweiler
Licensed audit expert

Five Year Overview

	2020	2019	2018	2017	2016
Income Statement and Balance Sheet (CHF millions)					
Total income	77.5	61.8	55.3	43.5	43.2
Annual profit	44.4	33.4	47.3	47.1	35.4
Total assets	484.1	457.6	430.6	410.0	370.5
Participations	120.2	116.5	116.5	108.7	102.4
Share capital	19.8	19.8	19.8	19.8	19.8
Shareholders' equity	446.9	428.1	414.6	385.2	353.3
Share details (CHF)					
Share prices					
– Registered share A high	65.10	62.40	49.80	43.50	35.54
– Registered share A low	39.60	38.00	34.80	34.20	27.00
Earnings per share ¹⁾					
	4.10	182.61	146.50	143.90	107.50
Dividends					
– Registered share A	*1.30	65.00	50.00	45.00	38.50
– Registered share B	*0.26	13.00	10.00	9.00	7.70
Distribution ratio in %					
	31.8	35.3	34.1	31.3	35.8

¹⁾ adjusted only for the year 2019; see [note No. 29](#)

* Motion for the AGA on 21 April 2021

Consolidated Annual Profit and Dividends 2016 – 2020 in CHF millions

