Management review

Letter to shareholders

Dear shareholders,

The 2025 financial year presented multifaceted challenges, which we had largely anticipated. Accordingly, the annual financial results have once again been lower, despite stable production volumes. Net sales declined by 7.5 percent from CHF 842.1 million to CHF 778.9 million. Net profit for 2025 amounted to CHF 3.8 million after recognising one-off costs totalling CHF 15.9 million, compared with CHF 13.7 million in the previous year.

Future-oriented site development

The declining demand for glass beverage packaging in particular led to overcapacity in the markets we serve and significant pressure on prices and margins. In addition, the geopolitical environment remains challenging, with ongoing military actions in Europe. These developments directly and indirectly affected our employees and operations in Ukraine and the Republic of Moldova as well as having extraordinary economic impact.

In this challenging environment, we took further measures in 2025 to adjust our capacities and improve their utilisation. We made good progress. However, implementation is complex, and with a high proportion of fixed costs, a rapid and noticeable recovery in profitability cannot be expected despite continued cost discipline. This is particularly true as we expect the market situation to remain subdued in 2026.

In 2025, we remained close to our customers and consistently focused on their needs. We successfully advanced important innovation projects. A key milestone was the commissioning of a new production line for lightweight glass bottles, scheduled to go into operation in 2026 – marking a significant step towards serial production.

Outlook and dividend proposal

At the beginning of the financial year 2026, Lukas Burkhardt took over as new CEO of the Vetropack Group. In the course of the resulting transitional phase, we will review our current strategy, with a view to defining additional initiatives for profitable growth and further strengthening future-proof resilience. Subject to the specific outcomes, this includes optimising our product and service portfolio to maximise customer benefit.

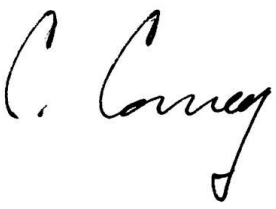
Vetropack has a solid financial base and will continue to position itself as an industry leader in glass packaging through innovation and sustainability initiatives. Amidst sustained price pressure, we anticipate net sales below the previous year's levels for 2026, despite stable sales volumes. Thanks to measures introduced to improve profitability, our operating result margin should increase slightly. The investments in tangible assets planned for 2026 will be on previous year's level. However, the current developments in the Persian Gulf and the Middle East bring additional uncertainty, with higher price volatility in energy markets. The impact of these factors on Vetropack's profitability can currently not be assessed and will require a high degree of adaptability.

Our 57th Annual General Meeting will be held on 22 April 2026. Based on the company's earnings situation, our Board of Directors proposes to pay out a dividend of CHF 0.50 (2024: CHF 1.00) per class A registered share and CHF 0.10 (2024: CHF 0.20) per class B registered share.

Acknowledgement and thanks

In this challenging market situation, our employees and management teams demonstrated a high level of commitment and exceptional dedication. They deserve our recognition and special thanks for this. We also thank our customers and suppliers for their constructive cooperation and our shareholders for their continued trust in our company.

Bülach, 9 March 2026



Claude R. Cornaz
Chairman of the Board of Directors

Lukas Burkhardt
CEO

Management report

The Vetropack Group navigated the challenging market environment in the 2025 financial year through capacity adjustments and cost discipline. Amid significant price pressure resulting from overcapacity in the market, revenue and profitability could not be maintained. With stable production volumes, the Group continued to develop its sites and advanced innovation projects.

In 2025, the Vetropack Group achieved net sales of CHF 778.9 million, a 7.5 percent decrease from the previous year (–5.9 currency-adjusted). Following a persistently challenging market situation with price pressure and generally lower sales in the first half, the stabilisation that emerged in the middle of the year was not sustainable. The second half of the year was also characterised by overcapacity in the market, combined with shifts in the product mix. These general trends also impacted Vetropack. Throughout the year, net sales from glass packaging for beverages weakened, while those for food packaging remained stable.

Key figures for the 2025 financial year

		2025	2024	+/–
Net sales	CHF millions	778.9	842.1	– 7.5%
Change at stable exchange rates		–	–	– 5.9%
Operating result	CHF millions	21.6	34.3	– 37.0%
Operating result-margin		2.8%	4.1%	– 1.3ppt
Adjusted Operating result [1]	CHF millions	37.5	58.6	– 36.0%
Adjusted Operating result-margin		4.8%	7.0%	– 2.2ppt
Net profit	CHF millions	3.8	13.7	– 72.3%
Cash flow from operating activities	CHF millions	107.4	135.8	– 20.9%
Investments in tangible fixed assets	CHF millions	53.2	85.5	– 37.8%
Gearing ratio		60.5%	61.3%	– 0.8ppt
Earnings per registered share A	CHF	0.19	0.69	– 72.0%
Dividend per registered share A [2]	CHF	0.50	1.00	– 50.0%
Employees	Headcount	3 532	3 622	– 2.5%

[1] Adjusted for closure costs and value adjustments, CHF 15.9 million 2025 and CHF 24.3 million in 2024 (see Alternative performance measures)
[2] Proposal of the Board of Directors

The operating result for 2025 reached CHF 21.6 million, a decrease from CHF 34.3 million in the previous year. Vetropack responded to adverse price and mix effects with measures to adjust capacity as well as disciplined cost management. However, with the high proportion of fixed costs typical for the industry, margin pressure could only be partially mitigated.

One-off expenses related to the closure of the production site in St-Prex and asset valuation adjustments had a negative impact on the 2025 operating result of CHF 15.9 million. This includes CHF 4.7 million for glass recycling and an additional CHF 2.5 million associated with the discontinuation of production at the Swiss site in St-Prex in 2024, as well as CHF 8.7 million for the temporary shutdown of a furnace and valuation adjustments at the Moldovan site in Chișinău.

Excluding these effects, the adjusted operating result for 2025 reached CHF 37.5 million, down from CHF 58.6 million in the previous year. While the reported operating margin declined by 1.3 percentage points year-on-year, the adjusted operating margin fell by 2.2 percentage points.

Vetropack halved its financing costs compared to the previous year thanks to optimised financing and lower exchange rate effects. As Vetropack does not capitalise loss carry-forwards, the tax burden relative to pre-tax profit is higher in 2025 than in the previous year. With higher non-operating and extraordinary expenses, the consolidated net profit for 2025 reached CHF 3.8 million or CHF 0.19 per registered share class A.

Continuing site development

With production volumes remaining stable, Vetropack continued to implement measures for site development and capacity adjustment and optimisation in 2025. The site in Chișinău is fully dependent on high-priced energy imports from Western Europe, making cost-effective production increasingly challenging. As a result, one of the two furnaces was temporarily shut down in December 2025.

Following the closure of the St-Prex production site in Switzerland, all remaining machinery was either relocated to other Vetropack sites or sold in 2025. At the Ukrainian site in Hostomel near Kiev, the second furnace was brought back into operation in mid-2025 after being repaired under extremely difficult conditions.

In January 2026, that is after the balance sheet date, Vetropack announced the consolidation and modernisation of two furnaces at the Kremsmünster site and, in this context, the early decommissioning of one of the three furnaces.

Cash flows, investments, and financing

Cash flow from operating activities was CHF 107.4 million in 2025, down 20.9 percent from the previous year, partially due to changes in net working capital. Among other things, Vetropack increased its inventory levels as part of capacity adjustments to ensure supply readiness.

Investments in tangible assets totalled CHF 53.2 million in 2025, with the largest individual investments being the modernisation of energy systems at several sites. This includes a third photovoltaic system at the Croatian site Hum na Sutli, which will generate approximately 1,900 MWh of electricity annually, as well as the establishment of a production line for lightweight glass bottles at the Pöchlarn site in Austria.

Following inflows from short-term financial liabilities amounting to CHF 28.3 million, the cash and cash equivalents reached CHF 96.8 million at the end of the year, up from CHF 68.2 million at the beginning of the year.

Innovation and sustainability

As a financially stable company with over 60 percent equity financing, Vetropack continued its efforts to position itself as an industry leader in the glass packaging sector through innovation and sustainability in the reporting year. The commissioning of a new production line for lightweight glass bottles planned for 2026 marks a significant milestone on the path to serial production. Following the successful market entry in Austria's brewing industry, Vetropack sees potential for applications in additional product groups and markets.

The product will be marketed under the Rezon brand, which was launched and introduced in September 2025. The proprietary technology developed by Vetropack saves up to 30 percent in weight compared to conventional reusable bottles, while at the same time offering high durability and a long product life span. It has received multiple awards, most recently in 2025 the World-Star Award from the World Packaging Organisation in the 'Alcoholic Beverages' category and a Special Award for 'Sustainability'.

Building on systematic preliminary work, Vetropack is publishing its first Sustainability report in line with the European Sustainability Reporting Standards (ESRS) with this Annual report. Although the European Parliament has postponed the mandatory application of these standards, early implementation allows for a better understanding of material impacts, risks, and opportunities, as well as identifying existing gaps for further improvements in environmental management.

Outlook

In the face of continuing geopolitical uncertainties and a challenging market environment with pressure on margins, Vetropack remains focused on customer needs, cost discipline, and strict investment control (including for ongoing operational improvements), in order to enable more agile responses to the rapidly changing market conditions.

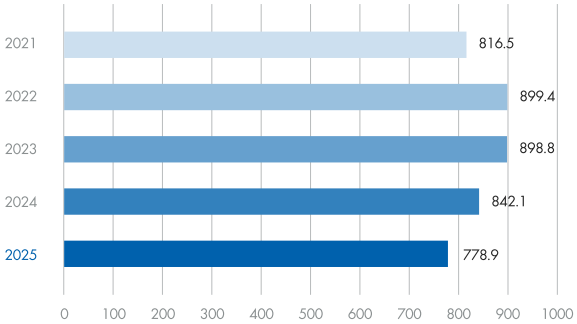
Due to continued price pressure, Vetropack expects net proceeds in 2026 to be below the previous year's level, with sales volumes remaining stable. The operating result margin is expected to be slightly higher as a result of the measures that have been introduced. Planned investments in tangible assets in 2026 are in line with the previous year's level. However, the current developments in the Persian Gulf and in the Middle East is creating additional uncertainty with increased price volatility in energy markets. The impact of these developments on Vetropack's financial performance is currently impossible to assess and requires a high degree of adaptability.

With the CEO change completed at the beginning of 2026, Vetropack is reviewing its existing strategy, primarily to define additional initiatives for profitable growth and further strengthen its future viability. It is currently planned to communicate the conclusions of this process with the presentation of the Semi-annual report on 21 August 2026, and to provide deeper insights at a Capital Market Day. By doing so, Vetropack also aims to take another step forwards in improving its capital market communication.

Based on the company's earnings situation, the Board of Directors proposes to the 57th Annual General Meeting of Vetropack Holding AG on 22 April 2026, to pay out a dividend of CHF 0.50 (2024: CHF 1.00) per class A registered share and CHF 0.10 (2024: CHF 0.20) per class B registered share.

Key figures and highlights 2025

Consolidated net sales 2021–2025
CHF millions



Net sales
CHF millions

778.9

Change compared to previous year

–7.5%

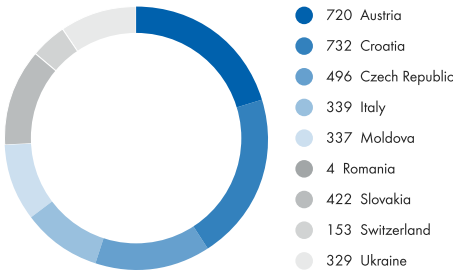
Employees
Headcount

3 532

Change compared to previous year

–2%

Employees by country
Headcount



Recycled content by colours
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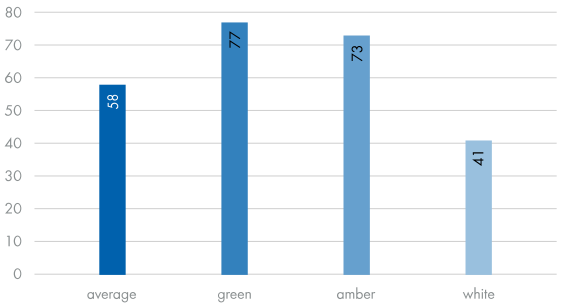

Recycled content
%

58

Change compared to previous year

+2%

Scope 1 + 2 GHG emissions
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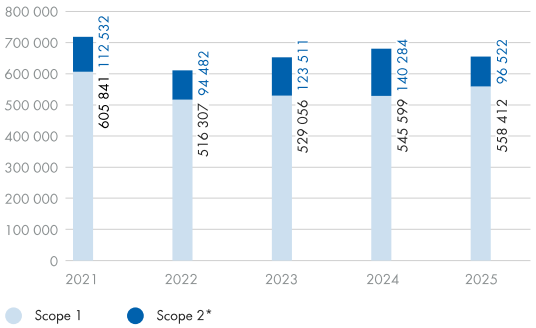
654 934

Change compared to previous year

–5%

Scope 1 + 2 GHG emissions
tCO_2



*market-based

Highlights and important events in the reporting year

The year 2025 was defined by several milestones, shared achievements and many moments in which our values came to life, both in our external engagements and across our organisation. It was also a year that required resilience as we navigated a dynamic market environment.

Focusing on what defines us, our employees and our customers, remains essential. With this commitment, we continue to create value, build trust and strengthen long-term relationships.

Look back at 2025 through images that reflect our achievements and the spirit behind them. Click on the image to view our video, which showcases yet more important events from the reporting year.

Business model and strategy 2030+

Our business model supports a sustainable circular economy: this is because glass is largely manufactured from natural raw materials, and it can be reused and recycled an infinite number of times. Our corporate purpose is to make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.

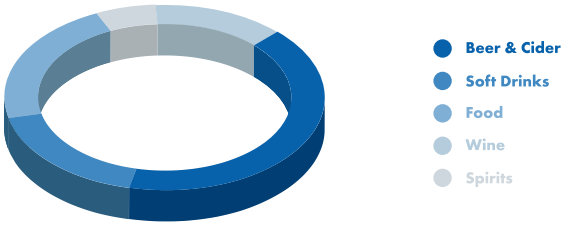
About Vetropack

Headquartered at Bülach in Switzerland, the Vetropack Group employs a workforce of 3,532 people and numbers among Europe's leading manufacturers of glass packaging for the food and beverage industry. We have eight glassworks, as well as sales and distribution locations in Switzerland, Austria, the Czech Republic, Croatia, Slovakia, Ukraine, Italy, the Republic of Moldova, and Romania.

31 December 2025

You can find detailed information about our organisation and locations on our website.

Our product portfolio comprises over 2,500 different glass containers in standard shapes as well as customised designs. We are active in Business-to-Business (B2B) commerce, and we supply around 1,700 customers in the food and beverage industry. The majority of our customers are located in Europe, within an average radius of 400 km from our glassworks. We produce approximately 5 billion glass containers each year. The breakdown of the various segments is as follows:



Development of process and product innovations and close collaboration with our customers are core success factors in our business model. In addition to standard products, for example, we develop personalised and distinctive glass packaging solutions. Our work always focuses on the quality and safety of our products. See also S4 Consumers and end-users.

Vetropack's value chain is described in the section Strategy, value chain, stakeholders.

We protect your enjoyment.

1 **RAW MATERIALS**

The materials we use to manufacture our glass containers are recycled glass, quartz sand, soda, lime, dolomite and feldspar, as well as colouring agents and coatings.

2 **MELT AND MOULD**

We recognise the value of modern, energy-efficient production processes, and we manufacture our products in close proximity to our customers.

3 **CHECK**

Comprehensive testing and inspection processes ensure quality and safety.

4 **PACK AND DELIVER**

Our eight glassworks in seven countries position us close to our customers, with a maximum delivery radius of 400 kilometres.

5 **FILL**

We offer technical customer service solutions – for challenges in the filling/bottling process, for example.

6 **SELL**

Our (customised) glass packaging helps our customers to stand out from their market competitors.

7 **ENJOY**

We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way.

8 **RETURN OR RECYCLE**

We promote the circular economy by providing reusable and recyclable glass packaging.

With our Strategy 2030+ – comprising five initiatives – we aim to shape and drive the development of our business. As well as supporting us with tapping potential for growth in our existing business, Strategy 2030+ helps us to develop new business segments.

In 2019, Vetropack launched a comprehensive transformation process based on five strategic initiatives. Since the process began, projects relating to all five initiatives have been carried out at our locations. Vetropack has also conducted regular reviews of its strategy, including a more detailed review in 2025. A comprehensive update of the corporate strategy, including the sustainability pillar, followed by approval from the CEO and the Board of Directors, is planned for 2026.

The five main pillars denote the business development we intend to achieve: our aims are to enable Vetropack to position itself as a strong player on the market in the long term, and to play a key role in shaping the glass industry.

Five strategic initiatives – the basis for Strategy 2030+

The following overview explains our five strategic initiatives:

Clearly sustainable

Vetropack pursues a holistic approach to sustainability with the aim of becoming a recognised partner in sustainability in our industry by 2030. Within our Clearly sustainable strategic initiative, we focus on careful use of resources, development of our employees, and legally compliant business practices.

Expand the core

Expand the core defines a strategy that will enable us to maintain and consolidate our positions in our home markets. By achieving these goals, we will move even closer to our customers and position ourselves as a high-quality partner and full-service provider. Expand the core also includes expanding our proven products and services into selected markets.

Value growth

With the Value growth initiative, Vetropack is broadening its proven areas of expertise. We will enter new business sectors and launch new services throughout the value chain for our glass packaging. This will help us to strengthen our customer relationships and generate value.

Drive innovation

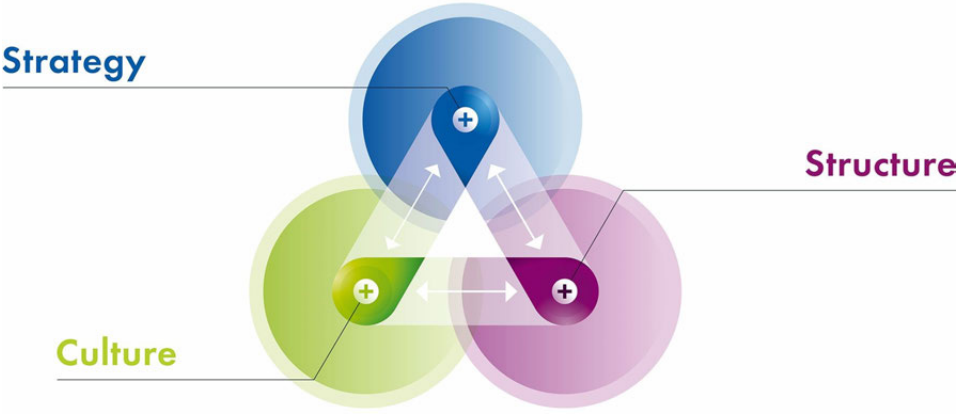
As part of the Drive innovation initiative, Vetropack is strengthening its position as a trendsetter in the glass industry and opening up new business areas with new product and market innovations.

Leader in quality

As a Leader in quality, Vetropack gears all its activities towards providing optimal support for the strategy at Group level. This includes a holistic operational excellence approach backed by corresponding structures and processes in sales, marketing, technology and production. Vetropack is leveraging the opportunities offered by digitalisation and positioning itself as an Employer of Choice.

Corporate purpose and values

We have defined a process to provide a framework for the fundamental transformation of the company and its business model over a period of ten years. As well as strategy (including our corporate purpose), the transformation we seek to achieve embraces our structure – in terms of organisation and responsibilities – together with our culture, which also includes our values.

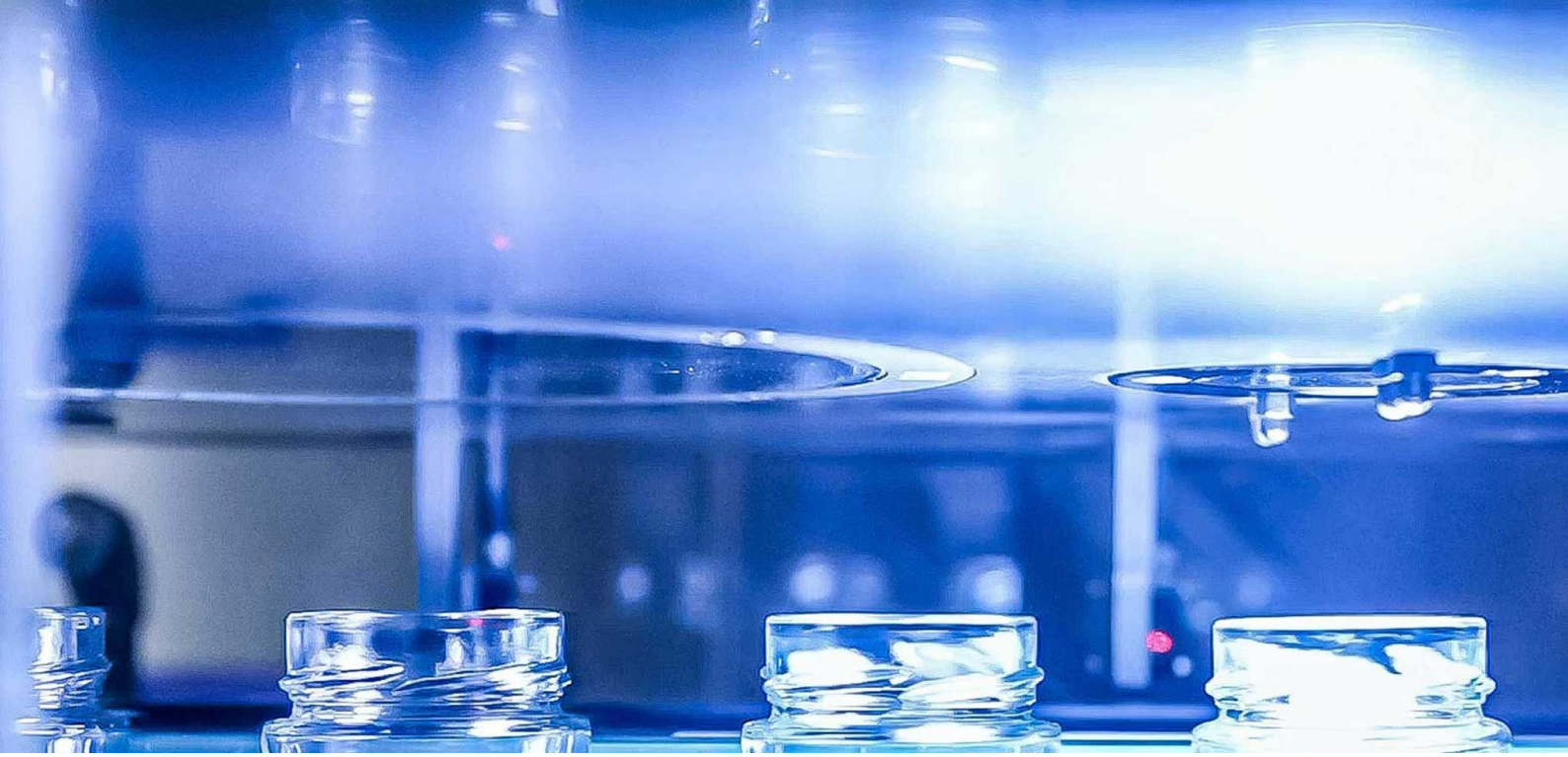


This is our corporate purpose: '**We make it possible for everyone to enjoy food and beverages in the most elegant, safest and most responsible way**.' We create unique, high-quality products and services.

Based on a tradition in the food and beverage industry dating back many years, we understand the needs of our stakeholders and we endeavour to offer products of high quality. Glass is an elegant material; 'elegant' also means offering individual, customised products. The most important requirement that our products must meet is safety: glass comes from natural origins and has an inert structure, so it is a safe packaging for food and beverages. 'Responsible' highlights the fact that glass can be completely recycled an infinite number of times, so it protects the environment.

Our values convey our convictions and principles. They guide our day-to-day work, and the way we relate to one another and to our stakeholders. These are our values:

- Ensuring accountability
- Navigating safely together
- Guaranteeing leadership in quality
- Anticipating change
- Generating trust and confidence
- Exercising environmental responsibility



Risk management

Vetropack's risk management framework identifies and evaluates the material risks for the Group and develops strategic risk mitigation measures. Risks are classified as strategic, operational, financial and organisational, with sustainability risks integrated into these categories.

Identifying and assessing risks

In order to identify the risks that are relevant for the Vetropack Group, we adopt a standardised approach that has undergone multiple internal validations.

As the baseline for determining our risks, we analyse megatrends that could impact our business model. Our analysis takes account of megatrends such as: Industry 4.0 developments including digitalisation and artificial intelligence, cyber crime, geopolitical conflicts, country-specific financial challenges, the shortage of skilled staff, global climate targets, our industry's commitment to climate protection and environmental legislation.

We assign our risks to these categories:

- Strategic risks
- Operational risks
- Financial risks
- Organisational risks

For some years now, we have integrated ESG risks – and especially climate-related risks (see: E1 Climate change) – into the risk categories listed above.

Taking the Risk Manager's preliminary work as the basis, the Management Board updates our risk matrix each year and goes on to define strategies and measures to reduce risks. We assess material risks according to their financial impact and likelihood of occurrence, and we assign them to three risk levels. We set a specific risk level as our target for each of the identified risks. Our Board of Directors then reviews and approves the risk matrix and the measures.

The risks are assessed annually to determine their materiality, and the topics are redefined as necessary. Risks deemed to have insufficient relevance are removed from the risk matrix, while new risks identified as being material for the company are added to the risk matrix.

Material risks

The material risks for Vetropack in the reporting year are listed below:

Cyber risks/cyber attacks

Cyber attacks constitute a considerable strategic risk, given the large numbers of digitalised processes in the company and the dependence of value chains on IT systems and applications. Sensitive company data could also be impacted by such attacks. To counter these risks, we regularly assess the threats to which our networks are exposed and we maintain effective protection and monitoring systems. Our employees also receive ongoing training on dealing with cyber risks.

Compliance risks

Increasing compliance requirements present a growing challenge for companies that operate internationally. Particular challenges arise here in respect of antitrust law, prevention of corruption, data privacy/protection, and export control. To minimise the resultant risks, we maintain strict compliance programmes that include constant monitoring of the relevant regulations and work processes, together with continuous training of our employees on relevant compliance topics (G1 Business conduct).

Geopolitical risks

Local and global geopolitical conflicts as well as risks related to war (Ukraine and the Republic of Moldova) threaten global supply chains and impact energy prices. One or more such conflicts may trigger increases in the prices of oil and natural gas, in particular; this could confront the glass packaging industry with higher operating costs, causing it to lose its competitive edge over other types of packaging. We are responding to these developments with various programmes to boost energy efficiency and decarbonise our plants and production processes, and also by maximising the utilisation of used glass in our production. This approach, moreover, is consistent with our Climate mitigation efforts.

Risks relating to strategic partnerships

Strategic partnerships constitute the backbone of our value chain and our sales processes. To protect these partnerships, we continuously maintain and update our supplier and customer portfolios, and we diversify them insofar as this is possible and economically viable. This approach is consistent with our activities to promote innovation and to increase customer satisfaction.

Product risks

Faulty materials or processes in the value chain can lead to quality defects in our end products. If defective products reach the market, consumers may be put at risk. In such a case, our customers could be forced to recall the products concerned. For this reason, we maintain complex and certified quality management systems, and we continuously implement comprehensive quality controls (S4 Consumers and end-users).

Climate-related risks

Climate-related transition risks and physical risks have been added to the risk matrix as new elements in 2024. Climate-related risks result from new compliance obligations, customers' requirements, and rising raw material prices. We are addressing these risks with our transition plan and the decarbonisation roadmap so as to achieve the defined climate targets. We continuously monitor regulatory requirements, and implement them promptly where necessary. We analyse physical risks such as flooding, heat or limited water availability on an individual basis for each location. If necessary, we define short, medium and long-term measures. More about this topic can be found in our Climate reporting, which treats the transition risks and physical risks in detail.