

Aluflexpack AG

Interim Report

Half year 2022

**ALU
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PACK**

Aluflexpack AG - Key Figures

For the six months ended 30 June,

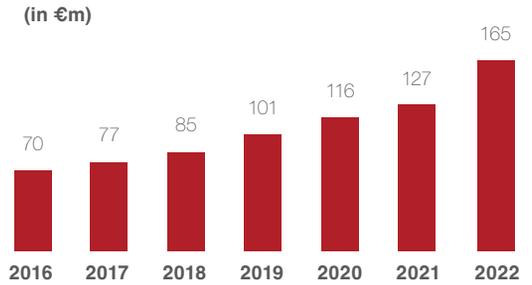
(financial figures in €m) ¹	2022	2021	yoy change
Net sales	164.8	126.5	30.2%
EBITDA before special effects (SE) ¹	24.3	21.4	13.6%
EBITDA margin before SE (%)	14.7%	16.9%	/
EBITDA (reported)	27.5	21.9	25.4%
Operating profit before SE	13.7	11.2	22.6%
Operating profit margin before SE (%)	8.3%	8.8%	/
Operating profit (EBIT reported)	15.9	11.0	44.4%
Result for the period (before minorities)	8.3	12.7	-34.5%
Cash flow from operating activities	8.4	20.6	-59.2%
Cash flow from investing activities	-59.4	-17.9	/
Cash flow from financing activities	62.0	-14.0	/
Equity ratio (%)	47.0%	60.2%	/
Net debt (cash)	94.1	32.4	190.7%
Total assets	402.3	301.7	33.4%
ROCE	9.4%	11.7%	/
Employees	1,462	1,342	8.9%

¹ A detailed reconciliation of the reported figures and figures before special effects, as well as an overview of alternative performance measures used, can be found on page 17-19. Balance sheet figures as well as the total number of employees refer to end-of-period figures for 2021.

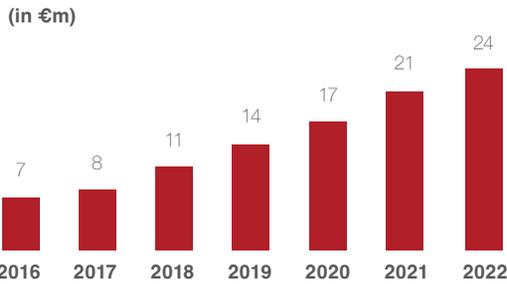
Net sales growth H1 2022

+30.2%

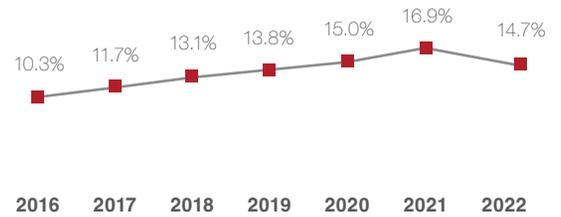
H1 net sales



H1 EBITDA before SE



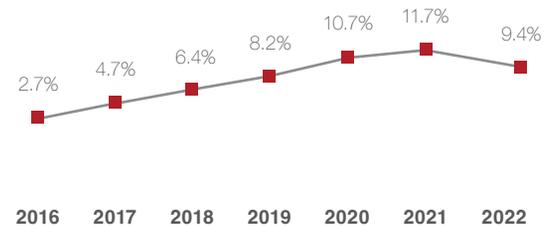
H1 EBITDA margin before SE



Capital expenditure
in H1 2022

€27.4m

ROCE LTM June 2022



Net debt to EBITDA LTM
June 2022

2.1x

Equity ratio June 2022

47.0%



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Letter to shareholders

Dear shareholders,

We are pleased to announce that Aluflexpack achieved historically high net sales growth in the first half of 2022, bolstered by sound Group results. Thanks to a well-diversified customer and product portfolio, measures taken to mitigate the impacts of inflation and the Group's uncompromised quality of service, we were able to expand business and adequately address current geopolitical and macroeconomic challenges. We are now looking forward to the ramping-up of our major production facility in Drniš (Croatia) towards the end of this year and welcome the Group's recent acquisition of Turkish flexible packaging specialist Teko. Both initiatives are designed to support our growth over the coming years and fit well to our 3-WIN 2025 strategy, which will see us proactively cater to new trends in packaging and capitalise on opportunities within the industry from now until 2025 and beyond.

Manoeuvring through economic challenges

The positive economic sentiment felt globally at the start of the year was curbed abruptly by the emerging crisis in Ukraine, with economic activity across Europe severely hampered in the subsequent months by inflationary pressure, tightened supply chains and rising concerns about the stability of energy supplies. Geopolitical events over the past few months have significantly affected the energy sector in particular, leading to levels of volatility not seen for decades, which in turn has increased the costs of many consumer goods and negatively affected private consumption. Despite these extraordinary times, our business has continued to perform strongly thanks to our well-diversified customer and product portfolio. We reacted responsibly in passing on some of the increased costs, allowing us to continue to offer our customers a high level of service and product quality. Now, with increasingly disrupted global supply chains, our focus is on implementing mitigation measures together with our partners and suppliers and further diversifying our supplier base.

Robust demand across end markets

Despite the challenging market environment, our solid operational performance in the first half of 2022, bolstered by intact supply chains and effective inflation mitigation measures, resulted in broad-based growth across our end markets. In the Pharmaceutical end market, a dynamic recovery was observed in the first six months of 2022 owing to an increase in cases of cold, flu and other illnesses following the easing of movement restrictions imposed during the Covid-19 pandemic. In addition, Aluflexpack gained further market shares in its home markets thanks to advantageous dynamics. In the Pet food end market, growth was supported by strong demand for stand-up pouches and business expansion with existing customers. In the Confectionery and Dairy end markets, growth is attributable to a mix of increasing market shares and the inclusion of sales from our new subsidiary in Turkey. In the Other food end market, we recorded strong growth as a result of new product launches and momentum in the business with aluminium trays, driven by favourable market dynamics. Meanwhile, in the Coffee & Tea end market, where our main focus is on packaging for premium

products, net sales growth fell short of levels observed in previous periods, reflecting temporary macroeconomic effects and a shift towards away-from-home consumption due to movement restrictions being lifted.

Sound business developments

In the first half of 2022, Aluflexpack's net sales increased by 30.2% to €164.8m, up from €126.5m in the same period last year. Adjusted to take into account the acquisition of the Turkish subsidiary, organic growth reached 27.0%. Compared with previous reporting periods, which were mainly characterised by volume growth, the pass-through of increased input material costs played a significant role in the overall growth in net sales. During these times of economic uncertainty, customers continue to value Aluflexpack's high-quality products and reliable supplies, enabling our business to expand.

During the first six months of this year, Aluflexpack recorded an EBITDA before special effects (SE) of €24.3m, up from €21.4m in the previous reporting period, equating to growth of 13.6%. This translates into an EBITDA margin of 14.7%, down by 220 basis points compared with the first six months of 2021. The reduced profitability is indicative of a delay in passing on higher input costs, besides a dilutive effect on the margin from the actual pass-on achieved so far.

Milestones in the first half of 2022

On 12 May 2022, Aluflexpack announced the successful acquisition of a majority stake in Turkish company Teko, a market leader in the flexible dairy and beverage packaging industry in Turkey and adjacent countries. With this acquisition, we have taken steps to strengthen our position in the highly attractive Turkish market, and expect structural growth factors such as population growth, urbanisation and rising exposure to modern retail channels to continue to support growth in this region in the long term.

During the fourth quarter of 2022 and the first quarter of 2023, our main focus will be on ramping up Aluflexpack's new facility in Drniš. Currently, technical teams are in the process of assembling the new production lines. Upon completion, the facility will be one of the most modern and efficient aluminium foil conversion facilities in the world and will allow us to deepen our value chain. Industrial production will commence at the beginning of next year as planned.

3-WIN 2025 strategy

Over the past 10 years, Aluflexpack has gradually established itself as a leader in attractive niches by implementing the right organic and inorganic growth projects, investing in efficiency and quality and delivering a reliable service – all underpinned by our passion for our work. But we don't want to stop here and rest on our laurels. The time has therefore come to set new goals, implement new initiatives, harness new opportunities in today's changing market environment and focus on a new roadmap – our 3-WIN 2025 strategy. Our vision is to position Aluflexpack as the partner of choice for the development and large-scale manufacturing of circular premium flexible packaging and barrier solutions. Going forward, we want to solidify our leading position in these markets, strengthen our innovation capabilities and deliver solutions that meet all relevant aspects for our customers' needs in an increasingly complex and dynamic packaging world. This will involve tapping into new markets, further expanding the technological capabilities of our organisation including automatisisation projects, strengthening

our research and development expertise, pushing for operational excellence and investing in our people and our corporate culture that makes us stronger together.

Over the next three years, it is our goal to continue to grow dynamically and achieve organic net sales of €450-500m by 2025. On top of this, we intend to introduce more circular and sustainable solutions into our portfolio, including products with a higher recycled content and increased recyclability. Moreover, we want to achieve full recyclability of our portfolio by 2030. What is more, in our future sustainability reporting, we will also disclose our Scope 3 CO₂ emissions.

We have already taken first steps towards achieving these goals by starting to conduct life cycle assessments of our key product categories. This measure will be bolstered by our ongoing decarbonisation and energy efficiency projects, which seek to reduce energy consumption and emissions and thus our carbon footprint. Throughout all of this, our customers will remain at the heart of our operations. Our utmost ambition is to become an integrated solution provider for our customers, which means proactively providing smart packaging solutions and the industrial platform and network of partners needed to turn them into reality.

Update on the full-year outlook for 2022

Despite current geopolitical developments, we remain confident in the stability of our business. Assuming no major disruption in energy supplies for our company, we have increased our expected net sales for fiscal year 2022 to €320-350m, up from the previous forecast of €310-330m. This adjustment mainly reflects the inclusion of our Turkish subsidiary, acquired in May 2022, as well as higher-than-anticipated effects from cost pass-through mechanisms. As a result of these factors and the positive operational development in the first half of the year, we have also increased our outlook on EBITDA before SE to €39-44m (previously: €35-40m).

On behalf of the Board of Directors and the Management Board, we would like to take this opportunity to thank our employees for their outstanding work as a team, which has enabled us to effectively tackle the challenges faced over the few past months, as well as you, our shareholders, for continuing to place your trust in us.

Reinach, August 2022

For the Management team,

Johannes Steurer,
CEO



Lukas Kothbauer,
CFO



For the Board of Directors,

Martin Ohneberg,
President



Financial Overview

Earnings

For the six months ended 30 June,

(in €m)	2022	2022 special effects	2021	2021 special effects
Net Sales	164.8		126.5	
Change in finished and unfinished goods	4.4		3.8	
Other operating income	9.3		5.4	
Cost of materials, supplies and services	-114.2		-84.4	
Personnel expenses	-18.1		-16.8	
Other operating expenses	-18.7		-12.7	
EBITDA	27.5		21.9	
Cost/benefit of stock option programmes ²		-0.3		0.5
Transaction costs ³		0.4		
Effects of adoption of IAS 29 (hyperinflation) in Turkey ⁴		-3.4		
Gain from divestment of property, plant and equipment ⁵				-1.0
EBITDA before SE		24.3		21.4
<i>EBITDA margin before SE</i>		<i>14.7%</i>		<i>16.9%</i>
Depreciation and amortisation	-11.6		-10.9	
Operating profit (EBIT)	15.9		11.0	
Financial result	-6.5		4.5	
Result before tax	9.4		15.5	
Tax expense/benefit	-1.1		-2.8	
Result for the period	8.3		12.7	
<i>Thereof attributable to:</i>				
Owners of the company	8.1		12.6	
Non controlling interests	0.2		0.0	

² Amount includes effects from the employee phantom stock option programme, and in addition, effects from the long-term incentive component of the Management Board's compensation which was introduced in 2021, and which is stock based.

³ Transaction costs include general consultancy costs and other costs in relation to the acquisition of 80% of Teko.

⁴ As of 30 June 2022, Aluflexpack is required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" for its operations in Turkey. Further clarification is presented on page 27.

⁵ Gain from divestment of property, plant and equipment refers to a gain over the book value of assets divested in the context of a sale and leaseback transaction.

Sales overview

In the first half of 2022, Aluflexpack generated consolidated net sales of € 164.8m, up by 30.2% compared to the same period last year (H1 2021: € 126.5m). Robust demand across most end markets, a well-diversified customer and product portfolio as well as diligent supply chain management served as a basis for the expansion of business. The historically high growth in net sales achieved in H1 2022 was supported by the impact of cost pass-through mechanisms and price increases. In addition, sales from the newly acquired Turkish subsidiary Teko were included for two months. Adjusted for these consolidation effects, organic growth reached 27.0%.



Growth in the **Coffee & Tea** end market (+9%), remained below levels achieved in previous reporting periods, reflecting temporary macroeconomic effects on demand as well as a shift back to away-from-home consumption due to the lifting of movement restrictions imposed to contain the spread of Covid-19. In the **Confectionery** end market (+24%), besides an expansion of market share, growth continued to be attributable to a normalisation of demand for confectionery goods in specialty chocolate and duty-free shops. Growth in the **Dairy** end market (33%) was supported by solid demand on the Polish market and the inclusion of additional volumes from the Turkish subsidiary acquired in May 2022. In the **Pet food** end market (+22%), growth was based on strong demand for stand-up pouches and business expansion with existing customers.

The expansion of business in the **Pharmaceutical** end market (+59%) was exceptionally strong due to a dynamic post-Covid 19 rebound of demand, following the lifting of movement restrictions, which resulted in higher cases of cold, flu and other illnesses. In addition, advantageous market dynamics in Aluflexpack's home markets led to an increase in market share. In the **Other food** end market (+58%) growth was primarily driven by market share gains, strong delivery performance and high demand for aluminium trays for human

food applications. Moreover, strong demand for lidding solutions for beverage applications produced in Aluflexpack's new Turkish subsidiary supported growth. In the **Other non-food** end market (+28%), which is the smallest in terms of relative sales share, growth was driven by higher demand for personal care products due to a larger number of bookings in hotels as well as an increase in events and activities following the lifting of movement restrictions.

(in %)	Coffee & Tea	Confectionery	Dairy	Pharmaceuticals	Pet food	Other food	Other non-food
Net sales growth (yoy)	9	24	33	59	22	58	28
Share in Group sales	21	9	18	14	18	17	2

Cost overview

In H1 2022, **material costs** in % of net sales increased by 230 basis points on an adjusted level, reaching 63.2%, compared to 60.9% in H1 2021. The increase in material costs is a reflection of the inflationary commodity market environment affecting raw material prices for base substrates, liquid input materials as well as costs for packaging material used for transportation. The biggest share among the input materials the Group processes is related to aluminium. The industrial metal stood at €2,477 per ton on 31 December 2021 and reached its high for the period of € 3,659 per ton on 4 March 2022, before falling back to € 2,306 on 30 June 2022. As in previous years, aluminium (the "LME" and the so-called metal bulletin) is a component that Aluflexpack generally hedges in accordance with its customers or passes through to the customer by the means of contractual pass-through clauses. Liquids (lacquers, inks, solvents and glues) and plastics form the second and third largest share among the input materials of the Group and likewise were on an elevated price level throughout H1 2022. On a reported level, material costs in % of net sales amounted to 69.3% in H1 2022, up from 66.7% in the previous year.

Personnel costs in % of net sales declined to 11.3% on an adjusted level in H1 2022, compared to 13.1% in H1 2021. The decline of 180 basis points is a result of an increased operating leverage and the dilutive impact from a higher cost base reflected already in the Group's net sales. On a reported level, personnel costs in % of net sales amounted to 11.0% in H1 2022 (H1 2021: 13.3%).

Other operating expenses in % of net sales increased to 11.1% on an adjusted level in the first six months of 2022, up from 10.0% in the same period last year. The main drivers for the increase were significantly higher energy costs, including electricity, natural gas and LPG. In addition, freight and transportation costs rose strongly compared to H1 2021. On a reported level, other operating expenses in % of net sales reached 11.4% compared to 10.0% the previous year.

Key cost ratios on adjusted level ⁶ (in €m)	For the six months ended 30 June,	
	2022	2021
Material costs	104.1	77.1
<i>in % of net sales</i>	63.2%	60.9%
Personnel costs	18.6	16.6
<i>in % of net sales</i>	11.3%	13.1%
Other operating expenses	18.3	12.7
<i>in % of net sales</i>	11.1%	10.0%

EBITDA

EBITDA before SE increased by 13.6% to € 24.3m in H1 2022, compared to € 21.4m in H1 2021. This translates to an EBITDA margin before SE of 14.7% (H1 2021: 16.9%). The main reasons behind the decrease in margin are delays in passing on higher costs for input materials not subject to automatic pass-through mechanisms such as conversion costs for aluminium, plastics, liquids, energy and packaging. In addition, the higher cost base resulted in a dilutive impact on the Group's profitability margins. EBITDA on a reported level reached € 27.5m in H1 2022, up from € 21.9m in H1 2021, and includes the positive impact from the first time adoption of IAS 29 outlined on page 27, among others.



⁶ A detailed reconciliation from reported figures and adjusted figures as well as an overview of the use of alternative performance measures can be found on pages 17 to 19.

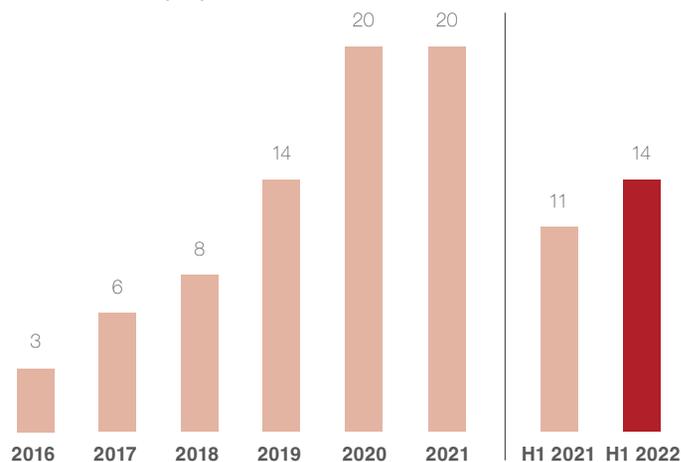
Depreciation and amortisation

Depreciation and amortisation expenses amounted to € 11.6m in the first half of 2022 (H1 2021: € 10.9m). With the new production facility in Drniš (Croatia) being close to finalisation, more assets will be activated in the near-term, which will lead to increasing expenses for depreciation and amortisation in future.

EBIT

EBIT before SE increased by 22.6% to € 13.7m in H1 2022, up from € 11.2m in H1 2021. The **EBIT margin before SE** decreased by 50 basis points to 8.3% compared to the same period last year due to the effects mentioned previously. On a reported level, EBIT reached € 15.9m, up from € 11.0m in the comparison period.

EBIT before SE (€m)



Financial result

For the six months ending 30 June 2022, Aluflexpack reports a **financial result** of € -6.5m compared to € 4.5m in H1 2021. Net interest expenses amounted to € -1.2m in the reporting period (H1 2021: € -0.9m), including interest expenses paid to financial institutions, in addition to interest expenses from lease agreements. The Group's **other financial income** totalled € 0.6m, in contrast to € 6.2m in H1 2021. The decrease mainly reflects the absence of positive mark-to-market valuation effects from financial instruments used to hedge against the Group's aluminium price exposure. On the contrary, with a declining aluminium price at the end of the reporting period, the reverse effect, i.e. a negative mark-to-market valuation effect, impacted the Group's **other financial expenses**, which amounted to € -5.9m (H1 2021: € -0.8m). Besides the impact from the mark-to-market valuation effects from the financial instruments

used to hedge against the Group's aluminium price exposure, valuation effects from the outstanding put and call options on minority stakes in Aluflexpack's subsidiaries as well as foreign currency translation effect are also reflected in the other financial result.

Breakdown of the financial result (in €m)	For the six months ended 30 June	
	2022	2021
Net interest expenses	-1.2	-0.9
Other financial income	0.6	6.2
Other financial expenses	-5.9	-0.8
Financial result	-6.5	4.5

Items below the Financial result

Aluflexpack's **result before tax** amounted to € 9.4m in H1 2022, down from € 15.5m in H1 2021. Tax expenses totalled € -1.1m, compared to € -2.8m in H1 2021, driven by a lower tax base and a positive impact from subsidies, among others. **Net profit** decreased to € 8.3m in H1 2022 from € 12.7m in the six months ending 30 June 2021. Above all, the decrease is a consequence of the negative mark-to-market valuation effects mentioned earlier. The first time adoption of IAS 29 increased the Group's net profit by € 2.8m, with the difference of the IAS 29 effect included in the Group's other operating income being attributable to higher expenses for depreciation and amortisation as well as taxes.

Cash flow statement

(in €m)	For the six months ended 30 June	
	2022	2021
Cash and cash equivalents at the beginning of the period	15.6	44.3
Net cash provided / used in operating activities	8.4	20.6
Net cash used in investing activities	-59.4	-17.9
Net cash used in / from financing activities	62.0	-14.0
+/- effect of exchange rate fluctuations on cash held	0	-0.7
Cash and cash equivalents at the end of the period	26.7	32.3

In the six months ending 30 June 2022, Aluflexpack recorded a net **cash flow from operating activities** of € 8.4m, down from € 20.6m in H1 2021. The main reason for the decrease was a significant build in trade working capital, reflecting the increase in business and considerably higher material costs.

Net **cash flow from investing activities** amounted to € -59.4m in H1 2022 (H1 2021 € -17.9m). This mainly includes investments linked to the expansion project in Drniš in addition to cash outflows for the acquisition of 80% of the new Turkish subsidiary.

Aluflexpack's net **cash flow from financing activities** amounted to € 62.0m in the first half of 2022 (H1 2021: € -14.0m) and mainly consists of inflows from loans from financial institutions as well as payments for lease liabilities.

Balance sheet

(in €m)	30 June 2022	31 December 2021
ASSETS		
Non-current assets	241.1	179.7
Current assets	161.2	121.9
Total assets	402.3	301.7
EQUITY AND LIABILITIES		
Total equity	189.2	181.6
Non-current liabilities	125.2	45.6
Current liabilities	87.8	74.4
Total equity and liabilities	402.3	301.7

In the six months ending 30 June 2022, Aluflexpack's **total assets** added up to € 402.3m (€ 301.7m⁷). Total **non-current assets** reached € 241.1m (€ 179.7m⁷), of which € 171.8m (€ 147.5m⁷) relate to property, plant and equipment. The increase is a consequence of investments concluded in the current reporting period as well as the inclusion of assets from the newly acquired Turkish subsidiary. **Current assets** stood at € 161.2m on 30 June 2022 (€ 121.9m⁷). **Cash and cash equivalents** amounted to € 26.7m as of 30 June 2022 (€ 15.6m⁷). Inventory reflected on the balance sheet continues to be at an elevated level adding up to € 83.4m as of 30 June 2022 (€ 66.7m⁷). The increase in inventory is a result of higher raw materials prices and a general increase in business activity. As a consequence of the latter, trade receivables also increased to € 39.5m as of 30 June 2022 (€ 27.3m⁷).

7 Figure relates to 31 December 2021

Aluflexpack's **total liabilities** stood at € 213.1m (€ 120.1m⁷) on 30 June 2022. The increase in total liabilities mainly reflects additional debt from loan agreements concluded in the first half of 2022 as well as high trade payables. **Current liabilities** amounted to € 87.8m (€ 74.4m⁷) and **non-current liabilities** to € 125.2m (€ 45.6m⁷) as of 30 June 2022. As a consequence of the ongoing investments into Aluflexpack's major expansion project in Drniš, and the acquisition of the new Turkish subsidiary, the Group's net debt position increased to € 94.1m as of 30 June 2022 (€ 32.4m⁷). Total equity amounted to € 189.2m as of 30 June 2022 (€ 181.6m⁷) corresponding to an equity ratio of 47.0%, confirming the Group's solid financial position.

Higher raw material costs, the general expansion of business and the inclusion of working capital positions from the newly acquired Turkish subsidiary led to an increase in the Group's **trade working capital** to € 64.9m as of 30 June 2022 (€ 42.1m⁷). This equates to a ratio of trade working capital to net sales of 21.3% (H1 2021: 16.3%).

Aluflexpack's **return on capital employed** (ROCE), a financial metric the Group commonly uses to evaluate organic and non-organic growth projects decreased from 11.7% for LTM June 2021 to 9.4% for LTM June 2022, mainly as a result of a significant increase in capital employed due to the major organic expansion in Drniš (Croatia) and the acquisition of 80% of the new Turkish subsidiary.

Supplemental financial information

Usage of alternative performance measures

EBIT before special effects refers to operating profit before interest and taxes adjusted for special effects and acquisition related amortisations as outlined on page 18.

EBITDA before special effects refers to operating profit before interest, taxes, depreciation and amortisation adjusted for special effects as outlined on page 18.

Adjusted material costs refer to total costs of materials, supplies and services less change in finished and unfinished goods, temporary personnel, income from the disposal of recycled products, insurance income and other effects.

Adjusted other operating expenses is defined as total other operating costs less extraordinary items.

Adjusted personnel costs refer to total personnel expenses less extraordinary items and costs for temporary personnel.

Capex (capital expenditures) refers to payments made for the purchase of property, plant and equipment and intangible assets.

EBIT refers to operating profit before interest and taxes.

EBITDA is defined as operating profit before interest, taxes, depreciation and amortisation.

Equity ratio refers to total equity in % of total equity and liabilities.

Net debt is defined as the sum of short term and long term interest bearing financial liabilities less cash and cash equivalents.

Leverage is defined as net debt divided by the EBITDA before special effects for the last twelve months.

Operating cash flow is defined as net cash from operating activities.

Organic growth was used as an alternative performance measure in the context of relative growth in net sales in the half year 2022. In this context, organic growth was calculated by comparing half year 2021 sales with half year 2022 sales excluding the contribution made by Aluflexpack's newly acquired Turkish subsidiary Teko, which was consolidated as of 1 May 2022.

ROCE stands for return on capital employed and refers to EBIT before SE for the last twelve months divided by capital employed, which is defined as average equity plus average net financial debt for the last twelve months.

Trade working capital comprises trade receivables and inventories less trade payables and advances received from customers reflecting end-of-period values. **The Working Capital Ratio** is calculated by dividing end of period working capital by sales of the last 12 months.

Reconciliation from IFRS reported figures to adjusted figures

EBITDA before SE (in €m)	For the six months ended 30 June,	
	2022	2021
EBITDA – IFRS reported	27.5	21.9
Cost/benefit of stock option programmes ⁸	-0.3	0.5
Transaction costs ⁹	0.4	
Effects of adoption of IAS 29 (hyperinflation) in Turkey ¹¹	-3.4	
Gain from divestment of property, plant and equipment ¹⁰		-1.0
EBITDA before SE	24.3	21.4
EBITDA margin in % - IFRS reported	16.7%	17.3%
EBITDA margin in % - before SE	14.7%	16.9%

EBIT before SE (in €m)	For the six months ended 30 June,	
	2022	2021
EBIT – IFRS reported	15.9	11.0
Cost/benefit of stock option programmes	-0.3	0.5
Transaction costs	0.4	
Effects of adoption of IAS 29 (hyperinflation) in Turkey ¹²	-3.3	
Gain from divestment of property, plant and equipment		-1.0
Acquisition related amortisations	0.9	0.7
EBIT before SE	13.7	11.2
EBIT margin in % - IFRS reported	9.7%	8.7%
EBIT margin in % - before SE	8.3%	8.8%

⁸ Amount includes effects from the employee phantom stock option programme, and in addition, effects from the long-term incentive component of the Management Board's compensation which was introduced in 2021, and which is stock based.

⁹ Transaction costs include general consultancy costs and other costs in relation to the acquisition of 80% of Teko.

¹⁰ Gains from disposal of assets refers to a gain generated by a sale and leaseback transaction, entered into by Aluflexpack Novi d.o.o. with WertInvest Nekretnine d.o.o. on 27 April 2021.

¹¹ As of 30 June 2022, Aluflexpack is required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" for its operations in Turkey. Further clarification is presented on page 27.

¹² Hyperinflation effect differs from the value presented in the EBITDA adjustment due to a higher asset base related to the inflation adjustment in Turkey and the subsequent higher depreciation of the assets.

	For the six months ended 30 June,	
Adjusted material costs (in €m)	2022	2021
Cost of materials, supplies and services – IFRS reported	-114.2	-84.4
Change in finished and unfinished goods	4.4	3.8
Temporary personnel included in total cost of materials, supplies and services	0.3	0.3
Income from disposal of recycled products	5.5	3.2
Adjusted material costs	-104.1	-77.1
Cost of materials, supplies and services margin in % - IFRS reported	69.3%	66.7%
Materials costs margin in % - adjusted	63.2%	60.9%

	For the six months ended 30 June,	
Adjusted personnel expenses (in €m)	2022	2021
Personnel expenses - IFRS reported	-18.1	-16.8
Temporary personnel costs	-0.3	-0.3
Cost/benefit of stock option programmes	-0.3	0.5
Adjusted personal expenses	-18.6	-16.6
Personnel expenses margin in % - IFRS reported	11.0%	13.3%
Personnel expenses margin in % - adjusted	11.3%	13.1%

	For the six months ended 30 June,	
Adjusted other operating expenses (in €m)	2022	2021
Other operating expenses - IFRS reported	-18.7	-12.7
Transaction costs	0.4	
Adjusted other operating expenses	-18.3	-12.7
Other operating expenses margin in % - IFRS reported	11.4%	10.0%
Other operating expenses margin in % - adjusted	11.1%	10.0%

Aluflexpack AG

Condensed consolidated interim financial statements (unaudited)

30 June 2022

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Consolidated statement of financial position
(unaudited)

(in €m)	Notes	30/06/2022	31/12/2021
ASSETS			
Intangible assets and goodwill		66,174	31,671
Property, plant and equipment		171,844	147,498
Other financial assets		150	0
Other receivables and assets	9	115	114
Deferred tax assets		2,845	434
Non-current assets		241,128	179,717
Inventories		83,397	66,686
Trade receivables	10	39,482	27,343
Income tax receivables		63	61
Other receivables and assets	9	11,548	12,242
Cash and cash equivalents		26,674	15,614
Current assets		161,164	121,946
TOTAL ASSETS		402,292	301,663
EQUITY AND LIABILITIES			
Capital stock		15,553	15,553
Capital reserves		135,975	135,926
Retained earnings		36,190	28,775
Equity attributable to owners of the Company		187,718	180,254
Non controlling interests		1,502	1,322
TOTAL EQUITY	12	189,220	181,576
Bank loans and borrowings		78,327	10,593
Other financial liabilities	2/11	30,778	26,276
Deferred tax liabilities		9,207	3,678
Employee benefits		1,389	1,691
Other liabilities		5,539	3,404
Non-current liabilities		125,240	45,642
Bank loans and borrowings		5,407	6,970
Other financial liabilities	11	6,248	4,140
Current tax liabilities		1,923	2,692
Provisions		670	89
Employee benefits		2,438	2,043
Trade payables and advances received from customers	10	58,009	51,937
Accruals		5,495	2,338
Other liabilities		7,642	4,236
Current liabilities		87,832	74,445
TOTAL LIABILITIES		213,072	120,087
TOTAL EQUITY AND LIABILITIES		402,292	301,663

Consolidated statement of profit or loss
and other comprehensive income (OCI) (unaudited)

(€k)	Notes	For the six months ended 30 June,	
		2022	2021
Gross Sales		167,276	129,332
Sales deductions		-2,499	-2,823
Net Sales	6	164,777	126,509
Change in finished and unfinished goods		4,416	3,836
Other operating income	13	9,325	5,436
Cost of materials, supplies and services		-114,239	-84,375
Personnel expenses		-18,069	-16,781
Other operating expenses	13	-18,709	-12,694
EBITDA		27,501	21,931
Depreciation and amortisation		-11,572	-10,899
Operating Profit		15,929	11,032
Interest income		76	238
Interest expenses		-1,303	-1,095
Other financial income	14	641	6,151
Other financial expenses	14	-5,910	-815
Financial result		-6,496	4,479
Result before tax		9,434	15,512
Tax expense/benefit		-1,125	-2,819
Result for the period		8,309	12,693
Thereof attributable to:			
Owners of the company		8,129	12,644
Non controlling interests		180	49
Earnings per share in €	12.2		
Basic earnings per share		0.5	0.7
Diluted earnings per share		0.5	0.7

EBITDA also excludes interest income and expenses as well as financial income and expenses that are not interest related.

Other comprehensive income (€k)	Notes	For the six months ended 30 June,	
		2022	2021
Result for the period		8,309	12,693
Items that are not reclassified to profit or loss			
Remeasurements of the defined benefit liability (asset)		353	155
Related taxes		-44	-20
		309	135
Items that are or may be reclassified subsequently to profit or loss			
Foreign exchange differences		-4,647	-2,331
		-4,647	-2,331
Other comprehensive income for the period		-4,338	-2,196
Total comprehensive income for the period		3,971	10,497
Thereof attributable to:			
Owners of the Company		3,791	10,448
Non controlling interests		180	49

Consolidated statement of changes in equity 2022 (unaudited)

Attributable to owners of the Company								
(€k)	Capital stock	Capital Reserves	Foreign Exchange Differences	Retained earnings	Total Retained earnings	Total	Non controlling interest	Total equity
Balance as of 1 January 2022	15,553	135,926	-12,754	41,529	28,775	180,254	1,322	181,576
Total comprehensive income for the period								
Result for the period	-	-	-	8,129	-	8,129	180	8,309
Other comprehensive income for the period, net of tax	-	-	-4,647	309	-	-4,338	-	-4,338
Total	-	-	-4,647	8,438	-	3,791	180	3,971
Application of hyperinflation accounting (IAS 29)	-	-	-	3,624	-	3,624	-	3,624
Transactions with owners of the company								
Effect of share based payment	-	49	-	-	-	49	-	49
Dividends	-	-	-	0	-	0	-	0
Total	-	49	-	0	-	49	-	49
Balance as of 30 June 2022	15,553	135,975	-17,401	53,591	36,190	187,718	1,502	189,220

Consolidated statement of changes in equity 2021 (unaudited)

Attributable to owners of the Company

(€k)	Capital stock	Capital Reserves	Foreign Exchange Differences	Retained earnings	Total Retained earnings	Total	Non controlling interest	Total equity
Balance as of 1 January 2021	15,553	135,887	-5,644	27,316	21,672	173,112	1,156	174,268
Total comprehensive income for the period								
Result for the period	-	-	-	12,644		12,644	49	12,693
Other comprehensive income for the period, net of tax	-	-	-2,331	135		-2,196	-	-2,196
Total	-	-	-2,331	12,779		10,448	49	10,497
Transactions with owners of the company								
Dividends	-	-	-	-81		-81	-	-81
Total	-	-	-	-81		-81	0	-81
Total transactions with the shareholder of AFP	-	-	0	-81		-81	0	-81
Balance as of 30 June 2021	15,553	135,887	-7,975	40,014	32,039	183,479	1,205	184,684

Consolidated statement of cash flows (unaudited)

(€k)	Notes	For the six months ended 30 June,	
		2022	2021
Result before tax		9,434	15,512
+/- Financial results excluding other financial income/expense		1,227	856
+/- Other non-cash expenses and income		-2,764	-90
+ Depreciation and amortisation		11,572	10,899
-/+ Gains and losses from disposals of PPE and intangible assets		24	-1,077
-/+ increase and decrease in inventories		-14,543	-4,162
-/+ Increase and decrease in current trade receivables		-8,386	-2,326
-/+ Increase and decrease in other assets		1,986	-9,987
+/- Increase and decrease in trade payables		4,385	9,593
+/- Increase and decrease in accruals		3,197	201
+/- Increase and decrease in other payables		4,975	3,332
+/- Increase and decrease in provisions		558	335
+/- Increase and decrease in liabilities for employee benefits		-115	-294
-/+ Income taxes paid		-3,151	-2,206
Net cash from operating activities		8,400	20,587
+ Payments received for disposals of PPE and intangible assets	2	118	13,711
- Payments made for purchases of PPE and intangible assets		-27,454	-31,898
- Payments for acquisition of subsidiaries	7	-31,973	0
+ Interest received		92	238
+/- Other payments received/made for investing activities		-144	0
Net cash used in investing activities		-59,361	-17,949
- Payments of lease liabilities		-2,737	-2,327
+ Issuances of financial liabilities (3rd parties)		69,946	133
- Repayments of financial liabilities (3rd parties)	11	-4,338	-11,001
- Interest paid		-856	-818
Net cash from financing activities		62,015	-14,013
Net change in cash and cash equivalents		11,054	-11,375
+/- Effect of exchange rate fluctuations on cash held		7	-672
+ Cash and cash equivalents at the beginning of the period		15,614	44,327
Cash and cash equivalents at the end of the period		26,674	32,280

Notes to the condensed consolidated interim financial statements (unaudited)

1 Reporting entity

Aluflexpack AG (Aluflexpack) (the 'Company') was incorporated in Switzerland on 31 July 2018. The Company's registered office is at Alte Aaraustrasse 11, Reinach, Switzerland. These condensed consolidated interim financial statements as at and for the six months ending 30 June 2022 comprise the Company, its subsidiaries (collectively the 'Group' and individually 'Group companies') and equity accounted investees.

The core business activity of Aluflexpack and its affiliated companies is the production of flexible packaging and conversion of aluminium foil, paper and flexible films by using printing technologies such as rotogravure, UV-flexo, conventional flexo and digital as well as other conversion steps such as lacquering, laminating, extrusion coating & lamination, slitting, oiling, lasering, container & capsule forming, punching, embossing and pouch-making. Aluflexpack is producing a wide range of flexible packaging products and solutions.

The controlling parent company of Aluflexpack AG is Montana Tech Components AG.

2 Significant changes in the reporting periods

Significant changes in the first half year 2022

On 12 May 2022, the Group acquired 80% interest in Teko Alüminyum Sanayi Anonim Şirketi ("Teko", see note 7).

As announced in the ad hoc announcement pursuant to art. 53 SIX Listing Rules, Johannes Steurer, CFO of the Group since 2012, has been appointed by Aluflexpack's Board of Directors to the position of CEO as of 1 January 2022. He succeeds Igor Arbanas, who left the company for personal reasons at the end of 2021 after leading the company together with Johannes Steurer for almost a decade. Lukas Kothbauer, who joined Aluflexpack in 2018 and was responsible for the Group's Investor Relations and M&A activities, has assumed the CFO position as of 1 January 2022.

Significant changes in the first half year 2021

On 1 June 2021, the remaining 20% interest in Arimpeks Alüminyum San. İç ve Dış Ticaret A.Ş ("Arimpeks"), was directly acquired by Aluflexpack AG (see note 11).

On 27 April 2021, Aluflexpack Novi d.o.o. entered into a sale and leaseback transaction with WertInvest Nekretnine d.o.o., Croatia, an entity beneficially controlled by DDr. Michael Tojner, with respect to the owned properties and buildings situated in Umag, Croatia. The purchase price for the Umag property was € 13,646k (excluding VAT). The sale and leaseback agreement contains customary pre-emption clauses in favor of Aluflexpack Novi d.o.o., respectively. The term of the sale and leaseback agreements regarding the property is ten years; thereafter, Aluflexpack Novi d.o.o., has the option to re-purchase the property at the then current market value, as appraised by a duly licensed, certified court appraiser for valuation of real estates. The option expires three months after the expiry term of the sale and leaseback agreement (see note 8).

In May 2021, a long-term performance share plan for the members of the Management Board was approved and launched by the Board of Directors. The plan is settled at equity. The granting of performance shares and payment in real shares of Aluflexpack AG is subject to the approval of the General Meeting of Aluflexpack AG. For the first performance period starting 1 January 2021 and ending 31 December 2024, a total of 6,735 performance shares were granted to members of the Management Board (representing a target achievement of 100%). For the second performance period starting 1 January 2022 and ending 31 December 2025, a total of 8,909 performance shares were granted to members of the Management Board (representing a target achievement of 100%). The performance shares have a term of 4 years each. Performance targets and respective weightings were set as follows: 40% relative Total Shareholder Return, 40% Return on Capital Employed and 20% Environmental, Social and Governance targets. The degree of achievement of the performance targets, and hence, the final number of performance shares, is determined by the Nomination and Compensation Committee after the conclusion of a four-year performance period. The performance shares cannot be sold, pledged, transferred, assigned or inherited. The performance share plan has an insignificant impact on the first half of 2022 and 2021.

3 Basis of accounting

These interim financial statements for the six months ending 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The accounting policies adopted are consistent with those of the previous financial year (last annual consolidated financial statements of Aluflexpack AG as of 31 December 2021), except for the first-time adoption of IAS 29 “Financial Reporting in Hyperinflationary Economies” (see note 5). Aluflexpack’s sales were not subject to seasonal variations during the reporting period.

These interim financial statements were authorised for issue by the Board of Directors on 22 August 2022.

4 Use of judgements and estimates

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements of Aluflexpack AG.

Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5 Significant accounting policies

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ending 31 December 2021, except for the first-time adoption of IAS 29 “Financial Reporting in Hyperinflationary Economies”. A number of new standards are effective from 1 January 2022 but they do not have a material effect on the Group’s financial statements.

Hyperinflation

Due to the rapid devaluation of the Turkish lira, Turkey is considered as hyperinflationary and as a result the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” was adopted for the first time in the second quarter of 2022. The activities in Turkey are therefore not accounted for on the basis of historical acquisition or production costs but adjusted for the effects of inflation. Gains and losses from the inflation adjustment are recognized in other operating result.

For translation into the presentation currency (€), all amounts were translated at the closing rate at 30 June, 2022. The net assets in the subsidiary’s local financial statements were adjusted for changes in the price level.

The general price index used for the calculation of IAS 29 is the consumer price index based on monthly inflation rates announced by the Turkish Statistical Institute. On 1 January 2022 the price index amounted to 686,95 while the price index on 30 June 2022 stood at 977,9. The financial impact is shown in note 13.

In the first half of 2022, the regulations of IAS 29 “Financial Reporting in Hyperinflationary Economies” were relevant for the Turkish subsidiaries Arimpeks and Teko.

6 Segment reporting

6.1 Basis for segmentation

The Group operates in one industry segment which encompasses the production of flexible packaging and conversion of aluminium foil, paper and flexible films. The Group is producing a wide range of flexible packaging products and solutions by converting and refining aluminium foil, paper and flexible films. The allocation of resources and performance assessment is made at Group level. The Group’s organisation is not divided into business units, neither in the management structure nor in the internal reporting system.

The Group has the following production factories:

- Production plant Zadar (Croatia)
- Production plant Umag (Croatia)
- Production plant Drnis (Croatia)
- Production plant Omis (Croatia)
- Production plant Einsiedeln (Switzerland)
- Production plant La Ferte-Bernard (France)
- Production plant Istanbul (Turkey)
- Production plant Tarnowo Podgorne (Poland)
- Production plant Çorlu (Turkey)

The segment information is presented as provided to the Board of Directors in their role as Chief Operating Decision Maker (CODM) and to the Group Management in their role as operational management.

The Chief Operating Decision Maker (CODM) receives a monthly reporting, which includes figures on a Group wide level. For the single products, no segment manager is installed and neither an allocation of resources nor a performance review for single products is done by the CODM.

6.2 Entity-wide disclosures

Revenue and non-current assets – Geographic information by countries

(€k)	For the six months ended 30 June,			
	2022		2021	
	Net Sales	Non-current assets	Net Sales	Non-current assets
Switzerland	6,663	9	7,049	14
Croatia	9,771	139,361	9,564	104,094
Germany	21,022		17,675	
Italy	9,197		5,237	
Poland	15,013	16,029	9,841	17,592
Liechtenstein	10,919	9,527	9,725	10,231
United Kingdom	2,570		1,915	
Czech Republic	1,529		1,272	
Hungary	1,414		1,122	
Serbia	4,717		2,788	
France	48,541	20,827	39,213	20,322
Austria	862	388	428	354
Netherlands	6,488		5,265	
Belgium	892		784	
Turkey	14,844	51,877	6,756	13,571
Russia	450		764	
Other Europe	3,970		2,090	
America	2,453		1,839	
China	1,322		2,012	
Other Asia	1,773		968	
Africa, Australia and New Zealand	367		202	
Total Group	164,777	238,018	126,509	166,178

The geographic information on revenues in the table above is based on the customers' location.

(€k)	For the six months ended 30 June,			
	2022		2021	
	Net sales w/o IC	Trade receivables	Net sales w/o IC	Trade receivables
thereof product sales	162,031	39,405	126,071	25,987
thereof service sales	2,746	77	438	5
Total Group	164,777	39,482	126,509	25,992

For the 6 months ending 30 June 2022, transactions with one external customer accounted for more than 20% of the Group Sales (2021: one external customer).

7 Significant changes to the scope of consolidation

On 12 May 2022, the Group acquired 80% interest in Teko Alüminyum Sanayi Anonim Sirketi ("Teko"), 79% of these were acquired by Arimpeks and 1% by Alulflexpack AG.

Teko is the domestic market leader in the flexible packaging dairy and beverage industry in Turkey as well as adjacent countries.

For the remaining 20% interest a put and call option was granted. For further information, see Note 11.

For the period ending 30 June 2022, Teko contributed revenue of € 4,055k and operating profit of € 616k to the Group's result (both figures adjusted for the effects of IAS 29 "Financial Reporting in Hyperinflationary Economies").

Consideration transferred (preliminary)

The following table summarises the acquisition-date fair value of each major class of consideration transferred (in €k).

Cash	33,352
Deferred consideration	8,338
Total consideration transferred	41,690

Identifiable assets acquired and liabilities assumed (preliminary)

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition (in €k).

Property, plant and equipment	7,215
Intangible assets	20,791
Inventories	2,911
Trade and other receivables	5,947
Cash and cash equivalents	1,380
Non-current liabilities	-197
Deferred tax liabilities	-4,997
Current liabilities	-657
Trade and other payables	-4,008
Total identifiable net assets acquired	28,385

Goodwill (preliminary)

Goodwill arising from the acquisition has been recognised as follows (in €k).

Total consideration transferred (for 100%)	41,690
Less fair value of identifiable net assets	28,385
Goodwill	13,306

The goodwill is attributable mainly to the skills and technical talent of Teko work force, and the synergies expected to be achieved from integrating the company into the Groups existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

Cash	33,352
Less acquired cash	1,380
Total cash outflow	31,973

8 Related parties

The related parties include the members of Group Management, key shareholders and companies over which the key shareholders exert control or significant influence and pension funds existing for the benefit of employees to provide benefits after cessation of the employment relationship.

The main shareholder of Aluflexpack is Montana Tech Components AG, Switzerland. DDr. Michael Tojner, who holds the majority of voting rights either directly or indirectly via several companies, controls the Montana Tech Components AG.

Overview

The significant transactions with related parties in the first half of 2022 and 2021 are lease contracts resulting in lease expenses and the sale and leaseback transaction between Aluflexpack Novi d.o.o. and WertInvest Nekretnine d.o.o.

Transaction type (in €k)	For the six months ended 30 June, 2022		Outstanding amount 30/06/2022	
	Revenue	Expense	Receivables	Payables
Transactions with companies related to the main shareholder	0	1,102	0	0
Operating activity	0	1,102	0	0

Transaction type (in €k)	For the six months ended 30 June, 2021		Outstanding amount 30/06/2021	
	Revenue	Expense	Receivables	Payables
Transactions with companies related to the main shareholder*	13,646	738	0	3,438
Operating activity	13,646	738	0	3,438

* Regarding sale and leaseback transaction with WertInvest Nekretnine d.o.o. see note 2 ("Significant changes in the reporting periods").

9 Other receivables and assets

Other non-current and current receivables and assets are composed as follows:

(€k)	30/06/2022	31/12/2021
Other receivables and assets	115	114
Total	115	114

(€k)	30/06/2022	31/12/2021
Derivative financial instruments	0	3,596
Other receivables and assets	2,292	1,900
Prepaid expenses / deferred charges	3,146	2,674
Other tax receivables	6,105	4,066
Securities with a duration of 3-12 months	5	5
Total	11,548	12,242

10 Financial instruments – Fair values and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The fair values of financial instruments such as short-term trade receivables and payables and short-term bank loans and borrowings are not disclosed, because their carrying amounts are a reasonable approximation of fair value.

€k	Carrying amount					Total
	30/06/2022	Fair value - hedging instruments	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	
Financial assets measured at fair value	0	0	0	0	0	0
Trade receivables	39,482			39,482		39,482
Cash and cash equivalents	26,674			26,674		26,674
Corporate debt securities	5			5		5
Other receivables and assets	2,407			2,407		2,407
Financial assets not measured at fair value	68,568	0	0	68,568	0	68,568
Derivative financial instruments	-1,993	-1,993				-1,993
Other financial liabilities	-14,798		-14,798			-14,798
Financial liabilities measured at fair value	-16,791	-1,993	-14,798	0	0	-16,791
Bank loans and borrowings	-83,734				-83,734	-83,734
Lease liabilities (IFRS 16)	-22,228				-22,228	-22,228
Trade payables	-57,994				-57,994	-57,994
Accruals	-5,495				-5,495	-5,495
Other liabilities	-5,881				-5,881	-5,881
Financial liabilities not measured at fair value	-175,332	0	0	0	-175,332	-175,332

(€k)	Carrying amount					
	31/12/2022	Fair value - hedging instruments	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total
Derivative financial instruments	3,596	3,596				3,596
Financial assets measured at fair value	3,596	3,596	0	0	0	3,596
Trade receivables	27,343			27,343		27,343
Cash and cash equivalents	15,614			15,614		15,614
Corporate debt securities	5			5		5
Other receivables and assets	2,015			2,015		2,015
Financial assets not measured at fair value	44,977	0	0	44,977	0	44,977
Other financial liabilities	-6,564		-6,564			-6,564
Financial liabilities measured at fair value	-6,564	0	-6,564	0	0	-6,564
Bank loans and borrowings	-17,563				-17,563	-17,563
Lease liabilities (IFRS 16)	-23,852				-23,852	-23,852
Trade payables	-51,831				-51,831	-51,831
Accruals	-2,338				-2,338	-2,338
Other liabilities	-2,111				-2,111	-2,111
Financial liabilities not measured at fair value	-97,695	0	0	0	-97,695	-97,695

11 Other financial liabilities

Other financial liabilities are composed as follows:

(€k)	30/06/2022	31/12/2021
Lease liabilities (according to IFRS 16)	22,222	23,852
Other financial liabilities	14,804	6,564
Other financial liabilities	37,026	30,416
Thereof current	6,248	4,140
Thereof non-current	30,778	26,276

In accordance with the shareholder agreement of 12 May 2022 between Aluflexpack AG/Arimpeks and the existing shareholders of Teko, a put option is granted to the non-controlling shareholder that conveys the right to sell their 20% interest in Teko to Aluflexpack AG/Arimpeks. In addition, a call option is granted to Aluflexpack AG/Arimpeks to buy the remaining 20% interest in Teko. The option price for the share options (20% of the entire share capital) is calculated as the higher of 1) 20% of purchase price or 2) based on a calculated enterprise value for 100% of the shares. The written put option is recognised as “other financial liability” and no interest of non-controlling shareholders is presented since it is deemed to have acquired the 20% interest at the date of acquisition. As of 30 June 2022, the liability is recognised at the present value of the exercise price of the option which amounts to € 8,280k.

In accordance with the shareholder agreement of 26 August 2018 between Aluflexpack AG and one existing shareholder of Arimpeks, a put option was granted to the non-controlling shareholder that conveys the right to sell their 20% interest in Arimpeks to Aluflexpack AG. In addition, a call option was granted to Aluflexpack AG to buy the remaining 20% interest in Arimpeks. This option was exercised in June 2021 (see also note 2).

In accordance with the shareholder agreement of 9 September 2020 between Aluflexpack AG and one existing shareholder of Top System, a put option is granted to the non-controlling shareholder that conveys the right to sell their 20% interest in Top System to Aluflexpack AG. In addition, a call option is granted to Aluflexpack AG to buy the remaining 20% interest in Top System. The option price for the share options (20% of the entire share capital) is based on a calculated enterprise value for 100% of the shares. The written put option is recognised as “other financial liability” and no interest of non-controlling shareholders is presented since it is deemed to have acquired the 20% interest at the date of acquisition. As of 30 June 2022, the liability is recognised at the present value of the exercise price of the option which amounts to € 3,818k (2021: € 3,857k).

In accordance with the Framework- and Syndicate contract of 30 September 2013, AFP Group GmbH (as the controlling shareholder of Omial Novi d.o.o) has the obligation to take up the shares which were sold in 2013, when certain agreed criteria are met and upon receipt of a written request from the non-controlling shareholders according to the conditions of the Framework- and Syndicate contract. The take-up price to be paid by AFP Group GmbH will be determined at the time of the exercise of the put-option by the non-controlling interests.

According to the share purchase agreement of 5 August 2014, Omial Novi d.o.o. (as the controlling shareholder of Process Point Service AG) has the obligation to take up the shares upon receipt of a written request from the non-controlling shareholders according to the share purchase agreement. The take-up price to be paid by Omial Novi d.o.o. will be determined at the time of the exercise of the put-option by the non-controlling interests.

As of 30 June 2022, the fair value for both obligations amount to € 2,700k (2021: € 2,700k).

12 Equity

12.1 Capital stock

The company Aluflexpack AG was incorporated on 31 July 2018 with 100,000 shares and a fully paid-in share capital of CHF 100,000 (€ 86k).

As of 30 June 2022, the total authorised and issued number of ordinary shares comprises 17,300,000 shares with a nominal value of CHF 1,00 each. The split of the capital stock is shown in the table below.

Capital stock	30 June 2022	30 June 2021
Nominal value per share (CHF)	1.00	1.00
Total number of shares	17,300,000	17,300,000
Total amount of share capital (CHF)	17,300,000	17,300,000

The Principal Shareholder (Montana Tech Components AG) holds 53.6% of the shares as of 30 June 2022.

12.2 Earnings per share

The calculation of earnings per share has been based on the profit or loss attributable to shareholders of Aluflexpack AG as presented in the consolidated income statement and the weighted average of shares in circulation as of 30 June 2022.

	30 June 2022	30 June 2021
Total number of shares	17,300,000	17,300,000
Weighted average of ordinary shares in circulation	17,300,000	17,300,000
Result of the period attributable to the Owners of the company in €k	8,129	12,644
Basic earnings per share in €	0.5	0.7
Diluted earnings per share in €	0.5	0.7

12.3 Nature and purpose of reserves

The translation reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations.

12.4 Dividends

In the Top System shareholder meeting held in June 2021, a dividend was decided, which was paid out to the minority shareholder in September 2021.

13 Other operating income

The other operating income also include the gain from hyperinflation accounting in Turkey in the amount of € 2,967k.

In the first half of 2021, a gain from the disposal of tangible assets concerning the sale and leaseback transaction in the amount of € 1,041k is shown in "Other operating income" (see also note 2).

14 Other financial income/Other financial expenses

In the first half of 2022, other financial income valued at € 637k relates to foreign currency exchange gains (first half of 2021: € 1,268k).

In the first half of 2022, other financial expenses valued at € 5,574k relate to to the valuation of derivative positions (first half of 2021: € 4,883k income).

15 Subsequent events

No other events took place between 30 June 2022 and 22 August 2022 that would require adjustments to the carrying amounts of the assets or liabilities in these condensed consolidated interim financial statements or would need to be disclosed here.

List of abbreviations used

Numerical abbreviations

k	Thousands of a unit
m	Millions of a unit

Currency abbreviations

€	Euros; sometimes also referred to as "EUR" in Aluflexpack's financial statements
CHF	Swiss Franc

Other abbreviations

adj.	Adjusted for non-recurring effects
Capex	Capital expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CODM	Chief Operating Decision Maker
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
FVTPL	Fair value through profit and loss
FX	Foreign exchange
FY	Full year
HY	Half year
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
LME	London Metal Exchange
M&A	Mergers and Acquisitions
OCI	Other comprehensive income
PPE	Property, plant and equipment
ROCE	Return on Capital Employed
ROU	Right-of-use
SE	Special effects
VAT	Value added tax
yoy	Year-on-year

Disclaimer

Some of the information contained in this annual report may be forward-looking in nature. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, meaning that actual results may differ materially from those in this annual report as a result of various factors. Aluflexpack AG is not obliged to publicly update or revise any forward-looking statements.

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This half-year report can be downloaded at

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