Aluflexpack AG

Annual Report

2023

“It is our goal that together with our teams we will transform the packaging industry by enabling our customers to respond to the end consumer's needs faster and in a more economical and environmental way. We aim to provide a lasting packaging experience that will benefit everyone - people, planet, and result in lasting prosperity!”

Johannes Steurer, CEO of Aluflexpack AG

Our Vision

We are the **partner of choice** for developing and large-scale manufacturing of premium circular flexible packaging and barrier solutions.

As an **integrated solution provider** we serve the most demanding customers and grow in the most demanding end markets and applications in a profitable and sustainable way.

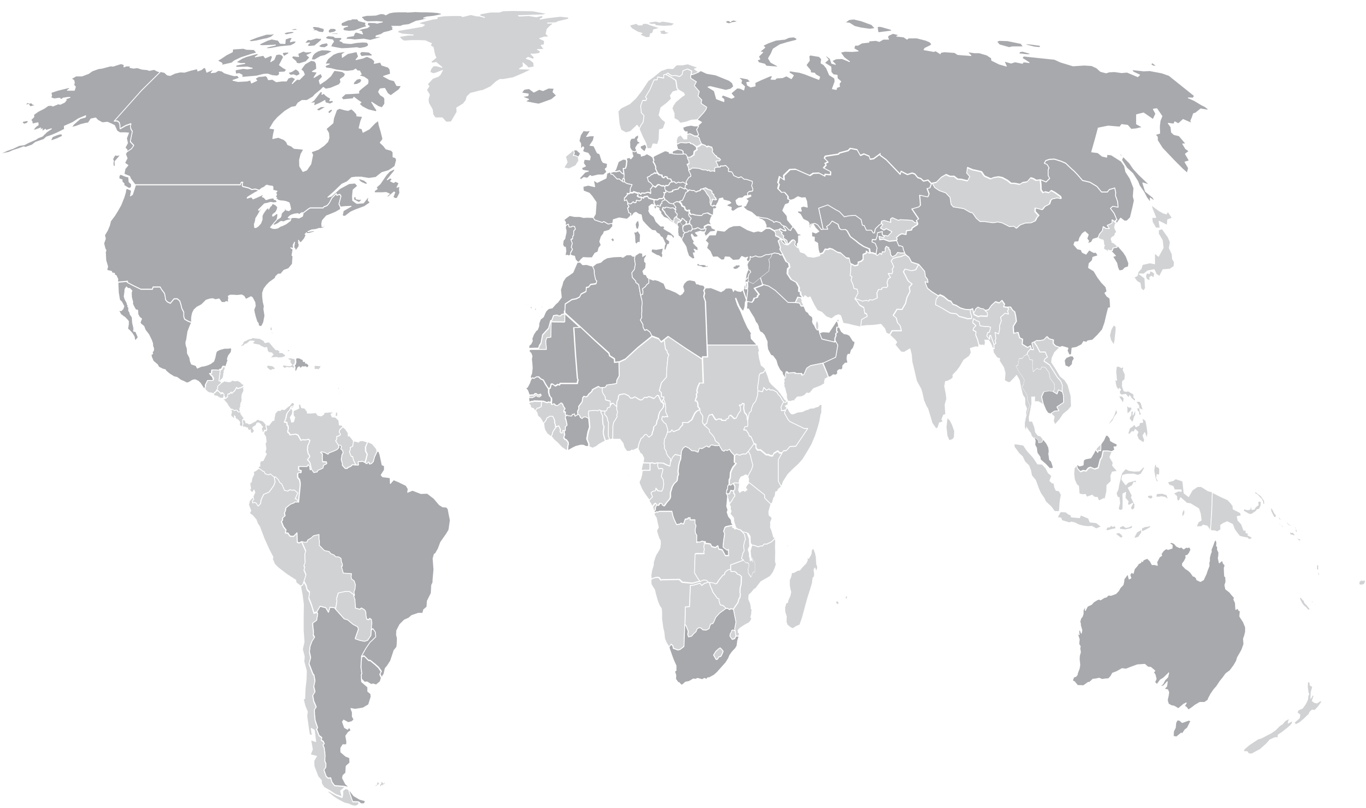
A **trustful relationship** with all of our stakeholders and a great employee experience serve as a strong foundation of our success.

Aluflexpack at a glance

Aluflexpack develops and manufactures high-quality flexible packaging solutions at an industrial scale and provides packaging solutions for the most valuable and well-known brands of leading European and international companies.

We pre-treat, laminate, lacquer, extrude, print, slit, emboss, punch, laser and form aluminium, paper and plastics into sophisticated flexible packaging.

Global sales reach in 2023[1]



1 Dark grey color shows countries where Aluflexpack Group sold its products in 2023.

ABOUT US

Leading player

in flexible packaging in Europe

9

integrated production plants across Europe

4

product types:

FILMS & FOILS
LIDS
CONTAINERS
POUCHES

SALES

7

end markets

>700

customers worldwide

€ 380m

net sales

SUSTAINABILITY

EcoVadis

golden medal 2nd year in a row

90.3%

renewable electricity use

87.9%

of non-hazardous and hazardous waste was recycled or recovered

HR & HSE

1,602

qualified and dedicated employees

90

hours of average training per employee

4.6

LTI rate

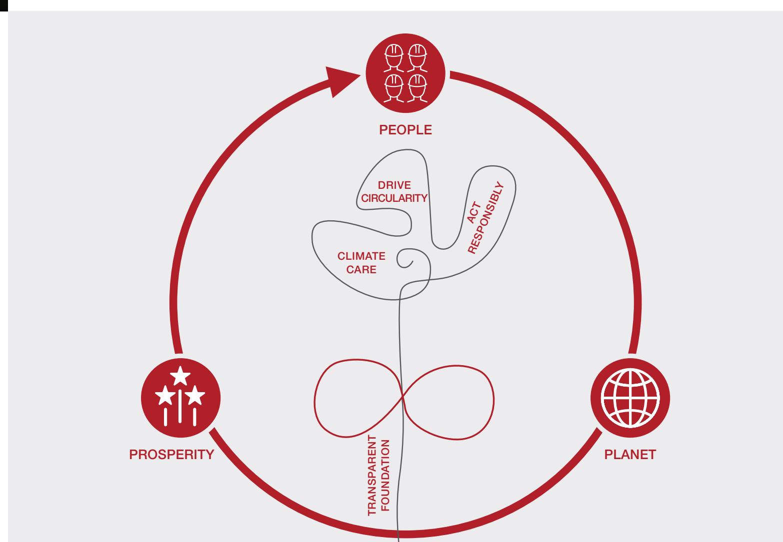
Note: Information on this page relates to 2023.

Highlights 2023

In line with Aluflexpack's strategy of making the company a great place to work and facilitating a spirit of togetherness, a teambuilding day was organised in Ecopark Krašograd (Croatia), with approximately 600 employees.

Building up on the success of the first Innovation Challenge, Aluflexpack launched a second Innovation Challenge in cooperation with suppliers and partners aiming at achieving the shared goal of driving industry-wide transformation, improving practices and delivering innovative packaging solutions that add value to society as a whole.

In the first half of 2023, Aluflexpack formalised its sustainability strategy, paving the way for future initiatives to reduce carbon emissions, foster circular practices, implement responsible ESG measures and maintaining a high level of transparency.



In June 2023, Aluflexpack committed to the Science Based Targets initiative (SBTi) marking a pivotal milestone in achieving the target of net zero emissions by 2050 and aligning with the most ambitious aim of the Paris Agreement - to limit global warming to 1.5°C on pre-industrial levels.

In the second half of 2023, Aluflexpack started commercial production at its on-site expansion in Drniš (Croatia), where approximately € 70m were invested in cutting-edge machinery, doubling foil conversion capacities, vertically deepening the value chain and solidifying the Group's industry leading position. The Prime Minister of the Republic of Croatia, Andrej Plenković and members of his cabinet visited the major on-site expansion in Drniš in 2023, recognising the importance of this investment for the region.

In October 2023, Aluflexpack signed an agreement to acquire a 68% stake in Helioflex, a leading player in the pharmaceutical flexible packaging market in Tunisia and adjacent markets. This acquisition serves as stepping stone for Aluflexpack in the fast-growing African market.

Aluflexpack recognises the well-being of its employees as top priority. The Mental Health Campaign launched in October 2023 raised awareness about the importance of mental health, emphasizing its key role in achieving a balanced and fulfilling life.

In the second half of 2023, Aluflexpack completed the acquisition of the remaining 20% stakes in its subsidiaries in France (Eliopack) and Poland (Top System), as well as the remaining 3% of its subsidiary in Croatia (Omial Novi), from minority shareholders.

Aluflexpack AG - Key Figures

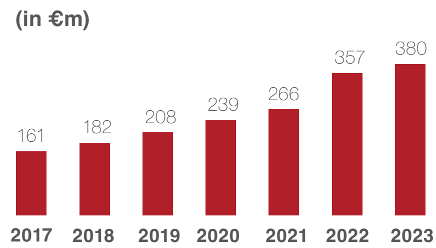
	For the twelve months ended December 31,						
(financial figures in €m)[2]	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Net sales	160.6	181.7	207.9	239.4	266.1	357.0	**380.3**
Net sales growth (%, yoy)	11.4%	13.1%	14.4%	15.2%	11.1%	34.2%	**6.5%**
EBITDA	18.1	21.5	19.2	36.4	42.3	48.6	**51.0**
EBITDA before special effects (SE)	18.1	21.6	29.5	37.4	41.8	46.6	**48.6**
EBITDA margin before SE (%)	11.3%	11.9%	14.2%	15.6%	15.7%	13.0%	**12.8%**
Operating profit (EBIT)	4.3	6.4	0.6	17.4	19.4	23.9	**24.1**
Operating profit before SE	5.9	8.0	13.8	20.0	20.3	26.2	**29.5**
Operating profit margin before SE (%)	3.7%	4.4%	6.6%	8.3%	7.6%	7.3%	**7.8%**
Result for the period	0.2	-1.3	-3.4	9.0	14.2	4.4	**10.5**
Cash flow from operating activities	14.7	11.9	15.5	26.1	38.3	14.7	**30.0**
Cash flow from investing activities	-21.1	-21.2	-32.8	-32.9	-45.9	-84.9	**-33.3**
Cash flow from financing activities	8.4	24.4	60.1	-11.5	-20.4	78.1	**18.8**
Equity Ratio (%)	16.1%	13.2%	61.9%	61.6%	60.2%	42.9%	**40.9%**
Net debt (cash)	82.1	100.5	-12.1	6.0	32.4	123.8	**152.0**
Total Assets	156.6	196.9	278.4	282.7	301.7	448.0	**475.3**
ROCE	5.9%	6.9%	9.6%	11.7%	10.3%	9.9%	**8.9%**
Employees	1,001	1,128	1,215	1,296	1,342	1,537	**1,602**

2 A detailed reconciliation of the reported and adjusted figures, as well as an overview of alternative performance measures used, can be found on page 58-61.

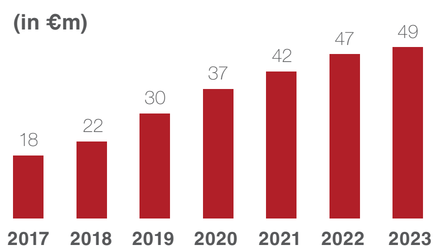
Organic net sales growth 2023

+4.2%

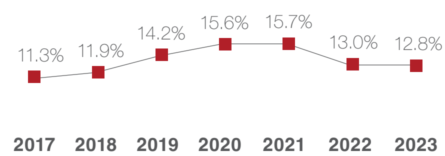
Net sales



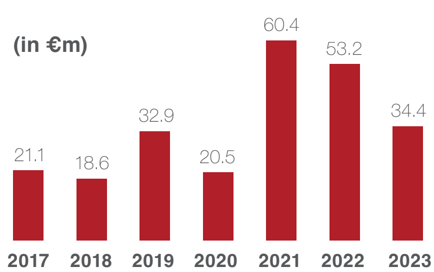
EBITDA before SE



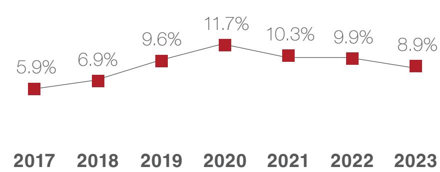
EBITDA margin before SE



Capital expenditure (organic)



ROCE



Net debt to EBITDA 2023

3.0x

Equity ratio

40.9%

PRODUCTION

The production of aluminium flexible packaging solutions has been a core aspect of company's operations and over the years, Aluflexpack has grown to become one of the leading players in the converted flexible packaging business in Europe and MENA.

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Letter to shareholders

Aluflexpack continued to expand business with its customers in 2023 in spite of the challenging market environment. Throughout 2023, demand for the Group's products in Europe was significantly affected by a combination of two factors: lower consumer sentiment as a result of lost purchasing power and customer destocking. Nonetheless, having a well-balanced customer and product portfolio across different geographical markets helped to balance shifts in demand and allowed us to navigate through a dynamic political and economic environment. In 2023, we also commenced operations in our state-of-the-art production facility in Drniš (Croatia) and will be focusing on achieving the desired level of operational excellence in the months ahead. As part of our internationalisation strategy, we acquired a Tunisian pharmaceutical flexible packaging specialist, Helioflex, as a stepping stone in the African market and laid the foundation for expanding our business to the USA; this was finally announced in 2024. Lastly, in February 2024, after more than 10 years of support and continuous investment in our platform, our majority shareholder, Montana Tech Components (MTC), signed an agreement to sell its stake in Aluflexpack AG. While this longstanding partnership was pivotal in making Aluflexpack the company it is today, we are looking forward to working closely together with the team at Constantia Flexibles.

Challenging market environment continues

Since the COVID-19 pandemic, most countries around the world have been facing a more challenging political and economic environment. Supply chain disruptions as a result of the COVID-19 pandemic, the war in Ukraine, interest rate increases in the US and Europe, the Israel-Hamas war and the Red Sea crisis signal that the political and economic order prevalent in the last few decades is changing. Adapting to the new reality, many companies have been focused on localising their supply chains and increasing their safety stocks to ensure supply reliability and operational continuity. The emergence of inflationary pressure, which had been absent in Europe and the US for years, curbed consumer purchasing power, pushing down demand across different end markets. While these trends impacted our business, we performed relatively well on the back of a strong customer base, a continued high level of service and quality, and a diverse product portfolio covering various defensive end markets.

Continued net sales growth across all end markets

Aluflexpack delivered net sales growth across all end markets in 2023. This increase was driven by a good start to the year and strong relationships with existing customers, while the overall market environment generally softened during the year and customers' inventories normalised from their post-COVID-19 peaks.

The Dairy end market reported the highest growth in the Group, with 14% driven by robust demand from private-label business among existing customers, an increase in market share within the Group's home markets, and additional volumes from the new subsidiary in Türkiye, Teko. The 12% growth recorded in the Confectionery end market can be attributed mainly to the expansion of business with existing customers. Business in the Coffee & Tea end market grew by 7% and was supported by sales with new customers in new geographical markets and by continued strong business with existing customers. The Pet Food end market recorded growth of 4% on the back of sales in new territories and the launch of new products on the market. In the Pharmaceutical end market, overall demand remained relatively stable and we achieved marginal growth of 1%. The aforementioned loss of purchasing power among final consumers is reflected in the Other Food end market, which grew by just 1% in terms of net sales.

Strong earnings and end of capex cycle

Aluflexpack achieved net sales of €380.3m in the financial year ending 31 December 2023. This represents an increase of 6.5% compared with the previous year. Excluding the effects from the consolidation of our Turkish subsidiary Teko, which was acquired in May 2022, net sales growth amounted to 4.2%. Unlike in previous years when increases in the Group's net sales were mainly a result of volume growth, net sales growth was price-led in 2023, while volumes remained relatively stable.

In 2023, Aluflexpack recorded an EBITDA before special effects of €48.6m, an increase of 4.4% compared with last year. This translates to an EBITDA margin before special effects of 12.8%, which was slightly below the 13.0% margin achieved in 2022. EBITDA before special effects on an absolute level increased mainly as a result of business expansion, the full-year consolidation of Teko and significant progress in passing on increased costs. All these effects outweighed the higher personnel, energy and other operating cost positions in the Group.

Following many years of investment, Aluflexpack created one of the most robust and competitive platforms in the flexible packaging industry. In 2023, having passed the peak of our capex cycle, our balance sheet remained healthy with an equity ratio of 40.9%. Net debt during the year increased to €152.0m, mainly as a result of final instalments in relation to the organic expansion in Drniš and to the financing of working capital for further growth. Consequently, the ratio of net debt to reported EBITDA increased to 2.98x (31 December 2022: 2.55x). At the same time, capex decreased to €34.4m in FY 2023 (2022: €53.2m), translating to a lower capex-to-net sales ratio of 9.0% (2022: 14.9%).

Milestones in 2023

In 2023, we finalised our major organic expansion in Drniš, where we invested approximately €70m in state-of-the-art machinery. This unique and highly automated setup allowed us to double our foil conversion capacities and deepen our value chain, while providing enhanced technical capabilities. In the second part of the year, we stepped up commercial production and plan to further increase output and improve operational excellence.

In line with our strategy of expanding our business beyond Europe, we signed an agreement for the acquisition of Helioflex, a market leader in the production of pharmaceutical packaging in Tunisia and neighbouring countries. With this move, we are expanding our manufacturing footprint in the fast-growing African market and are confident that – with structural growth factors such as population growth, higher access to healthcare and expansion of healthcare programmes – more opportunities will emerge in the future. Another important milestone was reached with our expansion to the USA, which eventually materialised in January 2024. As we move forward in 2024, we will gradually commence commercial operations in a way that requires only limited capital commitments.

We have launched a new innovation challenge together with our suppliers and partners. This aims to encourage stakeholder cooperation in the flexible packaging industry and has the ultimate goal of delivering innovative and sustainable packaging solutions. Meanwhile, our first innovation challenge – which was launched a year ago, inviting our employees to share their ideas for novel packaging solutions – has moved forward, with some customers expressing an interest in certain product specifications. At the same time, we consistently invested in strengthening our organisation throughout the year through initiatives such as our branding project and also by recruiting key managerial personnel.

We also made significant progress in our efforts to launch new packaging solutions in 2023. During this year, we introduced products such as peel-off-end lids, monomaterial spouted pouches for human food, multi-layer laminates for dry snacks and printed battery foil. Going forward, we are continuing our R&D pursuits with a focus on developing monomaterial packaging, downgauging packaging, increasing recycled content, etc. 2023 was also marked by the finalisation of our sustainability strategy and by our commitment to the Scientific Based Targets Initiative (SBTi), both of which underline our steadfast dedication to decarbonizing our operations.

Public tender offer

On 15 February 2024, Constantia Flexibles entered into an agreement with MTC and Xoris GmbH to acquire 56.7% of outstanding shares in Aluflexpack AG and simultaneously announced a public tender offer for all remaining Aluflexpack shares. During more than a decade under the majority ownership of MTC, Aluflexpack transformed itself into one of the leading flexible packaging manufacturers in Europe. This was only possible thanks to the continual support and trust of MTC, who encouraged us to invest in people, technology and innovation throughout these years. We are now looking forward to implementing our strategy together with a new owner, and will be focusing on creating value for our customers, employees and all other stakeholders.

Outlook

With a resilient business model in place, start of commercial production in Drniš, a promising sales pipeline in Europe and overseas, and an expected improvement in demand, we are confident about 2024. In view of this, we expect net sales excluding IAS29 of €370-410m and EBITDA before SE of €51-56m.

With the major investments now concluded, we will also be focusing on deleveraging and free cash flow generation during 2024.

The Board of Directors and the Management Board would like to thank all employees for their tireless efforts during these challenging times. We appreciate your teamwork, solidarity and dedication to our strategy. We would also like to thank our shareholders for their continued trust in the company.

On behalf of the Management team,

Johannes Steurer,
CEO

Lukas Kothbauer,
CFO

On behalf of the Board of Directors,

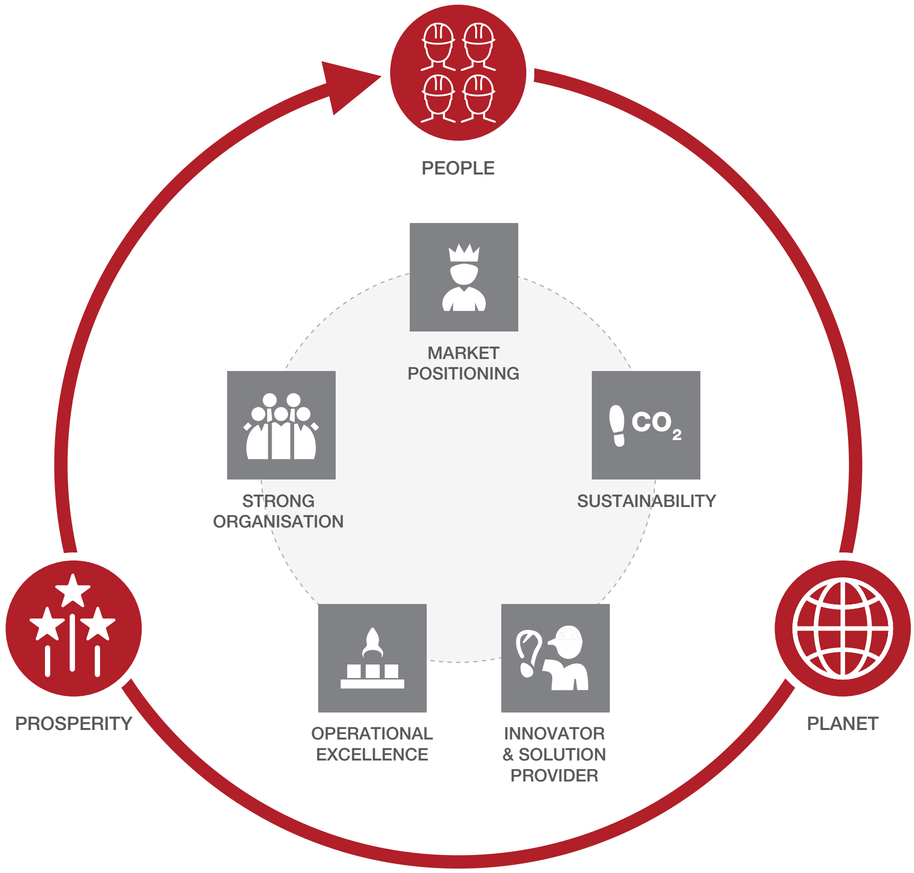
Martin Ohneberg,
President

RESEARCH AND DEVELOPMENT

Research and development is at the forefront of Aluflexpack's efforts to improve existing and develop new packaging solutions that will contribute to establishing a circular economy.

We are
AMBITIOUS:
we strive for more to exceed expectations!

Our company



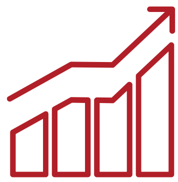
Our strategic roadmap to 2025: Our 3-WIN 2025 strategy

Aluflexpack's vision is to become the preferred partner for the development and large-scale manufacturing of high-quality flexible packaging and barrier solutions, catering to the most demanding end markets and applications in a manner that is both profitable and sustainable. Acknowledging that the realization of this vision necessitates a well-defined roadmap, we have established the 3-WIN 2025 strategy in 2022, focusing on people, planet, and prosperity. As a fully integrated solution provider, our goal is to create value for our customers and end consumers, whilst recognizing our employees as essential contributors to corporate stability and growth. Concurrently, we focus on advancement of circular and sustainable packaging solutions, aiming to minimize waste and reduce our environmental impact while simultaneously benefiting our organization and all stakeholders. Aligned with our strategic roadmap, we target achieving organic net sales of €450-500m and an EBITDA margin before SE of 14-16% by 2025.

Market positioning

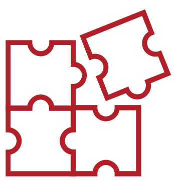
STRATEGIC PRIORITIES

Follow customers abroad

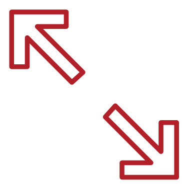


Replicate successful business models in new geographies

Continuously improve products & explore adjacent categories



Broaden customer pool via M&A



Extend product and material footprint

Our achievements in 2023

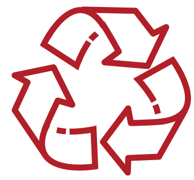
- With the acquisition of Helioflex, a market leader in the pharmaceutical flexible packaging market in Tunisia and adjacent countries, we expand our manufacturing footprint in the fast-growing African market.
- In line with our strategy of following our customers abroad, we laid out a plan to expand our manufacturing operations to the USA, which was eventually materialised on 18 January 2024 with the establishment of Aluflexpack USA LLC. This decision enables us to increase volumes supplied to our US customers and achieve significant cost benefits, especially in transportation and customs costs.
- Continued growth compared to last year, despite a challenging market environment for the packaging industry.

Sustainability

STRATEGIC PRIORITIES

Define targets and draw sustainability roadmap

Decarbonisation and energy efficiency



Advance in reuse, reduce and recycle approach

Product lifecycle assessment

Forge strong partnerships

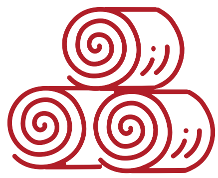
Our achievements in 2023

- To ensure a systematic and structured approach to sustainability, we formalised our sustainability strategy for the upcoming years, which integrates environmental, social and governance aspects into business operations.
- The Group made the strategic decision to commit to the Science-Based Targets Initiative (SBTi), which reflects the ambition to mitigate environmental impact as well as implement long-term strategies to ensure a sustainable future. This decision aims to align our operations with the Paris Agreement of limiting global warming to 1.5°C above pre-industrial levels.
- We have been granted subsidies for a project in photovoltaic modules in our Croatian production facilities. As a result, the supply of electricity from conventional sources will decrease by approx. 10% in two plants, while CO_2 emissions will decrease by more than 250 CO_2 t per year.

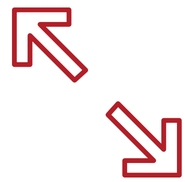
Innovator & solution provider

STRATEGIC PRIORITIES

Customer centric innovation



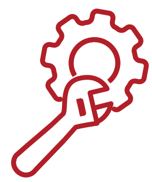
Vertical integration



Expand technological toolbox

Deepen aluminium competence

Selectively enter value-adding plastic solutions



Continuous optimisation of business model

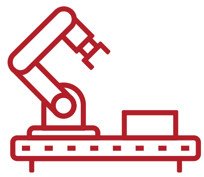
Our achievements in 2023

- Building up on the success of our previously internally-focused 1st Innovation Challenge, we launched our 2nd Innovation Challenge which was a collaborative effort together with partners and suppliers, with the shared objective of driving industry-wide transformation, enhancing practices, and providing innovative packaging solutions that add value to society as a whole.
- New product solutions such as monomaterial spouted pouches, peel-off-end lids and printed battery foil were launched in the market. At the same time, we are continuing our R&D efforts on transforming other products in portfolio to monomaterials, increasing recycled content and downgauging of packaging.

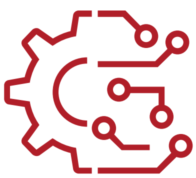
Operational excellence

STRATEGIC PRIORITIES

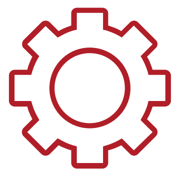
Maintain agility and entrepreneurial approach



Operate state-of-the-art equipment in competitive production locations



Drive automatisation and digitalisation



Raise efficiencies through operational KPI centred approach

Our achievements in 2023

- We finalised our major organic expansion in Drniš (Croatia) where we invested approximately €70m in cutting-edge machinery. The investment has doubled our foil conversion capacities, vertically integrated our value chain and lays the foundation for strong growth in years ahead. The facility is one of the most technologically advanced and automated globally in flexible packaging and it will significantly increase production efficiency whilst further cementing our leading position in the industry.
- We have invested across all our production facilities in digitalisation and automatisation of our daily operations with the aim of increasing efficiency.

Strong organisation

STRATEGIC PRIORITIES

Create great employee experience

Corporate culture of togetherness

Talent management and succession planning

Execute on extended hiring strategy

Strategic hiring on focus topics of the future

Employer branding

Our achievements in 2023

- Recognising the importance of well-being and safety of our employees, we created a Health and Safety roadmap which will serve as a guiding principle in fostering a secure and healthy workplace environment, ensuring the welfare of our workforce remains a top priority.
- In order to strengthen the corporate culture of togetherness where employees feel respected, valued and integrated, we conducted several corporate activities such as semi-annual meetings with management or team building events.
- We continued our branding project aimed at further sharpening transformation of Aluflexpack into a recognisable brand for customers, employees and partners as well as strengthening the company's unique selling proposition.

SUPPLY CHAIN

Seamless coordination in our supply chain ensures efficency, reliability and sustained success for our company. Through responsible procurement, we ensure great level of service and enduring customer satisfaction.

Our locations

1 **Reinach (HQ)** — Switzerland

2 **Vienna** — Austria

3 **Drniš** — Croatia
Rotogravure printing, lacquering, laminating and coextrusion

4 **Omiš** — Croatia
Laminating, lacquering, oiling and alu-container forming

5 **Umag** — Croatia
Rotogravure printing, laminating, wax coating and pouch forming

6 **Zadar** — Croatia
Conventional printing, UV-flexo printing and punching of lids

7 **La Ferté-Bernard** — France
Rotogravure, conventional and UV-flexo printing, laminating and forming

8 **Tarnowo Podgórne** — Poland
Conventional printing, UV-flexo printing and punching of lids

9 **Poznań** — Poland

10 **Tychy** — Poland

11 **Triesen** — Liechtenstein

12 **Einsiedeln** — Switzerland
Forming and Punching

13 **Gebze** — Türkiye
Rotogravure, flexo and digital printing, laminating

14 **Çorlu** — Türkiye
Rotogravure and flexo printing, laminating and coextrusion

15 **Wilmington*** — USA

ALUFLEXPACK AG HEADQUARTER

PRODUCTION PLANT

LOGISTICS HUB

ADMINISTRATIVE / SALES OFFICE

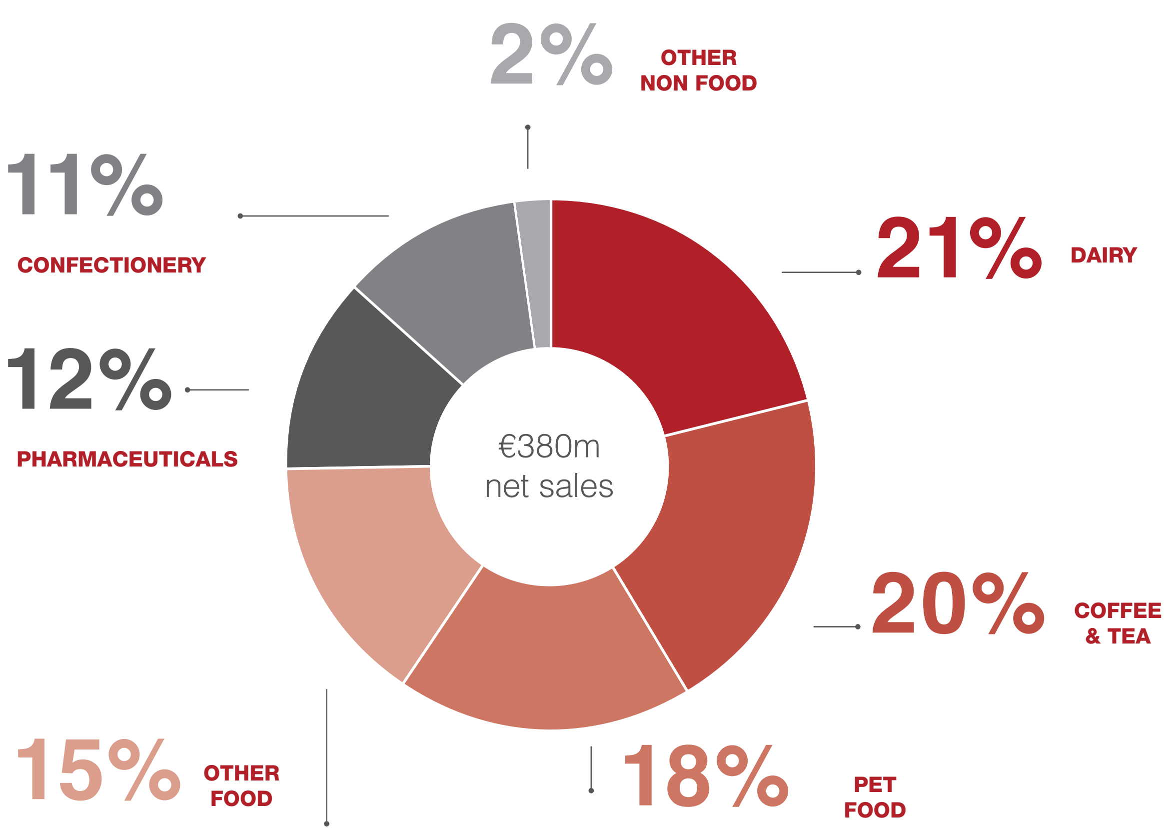
*Aluflexpack USA LLC was incorporated on 18 January 2024 in Wilmington, State of Delaware, USA. The production facility will be leased in H2 2024 in the State of Illionis and production is expected to start in December 2024.

MARKETING & PRODUCT MANAGEMENT

We strive to become one of the most integrated companies across the aluminium value chain and the solution provider in all aspects of our business. We proactively take part in the lives and activities of our stakeholders by emphatically listening and understanding their needs, be it customers, employees, or community.

Market and product overview

The global flexible packaging market totalled over $249bn in 2021 and is forecasted to grow at a rate of 3.2% to a value of $292bn by 2026.[3] In this large market, Aluflexpack targets various product niches, delivering premium flexible packaging and barrier solutions to renowned European and global brands. Our core expertise lies in the large-scale development and production of aluminium, plastic, and paper-based packaging solutions. Catering to end markets such as Coffee & Tea, Confectionery, Dairy, Pet food, and Pharma, our product portfolio includes capsules, containers, lids, pouches, and other varieties of lacquered and/or printed foils. Aluflexpack has demonstrated business resilience, characterised by robust demand that remained relatively unaffected by external shocks, as evident in the challenging years 2022 and 2023. Throughout this period, the Group maintained a high level of product quality, whilst continuing to grow across all its end markets.



3 Smithers: The Future of Global Flexible Packaging to 2026.

Packaging and Packaging Waste Regulation (PPWR)

The PPWR represents an EU regulation established to significantly reduce the environmental impact of packaging within the European Union. It implies that by 2030, all packaging in the EU market must be recyclable by design and in practice. This involves reducing resource consumption and overall packaging waste while promoting development of a circular packaging economy. The PPWR will ultimately give all producers of packaging, customers, suppliers and all other stakeholders a collective framework and supports the establishment of a single market aiming at minimising environmental impact and achieving sustainability goals for a circular economy.

During 2023, the final draft version of the PPWR suggested a wording that potentially implied a ban on aluminium coffee capsules, which is one of the main products manufactured by Aluflexpack. The main first institutional event in relation to PPWR took place on 22 November, where the EU Parliament deleted the proposed ban on aluminium coffee capsules, as long as they comply with recyclability requirements. In addition, it categorised aluminium-based lids, such as those for yoghurt cups - another product manufactured by Aluflexpack Group - as highly recyclable among other things. The European Council was the second institutional body within the EU that made a decision on the matter on 18 December 2023. The EU Council's position was also aligned with that of the EU Parliament on recyclability of aluminium coffee capsules.

The next step in the legislative process is the trilogue between the EU Parliament, EU Commission and EU Council. In this step, which started in January 2024 and will continue until March 2024, these institutional bodies which have independently assessed their positions in the PPWR, will present their views and discuss their approaches with the ultimate goal of aligning them.

Following the trilogue, the upcoming step in the EU legislative process involves the EU Parliament voting on the final wording of the PPWR, along with the necessary approval from the EU Council. It is anticipated that the finalised regulation will be adopted in mid-2024, and its gradual implementation is set to commence from the year 2025.

Aluflexpack welcomes the amended version of the PPWR, which confirms the recyclability of aluminium coffee capsules and that our product portfolio is positioned favorably to deliver future growth in a sustainable and economical way.

INNOVATION AND BUSINESS DEVELOPMENT

Innovation is a crucial aspect of our future, and we value the input of our colleagues as a valuable source of ideas. To encourage idea sharing and problem solving for our customers and their end users, in 2022 and 2023 we launched our Innovation Challenge projects.

Value chain

Aluflexpack's deep and highly integrated value chain, with its end-to-end process and material control in the Company's focus end markets, ensures superior service levels, the highest quality standards, profound development expertise and continuous innovation. Our hub-satellite setup features centralised converting hubs that supply converted material to satellites, i.e. entities that focus on the printing and finishing process, supporting customers in their respective markets. Full end-to-end control was the cornerstone for our excellence in reliability and quality in 2023. With the major on-site expansion in Drniš concluded in 2023, Aluflexpack is significantly strengthening its internal value chain with additional conversion and pre-treatment capacities.

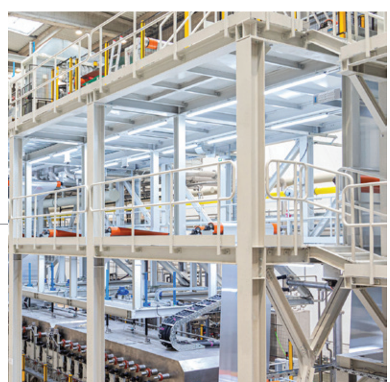


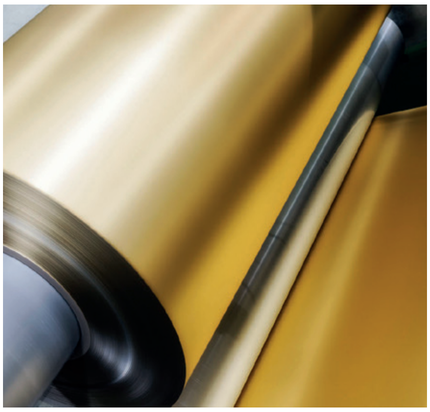
Service

From an idea to the final product: we provide not only materials research, comprehensive product development, design services and pre-press work, but also efficient and appropriate business models to assure agility and the best support for day-to-day operations.

Pre-treatment

Before converting films and foils into final products, we **continuously anneal and chemically pre-treat** substrates, allowing us to enhance the product characteristics and quality.



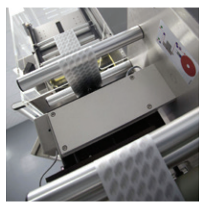


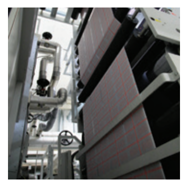
Converting

We **lacquer, extrude and laminate** functional layers on base materials.

Printing

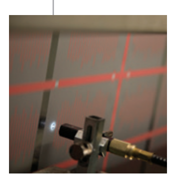
Our state-of-the-art printing machines allow **excellent print in roto, flexo and digital** on aluminium, plastics and paper substrates. In addition, we provide numerous design and security options and effects.





Finishing

We deliver final products in different formats: **lids, reels, containers, capsules, bags, pouches, sachets,** etc.

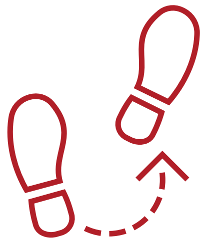


Quality

Our laboratories, sophisticated processing, quality control and assurance equipment, and our stringent procedures ensure the **highest possible quality and stability** as well as the reliability of our supplies.

TECHNOLOGY

More than 40 years of experience and formidable know-how developed by experienced experts from our production sites, equipped with state of the art technologies and equipment, instil great confidence in our customers, who build their development path together with us.



We are
PROACTIVE:
We take the initiative to be ahead of the needs of our customers.

Annual Review

Financial Overview

Earnings

For the 12 months ended 31 December,

(in €m)	2023	2023 special effects	2022	2022 special effects
Net sales	**380.3**		**357.0**	
Effects of adoption of IAS 29 *(Financial Reporting in Hyperinflationary Economies)* in Türkiye[4]		0.3		0.6
Net sales excluding IAS 29		**380.6**		**357.6**
Change in finished and unfinished goods	10.7		10.3	
Other operating income	21.4		15.7	
Cost of materials, supplies and services	-260.2		-251.7	
Personnel expenses	-46.5		-38.7	
Other operating expenses	-54.8		-44.1	
EBITDA	**51.0**		**48.6**	
Cost/benefit of stock option programmes[5]		-0.2		-0.1
Transaction costs[6]		1.5		0.4
Effects of adoption of IAS 29 (hyperinflation)[4]		-3.9		-2.3
Effects of adaption of early retirement law in Türkiye[7]		0.3		
EBITDA before SE		**48.6**		**46.6**
EBITDA margin before SE[8]		*12.8%*		*13.0%*
Depreciation and amortisation	-26.8		-24.7	
Operating profit (EBIT)	**24.1**		**23.9**	
Financial result	-12.1		-17.7	
Result before tax	**12.1**		**6.2**	
Tax expense/income	-1.6		-1.7	
Result for the period	**10.5**		**4.4**	
Thereof attributable to:				
Owners of the company	10.5		4.1	
Non-controlling interests	0.0		0.3	

4 As of 30 June 2022, Aluflexpack is required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" for its operations in Türkiye. Further clarification is presented on page 142.

5 Adjustment 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.

6 Transaction costs include costs in relation to M&A activities, costs borne by Aluflexpack in relation to launch of public tender offer for all shares of Aluflexpack AG by Constantia Flexibles GmbH and costs in relation to additional tax claims in connection with the IPO.

7 An early retirement law was introduced in Türkiye in 2023, which resulted in a one-time effect in the Group's provisions.

8 EBITDA margin before SE equals EBITDA before SE divided by net sales excluding IAS 29 (hyperinflation accounting). The impact of IAS 29 on net sales is shown on page 59.

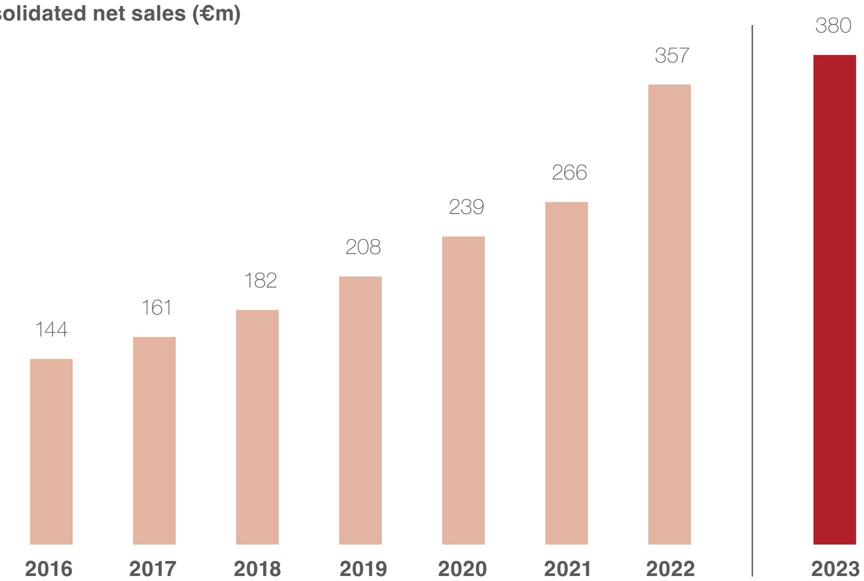
Sales overview

Aluflexpack generated net sales of €380.3m for the period from 1 January – 31 December 2023, up by 6.5% compared to the same period last year. Excluding the effects of the hyperinflation accounting in Türkiye (IAS 29), net sales amounted to €380.6m. In 2023, the Group increased net sales due to continued business expansion with its customers and a well-balanced customer and product portfolio across different geographical markets. However, higher inflation rates impacted consumer purchasing power and consequently led to lower consumption. At the same time, demand was impacted by a normalisation of inventories at Group's customers, which were at an elevated level following the COVID-19 pandemic. Adjusted for the acquisition of Turkish subsidiary Teko in May 2022, organic net sales growth was 4.2%.

Organic net sales growth in 2023

+4.2%

Consolidated net sales (€m)



Aluflexpack continued net sales growth across all end markets in 2023. Growth in the **Dairy** end market was highest at a rate of 14%, due to robust demand from existing customers in private label business, increased market share in the Group's home markets and additional volumes from Teko. Net sales in the **Confectionery** end market saw a 12% increase primarily as a result of business expansion with existing customers. The Group recorded growth of 7% in the **Coffee & Tea** end market, with the main drivers being a solid development of business with existing customers and sales to new customers in new geographies.

In the **Pet Food** end market (+4%), growth was supported by new product launches in existing markets and expansion of sales in new territories. Demand in the **Pharmaceutical** end market (+1%) remained stable in 2023. However, growth was impacted by lower sales of aluminium ring seals used for vaccine solutions. Net sales in the **Other Food** end market (+1%) rose marginally, reflecting increased consumer caution. The smallest segment of the Group, **Other non-food**, grew by 2% in the reporting period.

(in %)	Coffee & Tea	Confectionery	Dairy	Pet food	Pharmaceuticals	Other food	Other non-food
Net sales share (in %)	20	11	21	18	12	15	2
Growth (year-on-year in %)	7	12	14	4	1	1	2

Cost overview

Cost of materials supplies and services in % of net sales amounted to 62.7% in 2023 on an adjusted level, compared to 64.5% in 2022, reflecting a decrease in prices of certain input materials. The aluminium price was generally decreasing in the first half of the year, before stabilising in the second half of 2023. Aluminium continues to represent the largest share among input materials of the Group and therefore reflects the biggest share of material costs. According to the price published in the metal bulletin London Metal Exchange (LME), the price of aluminium on 30 December 2022 was $2,392 per ton. It increased and reached its peak for the year of $2,662 per ton on 18 January 2023 before reverting to lower levels and ending the year at $2,382 per ton (as of 29 December 2023). Aluflexpack typically hedges aluminium in alignment with its customers or passes price fluctuations through to customers via contractual pass-through mechanisms. Liquids (including lacquers, inks, solvents and glues) as well as plastics represent the second and third largest share among the Group's input materials and experienced a decrease in price compared to 2022, when prices were elevated as a result of the Russia-Ukraine war. Total cost of material, supplies and services as a percentage of net sales on a reported level decreased to 68.4% in 2023 compared to 70.4% in 2022.

Personnel costs as a percentage of net sales equalled 12.5% in 2023 on an adjusted level, increasing from the previous year's 11.1%. The main reasons for the 140 basis points increase were salary increases, which have been implemented in light of the inflationary environment in the countries the Group is operating in, additional 60 new employees in our new facility in Drniš as well as new hirings in key managerial positions to lay the basis for future growth. On a reported level, personnel costs as a percentage of net sales reached 12.2% in 2023 compared to 10.8% in the previous reporting period.

Other operating costs in % of net sales increased to 14.0% in 2023 from 12.2% in the same period last year on an adjusted level. The increase in other operating costs is largely attributed to higher energy costs, including electricity, natural gas & LPG, rental and leasing expenses, legal & consulting expenses, marketing & advertising expenses as well as generally higher operating costs across various other areas. Other operating costs as a percentage of net sales on a reported level increased to 14.4% in 2023 compared to 12.4% in 2022.

	For the 12 months ending 31 December	
Key cost ratios on adjusted level (in €m)[9]	**2023**	**2022**
Cost for material, supplies and services	-238.6	-230.4
in % of net sales	*62.7%*	*64.5%*
Personnel costs	-47.4	-39.5
in % of net sales	*12.5%*	*11.1%*
Other operating expenses	-53.3	-43.6
in % of net sales	*14.0%*	*12.2%*

EBITDA

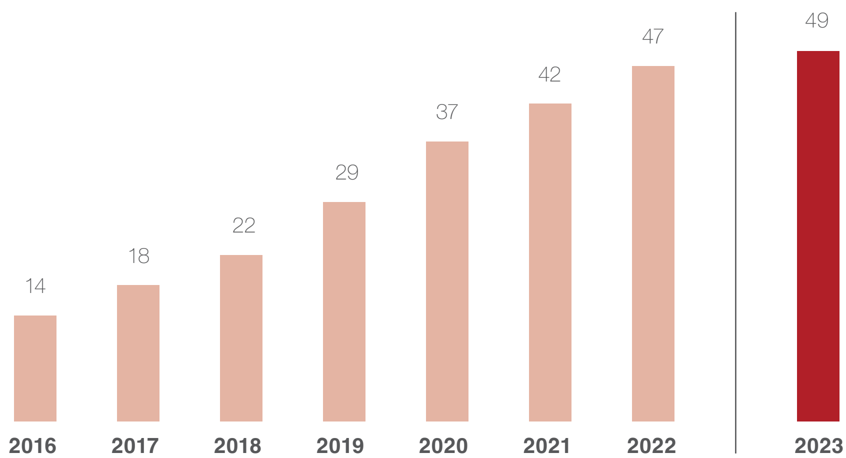
EBITDA before SE in 2023

€48.6m

The Group achieved an **EBITDA before SE** of €48.6m, up by 4.4% compared to €46.6m last year. This translates to an **EBITDA margin before SE** of 12.8% (2022: 13.0%). The increase in EBITDA before SE was mainly a result of business expansion, the full year consolidation of Teko, which was acquired in May 2022, and progress in passing on increased costs, which outweighed the increase in personnel costs, energy costs and other operating cost positions in the Group. EBITDA on a reported level totalled €51.0m in 2023, up by 4.9% from €48.6m in 2022, reflecting the positive effect from IAS 29 outlined on page 59, among others. This corresponds to a margin of 13.4% (2022: 13.6%).

9 A detailed reconciliation from reported and adjusted figures, as well as an overview of the use of alternative performance measures can be found on pages 58-61.

EBITDA before SE (€m)



Depreciation and Amortisation

Depreciation and amortisation expenses amounted to €-26.8m in 2023 (2022: €-24.7m), including €4.9m acquisition-related amortisation costs (2022: €3.4m). The increase in depreciation and amortisation expenses reflects above all the activation of additional assets in relation to major on-site expansion in Drniš. In percentage of net sales, depreciation and amortisation expenses amounted to 7.1% in 2023 (2022: 7.0%) and will continue to be above industry average in the years to come due to the Group's organic and inorganic investments over the past years.

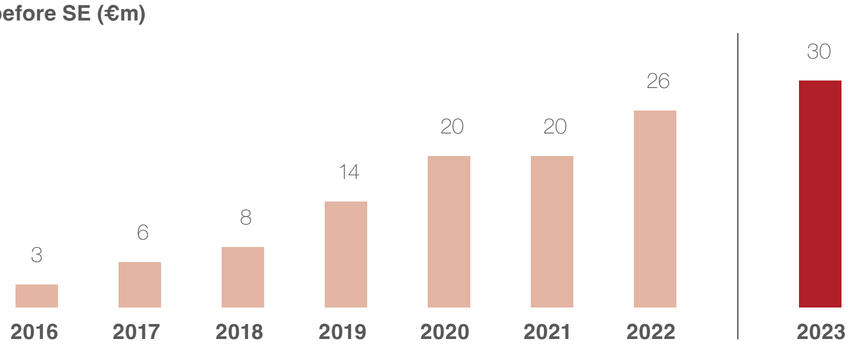
EBIT

EBIT before SE totalled to €29.5m in the financial year 2023, up from €26.2m in 2022. **EBIT margin before SE** increased to 7.8% from 7.3% in 2022. On a reported level, EBIT rose to €24.1m in 2023 from €23.9m in the previous year, translating to a margin of 6.3% (2022: 6.7%).

EBIT before SE in 2023

€29.5m

EBIT before SE (€m)



Financial result

For the financial year ending 31 December 2023, Aluflexpack reported a **financial result** of €-12.0m compared to €-17.7m in 2022, primarily driven by a significantly better other financial result of €-4.0m (2022: €-14.4m) mainly as a consequence of positive non-cash mark-to-market valuation effect of financial instruments used to hedge against volatility of the price of aluminium (€3.8m), net FX effects largely on intercompany loans (€-4.4m) and negative effects from the valuation of put options for outstanding minority shareholders (€-2.9m). Net interest expenses amounted to €-8.1m in 2023 (2022: €-3.3m) reflecting an increase in gross debt and the overall higher interest rates compared to previous years.

	For the 12 months ending 31 December	
Breakdown of the financial result (in € m)	**2023**	**2022**
Net interest expenses	-8.1	-3.3
Other financial income	6.7	1.1
Other financial expenses	-10.7	-15.5
Financial result	**-12.1**	**-17.7**

Items below the financial result

For the financial year ending 31 December 2023, Aluflexpack's **result before tax** reached €12.1m, compared to €6.2m in the previous reporting period. Tax expenses amounted to €-1.6m and were roughly at the same level as in 2022 (2022: €-1.7m). Overall, Aluflexpack closed the financial year with a **net profit** of €10.5m compared to €4.4m in 2022, due to an improved operating and financial result. Excluding the effects from hyperinflation accounting in Türkiye (IAS 29), net profit amounted to €8.8m.

Cash flow statement

(in € m)	For the 12 months ending 31 December 2023	2022
Cash and cash equivalents at the beginning of the period	**23.3**	**15.6**
Net cash provided / used in operating activities	30.0	14.7
Net cash used in investing activities	-33.3	-84.9
Net cash used in / from financing activities	18.8	78.1
+/- effect of exchange rate fluctuations on cash held	-1.5	-0.2
Cash and cash equivalents at the end of the period	**37.3**	**23.3**

Net cash flow from operating activities amounted to €30.0m for the twelve months ending 31 December 2023 (2022: €14.7m). The increase in cash generated from operations compared to 2022 was driven by higher earnings as well as improved trade working capital management.

In 2023, Aluflexpack recorded **net cash flow from investing activities** of €-33.3m (2022: €-84.9m), primarily attributed to investments related to the major on-site expansion at our plant in Drniš as well as other selected growth investments.

Net cash flow from financing activities totalled €18.8m in 2023 compared to €78.1m in the previous reporting period. The main drivers for the cash inflows were new loans from financial institutions in the amount of €54.9m, which were used to support the Group's expansion in Drniš, repayments of existing loans (€-16.6m), the purchase of the remaining 20% minority interest in the Group's subsidiary Eliopack (€5.5m) as well as payment of interest and lease costs.

Balance sheet

As of 31 December 2023, Aluflexpack's **total assets** equalled €475.3m (€448.0m[10]). The Group's total **current assets** stood at €184.1m (€176.0m[10]), reflecting mainly an increase in cash and cash equivalents €37.3m (€23.3m[10]) as well as an decrease in inventories to €92.6m (€97.1m[10]). Total **non-current assets** amounted to €291.2m as of 31 December 2023, compared to €272.1m on 31 December 2022, and include an increase in PPE to €213.0m (€192.0m[10]). The increase in PPE is related to a higher asset base due to activation of assets from the expansion of our plant in Drniš.

Total liabilities amounted to €280.7m as of 31 December 2023, of which **current liabilities** accounted for €136.0m (€130.9m[10]), and up from €255.6m recorded on the preceding reporting date. The increase in current liabilities was a result of higher bank loans and borrowings which become due in 2024 at € 44.0m (€28.1m[10]) and increase in other financial liabilities to €17.9m (€13.2m[10]) due to put options for outstanding minority shareholders being moved to current liabilities as they become exercisable in 2024. Trade payables and advances received from customers in FY 2023 decreased to €59.1m (€69.9m[10]). **Non-current liabilities** totalled to €144.7m (€124.7m[10]). The increase in non-current liabilities is mainly attributed to new bank loans and borrowings, which increased to €107.2m (€74.8m[10]) in order to finance Group's investments and ensure long-term growth.

As of 31 December 2023, total equity increased to €194.6m (€192.4m[10]), which corresponds to an equity ratio of 40.9% (42.9%[10]), underlining the Group's solid financial position.

Equity Ratio 2023

40.9%

(in € m)	31 December 2023	31 December 2022
ASSETS		
Non-current assets	291.2	272.1
Current assets	184.1	176.0
Total assets	**475.3**	**448.0**
EQUITY AND LIABILITIES		
Total equity	194.6	192.4
Non-current liabilities	144.7	124.7
Current liabilities	136.0	130.9
Total equity and liabilities	**475.3**	**448.0**

10 As of 31 December 2022.

Total net debt of Aluflexpack amounted to €152.0m as of 31 December 2023 (€123.8m[10]) and translates to a net debt to reported EBITDA ratio of 3.0x, up from 2.5x compared to 31 December 2022.[11] Having passed the peak of the capex cycle, the management team of Aluflexpack has put increased emphasis on deleveraging and free cash flow generation in the upcoming period.

(in € m)	31 December 2023	31 December 2022
Gross debt	**189.3**	**147.1**
Cash and cash equivalents	37.3	23.3
Net debt	152.0	123.8
Leverage	**3.0x**	**2.5x**

Aluflexpack's **trade working capital (TWC)** stood at €76.1m (2022: €70.7m) as of 31 December 2023. During the year, the Group put a focus on normalising its inventory levels, which were previously at elevated levels as a result of shift in demand patterns and the expansion in Drniš. At the same time, trade working capital increased due to a decrease in trade payables and advances received from customers as compared to the previous year. Trade working capital as a percentage of net sales amounted to 20.0% (2022: 19.7%).

The **return on capital employed** (ROCE), the financial metric Aluflexpack uses to evaluate its organic and non-organic growth projects, decreased to 8.9% during the reporting period compared to 9.9% in 2022. The primary cause of this decline is the increase in capital employed in relation to our investments, above all into our major onsite expansion in Drniš.

ROCE
2023
8.9%

11 For the year 2022, the EBITDA contribution of the acquired Turkish subsidiary Teko is included as if the transaction would have taken place on 1 January 2022.

QUALITY

Our laboratories, sophisticated processing, assurance equipment, and our stringent procedures ensure the highest possible quality and reliability of our supplies.

Major organic expansion in Drniš (Croatia)

€70m invested in highly automated machinery

+60 new workplaces created

Up to **30,000 tons** of additional pre-treatment and conversion capacity

Higher **operational efficiency**

13,000m² increase in production area

Undertaking the biggest initiative in its corporate history, over the past three years, Aluflexpack invested approximately €70m into its plant in Drniš in order to secure its position as leading player in flexible packaging in Europe in the long term. The investment in Drniš, which involved installation of cutting-edge and highly automated machinery, includes the construction of an additional 13,000m² of production area and created more than 60 new workplaces from machine operators and administration staff to engineers of various professions and managerial positions, which in addition to the existing employees, make Aluflexpack the largest employer in the Drniš area. The main investments in Drniš comprises a unique pre-treatment & continuous annealing line and lacquering line with an integrated lamination unit. Both of these lines add capacity of up to 30,000 tons, which is approximately doubling the capacity Aluflexpack had installed before the expansion. The lines are able to handle higher-volume coils in an efficient an automated manner, whilst providing enhanced operational flexibility and further improvements in quality. Additionally, the Group has invested in a fully automated warehouse and a heavy coil slitter, among others. Overall, the organic expansion in Drniš lays the foundation for strong growth in the upcoming years and vertically deepens our value chain.

Looking ahead, Aluflexpack is confident that this investment project will yield substantial benefits. The enhanced production capacities, coupled with the technological edge gained through this expansion, position Aluflexpack favorably for the challenges and opportunities that lie ahead.

Interview with Domen Žlebir (Group Head of Operations)

Where do you currently stand with the new expansion?
We are happy to announce that we finalised the investment in our facility in Drniš. This is a significant milestone for us and a testament to the hard work and dedication of our team. Our decision to invest in this expansion project was in line with our strategic goal of enabling significant growth in a profitable and operationally efficient way. The machines we have installed are unique in the flexible packaging industry. We have invested significant time and resources to ensure that the equipment is delivering the desired quality. Presently, we have started commercial production and now step by step, are in the process of optimising production of a broad variety of specifications used in our product portfolio.

What were the main learnings with regard to this project?
Like in every major project, there are always certain things that you cannot plan in detail before. We learnt a lot of lessons that have ultimately increased expertise of our organisation. However, by cooperating closely with each other and our partners, we were able to overcome any obstacle. It was through this concerted effort and the team's unwavering commitment that we managed to turn challenges into opportunities.

What products can you produce on the new machines?
Overall, there is a broad variety of products for which the machines can be used for. The pre-treatment line is used only for certain products such as container foil which require that aluminium foil is "cleaned" from any remaining rolling oil and any native oxide layer. However, the line is also suited to continuously anneal foil, which is the process of softening the aluminium foil so it does not break during the deepdrawing of containers. The lacquering line is very versatile and can be used for many different applications in a certain thickness corridor. Both lines will mainly produce semi-finished products which are further processed inside our production network.

How do you foresee the overall impact of this expansion on Aluflexpack Group?
The new machines in Drniš are unique in their design and cannot be found elsewhere. The plant itself is now one of the most modern foil conversion facilities globally. Following the major investments, we will have large benefits in terms of efficiency, and the environmental footprint of these new lines will be considerably lower. In addition, the new technologies used will allow us to drive forward important innovation projects in the area of sustainability such as speciality products with high recycled content. For our customers, this high degree of vertical integration and innovation capabilities are very beneficial, and make us the preferred innovation partner. Furthermore, with the new machines, we will further increase our overall service and offering, fulfilling their packaging requirements. Overall, we look to the future with optimism and we see ourselves positioned favorably to achieve sustained growth in the upcoming years.

Driving innovation through collaboration

Aluflexpack believes that in every industry, innovation is paramount in maintaining a strong position on the market. This is the reason that we have cemented innovation as an integral part of our strategy. For the period from 2016-2023, Aluflexpack net sales grew at a CAGR of 14.9% well above the average of 4.1% in the flexible packaging industry.[12] A significant part of this growth relates to continuous innovation via innovative packaging solutions, downgauging, adding functional features and using more environmentally friendly materials in packaging. However, in the last few years, we have discovered that driving innovation internally with our employees and externally with different stakeholders, can spur even more innovation and consequently create a thriving ecosystem where diverse perspectives contribute to groundbreaking solutions.

Innovation Challenge #1:
Leveraging Employee Ingenuity for Sustainable Solutions

A pivotal aspect of Innovation Challenge #1, which encouraged Group employees to share their ideas for designing entirely novel packaging that would benefit customers and ultimately also consumers by providing sustainable and user-friendly solutions, was its inclusive approach. This initiative not only highlighted our commitment to leveraging internal talent but also underscored the strategic importance of inclusivity in driving innovation. The response was extraordinary, with more than 100 submissions, and a testament to the engagement and creativity present throughout the organisation. The level of participation highlighted Aluflexpack's strategy to foster a culture where everyone is empowered to contribute to our journey towards sustainability and innovation.

The challenge's primary focus on upskilling and developing customer-centric sustainable solutions perfectly aligns with our strategic pillars of continuous improvement and customer focus. By harnessing the collective intelligence and creativity of our employees, we have been able to fast-track some promising ideas into the incubation phase.[13] These projects, deeply rooted in the insights and expertise of our diverse workforce, are now actively being developed into solutions addressing our customers' needs.

12 The average CAGR of global flexible packaging market from 2016-2021. Smithers: "The Future of Global Flexible Packaging to 2026".

13 Incubation is the process of taking an idea from concept to an actual product, service or business and testing key hypotheses about the concept to see, if the product can fit the market.

As these incubated projects progress, they embody our strategic objectives of delivering not just sustainable but high-performing packaging solutions, thereby enhancing our competitive edge. This initiative clearly demonstrates our belief in the power of collective innovation and our commitment to investing in our people as the key drivers of our success. Through such strategic initiatives, Aluflexpack is not only advancing towards its goals but also setting new standards for employee engagement and innovation in the packaging industry.

Innovation Challenge #2:
Collaborative Innovation at the Core

Following the success of our first innovation challenge, Aluflexpack launched its 2nd Innovation Challenge in 2023: "The Aluflexpack Open Innovation Challenge".

Collaboration enables the company to leverage collective intelligence, share resources, and achieve outcomes that go beyond what any single organisation could accomplish independently. We received more than 50 ideas from our suppliers and partners, exceeding our expectations and highlighting the success of the challenge.

Innovation Challenge #2 propelled Aluflexpack's strategic emphasis on collaboration and open innovation, engaging a wide array of stakeholders including suppliers, partners, and employees. Together with our stakeholders, we are involved in pioneering solutions for flexible packaging and barrier solutions. This initiative cultivated a culture of innovation and strengthened collaborative ties, creating a robust ecosystem for future innovation.

Furthermore, by engaging a diverse network of stakeholders, we successfully harnessed external perspectives and expertise, resulting into projects driving continuous innovation, strengthening partnerships, and setting new benchmarks in the packaging industry. The projects stemming from Innovation Challenge #2 are presently in incubation phase, poised to evolve into impactful solutions.[13]

Continuous work towards net-zero emissions and energy efficiency

As a producer of flexible packaging solutions serving over 700 customers across different geographies and end markets, Aluflexpack recognises its significant role in sustainability and the impact of its operations on the environment. Given the undeniable evidence of climate change caused by human activity, the legacy we leave for future generations is contingent on the immediate efforts of all stakeholders involved. Therefore, Aluflexpack has committed to a strategic approach towards minimising its environmental footprint, which involves setting into motion a systematic plan to lower emissions and improve energy efficiency.

Reducing our corporate carbon footprint

Decarbonisation and energy efficiency is one of the main elements of our Sustainability strategy. As part of our environmental responsibility, we are proactively embracing decarbonisation initiatives across our business operations.

The following main projects were executed during 2023:

- Eliopack, our French subsidiary, invested in a Regenerative Thermal Oxidizer (RTO), which is a control device used to reduce air pollution from industrial processes. It works by capturing and burning off harmful pollutants from industrial exhaust gases before releasing them into the atmosphere. The “regenerative” part refers to its ability to reuse heat generated during the process, making it more energy efficient. An RTO was also installed in our new facility in Drniš (Croatia).
- Our production facility in Umag (Croatia) was selected for implementation of a comprehensive energy management system. The project will enable continuous monitoring of energy use and operational efficiency, ultimately optimising energy efficiency by aligning peak demands. It will also provide corrective actions based on the collected data and improved understanding of patterns.
- Aluflexpack’s Zadar and Omial production facilities in Croatia, were granted subsidies for a photovoltaic modules project. Thereby, CO_2 emissions will decrease by an estimated 139 CO_2 t and 117 CO_2 t per year, respectively.
- Teko, our Turkish subsidiary, switched to 100% renewable electricity.

Commitment to SBTi

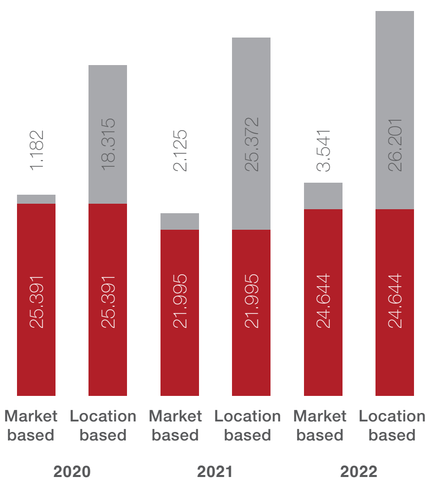
Reflecting our ambition to be the most integrated manufacturer of premium circular flexible packaging and barrier solutions, in June 2023, we made the strategic decision to commit to the Science Based Targets initiative (SBTi) Near Term and Net-Zero Standard. By committing to the SBTi, we made a decisive step in setting science-based targets that will ensure our efforts are aligned with the Paris Agreement of limiting global warming to 1.5 °C above pre-industrial levels. The SBTi target-setting process will materialise in 2024 while submission of the targets will happen in Q1 2025 latest.

Key sustainability figures

Scope 1 & 2 emissions (market-based & location based)

Scope 1 (t CO_{2e})

Scope 2 (t CO_{2e})



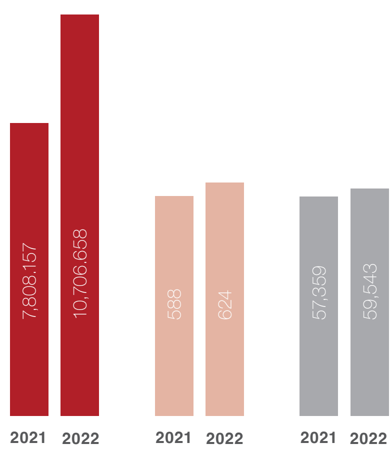
Emission intensity in kt CO_2 / AFP unit (t)

Energy consumption in 2021 and 2022

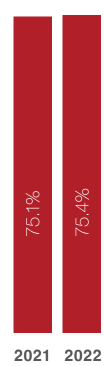
Gas (m^3)

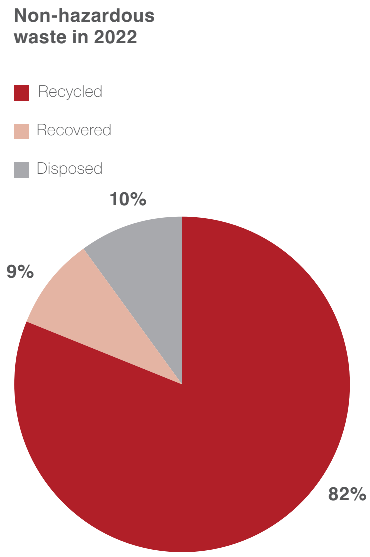
Heating oil (m^3)

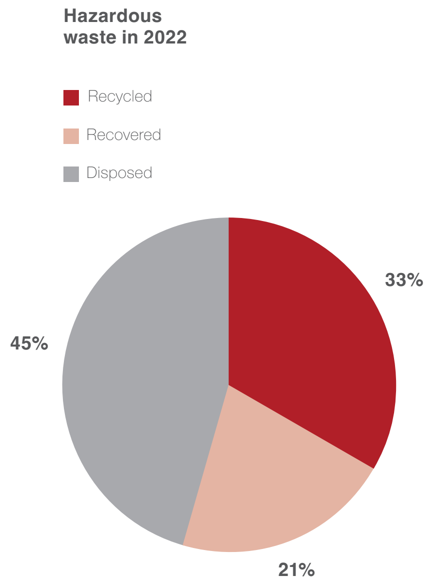
Electricity (MWH)



Waste diversion rate







Managing emissions is a fundamental aspect of Aluflexpack's corporate strategy. In 2022, the Group reduced its scope 1 & 2 emission intensity by 6.9% to 301 kt CO_2 / Aluflexpack unit (FY 2021: 323 kt CO_2 / Aluflexpack unit). On an absolute level, scope 1 & 2 emissions increased to 28,185 tons CO_2 (FY 2021: 24,120 tons CO_2) as a result of expansion of volumes.[14]

To monitor the effectiveness of our waste management, along the existing metrics, we have introduced a waste diversion rate, underlining the importance of this aspect in Aluflexpack's sustainability strategy.[15] In 2022, the Group managed to increase its waste diversion rate to 75.4% (2021: 75.1%), mainly due to improved waste management practices on a group-wide level.

Aluflexpack strives to mitigate its environmental footprint by shifting from fossil fuel to clean energy sources. The Group already uses green energy in six out of 9 production facilities. In Croatia, where most energy intensive plants are located, Aluflexpack uses electricity from renewable sources exclusively. In FY 2022, the Group`s operations used 59,543 MWH of electrical energy, up from 57,359 MWH used in 2021 as a result of business expansion in 2022.

In line with the Group's growth in volume, the use of natural and LPG gas increased to 10,706,658m^3 in 2022 (2021: 7,808,157m^3), while the consumption of heating oil for the same year increased to 624m^3 (2021: 588m^3).

14 The data discrepancy between values reported in Annual Report 2023 and Sustainability Report 2022 is due to a miscalculation in previous reported scope 1 emissions which was recognized during in-depth scanning of our internal processes and resolved going forward. Further information will be disclosed in the Sustainability Report 2023, which will be published by the end of April 2024.

15 Waste diversion rate measures effectiveness in diverting waste to recycling, reusage or recovery as opposed to other traditional waste disposal methods.

SUSTAINABILITY

The Aluminium Flower represents the sustainable growth enabled by the excellent barrier properties and endless reusability of aluminium.

Aluflexpack on the capital markets

The majority of global equity markets have ended 2023 at a high note. Throughout the year, the economies of the United States (US) and the European Union (EU) navigated a landscape shaped by the ongoing Russia–Ukraine conflict, a combination of interest rates increases and expectations of future rate cuts, stabilisation of supply chains, and robust demand with sectors like technology and IT supporting global GDP growth, while other sectors faced headwinds. On both sides of the Atlantic, the interest rate hikes implemented by Central Banks during the first nine months of the year were supported by economists globally. While these interventions played a pivotal role in tempering inflationary pressures, they resulted in a tangible shift in consumer and business confidence. Additionally, EU governments achieved significant progress in bolstering energy independence, diminishing reliance on Russian resources, and ensuring robust energy supply, which in turn created assurance for businesses operating within the EU. Simultaneously, the Chinese economy, having moved beyond the phase of catch-up growth, encountered a unique set of challenges, characterised by cautious consumers, an ending real estate boom and businesses holding back investments. In the fourth quarter of the year, monetary institutions in the US and EU directed the consensus to careful and gradual interest rate decreases in future. In light of these developments, the majority of the US and European indices performed strongly in the last quarter and closed the full year 2023 with a positive performance.

Aluflexpack's share price decreased by 49.3% over the course of the year. During the same period, the Swiss Performance Index (SPI) increased by 6.1%. Since listing in the Six Swiss Exchange in June 2019, Aluflexpack's share price has decreased by 57.4%.

Aluflexpack share vs. Swiss Performance Index (SPI)
(100%= AFP: emission price, SPI: 28 June 2019 closing price)

Share price performance in 2023

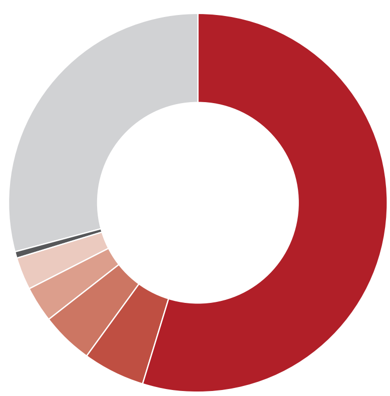
Aluflexpack share price closed the calendar year at CHF 9.0, which corresponds to a decrease of 49.3% compared to the previous year's closing price of CHF 17.7. Investors positively reacted to the raise of the full year 2022 guidance on 18 January 2023, resulting in a marginal share price increase in the subsequent days. On 15 February 2023, Aluflexpack published its preliminary sales statement for 2022 and communicated the guidance for the fiscal year 2023, which did not result in major movements in the share price. On 23 March 2023, the Group published its full-year 2022 results and confirmed the guidance communicated in February 2023. In the following days, the share price increased further, supported also by analyst upgrades. The share price achieved its year high of CHF 19.7 on 19 April 2023. On 4 May 2023, Aluflexpack published its Q1 sales statement indicating high net sales growth during the quarter, but also mentioning a more cautious spending from consumers. By that time, the ECB had increased interest rates twice. These messages coupled with cautionary statements from other listed packaging companies, additional interested rate increases and media announcements on potential ban on aluminium coffee capsules due to the Packaging and Packaging Waste Regulation (PPWR) resulted in a gradual downward trend in the share price in the next few months. On 21 August 2023, Aluflexpack published its half-year 2023 results and confirmed its 2023 guidance. Nonetheless, a lower-than-expected profitability, higher-than-expected level of financial indebtedness and continuous uncertainty around the PPWR resulted in a further share price decrease. On 5 October, Aluflexpack announced the acquisition of a 68% stake in Helioflex, a Tunisian flexible packaging specialists focused on the pharmaceutical industry in the domestic market and adjacent countries. The announcement resulted in a short-lived share price increase as on 11 October, the Group communicated a new outlook for 2023 with a lower guidance for the year as a result of decreasing demand in the packaging industry due to consumer caution and customers reducing their inventory levels. Until the end of the year, the share price decreased further and reached its low of CHF 8.4 on 18 December, only to increase a few dates later and close the full year 2023 at CHF 9.0.

At the end of 2023, Aluflexpack's shareholder structure was of international nature. 46.4% of the total shares outstanding were held mainly by institutional investors with a long-term horizon, of which the majority were Swiss- and UK-based, retail investors, the Management Board and Board of Directors. As of 31 December 2023, Montana Tech Components AG continued to retain ownership of 53.6% of the shares. The average daily trading volume amounted to CHF 109.1k (2022: CHF 232.7k).

At a glance		2023	2022	2021
Number of shares outstanding[16]	in m	17.3	17.3	17.3
Market capitalisation[16]	in CHF m	154.8	305.5	415.2
Free Float[16]	in %	46.4	46.4	46.4
Average daily traded volume	in CHF k	109.1	232.7	480.7
Year's high at close	in CHF	19.7	26.5	41.3
Year's low at close	in CHF	8.4	13.7	20.7
Year end at close	in CHF	9.0	17.7	24.0

Shareholder Structure[17]

Montana Tech Components AG (Michael Tojner)	53.6%
Capital Research and Management Company	5.2%
FIL Limited	4.7%
Xoris GmbH (Martin Ohneberg)	3.1%
Fidelity Funds SICAV	3.0%
Management Board	0.4%
Other shareholders	30.0%



16 As of 31 December 2023.

17 The shareholdings are based on SIX Swiss Exchange data extracted on 19 January 2024: https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html?issuedBy=ALUFLEX&dateFrom=20230122#/

Analyst Coverage

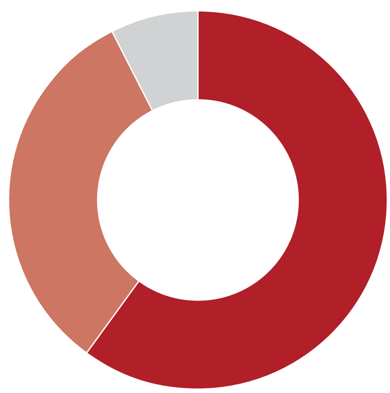
At the end of 2023, Aluflexpack was covered by four financial analysts who publish research reports on the Group. As of 31 December 2023, three analysts covering the stock held "buy" recommendation with an average target share price of CHF 20.0. One analyst held a "hold" recommendation with a target share price of CHF 16.5.

Investor Relations

Maintaining an active and transparent communication with the capital markets is a top priority for Aluflexpack. Our Investor Relations department is dedicated to offering a comprehensive understanding of Aluflexpack's growth strategy and business operations to all participants in the capital market as well as ensuring equal treatment for everyone. Since listing in SIX Swiss Stock Exchange on 28 June 2019, the Group has maintained constant communication with both investors and analysts. In 2023, the Management Board and the Investor Relations department participated in 10 roadshows and conferences, where we introduced the company to new investors as well as updated existing investors on business developments. During the year, the majority of the contacts were with investors located in Western Europe (primarily Swiss institutional investors), followed by Northern Europe and Northern America.

Investor contact by region[18]

Western Europe	60.0%
Northern Europe	32.7%
Northern America	7.3%



18 Regional split is done according to United Nations Statistic Division (https://unstats.un.org/unsd/methodology/m49/).

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 60.

EBITDA before special effects refers to operating profit before interest, taxes, depreciation and amortisation adjusted for special effects as outlined on page 59.

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 reported EBITDA 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 financial year 2023. In this context, organic growth was calculated by comparing the full year 2022 sales with full year 2023 sales excluding the contribution made by Aluflexpack's 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

	For the 12 months ending 31 December	
EBITDA before SE (in €m)	**2023**	**2022**
EBITDA – IFRS reported	**51.0**	**48.6**
Cost/benefit of stock option programmes[19]	-0.2	-0.1
Transaction costs[20]	1.5	0.4
Effects of adoption of IAS 29 *(Financial Reporting in Hyperinflationary Economies)* in Türkiye[21]	-3.9	-2.3
Effects of adaption of early retirement law in Türkiye[22]	0.3	
EBITDA before SE	**48.6**	**46.6**

	For the 12 months ending 31 December	
EBITDA margin before SE (in %)	**2023**	**2022**
Net sales - IFRS reported	**380.3**	**357.0**
Effects of adoption of IAS 29 *(Financial Reporting in Hyperinflationary Economies)* in Türkiye[21]	0.3	0.6
Net sales before SE	**380.6**	**357.6**
EBITDA- IFRS reported	51.0	48.6
EBITDA before SE	48.6	46.6
EBITDA margin in % - IFRS reported	**13.4%**	**13.6%**
EBITDA margin % - before SE	**12.8%**	**13.0%**

19 In 2022 and 2023, the amount refers to effects in connection with stock option programmes, both for employees and members of the Management Board.

20 Transaction costs include costs in relation to M&A activities, costs borne by Aluflexpack in relation to launch of public tender offer for all shares of Aluflexpack by Constantia Flexibles GmbH and costs in relation to additional tax claims in connection with the IPO.

21 As of 30 June 2022, Aluflexpack is required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" for its operations in Türkiye. The application of IAS 29 includes the adoption of IAS 21 "Effects of Change in Foreign Exchange Rates".

22 An early retirement law was introduced in Türkiye in 2023, which resulted in a one-time effect in the Group's provisions.

	For the 12 months ending 31 December	
EBIT before SE (in € m)	**2023**	**2022**
Operating profit (EBIT) – IFRS reported	**24.1**	**23.9**
Cost/benefit of stock option programmes[19]	-0.2	-0.1
Transaction costs[20]	1.5	0.4
Effects of adoption of IAS 29 *(Financial Reporting in Hyperinflationary Economies)* in Türkiye[21]	-1.1	-1.4
Effects of adaption of early retirement law in Türkiye[22]	0.3	
Acquisition related amortisations	4.9	3.4
Operating profit (EBIT) - before SE	**29.5**	**26.2**

	For the 12 months ending 31 December	
EBIT margin before SE (in %)	**2023**	**2022**
Net sales - IFRS reported	**380.3**	**357.0**
Effects of adoption of IAS 29 *(Financial Reporting in Hyperinflationary Economies)* in Türkiye[21]	0.3	0.6
Net sales before SE	**380.6**	**357.6**
EBIT- IFRS reported	24.1	23.9
EBIT before SE	29.5	26.2
EBIT margin in % - IFRS reported	**6.3%**	**6.7%**
EBIT margin % - before SE	**7.8%**	**7.3%**

	For the 12 months ending 31 December	
Adjusted materials costs (in €m)	**2023**	**2022**
Cost of materials, supplies and services – IFRS reported	**-260.2**	**-251.7**
Change in finished and unfinished goods	10.7	10.3
Temporary personnel included in total cost of materials, supplies and services	0.9	0.6
Income from disposal of recycled products	9.9	10.3
Adjusted material costs	**-238.6**	**-230.4**
Cost of materials, supplies and services margin in % - IFRS reported	**68.4%**	**70.5%**
Cost of materials, supplies and services margin in % - adjusted	**62.7%**	**64.5%**

Adjusted personnel expenses (in € m)	For the 12 months ending 31 December 2023	2022
Personnel expenses – IFRS reported	**-46.5**	**-38.7**
Temporary personnel costs	-0.9	-0.6
Cost/benefit of stock option programmes[19]	-0.2	-0.1
Effects of adaption of early retirement law in Türkiye[22]	0.3	
Adjusted personnel expenses	**-47.4**	**-39.5**
Personnel expenses margin in % - IFRS reported	**12.2%**	**10.8%**
Personnel expenses margin in % - adjusted	**12.5%**	**11.1%**

Adjusted other operating expenses (in €m)	For the 12 months ending 31 December 2023	2022
Other operating expenses – IFRS reported	**-54.8**	**-44.1**
Transaction costs[20]	1.5	0.4
Adjusted other operating expenses	**-53.3**	**-43.6**
Other operating expenses margin in % - IFRS reported	**14.4%**	**12.4%**
Other operating expenses margin in % - adjusted	**14.0%**	**12.2%**

HEALTH & SAFETY

The well being and safety of our employees are paramount to our organisation, and we are committed to consistently incorporating advanced practices into our production processes and operations, while at the same time improving our high standards of safety. We recognize our responsibility to provide safe working conditions and allocate resources to uphold and enhance the physical and emotional welfare of our colleagues.

We are
EMPATHIC:
We listen and empathize to understand the true needs and desires of our counterpart.

Corporate Governance

Aluflexpack AG ("Aluflexpack", "Group", "Company") has a clear framework of management and control policies in place to ensure compliance with principles of best practice corporate governance, which is considered elemental for creating long term value. Aluflexpack's policies are set out in its Articles of Association[23] and the Rules of Organization of Aluflexpack. In this Corporate Governance Report, the framework and the policies are presented based on the Directive of Corporate Governance issued by SIX Swiss Exchange. Moreover, this report includes references to the notes to the financial statements and the Compensation Report. For clarity and transparency, the Compensation Report is presented as a separate chapter of the Annual Report

Group structure and shareholders

Group Structure

Aluflexpack, headquartered in Reinach (AG), Switzerland, is the parent company of the wholly owned AFP Group GmbH located in Vienna, Austria, Istanbul-based Arimpeks alüminyum san. ic. ve dis. tic. a.s and Poznan-based Top System sp. z o. o. and directly or indirectly holds all nine production sites and all other companies within the Group ("Group Companies" and each a "Group Company").[24] The shares of Aluflexpack have been listed on SIX Swiss Exchange since 28 June 2019 (symbol: AFP, valor: 45322689, ISIN: CH0453226893). The market capitalisation of Aluflexpack amounted to CHF 155m as of 31 December 2023. No other listed companies are included in the consolidation of Aluflexpack. There are no cross-shareholdings with companies outside of the Group.

The Group operates in one industry segment that encompasses the development, production and sale of flexible packaging solutions, and its organisation is not divided into business units, neither in the management structure nor in the internal reporting system. The business operations of Aluflexpack are conducted through the Group Companies. The allocation of resources and performance assessment is made at Group level. Please refer to note 33 of the Statutory Accounts for the year ending 31 December 2023 for the complete list of the Group Companies including registered offices, share capital and the percentage of shares held.

23 Weblink to Aluflexpack's Article of Association: https://www.aluflexpack.com/de/investors-governance/
24 A complete Group structure is disclosed on page 176 in the Annual Report 2023.

Significant Shareholders

According to disclosure notifications reported to Aluflexpack and published by the Company via electronic publishing platform of SIX Swiss Exchange, the following shareholders had holdings of 3% or more of the voting rights of the Company as of 31 December 2023.

Significant shareholder[25]	% of voting rights	Number of shares
Montana Tech Components AG (Michael Tojner)	53.59%	9,271,000
Capital Research and Management Company (The Capital Group Companies, Inc.)	5.17%	894,236
FIL Limited	4.70%	813,508
Xoris GmbH (Martin Ohneberg)	3.08%	533,167
Fidelity Funds SICAV	3.01%	521,250

Apart from the aforementioned shareholdings, Aluflexpack is not aware of any other shareholder holding shares in Aluflexpack in excess of 3% of the share capital, as of 31 December 2023. The number of shares shown as well as the holding percentages are based on the last disclosure in 2023 of shareholdings communicated by shareholders to the Company and the Disclosure Office of SIX Swiss Exchange. The number of shares held by the relevant shareholders has changed since the date of such shareholder's notification. Specifically, on 15 February 2024, Constantia Flexibles GmbH concluded a share purchase agreement ("SPA") with Montana Tech Components AG and Xoris GmbH under which the latter two agreed to sell 9'803'167 shares in Aluflexpack held by them (corresponding to 56.67%) to Constantia Flexibles GmbH. The closing of the SPA is expected in Q4 2024. The ultimate beneficial owner of Constantia Flexibles GmbH is One Rock Capital Partners LLC. Additionally, IBS Fund Management B.V (SilverCross Global Small-Cap Fund) held 3.39% of shares in Aluflexpack as of 20 February 2024 (date of transfer of equity securities).

The web link to the disclosure office of SIX Swiss Exchange is:

https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=ALUFLEX&dateFrom=20230205#/

Other Items

In addition, as of 31 December 2023, Aluflexpack held no treasury shares. There are no cross-shareholdings exceeding 5% in any company outside the Group.

25 Terms in brackets refers to beneficial owners.

Capital structure

Ordinary share capital

The ordinary share capital of Aluflexpack as registered with the commercial register of the Canton of Aargau amounts to CHF 17,300,000 as of 31 December 2023. It consists of 17,300,000 registered shares with a nominal value of CHF 1.00 per share.

Capital band

The capital band of the Company has a lower limit of CHF 15,570,000.00 and an upper limit of CHF 25,950,000.00. Within the capital band, the Board of Directors of the Company ("Board of Directors") is authorized to increase or reduce the share capital once or several times and in any amounts at any time up to 24 May 2028, or the expiry of the capital band if earlier. The share capital may be increased by issuing up to 8,650,000 fully paid-in registered shares with a nominal value of CHF 1.00 each or reduced by cancelling up to 1,730,000 fully paid-in registered shares with a nominal value of CHF 1.00 each or by increasing or reducing the nominal value of the existing registered shares or by reducing and simultaneously re-increasing.

Subscription to and acquisition of the newly issued registered shares and any subsequent transfer thereof are subject to the restrictions set out in Article 5 of the Articles of Association of the Company ("Articles of Association").

In the event of a capital increase, the Board of Directors determines the following:

- the number of registered shares and their issue price;
- the nature of the contributions;
- the date of the issuance;
- the conditions for exercising subscription rights and allocating subscription rights that have not been exercised or withdrawn;
- the commencement of dividend entitlement.

The Board of Directors may issue new registered shares by means of a firm underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these registered shares to the existing shareholders or third parties (if the subscription rights of the shareholders have been withdrawn or have not been exercised).

The Board of Directors is authorized to permit, restrict, or prohibit trading in subscription rights. The Board of Directors may allow subscription rights not exercised to lapse or place them or the registered shares for which subscription rights are granted but not exercised on market terms or otherwise use them in the interests of the Company.

According to Article 3a of the Articles of Association, the Board of Directors is authorized to restrict or withdraw shareholders' subscription rights and allocate them to third parties, the Company or its Group Companies:

- if the issue price of the new shares is determined based on market value; or
- for the acquisition of a company, a part of the company or participations, for the acquisition of products, intellectual property rights, licenses, cooperations, or new investment projects of the Company or for the financing or refinancing of such acquisitions or investment plans, or in case of a share placement for the purposes of such financing or refinancing of such placements; or
- for the purpose of expanding the group of the Company's shareholders in certain financial or investor markets, for the purpose of the participation of strategic partners or in connection with a listing of the registered shares in domestic or foreign stock exchanges; or
- for the purpose of granting an overallotment option (greenshoe) of up to 15% in relation to the registered shares offered in the basis tranche in case of a placement or the sale of registered shares to the respective original buyer or subscriber; or
- for the purpose of a quick and flexible procurement of equity capital (including by private intermediation), that probably could not be procured if the subscription rights of the existing shareholders had not been withdrawn; or
- for other reasons permitted by Article 652b para. 2 Swiss Code of Obligations ("CO").

After a change of the nominal value, new registered shares are to be issued within the capital band with the same nominal value as the existing registered shares. If the share capital is increased due to a capital increase pursuant to Article 3b or 3c of the Articles of Association, the upper and lower limits of the capital band will increase in an amount corresponding to such increase in the share capital. In case of a reduction of the share capital within the capital band, the Board of Directors determines, to the extent necessary, the use of the reduction amount.

Until 24 May 2028, or the expiry of the capital band if earlier, the total number of registered shares which may be issued with the restriction or withdrawal of (advance) subscription rights (i) from the capital band pursuant to Article 3a of the Articles of Association and (ii) from the conditional share capital pursuant to Article 3c of the Articles of Association shall not exceed 3,460,000 registered shares.

Conditional share capital

Pursuant to Article 3b of the Articles of Association of Aluflexpack, the share capital may increase by a maximum amount of CHF 500,000 through the issuance of a maximum of 500,000 registered shares with a nominal value of CHF 1.00 each, to be fully paid up and under the exclusion of subscription rights and advance subscription rights, by way of issuance of shares upon the exercise of options or related subscription rights granted to the members of the Board of Directors and the Management Board of the Company ("Management Board"), employees, contractors, consultants or other persons providing services to the Company or Group Companies under one or several share participation programmes or regulations issued by the Board of Directors. The Board of Directors shall determine the details. Options may be exercised or waived in writing or in electronic form.

Furthermore, according to Article 3c of the Articles of Association, the share capital may increase by a maximum amount of CHF 700,000 by issuing a maximum of 700,000 registered shares with a nominal value of CHF 1.00 each, to be fully paid up, through the exercise of options and conversion rights, issued in connection with bonds, similar debt instruments, loans or other financial market instruments or contractual obligations of the Company or one of its Group Companies and/or through the exercise of options rights issued by the Company or one of its Group Companies ("Financial Instruments"). The subscription rights of the shareholders are excluded. The respective holders of Financial Instruments are entitled to subscribe for the new shares. The terms and conditions of the Financial Instruments shall be determined by the Board of Directors. Financial Instruments may be exercised or waived in writing or in electronic form.

Limitation in transferability and nominee registration

Pursuant to Article 5 of the Articles of Association, entry in the Company's share register ("Share Register") as shareholder with voting rights requires the approval of the Board of Directors, which may delegate this competence. Approval shall be granted if the acquirer communicates name, nationality, and address on a form provided by the Company and declares that he/she has acquired the shares in his/her own name and for his/her own account.

Again, according to Article 5 of the Articles of Association, the Board of Directors may register individual persons who do not expressly declare in the registration request that they are holding the registered shares for their own account ("Nominees") with voting rights in the Share Register up to a maximum of 5% of the total share capital registered in the commercial register at the time, provided the Nominee is subject to an acknowledged banking or financial market supervisory authority and has entered into an agreement with the Company on its position. The Board of Directors may register a Nominee as a shareholder with voting rights in excess of such registration limitation provided the Nominee agrees to disclose at any time on the Company`s request the names, addresses, nationality and shareholdings of the persons for which it holds 0.5% or more of the total share capital registered in the commercial register at that time. The Board of Directors may agree on arrangements on the disclosure obligations with Nominees. Legal entities and partnerships, or other groups of persons or joint owners who are interrelated through capital ownership, voting rights, common management or are otherwise linked, as well as natural persons and legal entities and partnerships who act in concert to circumvent the regulations concerning the limitations to participation or representation by Nominees will be treated as one Nominee.

In the financial year 2023, the Board of Directors did not register any nominee as a shareholder with voting rights in excess of the registration limitation. For the procedures and requirements for the cancellation of statutory privileges and limitations on the transferability of shares, see subsection Quorum requirements below.

Convertible bonds and options

As of 31 December 2023, no outstanding convertible bond or options on Aluflexpack's equity security were recorded on the balance sheet.

Other items

Aluflexpack was founded on 31 July 2018 with an ordinary share capital of CHF 100,000 consisting of 100,000 registered shares with a nominal value of 100,000. In connection with the IPO, the ordinary share capital was increased to CHF 17,300,000 on 27 June 2019, consisting of 17,300,000 registered shares with a nominal value of CHF 1.00 per share.

As of 31 December 2023, Aluflexpack did not grant any share, participation or dividend right certificates nor any other preferential or similar right.

Board of Directors

The Board of Directors of Aluflexpack has the ultimate responsibility for the conduct of business of the Company and for creating shareholder and stakeholder value. It ensures that the necessary financial and human resources are in place to meet the Company's objectives and supervises and controls the Management Board. The Articles of Association provide that the Board of Directors shall organize itself subject to the election of the President of the Board of Directors ("President") and the members of the Nomination and Compensation Committee of the Company ("Nomination and Compensation Committee"). The Board of Directors shall comprise at least three members. All members of the Board of Directors are non-executive directors. Currently, the Board consists of the following five members:

Members of the Board of Directors on 31 December 2023	Board membership	To be reelected
Martin Ohneberg	President of the Board of Directors	in AGM in May 2024
Alois Bühler	Member of the Board of Directors	in AGM in May 2024
Christian Hosp	Member of the Board of Directors	in AGM in May 2024
Markus Vischer	Member of the Board of Directors	in AGM in May 2024
Bernd Winter	Member of the Board of Directors	in AGM in May 2024

Martin Ohneberg

President of the Board of Directors since 2019 | Member of the Audit & Compliance Committee since 2019 | Member of the Nomination & Compensation Committee since 2019 | Nationality: Austrian

Mr. Ohneberg studied business administration with a focus on finance and tax at the Vienna University of economics and business and graduated in 1998. He started his professional career at Ernst & Young, where he worked from 1996 to 1999 as a consultant in auditing and tax. Thereafter, as of 2000 until 2005, Mr. Ohneberg was managing director and CFO at OneTwoInternet Handels GmbH & Co. KG and at Dorotheum GmbH & Co. KG and from 2005 to 2009 CFO at Soravia Group AG. He also served as chairman of the board of the Bulgarian company DEVIN AG between 2006 and 2009, and since 2011 became CEO (and major shareholder) of HENN Industrial Group GmbH & Co. KG. Since 2012, he is the head of the Advisory Committee of AFP Group GmbH, and in 2019, he was appointed President of the Board of Directors of Aluflexpack AG. Mr. Ohneberg also serves as president of the Supervisory Board of Verbund AG, member of Supervisory Board of Varta AG and Getzner Werkstoffe GmbH and Board member of Rhomberg Privatstiftung. Mr. Ohneberg is also a member of the Board of the Federation of Austrian Industries. He is also the CEO of Henn Industrial Group GmbH & Co KG and CEO of Xoris GmbH.

Alois Bühler

Member of the Board of Directors since 2019 | Nationality: Swiss

Mr. Bühler completed a professional training in the distribution of consumer goods and logistics at Migros Genossenschaft Zürich. He started his career at Dow Chemical Europe S.A. as an IBM system specialist. Since 1975, Mr. Bühler serves as an executive in the packaging industry. From 1975 to 1979, Mr. Bühler worked as sales manager international at International Paper Company (United States). From 1980 to 1985, Mr. Bühler served as the vice president of SIG - Combibloc, Inc. In 1986, Mr. Bühler joined The Power Packaging Group (United States) as senior vice president Group Strategy and Development. From 2001 to 2005, he served as managing director of Alupak AG (Switzerland). From 2005 to 2013, he was the co-owner and chairman of the board of directors of Process Point Service, which Omial, a subsidiary of Aluflexpack, acquired in 2013. Following the sale of his shares in Process Point Service, Mr. Bühler worked as a consultant for the Group. In addition, Mr. Bühler serves as member of the Board of Directors of Re-Lid Engineering AG and LBU Management AG.

Christian Hosp

Member of the Board of Directors since 2018 | Chairman of the Nomination & Compensation Committee since 2020 | Nationality: Austrian

Mr. Hosp holds a university degree in business administration from the Vienna University of economics and business. Mr. Hosp worked at Merrill Lynch in Vienna and Zurich for five years. Since 2000, he serves as managing partner of SHW Invest AG. From 2011 to 2016, Mr. Hosp served as a member of the supervisory board of VARTA AG, and from 2013 to 2017 and 2018, respectively, he served as a member of the advisory board of Universal Aerospace Components AG and Alu Menziken Extrusion AG. Since 2006, Mr. Hosp is, inter alia, a member and vice-president of the board of directors of the majority shareholder of Aluflexpack, Montana Tech Components AG, and a member of the Board of Directors of Montana Aerospace AG, in addition to several other functions in the Montana Tech Components Group.

Dr. Markus Vischer

Member of the Board of Directors since 2019 | Member of the Audit & Compliance Committee since 2019 | Nationality: Swiss

Mr. Vischer studied law and was a research and teaching assistant at the University of Zurich. He also worked as a legal secretary at the District Court of Meilen, Canton of Zurich, from 1986 to 1987. In 1986, Mr. Vischer received his doctor's degree (Dr.iur.) at the University of Zurich and graduated from the Queen Mary College, University of London (LL.M.), in 1991. He started his career at a tax law practice in Zurich from 1988 to 1989 and worked in a law firm in London in 1991. He then joined the Swiss law firm Walder Wyss AG in Zurich and became a partner in 1995. Mr. Vischer is specialised in the fields of M&A, private equity and venture capital transactions, corporate restructuring processes, commercial and company including labor law and real estate law. Mr. Vischer serves as a member of the board of directors of the majority shareholder of Aluflexpack, Montana Tech Components AG, as well as Montana Aerospace AG. In addition, he is the President of the Board of Directors of AAA Alpine Air Ambulance AG, President of the Board of Directors and Liquidator of HUGO BOSS International Markets AG and member of the Board of Directors of Hugo Boss (Schweiz) AG and HUGO BOSS Ticino AG. Mr. Vischer is also the President of the Foundation Board of Stiftung juristische Weiterbildung Zürich.

Bernd Winter

Member of the Board of Directors since 2019 | Chairman of the Audit & Compliance Committee since 2020 | Member of the Nomination & Compensation Committee since 2019 | Nationality: Austrian

Mr. Winter holds a Master of Arts degree from Vienna University of Economics and Business. He is a certified public accountant and a certified tax advisor. Mr. Winter holds managing positions at BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and, in addition to managing functions at companies affiliated with BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, he serves as member of the supervisory board of ALRAG Allgemeine Leasing und Realitäten Aktiengesellschaft. In addition, he has management positions in KaiserAdler GmbH and KaiserAdler Waldbrand GmbH. Mr. Winter is also a member of the Board of Directors of Marketagent.com Schweiz AG.

Election and term of office

The general meeting of shareholders of the Company ("General Meeting") elects the members of the Board of Directors individually. Their term of office ends at the latest on conclusion of the next Annual General Meeting ("Annual General Meeting"). Re-election is possible. The General Meeting elects one of the members of the Board of Directors to be chair. His/her term of office ends at the latest on conclusion of the next Annual General Meeting. Re-election is possible. There is no limit on the term in office. If the chair position is vacant, the Board of Directors shall appoint a new chairperson from its members for the remaining term of office.

Number of permissible activities

Pursuant to Article 34 of the Articles of Association, no member of the Board of Directors shall accept more than fifteen additional mandates in entities with commercial objectives, of which no more than five in listed entities. The following do not fall under these restrictions:

- mandates in companies that are controlled by or that control the Company; and
- mandates in companies, that are accepted by order of the Company.

A mandate is a membership in the board of directors, the management board and the board of advisors or a comparable position under foreign law in entities with a commercial objective. Mandates in different legal entities under the same control or beneficial ownership are considered to be one mandate.

As of 31 December 2023, no members of the Board of Directors exceeded the limits set for functions outside Aluflexpack as set forth in Article 34 of the Article of Association.

Other items

None of the members of the Board of Directors has been a member of the Management Board of the Company or a Group Company in the three years preceding the year under review. Martin Ohneberg has served as Head of the Advisory Committee of the legal predecessor of the Company, AFP Group GmbH, since 2012.

Gender guidelines are presented in compensation report, page 127.

Internal Organization

The Board of Directors exercises management, supervision and control over the conduct of the Company's business. The Board of Directors shall meet as often as the business of the company requires. The chairperson of the Board of Directors, or in his/her absence the deputy chairperson, shall convene the meetings and lead the discussions. The Board of Directors may pass its resolutions as follows:

- at a meeting with a venue;
- using electronic media, in accordance with the provisions of art. 701c–701e CO;
- in writing, on paper or in electronic form, unless a member requests oral discussion. No signature is required when resolutions are passed electronically; the Board of Directors reserves the right to stipulate otherwise in writing.

Insofar as the Organizational Regulations of the Company ("Organizational Regulations") issued by the Board of Directors do not specify otherwise, the Board of Directors passes its resolutions by a majority of the votes cast. The chairperson has a casting vote.

The President is responsible to prepare the meetings, draw up the agenda, and chair the meetings. Every member of the Board of Directors may at any time request the President to convene a meeting immediately, stating the reasons for such request in writing. Insofar as the Organizational Regulations issued by the Board of Directors do not specify otherwise, the Board of Directors shall be quorate if the majority of its members is present. There are two permanent committees of the Board of Directors: the Audit and Compliance Committee, and the Nomination and Compensation Committee. Subject to the provisions of the Articles of Association and the Organizational Regulations, the Committees shall comprise at least two members of the Board of Directors. The members should be independent. The members of the Committees must qualify as independent under the Swiss Code of Best Practice for Corporate Governance. Each Committee has its own charter governing its duties and responsibilities.

Responsibilities

The Board of Directors exercises management, supervision and control over the conduct of the Company's business. It represents the Company vis-à-vis third parties and may pass resolutions on all matters that are not assigned to the General Meeting by law or the Articles Association. The Board's responsibility includes the duty to select carefully, to instruct properly and to supervise diligently the Chief Executive Officer ("CEO") and the other members of the Management Board. The Board of Directors delegates the operational management of the Company to the Management Board pursuant to the Organizational Regulations, unless otherwise stipulated by law, the Articles of Association or the Organizational Regulations. The Organizational Regulations govern the duties and powers of the bodies responsible for the management of the company. According to statutory law and Article 21 of the Articles of Association, the Board of Directors' non-transferable and inalienable duties include:

- exercising overall management of the Company and issuing the necessary directives;
- determining the organizational structure;
- organizing the accounting system, the financial controls and financial planning to the extent required to manage the Company;
- appointing and dismissing the people tasked with managing and representing the Company;
- exercising overall supervision of the persons tasked with management, specifically with respect to compliance with the law, the Articles of Association, regulations and directives;
- producing the annual report, preparing the General Meetings and implementing their resolutions;
- producing the compensation report and making motions to the General Meeting regarding approval of the compensation of the Board of Directors and the Management Board;
- submitting a request for debt relief and notifying the court in the event of over-indebtedness; and
- all other non-transferable and inalienable duties of the Board of Directors as provided for by the law and the Articles of Association.

Key activities in 2023

- Received updates on sales, marketing & product management, purchasing, operations, HR, IT, R&D, sustainability, financial, investor relations, M&A, innovation and legal & compliance topics
- Discussed the progress on the organic project in Drniš (Croatia)
- Received information on the strategic acquisition of Helioflex; discussed the transaction and voted on the acquisition
- Reviewed the annual report 2022 and half year report 2023 and voted on their public release
- Discussed the risk report and risk matrix
- Supervised members of the Management Board

Meetings 2023

Number of meetings held	**11**	Martin Ohneberg (President)	**11/11**
Number of members	**5**	Alois Bühler	**9/11**
Meeting attendance[26]	**93%**	Dr. Markus Vischer	**10/11**
Number of meetings attended at least by one member of the Management Board	**11**	Bernd Winter	**10/11**
Approximate average duration (hours:minutes)	**1:42**	Christian Hosp	**11/11**

Audit and Compliance Committee

The Audit and Compliance Committee consists of at least two members who are appointed by the Board of Directors from among the independent members of the Board of Directors. The chairperson or the majority of the members of the Audit and Compliance Committee must have practical experience in finance and accounting or auditing. The Board of Directors appoints the members of the Audit and Compliance Committee and its chairperson for a term of office of one year until the next Annual General Meeting. The Audit and Compliance Committee has been formed in connection with the Initial Public Offering.

26 By members of the Board of Directors.

Responsibilities

- Periodic review of the performance of the external auditor, its independence and appropriateness of its term of office. The Audit and Compliance Committee examines the compatibility of the auditing services with any consulting mandates and determines the amount of the consulting fee above which the prior approval of the Audit and Compliance Committee is required;
- Review and assess the scope and plan, the examination process and the results of the external and internal audit and to examine whether the recommendations issued by the external and internal auditor have been implemented;
- Formulation of proposals to the Board of Directors with regard to the (re-)election proposal to the Annual General Meeting. The Audit and Compliance Committee leads any selection procedure and ensures that the quality criteria are at the focus;
- Approval of the compensation and terms of engagement of the external auditor;
- Assessment of the internal control system of the Company or the Group Companies and the risk management system set up by the Management Board and the measures proposed to minimize risk;
- Assessment of compliance with legal and regulatory requirements regulations and internal guidelines (in particular Organizational Regulations and corporate governance) and external guidelines;
- Review and approval of the Company's compliance program, including (i) preventive measures taken by the Company, (ii) oversight of material compliance issues and ongoing investigations, (iii) comparisons with the compliance programs of other companies, as appropriate, and (iv) monitoring relevant legal developments.
- Review in cooperation with the auditors, the CEO and the Chief Financial Officer ("CFO"), review whether the accounting policies and financial control mechanisms of the Company and Group Companies are appropriate in view of their size and complexity;
- Critical audit of the annual and consolidated financial statements and further financial statements to be published. The Audit and Compliance Committee discusses the financial statements with the CFO and the head of the internal audit and with the head of the external auditor. The Audit and Compliance Committee submits proposals to the Board of Directors for the presentation of the annual and consolidated financial statements to the Annual General Meeting;
- Dealing with reporting in the area of non-financial matters. The Audit and Compliance Committee obtains the necessary information;

- Regular exchange with the relevant internal functions and the head of the external auditor so that the Audit and Compliance Committee can fulfill its tasks competently. This exchange takes place at least once a year without the participation of the Management Board;
- Examination of other matters at the request of the Board of Directors;
- Review its own performance and effectiveness and making recommendations to the Board of Directors regarding necessary changes.

Key activities 2023

- Reviewed the financial results for the fiscal year ending 2022 and recommended to the Board of Directors its release
- Discussed the nomination of KPMG for another year as a statutory auditor
- Reviewed the compensation for the external auditor
- Reviewed half year 2023 report and recommended to the Board of Directors its release
- Review of the Group's internal audit activities

Meetings 2023

Number of meetings held	3	Approximate average duration (hours:minutes)	0:13
Number of members	3	Bernd Winter (Chairman)	3/3
Meeting attendance	100%	Martin Ohneberg	3/3
Number of meetings attended at least by one member of the Management Board	3	Dr. Markus Vischer	3/3
Number of meetings attended by auditors	1		

The Audit and Compliance Committee assists the Board of Directors in fulfilling its supervisory duties with respect to the integrity of the financial statements, compliance with legal and regulatory requirements, the performance of the internal control system, the qualifications and performance of the external auditor and the performance of the internal auditor.

The Audit and Compliance Committee has unrestricted access to all relevant information in order to perform its responsibilities. The Committee shall take minutes of the discussions and resolutions of all meetings, including the names of all those present. The minutes of the meetings are sent immediately to all members of the Audit and Compliance Committee and, as soon as they have been approved, to all members of the Board of Directors, provided there is no conflict of interest. The Committee may submit its recommendations to the Board of Directors in all areas within its area of responsibility where measures or improvements appear necessary.

The Audit and Compliance Committee meets at the invitation of the chairperson of the Audit and Compliance Committee as often as business requires, but at least once a year. The Committee is authorized to engage suitable external advisors to assist it in fulfilling its duties.

Nomination and Compensation Committee

The Nomination and Compensation Committee consists of at least two members of the Board of Directors. The General Meeting elects the members of the Nomination and Compensation Committee individually. Their term of office ends on conclusion of the next Annual General Meeting. The Board of Directors proposes independent members to the General Meeting for election to the Nomination and Compensation Committee. Only members of the Board of Directors may be elected. The Board of Directors appoints the chairperson of the Committee. The Nomination and Compensation Committee has been established in connection with the Initial Public Offering.

Responsibilities

- Determination of the principles and criteria for the selection of candidates for appointment to the positions on the Board of Directors and the Management Board;
- Ensure long-term planning of appropriate appointments to the positions on the Board of Directors and the Management Board; and the basic management development and succession planning, to ensure the Company can secure the best leadership and management talent;
- Proposal for the appointment of candidates to fill vacant positions on the Board of Directors or the position of CEO;
- Appointment of candidates for the Management Board at the proposal of the CEO;
- Recommendations to the Board of Directors on the composition of the Board of Directors and to identify appropriate candidates;
- Determinations regarding the independence of members of the Board of Directors;
- Recommendation to the Board of Directors whether to reappoint a member of the Board of Directors at the end of his/her term of office;
- Recommendation to the Board of Directors with regard to the terms of employment of the CEO and members of the Management Board;
- Proposals to the Board of Directors on the definition of principles for compensating

the members of the Board of Directors and Management Board within the parameters of the law and the Articles of Association;

- Regular check of the Company's compensation system for compliance with the compensation principles pursuant to the law, Articles of Association, regulations and resolutions of the General Meeting regarding compensation;
- Review matters related to the general compensation rules for employees as well as the Company's human resource practices;
- Proposals to the Board of Directors on the amounts of fixed compensation for the members of the Board of Directors;
- Proposals to the Board of Directors on the performance measures with regard to qualitative and quantitative targets in order to calculate the variable compensation for the members of the Management Board;
- Proposals to the Board of Directors on the amounts of fixed and variable compensation to be paid to the CEO;
- Recommendation to the Board of Directors for the amounts of fixed and variable compensation for the members of the Management Board, all senior employees and key personnel that report directly to the CEO at the proposal of the CEO;
- Proposal of the compensation report to the Board of Directors;
- Recommendations to the Board of Directors on granting options or other securities, including employee share plans, for employees of all levels;
- Examination of any other matters as may be requested by the Board of Directors;
- All other actions required by the law, Articles of Association or regulations; and
- Review its own performance and effectiveness and recommendation of any necessary changes to the Board of Directors.

Key activities in 2023

- Made decision regarding short- and long-term target achievement of the Management Board in 2022 and set new targets for 2024
- Proposed the Management Board compensation and Board of Directors compensation for 2023 as well as the reelection of the current members of the Board of Directors to be put forward in the Annual General Meeting for a vote
- Discussed results of an executive coaching program for members of the Management Board

Meetings 2023

Number of meetings held	3	Approximate average duration (hours:minutes)	0:18
Number of members	3	Christian Hosp (Chairman)	3/3
Meeting attendance	100%	Martin Ohneberg	3/3
Number of meetings attended at least by one member of the Management Board	1	Bernd Winter	3/3

The Nomination and Compensation Committee assists the Board of Directors in determining and reviewing the Company's compensation strategy and guidelines, and the qualitative and quantitative criteria for compensation. It also assists with the preparation of the motions to the General Meeting concerning the compensation of the Board of Directors and the Management Board. It may submit to the Board of Directors suggestions and recommendations on further compensation matters.

The Nomination and Compensation Committee meets at the invitation of the chairperson of the Nomination and Compensation Committee as often as business requires, but at least once a year. The Committee shall take minutes of the discussions and resolutions of all meetings, including the names of all those present. The minutes of the meetings are filed at the Company's registered office and may be inspected by any member of the Nomination and Compensation Committee. Members of the Board of Directors may, provided there is no conflict of interest, request access to the minutes from the chairperson of the Committee at any time. Members of the Management Board and other guests may be invited by order of the chairperson.

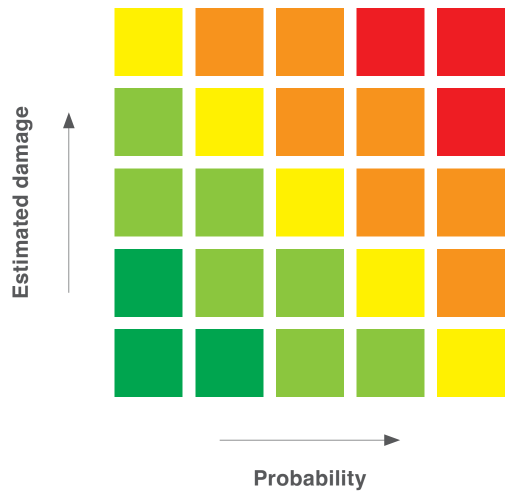
Information and control systems

The Management Board is supervised by the Board of Directors. The performance of the Management Board is also monitored by the Committees. Absent any conflict-of-interest concerns, the Board of Directors has access to the minutes of the Committee meetings. At each meeting of the Board of Directors, the President, the CEO and the members of the Management Board designated by them inform the Board of Directors of the current development of the business, important projects or risks, ongoing earnings and liquidity development and any significant events. Members of the Board of Directors may direct questions to the Management Board to gain the information needed to fulfil their duties, at these meetings. Moreover, the President is in regular dialogue with members of the Management Board in between the meetings. Outside of meetings of the Board of Directors, the members of the Board of Directors are entitled to request information from the members of the Management Board about the general course of business and, with the prior authorization by the President, about specific transactions. On a monthly basis, the Board of Directors receives a written report on the key financial figures of the Group. This comprises information on the balance sheet, cash flow and income statement as well as on capital expenditure. These figures are compared with the budget and the previous year. At the meetings of the Board of Directors, the information contained in these reports are discussed in depth. Should any exceptional development occur, all members of the Board of Directors are notified immediately, which takes the necessary actions. In the case of major items such as capital expenditure or acquisitions, the Board of Directors receives special written reports.

In addition, Aluflexpack performs internal audits on a regular basis. In 2023, the Group performed internal audits at three sites. In its work, internal audit verifies compliance with any entities' responsibilities, risk management and the efficiency of the structures and processes in place. The findings are recorded in written reports, which are submitted to the Audit and Compliance Committee for review together with the Management Board. The latter reports the findings to the Board of Directors. Together with the CFO, the Audit and Compliance Committee is responsible for reviewing the internal audit plan and the budgeted resources for internal audit.

Aluflexpack and its subsidiaries also established a thorough risk management system, the results of which are reported to the Audit and Compliance Committee and the Board of Directors at least once a year. The risk management system focuses on identification, assessment and evaluation of risks, and their potential impact on Aluflexpack's profitability and financial stability. The objectives of these activities are to help actively manage the Group's risk exposure, provide a tool to priorities actions and to raise risk awareness among risk owners. All risk-related activities of the Group are subject to the Group's risk management framework regardless of the legal entity in which they are undertaken. Consequently, the framework is applied at Group level and cascaded to all legal entity levels. A continuous assessment of its risks also helps the Group leverage business opportunities in a systematic manner.

Aluflexpack's risk management system is based on an inclusive bottom-up approach, in which chances and risks are identified and assessed by key management personnel including but not limited to the members of the Management Board. For the purpose of assessing these risks, participants are provided with a risk assessment form including items such as risk and sub-risk category, description of the risk, probability of occurrence, estimated damage before counteracting strategies and a detailed description of the current preventive strategies as well as potential improvements to these strategies. As part of the assessment process, the risks are also plotted on a 25-field-matrix with the estimated damage before counteracting measures on the y-axis and the probability of occurrence on the x-axis.



The matrix aims to give the Board of Directors as well as members of the Management Board a compact overview of the Group's risk exposure. Additionally, it provides a supportive tool in the process of prioritizing actions. The risks identified and assessed during the process can be summarized in broader groups such as operational, financial, external, IT & data related, strategic, ESG and market risks. Operational risks identified include process, infrastructure, product safety, transportation, personnel, supply chain and input material risk, among others. Financial risks mentioned comprised foreign currency, hedging, working capital, liquidity, tax and interest rate risks. Participants in the process also assessed the probability and the impact of external risks such as natural disasters, fire, legislative, regulatory and political risks. Within IT and data risks, data storage, hardware and software operations and IT security were brought up. Strategic risks mentioned included acquisition risks, technology risks or product risks. Participants mentioned in relation to ESG risks such risks as environmental, human rights, hygiene, image or work safety.[27] Risks in relation to the general economic climate, demand for products or market entry of competitors were among the typical market risks assessed.

The participants of the risk management process assess potential changes to their reported risks as well as the effectiveness of the preventive efforts on an ongoing basis. In addition, risks and mitigation efforts are also assessed regularly by the Management Board. Major changes to the Group's risk profile are reported immediately to Aluflexpack's Audit and Compliance Committee and the Board of Directors.

The risk of default on loans is mitigated by using targeted measures such as credit checks, pre-payment agreements and receivables management. The immanent risk of default of business partners resulting from the underlying transaction is widely hedged in the Group by credit risk insurance as well as by bank guarantees and letters

27 An overview of ESG profile of the Group as well as risks and policies to mitigate these risks can be found in Aluflexpack's Sustainability Report 2022 accessible at: https://www.aluflexpack.com/newsmedia-mediaanddownloads/

of credit. In addition, there is low concentration of credit risk since the Group's client base is made up mainly of a large variety of customers. Liquidity management extends from constant comparison of forecast and actual payment flows to coordinating the maturity profiles of financial assets and liabilities. Capital management is monitored by the means of equity ratio, gearing ratio and return on capital employed. Furthermore, in order to reduce the risk from swings in commodity prices, the Group uses derivative financial instruments. IT risks relating to software operations are mitigated by continuously updating and developing new versions that address the necessary requirements, while cybersecurity risks are addressed by installing systems that immediately detect unathorised access attempts and adding different layers of protection to authorisation processes, among others. Risks in relation to regulatory requirements across different areas are continuously monitored and analysed by internal teams and external advisors.

Based on the findings of Aluflexpack's risk management processes in 2023, which were presented in detail to the Audit and Compliance Committee as well as the Board of Directors, the Management Board of Aluflexpack views the current mitigation efforts as adequate.

Management Board

The Board of Directors has delegated the operational management of Aluflexpack to the Group's Management Board, which is headed by the CEO, to the extent permitted by applicable law, the Articles of Association and the Organizational Regulations. Besides the CEO, the Management Board includes the CFO and, potentially, one or several other members. The Management Board is primarily responsible for managing the affairs of the business as well as the Company's corporate functions. Under the chairmanship of the CEO, the members of the Management Board carry out the strategic tasks and implement the resolutions of the Board of Directors. They are directly supervised by the Board of Directors and its Committees. The CEO is appointed by the Board of Directors at the proposal of the Nomination and Compensation Committee. The members of the Management Board (other than the CEO) are appointed by the Board of Directors at the proposal of the CEO and the Nomination and Compensation Committee. In the business year 2023, the Management Board consisted of the following members:

Johannes Steurer

Chief Executive Officer of Aluflexpack since 2022 | Member of the Management Board of Aluflexpack since 2012 | Nationality: Austrian

Mr. Steurer studied economics at the Vienna University of Economics and Business Administration and the Nanyang Technological University in Singapore and holds a master degree (Magister) in business administration from the Vienna University of Economics and Business Administration. Mr. Steuer started his career working as an investment analyst and investment manager at Global Equity Partners Group, Austria, from 2008 to 2012. From 2008 to 2018, he served as CEO of Starbet Gaming Entertainment AG (now: Motto Entertainment und Veranstaltung GmbH), Austria. From 2011 to January 2020, Mr. Steurer served as managing director and shareholder of VVB GmbH, Austria. He joined the Group as CFO in November 2012. He also acted as CFO of AFP Group GmbH and Aluflexpack Novi d.o.o. until 31 December 2021 and continues to act as a member of the Board of Arimpeks Alüminyum San. İç ve Dış. As of 1 January 2022, Mr. Steurer has been elected as the new CEO of Aluflexpack Group. In addition, as of 1 January 2022 he is serving as the CEO of Aluflexpack Novi d.o.o. and AFP Group GmbH, as well as president of the Board of Directors of Process Point Service AG, chairman of the Board of Arimpeks Alüminyum San. İç ve Dış. Tic. A.Ş and Teko Alüminyum San. A.Ş and member of the Management Board in Omial Novi.

Lukas Kothbauer

Chief Financial Officer of Aluflexpack since 2022 | Nationality: Austrian

Mr. Kothbauer studied business administration and philology in Vienna and Oslo. Mr. Kothbauer started his career working as private banking and equity research analyst at Kepler Cheuvreux in Vienna. Before joining the Management Board of Aluflexpack AG as CFO on 1 January 2022, Mr. Kothbauer served as the Head of Aluflexpack's Investor Relations and M&A department from 2018 to 2021. Since 1 January 2022, Mr. Kothbauer is also acting as CFO of AFP Group GmbH and Aluflexpack Novi d.o.o. In addition, he is acting as a member of the Board of Arimpeks Alüminyum San. İç ve Dış. Tic. A.Ş. and Teko Alüminyum San. A.Ş.

Number of permissible activities

Pursuant to Article 34 of the Articles of Association, no member of the Management Board shall accept more than three additional mandates in entities with commercial objectives, of which no more than one in a listed company. The following do not fall under these restrictions:

- mandates in companies that are controlled by or that control the Company; and
- mandates in companies, that are accepted by order of the Company.

A mandate is a membership in the board of directors, the management board and the board of advisors or a comparable position under foreign law in entities with a commercial objective. Mandates in different legal entities under the same control or beneficial ownership are considered to be one mandate.

As of 31 December 2023, no member of the Management Board exceeded the limits set for functions outside Aluflexpack as set forth in Article 34 of the Article of Association.

Other items

There are no management contracts with external individuals or companies to perform management tasks for Aluflexpack.

Gender guidelines are presented in compensation report, page 127.

Compensation, shareholding and loans

The content and process for determining compensation and equity participation programs as well as information on the compensation, shareholdings and loans of the Board of Directors and the Management Board can be found in the Compensation Report on page 96 which is an integral part of the Annual Report.

Shareholders' participation rights

Each share registered in the shareholders' register of the Company carries one vote in General Meetings. The shares rank pari passu in all respects with each other. The voting rights may be exercised only after a shareholder has been registered in the Company's share register as a shareholder with voting rights (see below section 6 of this report under "Entries in the Share Register"). According to Article 5 of the Articles of Association, entry in the Company's Share Register as shareholder with voting rights requires the approval of the Board of Directors, which may delegate this competence. Approval shall be granted if the acquirer communicates name, nationality, and address on a form provided by the Company and declares that he/she has acquired the shares in his/her own name and for his/her own account. For nominee registrations see above section 3 of this report under "Limitation in transferability and nominee registration".

Independent proxy

Shareholders may personally participate in the General Meeting and cast their vote(s), or be represented by an independent proxy, its legal representative or another representative who need not be a shareholder based on a written power of attorney. The independent proxy is obliged to exercise the voting rights that are delegated to him/her by shareholders according to their instructions. Should he/she have received no instructions, he/she shall abstain from voting. The Board of Directors shall determine the requirements regarding the participation and representation in the General Meeting and regarding proxies and voting instructions. The General Meeting elects the independent proxy. Their term of office ends at the latest on conclusion of the next Annual General Meeting. Re-election is possible. If the Company does not have an independent proxy elected by the General Meeting, the Board of Directors shall appoint one for the next Annual General Meeting. In 2023's Annual General Meeting, the law firm Anwaltskanzlei Keller AG (previously Anwaltskanzlei Keller KLG) served as independent proxy. Anwaltskanzlei Keller AG was reelected to serve as independent proxy for 2024's Annual General Meeting.

Quorums requirements

The General Meeting shall be quorate regardless of the number of shares represented. It passes resolutions and carries out elections by simple majority of the votes cast, unless otherwise required by law or the Articles of Association. Abstentions and invalid votes shall not be counted as votes cast. The provisions of the law that require a different majority shall remain unaffected. If the numbers of votes for and against a motion are equal, the motion shall be deemed to have been rejected.

By law, the following actions require the approval of the shareholders holding at least two-thirds of the votes represented at such General Meeting and the absolute majority of the nominal share value represented at such General Meeting (in addition to any decisions on mergers, demergers and conversions for which the quorum is provided by provisions of the Swiss Mergers Act):

- the change of the Company's purpose;
- a capital increase from equity capital, in return for contributions in kind or by offset with a claim and the granting of special privileges,
- the restriction or cancellation of the subscription right;
- the introduction of contingent capital or the introduction of a capital band;
- the conversion of participation certificates into shares;
- any restriction on the transferability of registered shares;
- the introduction of shares with preferential right to vote;
- any change in the currency of the share capital;
- the introduction of a casting vote for the person chairing the General Meeting;
- a provision in the Articles of Association on holding the General Meeting abroad;
- the delisting of the equity securities of the Company;
- the relocation of the registered office of the Company;
- the introduction of an arbitration clause in the Articles of Association; and
- the dissolution of the Company.

General Meeting

The General Meetings are held as follows: The Annual General Meeting shall take place each year within six months of the end of the financial year. An EGM shall be held if necessary.

The General Meeting is convened by the Board of Directors and, if necessary, by the auditor. Liquidators and the representatives of bondholders also have the right to convene meetings. Shareholders may insist that a General Meeting be convened provided they together hold at least participation of 5% of the share capital or votes. Requests to convene a meeting must be made in writing. The agenda items and motions must be included in the request.

Shareholders may insist that items be added to the agenda if they together hold at least a participation of 0.5% of the share capital or votes. Subject to the same conditions, shareholders may insist that motions on agenda items be included in the convocation of the General Meeting. Unless otherwise determined by the Board of Directors, the Company must receive such request at least 45 days prior to the General Meeting in writing indicating the items to be added to the agenda and the motion or the motions.

The notice of the convocation of a General Meeting is to be made by way of a single notice pursuant to Article 40 para. 2 of the Articles of Association. The content of the notice is determined by law.

The annual report and the audit reports must be made available to shareholders at least 20 days before the General Meeting. If the documents are not accessible electronically, each shareholder may insist that they be sent to them in good time.

The Board of Directors determines the venue for the General Meeting which may be in Switzerland or abroad. The Board of Directors may arrange for shareholders who are not present at the venue of the General Meeting to be able to exercise their rights electronically. A General Meeting may be held electronically without a venue. The Board of Directors shall regulate the use of electronic media as permitted by law.

Entries in the share register

According to Article 4 of the Articles of Association, the Company keeps a Share Register recording the owners and usufructuaries along with their names and addresses. It must keep this in such a way that it can be accessed at any time in Switzerland.

Owners and usufructuaries may apply for entry in the Share Register electronically. Entry in the Share Register requires documentary proof that the share was acquired for ownership or of the reasons for the usufruct thereof. The person entered in the Share Register is deemed to be the shareholder or the usufructuary in relation to the Company. For limitations on transferability and the registration of nominees see section 3 above of this report under “Limitation in transferability and nominee registration”.

Neither the law nor the Articles of Association set a deadline for entry in the share register. However, for practical reasons, the share register will be closed to entries several days before a General Meeting. With regard to the Annual General Meeting 2024 concerning the financial year 2023, shareholders who have been entered into the share register by 14 May 2024, may exercise their right to vote at the Annual General Meeting on 22 May 2024.

Changes of control and defence measures

The Articles of Association do not contain any “opting out” or “opting up” provision. Therefore, the statutory obligation to publish a tender offer of any shareholder or group of shareholders holding 33.33% of the outstanding share capital applies. Members of the Board of Directors and the Management Board are not entitled to any severance packages or termination payments or change-of-control payments under their agreements.

Auditors

The external statutory auditor is appointed by the Annual General Meeting for a period of one year. The current auditor of the Company is KPMG, Bogenstrasse 7, CH-9000 St. Gallen. KPMG has audited the financial statements of Aluflexpack since its foundation on 31 July 2018. KPMG AG has also audited financial statements of the legal predecessor AFP Group GmbH since 2013. The lead auditor is rotated every seven years in accordance with Swiss law. The current lead auditor, Daniel Haas, was first appointed in 2018. The main Group Companies are also audited by KPMG. At the Annual General Meeting 2024, KPMG AG will be recommended for reelection as Auditor.

The table below summarizes the fees paid to the auditor of the Company in 2023:

in €k	Statutory auditors	Other auditors
Auditing services, total	453	19
Additional services, total	70	4
o/w tax consulting	70	4
o/w other advisory services	0	0

Informational instruments pertaining to the auditor

The auditor informs the Audit and Compliance Committee upon invitation to the Committee's meeting about relevant auditing activities and other important facts and figures related to the Company. In 2023, representatives of the auditor participated in one Committee meeting. The auditor has access to the minutes of the meetings of the Board of Directors. The Audit and Compliance Committee annually assesses the performance and compensation of the auditor with regard to professional qualifications, independence, expertise, sector specific risk awareness, open communication and engagement of sufficient resources. The Audit and Compliance Committee recommends to the Board of Directors proposals for the General Meeting regarding the election or dismissal of the auditor. Prior to the audit, the auditor agrees with the Audit and Compliance Committee on the proposed audit scope, approach, staffing and fees of the audit.

Information policy

Aluflexpack is committed to communicating in a timely and transparent way to existing shareholders, potential investors, financial analysts, customers as well as all other stakeholders. The Group commits to comply with its obligations under the rules of SIX Swiss Exchange, including the requirements on the dissemination of material and price-sensitive information. Moreover, the Company publishes an annual report that provides audited consolidated financial statements and information about Aluflexpack including business results, important key performance indicators, strategy and material developments, corporate governance and executive compensation. Pursuant to listing rules of SIX Swiss Exchange, the annual report is published within four months after the 31 December balance sheet date. The results included are also summarized in the form of a press release. In the first two months following the balance sheet date, Aluflexpack communicates preliminary unaudited sales figures for the preceding year. Aluflexpack releases results for the first half of each year within three months after the 30 June balance sheet date, accompanied by a press release containing the most important results. In addition, Aluflexpack publishes sales statements in the form of a press release within two months following the first three (Q1 sales statement) and the first nine months (Q3 sales statement) of its financial year.

The published annual and half-year interim consolidated financial statements comply with the requirements of Swiss company law, the listing rules of SIX Swiss Exchange and International Financial Reporting Standards. The figures in the HY interim report, the preliminary sales figures as well as the Q1 and Q3 sales statements are not audited. At the day of publication of the full year and half-year results, an analyst conference call is organized. Investors may contact the Company for dial-in details prior to the call. An overview of published annual reports, interim reports and related presentations can be found at https://www.aluflexpack.com/investors-financial-publications /. Interested parties can register for Aluflexpack's distribution list in order to directly receive information at the time of any potential price-sensitive event (ad-hoc announcements) under https://www.aluflexpack.com/investors-contacts/.

Aluflexpack publishes separately a sustainability report which reports on environmental matters, social matters, employee matters, human rights and anti-corruptions measures, among others. The latest report can be found on Aluflexpack's website: https://www.aluflexpack.com/newsmedia-mediaanddownloads/

According to the Articles of Association, the Company's official medium of publications is the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt). The Board of Directors may designate further means for official publications. Notices and communications to shareholders are validly made by means of one-off release of the Company in the Swiss Official Gazette of Commerce and may instead or in addition be made in writing or email to the addresses of the shareholders recorded in the Share Register as decided by the Board of Directors.

The financial calendar of Aluflexpack in the year 2024 is outlined below:

Date	Announcement
15 Feb 2024	FY 2023 Preliminary Sales Statement
28 Mar 2024	Publication of results FY 2023
03 May 2024	Q1 Sales Statement
22 May 2024	Annual General Meeting
21 Aug 2024	Half year results: January to June 2024
05 Nov 2024	Q3 Sales Statement

Blackout and quiet periods

Aluflexpack requires all employees and corporate representatives to abide by its Blackout Period Policy. During Aluflexpack's Blackout Period, employees of Aluflexpack and its Group Companies as well as all corporate representatives are prohibited from trading the stock of the Company. This includes buying or selling shares or any derivative instruments based on the shares as well as executing any granted options.

The first (regular) Blackout Period commences on 31 December of each year and ends with the public release of Aluflexpack's annual report on the companies' webpage. Another (regular) Blackout Period commences on 30 June of each year and ends with the public release of Aluflexpack's half-year report on the companies' webpage. For members of the Management Board, the Board of Directors and members of the accounting team, the above-mentioned Blackout Periods commence two weeks earlier on 17 June and 18 December. The Board of Directors and the Management Board of Aluflexpack may announce further Blackout Periods at its discretion in connection with potentially material price sensitive information. Before the beginning of each Blackout Period, all employees of Aluflexpack are informed about their obligation to adhere to the policy. Moreover, plant managers and department heads are required to communicate the policies' implementation to each new employee who joins Aluflexpack.

No employees of Aluflexpack are exempt from the Blackout periods.

In addition, in order to ensure equal treatment of all market participants and to avoid selectively disclosing material non-public information, Aluflexpack has implemented a Quiet Period Policy. The Quiet Period lasts from 31 December of each year until the date of publication of the annual report and from 30 June of each year to the publication of the half year report.

Company representatives who are required to adhere to the Quiet Period Policy are all members of the Management Board, the Board of Directors, the Investor Relations Department, the Public Relations Department and any other representative who is in direct contact with market participants.

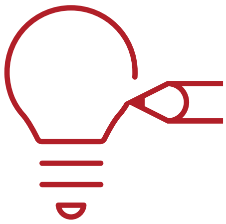
During that period, Company representatives commit to limit interaction with the public by not making any outgoing calls to existing and potential investors and refrain from making any statements about new information to the market unless governed by the rules of ad hoc publicity. The attendance of selected conferences, site visits or answering incoming calls shall not be limited by the implementation of the Quiet Period. When attending events or answering calls, no material non-public information, including any information related to financial results, may be communicated.

Further investor specific information can be obtained online (https://www.aluflexpack.com/investors/) or from the following contact address:

Akim Bogdani
M&A and Investor Relations Manager
Alte Aarauerstrasse 11, 5734 Reinach, Switzerland
+43 664 8581 138
ir@aluflexpack.com

PURCHASING

We are successfully navigating the challenges of supply chain by pursuing a forward looking purchasing strategy, broadening and strengthening our relationships with suppliers and responsibly passing through increased costs.



We **CREATE:**
We use collective experience to ideate smart and relevant solutions with our partners.

Compensation

Introduction

The Compensation Report describes the compensation framework and principles of compensation of Aluflexpack AG's (Aluflexpack, Company, Group) Management Board (Management Board) and Board of Directors (Board of Directors). Moreover, it sets forth the organisation, competences and duties of Aluflexpack's Nomination and Compensation Committee (Nomination and Compensation Committee) and explains the application of the compensation framework in the year 2023. This report has been prepared in compliance with Art. 734 et seqq. CO and the disclosure requirements of the SIX Corporate Governance Directive (DCG). The Compensation Report has been audited by the statutory auditor of Aluflexpack, to the extent such disclosures refer to art. 734a to 734f of the Swiss Code of Obligation. The audit report is presented on page 131-133.

Section 1 presents a summary of compensation paid to the Board of Directors and the Management Board in 2023, of compensation governance and a comparison of the actual compensation with the one approved by the Aluflexpack's Annual General Meeting(s) (AGM). Section 2 introduces the general compensation principles at Aluflexpack. Section 3 explains the compensation policy as defined in Aluflexpack's Articles of Association.[28] It also sets out the competences of various bodies, boards and committees as regards the determination of the compensation. Section 4 describes the compensation model currently in use. Section 5 discloses the compensation paid to the members of the Management Board and Board of Directors in 2023 as well as short-term variable compensation performance measures achieved by the Management Board. In section 5, additional disclosures are made in line with regulatory requirements.

28 https://www.aluflexpack.com/investors-governance/

Compensation at a glance

Board of Directors compensation

To emphasise the independent oversight and supervision role of the Board of Directors, their compensation is entirely fixed and free of any variable components.

Annual fixed compensation	Cash (€ k / CHF k)
Chairman of the Board	**40/39**
Board Member	**20/19**
Additional compensation	**Cash (€ k / CHF k)**
Chairman of AC/NCC Committee	**8/8**
Committee member	**4/4**
Soc. security/Pen. contributions	**0/0** (*)

Note(s): (*) Except one member of the Board of Directors who received CHF 3k in 2023.

Members of the Board of Directors do not receive attendance fees.

The compensation received by members of the Board of Directors in 2023 was CHF 151k, which is within the maximum amount of compensation approved by the Annual General Meeting 2023.

Compensation period	Approved by AGM (€ k / CHF k)	Actual compensation (€ k / CHF k)
AGM 2023	**200/194**	**156/151**
AGM 2022	**190/191**	**156/157**

Management Board compensation

The compensation of the Management Board comprises both a fixed compensation and a variable compensation. The variable compensation includes a short-term and a long-term variable compensation, vesting at the end of a performance period of 4 years.[29]

Management Board (MB)	Fixed salary (€ k / CHF k)	Short-term incentive (€ k / CHF k)	Long-term incentive (€ k / CHF k)	Other contributions (€ k / CHF k)	Total compensation (€k / CHF k)
Total MB	**675/656**	**183/178**	**187/181**	**61/60**	**1,106/1,075**
CEO	**420/408**	**117/113**	**117/113**	**38/38**	**691/672**

Note(s): Other contributions include social security, pension contributions, company car and insurance.

35% of the short-term variable compensation is dependent on the achievement of the quantitative target EBITDA before special effects in absolute terms and further 35% on the achievement of the quantitative target EBITDA margin before special effects, and 30% on the achievement of qualitative targets.[30]

The long-term variable compensation consists of a grant of Performance Share Units (PSUs) in yearly tranches each with a performance period of 4 years. ROCE has a weight of 40%, Total Shareholder Return (TSR) relative to Swiss Performance Index (SPI) has a weight of 40% and ESG targets have a weight of 20%.[31]

The compensation awarded in 2023 for the Members of the Management Board amounted to CHF 1,075k, which is within the maximum amount approved by the Annual General Meeting in 2023.

Compensation period	Approved by AGM (€ k / CHF k)	Actual compensation (€ k / CHF k)
AGM 2023	**1,750/1,701**	**1,106/1,075**
AGM 2022	**1,530/1,537**	**1,073/1,078**

Governance

- The Articles of Association govern the authority for making decisions regarding compensation.
- The maximum total compensation for both the Board of Directors and the Management Board is subject to binding votes by the AGM.
- The Compensation Report is subject to an advisory vote by the AGM if variable compensation is voted on prospectively.
- The Nomination and Compensation Committee supports the Board of Directors in preparing and implementing necessary decision-making processes and resolutions, as well as fulfilling supervisory duties as per Article 26 of the Articles of Association.

29 For further information on the vesting see section "Settlement of the Long-Term Incentive".

30 For a definition of EBITDA before special effects, please refer to page 58.

31 For a definition of ROCE, please refer to page 58.

Compensation Principles

Aluflexpack's compensation policy, including that for the Management Board, aims to reward employees for their contribution to the company's success and align shareholder and employee interests sustainably. Additionally, the policy is designed to motivate employees, retain talent, and promote entrepreneurial thinking. This is achieved through a balanced combination of base salary, short-term incentives, and long-term incentives, guided by the following principles:

Reward Performance
The short-term variable compensation for members of the Management Board rewards the collective performance of the Company as well as the individual contribution.

Reward Value Creation
Members of the Management Board are shareholders and/or participate in a long-term Performance Share Plan. This encourages a long-term view and aligns interests with shareholders.

Aluflexpack's compensation principles

Retain talent
Compensation levels are designed to attract, retain and develop the best talent.

Transparency
All of Aluflexpack's compensation programmes are aimed to be transparent and fair. The framework is also set forth in Articles 29-35 in the Articles of Association.

Compensation Policy

This section explains the general compensation policy for members of the Board of Directors and of the Management Board based on the Articles of Association. Additionally, it sets out the competences of each governing body of Aluflexpack.

Overview of the compensation framework for members of the Board of Directors and the Management Board

The maximum total amount of compensation for the Board of Directors and the Management Board is approved annually by the General Meeting, as provided for in Article 15 of the Articles of Association.

	Board of Directors	Management Board
Fixed compensation	Fixed fee awarded in cash and/or in shares	Base salary on the basis of individual classification (function, experience, skills).
Variable compensation	None	Short term: target level of the compensation in % of base salary, depending on achievement of quantitative and qualitative targets for one year; the actual amount may be between 0 and 200% of the target level. Long term: share based compensation, target level of the compensation in % of base salary, depending on achievement of strategic targets over multiple years; the actual amount may be between 0 and a multiple of the target level.
Other	None	Company car, accident insurance

Compensation framework and approach for members of the Board of Directors

Pursuant to Article 29 of the Articles of Association, the members of the Board of Directors receive a fixed fee for membership on the Board, which may be awarded in cash and/or in the form of shares. To underline the Board of Director's role of independent oversight and supervision, the entire compensation is fixed and does not contain any variable component. The maximum total amount of compensation has to be within the limits of the maximum total amounts approved by the Annual General Meeting. The Board of Directors sets the amount of compensation for each member on a yearly basis and at its own discretion with reservation to and in the scope of the approved maximum amount. No specific criteria are applied in determining the compensation. According to Article 29 of the Articles of Association, the compensation may include other compensation elements and benefits. Members of the Board of Directors do not receive attendance fees. According to Article 29 of the Articles of Association members of the Board of Directors shall also be reimbursed for their disbursements and expenses such as travel costs, which shall not count as compensation.

The term of office of members of the Board of Directors commences at Aluflexpack's General Meeting and ends at the latest on conclusion of the next Annual General Meeting. Re-election, also repeatedly, is possible under the Articles of Association. Further information on the framework as well as the vote on compensation can be found in Article 15 and 29 of Aluflexpack's Articles of Association.

Compensation framework and approach for members of the Management Board

Pursuant to Article 30 of the Articles of Association, the compensation of members of the Management Board of Aluflexpack may comprise fixed and a variable components. The fixed component consists of a base salary and may include other compensation elements and benefits. The fixed amount is determined on a discretionary basis based on individual classification and takes into account function, experience and skills. The variable component may include both short and long-term variable compensation. The target level of the short-term and long-term variable compensation is determined as a percentage of the base salary. The payout for the short-term variable compensation (Bonus) is capped at 200% of the target level. The payout for the long-term variable compensation may be a multiple of the target level. The compensation of the members of the Management Board may take the form of cash, shares, options, equivalent instruments or units, or other benefits.

The compensation of members of the Management Board is subject to the limits of the maximum total amounts of compensation approved by the General Meeting for the business year during which the Board of Directors requests approval. The Company may pay a compensation before the approval of the General Meeting within the framework of the maximum total or partial amount and subject to the subsequent approval by the Annual General Meeting.

All components shall be assessed and reviewed on a yearly basis by the Nomination and Compensation Committee. If changes are deemed necessary, they are proposed to the Board of Directors. Members of the Management Board are not allowed to attend meetings in which the amount of compensation is determined. Further information on the framework as well as the vote on compensation can be found in Article 15 and 30 et seqq. of the Articles of Association.

Aluflexpack and companies controlled by it are authorized to pay an additional amount to new members who are appointed to the Management Board subsequent to the grant of approval by the General Meeting if the compensation already approved is not sufficient for their compensation. Further information on such additional compensation is given in Article 31 of the Articles of Association.

Nomination and Compensation Committee

The Nomination and Compensation Committee is a permanent committee formally implemented by the Board of Directors. The Nomination and Compensation Committee assists the Board of Directors in determining and reviewing the Company`s compensation strategy and guidelines and the quantitative and qualitative targets for compensation, and with the preparation of the motions to the General Meeting concerning compensation of the Board of Directors and the Management Board. It may submit suggestions and recommendations on further compensation matters to the Board of Directors. The Board of Directors may assign additional duties to the Nomination and Compensation Committee (Article 733 CO and Article 26 of the Articles of Association). For the organisation, competences and duties of the Nomination and Compensation Committee see page 79-81 of Aluflexpack's Corporate Governance Report, which is an integral part of the Annual Report.

The Nomination and Compensation Committee comprises at least two members of the Board of Directors. The members should be independent. Non-executive members of the Board of Directors are deemed to be independent if they have never been a member of the Management Board or have been a member of the Management Board more than three years ago and have no or only relatively minor business relations with the Company (Article 26 of the Articles of Association).

The General Meeting elects the members of the Nomination and Compensation Committee individually. The members of the Nomination and Compensation Committee are elected by the General Meeting until the end of the next ordinary Annual General Meeting. Only members of the Board of Directors may be elected. The term of office ends on conclusion of the next Annual General Meeting (Article 26 of the Articles of Association). Re-election is possible. The Board of Directors appoints the chairperson of the Nomination and Compensation Committee among the members of the Nomination and Compensation Committee. As of 31 December 2023, the Nomination and Compensation Committee consisted of Christian Hosp (Chairman), Martin Ohneberg (Member) and Bernd Winter (Member).

The Nomination and Compensation Committee meets at the invitation of the chairperson of the Nomination and Compensation Committee as frequently as business requires, but at least once annually. In 2023, the Nomination and Compensation Committee met three times. All members were present at all meetings. The Nomination and Compensation Committee takes minutes on the discussion and resolutions of all meetings. Members of the Board of Directors may demand from the chairperson of the Nomination and Compensation Committee to inspect the minutes at any time insofar as no conflict of interest exists. The Nomination and Compensation Committee may submit to the Board of Directors the recommendations it deems appropriate in all areas within its area of responsibility for which measures or improvements are necessary. In 2023, the Nomination and Compensation Committee reported its findings to the Board of Directors on three occasions.

Overview of competences

The table below summarizes the competences of the various bodies, boards and committees as regards to the determination of the compensation. "D" refers to competence on final decision, "P" refers to preparation of the decision, and "E" refers to execution of the final decision.[32]

Subject Matter	General Meeting	Board of Directors	Nomination and Compensation Committee	CEO
Maximum Compensation of the Board of Directors	D	E	P	
Maximum compensation of the Management Board	D	E	P	
Compensation of the individual members of the Board of Directors		D E	P	
Compensation of the individiual members of the Management Board		D E	P	
Resolutions on, additions or changes to granting of share-based performance incentives		D E	P	
Authorisation of barganing rounds, social plans or pension plan outside of the Boards		D		P E
Advisory vote on Compensation Report*	D	E	P	

* Note: Compensation report is subject to such advisory vote only if variable compensation is voted prospectively.

D Comepetence on final decision
P Preparation of the decision
E Excecution of the final decision

32 General terms and procedures explaining how the determination of the compensation is carried out, including information about the involvement of external advisors are disclosed in the Corporate Governance Report.

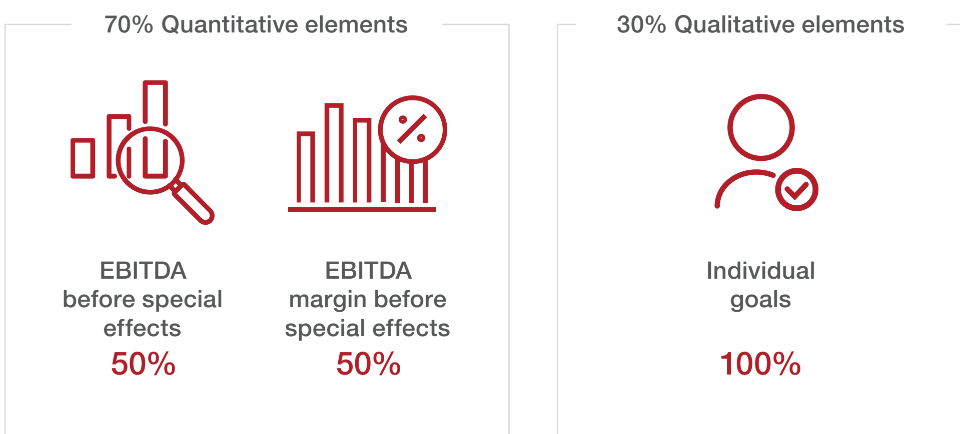
Compensation Model

Short-term variable compensation - approach in 2023

The actual amount of short-term variable compensation for members of the Management Board depends on the achievement of targets set by the Board of Directors for the one-year performance period (calendar year). The Board of Directors sets the amount of the individual short-term variable compensation for 100% target achievement (Target Bonus), as well as a minimum and a maximum threshold for the payout separately for each member of the Management Board. Performance measures are determined and reviewed on an annual basis. At the end of the one-year performance period, the degree of achievement of the key performance indicators (KPIs), which may lie between zero and a maximum of 150%, shall be determined by the Board of Directors by comparing the achievements with the audited annual financial statements.

For all members of the Management Board, 70% of the short-term variable compensation is dependent on the achievement of quantitative targets and 30% on the achievement of qualitative targets. The quantitative targets for the short-term variable compensation are focused on the following two KPIs: 1) achievement of a target level of EBITDA before special effects in absolute terms. 2) achievement of a target EBITDA margin before special effects.

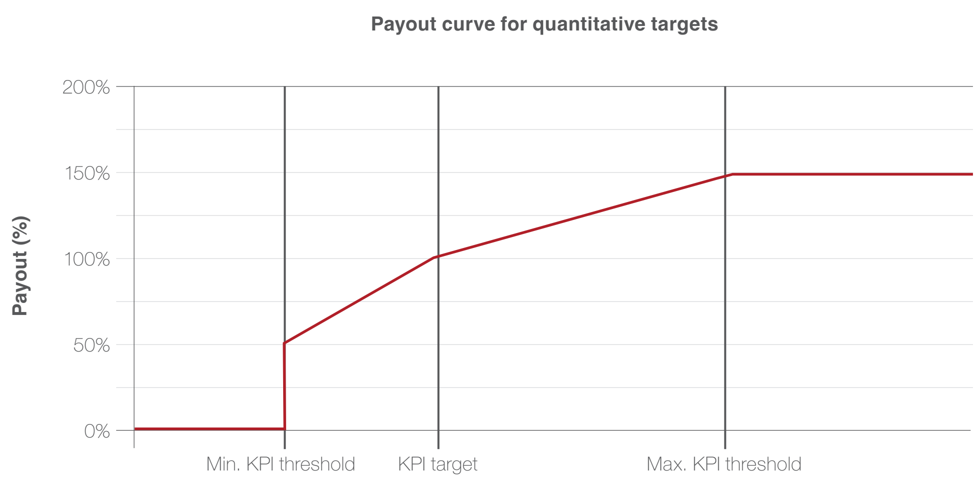
100% short-term performance-based variable compensation 2023 ("bonus")



A payout curve is defined for quantitative targets according to the following principles:

- A minimum threshold of performance above which the payout curve is triggered (50%). Below such threshold, the payout is equal to zero.
- A target that is reached when the target level of performance is achieved (100%).
- A maximum that triggers the highest payout and above which no additional payout is awarded (150%).
- The effective payout between the lowest expected and the highest expected performance are calculated by means of linear interpolation.

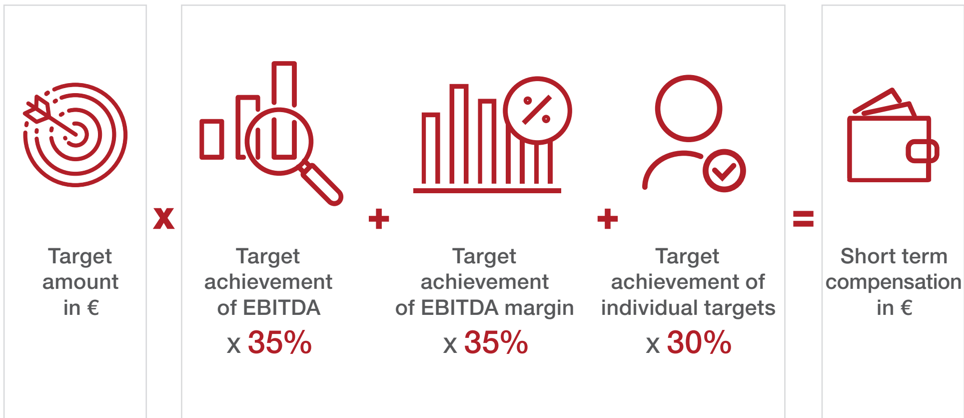
The chart below illustrates the payout curve for quantitative key performance indicators:



Before the beginning of the performance period (calendar year), the Board of Directors also defines the individual qualitative targets. These comprise short-term ESG and individual strategic targets, among others. The target achievement of the qualitative targets ranges between 0% and 150% and is determined at the discretion of the Board of Directors at the end of the year.

Settlement of the short-term variable compensation

At the end of the year, the Board of Directors evaluates independently the achievement of each quantitative and qualitative target against the pre-defined target. The payouts for each target are summed together to the overall payout for the short-term variable compensation as shown in the figure below.



Note: EBITDA and EBITDA margin before special effects.

In cases when the employment relationship of a member of the Management Board does not start at the beginning of the performance period, but during the performance period, the Target Bonus will be reduced by 1/12 for every month he/she did not work. This applies also for cases of disability that last over six months over the year when the performance period is measured as well as for other time periods during which the member of the Management Board has not worked due to other reasons.

The Bonus is allocated in cash to the members of the Management Board in the same month as the General Meeting approves the annual report.

Long-term variable compensation - approach in 2023

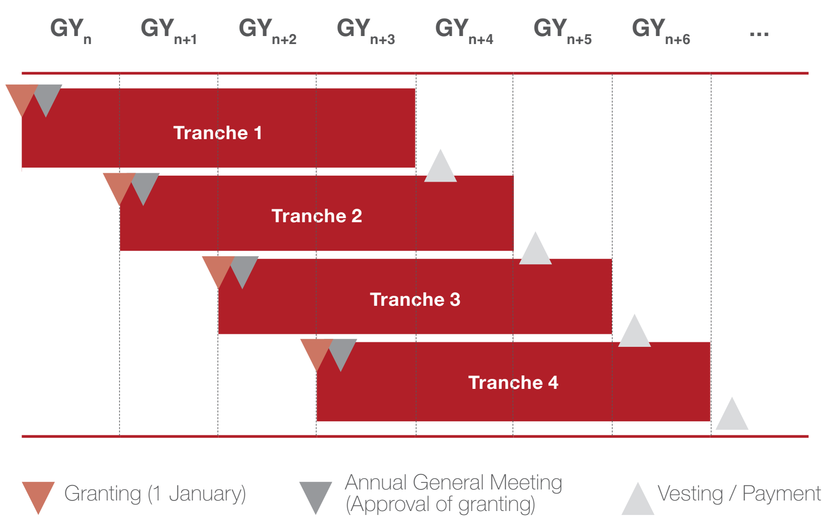
According to Article 30 of the Articles of Association, the long-term variable compensation is share-based and takes into account objective performance measures whose achievement is measured over a multi-year period.

The long-term variable compensation consists of a grant of Performance Share Units (PSUs) in yearly tranches, each with a performance period of four years. The performance period for each tranche is four years and begins on 1 January and ends on 31 December of the third year after the year in which the PSUs were granted. Since the Performance Share Plan (PSP) was introduced in 2021, the first vesting will only occur in 2025 if the members of the Management Board reach the targets set by the Board of Directors. The long-term variable compensation may be granted in yearly tranches so that several tranches run in parallel. In this way, a stronger focus is put on group's objectives since both good and bad years are influencing several tranches at the same time.

On a yearly basis, the Board of Directors sets a target amount for each tranche of the long-term variable compensation, which is transformed into PSUs. The target number of performance shares is calculated as the target amount in CHF divided by the arithmetic mean of the closing share price in the last 30 trading days preceding the beginning of the performance period. The result is rounded to the nearest integer to give a full number.

The PSUs have a restricted nature meaning that they do not entitle the holder to voting rights and dividends. In addition, they are not for sale, not pledgeable, not transferable, not assignable and not inheritable.

In the figure below, an illustration of the role out of the tranches is presented:

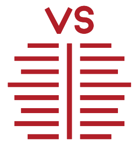


The Board of Directors has decided to measure the long-term targets of the Group through three measures: 1) Return on Capital employed (ROCE) as per the Group's definition; 2) ESG Targets; and 3) Relative Total Shareholder Return (TSR). The weight of each key performance indicator is shown below.

100% long-term performance-based variable compensation 2023 (“bonus”)

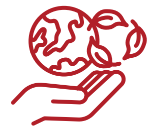
ROCE

40%



Relative TSR

40%



ESG Goals

20%

ROCE[33]

For the determination of the achievement of ROCE, the result of the fourth year of the performance period will be considered. Specifically, the audited result that will be published in the annual report of the last year of the performance period will be used for the calculation. At the beginning of the performance period for each tranche, the Board of Directors defines the targets for ROCE at its own discretion.

ESG targets

The ESG targets are derived from the sustainability reporting of the Group. The Board of Directors takes specific targets from the sustainability management and weights them according to its own discretion at the beginning of the performance period for each tranche. The achievement of the ESG targets will be determined at the end of the fourth year of the performance period of each tranche.

Payout curve for ROCE and ESG targets

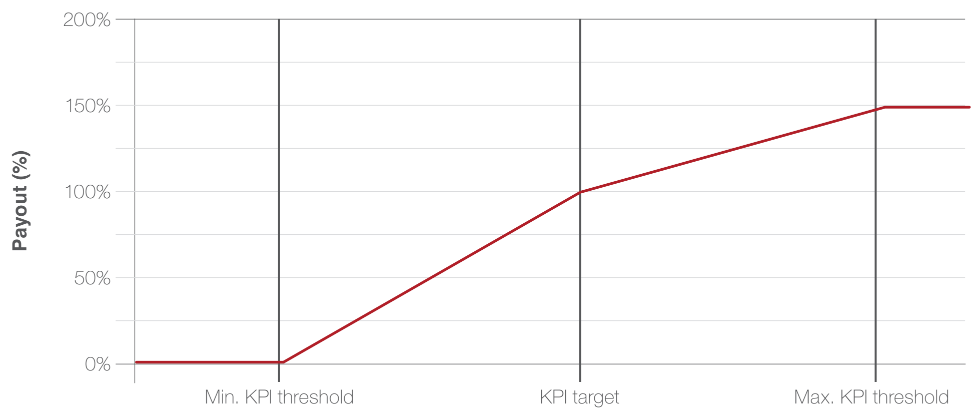
The payout curve for ROCE and ESG targets for the members of the Management Board follows a pattern similar to the payout curve for the achievement of quantitative targets for the short-term variable compensation:

- It includes a threshold above which the payout curve is triggered. Below such threshold (0% target achievement), the payout is equal to zero. Contrary to the payout curve for the short-term variable compensation, which foresees a 50% minimum target achievement in case of quantitative targets, there is no threshold for the target achievement above which the payout is triggered besides the 0% threshold.

33 For a definition of ROCE see page 58.

- In addition, a target is defined for 100% target achievement as well as a maximum that triggers the highest payout and above which no additional payout is awarded (150%).
- The Board of Directors defines the lowest and the highest payout triggered by the maximum performance. The payout between the minimum and the target as well as the payout between the target and the maximum is calculated by linear interpolation. The chart below illustrates the payout curve.

Payout curve for ROCE and ESG goals



Relative TSR

TSR is defined as development of the share price plus the fictitious reinvested gross dividends during the four-year performance period and calculated based on data provided by trusted data providers such as Bloomberg or Thomson Reuters.

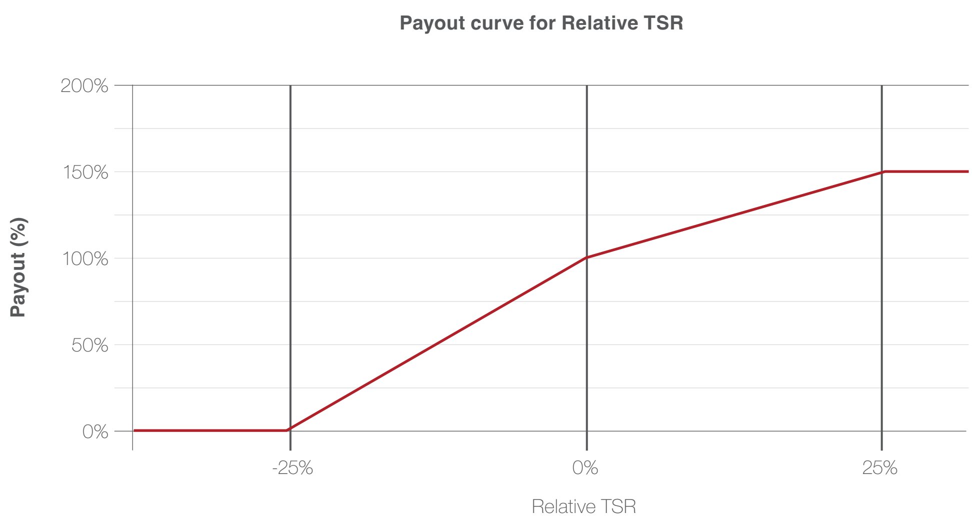
Calculation of relative TSR involves a two-step procedure.

1. Aluflexpack's TSR is defined as the difference between Aluflexpack's average share price in the last 30 trading days of the performance period and Aluflexpack's average share price in the last 30 trading days before the beginning of the performance period and the result divided by the later value. The same calculation method is employed for the Swiss Performance Index (SPI) TSR.
2. The difference between Aluflexpack's TSR and SPI's TSR is defined as the relative TSR.

Payout curve for relative TSR

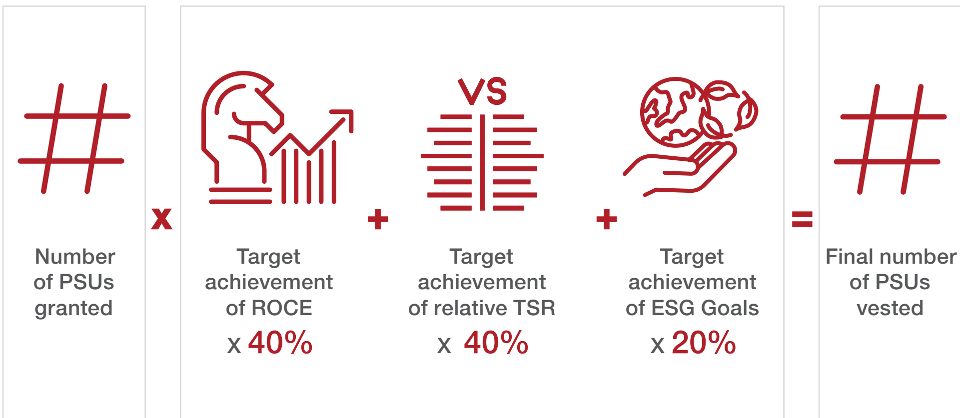
The payout curve for the relative TSR follows the following principles:

- A minimum threshold above which the payout curve is triggered. Below such threshold, the payout is equal to zero. Aluflexpack defines an underperformance of 25% relative to the SPI index as a threshold for triggering the payout.
- A target is defined as having an equal performance as the SPI index (0%).
- A maximum threshold that triggers the highest payout and above which no additional payout is awarded. The Group defines an outperformance of 25% relative to the SPI index as a threshold for the highest payout.
- The payout between the minimum and the target as well as the payout between the target and the maximum is calculated by linear interpolation. The chart below illustrates the payout curve.



Settlement of the long-term variable compensation

The total final number of the performance shares to be allocated to members of the Management Board is calculated by the following formula, taking into account the achievement of the members of the Management Board in the three targets outlined above. The result is rounded to the nearest integer to yield a concrete number of shares awarded:



The General Meeting approves the maximum total amount of compensation for the Management Board and performance shares may only be granted to the members of the Management Board within the maximum total amount of compensation as approved by the General Meeting. The PSUs are granted at the end of the month in which the General Meeting approves the annual report. The performance shares will be settled in shares in Aluflexpack. At the discretion of the Board of Directors, part of the final number of the performance shares may be paid out in cash instead of shares in Aluflexpack.

In case the employment contract with a member of the Management Board ends during the four-year performance period, the payout of the long-term variable compensation is made on a pro rata basis, except for cases of death, disability, termination of the contract for cause or dismissal of the member of the Management Board for a cause which would have justified an extraordinary termination of the contract and in such cases, depending on the cause, different rules apply.

In case of extraordinary circumstances or developments that lead to a lower or higher payout (e.g. regulatory changes in accounting methods), which would not have been achieved without such extraordinary circumstance or development, the Board of Directors has the right, at its own discretion, to increase and decrease the payout. This applies also for cases of capital increases with subscription-rights, spin-offs, reverse splits, scrip dividends or (reverse) splits.

Malus and clawback policy

A malus and clawback policy applies to any short-term and long-term variable compensation granted to the members of the Management Board. Under this policy, the Board of Directors may decide to (i) forfeit in part or in full any compensation granted, but not yet paid, (malus provision) and/or (ii) obtain reimbursement of the gross amount of the compensation granted, but not yet paid, (clawback), in each case for the year during which one of the following instances of a severe breach of duty took place:

i) violation of essential obligations under the employment contract;

ii) grossly improper or immoral behavior;

iii) violation of duty of care under the employment contract.

In any case, the members of the Management Board have to reimburse any short-term and long-term variable compensation granted to them if the calculation of the amount of such compensation was based on incorrect audited consolidated financial statements which had to be restated according to the applicable accounting rules and the amount of such compensation based on the restated audited consolidated financial statements would have been lower than the compensation paid. The amount to be reimbursed corresponds to the difference between the gross amount of the compensation paid and the gross amount of the compensation due based on the restated audited consolidated financial statements.

The Board of Directors is responsible to determine the severity of the violation, the degree of fault and the material and immaterial damage caused to the Company at its own discretion.

Compensation mix

The charts below show the compensation mix for the CEO and for the members of the Management Board on average under three scenarios in 2023: at minimum (both short-term and long-term variable compensation at zero payout), at target (both short-term and long-term variable compensation at 100% payout) and at maximum (both short-term and long-term variable compensation at 150% payout).

Figure 1. Remuneration mix for the CEO in three cases (%)

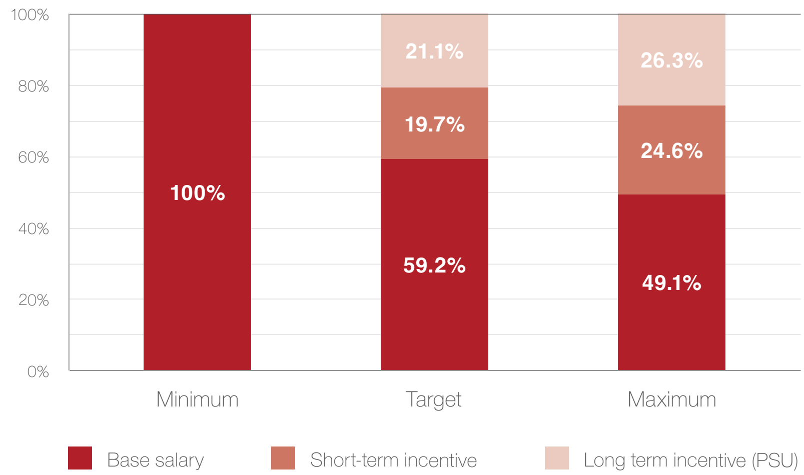
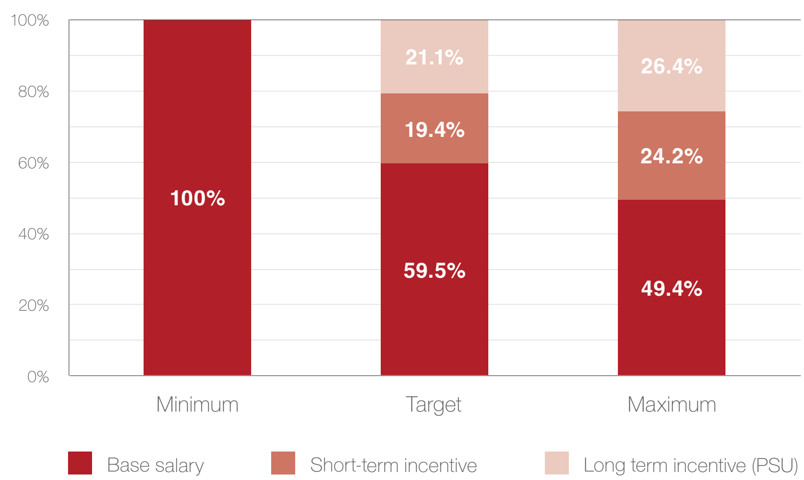


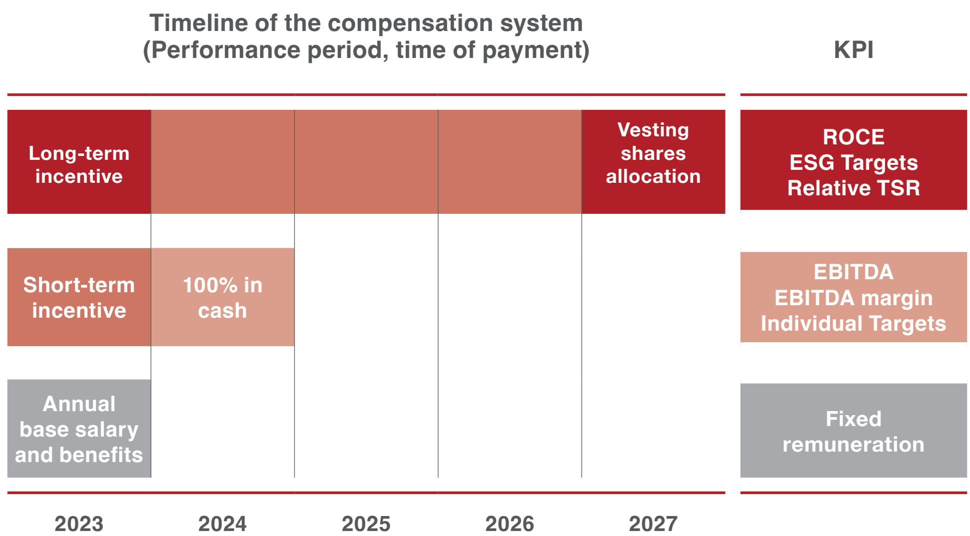
Figure 2. Compensation mix for the members of the Management Board on average in three scenarios (%)



Timeline of Compensation

The chart below illustrates the timeline of payment for each compensation element that was awarded in 2023 and that might be awarded based on the third tranche of the PSP:[34]

- The annual base salary and benefits are paid during 2023.
- The short-term variable compensation is paid in 2024, after the Annual General Meeting approves the annual financial statement.
- The third tranche of PSUs granted under the PSP will be paid subject to achievement of the targets and continuation of employment, pursuant to the information provided on page 111, in 2027.



Note: EBITDA and EBITDA margin before special effects

Share Ownership Guidelines (SOG)

According to the Share Ownership Guidelines introduced by the Board of Directors in 2021, the members of the Management Board are required to own 100% of their annual base salary in shares in Aluflexpack. Contributions need to be made annually during a build-up phase until such SOG-target is reached. The build-up phase begins with the first payout of performance shares, where the amount of shares in Aluflexpack is blocked until the members of the Management Board meet the requirements of the SOG-target. The number of shares in Aluflexpack that members of the Management Board are required to hold increases with each payout

34 The first tranche commenced on 1 January 2021 and will vest in 2025 if the members of the Management Board reach the targets set by the Board of Directors.

until the SOG-target is met. The number of shares required to be held by members of the Management Board at the end of a business year is calculated as the base salary divided by the arithmetic mean of the closing share price of all trading days of December before the first payout of performance shares.

The SOG-target is adjusted in cases when the base salary changes. In the case of a salary increase, members of the Management Board have to purchase the additional number of shares in Aluflexpack needed to fulfill the SOG-target within a year after the change in salary occurred.

To achieve the fulfilment of the SOG-target, members of the Management Board may use existing shares in Aluflexpack or purchase additional shares in Aluflexpack in line with the existing insider trading rules. Shareholdings of members of the Management Board and the Board of Directors as of 31 December 2023 are disclosed in pages 126-127.

Employment contracts and mandate agreements

The Company or companies controlled by it may conclude contracts with members of the Board of Directors regarding their compensation. The term of such contract may not exceed their term of office (Article 35 of the Articles of Association). Aluflexpack entered into mandate agreements with all members of the Board of Directors. The term of such agreements does not exceed the term of office of the members of the Board of Directors.

The Company or companies controlled by it may conclude open-ended or fixed-term employment agreements with members of the Management Board. The term of fixed-term contracts and the notice of termination for open-ended contracts that govern the compensation of the members of the Management Board shall not exceed one year (Article 35 of the Articles of Association). The members of the Management Board have open-ended employment contracts with a notice period of six months for the CEO and the CFO.

Compensation paid in 2023

Board of Directors

The amount of compensation of the members of the Board of Directors is a fixed amount only. The President of the Board of Directors is entitled to CHF 39k while other members of the Board of Directors are entitled to a compensation of CHF 19k.[35] The chairpersons of the Audit and Compliance and Nomination and Compensation Committee each are entitled to an additional compensation of CHF 8k, whereas committee members are entitled to an additional compensation of CHF 4k.

€ k/ CHF k	Compensation entitlement in 2023
President of the Board of Directors	**40/39**
Member of the Board of Directors	**20/19**
Committee Chair	**8/8**
Other Committee Members	**4/4**

In the year 2023, the compensation awarded to the Board of Directors amounted to CHF 151k. The overall compensation paid to the Board of Directors in 2023 is the same as the compensation paid in 2022.[36] The amounts stated in the table are all gross. CHF amounts were translated using an average EUR/CHF exchange rate of 0.9718.[37]

35 The amounts disclosed in the tables below refer to rounded numbers.
36 In Euro terms.
37 The same exchange rate is used for calculations in the next subsections.

2023 (audited)	Board of Directors Membership € k / CHF k	Audit & Compliance Committee Membership € k / CHF k	Nomination & Compensation Committee € k / CHF k	Fixed compensation in cash in € k / CHF k	Social Security and pension Contributions € k / CHF k	Total € k / CHF k
M. Ohneberg	40/39 P	4/4	4/4	48/47	-	48/47
A. Bühler	20/19	-	-	20/19	-	20/19
C. Hosp	20/19	-	8/8 C	28/27	4/3	32/31
M. Vischer	20/19	4/4	-	24/23	-	24/23
B. Winter	20/19	8/8 C	4/4	32/31	-	32/31
TOTAL	**120/117**	**16/16**	**16/16**	**152/148**	**4/3**	**156/151**

Note: P indicates president and C indicates chairman

In the year 2022, the compensation awarded amounted to CHF 157k. The amounts stated in the table are all gross. CHF amounts were translated using an average EUR/ CHF exchange rate of 1.0047.

2022 (audited)	Board of Directors Membership € k / CHF k	Audit & Compliance Committee Membership € k / CHF k	Nomination & Compensation Committee € k / CHF k	Fixed compensation in cash in € k / CHF k	Social Security and pension Contributions € k / CHF k	Total € k / CHF k
M. Ohneberg	40/40 P	4/4	4/4	48/48	0	48/48
A. Bühler	20/20	-	-	20/20	0	20/20
C. Hosp	20/20	-	8/8 C	28/28	4/4	32/32
M. Vischer	20/20	4/4	-	24/24	0	24/24
B. Winter	20/20	8/8 C	4/4	32/32	0	32/32
TOTAL	**120/121**	**16/16**	**16/16**	**152/153**	**4/4**	**156/157**

Note: P indicates president and C indicates chairman

Management Board

This section discloses the compensation paid to members of the Management Board in 2022 and 2023. It is divided into four parts, which include the fixed compensation amount, the short-term variable compensation amount in cash, the total compensation and the compensation mix.

Fixed Compensation

As of 31 December 2023, the Management Board consisted of Johannes Steurer (CEO) and Lukas Kothbauer (CFO).

The table below summarizes the fixed compensation received by members of the Management Board in 2023 and excludes variable compensation elements. The amounts stated are all gross and include social security and pension contributions required by law. Besides the payments outlined below, members of the Management Board received variable compensation elements explained in the next subsections.

2023	Base compensation € k / CHF k	Social security and pension contribution € k / CHF k	Other contributions (company car, insurance) € k / CHF k	Total € k / CHF k
Total compensation: Management Board	675/656	49/47	13/13	736/716
Highest compensation: Johannes Steurer, CEO	420/408	26/25	12/12	458/446

The table below summarizes the fixed compensation received by members of the Management Board in 2022.

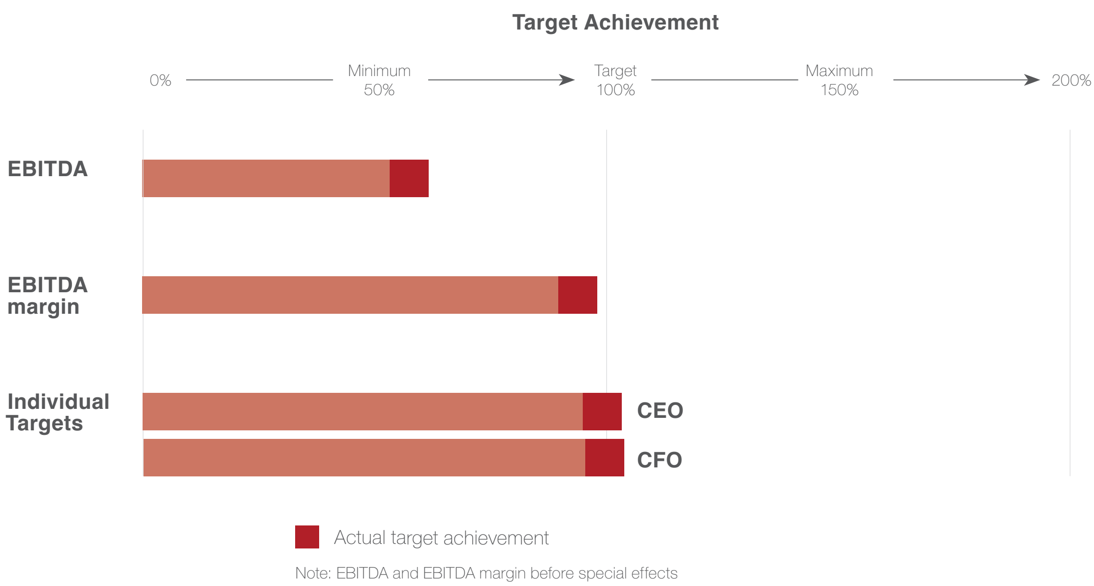
2022	Base compensation € k / CHF k	Social security and pension contribution € k / CHF k	Other contributions (company car, insurance) € k / CHF k	Total € k / CHF k
Total compensation: Management Board	663/666	45/45	13/13	721/724
Highest compensation: Johannes Steurer, CEO	413/415	24/24	12/12	449/451

Short-term variable compensation in 2023

The short-term variable compensation of the members of the Management Board depends on the achievement of quantitative and qualitative targets.

In 2023, the achievement of quantitative targets at Group level ranged between 55.5% to 96.6%, while the achievement of the qualitative targets was 100% for both members of the Management Board.

The chart below summarizes the 2023 target achievement against quantitative (EBITDA before special effects, EBITDA margin before special effects) and qualitative (individual targets) targets of the Group.



Based on the audited financial statement for 2023, the target achievement for the quantitative KPIs amounted to 55.5% in case of EBITDA, and 96.6%, in case of the EBITDA margin.[38] In both cases, the degree of target achievement entitles members of the Management Board to a compensation.

The Board of Directors decides at its own discretion the performance of the members of the Management Board with regard to qualitative targets. In 2023, the Board of Directors decided to set the target achievement for the CEO and CFO at 100%, reflecting a high level of success in reaching short-term targets seen by the Board of Directors as pivotal for Aluflexpack.

The table below presents the short-term variable compensation awarded to members of the Management Board in 2023 and its comparison with the minimum, target and maximum amounts.

38 Both EBITDA and EBITDA margin were adjusted for special effects in line with the Group's procedures outlined on page 59 of the Annual Report.

2023	Minimum € k / CHF k	Target € k / CHF k	Maximum € k / CHF k	Actual short-term variable compensation € k / CHF k
Total compensation: Management Board	-	220/214	330/321	183/178
Highest compensation: Johannes Steurer, CEO	-	140/136	210/204	117/113

In the year 2023, the short-term variable compensation was awarded in cash and amounted to CHF 113k for the CEO and CHF 178k for all members of the Management Board.

The table below presents the short-term variable compensation awarded to members of the Management Board in 2022 and its comparison with the minimum, target and maximum amounts.

2022	Minimum € k / CHF k	Target € k / CHF k	Maximum € k / CHF k	Actual short-term variable compensation € k / CHF k
Total compensation: Management Board	-	205/206	308/309	246/247
Highest compensation: Johannes Steurer, CEO	-	130/131	195/196	156/157

Total compensation

The table below presents all components of the compensation earned in 2023 by the members of the Management Board.

2023 (audited)	Base compensation € k / CHF k	Total short-term variable compensation € k / CHF k	Total long-term variable compensation € k / CHF k	Social security and pension contribution € k / CHF k	Other contributions (company car, insurance) € k / CHF k	Total Compensation € k / CHF k
Total compensation: Management Board	675/656	183/178	187/181	49/47	13/13	1106/1075
Highest compensation: Johannes Steurer, CEO	420/408	117/113	117/113	26/25	12/12	691/672

In 2023, there were no additions to the Management Board. Hence, no additional amounts were paid out.

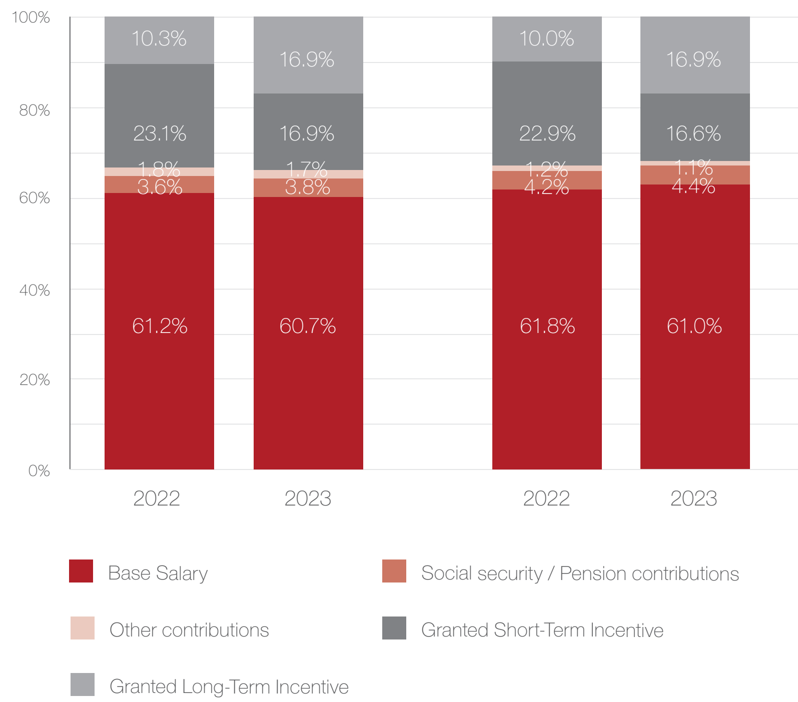
The table below presents all components of the compensation earned in 2022 by the members of the Management Board.

2022 (audited)	Base compensation € k / CHF k	Total short-term variable compensation € k / CHF k	Total long-term variable compensation € k / CHF k	Social security and pension contribution € k / CHF k	Other contributions (company car, insurance) € k / CHF k	Total Compensation € k / CHF k
Total compensation: Management Board	663/666	246/247	107/107	45/45	13/13	1073/1078
Highest compensation: Johannes Steurer, CEO	413/415	156/157	69/70	24/24	12/12	675/678

Compensation mix

In 2023, the part of the variable compensation represented 33.7% and 33.4% (2022: 33.4% and 32.8%) of the total compensation for the CEO and for the members of the Management Board on average, respectively. As in 2022, the fixed compensation accounted for the biggest part of compensation in 2023: it represented 66.3% and 66.6% (2022: 66.6% and 67.2%) of the total compensation for the CEO and for the members of the Management Board on average, respectively. Approximately 60.7% and 61.0% (2022: 61.2% and 61.8%) of this compensation was base salary, while 5.5% (2022: 5.4%) accounted for employer social and other contributions for the CEO and the members of the management team on average, respectively.

The charts below show the compensation mix for the CEO (left) and for the members of the Management Board on average (right) for 2022 and 2023.



Miscellaneous

Loans granted to Members of the Board of Directors or the Management Board (audited)

As per Article 32 of the Articles of Association, members of the Board of Directors or the Management Board are not allowed to be granted loans, credits or collaterals by the Company.

Post employment benefits

The Company shall pay the statutory employer social insurance contributions for the members of the Board of Directors. Apart from that, the Company shall not pay any contributions to the pension fund or other provident institutions for the members of the Board of Directors (Article 33 of the Articles of Association). According to Article 33 of the Articles of Association, members of the Management Board participate in the company's pension plan. Further information on pension benefits may be found in Article 33 of the Articles of Association.

Other items

No member of the Board of Directors and no member of the Management Board is entitled to joining bonuses that do not compensate for a verifiable financial disadvantage, severance payments that are contractually agreed or provided for in the Articles of Association (compensation that is due until the termination of the contracts does not constitute a severance payment) or a commission paid for taking over or transferring undertakings or parts thereof.

Aluflexpack provides each member of the Management Board with a company car and accident insurance.

Mandates outside of the Group

According to Article 34 of the Articles of Association, no member of the Board of Directors shall accept more than fifteen additional mandates in entities with commercial objectives, of which no more than five in listed entities. No member of the Management Board shall accept more than three additional mandates in entities with commercial objectives, of which no more than one in a listed entity. The following do not fall under these restrictions: (a) mandates in companies that are controlled by or that control the Company; and (b) mandates in companies that are accepted by order of the Company. A mandate is a membership in the board of directors, the management board and the board of advisors or a comparable position under foreign law in entities with a commercial objective. Mandates in different legal entities under the same control or beneficial ownership are considered to be one mandate.

Members of the Management Board (audited)

As of 31 December 2023, both members of the Management Board of Aluflexpack AG, Johannes Steurer and Lukas Kothbauer, did not hold any mandates in third-party companies.

Members of the Board of Directors (audited)

As of 31 December 2023, the members of the Board of Directors of Aluflexpack AG held the following mandates in third-party companies.

Martin Ohneberg

Companies	Activity/Activities
Listed	
Verbund AG	President of the Supervisory Board
Varta AG	Member of the Supervisory Board
Non-listed	
Getzner Werkstoffe GmbH	Member of the Supervisory Board
Rhomberg Privatstiftung	Board member
Federation of Austrian Industries	Board member
HENN Industrial Group GmbH & Co KG	CEO
Xoris GmbH	CEO

Christian Hosp

Companies	Activity/Activities
Listed	
Montana Aerospace AG, with mandates in non-listed subsidiaries: *- Montana Aerospace ETV AG* *- Alu Menziken Extrusion AG* *- Montana AS Beteiligungs Holding AG*	Board member Board member Board member Board member
Non-listed	
Montana Tech Components AG, with mandates on non-listed subsidiaries[39] *- Montana Tech Components II AG*	Board member Board member
Keystone Holding SA	Board member
IndustrieCapital AG	Board member
WLF Privatstiftung für Wissenschaft	Board member
SHW Invest AG	President of the Board of Directors
Christian Hosp Beteiligungs GmbH	Managing Director
Vorsorgestiftung der Alu Menziken Extrusion AG	President of the Board of Trustees

Bernd Winter

Companies	Activity/Activities
Non-listed	
BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft	Managing Director
BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft	Managing Direcor
BDO Austria Holding Wirtschaftsprüfung GmbH	Managing Director
BDO GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft	Managing Director
KaiserAdler GmbH	Managing Director
KaiserAdler Waldrand GmbH	Managing Director
BDO Corporate Finance GmbH	Procurist
ALRAG Allgemeine Leasing und Realitäten Aktiengesellschaft	Member of the Supervisory Board
Marketagent.com Schweiz AG	Board member

Mr. Winter has no mandates in listed companies.

39 Montana Tech Components AG is the majority owner of Montana Aerospace AG.

Markus Vischer

Companies	Activity/Activities
Listed	
Montana Aerospace AG	Board member
Non-listed	
Montana Tech Components AG[39]	Board member
Hugo Boss (Schweiz) AG	Board member
HUGO BOSS International Markets AG	President of the Board of Directors and Liquidator
HUGO BOSS Ticino SA	Board member
Stiftung juristische Weiterbildung Zürich	President of the Foundation Board
AAA Alpine Air Ambulance AG	President of the Board of Directors

Alois Bühler

Companies	Activity/Activities
Non-listed	
Re-Lid Engineering AG	Board member
LBU Management AG	Board member

Mr. Bühler has no mandates in listed companies.

Shareholdings and options of the Board of Directors and Management Board

Members of the Management Board (audited)

		Number of shares as of		Number of options as of	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
J. Steurer	CEO	52,375	52,375	max 24,685	max 12,222
L. Kothbauer	CFO	10,000	10,000	max 12,145	max 4,667

The number of options shown for the members of the Management Board represents the maximum number of Performance Share Units (PSUs) that members of the Management Board can receive if they achieve long term targets. These maximum number of PSUs represent 150% target achievement, but members of the Management Board can receive anywhere between 0%-150%, corresponding to 0-24,685 shares for Johannes Steurer and 0-12,145 shares for Lukas Kothbauer as of 31 December 2023. For more information on settlement of the long term incentive plan, please read pages 106-111 of the Compensation Report.

The maximum number of options in the table above is shown as accumulated yoy.

Members of the Board of Directors (audited)

		Number of shares as of		Number of options as of	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
M. Ohneberg	President	533,167	533,167	0	0
A. Bühler	Member	0	0	0	0
C. Hosp	Member	0	0	0	0
M. Vischer	Member	0	0	0	0
B. Winter	Member	0	0	0	0

Martin Ohneberg does not hold shares of Aluflexpack AG directly, but indirectly through Xoris GmbH.

Gender guidelines

As of 31 December 2023, all members of the Board of Directors are males. While Aluflexpack is committed to increase diversity and representation, we also recognize the importance of ensuring that any new member of the Board of Directors, notwithstanding the gender, possesses the proper qualifications and experience necessary to contribute effectively to the work of the Board of Directors. As such, we will be prioritizing qualifications and experience in our search for the ideal candidate to join the of the Board of Directors.

The Management Board of Aluflexpack is composed of two members - the CEO (Johannes Steurer) and the CFO (Lukas Kothbauer). Due to a very limited number of representatives in the Management Board, gender representation is unequal. As we continue to grow and expand, we remain committed to promoting diversity and inclusion in all areas of our organization.

Employee Phantom Stock Programme 2020-2023

Members of the broader management of the Group apart from the Management Board and certain key employees of the Company and its affiliated companies were entitled to participate in an Employee Phantom Stock Programme which started in Q1 2020 and ended in 2023. For implementation of the Employee Phantom Stock Programme, Aluflexpack entered into separate phantom stock agreements with each beneficiary. The rights and entitlements of the beneficiary under the agreement could be inherited, but not otherwise transferred, assigned, pledged or encumbered.

Under this programme, Aluflexpack granted options to the participants, free of charge, to acquire virtual stock in the Company in the aggregate number of 173,182 over four years (i.e. the grant of 25% of the virtual stock options occurred on each of the following dates: 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022). The grant was subject to the beneficiary not having received or issued a valid notice of termination with regard to his or her employment agreement in force as of the date of the respective agreements with such beneficiary. The virtual stock options granted were fully vested upon the grant date.

To enable all eligible employees to participate in the programme, an immediate cash settlement was put in place. Hence, the participants were effectively granted contractual rights to conditional cash payments based on the difference between the virtual stock option's redemption and exercise price. The exercise price for the virtual stock options was equal to the issue price of Aluflexpack's shares at IPO less a 20% discount, i.e. a share price of CHF 16.8. The redemption price was capped at CHF 42.0. Beneficiaries might have exercised up to 25% of their virtual stock options each financial year with options not exercised in a given year being carried forward to the next financial year and being exercisable in addition to the options exercisable in that next financial year. In addition, the virtual stock options had to be exercised in accordance with Aluflexpack's applicable rules on insider trading.

The agreements ceased to exist at the latest 20 banking days after the announcement of the annual results of Aluflexpack for the financial year ending on 31 December 2022, if not before – i.e. in case of the termination of the employment agreement with a beneficiary or the beneficiary's death. In such case of termination or death, the virtual stock options not yet vested were forfeited and cancelled.

In total, roughly 70 employees were beneficiaries under the Employee Phantom Stock Programme. The Management Board was not entitled to participate in the Employee Phantom Stock Programme. Aluflexpack discloses the financial impact of the Employee Phantom Stock Plan in its reporting filings. The impact for the financial year 2023 is disclosed in the notes to the financial statement of this year's Annual Report on page 167.

Employee Phantom Stock Programme 2023-2027

Aluflexpack has initiated another Employee Phantom Stock Programme as of January 2023 for members of the broader management of the Group apart from the Management Board and certain key employees of the Company and its affiliated companies. Under this programme, Aluflexpack granted options to the participants, free of charge, to acquire virtual stock in the Company in the aggregate number of 196,244. The vesting of 25% of the virtual stock options occurs on each of the following dates: 31 December 2023, 31 December 2024, 31 December 2025 and 31 December 2026. The vesting is subject to the beneficiary not having received or issued a valid notice of termination with regard to his employment agreement in force as of the date of the respective phantom stock agreements with such beneficiary.

The exercise price for the virtual stock options is equal to the average closing price of Aluflexpack's shares in the last 30 trading days of 2022, i.e. a share price of CHF 18.11. The redemption price is capped at CHF 36.22. Otherwise, the mechanism in place is the same as for the previous Employee Phantom Stock Programme 2020-2023.

Approximately 100 employees are entitled to participate in the Employee Phantom Stock Programme, with the first exercise window of beneficiaries opening in Q2 2024. The agreements shall cease to exist at the latest 20 banking days after the announcement of the annual results of Aluflexpack for the financial year ending on 31 December 2026, if not before.

Outlook

On 15 February 2024, after close of trading, Constantia Flexibles GmbH (Constantia) and Aluflexpack AG concluded a Transaction Agreement (TA) regarding a public tender offer for all publicly held shares in Aluflexpack. On the same day, Constantia also concluded a share purchase agreement (SPA) with Montana Tech Components AG and Xoris GmbH under which the latter two agreed to sell 9'803'167 shares in Aluflexpack held by them (corresponding to 56.67%) to Constantia. The closing of the SPA and the settlement of the public tender offer are expected in Q4 2024 and are subject to certain terms and conditions including regulatory approvals.

The TA provides for the following adjustments of the Performance Share Plan[40] and the Employee Phantom Stock Plan 2023-2027 in the context of the public tender offer:

Performance Share Plan:

- The applicable vesting period in relation to the performance shares will be accelerated to terminate no later than on the last trading day prior to the consummation of the public tender offer (Accelerated Vesting Date).

40 Performance Share Plan 2021 also includes Igor Arbanas, who was the CEO of Aluflexpack AG during 2021.

- The beneficiaries will be entitled to receive 100% of the target number of performance shares granted for the tranches 2021 – 2024 at the Accelerated Vesting Date.
- The performance shares will be settled in cash in lieu of shares in Aluflexpack at the offer price per share in Aluflexpack in CHF. No dividend equivalents have accrued and are payable on any of the performance shares.

Employee Phantom Stock Programme 2023-2027:

- If the offer price is below or equal to the exercise price, the virtual stock options will be deemed cancelled as of the Accelerated Vesting Date. The Company will make a compensation payment to each beneficiary under the Employee Phantom Stock Programme that equals to the value of the cancelled virtual stock options of such beneficiary as of the Accelerated Vesting Date, determined on the basis of a valuation method accepted by the Takeover Board for the valuation of such options.[41]
- If the offer price exceeds the exercise price, the virtual stock options will be accelerated to terminate no later than at the Accelerated Vesting Date and all entitlements of the beneficiaries under the Employee Phantom Stock Programme will vest in full as at the Accelerated Vesting Date. The exercise price of such options will be fixed at the offer price. All virtual stock options of each beneficiary will be deemed exercised in full as of the Accelerated Vesting Date.

The Board of Directors does not plan any further adjustments in 2024.

41 The offer price ranges from CHF 15.0-18.75 per share and is subject to the outcome of the regulatory process as described in the pre-announcement of the offer (https://afp-tender-offer.com).

Report of the statutory auditor

To the General Meeting of Aluflexpack AG, Reinach (AG)

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of Aluflexpack AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables or sections marked "audited" on pages 117, 121 and 123 to 127 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the Compensation Report complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Daniel Haas
Licensed Audit Expert
Auditor in Charge

Roman Künzle
Licensed Audit Expert

St. Gallen, 27 March 2024

SALES AND CUSTOMER SERVICE

On our path to become the packaging success maker, we strive to make a long lasting packaging experience. Together with our customers, we bring circular packaging solutions to the market.

We are
SYSTEMATIC:
We follow defined and coordinated processes to stay service-orientated.

Consolidated Financial Statements

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Consolidated statement of financial position

(€k)	Notes	31/12/2023	31/12/2022
ASSETS			
Intangible assets and goodwill	13	73,251	74,835
Property, plant and equipment	14	212,955	191,992
Other financial assets		183	151
Other receivables and assets	16	797	1,169
Deferred tax assets	29	3,988	3,930
Non-current assets		**291,174**	**272,077**
Inventories	17	92,592	97,065
Trade receivables	9	42,204	42,993
Income tax receivables		31	97
Other receivables and assets	16	12,000	12,507
Cash and cash equivalents	18	37,314	23,300
Current assets		**184,141**	**175,962**
TOTAL ASSETS		**475,315**	**448,039**
EQUITY AND LIABILITIES			
Capital stock	20	15,553	15,553
Capital reserves	20	136,087	135,995
Retained earnings		42,941	39,226
Equity attributable to owners of the Company		**194,581**	**190,774**
Non controlling interests		0	1,620
TOTAL EQUITY		**194,581**	**192,394**
Bank loans and borrowings	21	107,151	74,817
Other financial liabilities	21	20,388	30,989
Deferred tax liabilities	29	9,013	10,937
Employee benefits	19	1,525	1,221
Other liabilities	23	6,667	6,733
Non-current liabilities		**144,744**	**124,697**
Bank loans and borrowings	21	43,952	28,086
Other financial liabilities	21	17,860	13,208
Current tax liabilities	29	1,862	2,161
Provisions		0	78
Employee benefits	19	1,962	2,529
Trade payables and advances received from customers	9	59,104	69,944
Accruals	22	2,788	4,708
Other liabilities	23	8,462	10,234
Current liabilities		**135,990**	**130,948**
TOTAL LIABILITIES		**280,734**	**255,645**
TOTAL EQUITY AND LIABILITIES		**475,315**	**448,039**

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

(€k)	Notes	2023	2022
Gross Sales		**385,221**	**361,391**
Sales deductions		-4,908	-4,360
Net Sales	12	**380,313**	**357,031**
Change in finished and unfinished goods		10,736	10,337
Other operating income	26	21,407	15,717
Cost of materials, supplies and services		-260,166	-251,677
Personnel expenses	24/25	-46,489	-38,702
Other operating expenses	27	-54,827	-44,095
EBITDA		**50,974**	**48,611**
Depreciation and amortisation	13/14	-26,847	-24,740
Operating Profit		**24,127**	**23,871**
Interest income		1,062	272
Interest expenses		-9,175	-3,618
Other financial income	28	6,749	1,142
Other financial expenses	28	-10,701	-15,505
Financial result		**-12,065**	**-17,709**
Profit before tax		**12,063**	**6,163**
Tax expense	29	-1,553	-1,729
Profit for the year		**10,510**	**4,434**
Thereof attributable to:			
Owners of the company		10,520	4,136
Non controlling interests		-10	298
Earnings per share in EUR	**20.2**		
Basic earnings per share		0.6	0.2
Diluted earnings per share		0.6	0.2

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

Other comprehensive income

(€k)	Notes	2023	2022
Profit for the year		**10,510**	**4,434**
Items that are not reclassified to profit or loss			
Remeasurements of the defined benefit liability (asset)	19	-210	529
Related taxes		26	-68
		-184	**461**
Items that are or may be reclassified subsequently to profit or loss			
Foreign exchange differences		-19,514	-8,836
		-19,514	**-8,836**
Other comprehensive income for the year		**-19,698**	**-8,375**
Total comprehensive income for the year		**-9,188**	**-3,941**
Thereof attributable to:			
Owners of the Company		-9,178	-4,239
Non controlling interests		-10	298

Consolidated statement of cash flows

(€k)	Notes	2023	2022
Profit before tax		**12,063**	**6,163**
+/- Financial results excluding other financial income/expense		8,113	3,347
+/- Other non-cash expenses and income		1,742	310
+ Depreciation and amortisation	13/14	26,847	24,740
-/+ Gains and losses from disposals of PPE and intangible assets		30	13
-/+ increase and decrease in inventories		916	-28,785
-/+ Increase and decrease in current trade receivables		-1,712	-12,655
-/+ Increase and decrease in other assets		343	-236
+/- Increase and decrease in trade payables		-9,471	15,005
+/- Increase and decrease in accruals		-1,930	2,365
+/- Increase and decrease in other payables		-2,228	8,892
+/- Increase and decrease in provisions		-80	-14
+/- Increase and decrease in liablities for employee benefits		-191	-189
-/+ Income taxes paid		-4,401	-4,212
Net cash from operating activities		**30,043**	**14,743**
+ Payments received for disposals of PPE and intangible assets		53	103
- Payments made for purchases of PPE and intangible assets	14	-34,404	-53,212
- Payments for acquisition of subsidiaries (net of cash acquired)	10	0	-31,973
+ Interest received		1,062	285
+/- Other payments received/made for investing activities		-21	-148
Net cash used in investing activities		**-33,310**	**-84,945**
- Payments of lease liabilities		-5,293	-5,232
+ Issuances of financial liabilities (3rd parties)	21	54,864	93,653
- Repayments of financial liabilities (3rd parties)	21	-16,643	-7,689
- Payments for purchase of non controlling interest	33	-5,500	0
- Dividends paid	20.4	-635	-210
- Interest paid		-8,018	-2,432
Net cash from financing activities		**18,774**	**78,089**
Net change in cash and cash equivalents		**15,507**	**7,887**
+/- Effect of exchange rate fluctuations on cash held		**-1,493**	**-201**
+ Cash and cash equivalents at the beginning of the period		**23,300**	**15,614**
Cash and cash equivalents at the end of the period		**37,314**	**23,300**

Consolidated statement of changes in equity

		Attributable to owners of the Company							
(€k)	Notes	Capital stock	Capital Reserves	Foreign Exchange Differences	Retained earnings	Total Retained earnings	Total	Non controlling interest	Total equity
Balance as of January 1, 2023		**15,553**	**135,995**	**-21,590**	**60,816**	**39,226**	**190,774**	**1,620**	**192,394**
Total comprehensive income for the period									
Profit for the year		-	-	-	10,520	-	10,520	-10	10,510
Other comprehensive income for the period, net of tax		-	-	-19,514	-184	-	-19,698	-	-19,698
Total		**-**	**-**	**-19,514**	**10,336**	**-**	**-9,178**	**-10**	**-9,188**
Application of hyperinflation accounting (IAS 29), net of tax		-	-	-	17,418	-	17,418	-	17,418
Transactions with owners of the company									
Effect of share based payment	25	-	92	-	-	-	92	-	92
Dividends	20.4	-	-	-	-635	-	-635	-	-635
Total		**-**	**92**	**0**	**-635**	**-**	**-543**	**0**	**-543**
Changes in interests held in subsidiaries									
Acquisition of non-controlling interests	33	-	-	-	-3,890	-	-3,890	-1,610	-5,500
Total		**-**	**-**	**-**	**-3,890**	**-**	**-3,890**	**-1,610**	**-5,500**
Balance as of December 31, 2023		**15,553**	**136,087**	**-41,104**	**84,045**	**42,941**	**194,581**	**0**	**194,581**

		Attributable to owners of the Company							
(€k)	Notes	Capital stock	Capital Reserves	Foreign Exchange Differences	Retained earnings	Total Retained earnings	Total	Non controlling interest	Total equity
Balance as of January 1, 2022		**15,553**	**135,926**	**-12,754**	**41,529**	**28,775**	**180,254**	**1,322**	**181,576**
Total comprehensive income for the period									
Profit for the year		-	-	-	4,136	-	4,136	298	4,434
Other comprehensive income for the period, net of tax		-	-	-8,836	461	-	-8,375	-	-8,375
Total		**-**	**-**	**-8,836**	**4,597**	**-**	**-4,239**	**298**	**-3,941**
Application of hyperinflation accounting (IAS 29), net of tax		-	-	-	14,900	-	14,900	-	14,900
Transactions with owners of the company									
Effect of share based payment	25	-	69	-	-	-	69	-	69
Dividends	20.4	-	-	-	-210	-	-210	-	-210
Total		**-**	**69**	**-**	**-210**	**-**	**-141**	**-**	**-141**
Balance as of December 31, 2022		**15,553**	**135,995**	**-21,590**	**60,816**	**39,226**	**190,774**	**1,620**	**192,394**

Notes to the Consolidated Financial Statements

1. Reporting entity

Aluflexpack AG (Aluflexpack) (the 'Company') was incorporated in Switzerland on 31 July 2018. The Company's registered office is at Alte Aarauerstrasse 11, Reinach, Switzerland.

The core business activities of Aluflexpack and its affiliated companies are 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.

The reporting date for Aluflexpack, all subsidiaries and for the consolidated financial statements is 31 December 2023.

2. Significant changes in the current reporting period

On 20 July 2023, the remaining 20% interest in Top-System sp.z.o.o. ("Top System"), was directly acquired by Aluflexpack AG (see also note 21.3.).

On 22 November 2023, the remaining 3% interest in Omial Novi d.o.o. ("Omial"), was directly acquired by AFP Group GmbH (see also note 21.3.).

On 3 July 2023, the remaining 20% interest in Eliopack s.a.s. ("Eliopack"), was directly acquired by AFP Group GmbH (see also note 33.).

3. Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Details of the Group's accounting policies are included in Note 32.

Changes to material accounting policies are described in Note 7.

These financial statements were authorized for issue by the Board of Directors on 27 March 2024. They further have to be approved by the next shareholder meeting.

4. Basis of measurement

The assets included in the consolidated financial statements are recognised on a cost basis, except that derivative financial instruments and contingent considerations are stated at their fair values and the employee benefit liability is stated at the fair value of plan assets less the present value of the defined benefit obligation.

5. Functional and presentation currency

These consolidated financial statements are presented in Euro. The Company's functional currency is the Swiss Franc (CHF). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

6. Use of judgements and estimates

In preparing these consolidated 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Accounting for acquisitions

Goodwill is reported in the consolidated balance sheet as a consequence of company acquisitions. As part of the initial consolidation of a company acquisition, all identifiable assets, liabilities and contingent liabilities are recognized at fair values as of the effective acquisition date. The valuation of intangible assets is, in particular, based on the forecast of the total expected cash flows and consequently strongly dependent on the assumptions of the management regarding future developments as well as the underlying developments of the discount rate to be applied (see note 10 "Significant changes to the scope of consolidation").

Useful life on non-current assets

Property, plant and equipment, and acquired intangible assets are recognized at acquisition costs and are depreciated/amortized on a straight-line basis over their estimated useful lives. The estimation of useful lives is based on assumptions about wear and tear, aging, technical standards, contract periods, and changes in demand. Changes in these factors may cause a reduction of the useful life of an asset. Hence, the carrying amount would be depreciated/amortized over the remaining shorter useful life, resulting in higher annual depreciation/amortization expenses (see note 13 "Intangible assets" and note 14 "Property, plant and equipment").

Impairment of non-current assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment in the course of an annual impairment test. Furthermore, a recoverability evaluation of Goodwill and intangible assets is performed whenever events that have occurred or circumstances that have changed indicate that the carrying amount of an asset or a group of assets exceeds its recoverable amount. In the course of this impairment test, the evaluation of Goodwill and intangible assets is also based on budget assessments of market or company-specific discount rates, expected annual growth rates, and gross margin/costs development. The assumptions involved in these calculations may change and may lead to an impairment loss in future periods (see note 13 "Intangible assets").

More information on the impairment tests conducted is given in Note 13 "Intangible assets". However, the assumptions made could be subject to changes that could lead to impairment losses in future periods.

If there is any impairment indication of property, plant and equipment and intangible assets with finite useful lives, an impairment test is performed to determine the new carrying amount and the difference between the previous and the new carrying amounts is recognised in profit or loss.

Deferred taxes

Deferred taxes are recognised in respect of temporary differences between the carrying amounts in the IFRS financial statements and the tax base as well as for expected recoverable tax loss carry forwards. Deferred taxes are calculated on the basis of the tax rates expected under current legislation to apply to the period in which the temporary differences are expected to reverse and on the basis of an assessment of future taxable profit. Any changes in the tax rate or variations in future taxable profit from that assumed could make it improbable or probable that deferred tax assets will be recovered and necessitate a value adjustment with regard to the respective assets. Moreover, changes in the tax rate could lead to adjustments in deferred tax liabilities. The carrying amounts of deferred taxes are shown in the consolidated balance sheet and are broken down into the individual balance sheet items in Note 29 "Income Taxes". Tax losses carried forward are shown in Note 29 "Income taxes".

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.

Lease term

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

7. Changes in material accounting policies

The accounting policies applied in these consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

In 2023 the Group has implemented various minor amendments to existing standards and interpretations, which have no material effect on the Group's financial statements.

Hyperinflation

Due to the rapid devaluation of the Turkish lira, Türkiye 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 Türkiye 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 December 31, 2023. The net assets in the subsidiary's local financial statements were adjusted for changes in the price level.

For 2022 and 2023, the regulations of IAS 29 "Financial Reporting in Hyperinflationary Economies" were relevant for the Turkish subsidiaries Arimpeks and Teko.

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 31 December 2022 stood at 1.128,45 and on 31 December 2023 at 1.859,38.

The net position of monetary items results in a gain in the amount of € 4,165k in 2023 (2022: € 2,080k). In addition to adjustments in the consolidated income statement, accounting pursuant to IAS 29 "Financial reporting in hyperinflationary economies" also results in impacts on the consolidated statement of financial position for the subsidiaries using the Turkish lira as their functional currency. Non-current assets increase by € 25,4m due to the indexation of intangible assets and property, plant and equipment. Moreover, the indexation leads to an increase in the consolidated equity by € 17,4m.

8. Standards issued but not yet effective

The following new and revised Standards and Interpretations have been issued, but are not yet effective. The Group has not early adopted the new or amended standards in preparing these consolidated financial statements. Their effects on the consolidated financial statements of the Group have not yet been systematically analysed , unless this is specifically disclosed, but none of them is expected to have a significant impact on the Group's consolidated financial statements.

Revisions and amendments of Standards and Interpretations	Effective date	Planned application
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024	2024
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*	1 January 2024	2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024	2024
Supplier Finance Arrangements (Amend-ments to IAS 7 and IFRS 7)	1 January 2024	2024
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025	2025

* In October 2022, the Board issued additional amendments to IAS 1 (Non-current Liabilities with Covenants) and deferred the effective date of these amendments to align with the effective date of 1 January 2024.

9. Financial instruments - Fair values and risk management

9.1 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.

	Carrying amount					
(€k)	2023	Fair value - hedging instruments	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total
Trade receivables	42,204			42,204		42,204
Cash and cash equivalents	37,314			37,314		37,314
Other financial assets	183			183		183
Other receivables and assets	3,093			3,093		3,093
Financial assets not measured at fair value	**82,794**	**0**	**0**	**82,794**	**0**	**82,794**
Derivative financial instruments	252	252				252
Financial assets measured at fair value	**252**	**252**	**0**	**0**	**0**	**252**
Bank loans and borrowings	-151,103				-151,103	-151,103
Other financial liabilities	-14,496				-14,496	-14,496
Lease liabilities (IFRS 16)	-23,752				-23,752	-23,752
Trade payables	-59,151				-59,151	-59,151
Accruals	-2,788				-2,788	-2,788
Other liabilities	-7,558				-7,558	-7,558
Financial liabilities not measured at fair value	**-258,848**	**0**	**0**	**0**	**-258,848**	**-258,848**

	Carrying amount					
(€k)	2022	Fair value - hedging instruments	Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities	Total
Trade receivables	42,993			42,993		42,993
Cash and cash equivalents	23,300			23,300		23,300
Other financial assets	151			151		151
Other receivables and assets	3,758			3,758		3,758
Financial assets not measured at fair value	**70,202**	**0**	**0**	**70,202**	**0**	**70,202**
Derivative financial instruments	-3,467	-3,467				-3,467
Financial liabilities measured at fair value	**-3,467**	**-3,467**	**0**	**0**	**0**	**-3,467**
Bank loans and borrowings	-102,903				-102,903	-102,903
Other financial liabilities	-21,213				-21,213	-21,213
Lease liabilities (IFRS 16)	-22,985				-22,985	-22,985
Trade payables	-69,320				-69,320	-69,320
Accruals	-4,708				-4,708	-4,708
Other liabilities	-7,448				-7,448	-7,448
Financial liabilities not measured at fair value	**-228,577**	**0**	**0**	**0**	**-228,577**	**-228,577**

Derivative financial instruments are in level 2 and other financial liabilities (see also note 21.3) are in level 3 in the fair value hierarchy.

9.2 Financial risk management

The primary objective of the management with respect to financial risk management is to identify and monitor financial risk to which the Group is subject and to establish effective measures for hedging such risk. Financial risk arises from the company's operating activities as well as its financing structure. This includes, in particular, credit risk, liquidity risk, currency risk, interest rate risk, and market price risk with respect to commodities.

In addition to identifying, analysing and measuring financial risk, decisions on the use of financial instruments to manage risk are made by Group headquarters, which generally pursues a low-risk strategy.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, other receivables and cash equivalents. The risk of default on loans is mitigated by using targeted measures such as credit checks, pre-payment agreements and receiva-bles management. Credit risk arising from bank deposits is likewise limited as a result of the com-pany's policy of only investing cash and cash equivalents with financial institutions of impeccable, first-rate credit quality.

The carrying amount of financial assets corresponds to the maximum credit risk, which was com-prised as follows as of the reporting date:

	Carrying amount	
(€k)	2023	2022
Cash & cash equivalents	37,314	23,300
Trade Receivables	42,204	42,993
Other financial assets	183	151
Other receivables and assets *	3,345	3,758
Total for the Group	**83,046**	**70,202**

*not included other tax claims of 5,369k (2022: 6,454k) and prepaid expenses of 4,083k (2022: 3,464k)

The inherent default risk of business partners due to the underlying transaction is assessed individually and hedged in the Group by credit risk insurance as well as by bank guarantees and letters of credit, whereby customers with excellent credit ratings are not secured.

In addition, there is little concentration of credit risk since the Group's client base is generally made up of a large variety of customers. All these factors have been considered in calculating the loss allowance.

Any claims outstanding as of the reporting date must meet the Group's risk assessment criteria, regardless of their due dates. No financial assets were subject to a renegotiation of conditions.

The following shows trade receivables before and after allowances:

(€k)	31/12/2023	31/12/2022
Trade reveivables (gross)	42,411	43,205
Allowances	-207	-212
Trade receivables - net	**42,204**	**42,993**

The following shows the development of impairment losses:

(€k)	2023	2022
Opening Balance	212	1,755
Addition	0	212
Consumption	-5	0
Reversals	0	-1,804
Exchange rate differences	0	49
Total for the Group	**207**	**212**

The following table discloses the information on overdue trade receivables:

	31/12/2023			31/12/2022		
(€k)	Carrying amount (gross)	Impairment loss	Net	Carrying amount (gross)	Impairment loss	Net
Not due	37,466	-94	37,372	37,610	-94	37,516
0 to 10 days overdue	2,063	-21	2,042	3,202	-32	3,170
11 to 30 days overdue	952	-14	938	638	-10	628
31 to 60 days overdue	737	-22	715	495	-15	480
61 to 180 days overdue	927	-37	890	872	-35	837
181 to 360 days overdue	234	-12	222	344	-18	326
More than 360 days overdue	32	-7	25	44	-8	36
Total for the Group	**42,411**	**-207**	**42,204**	**43,205**	**-212**	**42,993**

The net overdue trade receivables primarily relate to receivables from customer with a long-term relationship. Based on past experience and taking into consideration management's expectations on future performance, the Group does not anticipate any significant additional defaults than those described above.

Liquidity risk

The management monitors liquidity on an ongoing basis. Liquidity management extends from constant comparison of forecast and actual payments to coordinating the maturity profiles of financial assets and liabilities, see also Note 21 "Financial liabilities"

The undiscounted, contractual due dates of non-derivative and derivative financial liabilities are shown in the following. The table contains both interest and principal payments:

31. December 2023

(€k)	Carrying amount	Contractual Cash Flows	immediately	up to 3 months	3 to 12 months	1 to 5 years	more than 5 years
Non-derivative financial liabilities							
Bank loans and borrowings	151,103	166,975		10,606	40,100	116,269	
Other financial liabilities	14,496	14,496			13,826	670	
Lease liabilities (IFRS 16)	23,752	25,780			4,666	14,629	6,485
Trade payables*	59,151	59,151	11,564	46,683	517	387	
Accruals	2,788	2,788			2,788		
Other liabilities**	7,558	7,558		3,637	248	842	2,831
Total non-derivative financial liabilities	**258,848**	**276,748**	**11,564**	**60,926**	**62,145**	**132,797**	**9,316**

* not including current advances received from customers € 340k (trade payables more than 1 year --> other non current liabilities)

** not including deferred income € 3,056k, liabilities from taxes and social security € 4,127k, long term payables € 388k

(€k)	Carrying amount	Contractual Cash Flows	immediately	up to 3 months	3 to 12 months	1 to 5 years	more than 5 years
Derivative financial instruments							
Commodity swaps*	252	252			252		
Total for the Group	**252**	**252**	**0**	**0**	**252**	**0**	**0**

* Cash Inflow

31. December 2022

(€k)	Carrying amount	Contractual Cash Flows	immediately	up to 3 months	3 to 12 months	1 to 5 years	more than 5 years
Non-derivative financial liabilities							
Bank loans and borrowings	102,903	103,316			28,369	74,947	
Other financial liabilities	21,212	21,212			9,253	11,959	
Lease liabilities (IFRS 16)	22,985	24,960			4,668	12,836	7,456
Trade payables*	69,320	69,320	10,184	57,987	1,149		
Accruals	4,708	4,708			4,708		
Other liabilities**	7,448	7,448		3,264	238	1,671	2,275
Total non-derivative financial liabilities	**228,576**	**230,964**	**10,184**	**61,251**	**48,385**	**101,413**	**9,731**

* not including current advances received from customers € 624k (trade payables more than 1 year --> other non current liabilities)

** not including deferred income € 3,044k, liabilities from taxes and social security € 3,003k, derivative financial instruments € 3,467k

(€k)	Carrying amount	Contractual Cash Flows	immediately	up to 3 months	3 to 12 months	1 to 5 years	more than 5 years
Derivative financial instruments							
Commodity swaps*	-3,467	-3,467			-3,467		
Total for the Group	**-3,467**	**-3,467**	**0**	**0**	**-3,467**	**0**	**0**

* Cash Outflow

Interest rate risk

Interest rate risk is divided into the risk of changes in future interest payments due to fluctuations in the market interest rate and interest rate risk relating to a change in the fair value of financial instruments due to fluctuations in the market interest rate.

The Group is subject to interest rate risk resulting from the receipt or payment of cash at fixed or variable interest rates.

	Carrying Amount	
(€k)	2023	2022
Financial instruments - fixed interest rate		
Cash and cash equivalents	2,014	11
Financial liabilities*	38,522	26,321
Financial instruments - variable interest rate		
Cash and cash equivalents	35,300	23,289
Financial liabilities*	150,829	120,779

* including bank loans and borrowings and other financial liabilities

Sensitivity analysis for fixed-rate financial instruments

The Group measures neither financial assets (fixed deposits and securities) nor financial liabilities (liabilities to financial institutions) bearing fixed interest rates at fair value through profit or loss. These financial instruments are measured at amortised cost. An increase in interest rates would therefore not impact the Group's net income for the year.

Sensitivity analysis for variable interest-rate financial instruments

An increase in interest rates by 1% would lead to a decrease of the consolidated net profit or loss before non-controlling interests by € 982k (2022: € 829k). A decrease in interest rates by 1% would lead to an increase of the consolidated net profit or loss before non-controlling interests by € 982k (2022: € 829k). This analysis includes the assumptions, that all other variables, in particular foreign currency effects, remained constant.

Derivative financial instruments

The Group uses derivative financial instruments primarily to reduce the risk of changes in commodity prices.

The following table shows the Group's holdings of derivative financial instruments as of the balance sheet date:

31. December 2023

	Currency	Notional amount (in 1,000 units of original currency)	Fair value (in €k)	thereof through OCI	Maturity
Commodity swap	EUR	27,783	252	0	up to 1 year
Total for the Group		**27,783**	**252**	**0**	

31. December 2022

	Currency	Notional amount (in 1,000 units of original currency)	Fair value (in €k)	thereof through OCI	Maturity
Commodity swap	EUR	39,066	3,467	0	up to 1 year
Total for the Group		**39,066**	**3,467**	**0**	

The liquidity analysis of the derivative financial instruments is presented above under "Liquidity risk".

Currency risk

The Group settles goods purchases and sales predominantly in euros (for the international market) and in Croatian Kuna (for the local Croatian market until December 31, 2022).

As of the reporting date, the majority of interest-bearing financial liabilities were denominated in euros.

The following table shows – by currency pair – financial assets and liabilities denominated in a currency that deviates from the functional currency of the respective Group company holding the financial instrument:

	31/12/2023			31/12/2022		
(€k)	EUR/CHF	EUR/HRK	EUR/TRY	EUR/CHF	EUR/HRK	EUR/TRY
Cash and cash equivalents	6,357	n/a	5,591	2,646	7,815	1,507
Accounts receivables	2,462	n/a	5,691	6,708	20,377	3,903
IC-loans receivable	217,542	n/a	0	176,822	0	0
IC-receivables	68	n/a	0	80	10,149	0
Financial debts	140,906	n/a	0	93,714	39,190	21
Accounts payable	122	n/a	3,040	136	45,974	3,663
IC-loans payable	0	n/a	25,000	0	104,868	25,000
IC-payables	337	n/a	469	423	596	325
Net exposure	**85,064**	**n/a**	**-17,227**	**91,983**	**-152,287**	**-23,599**

There is no currency risk with the Croatian Kuna (HRK), since Croatia introduced the EUR on January 1, 2023, and the functional currency of the Croatian companies is now the EUR.

Sensitivity analysis

Provided that currencies related to current and non-current financial receivables and financial liabilities as of 31 December 2023 stated below changed by the below-stated percentage ("Volatility"), assuming that all other variables remained constant, the profit for the year and hence equity would have increased or decreased by the following values:

(€k)	Impact on profit for the year and equity	
Currency	**Volatility**	**2023**
CHF / EUR	+/- 5.0%	+/- 3,539
HRK / EUR	n/a	n/a
TRY / EUR	+/- 12.7%	+/- 1,817

(€k)	Impact on profit for the year and equity	
Currency	**Volatility**	**2022**
CHF / EUR	+/- 8.2%	+/- 6,212
HRK / EUR	n/a	n/a
TRY / EUR	+/- 13.7%	+/- 2,670

Capital management

The capital managed by the Group is equivalent to its consolidated equity. The Group's objectives are:

- to increase the income of those with an investment in the company by optimising the ratio of equity to debt
- to ensure that all Group companies are able to operate under the going concern principle
- to achieve a return for investors commensurate with the level of risk

The Group regularly monitors the equity structure by means of the equity ratio, the gearing ratio and return on equity. The equity ratio for 2023 amounts to 41% (2022: 43%).

10. Significant changes to the scope of consolidation

10.1 Significant changes in 2023

There were no changes in the scope of consolidation. For changes in the non-controlling interests, we refer to the note 33.

10.2 Significant changes in 2022

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 Aluflexpack AG.

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

For the remaining 20% interest a put and call option was granted. For further information, see Note 21.3 "Other financial liabilities".

For the 8 months period ended 31 December 2022, Teko contributed revenue of € 16,646k and operating profit of € 1,673k to the Group's result.

If the acquisition had occurred on 1 January 2022, management estimates that Teko would have contributed revenue of € 25m and operating profit of € 4m to the Group's result.

Consideration transferred

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

Cash	33,352
Deferred consideration	11,103
Total consideration transferred	**44,456**

Identifiable assets acquired and liabilities assumed

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 (mainly customer relationships)	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

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

Total consideration transferred (for 100%)	44,456
Less fair value of identifiable net assets	28,385
Goodwill	**16,071**

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**

11. Consolidated Cash Flow Statement

Liquid funds are composed of cash on hand and credit balances at banks readily convertible into a known amount of cash within original maturities of three months or less.

The cash flow from investing activities is affected from payments for investments in property, plant and equipment € 34,129k (2022: € 52,954k) and intangible assets € 275k (2022: € 258k) and in 2022 from payments made for the acquisition of subsidiaries € 31,973k.

The cash flow from financing activities primarily reflects the loan taken out from UniCredit/Bank Austria, Erste Bank AG and Zürcher Kantonalbank and additionally the drawings of the loans from the Luzerner and Aargauer Kantonalbank, the repayments of granted loans by European Bank for Reconstruction and Development and OTP Banka and the acquisition of the remaining 20% interest in Top-System sp.z.o.o. ("Top System"), the acquisition of the remaining 3% interest in Omial Novi d.o.o. ("Omial") (see Note 21 "Financial liabilities") and the payment made for the acquisition of non-controlling interest € 5,500k.

12. Segment reporting

12.1 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 organization is not divided into business units, neither in the management struc-ture nor in the internal reporting system.

The Group has the following production factories:

- Production plant Zadar (Croatia)
- Production plant Umag (Croatia)
- Production plant Drniš (Croatia)
- Production plant Omis (Croatia)
- Production plant Einsiedeln (Switzerland)
- Production plant La Ferte-Bernard (France)
- Production plant Istanbul (Türkiye)
- Production plant Tarnowo Podgorne (Poland)
- Production plant Tekirdag (Türkiye)

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.

12.2 Entity-wide disclosures

Revenue and non-current-assets – Geographic information by countries:

	2023		2022	
(€k)	**Net Sales**	**Non-current assets**	**Net Sales**	**Non-current assets**
Switzerland	17,188	19	12,292	6
Croatia	17,818	174,194	18,898	158,743
Germany	46,449		44,249	
Italy	17,622		20,124	
Poland	32,105	16,708	32,695	15,959
Liechtenstein	31,382	10,116	24,731	10,374
United Kingdom	4,708		5,557	
Czech Republic	3,336		3,455	
Hungary	3,285		3,424	
Serbia	8,021		11,292	
France	103,017	25,935	103,957	20,774
Austria	2,523	376	2,042	456
Netherlands	17,954		13,345	
Belgium	2,704		2,724	
Türkiye	41,705	58,858	34,538	60,515
Russia	1,046		1,211	
Other Europe	9,162		7,434	
America	8,431		6,088	
China	3,640		2,838	
Other Asia	5,774		4,379	
Africa, Australia and New Zealand	2,443		1,758	
Total Group	**380,313**	**286,206**	**357,031**	**266,827**

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

(€k)	2023		2022	
	Net sales w/o IC	Trade receivables	Net sales w/o IC	Trade receivables
thereof product sales	378,736	42,094	349,792	42,918
thereof service sales	1,577	110	7,239	75
Total Group	**380,313**	**42,204**	**357,031**	**42,993**

In the 12 months ended 31 December 2023, transactions with one external customer accounted for more than 10% (2022: one external customer, more than 10%).

No information is provided about remaining performance obligations at 31 December 2023 or at 31 December 2022 that have an original expected duration of one year or less, as allowed by IFRS 15.

13. Intangible assets

(€k)	Goodwill	Customer relationships and other intangible assets	Corporate brand	Licenses	Total
COST					
Balance as of January 01, 2022	**17,398**	**22,107**	**3,304**	**2,249**	**45,058**
FX differences	-3,734	-5,021	-753	-6	-9,514
Change in consolidation scope	16,071	18,195	2,596		36,862
Additions	0	145	0	113	258
Transfer	0	-67	0	13	-54
Application of hyperinflation accounting (IAS 29)	6,186	14,945	2,240	0	23,371
Balance as of December 31, 2022	**35,921**	**50,304**	**7,387**	**2,369**	**95,981**
FX differences	-7,134	-10,946	-1,891	0	-19,971
Additions	0	130	0	144	274
Disposals	0	-1	0	-10	-11
Transfer	0	-75	0	125	50
Application of hyperinflation accounting (IAS 29)	8,210	17,206	1,580	0	26,996
Balance as of December 31, 2023	**36,997**	**56,618**	**7,076**	**2,628**	**103,319**
ACCUMULATED AMORTISATION and IMPAIRMENT LOSSES					
Balance as of January 01, 2022	**0**	**11,682**	**305**	**1,400**	**13,387**
FX differences		-113	-72	-4	-189
Additions	0	2,654	479	265	3,398
Application of hyperinflation accounting (IAS 29)		4,346	204		4,550
Balance as of December 31, 2022	**0**	**18,569**	**916**	**1,661**	**21,146**
FX differences	0	-719	-276	0	-995
Additions	0	3,892	226	308	4,426
Disposals	0	-1	0	-10	-11
Transfer	0	5	0	0	5
Application of hyperinflation accounting (IAS 29)		5,340	157		5,497
Balance as of December 31, 2023	**0**	**27,086**	**1,023**	**1,959**	**30,068**
CARRYING AMOUNT					
Carrying amount January 01, 2022	17,398	10,425	2,999	849	**31,671**
Carrying amount December 31, 2022	35,921	31,735	6,471	708	**74,835**
Carrying amount December 31, 2023	36,997	29,532	6,053	669	**73,251**

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever there are indications of impairment. An impairment loss is recognized if the book value is higher than the higher of fair value less costs to sell and value in use.

Intangible assets with finite useful lives are recognised at cost less cumulative amortisation and impairment losses.

The book value of goodwill, customer relationships, similar intangible assets and corporate brands is allocated to the individual cash-generating units as follows:

2023 (€k)	Goodwill	Customer relationships with finite useful life	Similar intangible assets with finite useful life	Corporate brands with finite useful life	Corporate brands with indefinite useful life
Omial Group	3,019				2,118
Eliopack Group	2,928		30		
AFP Novi			87		
Arimpeks/Teko	20,887	25,218		3,935	
Top System	10,163	4,197			
Total	**36,997**	**29,415**	**117**	**3,935**	**2,118**

2022 (€k)	Goodwill	Customer relationships with finite useful life	Similar intangible assets with finite useful life	Corporate brands with finite useful life	Corporate brands with indefinite useful life
Omial Group	2,839				1,991
Eliopack Group	2,928		36		
AFP Novi			127		
Arimpeks/Teko	20,732	27,102		4,480	
Top System	9,422	4,470			
Total	**35,921**	**31,572**	**163**	**4,480**	**1,991**

Another Corporate brand is accounted for with an indefinite useful life as this is a well-recognised brand in the market and the entity has not the intention to stop using the brand in the foreseeable future.

Value in use is calculated using the discounted cash flow method and is based on internal projections, which are prepared in detail for the following three financial years. After these three years an inflation-protected level is assumed in the absence of significant evidence to the contrary. The projections are derived from previous results and past experience as well as management's best estimates of probable future developments. It is assumed that the Cash Generating Units will not experience any significant organisational changes. The discount rate applied to the calculation of discounted cash flows is the interest rate that reflects current market estimates of the time value of money and the specific risk related to respective Cash Generating Unit. Since the cash flows reflect tax expenditure, the discount rate is applied after taxes. Applying the discount rate after taxes leads to a similar result as applying a discount rate before taxes to cash flows before taxes.

The calculations for 2023 and 2022 are based on the following assumptions:

2023	Post-tax WACC	Pre-tax WACC	Growth rate after detailled planning period
Omial Group	8.80%	9.83%	3.57%
Eliopack Group	8.48%	10.07%	3.57%
Arimpeks/Teko	28.27%	33.36%	10.00%
Top System	10.53%	12.22%	3.57%

2022	Post-tax WACC	Pre-tax WACC	Growth rate after detailled planning period
Omial Group	10.70%	12.19%	2.50%
Eliopack Group	9.04%	11.04%	2.90%
Arimpeks/Teko	13.88%	16.60%	5.00%
Top System	10.63%	12.29%	4.00%

Impairment tests revealed that all goodwill items and intangibles with indefinite useful life were fully recoverable. Thus, no impairment losses were recognised for the items in question during the reporting period. A reasonable possible change in key assumptions would not lead to an impairment.

In addition, the goodwill items were tested by means of sensitivity analyses with the following results:

The goodwill impairment test for Omial-, Eliopack Group, Arimpeks/Teko and Top System resulted in a value in use that exceeded the carrying amount. The value in use would lead to a carrying amount equal to the book value at a post-tax WACC discount rate of 13.09%, 10.81%, 30.08% resp. 12.52% (instead of 8.80%, 8.48%, 28.27% resp. 10.53%) or a growth rate in the terminal value of -2.45% (compared to a positive growth rate) for Omial Group, and positive growth rates of 0.54%, 5.45% and 0.41% for Elipack Group, Arimpeks/Teko and Top Systems respectively.

14. Property, plant and equipment

31 December 2023

(€k)	Land	Buildings	ROU - Land & Buildings	Technical equipment and machinery	ROU - Technical equipment and machines	Other equipment	ROU - Other equipment	Plant under construction and payments in advance	Property, plant and equipment
COST									
Balance as of December 31, 2022	**103**	**4,423**	**26,057**	**146,049**	**8,979**	**23,534**	**5,862**	**86,344**	**301,351**
FX differences	7	-870	67	-1,492	415	-224	-9	44	-2,062
Additions		1,190	4,402	5,599		1,226	1,032	28,809	42,258
Disposals			-168	-515		-167	-1		-851
Transfer		24,876	0	56,765		3,113		-84,804	-50
Application of hyperinflation accounting (IAS 29)	1	1,024	309	5,382		433	28	44	7,221
Balance as of December 31, 2023	**111**	**30,643**	**30,667**	**211,788**	**9,394**	**27,915**	**6,912**	**30,437**	**347,867**
ACCUMULATED DEPRECIATION									
Balance as of December 31, 2022	**0**	**484**	**10,020**	**79,536**	**5,886**	**10,190**	**2,903**	**341**	**109,360**
FX differences		10	183	136	248	-17	4	22	586
Additions		99	2,942	13,156	610	4,631	983		22,421
Disposals			-168	-437		-112	-52		-769
Transfer						-5			-5
Application of hyperinflation accounting (IAS 29)		93	117	2,913		184	14		3,321
Balance as of December 31, 2023	**0**	**686**	**13,094**	**95,304**	**6,744**	**14,871**	**3,852**	**363**	**134,914**
CARRYING AMOUNT									
Carrying amount December 31, 2022	103	3,939	16,037	66,514	3,093	13,344	2,959	86,003	**191,992**
Carrying amount December 31, 2023	111	29,957	17,573	116,484	2,650	13,044	3,060	30,074	**212,955**

Capital expenditure focused on expanding production capacities, especially in Croatia.

Contractual commitments for the acquisition of property, plant and equipment amount to € 2,796k (2022: € 3,316k).

31 December 2022

(€k)	Land	Buildings	ROU - Land & Buildings	Technical equipment and machinery	ROU - Technical equipment and machines	Other equipment	ROU - Other equipment	Plant under construction and payments in advance	Property, plant and equipment
COST									
Balance as of December 31, 2021	**105**	**1,793**	**23,153**	**131,537**	**8,727**	**19,391**	**4,551**	**46,080**	**235,337**
FX differences	-2	-511	48	-943	252	-108	-16	-145	-1,425
Change in consolidation scope		2,460		4,514		78	39	124	7,215
Additions		98	2,426	5,944		1,546	1,306	46,591	57,911
Disposals			-104	-1,602		-123	-33		-1,862
Transfer		70	0	4,209		2,081	0	-6,306	54
Application of hyperinflation accounting (IAS 29)	0	513	534	2,390	0	669	15		4,121
Balance as of December 31, 2022	**103**	**4,423**	**26,057**	**146,049**	**8,979**	**23,534**	**5,862**	**86,344**	**301,351**
ACCUMULATED DEPRECIATION									
Balance as of December 31, 2021	**0**	**331**	**6,812**	**66,080**	**4,913**	**7,288**	**2,091**	**325**	**87,840**
FX differences		-1	92	41	103	-4	-35	16	212
Additions		58	3,062	13,654	870	2,763	872		21,279
Additions Impairment				62		1			63
Disposals			-104	-1,502		-109	-32		-1,747
Application of hyperinflation accounting (IAS 29)		96	158	1,201		251	7		1,713
Balance as of December 31, 2022	**0**	**484**	**10,020**	**79,536**	**5,886**	**10,190**	**2,903**	**341**	**109,360**
CARRYING AMOUNT									
Carrying amount December 31, 2021	105	1,462	16,341	65,458	3,814	12,103	2,460	45,755	**147,498**
Carrying amount December 31, 2022	103	3,939	16,037	66,514	3,093	13,344	2,959	86,003	**191,992**

Capital expenditure focused on expanding production capacities, especially in Croatia.

15. Leases

On 27 December 2018, Omial Novi d.o.o. and Aluflexpack Novi d.o.o. entered into lease agreements with WertInvest Nekretnine d.o.o., Croatia, an entity beneficially controlled by DDr. Michael Tojner, with respect to the owned properties and buildings situated on such properties in Zadar, Drniš and Omiš in Croatia. On 27 April 2021, the term of the lease agreements was extended by 5 years, ending on 31 December 2030. All other provisions of the original lease agreements remain in effect and unchanged.

15.1 ROU assets

(€k)	2023	2022
Balance as of January 01	**22,089**	**22,615**
Depreciation	-4,535	-4,804
Additions	5,434	3,732
Change in consolidation scope	0	39
Derecognition of right-of-use assets	51	-1
FX differences	38	124
Other adjustment	206	384
Balance as of December 31	**23,283**	**22,089**

15.2 Amounts included in the income statement

(€k)	2023	2022
Interest expense lease liabilities	-596	-569
Short-term lease expenses	-502	-327
Expenses from leases for low-value assets, excluding short-term leases for low-value assets	-1,774	-892
Total values recorded in the income statement	**-2,872**	**-1,788**

15.3 Total cash outflow for leases

(€k)	2023	2022
Total cash outflow for leases	-8,165	-7,020

15.4 Leases in which the Aluflexpack Group is the lessor

There are no leases in which the Aluflexpack Group is the lessor.

16. Other receivables and assets

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

(€k)	31/12/2023	31/12/2022
Other receivables and assets	797	1,169
Total	**797**	**1,169**

(€k)	31/12/2023	31/12/2022
Derivative financial instruments	252	0
Other receivables and assets	2,296	2,589
Prepaid expenses / deferred charges	4,083	3,464
Other tax receivables	5,369	6,454
Total	**12,000**	**12,507**

17. Inventories

Inventories are distributed amongst the individual items as follows:

(€k)	31/12/2023	31/12/2022
Raw materials and supplies	29,931	41,202
Tools and replacement parts	2,460	2,182
Unfinished goods and services	34,350	27,240
Finished goods, merchandise and payments in advance	25,851	26,441
Inventories	**92,592**	**97,065**

18. Cash and cash equivalents

Cash and cash equivalents are distributed as follows:

(€k)	31/12/2023	31/12/2022
Cash	6	11
Bank deposits	35,300	23,289
Fixed deposits (duration < 3 months)	2,008	0
Total	**37,314**	**23,300**

19. Employee benefits

(€k)	31/12/2023	31/12/2022
Net defined benefit liability	773	470
Severance payments	563	593
Anniversary bonuses	189	158
Employee bonuses	875	1,131
Other accruals for personnel	61	554
Entitlement to holiday, overtime, compensatory time	1,023	839
Redundancy payments	3	5
Total liabilities for employee benefits	**3,487**	**3,750**
thereof current	1,962	2,529
thereof non-current	1,525	1,221

Defined benefit pension plan

The two most significant plans are located in Liechtenstein and Switzerland (LLB Vorsorgestiftung für Liechtenstein for its employees in Liechtenstein and PKG Pensionskasse für KMU for its employees in Switzerland). In addition, a new plan was concluded in 2020 for the employees of Aluflexpack AG in Switzerland at Tellco pkPRO.

(€k)	31/12/2023	31/12/2022
Present Value of Defined Benefit Obligation	3,989	3,603
Fair Value of Plan Assets	-3,216	-3,133
Net liability (+) / Net asset (-) in balance	**773**	**470**
thereof Switzerland	638	413
thereof Liechtenstein	135	57

Characteristics of defined benefit plans and risks associated with them

The Swiss pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed by independent, legally autonomous units. The pension plan in Liechtenstein is governed by Liechtenstein Law (Gesetz über die betriebliche Personalvorsorge (BPVG)). For both jurisdictions the assets of the pension plan are held within a separate foundation and cannot revert to the employer. Pension plans are overseen by a regulator as well as by a state supervisory body.

The Swiss Group entities and also the Liechtenstein Group entity are affiliated to a collective pension fund. The plans are fully segregated from the ones of other participating employers.

The most senior governing body of the collective foundation is the Board of Trustees. All governing and administration bodies have an obligation to act in the interests of the plan participants.

Plan participants, their spouse and children are insured against the financial consequences of old age, disability and death. Their benefits are defined in pension plan rules compliant with the BVG in Switzerland and the BPVG in Liechtenstein, which is specifying the minimum benefits that are to be provided. Retirement benefits are based on the accumulated retirement capital which can either be drawn as a lifelong annuity or as a lump sum payment.

The accumulated retirement capital is made of the yearly contributions towards the old age risk by both employer and employee and the interest thereon until retirement. Contributions towards the old age risk are based on the rules defined by the Board of Trustees of the collective foundations.

For Switzerland minimum contributions and interest are defined by the BVG and the Swiss Parliament. In 2023 the minimum interest was 1% (2022: 1%).

According to IAS 19, the pension plans are classified as "defined benefit" plan.

Movement in net defined benefit (asset) liability

The development of the pension obligation and the changes in the plan assets for the defined benefit pension plans can be illustrated as follows:

	Net liability		Fair Value of Plan Assets		Present Value of Defined Benefit Obligation	
(€k)	2023	2022	2023	2022	2023	2022
Fair Value / Present Value at 1 January	470	854	-3,133	-2,954	3,603	3,808
Included in profit or loss						
Current service cost	168	241			168	241
Interest cost (income)	6	3	-72	-9	78	12
Plan amendments	9	-3			9	-3
	183	**241**	**-72**	**-9**	**255**	**250**
Included in OCI						
(i) Remeasurement loss (gain):						
Actuarial loss (gain) arising from:	-72	-654			-72	-654
- experience adjustment	*-361*	*386*			*-361*	*386*
- demographic assumptions	*-10*				*-10*	*0*
- financial assumptions	*299*	*-1,040*			*299*	*-1,040*
Return on plan assets excluding interest income	278	112	278	112		
(ii) Effect of movements in exchange rates:	44	45	-195	-146	239	191
	250	**-497**	**83**	**-34**	**167**	**-463**
Other						
Employers contributions	-148	-141	-148	-141		
Employee contributions	0	0	-148	-141	148	141
Benefis paid	0	0	191	135	-191	-135
Administration expense	10	11	10	11		
	-138	**-130**	**-95**	**-136**	**-43**	**6**
Balance at 31 December	**767**	**470**	**-3,217**	**-3,133**	**3,984**	**3,603**
funded via provision	*0*	*0*			*0*	*0*
funded via plan assets	*767*	*470*			*3,990*	*3,603*
Thereof Switzerland	*638*	*413*	*-2,094*	*-2,006*	*2,732*	*2,422*
Thereof Liechtenstein	*135*	*57*	*-1,117*	*-1,127*	*1,252*	*1,181*

The Group expects to pay € 147k in contribution to its defined benefit plans in 2024.

Plan assets

The market value of assets and the split into the asset categories of LLB Liechtenstein Pension Fund Foundation, the pension fund PKG and the Tellco pk-PRO, is based either on the coverage ratio provided by the pension Fund as of September 30, 2023 or on the coverage ratio as per December 31, 2022 information of the performance of the pension funds and the performance of the Pictet LLP 2015-25 index for the month the performance is unknown.

The fair value of the plan asset categories are as follows:

(€k)	2023	2022
Equities		
- quoted market prices	1,092	967
Bonds		
- quoted market prices	1,608	1,186
Real estate		
- quoted market prices	315	224
- other than quoted market prices		176
- direct investments	198	
Alternative investments		
- quoted market prices	66	172
Qualified insurance policies		322
Others		22
Cash	-63	63
Balance at 31 December	**3,216**	**3,133**

Actuarial assumptions

The actuarial assumptions of the pension plan in Liechtenstein and Switzerland (pension plan of Process Point Service AG and Aluflexpack AG) are as follows:

(€k)	31/12/2023	31/12/2022
Discount rate (in %)	1.50%	2.22%
Salary increase (in %)	1.50%	1.75%
Pension indexation (in %)	0.00%	0.00%
Inflation rate (in %)	1.50%	1.50%
Fluctuation employees (in %)	7.49%	8.22%
Mortality/Disability Rates	BVG2020	BVG2020
Average retirement age (men)	65	65
Average retirement age (women)	65	64

The actuarial assumptions are recalculated at the end of each financial year. The actuarial assumptions are used to determine the liabilities at the end of the year and the pension costs of the following year.

As of December 31, 2023, the weighted-average duration of the defined benefit obligation was 16.9 years (2022: 16.5 years).

Sensitivity Analysis

A change in the above-mentioned actuarial assumptions used to determine the DBO as at 31.12.2023/31.12.2022 would increase or reduce the corresponding DBO (and ceteris paribus also the net pension liability) of the company as follows:

(€k)	31/12/2023 - Reduction / + Increase in DBO	31/12/2022 - Reduction / + Increase in DBO
Discount rate -0.50%	316	247
Discount rate +0.50%	-272	-213
Salary increase -0.25%	-21	-13
Salary increase +0.25%	19	14

Other accruals for personnel (balance sheet)

At the end of December 2019 / beginning of January 2020, a phantom stock agreement was concluded with certain employees of the Aluflexpack Group, which gives the beneficiary the opportunity to participate in an increase in the market value of Aluflexpack AG. This agreement expired in 2023.

In February 2023, a new phantom stock agreement was concluded with certain employees of the Aluflexpack Group, which gives the beneficiary the opportunity to participate in an increase in the market value of Aluflexpack AG. The total carrying amount of liabilities at the end of the reporting period is € 61k (2022: € 554k), (see also Note 25 "Share-based payment arrangements").

20. Equity

20.1 Capital stock

As of 31 December 2023, the total authorized 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	December 31, 2023	December 31, 2022
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 31 December 2023.

20.2 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 31 December 2023.

	December 31, 2023	December 31, 2022
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	10,520	4,136
Basic earnings per share in €	0.6	0.2
Diluted earnings per share in €	0.6	0.2

20.3 Nature and purpose of reserves

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

20.4 Dividends

In the Top System shareholder meeting held in June 2023, a dividend was decided, which was paid out to the shareholder in June 2023 (€ 579k).

In the Process Point shareholder meeting held in August 2023, a dividend was decided, which was paid out to the shareholder in October 2023 (€ 56k).

21. Financial liabilities

21.1 Changes in liabilities arising from financing activities

(€k)	31/12/2022	Currency translation	Reclassification	Repayment	Proceeds	Interest accrued/ other changes	Changes in Fair value	31/12/2023
Non-current financial liabilities								
Bank loans and borrowings	74,817	336	-11,601	-10	43,609	0	0	**107,151**
Other financial liabilities*	11,948	152	-11,588	0	0	0	158	**670**
Current financial liabilities								
Bank loans and borrowings	28,086	-1,056	11,601	-6,489	11,255	554	0	**43,952**
Other financial liabilities*	9,253	342	11,588	-10,145	0	0	2,773	**13,812**
Total	**124,103**	**-226**	**0**	**-16,643**	**54,864**	**554**	**2,931**	**165,584**

* not including lease liabilities according to IFRS 16 € 23,753k (2022: € 22,985k) and accrued interest payable (3rd party) € 14k (2022: € 12k)

(€k)	31/12/2021	Currency translation	Reclassification	Additions consolidation scope	Repayment	Proceeds	Interest accrued/ other changes	Changes in Fair value	31/12/2022
Non-current financial liabilities									
Bank loans and borrowings	10,593	-2,023	-5,447	8	-100	71,785	0		**74,817**
Other financial liabilities*	6,557	442	-5,666	11,103	0	0	0	-488	**11,948**
Current financial liabilities									
Bank loans and borrowings	6,970	196	5,447	594	-7,589	21,868	599		**28,086**
Other financial liabilities*	0	-175	5,666	0	0	0	0	3,761	**9,253**
Total	**24,121**	**-1,559**	**0**	**11,705**	**-7,689**	**93,653**	**599**	**3,273**	**124,103**

* not including lease liabilities according to IFRS 16 € 22,985k (2021: € 23,852k) and accrued interest payable (3rd party) € 12k (2021: € 7k)

21.2 Bank loans and borrowings

(€k)	Original currency	Maturity	Interest calculation type	Effective interest rate in %	Credit line	Carrying amount in reporting currency 2023
Loan	EUR	15.12.2025	variabel	5.3%	2,545	2,539
Loan	EUR	15.12.2025	variabel	5.3%	2,545	2,539
Loan	EUR	31.08.2024	variabel	5.3%	10,000	10,044
Loan	EUR	31.08.2024	variabel	5.3%	8,600	8,613
Loan	CHF	> 1 year	variabel	n/a	1,620	0
Loan	EUR	31.03.2027	variabel	5.7%	70,000	70,497
Loan	EUR	31.03.2027	variabel	5.1%	30,000	30,195
Loan	EUR	31.03.2027	variabel	5.0%	8,928	8,928
Loan	EUR	31.03.2027	variabel	5.1%	15,000	15,160
Loan	EUR	31.12.2024	variabel	n/a	12,000	0
Loan	EUR	31.03.2027	variabel	5.6%	20,000	2,314
Loan	EUR	31.03.2027	variabel	n/a	25,000	0
Loan	EUR	< 1 year	fix	1.5%	10	10
Loan	EUR	< 1 year	fix	7.6%	264	264
Total liabilities to financial institutions						**151,103**
Thereof non-current liabilities to financial institutions						107,151
Thereof current liabilities to financial institutions						43,952

(€k)	Original currency	Maturity	Interest calculation type	Effective interest rate in %	Credit line	Carrying amount in reporting currency 2022
Loan	EUR	15.12.2023	variabel	1.9%	1,246	1,246
Loan	EUR	15.12.2025	variabel	1.6%	3,792	3,792
Loan	EUR	15.12.2025	variabel	1.6%	3,792	3,792
Loan	EUR	31.08.2023	variabel	2.2%	10,000	10,000
Loan	EUR	15.12.2023	variabel	1.8%	1,669	1,669
Loan	CHF	> 1 year	variabel	n/a	508	0
Loan	EUR	31.03.2027	variabel	1.1%	70,000	69,746
Loan	EUR	30.06.2023	variabel	3.5%	30,000	12,534
Loan	EUR	> 1 year	fix	1.5%	61	61
Loan	EUR	> 1 year	fix	3.0%	5	5
Loan	EUR	> 1 year	fix	1.1%	37	37
Loan	EUR	< 1 year	fix	7.5%	50	21
Total liabilities to financial institutions						**102,903**
Thereof non-current liabilities to financial institutions						74,817
Thereof current liabilities to financial institutions						28,086

All the loans with the European Bank for Reconstruction and Development and OTP Banka are guaranteed by Montana Tech Components AG and Aluflexpack AG for the EUR 10m and 8,6m line.

In April 2022, Aluflexpack AG entered into a syndicated loan agreement with a banking syndicate for a total amount of EUR 100m, of which EUR 70m as an amortisation facility and EUR 30m as a revolving facility. As of December 31, 2023, the entire amount had been drawn from the amortisation facility and from the revolving facility. The amortisation loans granted under the amortisation facility (EUR 70m) are to be repaid by Aluflexpack AG within one to five years (maturity date March 31, 2027). In addition, the OTP Banka line of EUR 8.6m was also drawn from Aluflexpack Novi in 2023.

In 2023, Aluflexpack AG has concluded further loan agreements with Swiss banks. A loan for EUR 12m (no draws in 2023) with Zürcher Kantonalbank, with a basic term of 360 days, whereby the basic term is automatically extended by a further 360 days if termination is not carried out.

A loan agreement with Basler Kantonalbank for EUR 25m (no draws in 2023), with the credit line being available at any time until May 17, 2026.

A loan agreement with Aargauische Kantonalbank for EUR 20m (maturity date March 31, 2027), of which 2.3m were drawn in 2023.

Two further loan agreements with the Luzerner Kantonalbank, a loan for general corporate financing of EUR 15m (fully drawn in 2023) and another loan for equity financing of EUR 10m (fully drawn in 2023, with the first tranche being repaid in accordance with the contract in December 2023 (EUR 1.1m)). Both loans have a maturity date of March 31, 2027.

For liabilities at variable interest rates, the fair value corresponds to the reported carrying amount.

Moreover, the Group is required to adhere to various defined financial ratios under the credit agreements (including interest coverage ratio, total liabilities to equity ratio, current ratio, net financial debt to EBITDA ratio).

The financial ratios shall be tested semiannually by reference to the financial position as of 30 June and 31 December.

All covenants have been met as of 31 December 2023.

21.3 Other financial liabilities

Other financial liabilities and loan liabilities to affiliated companies are composed as follows:

(€k)	31/12/2023	31/12/2022
Lease liabilities (according to IFRS 16)	23,752	22,984
Other financial liabilities	14,496	21,213
Other financial liabilities	**38,248**	**44,197**
Thereof current	17,860	13,208
Thereof non-current	20,388	30,989

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 December 31, 2023, the liability is recognised at the present value of the exercise price of the option which amounts to € 13,812k (2022: € 11,436k).

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 recognized 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. The liability is recognized at the present value of the exercise price of the option which amounts to € 6,967k in 2022. This option was exercised in July 2023 for € 7,941k (see also note 2, "Significant changes in the reporting periods").

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 re-quest 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. This option was exercised in November 2023 for € 2,204k (see also note 2, "Significant changes in the reporting periods").

According to the share purchase agreement of 5 August 2014, Omial Novi d.o.o. (as the control-ling shareholder of Process Point Service AG) has the obligation to take up the shares upon re-ceipt 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. The fair value for the remaining obliga-tion amounts to € 670k (2022: € 512k).

22. Accruals

Accruals comprise the following significant items:

(€k)	31/12/2023	31/12/2022
Audit, tax advisory and legal advisory	300	169
Outstanding invoices	423	2,002
Customer bonuses, rebates and discounts	1,557	1,943
Other accruals	508	594
Accruals	**2,788**	**4,708**

23. Other liabilities

The split of other liabilities is as follows:

(€k)	31/12/2023	31/12/2022
Deferred income	449	260
Other tax payables	3,527	2,711
Other *	11,152	10,528
Other liabilities	**15,128**	**16,966**
thereof current	8,462	10,234
thereof non-current	6,667	6,733

* thereof € 6,667k from subsidies for projects in 2023 (2022: € 6,733k)

24. Personnel expenses

Personnel expenses contain the following items:

(€k)	2023	2022
Wages and salaries	41,401	34,408
Severance and redundancy	738	351
Compulsory social security expenses	2,970	2,307
Pension expenses	192	249
Stock option plans (share based payments)	-393	-142
Other personnel expenses	1,581	1,529
Total	**46,489**	**38,702**

Regarding stock option plans see Note 25 “Share-based payment arrangements”.

At the end of 2023, the Aluflexpack Group had 1.602 employees (2022: 1.537).

25. Share-based payment arrangements

Employee stock option program (MSOP) – cash settled

At the end of December 2019 / beginning of January 2020, a phantom stock agreement was concluded with certain employees of the Aluflexpack Group, which gives the beneficiary the opportunity to participate in an increase in the market value of Aluflexpack AG. The beneficiaries are granted 173,182 phantom stocks, virtual shares that entitle them to a cash payment after the end of each period of service. The awards vest in installments over the vesting period that end in April 2023. The prerequisite for exercising is that the beneficiaries are in an unconditional service relationship with the Aluflexpack Group at the time of exercising. This employee stock option program expires in 2023, therefore the total carrying amount of liabilities at the end of the reporting period is € 0k (2022: € 554k).

The number and average exercise prices of the expired phantom stock developed as follows:

Phantom stocks	Phantom stocks 1 January	Expired (-)	Exercised (-)	Granted (+)	Not exercised (-)	December 31, 2023 Total phantom stocks	December 31, 2023 Thereof exercisable
Number of outstanding share options	93,596	-17,186	-76,410			0	0

The weighted average share price on the exercise date of the phantom stock exercised in 2023 was CHF 18.875.

In February 2023, a new phantom stock agreement was concluded with certain employees of the Aluflexpack Group, which gives the beneficiary the opportunity to participate in an increase in the market value of Aluflexpack AG. The beneficiaries are granted 196,244 phantom stocks, virtual shares that entitle them to a cash payment after the end of each period of service. The awards vest in installments over the vesting period that end in April 2027. The prerequisite for exercising is that the beneficiaries are in an unconditional service relationship with the Aluflexpack Group at the time of exercising.

Details of the liabilities arising from the phantom stock were as follows:

The total carrying amount of liabilities for all phantom stocks at the end of the reporting period is € 61k (2022: € 554k).

The total intrinsic value of liabilities for vested benefits at the end of the reporting period is € -485k.

The number and average exercise prices of the phantom stock developed as follows:

Phantom stocks	Phantom stocks 1 January	Expired (-)	Exercised (-)	Granted (+)	Not exercised (-)	December 31, 2023 Total phantom stocks	December 31, 2023 Thereof exercisable
Number of outstanding share options	0			196,244		196,244	49,061

The phantom stock outstanding as of December 31, 2023 had an exercise price of CHF 18.11 and an average weighted remaining contractual life of around 4 years.

Determination of the fair values

The fair value of the share-based payment system has been measured using the Black Scholes formula.

The inputs used in measurement date of the option per December 31, 2023 were as follows:

(€k)	December 31, 2023	December 31, 2022
Fair value (CHF)	0.26	5.82
Share price (CHF)	8.95	17.66
Exercise price (CHF)	18.11	16.80
Volatility (%)	47.34	50.60
Expected life (years)	4	4
Risk-free interest rate (based on government bonds, %)	1.31	1.28

Expense recognised in profit or loss

For details of the related employee benefit expenses, see note 24.

Management stock option program (MSOP) – equity settled

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%). For the third performance period starting 1 January 2023 and ending 31 December 2026, a total of 13,294 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 2023 (€ 92k) and 2022 (€ 69k) figures.

Expense recognised in profit or loss

For details of the related employee benefit expenses, see note 24.

26. Other operating income

Other operating income contains the following items:

(€k)	2023	2022
Income from reversal of provisions and accruals	0	101
Own work capitalised	1,190	378
Income from disposal of recycling products	9,892	10,307
Income from insurance	267	135
Income from claim	1,003	70
Grants and public benefits	529	657
Other	8,526	4,069
Other operating income	**21,407**	**15,717**

In 2023 and 2022, the position “Other” includes the net monetary position due to the application of IAS 29 (see also note 7, “Changes in significant accounting policies”).

27. Other operating expenses

Other operating expenses comprise the following items:

(€k)	2023	2022
Energy costs	24,239	21,351
Maintenance from third parties	2,708	2,704
Freight-out costs and customs duties	8,595	8,971
Accrual of provisions for bad debt	-5	-1,373
Commissions	180	222
Legal advice, audit and consulting fees	3,469	2,182
Rental and leasing expenses	2,276	1,219
Travel expenses	864	563
Phone and postal charges, IT supplies	825	706
Insurance	1,525	1,117
Marketing, advertising and entertainment expenses	1,386	840
Directors' remuneration	152	151
Taxes other than income taxes	1,223	881
Other operating expenses	7,390	4,561
Total other operating expenses	**54,827**	**44,095**

In 2023 and 2022, the position “Other operating expenses” includes the net monetary position due to the application of IAS 29 (see also note 7, “Changes in significant accounting policies”).

28. Net financial result

The interest income is attributable to cash and cash equivalents. The interest expense is attributable to liabilities measured at amortised cost.

Other financial income and other financial expenses are composed as follows:

(€k)	2023	2022
Foreign currency exchange gains	2,868	651
Other	3,881	491
Other financial income	**6,749**	**1,142**
Foreign currency exchange losses	7,289	3,936
Other	3,412	11,569
Other financial expenses	**10,701**	**15,505**

In 2023, other financial income in the amount of € 3,799k relates to the valuation of derivative positions and € 82k relates to the remeasurement of the put option Omial Novi.

In 2022, other financial income in the amount of € 488k relates to the remeasurement of the put option Process Point Service AG.

In 2023, other financial expenses in the amount of € 3,013k relates to the remeasurement of the put options (excluding effects of currency translation).

In 2022, other financial expenses in the amount of € 7,055k relates to the valuation of derivative positions and € 4,150k the remeasurement of the put options (excluding effects of currency translation).

29. Income taxes

Amounts recognised in profit or loss:

(€k)	2023	2022
Current year tax expense	-4,023	-4,632
Previous year tax expense/income	-509	442
Deferred tax income	2,979	2,461
Tax expense for the year	**-1,553**	**-1,729**

Reconciliation of effective tax rate:

(€k)	2023	2022
Result before tax	12,063	6,163
Income tax rate of the entity	18.0%	17.2%
Tax using the Group's weighted average applicable tax rate	-2,177	-1,060
Effect of tax rates in foreign jurisdictions	0	-92
Tax-free income	37	36
Current year losses for which no deferred tax asset is recognised	-799	-1,198
Utilisation of unrecognised tax losses brought forward	1,520	94
Non-tax deductible expenses	-476	-74
Taxes for previous years	-509	442
Change in valuation of deferred tax assets	0	-394
Other	851	517
Income tax	**-1,553**	**-1,729**

The weighted average tax rate has been calculated ignoring algebraic signs.

The weighted average applicable tax rate varies from one year to the other depending on the relative weight of the profit of each individual entity in the Group's profit.

Movement in deferred tax balances

The movement in deferred tax balances is as follows:

(€k)	2023	2022
Net balance at 1 January	-7,007	-3,244
Recognised in profit or loss	2,979	2,461
Recognised in OCI	26	-68
Acquired in business combinations	0	-4,997
Application of hyperinflation accounting (IAS 29)	0	-3,259
Other (including foreign exchange differences)	-1,023	2,100
Net balance at 31 December	**-5,025**	**-7,007**

The Group has the following unrecognised tax loss carryforwards that can be utilised for tax purposes:

(€k)	31/12/2023	31/12/2022
within 2 years	396	0
within 3 years	15,988	372
within 4 years	3,412	15,035
within 5 years	5,379	3,208
within 6 years	4,544	5,058
within 7 years	1,514	4,273
no expiration	8,836	6,410
Total tax loss carryforwards as of end of period	**40,069**	**34,356**

Each year, the recognition of tax losses carried forward that can be utilised for tax purposes is reassessed based on current assumptions and management estimates. When doing so, those loss carryforwards are recognised that will be able to be used within the next five years based on the earnings situation at the specific company or consolidated tax group. In countries or for companies with a history of tax losses, where no other convincing evidence can be sustained that sufficient taxable profit will be available, deferred tax assets are only recognized to the amount that sufficient taxable temporary differences exist.

As of 31 December 2023, deferred tax assets in the amount of € 5,696k were recognised based on the aforementioned assessments (2022: € 2,351k). All country-specific tax provisions were complied with and tax structuring possibilities taken account of.

Deferred tax assets and liabilities are attributable to the following balance sheet items:

(€k)	Deferred tax assets	Deferred tax liabilities	31/12/2023 net	Deferred tax assets	Deferred tax liabilties	31/12/2022 net
Intangible assets	17	7,748	-7,731	17	8,627	-8,610
Property, plant and equipment	18	1,985	-1,967	5	1,494	-1,489
Other non current receivables and assets	62	0	62	25	0	25
Inventories	77	586	-509	67	718	-651
Trade receivables	19	114	-95	14	189	-175
Other current receivables and assets	0	44	-44	6	1	5
Non-current financial liabilities	635	1,475	-840	678	566	112
Other non-current liabilities	0	0	0	0	9	-9
Liabilities for employee benefits	194	0	194	191	0	191
Current financial liabilities	83	373	-290	101	12	89
Trade payables	0	25	-25	0	3	-3
Other current liabilities	854	330	524	1,478	321	1,157
Tax loss carried forward	5,696	0	5,696	2,351	0	2,351
Offset	-3,667	-3,667	0	-1,003	-1,003	0
Total deferred tax assets / liabilities	**3,988**	**9,013**	**-5,025**	**3,930**	**10,937**	**-7,007**

Deferred tax liabilities were only recognised for temporary differences relating to investments in subsidiaries to the extent that taxes will be incurred upon reversal of the differences.

30. 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.

30.1 Overview

The significant transactions with related parties in 2023 and 2022 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.

The transactions and outstanding amounts with related parties were included in the following items in 2023 and 2022:

2023	Transaction volume		Outstanding amount	
Transaction type (in €k)	**Revenue**	**Expense**	**Receivables**	**Payables**
Transactions with persons and companies related to the main shareholder	0	4,089	0	89
Transactions with affiliated companies	96	201	45	204
Operating activity	***96***	***4,290***	***45***	***293***
Total	**96**	**4,290**	**45**	**293**

2022	Transaction volume		Outstanding amount	
Transaction type (in €k)	**Revenue**	**Expense**	**Receivables**	**Payables**
Transactions with persons and companies related to the main shareholder	0	2,949	0	71
Transactions with affiliated companies	53	371	3	0
Operating activity	***53***	***3,320***	***3***	***71***
Total	**53**	**3,320**	**3**	**71**

30.2 Remuneration paid to the Group Management

Remuneration paid to the Group Management was as follows in the year under review:

(€k)	2023	2022
Short-and long-term employee benefits	947	970
Remuneration to Management members of AFP	**947**	**970**

Group Management consists of Johannes Steurer (CEO) and Lukas Kothbauer (CFO).

31. Contingent liabilities

As of the balance sheet date, the Group had no contingent liabilities.

32. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise (see also Note 7).

32.1 Basis of consolidation

i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii) Subsidiaries

The consolidated financial statements and notes thereto include Aluflexpack as well as its subsidiaries. These are all companies over which the Group has control. The Group has control, when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Generally, the ownership of more than 50% of voting shares provides an entity with control. The existence and effect of potential voting rights that are currently exercisable or convertible when assessing whether the Group controls another entity are taken into account.

The subsidiaries are consolidated as of the date on which control is transferred to the Group. They are deconsolidated on the date on which such control creases to exist.

iii) Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest over a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

32.2 Currency translation

i) Foreign operations

Assets and liabilities of foreign operations, including Goodwill and fair value adjustments arising from acquisitions, with a functional currency other than the Euro are translated into Euro at the exchange rates at the reporting date. Revenues and expenses are translated using average exchange rates for the year. Differences arising from the translation of assets and liabilities in comparison with the previous periods are recognized as a separate component of equity.

ii) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions. Monetary items in foreign currency are translated using the exchange rates on the balance sheet date. Gains and losses resulting from foreign currency transactions are recognized in the income statement as incurred.

The currency translation exchange rates with a material impact on the consolidated financial statements are as follows:

1 €	Closing rate		Average rate	
Currency	**31/12/2023**	**31/12/2022**	**2023**	**2022**
HRK (Croatian Kuna)	n/a	7.5365	n/a	7.5349
PLN (Polish Zloty)	4.3395	4.6808	4.5420	4.6861
CHF (Swiss Franc)	0.9260	0.9847	0.9718	1.0047
TRY (Turkish Lira)	32.6531	19.9649	32.6531	19.9649

32.3 Financial instruments

32.3.1 Recognition and initial measurement

i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

32.3.2 Derivative financial instruments

The Group holds derivative financial instruments to hedge its commodity price risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

32.3.3 Equity

Share capital

Shares are part of equity since they are not repayable and there are no dividend guarantees. Any costs directly related to an increase in the share capital are deducted from equity.

Dividends

Dividends are reported as a liability as soon as they are approved by the Annual General Meeting.

32.4 Intangible assets

32.4.1 Goodwill

The positive difference between the fair value of the consideration transferred plus the recognised amount of non-controlling interests in the purchased company plus the fair value of existing equity shares in the company purchased in the case of an acquisition in steps and the fair value of all net assets acquired is recognised as goodwill (see Note 6). If the difference is negative, the profit is recognised immediately in profit or loss.

Goodwill is not systematically amortised but is tested for impairment at least once annually or whenever there is any indication of impairment (see Note 32.8 “Impairment”).

32.4.2 Research and development

Research costs incurred for the purpose of obtaining new technological knowledge or basic understanding are recognised as an expense. Development costs incurred to achieve new or significantly improved products or processes are capitalised provided all of the following conditions are fulfilled: Resources controlled by the entity from which future economic benefits are expected to flow to the entity, lack physical substance and identifiable. Capitalised development costs are recognised at cost less cumulative amortisation and any impairment (see Note 32.8 “Impairment”). Other development costs are recognised as an expense as incurred.

32.4.3 Other intangible assets

Other intangible assets include trademarks and patents, licenses, corporate brands and capitalised, acquired customer relationships.

Intangible assets are amortised straight-line over their estimated useful lives, starting on the date on which they are available for use. The estimated useful life for concessions, licenses and other intangible assets is 3 to 16 years, and customer relationships with determinable useful lives are amortised over a period of 5 and 15 years.

Intangible assets with indeterminable useful lives such as Corporate Brands are not amortised but subjected to an annual impairment test (see Note 32.8 “Impairment”).

32.5 Property, plant and equipment

With the exception of land, all property, plant and equipment is depreciated to profit or loss on a straight-line basis over the following expected useful lives:

Buildings	30 - 40 years
Technical equipment and machinery	4 - 25 years
Other equipment	3 - 15 years

The method of depreciation, the useful life and the assumed residual value, if not immaterial, are reviewed each year.

32.6 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

32.7 Inventories

Inventories are recognised at the lower of cost or net realisable value. Net realisable value is the estimated average selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Internally generated products are measured at the cost of conversion and purchased products at the cost of purchase. The cost of conversion includes direct materials and direct labour costs as well as the allocable portion of overheads. Fixed production overheads are based on the normal capacity of the production facilities. Inventories are generally measured using the first-in, first-out (FIFO) formula.

32.8 Impairment

Financial assets

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs (expected credit losses).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Non-financial assets

The carrying amounts of non-financial assets are assessed for indications of impairment as of each balance sheet date, except for assets from employee benefits (see 19 "Employee benefits"), inventories (see 17 "Inventories") and deferred tax assets (see 29 "Income taxes"). If there are any such indications, the recoverable amount is determined.

The recoverable amount is determined at the same time each year for goodwill and intangible assets with an indeterminable useful life or that are not yet available for use.

The goodwill acquired is allocated for the purpose of impairment testing to those cash-generating units that are expected to benefit from synergies from the underlying business combination.

An impairment loss exists if the carrying amount of an asset of a cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in income. Impairment losses recognised for a cash-generating unit or a group of cash-generating units are first allocated to goodwill and then pro rata to the other assets of the unit or group.

Goodwill impairment is not reversed.

In the case of impairment losses recognised for other assets, an assessment is made at each balance sheet date as to whether there are indications that the loss may have decreased or may no longer exist. Reversals of impairment losses are made to the increased recoverable amount, which may not, however, exceed the original amortised carrying amount of the asset.

32.9 Accruals

Accruals refer to future expenditures that are uncertain in terms of their amount or timing but where the uncertainty is less than in the case of provisions. Accruals include liabilities for items or services received or supplied that have neither been paid for nor invoiced or formally agreed. They also include current liabilities to employees (for instance bonuses or holiday entitlements). Accruals are carried in the amount of the expected utilisation.

32.10 Revenue and earnings recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. Customers obtain control of the products mainly upon arrival at the customer or when the goods are dispatched from the Group's warehouse. Invoices are generated and revenue is recognised at that point in time.

Invoices are usually payable within a range of 10 and 180 days (specified in the individual customer contracts).

At the end of the year, customer discounts are granted to certain customers, provided that a specific sales volume is exceeded (almost exclusively quantity discounts). Discounts are already being demarcated during the year.

Similar to the discounts, cash discounts granted are to be taken into account in the revenue recognition on an ongoing basis. Due to the insignificance, no significant implications were identified.

32.11 Net financial result

Net interest expense includes income from financial assets and cash and cash equivalents as well as expenses from liabilities to financial institutions and other financial liabilities. Interest income and expenses are recognised in profit or loss in the period in which they are incurred using the effective interest rate method.

The Group recognises borrowing costs incurred in connection with the acquisition of a qualifying asset in accordance with IAS 23.4. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Dividend income is recognised in income when the right to receive payment is established.

32.12 Income taxes

Income taxes include both current and deferred taxes on income. Income taxes are normally recognised in profit or loss unless they refer to an item that is recognised directly in the consolidated statement of comprehensive income.

Current income taxes are charged on taxable profit based on the tax rates applicable at the balance sheet date including expenses for taxes for past periods.

Under the balance sheet liability method, deferred taxes are calculated for all temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base. Deferred taxes are measured at the tax rates applicable or expected to be applicable to the Group entity in question.

Relevant tax rate in Austria is 24%, in Croatia 18%, in Poland 19%, in Liechtenstein 12,5%, in Switzerland between 15,1% and 18,50%, in France 25% and in Türkiye 25%.

Deferred taxes are not recognised for the following temporary differences: initial recognition of goodwill, initial recognition of an asset or liability associated with a transaction affecting neither taxable profit or accounting profit and temporary differences on investments in subsidiaries, provided that the entity is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets on tax losses carried forward and deductible temporary differences are only recognised to the extent it is probable that it will be possible to utilise them against future taxable profits.

33. Subsidiaries and Non-Controlling Interest

As of 31 December 2023, Aluflexpack held shares in the following companies:

Name of the company	Directly held/ Indirectly held	Location	Country	Currency	Interest 2023	Interest 2022	Share capital
AFP Group GmbH	Directly held	Wien	AT	EUR	100.00%	100.00%	35,000
Arimpeks Aliminyum San. İç ve Dış Tic. A.Ş	Directly held	Istanbul	TR	TRY	100.00%	100.00%	223,885,749
Top-System sp.z.o.o.	Directly held	Tarnowo Podgorne	PL	PLN	100.00%	80.00%	1,000,000
Teko Alüminyum Sanayi Anonim Şirketi	Directly/ indirectly held	Istanbul	TR	TRY	80.00%	80.00%	7,000,000
Aluflexpack Novi d.o.o	Indirectly held	Umag	HR	EUR	100.00%	100.00%	132,723
Omial Novi d.o.o.	Indirectly held	Omis	HR	EUR	100.00%	97.00%	965,522
Aluflexpack Polska sp. z.o.o	Indirectly held	Poznan	PL	PLN	100.00%	98.47%	6,006,548
Process Point Service AG	Indirectly held	Triesen	LI	CHF	95.00%	92.15%	1,000,000
Eliopack s.a.s.	Indirectly held	La Ferte Bernard	FR	EUR	100.00%	80.00%	1,340,000

With regard to the change in shareholdings, we refer to note 2 (Significant changes in the current reporting period) and note 21.3 (Other financial liabilities).

34. Events after the balance sheet date

As announced in the ad hoc announcement pursuant to Article 53 of Listing Rules of SIX Swiss Exchange on 16 February 2024, Constantia Flexibles has entered into an agreement to acquire approximately 57% of the shares of Aluflexpack from Montana Tech Components AG and Xoris GmbH and, in parallel, will launch an all cash public tender offer for all publicly held registered shares of Aluflexpack for CHF 15.00 per share to CHF 18.75 per share, subject to the outcome of the regulatory process. The Offer represents a 72% to 115% premium over Aluflexpack's closing share price on February 15, 2024, the trading day immediately preceding the pre-announcement of the offer, and a 78% to 123% premium to the volume weighted average price during the last 60 trading days prior to the pre-announcement of the offer. The tender offer is subject to certain terms and conditions including regulatory approvals.

As announced in the media release on 5 October 2023, Aluflexpack AG signed an agreement to acquire 67.9% of the shares of Helioflex North Africa S.P.C., SA ("Helioflex"), for € 5.7m. In accordance with the shareholder agreement of 4 October 2023 between Aluflexpack AG and one existing shareholder of Helioflex, a put option is granted that conveys the right to sell his 17.92% interest in Helioflex to Aluflexpack AG. In addition, a call option is granted to Aluflexpack AG to buy an additional 17.92% interest in Helioflex. Closing of the transaction is expected in the second quarter of 2024.

There were no other events after the balance sheet date that had a material effect on the consolidated financial statements of Aluflexpack.

Statutory Auditor's Report

To the General Meeting of Aluflexpack AG, Reinach (AG)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aluflexpack AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the consolidated financial statements (pages 137 to 176) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

EXISTENCE AND ACCURACY OF REVENUE

VALUATION OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EXISTENCE AND ACCURACY OF REVENUE

Key Audit Matter

The Group manufactures flexible packaging products and solutions, mainly aluminium-based, and recognises revenue when the customers obtain control of the products.

Revenue is the basis for evaluating the course of business of the Group and is thus a focus area of internal target setting and external expectations. These expectations create potential pressure on management to achieve the set targets, which leads to an increased risk in revenue recognition, in particular that revenue is overstated or not recognised in the correct period.

Our response

Amongst others, we performed the following audit procedures:

— Obtaining an understanding of significant customer contracts and revenue streams and testing selected key controls over revenue recognition;

— Comparing a sample of revenue transactions throughout the year to underlying customer orders, delivery papers and invoices;

— Assessing on a sample basis whether sales transactions on either side of the balance sheet date are recognised in the correct period by inspecting invoices, delivery papers and applicable commercial terms;

— Inspecting a sample of credit notes issued after balance sheet date and evaluating whether the related adjustments to revenue are recognised in the appropriate period;

— Comparing recorded revenue and margins to budget and prior year to identify significant or unusual deviations. We discussed such analysis with management and corroborated with additional documentation where appropriate;

— Additionally, we identified transactions that deviated from the standard processes, such as entries by management or manual entries, for further investigation and validated the existence and accuracy of this population.

For further information on revenue refer to the following:

— Notes to the Consolidated Financial Statements, 12. Segment reporting, page 150

— Notes to the Consolidated Financial Statements, Material accounting policies, 32.10 Revenue and earnings recognition, page 175

VALUATION OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

Key Audit Matter

The Group reports goodwill and other intangible assets with indefinite useful life totalling EUR 39.1 million as of 31 December 2023, arising from past business combinations.

Management assesses goodwill and other intangible assets with indefinite useful life for impairment on a yearly basis using a discounted cash flow model to determine the value in use of the cash-generating units (CGUs). In case of business combinations occurring during the reporting period, management applies judgement in allocating goodwill and intangible assets to the appropriate CGUs. Performing the impairment test on the level of individual CGUs requires the use of a number of key assumptions and judgements, including estimated future cash flows, long-term growth rates, profitability levels and discount rates.

We focused on this area in light of the amounts involved and the level of judgement and estimation required.

Our response

Our audit procedures included, amongst others, conducting sensitivity analysis on key assumptions, evaluating the methodical and mathematical accuracy of the valuation model used for the impairment testing, the appropriateness of the assumptions and the methodology used by management to prepare its cash flow forecasts. We used our own valuation specialists to support our procedures.

In particular, we performed the following for CGU's sensitive to changes in key assumptions:

— Gaining an understanding and assessing the reasonableness of business plans and forecasts by back-testing historical forecasts to actual results;

— Comparing business plan data against the latest plans approved by the board of directors and forecasts approved by management;

— Challenging the robustness of the key assumptions used to determine the recoverable amount, including identification of the CGUs and respective goodwill allocation, forecast cash flows, longterm growth rates, profitability levels and discount rates based on our understanding of the commercial prospects of the related CGUs and by comparing them with publicly available data, where possible;

— Recalculating the recoverable amount and its surplus over the carrying amount to assess the headroom for selected CGUs.

We also considered the appropriateness of disclosures in the consolidated financial statements.

For further information on goodwill and other intangible assets with indefinite useful life refer to the following:

— Notes to the Consolidated Financial Statements, 13. Intangible assets, page 152

— Notes to the Consolidated Financial Statements, Material accounting policies, 32.4 Intangible assets, page 174

— Notes to the Consolidated Financial Statements, Material accounting policies, 32.8 Impairment, page 175

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Daniel Haas
Licensed Audit Expert
Auditor in Charge

Roman Künzle
Licensed Audit Expert

St. Gallen, 27 March 2024

HUMAN RESOURCES

Diversity and inclusion are key to the creation of group synergy and a strong organisational culture. We are expanding in different regions with teams and experts from diverse cultures coming together, guided by the belief that only a high performing and satisfied team can secure efficiency and organisational growth.

We are
PASSIONATE:
We love what we do and inspire others by sharing experience.

Statutory Accounts

Balance Sheet as of 31 December (CHF)	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents		725,141.25	985,750.36
Trade receivables			
- from holders of participations		41,972.31	3,424.35
- from entities in which the entity holds a participation		21,096.41	74,930.74
Other short-term receivables			
- from entities in which the entity holds a participation		3,307,672.00	0.00
- from third parties		80,895.36	135,185.60
		4,176,777.33	**1,199,291.05**
Non-current assets			
Financial assets	2.1	190,897,191.03	166,387,988.78
Investments	2.2	61,539,466.94	53,822,388.50
		252,436,657.97	**220,210,377.28**
TOTAL ASSETS		**256,613,435.30**	**221,409,668.33**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Short-term liabilities			
Trade accounts payable			
- to third parties		181,301.32	267,618.67
- to holders of participations and governing bodies		188,441.97	0.00
- to entities in which the entity holds a participation		166,125.25	49,510.04
Short-term interest-bearing liabilities			
- to third parties	2.3	23,101,653.04	12,423,841.11
Other short-term liabilities			
- to third parties	2.4	56,855.00	545,604.21
- to holders of participations and governing bodies		12,964.00	13,786.00
Accrued expenses and deferred income		448,767.10	242,336.70
		24,156,107.68	**13,542,696.73**
Long-term liabilities			
Long-term interest-bearing liabilities			
- to third parties	2.3	105,946,229.50	72,375,000.00
		105,946,229.50	**72,375,000.00**
Total liabilities		**130,102,337.18**	**85,917,696.73**
Shareholders' equity			
Share capital	2.5	17,300,000.00	17,300,000.00
Legal capital reserves			
-Reserves from capital contributions	2.6	144,058,204.14	144,058,204.14
-Other capital reserves		5,432,844.55	5,432,844.55
Accumulated losses			
Accumulated losses brought forward		-31,299,077.09	-23,311,435.30
Loss for the year		-8,980,873.48	-7,987,641.79
		126,511,098.12	**135,491,971.60**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**256,613,435.30**	**221,409,668.33**

Income statement (CHF)	Notes	2023	2022
Dividend income		2,273,795.17	802,859.63
Financial income	2.7	15,090,967.05	9,457,494.13
Other operating income		521,819.02	384,153.71
Total income		**17,886,581.24**	**10,644,507.47**
Personnel expenses	2.4	-257,018.22	-401,815.10
Other operating expenses	2.8	-2,625,153.37	-1,147,697.94
Financial expenses	2.9	-23,984,326.78	-17,081,617.27
Direct taxes		-956.35	-1,018.95
Total expenses		**-26,867,454.72**	**-18,632,149.26**
Loss for the year		**-8,980,873.48**	**-7,987,641.79**

Notes:

1. Principles

1.1 General aspects

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that to ensure the company's going concern, the company's financial statements may be influenced by the creation and release of hidden reserves. Aluflexpack AG was founded on July 31, 2018 in Switzerland, the company address is Alte Aarauerstrasse 11, Reinach, Switzerland. Aluflexpack AG is registered in the commercial register with the number CHE-379.203.800.

1.2 Financial assets

Financial assets include long-term loans. Loans granted in foreign currencies are valued at the exchange rate on the reporting date, whereby unrealized losses are recorded but unrealized profits are not recognized (imparity principle).

1.3 No cash flow statement, additional information in the notes and management report

As Aluflexpack AG prepares consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has omitted additional information in the notes to the annual financial statements, the cash flow statement and the management report in accordance with the statutory provisions in these financial statements.

2. Disclosure on balance sheet and income statement items

2.1 Financial assets

(in CHF)	2023	2022
Loans granted to subsidiaries	190,728,041.03	166,239,136.78

2.2 Investments

a) Direct investments 2023

Company	Domicile	Country	Currency	Voting and capital rights in %	Capital
AFP Group GmbH	Vienna	AT	EUR	100.00	35,000
Arimpeks Aluminyum Sanayi Ic Ve Dis Ticaret Anonim Sirketi	Istanbul	TR	TRY	100.00	223,885,749
Top-System sp.z.o.o.	Tarnowo Podgorne	PL	PLN	100.00	1,000,000
TEKO Alüminyum Sanayi Anonim Sirketi	Istanbul	TR	TRY	1.00	7,000,000

b) Direct investments 2022

Company	Domicile	Country	Currency	Voting and capital rights in %	Capital
AFP Group GmbH	Vienna	AT	EUR	100.00	35,000
Arimpeks Aluminyum Sanayi Ic Ve Dis Ticaret Anonim Sirketi	Istanbul	TR	TRY	100.00	223,885,749
Top-System sp.z.o.o.	Tarnowo Podgorne	PL	PLN	80.00	1,000,000
TEKO Alüminyum Sanayi Anonim Sirketi	Istanbul	TR	TRY	1.00	7,000,000

c) Significant indirect investments 2023

Company	Domicile	Country	Currency	Voting and capital rights in %	Capital
Aluflexpack Novi d.o.o.	Umag	HR	EUR	100.00	132,723
Omial Novi d.o.o.	Omis	HR	EUR	100.00	965,522
Process Point Service AG	Triesen	LI	CHF	95.00	1,000,000
Aluflexpack Polska sp. z.o.o	Poznan	PL	PLN	100.00	6,006,548
Eliopack s.a.s.	La Ferte Bernard	FR	EUR	100.00	1,340,000
TEKO Alüminyum Sanayi Anonim Sirketi	Istanbul	TR	TRY	79.00	7,000,000

d) Significant indirect investments 2022

Company	Domicile	Country	Currency	Voting and capital rights in %	Capital
Aluflexpack Novi d.o.o.	Umag	HR	HRK	100.00	1,000,000
Omial Novi d.o.o.	Omis	HR	HRK	97.00	7,274,728
Process Point Service AG	Triesen	LI	CHF	92.15	1,000,000
Aluflexpack Polska sp. z.o.o	Poznan	PL	PLN	98.47	6,006,548
Eliopack s.a.s.	La Ferte Bernard	FR	EUR	80.00	1,340,000
TEKO Alüminyum Sanayi Anonim Sirketi	Istanbul	TR	TRY	79.00	7,000,000

2.3 Short and long-term interest-bearing liabilities

In April 2022, Aluflexpack AG entered into a syndicated loan agreement with a banking syndicate for a total amount of EUR 100m, of which EUR 70m as an amortisation facility and EUR 30m as a revolving facility. As of December 31, 2023, the entire amount had been drawn from the amortisation facility and from the revolving facility. The amortisation loans granted under the amortisation facility (EUR 70m) are to be repaid by Aluflexpack AG within one to four years (maturity date March 31, 2027). The part to be repaid in 2024 was included in the short-term interest-bearing liabilities (CHF 20,7m). The syndicated loan was/is used for the acquisition of Teko, other capital expenditures and general corporate financing.

In March and May 2023, Aluflexpack AG entered into independent loan agreements with various Swiss cantonal banks for a total amount of EUR 82m. As of December 31, 2023, EUR 27,3m had been drawn from these loans and EUR 1,1m in nominal value was repaid end of December 2023. The part to be repaid in 2024 was included in the short-term interest-bearing liabilities (CHF 1,4m). These loans were/are used for the acquisition of minority shares, other capital expenditures and general corporate financing.

2.4 Share-based payment arrangements (cash-settled)

At the end of December 2019 / beginning of January 2020, a phantom stock agreement was concluded with certain employees of the Aluflexpack AG Group, which basically gives the beneficiary the opportunity to participate in an increase in the market value of Aluflexpack AG. The beneficiaries are granted phantom stocks, virtual shares. The underlying vesting period is 4 years and the prerequisite for exercising is that the beneficiaries are in an unconditional service relationship with the Aluflexpack AG Group at the time of exercising. The related employee benefit income amounts to CHF 378k (2022: income CHF 211k). The short-term liability to third parties is 0 because the last tranche could be exercised in 2023 (2022: CHF 546k).

In February 2023, a new phantom stock agreement was concluded with certain employees of the Aluflexpack AG Group, which basically gives the beneficiary the opportunity to participate in an increase in the market value of Aluflexpack AG. The beneficiaries are granted phantom stocks, virtual shares. The underlying vesting period is 4 years and the prerequisite for exercising is that the beneficiaries are in an unconditional service relationship with the Aluflexpack AG Group at the time of exercising. The related employee benefit expense amounts to CHF 57k. The short-term liabilities to third parties are CHF 57k. The total number of granted phantom stocks amounts to 196.244.

No phantom stocks were granted to members of the Management Board or the Board of Directors.

2.5 Share capital

As of December 31, 2023, the share capital amounted to CHF 17,300,000 and was divided into 17.300.000 registered shares with a nominal value of CHF 1 each. The authorized capital was abolished as part of the revision of company law and functionally replaced by the capital band. Therefore, the Articles of Association on authorized capital were repealed and the capital band was created in Article 3a. The lower limit of the capital band is CHF 15,570,000.00 and the upper limit of the capital band is CHF 25,950,000.00. The Board of Directors is authorized within the scope of the capital band to: To increase or reduce the share capital once or several times in any amount at any time until May 24, 2028 or the earlier of the end of the capital band. The capital increase or reduction can be achieved by issuing up to 8,650,000 fully paid-up registered shares with a nominal value of CHF 1.00 each or by destroying up to 1,730,000 fully paid-up registered shares with a nominal value of CHF 1.00 each or by increasing or reducing the nominal value of the existing registered shares or by simultaneously reducing and increasing it again. The company has conditional capital of CHF 1,200,000, of which CHF 500,000 are reserved for employee shares and CHF 700,000 for financing purposes.

2.6 Legal capital reserves

The statutory capital reserves include reserves from capital contributions from the contribution in kind of the investment in AFP Group GmbH into Aluflexpack AG on September 25, 2018. The Swiss Federal Tax Administration (ESTV) has confirmed the reported reserves from capital contributions as of December 31, 2018 in the amount of CHF 2,270,048.69 within the meaning of Art. 5 Para. 1 to VStG.

In the course of the IPO in June 2019, the premium from the capital increase (CHF 1,221k) and the premium on the issues of shares (CHF 146,000k) were allocated to reserves from capital contributions. Emission taxes in the amount of CHF 1,582k, commissions in the amount of CHF 3,832k and fees in the amount of CHF 19k were deducted from the reserves from capital contributions and allocated to other capital reserves. The Swiss Federal Tax Administration (ESTV) has confirmed the reported reserves from capital contributions as of December 31, 2019 in the amount of CHF 144,058,204.14 within the meaning of Art. 5 Para. 1 to VStG.

2.7 Financial Income

Other financial income amounts to CHF 15,091k (previous year: CHF 9,457k) and includes interest income from bank deposits, interest income from loans to subsidiaries and foreign exchange rate gains of CHF 6,318k (previous year: CHF 8,018k).

2.8 Other operating expenses

	2023	2022
Administrative expenses	1,100,822.37	616,024.72
Consulting expenses	1,524,331.00	531,673.22
	2,625,153.37	**1,147,697.94**

2.9 Financial expenses

	2023	2022
Bank interest, expenses and fees	5,160,300.09	1,358,374.80
Foreign exchange losses	18,781,165.98	15,680,178.46
Other financial expenses	42,860.71	43,064.01
	23,984,326.78	**17,081,617.27**

3. Other Information

3.1 Full-time equivalents

The annual average number of full-time equivalents did not exceed 10 in the reporting year (previous year: < 10).

3.2 Contingent liabilities, collateral securities on behalf of third parties

In accordance with the agreement of September 9, 2020 between Aluflexpack AG and an existing Top System shareholder, the non-controlling shareholder is granted a put option that grants the right to sell the 20% stake in Top System to Aluflexpack AG. In addition, Aluflexpack AG is granted a call option to purchase the remaining 20% of the shares in Top System. This contingent liability was valued at CHF 6,860k as of December 31, 2022. The put option notice was submitted to Aluflexpack AG in April 2023 and the payment of the remaining purchase price was made in July 2023.

In accordance with the agreement of May 12, 2022 between Aluflexpack AG and existing Teko shareholder, the non-controlling shareholder is granted a put option that grants the right to sell the 20% stake in Teko to Aluflexpack AG. In addition, Aluflexpack AG is granted a call option to purchase the remaining 20% of the shares in Teko. This contingent liability was valued at CHF 12,790k as of December 31, 2023 (31 December 2022: CHF 11,261k).

The collateral securities provided by the company amounts to CHF 20,928k (previous year: CHF 9,847k). These are letters of comfort in favor of subsidiaries.

Aluflexpack AG has issued letters of comfort to secure payment obligations in favor of the following group companies:

- Aluflexpack Novi d.o.o. p.m.

3.3 Participation of the group management and the board of directors

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 and is maintained at the level of AFP Group GmbH. 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%). The performance shares have a term of 4 years. The vesting period begins on 1 May 2021 with a vesting date on 31 December 2024. For the second performance period starting 1 January 2022 and ending 31 December 2025, a total of 8,908 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. The vesting period begins on 1 April 2022 with a vesting date on 31 December 2025. For the third performance period starting 1 January 2023 and ending 31 December 2026, a total of 13,294 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. The vesting period begins on 1 April 2023 with a vesting date on 31 December 2026. 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.

There are no conversion or option rights in favor of members of the the Board of Directors.

3.4 Significant events after the balance sheet date

As announced in the ad hoc announcement pursuant to Article 53 SIX Listing Rules on 16 February 2024, Constantia Flexibles has entered into an agreement to acquire approximately 57% of the shares of Aluflexpack from Montana Tech Components AG and Xoris GmbH and, in parallel, will launch an all cash public tender offer for all publicly held registered shares of Aluflexpack for CHF 15.00 per share to CHF 18.75 per share, subject to the outcome of the regulatory process. The Offer represents a 72% to 115% premium over Aluflexpack's closing share price on February 15, 2024, the trading day immediately preceding the pre-announcement of the offer, and a 78% to 123% premium to the volume weighted average price during the last 60 trading days prior to the pre-announcement of the offer. The tender offer is subject to certain terms and conditions including regulatory approvals.

As announced in the media release on 5 October 2023, Aluflexpack AG signed an agreement to acquire 67.9% of the shares of Helioflex North Africa S.P.C., SA ("Helioflex"), for € 5.7m. In accordance with the shareholder agreement of 4 October 2023 between Aluflexpack AG and one existing shareholder of Helioflex, a put option is granted that conveys the right to sell his 17.92% interest in Helioflex to Aluflexpack AG. In addition, a call option is granted to Aluflexpack AG to buy an additional 17.92% interest in Helioflex. Closing of the transaction is expected in the second quarter of 2024.

There are no other significant events after the balance sheet date that have an impact on the book values of the assets or liabilities shown or that have to be disclosed here.

Proposed Appropriation of Available Result (CHF)	2023
Net loss carried forward (previous years)	-31,299,077.09
Net loss for the year	-8,980,873.48
	-40,279,950.57

The Board of Directors proposes to the General Meeting of Shareholders the following appropriation of available result:

(CHF)	2023
To be carried forward	-40,279,950.57
	-40,279,950.57

Statutory Auditor's Report

To the General Meeting of Aluflexpack AG, Reinach (AG)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aluflexpack AG (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 184 to 189) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

VALUATION OF FINANCIAL ASSETS AND INVESTMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF FINANCIAL ASSETS AND INVESTMENTS

Key Audit Matter

As of 31 December 2023, the financial statements of Aluflexpack AG contains investments and loans in subsidiaries (“investments”) in the total amount of CHF 252.4 million. The company annually reviews investments in subsidiaries for impairment indicators and performs a detailed impairment assessment if necessary.

The impairment assessment of investments requires the use of a number of key assumptions and judgements, in particular in relation to estimated future cash flows, future growth rates, profitability levels and discount rates, and is therefore a key area that our audit was focused on.

Our response

We assessed management’s identification of potential impairment indicators based on our own analysis of financial information of the investments and our business understanding.

With regard to investments for which a detailed impairment assessment was performed, our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the valuation model used for the impairment testing, the appropriateness of the assumptions and the methodology used by management to prepare its cash flow forecasts. We used our own valuation specialists to support our procedures.

In particular, we performed the following:

— Gaining an understanding and assessing the reasonableness of business plans and forecasts by back-testing historical forecasts to actual results;

— Comparing business plan data against the latest plans approved by the board of directors and forecasts approved by management;

— Challenging the robustness of the key assumptions used to determine the recoverable amount, forecast cash flows, long-term growth rates, profitability levels and the discount rates based on our understanding of the commercial prospects of the related investments and by comparing them with publicly available data, where possible;

— Conducting a sensitivity analysis on key assumptions;

— Recalculating the recoverable amount and its surplus over the carrying amount to assess the headroom for selected investments.

For further information on valuation of financial assets and investments refer to the following:

— Disclosure on balance sheet and income statement items, 2.1 Financial assets, page 185

— Disclosure on balance sheet and income statement items, 2.2 Investments, page 186

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Daniel Haas
Licensed Audit Expert
Auditor in Charge

Roman Künzle
Licensed Audit Expert

St. Gallen, 27 March 2024

List of abbreviations used

Numerical abbreviations

k	thousands of a unit
m	millions of a unit
bn	billions of a unit

Currency abbreviations

€	Euros; the abbreviation "EUR" is also sometimes used in Aluflexpack's consolidated financial statement
CHF	Swiss Franc
HRK	Croatian Kuna
PLN	Polish Złoty
TRY	Turkish Lira

Other abbreviations

adj.	Adjusted for non-recurring effects
AG	Aktiengesellschaft
AGM	Annual General Meeting
Capex	Capital expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CDMO	Chief Operating Decision Maker
CGU	Cash generating unit
CO2e	Carbon dioxide equivalent
COVID-19	Coronavirus Disease 2019
DBO	Defined benefit obligation
d.o.o.	društvo s ograničenom odgovornošću (Limited Liability Company)
EBIT	Earnings before interest and taxes
EBITDA	Earnins before interest, taxes, depreciation, amorti-sation
ESG	Environmental Social and Governance
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit and loss
FX	Foreign exchange

Other abbreviations (continued)

FY	Full year
GHG	Greenhouse gas
HY	Half year
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IPO	Initial public offering
KPI	Key performance indicator
LLC	Limited Liability Company
LME	London Metal Exchange
LPG	Liquefied petroleum gas
LTI rate	Loss time injury rate
MENA	Middle East and North Africa
MWH	Megawatthours
M&A	Mergers & Acquisitions
NCI	Non-controlling interest
OCI	Ohter comprehensive income
PPE	Property, plant and equipment
PPWR	Packaging and Packaging Waste Regulation
PSU	Performance Share Units
PV	Photovoltaic
Q	Quarter
R&D	Research and development
ROCE	Return on Capital Employed
ROU	Right-of-use
RTO	Regenerative Thermal Oxidizer
SBTi	Scientific Based Targets Initiative
SE	Special effects
SPI	Swiss Performance Index
SOG	Share Ownership Guidelines
TSR	Total Shareholder Return
UV	Ultraviolet
VAT	Value added tax
WACC	Weighted average cost of capital
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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Contact:

Akim Bogdani
M&A and Investor Relations Manager
Tel: +43 664 8581 138
ir@aluflexpack.com

This annual report can be downloaded at
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