

EPL Deutschland GmbH & Co. KG, Dresden

Report on the Audit of the Annual Financial
Statements and the Management Report
for the Financial Year ended March 31, 2023

convenience translation

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With regard to using rounded amounts and percentages, we would like to point out that rounding differences might occur due to commercial rounding practices.

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1. Audit engagement

By resolution of the ordinary shareholders' meeting on July 21, 2022 of

EPL Deutschland GmbH & Co. KG (hereafter "EPL" or "the Company")

we have been elected as auditor for the financial year 2022/2023. The executive directors appointed us to audit the annual financial statements together with the bookkeeping system and the management report for the financial year from April 1, 2022 to March 31, 2023.

Pursuant to Section 316 Paragraph 1 HGB [Handelsgesetzbuch: German Commercial Code] our audit is a statutory audit as required by Sections 316 et seq. HGB.

Pursuant to Section 321 Paragraph 4a HGB we confirm that we observed the applicable regulations on auditor's independence in our audit.

Our report is addressed to EPL Deutschland GmbH & Co. KG.

Execution of our engagement and our responsibility, also in relation to third parties, are governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Audit Firms] as of January 1, 2017 (see Appendix 5). The extent of our liability is determined by section 323 paragraph 2 HGB. In relation to third parties, number 1 section 2 and number 9 of these General Engagement Terms are decisive.

2. Basic findings

Statement on the assessment of the Company's economic situation by the executive directors

The following statements contained in the management report prepared by the Company's executive directors are, from our point of view, of particular importance for the assessment of the Company's economic position and future development with its material opportunities and risks:

Economic position and business performance:

1. Sales revenues in the financial year improved significantly compared to the previous year and totalled EUR 42,466 thousand (previous year: EUR 39,521 thousand).
2. Gross profit in the reporting year also improved compared to the previous year and compared to forecast, despite the significant increase in the cost of materials, and amounted to EUR 18,020 thousand (previous year: EUR 16,945 thousand) as a result of positive effects from the product mix and the significant reduction in the merchandise business.
3. In expenses, the Company reports a planned increase in personnel costs of 4.7 % (EUR 356 thousand; previous year: EUR 429 thousand) and an increase in other operating expenses to EUR 6,877 thousand (previous year: EUR 6,581 thousand).
4. Investments in fixed assets at acquisition and manufacturing costs in the financial year totalled EUR 931 thousand (previous year: EUR 889 thousand). It was not possible to achieve the level of investments as forecast. The primary investments made here were to expand and make improvements to existing manufacturing equipment.

These key statements on the economic position and on the business performance have been sufficiently described in the management report. For further details we therefore refer to the management report, which is attached to this report as Appendix 4.

Future development with its material opportunities and risks

1. [The executive directors comment in particular on market risks and explain that] the laminated tube market in Europe continues to be highly competitive. This particularly applies to prices, as well as to product and service quality.
2. A significant number of new projects with existing customers, as well as cooperation with new customers, provide turnover stability for the forthcoming year.
3. Particular opportunities for the Company are based on its high level of technological experience in laminated tube manufacturing and laminate printing, its highly motivated managers and specialists with their

comprehensive knowledge and experience, and the wide spectrum of its services.

4. The primary goal for EPL Deutschland in 2023/2024 remains its strategic positioning towards customers who are highly demanding in terms of sustainability, product finishing and the range of services required.
5. Based on current information [the executive directors of EPL Deutschland] expect a net profit for the year 2023/2024 at a level significantly higher than in the reporting period just ended, and additionally [they] expect a stabilisation of the positive development of the Company in the coming years.

These key statements on opportunities and risks of the future development of the Company have been sufficiently described in the management report. For further details we therefore refer to the management report, which is attached to this report as Appendix 4.

Summarised assessment

On the basis of the assessment of the economic position of the Company which we have been able to derive from the knowledge obtained in our audit of the annual financial statements and the management report, we have come to the assessment that the executive directors' presentation and assessment of the position of the Company, in particular regarding the going concern and the future development of the Company with its material opportunities and risks reflected in the annual financial statements and in the management report, is appropriate.

3. Reproduction of the Auditor's Report

On the basis of the final result of our audit, we have issued the independent auditor's report as reproduced below:



Reproduction of the
auditor's report

Independent Auditor's Report

To the EPL Deutschland GmbH & Co. KG, Dresden

Audit Opinions

We have audited the annual financial statements of EPL Deutschland GmbH & Co. KG, Dresden which comprise the balance sheet at March 31, 2023, the statement of profit or loss for the financial year from April 1, 2022 to March 31, 2023, and notes to the annual financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of EPL Deutschland GmbH & Co. KG, Dresden for the financial year from April 1, 2022 to March 31, 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to commercial partnerships with limited liability in terms of section 264a HGB and give a true and fair view of the assets, liabilities and financial position of the Company as at March 31, 2023 and of its financial performance for the financial year from April 1, 2022 to March 31, 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Management Report” section of our auditor’s report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional 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 audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to commercial partnerships with limited liability in terms of section 264a HGB, and that the annual financial statements, in compliance with German Legally Required Accounting Principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance 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.

Leipzig, April 28, 2023

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Sebastian Koch
Wirtschaftsprüfer
[German Public Auditor]

Niclas Rauscher
Wirtschaftsprüfer
[German Public Auditor]

On publication or further submission of the annual financial statements and/or the management report in a form other than that audited by us (including translations into other languages), a further statement will be required from us if our auditor's report is cited or reference is made to our audit; we refer hereby in particular to section 328 HGB.

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4. Subject, nature and extent of the audit

4.1. Subject of the audit

Subject of our audit were the annual financial statements of EPL Deutschland GmbH & Co. KG – which comprise the balance sheet as at March 31, 2023, the statement of profit or loss for the financial year from April 1, 2022 to March 31, 2023, and the notes to the annual financial statements, including the presentation of the recognition and measurement policies – together with the bookkeeping system and the management report of the Company for the financial year from April 1, 2022 to March 31, 2023.

The German commercial law applicable to commercial partnerships with limited liability in terms of section 264a HGB, including the relevant regulations of the GmbHG [Gesetz betreffend die Gesellschaften mit beschränkter Haftung: German Limited Liability Company Act], were the applicable financial reporting framework for our audit of the annual financial statements and the management report.

Regarding the responsibilities of the executive directors and of the supervisory board of the Company related to the preparation of the annual financial statements and the management report respectively to the overseeing of the Company's financial reporting process for the preparation of the annual financial statements and the management report, we refer to the explanations given in our auditor's report which is reproduced in section 3 of this report. The responsibility of the executive directors also includes responsibility for the Company's bookkeeping.

Our objective is to assess the annual financial statements, including the bookkeeping and the management report, as well as the disclosures made within the course of an audit performed in compliance with German Generally Accepted Standards for Financial Statement Audits. Our respective responsibilities are explained in the section "Audit opinions" and in the section "Auditor's responsibilities for the audit of the annual financial statements and of the management report" of our auditor's report.

The audit of compliance with other regulations is only relevant to the audit of financial statements insofar as these regulations normally have an impact on the annual financial statements or the management report.

According to section 317 paragraph 4a HGB, an examination as to whether the ability of the Company to continue as a going concern or whether the effectiveness and efficiency of the Company's management can be guaranteed is not required to be included in the audit.

4.2. Nature and extent of the audit

We conducted our audit in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits

promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. [Institute of Public Auditors in Germany] (IDW).

Regarding the objectives of our audit and the essential principles of conducting our audit, we refer to the explanations given in the section “Auditor’s responsibilities for the audit of the annual financial statements and of the management report” of our auditor’s report.

The audit was planned and performed by taking a risk-oriented approach. Within this approach, we exercise professional judgement and maintain professional scepticism throughout the audit, recognising that circumstances may exist that cause the annual financial statements or the management report to be audited to contain material misstatements.

Within our risk-oriented audit approach we have identified and assessed the risk of material misstatements in the annual financial statements and the management report, whether due to fraud and error (= misstatement risk), in order to determine the nature, timing and extent of further audit procedures that are necessary to obtain sufficient appropriate audit evidence to provide a basis for our audit opinions. This was based on an understanding of the Company and its environment, the relevant financial reporting framework and the internal controls relevant to the preparation of the annual financial statements and the arrangements and measures (systems) for the preparation of the management report.

Based on the risk assessment, we determined the following critical assertions and matters:

- The existence of the reported revenues
- The existence and measurement of inventories
- The measurement of trade receivables

Our audit programme determining the nature, timing and extent of further audit procedures to be performed was designed to address these critical assertions and matters. To the extent that we relied on the effectiveness of controls for the purpose of determining substantive audit procedures, or where this was necessary, we used both tests of controls and substantive audit procedures, consisting of tests of detail and analytical procedures, and otherwise only substantive audit procedures. Tests of detail and – where relevant – tests of controls were performed on the basis of testing every item, the selection of specific items or (representative) sampling techniques.

Starting point for our audit were the annual financial statements and the management report for the previous financial year, on which we issued unqualified audit opinions. The annual financial statements were approved on July 21, 2022.

As part of our tests of details of trade receivables we obtained confirmations of balances from customers. The selection of the scope of the items to be tested was based on our risk assessment, the evaluation of the accounting-related internal control system as well as the nature and extent of the transactions subject to audit, using audit sampling.

As part of our tests of detail we have obtained confirmations on the Company's bank deposits, claims and obligations from credit institutions. Regarding litigations and claims involving the Company, we obtained confirmations from external legal counsels of the Company.

At selected locations we attended and observed the performance of the extended physical inventory counting conducted on March 25, 2023.

We performed our audit work with interruptions from January to April 28, 2023.

The executive directors and named contact persons provided us with all explanations and supporting documents requested. The executive directors confirmed in writing the completeness of the annual financial statements and the management report presented to us.

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5. Findings and explanations on the financial reporting

5.1. Compliance of the financial reporting

5.1.1. Bookkeeping and other audited documents

In our opinion, on the basis of the knowledge obtained in the audit, the bookkeeping complies, in all material respects, with the statutory provisions throughout the reporting period. The information drawn from the other audited documents is, in all material respects, properly reflected in the books and records, the annual financial statements and the management report.

5.1.2. Annual financial statements

In our opinion, on the basis of the knowledge obtained in our audit, the annual financial statements of EPL Deutschland GmbH & Co. KG for the financial year from April 1, 2022 to March 31, 2023 comply, in all material respects, with the requirements of German commercial law applicable to commercial partnerships with limited liability in terms of section 264a HGB.

In our opinion, on the basis of the knowledge obtained in the audit:

- the balance sheet and the income statement were duly derived from the books and records and from the further audited documents,
- in all material respects, the legal requirements regarding classifications, recognition and measurement have been observed, and
- in all material respects, the disclosures made in the notes to the financial statements are complete and accurate.

With reference to section 286 HGB, the Company limited the reporting in the notes to the annual financial statements and omitted some disclosures. We confirm that the legal requirements for omitting the respective disclosures have been fulfilled.

5.1.3. Management report

In our opinion, on the basis of the knowledge obtained in our audit, the management report of EPL Deutschland GmbH & Co. KG for the financial year from April 1, 2022 to March 31, 2023 complies, in all material respects, with the legal requirements.

5.2. Overall financial statements presentation

5.2.1. Statement on the overall financial statements presentation

In our opinion, on the basis of the knowledge obtained in our audit, the annual financial statements of EPL Deutschland GmbH & Co. KG give a true and fair view of its assets, liabilities, financial position as at March 31, 2023 and financial performance for the financial year from April 1, 2022 to March 31, 2023 in compliance with German Legally Required Accounting Principles.

5.2.2. Valuation principles and transactions with a significant impact

5.2.2.1. Material valuation principles

The recognition and measurement methods and further material valuation principles are presented in the notes to the annual financial statements attached as Appendix 3. Compared with the previous year, no changes of recognition and measurement methods were made.

5.2.2.2. Transactions with significant impact

In our assessment, on the basis of the knowledge obtained in our audit, no transactions with significant impact on the overall presentation of the annual financial statements occurred.

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6. Concluding remarks

Key audit partners in terms of the German Professional Statute for German public accountants and German sworn auditors (Berufssatzung WP/vBP) are WP Niclas Rauscher – being primarily responsible for the engagement (engagement partner) – and WP Sebastian Koch as additionally responsible key audit partner.

We provide this report concerning the audit of the annual financial statements and the management report of EPL Deutschland GmbH & Co. KG, Dresden for the financial year from April 1, 2022 to March 31, 2023 in accordance with the legal requirements and the generally accepted standards for preparing long-form audit reports (IDW AuS 450 (revised) (10.2021)).

The auditor's report issued by us is repeated in section 3 of this report.

Leipzig, April 28, 2023

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Sebastian Koch
Wirtschaftsprüfer
[German Public Auditor]

Niclas Rauscher
Wirtschaftsprüfer
[German Public Auditor]

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Appendix 1

EPL Deutschland GmbH & Co. KG
Annual financial statements for the financial year from April 1, 2022 to March 31, 2023
Balance sheet

ASSETS	31.3.2023		31.3.2022		EQUITY AND LIABILITIES	31.3.2023		31.3.2022	
	EUR	EUR	EUR	EUR		EUR	EUR	EUR	EUR
A. Fixed assets					A. Equity				
I. Intangible assets					I. Limited partners' capital share accounts	2,500,000.00		2,500,000.00	
1. Franchises, industrial and similar rights and assets and licences in such rights and assets	51,659.09		53,128.10		II. Revenue reserves	8,639,635.32		8,302,977.58	
2. Payments on account	155,821.28	207,480.37	27,680.00	80,808.10		1,191,803.44		841,644.35	
II. Property, plant and equipment					III. Retained profits carried forward	12,331,438.76		11,644,621.93	
1. Land, land rights and buildings including buildings on third-party land	1,714,868.87		1,844,068.64		B. Deferred income account for investment grants and subsidies received for fixed assets	433,737.95		640,361.45	
2. Plant and machinery	3,357,963.63		4,579,752.71		C. Provisions				
3. Other equipment, furniture and fittings	1,133,629.18		1,041,547.57		1. Tax provisions	239,022.39	167,293.17		
4. Payments on account and assets under construction	492,834.87	6,699,296.55	316,407.67	7,781,776.59	2. Other provisions	1,458,651.64	1,261,133.36		
		6,906,776.92		7,862,584.69	D. Liabilities				
B. Current assets					1. Liabilities to banks	654,166.61	1,964,166.65		
I. Inventories					2. Payments received on account of orders	10,798.56	32,982.70		
1. Raw materials, consumables and supplies	3,221,555.62		4,256,836.54		3. Trade payables	1,298,675.68	2,180,688.71		
2. Work in process	519,865.03		950,175.48		4. Liabilities to affiliated companies	1,303,925.19	1,139,155.48		
3. Finished goods and merchandise	2,443,718.12	6,185,138.77	1,838,029.22	7,045,041.24	5. Liabilities to shareholders	18,111.80	16,304.17		
II. Receivables and other assets					6. Other liabilities	525,414.85	716,305.82		
1. Trade receivables	2,557,897.67		3,233,580.27		- thereof for taxes: EUR 59,481.78 (previous year: EUR 71,208.01)				
2. Receivables from affiliated companies	163,437.35		149,429.12		- thereof for social security: EUR 11,924.95 (previous year: EUR 23,338.60)				
3. Other assets	548,896.01		559,756.05		E. Deferred income	3,811,092.69		6,049,583.53	
		3,270,231.03		3,942,765.44		0.00		1,556.49	
III. Cash-in-hand and bank balances									
		1,796,281.28		783,805.87					
		11,251,651.08		11,771,612.55					
C. Prepaid expenses									
		115,515.43		130,352.71					
		18,273,943.43		19,764,549.95					
						18,273,943.43		19,764,549.95	

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Appendix 2

EPL Deutschland GmbH & Co. KG
Annual financial statements for the financial year from April 1, 2022 to March 31, 2023
Statement of profit or loss

	2022/2023		2021/2022	
	EUR	EUR	EUR	EUR
1. Sales revenues		42,466,154.16		39,521,020.57
2. Increase in inventory of finished and unfinished goods		177,568.52		656,329.53
3. Other operating income		647,212.73		450,366.75
- thereof from currency translation: EUR 2,025.61 (previous year: EUR 411.05)				
4. Cost of materials				
a) Cost of raw materials, consumables and supplies and of purchased merchandise	-24,251,114.87		-22,768,372.84	
b) Cost of purchased services	-1,019,560.94		-913,853.40	
		-25,270,675.81		-23,682,226.24
5. Personnel expenses				
a) Wages and salaries	-6,619,443.15		-6,303,372.91	
b) Social security, pension and other benefit costs	-1,269,428.12		-1,229,537.40	
		-7,888,871.27		-7,532,910.31
6. Amortisation, depreciation and write-downs of intangible fixed assets and property, plant and equipment		-1,886,929.42		-1,928,959.85
7. Other operating expenses		-6,877,359.89		-6,581,245.25
- thereof from currency translation: EUR 16,399.02 (previous year: EUR 21,310.84)				
8. Other interest and similar income		2,590.85		1,439.59
- thereof from discounting of provisions: EUR 2,590.85 (previous year: EUR 1,439.29)				
9. Interest and similar expenses		-110,316.01		-55,438.26
- thereof from the unwinding of discounting on provisions: EUR 4,626.06 (previous year: EUR 3,200.22)				
10. Income taxes		-40,079.38		2,128.50
11. Net income after tax		1,219,294.48		850,505.03
12. Other taxes		-27,491.04		-8,860.68
13. Net income for the year		1,191,803.44		841,644.35
14. Retained profits brought forward		841,644.35		2,400,196.52
15. Transfers to revenue reserves		-336,657.74		-960,078.61
16. Amounts credited to partners' accounts		-504,986.61		-1,440,117.91
17. Retained profits carried forward		1,191,803.44		841,644.35

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Appendix 3

EPL Deutschland GmbH & Co. KG, Dresden

Notes to the annual financial statements for the financial year 2022/2023

EPL Deutschland GmbH & Co. KG (hereafter “EPL Deutschland”, “the business” or “the Company”) has a non-calendar financial year (from April 1 to March 31). These annual financial statements for the 2022/2023 financial year are for the period from April 1, 2022 to March 31, 2023 (referred to hereafter as the “financial year”, “reporting period” or “reporting year”). The comparative figures for the previous year are for the period from April 1, 2021 to March 31, 2022.

The registered office of the Company is in Dresden. EPL Deutschland is registered at the commercial register of the Dresden district court under the registration number HRA 5605.

1. Disclosures and explanations of special characteristics, in particular regarding classification, of the annual financial statements

In accordance with Section 264 a HGB (HGB: German Commercial Code) the Company qualifies as a medium-sized partnership company based on the size criteria set out in Section 267 Paragraph 3 HGB.

The classification of positions in the balance sheet and income statement and the accounting policies and valuation methods applied are in accordance with section 264 a HGB, applied in analogy to the rules under commercial law as applicable to large corporations. The statement of profit or loss has been prepared under the total cost convention in accordance with section 275 paragraph 2 HGB. The additional requirements for annual financial statements set out in the shareholders’ agreement were observed.

Instead of “subscribed capital” the Company presents the limited partners’ capital share accounts (section 264c paragraph 2 HGB).

As in the previous year, investment subsidies and investment grants awarded by the Sächsische Aufbaubank – Förderbank – Dresden (“SAB”: the central development agency of the Free State of Saxony) under the joint Federal Government/Länder scheme for improving regional economic structures in Germany have been recorded as deferred income in a special reserves account, and are subsequently released to income over the useful lives of the assets subsidised. In financial years until and including 2009 the investment grants were shown as direct deductions from the acquisition and manufacturing costs of the assets subsidised.

Other accounting and measurement policies applied in preparing the financial statements for the financial year just ended are unchanged compared to those applied in preparing the financial statements for the previous financial year ended March 31, 2022.

2. General information on accounting and valuation methods

Description of accounting and valuation methods

The annual financial statements of EPL Deutschland were prepared on the basis of accounting and valuation policies required by the Commercial Code. The specific accounting and valuation methods applied were as follows.

Intangible fixed assets are valued at their acquisition costs, less amortisation recorded on a straight-line basis.

Items of property, plant and equipment are valued at their acquisition or manufacturing costs and – to the extent that their useful lives are finite – reduced by depreciation. Systematic depreciation is recorded on a straight-line basis over the expected useful economic lives of the assets.

Investment grants and subsidies are recorded in a **special deferred income reserve account**. The special deferred income reserve for investment grants and subsidies is released to income over the expected useful economic lives of the subsidised assets.

Inventories are valued at acquisition or manufacturing costs, or, if lower, at net realisable value. Manufacturing costs include material costs as well as production wage costs, material and production overheads and a share of fixed asset depreciation. General administration costs, selling costs and borrowing costs are not included in manufacturing costs. Allowances are made for risks arising from excess inventory levels.

Receivables and other assets are valued at their nominal amounts. Appropriate allowance is made for known collection risks. Allowances for known risks are made by recording specific bad debt allowances. To allow for general default risks a general bad debt provision is recorded of 1 % of the net trade receivables balance, after deduction of specific provisions.

Cash on hand, bank balances and cheques are recorded at their nominal amounts.

Prepaid expenses represent expenditures made prior to the balance sheet date, to the extent that they relate to expenses for specific periods of time subsequent to the balance sheet date.

Provisions are recorded using prudent commercial judgement to make appropriate allowance for the fulfilment amount of known risks and uncertain liabilities, under consideration of expected price and cost increases. Provisions for taxes are recognised in accordance with the applicable laws.

Provisions with a maturity of more than twelve months are discounted using a discount rate which represents the average market rate of interest applying over the last seven financial years for obligations with a similar maturity. For this purpose, interest rates were determined by reference to discount rates published by the Deutsche Bundesbank in accordance with the Provisions Discounting Regulation (Rückstellungsabzinsungsverordnung – RückAbzinsV).

Liabilities are recorded at their fulfilment amounts.

Assets and liabilities **denominated in foreign currencies** are converted using the average spot rate applicable at the financial year end. Section 253 paragraph 1 sentence 1 HGB and section 252 paragraph 1 no. 4 phrase 2 HGB were not applied to items with a maturity of one year or less.

3. Disclosures and explanatory notes on individual items in the balance sheet and income statement

Investments in **fixed assets** totalled EUR 931 thousand (previous year: EUR 889 thousand). The changes in fixed assets are presented separately in the statement of movements on fixed assets.

As in the previous year, **receivables and other assets** have a remaining maturity of up to one year. The receivables from affiliated companies (EUR 163 thousand; previous year: EUR 149 thousand) wholly consist of receivables for goods and services. In addition, an item is recorded with other assets amounting to EUR 94 thousand (previous year: EUR 49 thousand) for which the legal right to the asset is first established subsequent to the balance sheet date. This asset consists of bonus entitlements payable to the Company by suppliers under contractual arrangements; these claims will be finalised at the end of the calendar year.

Other assets include an amount of EUR 218 thousand (previous year: EUR 275 thousand) representing retentions on receivables at the balance sheet date withheld from the amounts paid as security for the factor (5 % of the nominal value of the respective receivables).

Capital shares of EUR 2,500 thousand comprise the following:

The general partner is EPL Deutschland Management GmbH, Dresden. The Company's issued share capital is EUR 50 thousand. EPL Deutschland Management GmbH is not required to contribute to share capital and does not participate in the Company's results or share in its assets.

The sole limited partner is Lamitube Technologies Ltd., Port Louis, Mauritius, which has a shareholding of EUR 2,500,000.00 thousand (previous year: EUR 2,500,000.00).

The shareholders' agreement provides that the utilisation of the profit for the preceding financial year, which in turn results in the profits for the year being presented within retained profits, is subject to a shareholders' resolution on the application of profits.

Other provisions primarily include provisions for employee-related costs (EUR 583 thousand; previous year: EUR 473 thousand), customer bonuses (EUR 367 thousand; previous year: EUR 288 thousand), outstanding supplier invoices (EUR 340 thousand; previous year: EUR 269 thousand), warranty obligations, including for claims received (EUR 32 thousand; previous year: EUR 42 thousand), provisions for onerous contracts (EUR 14 thousand; previous year: EUR 109 thousand), the costs of annual financial statements (EUR 27 thousand; previous year: EUR 16 thousand) and consultancy costs (EUR 40 thousand; previous year: EUR 23 thousand).

Maturity analysis

	Total	Thereof maturing:		
		Within one year	After more than one year	Thereof: after five years
	EUR tsd.	EUR tsd.	EUR tsd.	EUR tsd.
Liabilities to banks (Previous year)	654 (1,964)	360 (1,310)	294 (654)	0 (0)
Payments received on account of orders (Previous year)	11 (33)	11 (33)	0 (0)	0 (0)
Trade payables (Previous year)	1,299 (2,181)	1,299 (2,181)	0 (0)	0 (0)
Liabilities to affiliated companies (Previous year)	1,304 (1,139)	1,304 (1,139)	0 (0)	0 (0)
Liabilities to shareholders (Previous year)	18 (16)	18 (16)	0 (0)	0 (0)
Other liabilities (Previous year)	525 (716)	509 (509)	16 (207)	0 (0)
Total (Previous year)	3,811 (6,050)	3,501 (5,188)	310 (862)	0 (0)

Liabilities to banks include EUR 404 thousand (previous year: EUR 1,214 thousand) to the Ostsächsische Sparkasse Dresden, Dresden. In the reporting year these include EUR 404 thousand (previous year: EUR 514 thousand) wholly relating to long-term loans which are secured in full by charges over fixed assets.

The Company has liabilities of EUR 250 thousand (previous year: EUR 750 thousand) payable to the Commerzbank AG, Frankfurt am Main. In the financial year these wholly relate to a long-term loan which is secured by charges over fixed assets.

As in the previous year, there are no loan liabilities to the Deutsche Bank AG, Frankfurt am Main at the balance sheet date. As in the previous year, there are no loan liabilities to the UniCredit Bank AG, Munich at the balance sheet date

The Company has provided negative assurances to the above-named banks in respect of the Company's liabilities for working capital lines of credit concerning its rights over inventories or trade accounts receivables.

Under these assurances the Company may not transfer these rights to third parties or assign any other rights over such inventories and/or trade accounts receivables to third parties, with the exception of factoring arrangements entered into for receivables.

Liabilities to shareholders amount to EUR 18 thousand at the balance sheet date (previous year: EUR 16 thousand). These primarily relate to goods and services provided by the general partner.

Liabilities to affiliated companies wholly relate to trade payables and amount to EUR 1,304 thousand (previous year: EUR 1,139 thousand).

Other liabilities include a liability to UniCredit Leasing GmbH, Hamburg under a lease purchase arrangement for the purchase of an item of manufacturing equipment amounting to EUR 204 thousand (previous year: EUR 389 thousand).

Sales revenues

Sales revenues total EUR 42,466 thousand and are analysed by geographic markets and by sector as follows:

	Apr. 1, 2022 – Mar. 31, 2023		Apr. 1, 2021 – Mar. 31, 2022	
	EUR tsd.	%	EUR tsd.	%
Domestic	18,235	43%	16,883	43%
EU	17,149	40%	16,772	42%
Other countries	2,612	6%	2,578	7%
Sub-total: Sales revenues – tubes	37,996	89%	36,233	92%
Other sales revenues	4,470	11%	3,288	8%
Sub-total: revenues	42,466	100%	39,521	100%

Income from investment grants and subsidies

Other operating income included in gross margin includes income from the release of investment grants and subsidies totalling EUR 206 thousand (previous year: EUR 231 thousand).

Income taxes

Income taxes for the reporting year total, on a net basis, an expense of EUR 40 thousand, of which EUR 35 thousand is attributable to additions to provisions for back taxes for earlier years. In the previous year income taxes, on a net basis, resulted in an income of EUR 2 thousand, due to tax refunds.

Proposed application of results

The directors propose that the retained profits at March 31, 2023, amounting to EUR 1,192 thousand, shall be carried forward.

4. Other statutory disclosures

Contingent liabilities, off balance sheet transactions and other financial commitments

Since the financial year 2014/2015 the Company has been party to agreements with factoring companies (banks) which provide for the revolving sale of certain customer receivables balances (non-recourse and recourse factoring). Of the agreed credit limit, an amount of **EUR** 4,259 thousand (previous year: EUR 3,139 thousand) was utilised at the balance sheet date. These arrangements strengthen the Company's liquidity and financing options.

The Company's other financial commitments under section 285 no. 3a HGB consist of commitments under leasing and/or rental arrangements amounting to EUR 123 thousand (previous year: EUR 134 thousand).

The Company has received investment grants up until the balance sheet date totalling EUR 3,810 thousand (previous year: EUR 3,810 thousand) awarded by the Sächsische Aufbaubank – Förderbank – Dresden (subsidy bank, a public institution) under the joint Federal Government/Länder scheme for improving regional economic structures in Germany. These have been recorded in a deferred income account. The approval of the grants is subject to later amendment or revocation, in particular if the funds are not used for the intended purpose. As the retention period restricting the Company's use of the funds has expired and the funds have been used for the approved purpose of purchasing assets that qualify for the subsidy scheme, there is no known risk of the Company being required to repay the subsidies received.

There were no further contingent liabilities in the sense of section 251 HGB at the balance sheet date.

Disclosures concerning members of the Company's management bodies

The Company is managed by the general partner, EPL Deutschland Management Gesellschaft mit beschränkter Haftung, Dresden. The general partner reports subscribed capital of EUR 50 thousand.

The management responsibilities of EPL Deutschland Management Gesellschaft mit beschränkter Haftung, Dresden for the financial year were performed by the Managing Director Dipl.-Wirt.-Ing. Matthias Lütke-meier, Siebenlehn.

The Company's Supervisory Board comprised the following persons in the financial year:

- Alan Conner (Reigate, Great Britain), President Europe Region, EPL Limited Group (Chair of the Supervisory Board)
- Murgapaan Ramasamy, Mumbai/India, Chief Operating Officer, EPL Limited
- Sandipan Sengupta, Reigate/Great Britain, Regional Finance Controller Europe, EPL Limited Group.

Total Director's remuneration and remuneration of the Supervisory Board

EPL Deutschland Management GmbH, Dresden, as director and general partner, receives compensation for management expenses incurred in addition to compensation for its acceptance of liability. The Company has taken advantage of the provision exempting it from the disclosure of details of the Director's remuneration in accordance with section 286 paragraph 4 HGB. Members of the Supervisory Board have not received any remuneration for their activities in the financial year.

Average number of employees

	Apr. 1, 2022 – Mar. 31, 2023	Apr. 1, 2021 – Mar. 31, 2022
Staff	57	55
Workers	124	120
	181	175

Events subsequent to the balance sheet date

There have been no significant events subsequent to the end of the financial year.

Auditor's remuneration

The amounts recognised for auditor's remuneration for services provided totalled EUR 34 thousand in the reporting period (previous year: EUR 23 thousand). This comprises fees for the audit of financial statements of EUR 18 thousand (previous year: EUR 16 thousand) and fees for other assurance services of EUR 16 thousand (previous year: EUR 7 thousand).

Group affiliation

As a wholly-owned subsidiary of Lamitube Technologies Limited, Port Louis/Mauritius, EPL Deutschland is an affiliate of EPL Limited, Mumbai, India. The consolidated financial statements of EPL Limited, Mumbai, India are published on the BSE Ltd., Mumbai/India and on the National Stock Exchange of India Ltd., Mumbai/India.

The Blackstone Group Inc., registered in Delaware with its administration located in New York, controls EPL Limited, Mumbai/India through Epsilon BidCo Pte. Ltd., Singapore. The Blackstone Group Inc. is listed on the New York Stock Exchange (NYSE, symbol "BX").

Dresden, April 28, 2023

Matthias Lütke-meier,
Managing Director
EPL Deutschland Management GmbH, Dresden

EPL Deutschland GmbH & Co. KG
Annual financial statements for the financial year from April 1, 2022 to March 31, 2023
Statement of changes in fixed assets

	Changes in acquisition and production costs				Change in amortisation, depreciation and write-downs				Net book value		
	Opening balance 1.04.2022	Additions	Reclassification	Disposals	Closing balance 31.03.2023	Opening balance 1.04.2022	Additions	Disposals	Closing balance 31.03.2023	As at 31.03.2023	As at 31.03.2022
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets											
1. Franchises, industrial and similar rights and assets and licences in such rights and assets	1,544,230.72	13,050.00	16,650.00	0.00	1,573,930.72	1,491,102.62	31,169.01	0.00	1,522,271.63	51,659.09	53,128.10
2. Payments on account	27,680.00	144,791.28	-16,650.00	0.00	155,821.28	0.00	0.00	0.00	0.00	155,821.28	27,680.00
	1,571,910.72	157,841.28	0.00	0.00	1,729,752.00	1,491,102.62	31,169.01	0.00	1,522,271.63	207,480.37	80,808.10
II. Property, plant and equipment											
1. Land, land rights and buildings including buildings on third-party land	4,464,100.63	42,748.59	0.00	0.00	4,506,849.22	2,620,031.99	171,948.36	0.00	2,791,980.35	1,714,868.87	1,844,068.64
2. Plant and machinery	24,612,788.08	67,245.17	13,277.34	0.00	24,693,310.59	20,033,035.37	1,302,311.59	0.00	21,335,346.96	3,357,963.63	4,579,752.71
3. Other equipment, furniture and fittings	5,651,844.77	413,931.90	59,661.17	52,924.94	6,072,512.90	4,610,297.20	381,500.46	52,913.94	4,938,883.72	1,133,629.18	1,041,547.57
4. Payments on account and assets under construction	316,407.67	249,365.71	-72,938.51	0.00	492,834.87	0.00	0.00	0.00	0.00	492,834.87	316,407.67
	35,045,141.15	773,291.37	0.00	52,924.94	35,765,507.58	27,263,364.56	1,855,760.41	52,913.94	29,066,211.03	6,699,296.55	7,781,776.59
Total fixed assets	36,617,051.87	931,132.65	0.00	52,924.94	37,495,259.58	28,754,467.18	1,886,929.42	52,913.94	30,588,482.66	6,906,776.92	7,862,584.69

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Appendix 4

EPL Deutschland GmbH & Co. KG, Dresden

Management report for the financial year

2022/2023

EPL Deutschland GmbH & Co. KG (hereafter “EPL Deutschland”, “the business” or “the Company”) has a non-calendar financial year (from April 1 to March 31). These annual financial statements for the 2021/2022 financial year are for the period from April 1, 2022 to March 31, 2023 (referred to hereafter as the “financial year”, “reporting period” or “reporting year”). The comparative figures for the previous year are for the period from April 1, 2021 to March 31, 2022.

1. Strategic guidelines

The Company is a wholly-owned subsidiary of Lamitube Technologies Ltd., Port Louis/Mauritius, and accordingly it is included on a fully consolidated basis in the consolidated financial statements of EPL Limited (formerly: ESSEL Propack Ltd.), Mumbai, India. EPL Limited is a market leader worldwide for the production of laminated tubes and is represented in the cosmetic, dental hygiene, foodstuff, pharmacy and household chemicals markets. In doing so the Group is strictly pursuing the objective to be the most sustainable packaging company in the world.

EPL Deutschland sees itself as a sustainable, competent and innovative supplier for demanding customers in Germany and in Europe, and sets standards for the market with its high-quality laminated tubes and finishing.

Our strategic orientation has remained unchanged in the reporting period, with a focus on the manufacturing and sale of laminated tubes with a high level of niche specialisation and high value added. In doing so, EPL Deutschland is building on a broad customer base, concentrating on delivery service and quality.

EPL Deutschland expects further positive stimulus for the Company’s own future development in the German and European markets as a result of its capabilities and EPL Limited’s excellent position as a world market leader.

2. Economic environment

Once again the Company has succeeded in meeting its objective of being sustainable and profitable in an economic environment that continues to be difficult.

While the market for laminated tubes in Europe remains attractive, it continues to be a highly competitive marketplace. There is competition both within the laminated tubes sector as well as with manufacturers of other types of tubes and with manufacturers providing other packaging solutions. As an affiliated company of EPL Limited, which has operations worldwide, our Company can also provide global solutions for our customers, which sets us apart from other competitors.

As a manufacturer of primary packaging for products that are needed on a daily basis, the negative effects of the COVID-19 pandemic and the Ukraine conflict on demand remained manageable. Our strategic long-term customer and supplier relationships have also continued to be robust.

Sales volumes have fallen again slightly compared to the previous year. While production volumes were stable compared with the previous year, it was possible, as planned, to make significant reductions in external purchases of merchandise from affiliated companies.

It was possible to largely offset the significant increase in prices of raw materials and the inflation-driven increase in overhead costs by the strict implementation of measures to make use of cost reduction opportunities and by passing on cost increases to our customers. The result for the financial year improved accordingly compared with the weak result in the previous year.

The continued very high level of material prices, combined with the expected continued inflationary effects on overhead costs, will again make it necessary in the new financial year to pass on price increases to the Company's customers, but also to make strict use of cost reduction opportunities and take measures to improve efficiency.

3. Results of operations

Sales revenues in the financial year improved significantly compared to the previous year and totalled EUR 42,466 thousand (previous year: EUR 39,521 thousand). Gross profit in the reporting year also improved compared to the previous year and compared to forecast, despite the significant increase in the cost of materials, and amounted to EUR 18,020 thousand (previous year: EUR 16,945 thousand) as a result of positive effects from the product mix and the significant reduction in the merchandise business.

In expenses, the Company reports a planned increase in personnel costs of 4.7 % (EUR 356 thousand; previous year: EUR 429 thousand) and an increase in other operating expenses to EUR 6,877 thousand (previous year: EUR 6,581 thousand). Amortisation and depreciation of EUR 1,887 thousand (previous year: EUR 1,929 thousand) fell slightly as a result of careful investment activity in both the financial year just ended and the previous year. Financing costs of EUR 110 thousand (previous year: EUR 55 thousand) were significantly higher. This was primarily due to the increase in interest costs, both for current loans as well as on the sales of receivables (factoring arrangements).

The results for the financial year from April 1, 2022 to March 31, 2023, amounting to a profit of EUR 1,192 thousand, are positive compared to both the previous year (EUR 842 thousand) and the planning for the financial year (EUR 902 thousand).

4. Financial position and results of operations

The balance sheet total fell by EUR 1,491 thousand compared to the previous year, from EUR 19,765 thousand to EUR 18,274 thousand.

Within this, the net book value of property, plant and equipment fell by EUR 1,083 thousand to EUR 6,699 thousand (previous year: EUR 7,782 thousand) as a result of the continued cautious level of new investments made.

Current assets were slightly lower than in the previous year (by EUR 520 thousand). Included in this total were decreases in inventories of finished goods, work in process and raw materials (EUR 860 thousand lower) as well as decreases in receivables and other assets (EUR 673 thousand lower). Cash funds at the balance sheet date were EUR 1,012 thousand higher than in the previous year at EUR 1,796 thousand (previous year: EUR 784 thousand) due to the significant increase in the volume of receivables sold under the factoring arrangements and the improvement in earnings.

The Company's net asset and financial position remains solid. Default losses were largely avoided in the financial year by the use of existing risk minimisation instruments.

The acquisition cost of investments in fixed assets in the financial year totalled EUR 931 thousand (previous year: EUR 889 thousand). It was not possible to achieve the level of investments as forecast. The primary investments made here were to expand and make improvements to existing manufacturing equipment.

Liabilities to banks were lower than in the previous year at EUR 654 thousand (previous year: EUR 1,964 thousand). The contractually agreed repayments were made in line with plan at all times. A liability amounting to EUR 204 thousand (previous year: EUR 389 thousand) under a lease-purchase agreement for the acquisition of an item of manufacturing equipment is reported within other liabilities.

Compared to the previous year end – taking account of the deferred income account, reduced by the associated income tax effect – the Company's equity ratio has changed from 61.6 % to 69.5 %.

The simplified operating cash flow (net profit plus depreciation and amortisation, less release of deferred income) amounted to EUR 2,872 thousand (previous year: EUR 2,539 thousand) and was used to repay loans and settle liabilities to suppliers.

We have short-term credit and current account facilities available from our primary banks totalling EUR 2,250 thousand (previous year: EUR 2,250 thousand). The amounts drawn down under these facilities totalled EUR 0 thousand (previous year: EUR 700 thousand) at the balance sheet date.

5. Human resources development

The Company had 183 employees at the end of the financial year (previous year: 178).

Binding employees to the Company for the long term and filling vacancies quickly will continue to have a significant influence on the Company's success in the future, and as a result this will be the driver of EPL Deutschland's personnel policies. For this reason, the Company pays particular attention to measures to provide our specialist employees with qualifications and further education. There is no conspicuous level of staff turnover.

The increase in internal flexibility of working hours is used rigorously with a view to promoting a healthy balance of work and family life, and also to address fluctuations in order levels.

6. Opportunities and risks of future development

In connection with its business of the production and sale of laminated tubes, EPL Deutschland is subject to a number of risks that are inseparable from its entrepreneurial activities.

Risk policies include making optimal use of commercial opportunities, and accepting risks related to those opportunities only when added value can be created by seizing those opportunities.

Particular opportunities for the Company are based on its high level of technological experience in laminated tube manufacturing and laminate printing, its highly motivated managers and specialists with their comprehensive knowledge and experience, and the wide spectrum of its services.

EPL Deutschland's risk management is an integrated part of the Company's monthly analysis of results and business process controlling. The regular reporting of all business-relevant data and a structured internal audit process ensure that risk principles are applied, and that measures are adopted promptly to address issues as they arise.

The formulation of the Company's business strategy and its primary values, as well as their strict implementation, ensure an improved direction for the Company and its business processes.

6.1. Elements of the risk management system

Using the monthly reporting system, opportunities and risks are recognised early, analysed and evaluated, and appropriate countermeasures are taken.

These measures include the recording, observing and managing of internal processes with the help of internal reporting systems, the management and control systems, and a systematic planning process. Further elements include the comprehensive EPL Limited, Mumbai, India management team reporting which is part of the Group's reporting process, and the supervision and control that is provided by the Supervisory Board.

The Company has insurance policies covering potential liability and damages claims. The adequacy of these policies is reviewed regularly and amended as appropriate. This is intended to ensure that the financial losses incurred when risks occur are limited.

However, despite the risk prevention measures taken, the risk that the Company's earnings position might be affected negatively by loss events or claims made by market participants cannot be wholly excluded.

6.2. Significant risks observed by the risk management system

Market risks

The laminated tube market in Europe continues to be highly competitive. This particularly applies to prices, as well as to product and service quality.

Cooperation with brand manufacturers and with suppliers to discount chains ensures high volumes and enables long-term planning. On the other hand, they also demand margin concessions. Supply-side overcapacity in particular, as well as price pressure from new plants and market participants, increase the risks to earnings.

A significant number of new projects with existing customers, as well as cooperation with new customers, provide turnover stability for the forthcoming year.

Our activities in the dental hygiene, cosmetic, household chemicals, pharmaceuticals and foodstuffs industries enable us to even out seasonal fluctuations. The objective is to achieve a broad basis and to take advantage of lucrative niches.

There are a relatively small number of laminated tube providers in Europe. The product and the manufacturing process are generally well known. Differentiation is achieved by being able to amend the external design of the tube, as well as in the cost and reliability of delivery. Barriers to market entry primarily lie in the high levels of investment required, market knowledge, and in achieving economies of scale.

EPL Deutschland considers itself well positioned in this environment. The Company can benefit from access to multinational customers as a result of cooperation within the globally-active EPL Limited Group.

Performance risks

The Company has insured itself against the usual risks of loss, and reviews its insurance cover regularly. In addition, we continually work on improving sustainability, fire prevention, work safety and hygiene in order to guarantee and improve the reliability of our products and processes.

We have alternative suppliers available to supply critical raw materials at short notice. These consist of both external suppliers and, to some extent, suppliers within the EPL Limited Group. Price movements on raw material markets are monitored closely and taken into account appropriately in calculating sales prices. Raw material prices, which initially continued to rise sharply during the reporting year, have stabilised at a high level in the final quarter of the financial year, but will require continued effective countermeasures in the future. In order to minimise the associated risk we continue to aim to enter into long-term supply agreements with our suppliers and agreements with price adjustment clauses with our customers, which will enable us to hedge the risk arising from changes to raw material prices and increases in overhead costs.

Human resources risks lie in a potential increase in the fluctuation of qualified staff due to demographic changes and associated improvements in regional employment opportunities. The objective is to ensure that the Company can retain key staff for the long term, and to have backup management available for critical positions.

The reliability of the plant is ensured by regular maintenance procedures. In addition, the manufacturers of plant and equipment have service teams that are permanently on call in case of emergency.

Cost structure risks

We aim to adjust our product and customer portfolio to reflect the cost structure and the Company's technical capabilities, and to use cost-saving measures to counter cost increases. This will also play a decisive role in future project and investment decisions.

Personnel costs represent the largest component of fixed costs. Most employees are employed on permanent contracts. The Company's system for the long-term retention of key staff and members of the sales team is reviewed regularly.

In addition, we plan to stabilise the current cost structure, despite the growing complexity levels driven by the increased processing, quality and service demands of customers and increasing inflation, and to compensate increases in some cost areas with savings in others. We are using a systematic approach to identify and implement potential cost savings. Variances from budgets are analysed on a monthly basis and appropriate measures are taken to address issues as they arise.

Financial structure risks

In order to ensure our independence we work with four banks, with whom we have short-term credit lines/current accounts totalling EUR 2,250 thousand. Again in the new financial year we plan ongoing management of the financial resources available, thereby ensuring the continued stability of the Company's liquidity position.

We aim to ensure that we match the duration of financing used for investment purposes with the useful lives of the respective assets.

For the new financial year we expect a stabilisation of interest costs at a higher level than that seen in the previous year.

Geopolitical risks

At the current time it remains impossible to make a complete assessment of the medium to long-term consequences of the Ukraine war on supply chains, energy supplies, interest and currency trends, inflation and geopolitical stability. However, the Company has no business relationships with customers or suppliers from Russia or Ukraine, and does not consider itself to be affected directly.

7. New products

The Company does not perform any research and development work to develop new technologies internally. However, we can take advantage of agreements entered into to use the know-how of EPL Limited.

We develop new and innovative products and product characteristics through close cooperation with our customers and suppliers. Investments in such projects are usually minor or are borne by the supplier.

The high proportion of new products in total sales is driven by the increased demand for sustainable product solutions and by the diversification in our customer base. These trends will continue in the future.

8. Outlook for the financial year from April 1, 2023 to March 31, 2024

The primary goal for EPL Deutschland in 2023/2024 remains its strategic positioning towards customers who are highly demanding in terms of sustainability, product finishing and the range of services required.

On the basis of our planning and current order intake, we expect that sales volumes in the financial year 2023/2024 will be lower than in the reporting year just ended. We continue to aim for a balanced product mix between standard products and high-value tubes. We do not expect a significant change in our export quota. We plan to compensate for the expected high price levels for raw materials by making adjustments to sales prices. Accordingly, we expect a significant improvement in gross results compared to the reporting year just ended.

We plan a significant increase in our investment activity, primarily in expanding the capabilities of the Company's existing manufacturing equipment.

In view of planned customer projects we continue to assess the Company's market position to be excellent. At the same time, all forward-looking statements continue to be subject to developments in the geopolitical situation. Based on current information, we expect a net profit for the year 2023/2024 at a level significantly higher than in the reporting period just ended, and additionally we expect a stabilisation of these positive development for the Company in the coming years.

Dresden, April 28, 2023

Matthias Lütke-meier, Managing Director
EPL Deutschland Management GmbH, Dresden

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Appendix 5

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]
as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of *Wirtschaftsprüfer: Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.