20240716033352

Årsredovisning

för

Advanced Industries Packaging Sweden AB

556286-4099

Räkenskapsåret

2023

Fastställelseintyg

Undertecknad styrelseledamot i Advanced Industries Packaging Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 30 juni 2024. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

2024-07-08

Yulia Maksakova

Rinat Stark

Styrelsen för Advanced Industries Packaging Sweden AB avger följande årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Verksamheten

Advanced Industries Packaging Sweden AB är ett helägt dotterbolag till ArKa Merchants Limited med säte på Irland.

Bolaget agerar som holdingbolag samt ansvarar för för kostnader för koncernens lednignsfunktioner som faktureras i form av management fees.
Bolaget är verksam inom säckindustrin och kunderna är verksamma inom byggnads-, jordbruks-samt kemiska sektorn.
Företaget har sitt säte i Markaryd kommun, Kronobergs län.

Väsentliga händelser under räkenskapsåret

Bolaget har ändrat namn till Advanced Industries Packaging AB.

Flerårsöversikt (Tkr)	**2023**	**2022**	**2021**	**2020**	**2019**
Nettoomsättning	41 817	35 558	37 783	29 211	37 324
Resultat efter finansiella poster	-5 447	-22 305	-8 797	1 702	11 198
Balansomslutning	271 405	267 545	267 097	267 082	267 159
Soliditet (%)	19	22	30	33	33

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Förändringar i eget kapital (Tkr)

	Aktie-kapital	**Reserv-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	100	20	80 311	-22 305	**58 126**
Disposition enligt beslut av årsstämman:					
Balanseras i ny räkning			-22 305	22 305	**0**
Årets resultat				-51 539	**-51 539**
Belopp vid årets utgång	**100**	**20**	**58 006**	**-51 539**	**6 587**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	58 006 442
årets förlust	-51 539 043
	6 467 399
disponeras så att	
i ny räkning överföres	6 467 399
	6 467 399

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

Resultaträkning
Tkr

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Rörelsens intäkter			
Nettoomsättning	2	41 817	35 559
Summa rörelsens intäkter		**41 817**	**35 559**
Rörelsens kostnader			
Övriga externa kostnader	3	-41 683	-35 360
Summa rörelsens kostnader		**-41 683**	**-35 360**
Rörelseresultat		**134**	**199**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		-46 092	0
Övriga ränteintäkter och liknande resultatposter		6	5
Räntekostnader och liknande resultatposter	4	-5 587	-22 509
Summa finansiella poster		**-51 673**	**-22 504**
Resultat efter finansiella poster		**-51 539**	**-22 305**
Resultat före skatt		**-51 539**	**-22 305**
Årets resultat		**-51 539**	**-22 305**

Balansräkning
Tkr

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5, 6	221 511	265 774
Fordringar hos koncernföretag	7	1 141	1 138
Summa finansiella anläggningstillgångar		**222 652**	**266 912**
Summa anläggningstillgångar		**222 652**	**266 912**
Omsättningstillgångar			
Kortfristiga fordringar			
Övriga fordringar		258	64
Summa kortfristiga fordringar		**258**	**64**
Kassa och bank		2 403	568
Summa omsättningstillgångar		**2 661**	**632**
SUMMA TILLGÅNGAR		**225 313**	**267 544**

Balansräkning

Tkr

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	8		
Bundet eget kapital			
Aktiekapital	9	100	100
Reservfond		20	20
Summa bundet eget kapital		**120**	**120**
Fritt eget kapital			
Balanserad vinst eller förlust	8	58 006	80 311
Årets resultat		-51 539	-22 305
Summa fritt eget kapital		**6 467**	**58 006**
Summa eget kapital		**6 587**	**58 126**
Avsättningar	10		
Övriga avsättningar		550	550
Summa avsättningar		**550**	**550**
Långfristiga skulder	11		
Skulder till koncernföretag		198 180	192 478
Summa långfristiga skulder		**198 180**	**192 478**
Kortfristiga skulder			
Leverantörsskulder		232	24
Skulder till koncernföretag		17 644	15 579
Upplupna kostnader och förutbetalda intäkter		2 120	787
Summa kortfristiga skulder		**19 996**	**16 390**
SUMMA EGET KAPITAL OCH SKULDER		**225 313**	**267 544**

Noter
Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

För säkring av tillgång eller skuld mot valutakursrisk används valutaterminer.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Följande avskrivningsprocent tillämpas:

Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Avsättningar
Som avsättning har redovisats förpliktelser gentemot tredje man som är hänförliga till räkenskapsåret eller tidigare räkenskapsår och som på balansdagen antingen är säkra eller sannolika till sin förekomst men oviss till belopp eller till den tidpunkt då de ska infrias.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget ArKa Merchants Limited, org nr 441300, med säte i Irland upprättar koncernredovisning.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Inköp och försäljning mellan koncernföretag

	2023	2022
Andel av årets inköp som avser andra företag i koncernen	83,00 %	89,00 %
Andel av årets försäljning som avser andra företag i koncernen	100,00 %	100,00 %

Not 3 Arvode till revisorer
Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2023	2022
Kaijser Konsult AB		
Revisionsuppdrag	131	158
	131	**158**

Not 4 Räntekostnader och liknande resultatposter

	2023	2022
Övriga räntekostnader	6 470	6 017
Kursdifferenser	-883	16 493
	5 587	**22 510**

Not 5 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	274 193	274 193
Inköp	1 829	0
Utgående ackumulerade anskaffningsvärden	**276 022**	**274 193**
Ingående nedskrivningar	-8 419	-8 419
Årets nedskrivningar	-46 092	0
Utgående ackumulerade nedskrivningar	**-54 511**	**-8 419**
Utgående redovisat värde	**221 511**	**265 774**

Not 6 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Antal andelar	Bokfört värde
Advanced Industries Packaging BV Holland	100	12 000	19 689
Advanced Industries Packaging OY Finland	100	500	0
Advanced Industries Packaging SAS Frankrike	100	3 700	0
Advanced Industries Packaging A/S Danmark	100	50 000	127 306
Advanced Industries Packaging SRO Tjeckien	100		0
Advanced Industries Packaging GmbH Tyskland	100		67 821
Advanced Industries Packaging SRL Rumänien	100	318 710	6 695
Advanced Industries Packaging S.p.A Italien	100	160 000	0
			221 511

Not 7 Fordringar hos koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	1 138	1 114
Tillkommande fordringar	2	24
Utgående ackumulerade anskaffningsvärden	**1 140**	**1 138**
Utgående redovisat värde	**1 140**	**1 138**

Not 8 Disposition av vinst eller förlust

	2023-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
balanserad vinst	58 006
årets förlust	-51 539
	6 467
disponeras så att	
i ny räkning överföres	6 467
	6 467

Not 9 Antal aktier och kvotvärde

Namn	**Antal aktier**	**Kvot-värde**
Antal Aktier	1 000	100
	1 000	

Not 10 Avsättningar

	2023-12-31	2022-12-31
Övriga avsättningar		
Belopp vid årets ingång	550	550
	550	**550**

Not 11 Långfristiga skulder

Beträffande bolagets långfristiga skulder är inte någon del kortfristig för betalning under 2024. Bedömningen är att lånen regleras inom fem år.

Not 12 Väsentliga händelser efter räkenskapsårets slut

Den 22 april 2024 såldes 100 % av aktierna i Arka Merchants Limited (Irland), en direkt aktieägare i bolaget, av ADVANCED INDUSTRIES GROUP S.å r.l. (Luxembourg) till ADVANCED PACKAGING GROUP GmbH (Österrike). Detta gjordes som en del av den interna koncernomstruktureringen utan någon effekt på den slutliga kontrollen över företaget.

den 30 juni 2024

Rinat Stark
Ordförande

Yulia Maksakova

Andrey Volokhov

Min revisionsberättelse har lämnats den 30 juni 2024

Johan Kaijser
Auktoriserad revisor

20240716033353

REVISIONSBERÄTTELSE

Till bolagsstämman i Advanced Industries Packaging Sweden AB
Org.nr. 556286-4099

Rapport om årsredovisningen

Uttalanden

Jag har utfört en revision av årsredovisningen för Advanced Industries Packaging Sweden AB för år 2023.

Enligt min uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Advanced Industries Packaging Sweden ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Jag tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Jag har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Mitt ansvar enligt dessa standarder beskrivs närmare i avsnittet "Revisorns ansvar". Jag är oberoende i förhållande till Advanced Industries Packaging Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Mina mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller mina uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer jag riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för mina uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar jag mig en förståelse av den del av bolagets interna kontroll som har betydelse för min revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala mig om effektiviteten i den interna kontrollen.
- utvärderar jag lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar jag en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Jag drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om jag drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste jag i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Mina slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar jag den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Jag måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Jag måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som jag identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver min revision av årsredovisningen har jag även utfört en revision av styrelsens förvaltning för Advanced Industries Packaging Sweden AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Jag tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Jag har utfört revisionen enligt god revisionssed i Sverige. Mitt ansvar enligt denna beskrivs närmare i avsnittet "Revisorns ansvar". Jag är oberoende i förhållande till Advanced Industries Packaging Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Mitt mål beträffande revisionen av förvaltningen, och därmed mitt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Mitt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed mitt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på min professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att jag fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Jag går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för mitt uttalande om ansvarsfrihet. Som underlag för mitt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har jag granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den 30 juni 2024

Johan Kuijsel
Auktoriserad revisor

Bilaga till
årsredovisning i ärende
dnr: 9487748/2024
Yulia Maksakova
Director.
13.03.2026

Advanced Industries Packaging Limited
(Formerly Arka Merchants Limited)

Directors' report and
consolidated financial statements

Year ended 31 December 2023

Registered number: 441300

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

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Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

Directors and other information

Directors	Andrey Volokhov Dmitry Vardaskin Rinat Stark Yulia Maksakova
Secretary	Sabios Tax Limited
Registered office	Unit 1, Block 4 , Ashbourne Business Park, Ashbourne, Meath A84 E951
Auditor	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Charlotte Quay Limerick
Bankers	Allied Irish Bank Sandyford Business Park Dublin 18 Dublin Raiffeisen Bank International AG Am Stadtpark 9, A-1030 Vienna Austria
Solicitors	Dentons Europe LLP Rue de la Regence 58, 1000 Brussels, Belgium.

Directors' report

The directors present their report and the audited financial statements of Advanced Industries Packaging Limited (Formerly Arka Merchants Limited) ("the 'company') and its subsidiaries (together, the 'group') for the year ended 31 December 2023.

Principal activities

The principal activities of the group are the manufacturing and distribution of a diverse range of packaging solutions tailored to the needs of customers in various sectors including, small business, retail food, hospitality, industrial, e-commerce, pharma and agriculture. The group actively promotes its products on the basis of quality, innovation and range and offers its products at a competitive price through its network.

The principal activities of the company include trading and holding equity investments in subsidiaries for income generation and capital growth.

There have been no significant changes in either the group or company's principal activities during the year.

Principal risks and uncertainties

In accordance with Section 327(1) of the Companies Act 2014, the company is required to give a description of the principal risks and uncertainties which it faces. The principal risks and uncertainties faced by the group and the company are set out below and relate to possible adverse changes in the general economic environment.
The principal risks and uncertainties to which the business is exposed are:

- The commercial risks associated with the group's products due to the threat of increased competition from new entrants to the market;
- Erosion in the margin derived from operating activities;
- Macro-economic risks including inflation and increased energy costs; and
- The continued economic uncertainty resulting from the war in Ukraine and related events.

The group holds investments in various subsidiary companies. It is therefore exposed to the risk that these entities do not perform as expected resulting in an impairment. The director of the company is also the director of the subsidiary companies and monitors this risk on a continuous basis.

Additionally, the group's operations expose it to a variety of financial risks that include liquidity risk, credit risk, interest rate risk and foreign exchange risk. The group has risk management policies in place to manage the financial exposures:

Liquidity risk

The group maintains adequate bank facilities and other bank financing to ensure sufficient short-term finance is available for working capital and other operational purposes.

Directors' report *(continued)*

Credit risk

The group's principal financial assets are cash at bank and in hand, and trade and other debtors. The group's credit risk is primarily attributable to its debtors. The amounts presented in the group's Statement of Financial Position are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit- ratings assigned by international credit rating agencies. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Interest rate risk

The group has interest bearing borrowings in the form of external bank debt. The group is therefore exposed to cash flow interest rate risk. The group does not hedge its interest rate exposure.

Foreign currency exchange risk

The financial statements are prepared in Euro. The group's transactional foreign exchange exposure arises predominantly from expenditure denominated in US Dollar. As each material commitment is made, the risk in relation to currency fluctuations is assessed by the directors and regularly reviewed.

Regulatory Compliance Risk

Any breach of laws and regulations would pose a risk to the group. The group is exposed to the risk of individual employee's or groups of employees' inappropriate and/or unethical behaviour resulting in reputational damage, fines or losses.

Environment

Advanced Industries Packaging Limited is committed to its responsibilities to the environment. We recognise that our operations affect the environment in a number of ways, primarily;

- The consumption of raw materials, including paper, ink, glue, in our production processes.
- Energy usage during manufacturing, packaging, and transportation.
- The generation of waste products.
- Emissions from machinery and vehicles used in our operations and logistics.

To address these impacts, we continuously innovate and implement eco-friendly solutions in our paper sacks, promoting the use of renewable and recyclable materials. Our paper sacks are designed to be biodegradable, aligning with circular economy principles, and reducing the environmental impact of packaging waste.

Beyond our products, sustainability drives our operational practices. We strive to optimise resource use, minimise waste, and promote responsible sourcing throughout our supply chain. By forging partnerships with suppliers who share our commitment to sustainability, we collectively work towards creating a positive ripple effect on environmental conservation.

EcoVadis

We also collaborate with EcoVadis, esteemed organisation that assesses our sustainability performance, ensuring we meet the highest standards of ethical practices and environmental stewardship. This partnership empowers us to continuously improve and hold ourselves accountable for creating a positive impact on the environment and society.

In April 2023, we were awarded the Platinum Medal on the independent EcoVadis platform, placing us among the top 1% of companies rated by this agency. The Platinum level was also achieved in May 2024 and May 2025, further improving our performance.

FSC

FSC® is a global certification system that defines ten principles of responsible forest management for a manager or owner to follow. This enables specifiers to purchase wood from identifiable, well- managed forests. As a benchmark, any FSC® standard has to be interpreted at national level in order for it to be implemented within local forests.

All our production sites are certified within the FSC® (FSC License FSC-C018056) supply chain of custody. This certification underscores our commitment to responsible forest management, promoting biodiversity and supporting local communities.

Sustainability Report (GRI)

Transparency is paramount to us, which is why we have made our Sustainability report (made in accordance with GRI standards) available on our corporate website. This comprehensive report outlines our sustainability performance, progress, and future aspirations. We believe in being accountable to our stakeholders and are committed to continuous improvement.

GRI report is being updated annually.

UNGC

Since 2018 the group has been a participant of the United Nations Global Compact (UNGC), demonstrating our commitment to aligning our strategies and actions with universal principles on human rights, labour, environment, and anti-corruption.

Going Concern

The directors have considered the appropriateness of preparing the financial statements on a going concern basis. The directors note the loss for the financial year for the group of €16.7m (2022: profit €2.8m), the net current liabilities of the group of €24.5m (2022: net current liabilities €43.9m). The Directors have a reasonable expectation that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Refer to note 2 for further details on the Group's going concern assessment.

Results, dividends and transfers to reserves

The results for the financial period and the statement of affairs of the group and the company are set out in the Statement of Comprehensive Income and Statement of Financial Position on pages 11 to 13. The group incurred a loss after taxation of €16.7m (2022: profit €2.8m) in the year and had net current liabilities of €24.5m (2022: net current liabilities €43.9m). The directors have not paid any dividends nor recommended payment of a final dividend (2022: €nil).

Directors' report *(continued)*

Future developments

The company plans to continue its present activities and current trading levels. Employees are kept as fully informed as practicable about developments within the business.

Directors' report *(continued)*

Directors' Compliance Statement

The directors, in accordance with Section 225(2)(a) of the Companies Act 2014 (the "Act"), acknowledge their responsibility for securing the company's compliance with its "relevant obligations". "Relevant obligations", in the context of the Company, are the Company's obligations under:

(a) the Act, where a breach of the obligations would be a category 1 or category 2 offence;
(b) the Act, where a breach of the obligation would be a serious Market Abuse or Prospectus offence; and
(c) tax law.

Section 225(2)(b) of the Companies Act 2014 requires the directors to include a statement in the directors' report confirming the assurance measures as stated in Subsection 3 of the Act have been completed or, if not completed, to specify the reasons.

The three measures to be addressed, as specified by Subsection 3 are:

(a) the drawing up of a "compliance policy statement" setting out the company's policies (that, in the directors' opinion, are appropriate to the company) respecting compliance by the company with its relevant obligations;
(b) the putting in place of appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with the company's relevant obligations; and
(c) the conducting of a review during the financial year of any arrangements or structures referred to in (b) above that have been put in place.

The directors have not yet finalised the compliance policy statement and are in the process of reviewing the appropriateness of existing arrangements and structures.

Audit Committee

Following due review and consideration of the requirement under Section 167 of the Companies Act 2014 and the current circumstances of the company, the board has taken the decision not to establish an audit committee at the present time.

The reason for the decision is that currently the parent company's assurance committee effectively carries out functions akin to those of which an audit committee would perform and that therefore the directors believe there is no necessity for the company to establish a separate audit committee for the purpose of Section 167 of the Companies Act 2014.

Directors, secretary and their interests

The directors and secretary, who held office at the financial year end date and up to the date of approval of the financial statements, are as follows:

Andrey Volokhov
Dmitry Vardaskin
Rinat Stark
Yulia Maksakova

Sabios Tax Limited (Company Secretary)

The directors and secretary had no beneficial interest in the share capital of the company or any other company undertaking;

Directors' report *(continued)*

Post balance sheet events

On 29 February 2024 the group entered into an agreement to sell its plant in Turkey, ADVANCED INDUSTRIES AMBALAJ SANAYİ VE TİCARET ANONİM ŞİRKETİ, to Karitex Tekstil İthalat İhracat San. Tic. Ltd. Şti ("Purchaser"). Subsequently, on 13 March 2024, the Board of Directors approved a change in the ownership structure whereby Arka Merchants Limited transferred its entire capital shareholding (100%) to Karitex Tekstil İthalat İtracat Sanayi Ticaret Limited Şirketi, who became the sole shareholder of the Company. Following this, the Company's name was changed to İzmir Kraft Torba Ambalaj Sanayi Ticaret Anonim Şirketi, effective 1 April 2024.

On 22 April 2024, ADVANCED PACKAGING GROUP GmbH entered into a Share Purchase Agreement with Advanced Industries Group Sarl as the seller, to acquire the entire issued share capital of Advanced Industries Packaging Ltd (formerly Arka Merchants Limited), a Company having its registered office located at Unit 1, Block 4, Ashbourne Business Park, Ashbourne, Co. Meath, Ireland.

On 15th of November 2024, a resolution was passed to change the company name from ARKA MERCHANTS LIMITED to ADVANCED INDUSTRIES PACKAGING LIMITED.

Accounting records

The directors believe that they have complied with the requirement of Section 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the company are maintained at the company's registered office at Unit 1 Block 4, Ashbourne Business Park, Ashbourne, Meath.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware.

Political donations

With reference to the Electoral Act 1997, the company did not make any political donations during the year.

Auditor

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm were appointed since the last annual report and continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the board

Rinat Stark

Yulia Maksakova

Date: 13th March 2026

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with *International Financial Reporting Standards as adopted by the European Union* ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the group as at the financial year end date and of the profit or loss of the group for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the group and company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the group and company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the group and company, enable at any time the assets, liabilities, financial position and profit or loss of the group and company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED INDUSTRIES PACKAGING LIMITED (FORMERLY ARKA MERCHANTS LIMITED)

Report on the audit of the financial statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Advanced Industries Packaging Limited (Formerly Arka Merchants Limited) (the 'Group' and the 'Company') for the financial year ended 31 December 2023.

We do not express an opinion on the Group and Company financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence on whether the financial statements give a true and fair view or have been properly prepared in accordance with the relevant financial reporting framework and the Companies Act 2014.

We were engaged to audit the financial statements which comprise:
The Group Financial Statements:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows;

The Company Financial Statements

- the Company Statement of Financial Position;
- the Company Statement of Changes in Equity;
- the Company Statement of Cash Flows; and
- the related notes 1 to 29, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards as adopted by the European Union ("the relevant financial reporting framework").

Basis for Disclaimer of Opinion

The Directors approved the Directors' Report and Consolidated Financial Statements on 13 March 2026. As such, we were unable to complete our audit procedures due to the time constraints applied. Because of this limitation, we were unable to obtain sufficient audit evidence to form an audit opinion on the financial statements. Accordingly, we do not express an opinion on these financial statements.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine 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 directors are responsible for assessing the group and parent 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 directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Group and Company's financial statements in accordance with International Standards on Auditing (Ireland) and applicable law, and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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Deloitte.

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We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on other legal and regulatory requirements

Other Matter
As the Company was exempt from preparing consolidated financial statements in the prior year under applicable legislation, we have not audited the corresponding amounts in the Consolidated Financial statements for that year.

Opinion on other matters prescribed by the Companies Act 2014
Arising from the Basis for Disclaimer of Opinion described above, we have not obtained all the information and explanations which we consider necessary for the purposes of our audit or to report on the matters prescribed by the Companies Act 2014. Accordingly, we do not express an opinion on:

- Whether the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited;
- Whether the Company Statement of Financial Position is in agreement with the accounting records; or
- Whether the information given in the Directors' Report is consistent with the financial statements; or
- Whether those parts of the Directors' Report specified for our review have been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception
Notwithstanding our Disclaimer of Opinion on the financial statements, in the light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit performed subject to the matters described above, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the disclaimer of opinion we have expressed.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ARKA MERCHANTS LIMITED (FORMERLY ARKA MERCHANTS LIMITED)



Cathal Treacy
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Charlotte Quay, Limerick

13 March 2026

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

Consolidated statement of comprehensive income
for the financial year ended 31 December 2023

		2023			2022		
		€'000	€'000	€'000	€'000	€'000	€'000
	Note	Discontinued	Continued	Total	Discontinued	Continued	Total
Revenue	3	-	133,088	133,088	95,057	185,476	280,533
Cost of sales	4	(411)	(114,843)	(115,254)	(90,322)	(145,712)	(236,034)
Gross (Loss)/Profit		**(411)**	**18,245**	**17,834**	4,735	39,764	44,499
Administration expenses	5	-	(23,769)	(23,769)	(3,883)	(29,343)	(33,226)
Other operating costs	7	(36)	(8,226)	(8,262)	(561)	(5,174)	(5,735)
Other operating income	7	-	1,570	1,570	-	1,210	1,210
Finance income		-	83	83	-	35	35
Interest expense	8	-	(3,724)	(3,724)	-	(3,859)	(3,859)
(Loss)/Profit before tax		(447)	(15,821)	(16,268)	290	2,634	2,925
Tax	9	-	(474)	(474)	-	(103)	(103)
(Loss) for the year	23	(447)	(16,295)	(16,742)	290	2,530	2,822
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit obligation				(11)			1,205
Other reserves movements				383			(60)
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations				1,866			2,788
Other comprehensive income for the financial year				2,238			3,933
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY				(14,505)			6,754

On behalf of the board

Rinat Stark
Director

Yulia Maksakova
Director

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

Consolidated statement of financial position
as at 31 December 2023

	Note	**2023** **€000**	2022 €000
Non-current Assets			
Property, plant and equipment	10	**51,347**	56,389
Prepayments for non-current assets		**-**	-
Other non-current assets	12	**3**	19
Total non- current assets		**51,351**	56,408
Current Assets			
Inventory	11	**23,805**	41,151
Trade and other receivables	13	**22,207**	28,156
Taxes receivable and other current assets	15	**4,649**	7,782
Cash and cash equivalents	14	**26,968**	9,690
Total current assets		**77,630**	86,779
Total Assets		**128,980**	143,187
Issued capital and reserves			
Issued share capital	16	**93,300**	63,300
Retained earnings		**(134,723)**	(115,413)
Accumulated other comprehensive income		**52,672**	49,246
Equity attributable to participants of the group		**11,249**	(2,867)
Non-controlling interests		**-**	(624)
Total equity		**11,249**	(3,491)
Non-current liabilities			
Loans and borrowings	17	**10,053**	10,022
Pension obligations	18	**4,579**	5,118
Deferred tax liabilities	9	**1,001**	886
Total non-current liabilities		**15,634**	16,026
Current liabilities			
Trade and other payables	19	**71,600**	70,993
Advances received, other liabilities and taxes payable		**585**	1,021
Loans and borrowings	17	**29,738**	58,441
Provisions	20	**175**	197
Total current liabilities		**102,097**	130,652
Total Liabilities		**117,731**	146,678
Total equity and liabilities		**128,980**	143,187

The financial statements of Advanced Industries Packaging Limited (Formerly Arka Merchants Limited) were approved by the Board of Directors and authorised for issue on _____13.03.2026_____. They were signed on its behalf by:

Rinat Stark
Director

Yulia Maksakova
Director

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

Company statement of financial position
as at 31 December 2023

	Note	**2023**	2022
		€000	€000
Non-Current assets			
Property, plant and equipment	10	**244**	270
Financial Assets	21	**59,833**	59,883
Total non-current assets		**60,127**	60,153
Current assets			
Trade and other receivables	13	**46,305**	60,186
Cash and cash equivalents	14	**17,665**	3,988
Inventory	11	**2,507**	5,620
Current tax asset	15	**34**	-
Total current assets		**66,510**	69,793
Total assets		**126,637**	129,946
Shareholders' equity			
Called up share capital	16	**93,300**	63,300
Retained earnings		**(34,414)**	(22,377)
Total shareholders' equity		**58,886**	40,923
Non-current liabilities			
Obligations under finance leases	17	**227**	277
Total non-current liabilities		**227**	277
Current liabilities			
Amounts owed to group undertakings	17	**13,582**	43,582
Trade and other payables	19	**53,924**	45,127
Current Tax Liability		**-**	19
Obligations under finance leases	17	**18**	18
Total current liabilities		**67,524**	88,746
Total liabilities		**67,751**	89,023
Total equity and liabilities		**126,637**	129,946

The loss after taxation for the financial year of the company amounted to €12,307,166 (2022: Profit of €1,083,762). As permitted under Section 304, Companies Act 2014, the profit and loss of the company is not presented as part of these financial statements.

The financial statements of Advanced Industries Packaging Limited (Formerly Arka Merchants Limited) were approved by the Board of Directors and authorised for issue on _____13.03.2026_____. They were signed on its behalf by:

Rinat Stark
Director

Yulia Maksakova
Director

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

Consolidated statement of changes in equity
for the financial year ended 31 December 2023

	Issued share capital	Retained Earnings	Translation to presentation currency	Other	Equity Attributable to participants of the Group	Non-Controlling interests	Total Equity
	€000	€000	€000	€000	€000	€000	€000
At 1 January 2023	63,300	(115,413)	20,181	29,065	(2,867)	(624)	(3,491)
(Loss)/Profit for the financial year	-	(16,743)	-	-	(16,743)	-	(16,743)
Issued share capital	30,000	-	-	-	30,000	-	30,000
Other comprehensive income for the year, net of income tax	-	-	1,866	142	2,008	-	2,008
Other movements in period	-	(2,567)	-	1,418	(1,149)	624	(525)
Balance at 31 December 2023	**93,300**	**(134,723)**	**22,047**	**30,625**	**11,249**	**0**	**11,248**

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

Consolidated statement of changes in equity
for the financial year ended 31 December 2023

	Issued share capital	Retained Earnings	Translation to presentation currency	Other	Equity Attributable to participants of the Group	Non-Controlling interests	Total Equity
	€000	€000	€000	€000	€000	€000	€000
At 1 January 2022	63,300	(118,961)	17,393	28,613	(9,656)	(672)	(10,328)
Profit for the financial year	-	2,822	-	-	2,822	-	2,822
Other comprehensive income for the year, net of income tax	-	-	2,788	1,144	3,933	(16)	3,916
Other movements in period	-	726	-	(691)	35	64	99
Balance at 31 December 2022	**63,300**	**(115,413)**	**20,181**	**29,065**	**(2,867)**	**(624)**	**(3,491)**

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

Company statement of changes in equity
for the financial year ended 31 December 2023

	Issued share capital €000	Retained deficit €000	Total Equity €000
At 1 January 2023	63,300	(22,377)	40,923
(Profit)/loss for the financial year	-	(12,037)	(12,037)
Other comprehensive income for the year, net of income tax	-	-	-
Issue of Share Capital	30,000		30,000
Balance at 31 December 2023	**93,300**	**(34,414)**	**58,886**

	Issued share capital €000	Retained deficit €000	Total Equity €000
At 1 January 2022	63,300	(23,460)	39,840
(Profit)/loss for the financial year	-	1,083	1,083
Balance at 31 December 2022	**63,300**	**(22,377)**	**40,923**

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

Consolidated statement of cash flows
as at 31 December 2023

	Notes	2023 €000	2022 €000
Operating activities			
Operating Loss		**(12,545)**	6,783
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation of property, plant and equipment (net of ups and downs)		**6,392**	5,955
Impairment and amortisation of intangible assets		**16**	58
Foreign exchange loss/(gain)		**(1,176)**	525
Net finance costs		**(3,724)**	(3,859)
Taxation charge		**(474)**	(103)
Working capital adjustments:			
Decrease in trade and other receivables and prepayments		**8,042**	8,701
Decrease / (Increase) in inventories		**17,346**	(210)
Decrease / (Increase) in trade and other payables		**(276)**	(11,277)
Cash flows from operating activities		**26,147**	(210)
Net cash flows from operating activities		**13,602**	6,573
Interest paid		**3,724**	3,857
Corporation tax paid/refund		**564**	(797)
Net cash flows from operating activities		**4,288**	3,060
Investing activities			
Acquisition of intangible assets		**(1,998)**	(4,192)
Proceeds from sale of property, plant and equipment		**57**	104
Net additions to property, plant and equipment		**-**	-
Net cash used in investing activities		**(1,941)**	(4,088)
Financing activities			
Proceeds from issue of share capital		**30,000**	-
Net repayment of borrowings and overdrafts		**(28,671)**	(2,223)
Net cash used in financing activities		**1,329**	(2,223)
Net Increase in cash and cash equivalents at 31 December		**17,278**	3,323
Cash and cash equivalents at beginning of financial year		**9,690**	6,367
Effect of foreign exchange		**-**	-
Cash and cash equivalents at end of financial year		**26,968**	9,690
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand at end of financial year		**26,968**	9,690
Cash and cash equivalents at end of financial year		**26,968**	9,690

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited)

Company statement of cash flows
as at 31 December 2023

	Notes	2023 €000	2022 €000
Operating activities			
Operating Loss		**(9,862)**	4,229
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation of property, plant and equipment (net of ups and downs)		**26**	26
Working capital adjustments:			
Decrease in trade and other receivables and prepayments		**13,881**	6,807
Decrease / (Increase) in inventories		**3,113**	7,722
Decrease / (Increase) in trade and other payables		**(23,152)**	(15,714)
Cash flows from operating activities		**(6,132)**	(1,158)
Net cash flows from operating activities		**(15,994)**	3,071
Interest paid		**(227)**	(955)
Corporation tax paid/refund		**(53)**	21
Net cash flows from operating activities		**(16,274)**	2,137
Investing activities			
Acquisition of intangible assets		-	(610)
Proceeds from sale of property, plant and equipment		-	-
Net cash used in investing activities		**-**	**(610)**
Financing activities			
Proceeds from issue of share capital		**30,000**	-
Net repayment of borrowings and overdrafts		**(49)**	(15)
Net cash used in financing activities		**29,951**	(15)
Net Increase in cash and cash equivalents at 31 December		**13,677**	1,512
Cash and cash equivalents at beginning of financial year		**3,987**	2,475
Effect of foreign exchange		-	-
Cash and cash equivalents at end of financial year		**17,664**	3,987
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand at end of financial year		**17,664**	3,987
Cash and cash equivalents at end of financial year		**17,664**	3,987

Notes to the financial statements

1. Accounting policies

1.1 General Information and Basis of accounting

(a) Reporting entity

Advanced Industries Packaging Limited (Formerly Arka Merchants Limited) is a private company limited by shares, incorporated under the Companies Act 2014 and is domiciled in Ireland.

(b) Statement of compliance

The consolidated and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) that are effective for the year ended 31 December 2023.

(c) Basis of preparation

The Directors have at the time of approving these consolidated and company financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value in accordance with the Companies Act 2014 and IFRS as adopted by the European Union. The consolidated and company financial statements are prepared in Euro, which is the functional currency. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and 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 accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policies set out below have been applied consistently in these financial statements.

(d) Standards in issue but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective and therefore have not been applied in preparing these financial statements. The group does not plan to adopt these standards early; instead, it will apply them from their effective dates as determined by their dates of EU endorsement. These include:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current — Deferral of Effective Date
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

1.1 General Information and Basis of accounting *(continued)*

(d) Standards in issue but not yet effective *(continued)*

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods.

1.2 Foreign currency transactions

The financial statements are presented in euro, which is the functional and presentation currency of the group.

Foreign currency transactions are initially recorded in the Group's functional currency by applying the spot exchange rate at the date of the transaction.

At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency using the closing exchange rate. Non-monetary items measured at historical cost are not retranslated. Non-monetary items measured at fair value are retranslated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of foreign currency transactions and on the retranslation of monetary assets and liabilities are recognised in profit or loss within the Statement of Comprehensive Income. Specifically, foreign exchange differences relating to long-term monetary balances are presented within 'Net currency translation charges', whilst those arising from short-term monetary balances are included within 'Currency differences'.

1.3 Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment is shown at historical cost, net of accumulated depreciation and any accumulated impairment losses.

b) Depreciation

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset, on a straight-line basis over its expected useful life.

Useful lives are as follows:	
Buildings and Constructions	20-55 years
Machinery and Equipment	5-20 years
Other property, plant and equipment	3-20 years

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

1.3 Property, Plant and Equipment *(continued)*

(b) Depreciation *(continued)*

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

(c) Impairment

In accordance with IAS 36 *Impairment of Assets,* the carrying amount of items of plant and equipment are reviewed at each year end date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated.

1.4 Financial instruments

Financial instruments comprise trade and other receivables (excluding prepayments), cash and cash equivalents and trade and other payables. Financial instruments are recognised initially at fair value plus transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below;

Trade and other receivables

Trade and other receivables are stated at amortised cost, which approximates to fair value given the short-dated nature of these assets. Trade receivables are carried at original invoice amount less any expected credit loss for potentially unrecoverable amounts. Impairment is recognised if there is objective evidence after initial recognition that a balance may not be recoverable in full or in part.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances which are readily convertible to known amounts of cash at or close to their carrying values and are subject to an insignificant risk of changes in value.

Trade and other payables

Trade and other payables are stated at amortised cost, which approximates to fair value given the short-dated nature of these assets.

1.5 Inventory

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present condition and location.

The net realisable value of inventories is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

1.6 Employee benefits

Post-employment benefit obligations

The liabilities and costs associated with the Company's defined benefit pension schemes (both funded and unfunded) are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

The net surplus of deficit arising on the Company's defined benefit pension schemes, together with the liabilities associated with the unfunded schemes, are shown either within non-current assets or non-current liabilities in the Balance Sheet. The deferred tax impact of pension scheme surpluses and deficits is disclosed separately within deferred tax assets or liabilities as appropriate. Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Defined Benefit pension asset or liability in the Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and, in the case of published securities; it is the published bid price. The value of any defined benefit is limited to the present value of any economic benefits available in the form of refunds from the plan and reductions in the future contributions to the plan.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of these benefits; and (b) when the group recognises costs for a restructuring which is within the scope of IAS 37 and involves the payment of termination benefits.

1.7 Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

The current Income tax charge is calculated on the basis of the tax rates and laws enacted or substantively enacted at the reporting date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively

Notes to the financial statements *(continued)*

enacted by the reporting date, and which are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

1.7 Current and deferred income tax *(continued)*

The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

1.8 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of any tax effects.

1.9 Retained Earnings

Retained earnings represent accumulated profits and losses attributable to equity holders of the company. Retained earnings may also include the effect of changes in accounting policy as may be required by the standard's transitional provisions.

1.10 Provisions

Provisions are recognised when the group or company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation.
Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised within finance costs.

1.11 Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right of use assets and lease liabilities are recognised based on the present value of the future minimum lease payments over the lease term at commencement date. In determining the net present value of lease payments, the group uses either its incremental borrowing rate based on information available at the lease commencement date if the interest rate implicit in the lease is not available or the rate implicit in the lease. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred.

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

1.11 Leases *(continued)*

The group recognises a depreciation charge for right of use assets on a straight-line basis over the shorter of the asset's useful life and the lease term within depreciation expenses, and an interest expense on lease liabilities within finance costs in the consolidated Statement of Comprehensive Income. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment Is made to the carrying amount of the right of use asset or is recorded in the Statement of Comprehensive Income if the carrying amount of the right of use asset has been reduced to zero. Lease liabilities are presented under "Borrowings on Right of Use assets" in the Statement of financial position.

1.12 Borrowing

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the net proceeds and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

1.13 Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excluded amounts collect on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

1.15 Critical accounting estimates and judgements

The preparation of the financial statements requires the use of estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Subsequent actual results may differ from these estimates.

The directors believe that the group's critical accounting policies, which are those that require management's most difficult, subjective and complex judgments, are those described in this section. These critical accounting policies, the judgments and other uncertainties affecting application of these policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered in reviewing the financial statements. For additional details on these policies, see "Basis of preparation" and "Significant accounting policies" in Note 1 to the financial statements.

a) Provisions

The group makes provisions for legal and constructive obligations which are outstanding at the balance sheet. These provisions are made based on historical or other relevant information, adjusted for recent trends, where appropriate. However, provisions represent estimates of the financial costs of events that might not occur for some years. The basis for these estimates is reviewed at least annually and updated where information becomes available that may give rise to a material change. Measurement uncertainty associated with maintenance provisions in relation to leased aircraft arises from the timing and nature of overhaul activity required, the cost of such overhaul activity when it arises and the likely utilisation of aircraft. As a result, the actual results may differ significantly from those estimates. Refer to note 19 for further details.

The Group manufactures and distributes a diverse range of packaging solutions across various sectors, including retail food, e-commerce, and pharma. The assessment of inventory for obsolescence, damage, or slow-moving items, and the subsequent determination of net realisable value (NRV), therefore requires significant management judgement and estimation.

The Group maintains a bad debt provision on its trade receivables, reflecting the estimated irrecoverable amounts from its diverse customer base across sectors such as small business, retail food, hospitality, industrial, e-commerce, pharma, and agriculture.

Notes to the financial statements *(continued)*

2. Going Concern

The Group's business activities are set out in the principal activity and review of the development of the business. The financial position of the Group, its cash flow and liquidity position and borrowing facilities are described in Notes 3 to 27 of the financial statements. In addition, Note 21 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; its exposures to market risk, credit risk and liquidity risk. The validity of the going concern assumption is dependent upon the continued support of the Group's providers of finance, being the shareholders and banks.

The directors have considered the appropriateness of preparing the financial statements on a going concern basis. The directors note the loss for the financial year for the group of €16.7m (2022: profit €2.8m). Turnover in 2023 decreased by €147.4m (52.6%) versus 2022 comprising a reduction of €52.3m in the group's core business, paper products and a €95.1m decrease in the turnover of timber products. The significant decrease in revenues was due to the effects of the Ukrainian conflict which saw EU sanctions imposed on importing paper and timber products from Russia, the group ceased trading in timber products in July 2022.

Group cash and cash equivalents as of 31st December 2023 was €26.97m (2022 €9.69m).

Following the acquisition of the group at the beginning of 2023 by Advanced Industries Group S.a.r.l. senior debt in the books of Advanced Industries Packaging Ltd (formerly ArKa Merchants Ltd) books amounted to €84.1m.

The senior debt was restructured by a swap of debt for equity by Advanced Industries Group S.a.r.l. in December 2023 €30.0m followed in 2024 by €24.7m.

The total amount of debt conversion into the Share Capital of Advanced Industries Packaging Ltd (formerly Arka Merchants Ltd) was €54.7 million.

The Directors continue to restructure the business to optimise operational activities. It was decided to dispose of the Turkish plant as it became clear that the group could not continue to supply the plant with Russian paper and would not be capable of substituting this paper with sufficient volumes of paper from the market. The group directors came to the decision to transfer this asset to the Parent Company which resulted in a further swap of debt for equity in the amount of €15m on 19th January 2024.
On 29th February 2024, the Group's sole shareholder, Advanced Industries Group S.à r.l., entered into an agreement to sell this plant in Türkiye, ADVANCED INDUSTRIES AMBALAJ SANAYİ VE TİCARET ANONİM ŞİRKETİ, to a third party.

Overall, senior loan debt decreased to a level of €14m as at the 30th of September 2025.

Although the loans are technically due for repayment within twelve months the Directors of the Company are assured that there is no current intention to recall the debt as Advanced Industries Group S.à r.l. has issued a Support Letter stating that every effort will be made to ensure that the Company and its subsidiary companies are able to proceed to trade and meet their liabilities as they fall due. Having reviewed the current situation regarding the borrowing facilities of the Group it appears reasonably certain that the Group will have sufficient funding to ensure its ability to continue trading as a going concern.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, including an assessment of the current macroeconomic environment, particularly in Europe, the Americas and Africa indicate that the Group should be able to operate well within the level of its current facilities. The Directors have reviewed the overall Group strategy, the budget for 2025 and estimations for subsequent periods, considered the assumptions contained in the budget and reviewed the critical risks which may impact the Group's performance.

Notes to the financial statements *(continued)*

2. Going Concern (Continued)

After making enquiries the Directors have a reasonable expectation that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

3. Revenue

	2023	2022
	€'000	€'000
Sales of paper packaging products	**132,373**	184,786
Sales of sawmill products	**-**	95,057
Other sales	**715**	690
	133,088	280,533

4. Cost of Sales

	2023	2022
	€'000	€'000
Raw materials and supplies	**86,211**	205,106
Other expenses	**29,043**	31,019
	115,254	236,034

5. Selling and Administrative Expenses

	2023	2022
	€'000	€'000
Finished goods transportation and other selling expenses	**4,627**	13,798
Employee benefits	**7,163**	7,781
Supplier and contractor services	**3,360**	3,112
Taxes	**406**	540
Allowance for impairment of trade and receivables	**175**	(65)
Foreign exchange differences	**6,394**	6,346
Other expenses	**1,643**	1,714
	23,769	33,226

Notes to the financial statements *(continued)*

6. Discontinued Operations

Discontinued operations- Statement of financial position	**2023**	2022
	€"000	€'000
Trade and other receivables	**38**	38
Cash	**1,166**	1,207
Total assets directly associated with discontinued operations	**1,204**	1,245
Trade and other payables	**407**	9
Tax liabilities	**4**	4
Liabilities directly associated with the discontinued operations	**411**	13

Notes to the financial statements *(continued)*

7. Other Operating Income net and Other Expenses

	2023	2022
	€'000	€'000
Other operating expense	**(8,262)**	(5,735)
Other operating income	**1,570**	1,210
	(6,692)	(4,525)

8. Interest Expense

	2023	2022
	€'000	€'000
Non-operating Finance costs	**(145)**	(30)
Interest expense external	**(248)**	(284)
Finance lease Interest Expense	**(415)**	(397)
Interest expense Division	**-**	(12)
Interest expense Group	**(2,688)**	(2,927)
Other financial cost	**(229)**	(209)
	(3,724)	(3,859)

9. Corporation tax expense

	2023	2022
	€'000	€'000
Current tax expense/(credit)		
Current corporation tax	**341**	148
Deferred tax expense		
Origination and reversal of temporary differences	**133**	(45)
Total corporation tax expense	**474**	103

Reconciliation of effective tax rate	**2023**	2022
	€'000	€'000
Loss before income tax	**(16,268)**	2,925
Net utilisation / additions to previously unrecognised tax losses	**2,085**	(117)
Effect of different tax rates	**(431)**	7
Loss before income tax multiplied by the standard rate of corporation tax in Ireland of 12.5%	(2,034)	366
Effect of expenses that are not deductible in determining taxable profit	**720**	(107)
Movement in deferred tax	**133**	(45)
Corporation tax expense	**474**	103

At the year-end date, there is an unprovided deferred tax asset of €1,001,350 (2022: €886,491). This asset has not been created at the year-end as the directors are of the opinion that the asset is not currently recoverable in the foreseeable future.

Notes to the financial statements *(continued)*

10. Property, plant and equipment (Consolidated)

Group	Land and Natural Assets €'000	Buildings €'000	Machinery & Equipment €'000	Other Property & Equipment €'000	Construction in Progress €'000	Total €'000
Cost						
Balance at 1 January 2023	1,582	53,322	144,530	14,669	791	214,894
Additions	-	3	274	1,367	352	1,997
Acquisitions	-	-	-	-	-	-
Transfer	-	-	636	-	(636)	-
Disposals	-	3	(643)	(212)	(52)	(904)
Translation	(57)	(293)	(1,138)	(50)	(28)	(1,566)
Balance at 31 December 2023	**1,525**	**53,035**	**143,659**	**15,774**	**427**	**214,421**
Depreciation and impairment losses						
Balance at 1 January 2023	-	42,453	111,383	4,636	33	158,505
Depreciation for the year	-	1,190	4,119	1,083	-	6,392
Disposals	-	-	(643)	(204)	-	(847)
Translation	-	(164)	(772)	(39)	-	(975)
Balance at 31 December 2023	**-**	**43,479**	**114,087**	**5,476**	**33**	**163,075**
Net book value						
At 31 December 2023	**1,525**	**9,556**	**29,572**	**10,298**	**395**	**51,346**
At 31 December 2022	**1,582**	**10,868**	**33,147**	**10,033**	**759**	**56,389**

Notes to the financial statements *(continued)*

Property, plant and equipment (Company)

Group	Freehold Land & Buildings €'000	Office Equipment, Furniture and Fittings €'000	Right of use Assets €'000	Total €'000
Cost				
Balance at 1 January 2023	19	19	393	431
Additions	-	-	-	-
Balance at 31 December 2023	**19**	**19**	**393**	**431**
Depreciation and impairment losses				
Balance at 1 January 2023	18	19	124	161
Depreciation for the year	1	-	25	26
Balance at 31 December 2023	**19**	**19**	**149**	**187**
Net book value				
At 31 December 2023	**-**	**-**	**244**	**244**
At 31 December 2022	**1**	**-**	**269**	**270**

Notes to the financial statements *(continued)*

11. Inventory

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Raw Materials, supplies and spare parts	**17,040**	28,179	**2,507**	5,620
Work in progress	**370**	330	**-**	-
Finished products	**8,431**	12,924	**-**	-
Less: Allowance for inventories	**(2,036)**	(282)	**-**	-
Total	**23,805**	41,151	**2,507**	5,620

There are no material differences between the replacement cost of stock and the balance sheet amounts.

12. Other non-current assets

	2023	2022
	€'000	€'000
Other non-current asset	**3**	19
	3	19

Other non-current assets comprise of client lists and beneficial rights. These intangible assets are initially recognised at acquisition cost and subsequently adjusted for accumulated depreciation and foreign exchange differences.

13. Trade and other receivables

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Trade receivables	**22,111**	26,499	**58**	712
Allowance for doubtful receivables	**(711)**	(565)	**-**	-
Receivables from related parties	**-**	-	**27,703**	42,272
Other receivables*	**807**	2,222	**-**	-
Amounts due from subsidiaries	**-**	-	**18,515**	17,081
Prepayments	**-**	-	**39**	121
Total Trade and Other Receivables	**22,207**	28,156	**46,305**	60,186

*Other receivables comprise of advances to external suppliers, interest free short-term receivables to external parties, other interest free receivables, and interest free long-term receivables from external parties.

Notes to the financial statements *(continued)*

14. Cash and cash equivalents

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Cash and bank balances	**26,968**	9,690	**17,665**	3,988

The carrying amount of the group and company's cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Euro	**21,816**	5,960	**17,665**	3,988
Czech Koruna	**22**	52	**-**	-
Romanian Leu	**2,053**	-	**-**	-
Russian Ruble	**11**	37	**-**	-
Turkish lira	**1,314**	630	**-**	-
US Dollar	**1,752**	3,011	**-**	-
Total	**26,968**	9,690	**17,665**	3,988

15. Taxes Receivable and Other Current Assets

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
VAT receivable	**170**	582	**-**	-
Income tax	**231**	1,269	**-**	-
Other current assets	**4,248**	5,930	**34**	-
	4,649	7,782	**34**	-

Other current assets comprise of accounts receivable division short term loans, prepaid expenses, and accrued income.

Notes to the financial statements *(continued)*

16. Called up share capital

	2023	2022
	€'000	€'000
Allotted, called up and fully paid – presented as equity		
Ordinary shares of €1 each at 1 January	**63,300**	63,300
Shares Issued During the Year	**30,000**	-
Ordinary shares of €1 each at 31 December	**93,300**	63,300
Total	**93,300**	63,300

In December 2023, senior debt of €30.0 million was converted into equity through a debt-for-equity swap with Advanced Industries Group S.a.r.l., as part of financial restructuring following the loss of a key Russian supplier.

17. Loans and borrowings

Group
Non-Current Loans and Borrowing

	Group	
	2023	2022
	€'000	€'000
Long term loan bank other	**-**	503
Non-Current obligations under finance lease	**10,053**	9,518
Long term Loan Group		
	-	
Total	**10,053**	10,021

Notes to the financial statements *(continued)*

17. Loans and borrowings (continued)

Current Loans and Borrowing

	Group	
	2023	2022
	€'000	€'000
Long term loans bank other – Payable < 1 year	**-**	1,272
Short term loans – Overdraft	**4,380**	1,705
Current obligations under finance lease	**491**	598
Short term loan Group	**24,886**	54,866
Total	**29,737**	58,441

	Company	
	2023	**2022**
	€'000	**€'000**
Non-current obligations under finance lease	**227**	**277**
Current obligations under finance lease	**18**	**18**
Total	**245**	**295**

			Company	
	Interest Rate	**Maturity**	**2023**	2022
			€'000	€'000
Parent company loans to Advanced Industries Packaging Limited	5%	-	**13,582**	43,253
Parent company loans to Advanced Industries Packaging Limited	5%	On demand	**-**	329
Total			**13,582**	43,582

Notes to the financial statements *(continued)*

18. Pension Obligations

The Group operates two defined benefit pension plans which provide members with pension benefits in retirement based on their final pensionable salary and they also provide benefits for dependents in the event of the death of a member. Actuarial valuations for funding purposes were carried out on the plans at December 31, 2023.

The valuation used for FRS 102, Section 28: Employee Benefits has been based on a full assessment of the liabilities of the plan as at 31 December 2023. The present values of the defined benefit obligation, the related current service cost and any past service costs were measured using the projected unit credit method.

The schemes expose the Company to a number of risks, the most significant of which are as follows:

Asset volatility
The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this could create a larger deficit. The schemes hold a significant proportion of growth assets (equities) which, though expected to outperform corporate bonds in the long-term, create additional volatility and risk in the short-term.

Changes in bond yields
A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be partially offset by an increase in the value of any bond holdings held by the schemes.

Salary inflation
As a final salary scheme there is an exposure to increased benefits arising as a result of higher salary increases than allowed for in the assumptions. The assumptions used to project final salary incorporate an age-related component in addition to a flat basic rate as an allowance for the effect of increments and promotions. The wraparound component of the benefit design (i.e. the linkage of pensionable service completed with a prior body) means that the accrued liabilities are particularly sensitive to higher than assumed salary growth.

Inflation
The schemes' defined benefit obligations are linked to inflation (for active members, benefits are linked to salary increases while for deferred members, preserved benefits are linked on a discretionary basis to post retirement pension increases awarded or to statutory revaluation). Higher than assumed inflation will lead to higher liabilities. About a quarter of the fund is invested in inflation linked bonds as a match to such real liabilities.

Life expectancy risk
The majority of the schemes' obligations are to provide benefits for the life of the member (and their dependants), so increases in life expectancy will result in an increase in the liabilities.

The principal assumptions used in determining pension obligations for the Group's plan are set out below:

Notes to the financial statements *(continued)*

18.Pension Obligations (Continued)

	German Plan		Italian Plan	
	2023 % p.a.	2022 % p.a.	**2023 % p.a.**	2022 % p.a.
Discount rate	**3.61**	3.11	**3.08**	3.63
Expected rate of salary increases	**1.25**	1.25	**1.50**	1.50
Expected future pension increases	**0.50**	0.50	**1.50**	1.50

German Plan - 2023 changes in the defined benefit obligation, fair value of plan assets and unrecognised past service costs

		Cost of sales for pensions during the year						
	01-Jan-23	Current service cost	Interest cost on benefit obligation	Subtotal included in other operating expenses	Benefits paid	Actuarial gains (losses) in other comprehensive loss	Other Movements	Total 31 December 2023
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Defined benefit obligation	(4,935)	-	(146)	(146)	542	104	-	(4,435)
Benefit liability	**(4,935)**			**(146)**	**542**	**104**	-	**(4,435)**

German Plan - 2022 changes in the defined benefit obligation, fair value of plan assets and unrecognised past service costs

		Cost of sales for pensions during the year						
	01-Jan-22	Current service cost	Interest cost on benefit obligation	Subtotal included in other operating expenses	Benefits paid	Actuarial gains (losses) in other comprehensive loss	Other Movements	Total 31 December 2022
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€
Defined benefit obligation	(6,555)	-	(40)	(40)	566	1,094	-	(4,935)
Benefit liability	**(6,555)**			**(40)**	**566**	**1,094**	-	**(4,935)**

Notes to the financial statements *(continued)*

Italian Plan - 2023 changes in the defined benefit obligation, fair value of plan assets and unrecognised past service costs

		Cost of sales for pensions during the year						
	01-Jan-23	Current service cost	Interest cost on benefit obligation	Subtotal included in other operating expenses	Benefits paid	Actuarial gains (losses) in other comprehensive loss	Other Movements	Total 31 December 2023
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Defined benefit obligation	(183)	-	(7)	(7)	54	(7)	-	(143)
Benefit liability	**(183)**			**(7)**	**54**	**(7)**	-	**(143)**

Italian Plan - 2022 changes in the defined benefit obligation, fair value of plan assets and unrecognised past service costs

		Cost of sales for pensions during the year						
	01-Jan-22	Current service cost	Interest cost on benefit obligation	Subtotal included in other operating expenses	Benefits paid	Actuarial gains (losses) in other comprehensive loss	Other Movements	Total 31 December 2022
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€
Defined benefit obligation	(191)	-	(1)	(1)	-	9	-	(183)
Benefit liability	**(191)**			**(1)**	**-**	**9**	**-**	**(183)**

Notes to the financial statements *(continued)*

19. Trade and other payables

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Trade accounts payable	**32,577**	32,642	**22,736**	1,487
Wages and salaries	**3,176**	3,674	**-**	-
Interest payable to related parties	**29,532**	26,738	**23,464**	21,516
Other payables*	**6,315**	7,939	**3,908**	3,904
Amounts owed to related parties	**-**	-	**2,899**	18,881
Accruals	**-**	-	**917**	825
Total	**71,600**	70,993	**53,924**	45,127

*The other payables group balance comprises the following accounts: interest free short-term liabilities of €3.9m, accrued expenses of €2.3m, and advanced payments from customers of €0.1m.The other payables company balance comprises the following accounts: other interest free short liabilities of €3.9m, employee related creditors of €21k, and short term loans from bank other of €13.6m.

20. Provision for Liabilities and Charges

	2023	2022
	€'000	**€'000**
At 1 January	**197**	130
Utilized/ recognised during the year	**(22)**	67
At 31 December 2023	**175**	197

Provisions relate to customer related bonuses and discounts.

21. Investments in Subsidiary Undertakings

	2023	2022
	€'000	€'000
At 1 January 2023	**59,882**	59,272
Investment in subsidiary undertakings during the year	-	610
At 31 December 2023	**59,882**	59,882

Notes to the financial statements *(continued)*

22. Financial instruments and financial risk management

The carrying values of the group's and company's financial assets and liabilities are summarised by category below:

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Financial Assets				
Cash and bank balances	**26,968**	9,690	**17,665**	3,988
Amortised cost:				
Other assets	**4,649**	7,782	**34**	-
Trade and other receivables	**22,207**	28,156	**46,305**	60,186
Financial Liabilities				
Fair value through profit and loss				
Amortised cost:				
Loans and borrowings	**39,791**	68,463	-	-
Trade payables and other liabilities	**71,600**	70,993	**53,924**	45,127
Lease liabilities				

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities are determined with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar Instruments.

Notes to the financial statements *(continued)*

22. Financial instruments and financial risk management *(continued)*

(a) Overview of financial risk management

Risk environment

The group has exposure to the financial risks relating to credit, liquidity, foreign exchange, interest rate and operational risk.

The Directors have overall responsibility for the establishment and oversight of the group's risk management framework and have adopted policies for the main areas of financial risk faced by the group.

The majority of the group's business is transacted in within Europe. Consequently, operating and investing cash flows are substantially denominated in Euro.

All financial instruments are carried at amortised cost.

(b) 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.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Group		Company	
		2023	2022	**2023**	2022
		€'000	€'000	**€'000**	€'000
	Note				
Cash and cash equivalents	*13*	**26,968**	9,690	**17,664**	3,987

The group has detailed procedures for monitoring and managing the credit risk related to its financial assets as outlined below.

Treasury related credit risk

The group is exposed to credit risk from the counterparties with whom it holds its bank accounts and transacts with in the financial markets. Substantially all cash and cash equivalent balances are held by financial counterparties which have a minimum credit rating of BBB under the Standard & Poor's rating, with limits on amounts held with individual banks or institutions at any one time.

(c) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

22. Financial instruments and financial risk management *(continued)*

The following tables set out the contractual maturities of financial liabilities for the group:

2023	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
Finance lease liability	170,439	264,736	717,205	2,690,630	6,701,973	10,544,982
Variable interest rate	365,041	1,825,205	2,190,246	-	-	4,380,492
Fixed interest rate	24,865,920	-	-	-	-	24,865,920
	25,401,400	***2,089,941***	***2,907,451***	***2,690,630***	***6,701,973***	***39,791,394***

2022	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
Finance lease liability	115,170	174,208	734,446	2,612,042	6,480,816	10,116,683
Variable interest rate	662,211	1,324,421	843,647	146,754	-	2,977,033
Fixed interest rate	4,604,736	9,180,502	41,312,261	271,433	-	55,368,932
	5,382,117	10,679,132	42,890,354	3,030,230	6,480,816	68,462,648

22. Financial instruments and financial risk management *(continued)*

(d) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency) and the Group's net investments in foreign subsidiaries.

Foreign currency exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Group companies are operating. Although its global market penetration reduces the Group's operational risk in that, it has diversified into several markets, the Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into Euro. The Group does not utilise any hedging instruments to manage exposure to foreign exchange risk.

Foreign exchange risk also arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. Such risk is not hedged. However, the policy of the group is to trade, as far as possible, in either the local currency or Euro.

The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

(e) Fair values

The fair value of a financial instrument is the amount it could be exchanged for in an arm's length transaction between informed and willing parties, other than in a forced or liquidation sale. Fair value analysis was based on discounted cash flow analysis using an appropriate discount rate.

23. Other comprehensive income

Below is the analysis of the Group's other comprehensive income for the years ended 31 December 2023 and 2022:

	2023	2022
	€'000	€'000
Remeasurement of defined benefit obligation	**(11)**	1,204
Other reserves movements	**383**	(61)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**1,866**	2,788
Other comprehensive income	**2,238**	3,933

24. Commitments and contingencies

The group had no capital commitments at year end.

25. Equity Attributable to Equity Holders of the Parent Company

The issued share capital held by the parent company, as at 31 December 2023 was as follows:

	Number of Shares	€'000
Group and Company		
Allotted issued and fully paid		
	Number of Shares	**€'000**
"A" ordinary shares of €1 each	93,300	93,300
Total	**93,300**	**93,300**
Of which		
Called up share capital presented as equity		**93,300**
Called up share capital presented as liabilities	-	-

Notes to the financial statements *(continued)*

26. Related party transactions

The following companies are deemed related as a result of having common directors:

Name	Country of incorporation	Nature of the business	% equity interest 2023	% equity interest 2022
Advanced Industries Packaging AB	Sweden	Holding	100%	100%
Advanced Industries Ambalaj Sanayi ve Ticaret Anonim Sirketi A.S.	Turkey	Production	100%	100%
Advanced Industries Packaging B.V.	Holland	Production	100%	100%
Advanced Industries Packaging Finland OY	Finland	Sales	100%	100%
Advanced Industries Packaging SAS	France	Sales	100%	100%
Advanced Industries Packaging A/S	Denmark	Production	100%	100%
Advanced Industries Packaging s.r.o	Czech Republic	Production	100%	100%
Advanced Industries Packaging SRL	Romania	Production	100%	100%
Advanced Industries Packaging GmbH	Germany	Production	100%	94.9%
Advanced Industries Packaging S.p.A	Italy	Production	100%	100%
Advanced Industries Packaging Germany GmbH**	Germany	Services	100%	94.9%

Company Loans to related parties:	Payable 1 Jan 2023 €'000	Transferred €'000	Charges in the period €'000	Payments €'000	Payable 31 Dec 2023 €'000
Advanced Industries Packaging A/S	(35)	-	213	-	178
Advanced Industries Packaging Finland	472	-	22	-	494
Advanced Industries Packaging France S.A.S	47	-	285	(47)	285
Advanced Industries Packaging s.r.o.	-	-	1,941	-	1,941
LLC Segezha Group	22,267	(22,267)			-
TOTAL	**22,750**	**-**	**2,461**	**22,314**	**2,898**

Notes to the financial statements *(continued)*

26. Related party transactions – (continued)

Company	Receivable 1 Jan 2023 €'000	Interest Receivable €'000	Charges in the period €'000	Receipts €'000	Receivable 31 Dec 2023 €'000
Advanced Industries Packaging SRL	8,650	247		25	8,625
Advanced Industries Packaging AB	1,858		158		2,016
Advanced Industries Packaging SPA	-	16	750	450	300
Advanced Industries Packaging s.r.o.	2,673	20	1,015		3,688
TOTAL	**13,181**	**283**	**1,923**	**475**	**14,628**

(a) Total key management compensation for the year was € 1,904.245 million (2022: € 1,695.926 million).

27. Deferred Tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against current tax liabilities and when deferred taxes relate to the same fiscal authority.

Notes to the financial statements *(continued)*

28. Events after the reporting date

On 29 February 2024 the group entered into an agreement to sell its plant in Turkey, ADVANCED INDUSTRIES AMBALAJ SANAYİ VE TİCARET ANONİM ŞİRKETİ, to Karitex Tekstil İthalat İhracat San. Tic. Ltd. Şti ("Purchaser"). Subsequently, on 13 March 2024, the Board of Directors approved a change in the ownership structure whereby Arka Merchants Limited transferred its entire capital shareholding (100%) to Karitex Tekstil İthalat İtracat Sanayi Ticaret Limited Şirketi, who became the sole shareholder of the Company. Following this, the Company's name was changed to İzmir Kraft Torba Ambalaj Sanayi Ticaret Anonim Şirketi, effective 1 April 2024.

On 22 April 2024, ADVANCED PACKAGING GROUP GmbH entered into a Share Purchase Agreement with Advanced Industries Group Sarl as the seller, to acquire the entire issued share capital of Advanced Industries Packaging Ltd (formerly Arka Merchants Limited), a Company having its registered office located at Unit 1, Block 4, Ashbourne Business Park, Ashbourne, Co. Meath, Ireland.

On 15th of November 2024, a resolution was passed to change the company name from ARKA MERCHANTS LIMITED to ADVANCED INDUSTRIES PACKAGING LIMITED.

29. Approval of financial statements

The financial statements were approved by the Board and authorised for issue on 13th of March 2026