

FINANCIAL REPORT

1 FINANCIAL STATEMENTS OF INTERROLL HOLDING AG

1.1 Balance sheet

in CHF thousands

see notes*

		31.12.2022	31.12.2021
ASSETS			
Cash and cash equivalents		187	145
Accounts receivable from subsidiaries		4,377	49
Other receivables from third parties		1,770	474
Loans to subsidiaries		203	230
Total current assets		6,537	898
Investments		115,248	115,248
Loans to subsidiaries	3.3	4,010	4,116
Total non-current assets		119,258	119,364
Total assets		125,795	120,262
EQUITY AND LIABILITIES			
Trade and other accounts payable from subsidiaries		2,015	457
Trade and other accounts payable from third parties		63	16
Loans from subsidiaries	3.4	29,791	25,242
Accrued expenses		4,409	2,291
Total current liabilities		36,278	28,006
Total non-current liabilities		-	-
Share capital	3.5	854	854
Legal reserve			
– Share premium		8	8
– Other legal reserves		5,209	5,209
– Available earnings		157,475	164,393
Treasury shares	3.1	-74,029	-78,208
Total shareholder's equity		89,517	92,256
Total liabilities and equity		125,795	120,262

* See notes to the financial statements.

1.2 Income statement

in CHF thousands	2022	2021
Investment income	18,411	58,692
Royalty income	6,380	6,189
Other operating income	742	1,017
Financial income	4,106	2,926
Total income	29,639	68,824
Administration expenses	-831	-723
Personnel expenses	-2,099	-2,203
Other operating expenses	-1,912	-1,760
Financial expenses	-6,191	-3,184
Total expenses	-11,033	-7,870
Result before income taxes	18,606	60,954
Direct taxes	-123	-766
Result	18,483	60,188

1.3 Statement of changes in equity

in CHF thousands	Share capital	Reserves from capital contrib.	Legal reserve	Available earnings	Own shares	Total
As of 1.1.2021	854	8	5,209	126,472	-56,352	76,191
Result 2021				60,188		60,188
Dividend payment, net				-22,267		-22,267
Change of balance for treasury shares					-21,855	-21,855
Per 31.12.2021	854	8	5,209	164,393	-78,207	92,257
Result 2022				18,483		18,483
Dividend payment, net				-25,401		-25,401
Change of balance for treasury shares					4,178	4,178
Per 31.12.2022	854	8	5,209	157,475	-74,029	89,517

NOTES TO THE FINANCIAL STATEMENTS

2 GENERAL INFORMATION ON THE FINANCIAL STATEMENTS

2.1 Accounting policies

Accounting law

The 2022 financial statements were prepared according to the provisions of Swiss law on Accounting and Financial Reporting (32nd title, Swiss Code of Obligations).

Current/non-current distinction

Current assets are assets expected to be realized or consumed in the normal course of the company's operating cycle or assets held for trading purposes. All other assets are classified as non-current assets.

Current liabilities are liabilities expected to be settled by use of cash generated in the normal course of the company's operating cycle or liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

Foreign currency translation

Transactions in foreign currencies are recorded using exchange rates prevailing at the time of the transaction. Gains or losses arising upon settlement of these transactions are included in the current year's income under financial income and financial expenses, respectively. Monetary assets and liabilities denominated in foreign currencies as at December 31 are translated using the exchange rates prevailing at the balance sheet date. Any gains or losses resulting from this translation are also included in the current year's income, except for realized gains, which are deferred.

Forgoing a cash flow statement and additional disclosures in the notes

As Interroll Holding AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to forgo presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

2.2 Valuation principles

Cash and cash equivalents, accounts receivable and payable

Cash and cash equivalents are stated at nominal value. Accounts receivable are stated at nominal value less any valuation adjustment for credit risks. Accounts payable are stated at nominal value. Accounts receivable from Group companies arise from services provided by Interroll Holding AG and related invoiced interest and royalties. These services are recognized on an accrual basis.

Treasury shares

Treasury shares are stated at acquisition price.

Loans

Non-current loans receivable are stated at nominal value less any valuation adjustments deemed necessary to reflect the credit risk. Noncurrent loans payable are stated at nominal value.

Investments

Investments are stated at cost less any valuation adjustments deemed necessary to recognize a decline other than temporary in value (impairment).

Accrued expenses

Accrued expenses primarily relate to interest due on loans payable stated at nominal value and to accruals for the remuneration of the Board of Directors.

3 OTHER STATUTORY DISCLOSURES

3.1 Treasury shares

Shares sold, acquired and held in the periods under review

In the year under review, the Company sold 1,670 own shares (previous year: no sales of shares). In the year under review, the Company did not acquire any shares (previous year: 6,500 shares). At year-end 2022, the Company held 32,935 own shares at the book value of CHF 74.0 million (previous year: 34,794 own shares at a book value of CHF 78.2 million).

Allocation of treasury shares to employees

189 shares (previous year: 326) at a carrying value of CHF 0.5 million (previous year: CHF 0.9 million) were attributed to employees.

3.2 Investments

An overview on the material either directly or indirectly held investments can be found in the notes to the consolidated statements of the Interroll Group (see “8.4 – Scope of consolidation”).

3.3 Loans to subsidiaries

The interest rates used were the following:

	Lowest	Highest
In the year 2022	0.20%	0.50%
In the year 2021	0.00%	0.20%

The loans due to Group companies are normally redeemable with a notification period of three months. As of year-end, the total outstanding group loans amounted to CHF 4 million (previous year: CHF 4.1 million). During the year under review no valuation allowance has been accounted for (previous year: CHF 2.8 million).

3.4 Loans from subsidiaries

The following interest rates were used:

	Lowest	Highest
In the year 2022	0.00%	7.11%
In the year 2021	0.05%	2.86%

Loans due from subsidiaries are normally redeemable with a notice period of three months. As at year-end 2022, no Group loans were due.

3.5 Equity capital

Composition of the share capital

The share capital consists of 854,000 fully paid-in registered shares with a par value of CHF 10 each (previous year: CHF 10). Each share entitles to equal dividend and voting rights.

Significant shareholders (at least 3% of the share capital)

The following table shows the number of shares held by the most significant shareholders as well as their participation in percent.

Shareholder / shareholder group	31.12.2022		31.12.2021	
	Number of shares	Interest in %	Number of shares	Interest in %
Ghisalberti family	71,004	8.31	70,604	8.27
D. Specht and family	52,000	6.09	53,000	6.21
Groupama Asset Management	43,726	5.12	43,726	5.12
Stiftung Erlebnispark Fördertechnik GmbH	34,275	4.01	34,275	4.01
Interroll Holding AG	32,935	3.86	34,794	4.07
Credit Suisse Funds AG	26,242	3.07	0	0.00
Premier Portfolio Managers Limited	25,695	3.01	25,695	3.01
Various other shareholders	568,123	66.53	591,906	69.31
Total	854,000	100.00	854,000	100.00

* No interest of at least 3% of the share capital.

3.6 Contingent liabilities

Interroll Holding AG has issued a guarantee for an existing shared credit facility in the amount of CHF 42 million (previous year: CHF 42 million) in favour of Interroll (Schweiz) AG. As at year-end 2022 no credit facility was used (previous year: CHF 17.1 million).

In addition, Interroll Holding AG issued letters of continuing financial support in favour of the following Group companies:

Country	Company
Germany	Interroll Automation GmbH, Sinsheim (DE)
France	Interroll S.A.S., La Roche-sur-Yon (FR)
Switzerland	Interroll (Schweiz) AG, Sant'Antonino (CH)

Interroll Holding AG carries joint liability in respect of the federal tax authorities for value added tax debts of all Swiss subsidiaries due to a VAT Group.

4 OTHER DISCLOSURES ACCORDING TO SWISS LAW

4.1 Full-time positions

There are no full-time employees at Interroll Holding AG.

4.2 Remuneration of and shares held by the Board of Directors and Group Management

The remuneration of the members of the Board of Directors and Group Management and the shares and options held by the members of the Board of Directors at year-end are disclosed in the remuneration report in accordance with VegüV and Art. 663c, Swiss Code of Obligations (see remuneration report, pages 25 to 33).

4.3 Shares and options held by the Group Management

Shares and options owned by the members of Group Management and their related parties were the following:

	Shares as at 31.12.	
	2022	2021
Paul Zumbühl*	–	22,565
Ingo Steinkrüger	12	–
Richard Keely	170	132
Heinz Hössli	21	10
Maurizio Catino	21	10
Jens Strüwing	92	73
Dr. Ben Xia	809	750
Jens Karolyi	127	150
Total	1,252	23,690

* resigned from Group Management as per end of April 2021.

5 PROPOSAL FOR THE APPROPRIATION OF AVAILABLE EARNINGS

Appropriation of available earnings

The Board of Directors proposes to the Annual General Meeting to appropriate the available earnings as per end of the year under review as follows:

in CHF thousands	2022	2021
Result	18,483	60,188
Available earnings carried forward from previous year	138,992	104,205
	157,475	164,393
Distribution of a dividend of	27,328	26,474
To be carried forward	130,147	138,992
	157,475	164,393

Proposed dividend payment

The Board of Directors proposes to the Annual General Meeting to pay a dividend of CHF 32.00 per share. Treasury shares are not entitled to a dividend. A maximum total of CHF 27.3 million would be distributed. In the previous year, a dividend in the amount of CHF 31.00 per share or a maximum of CHF 26.5 million was approved. If this year's dividend proposal is approved, the respective payment will be processed in the second quarter of 2023.



REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF INTERROLL HOLDING AG, SANT'ANTONINO

Report on the audit of the financial statements

Opinion

We have audited the financial statements of INTERROLL HOLDING AG (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

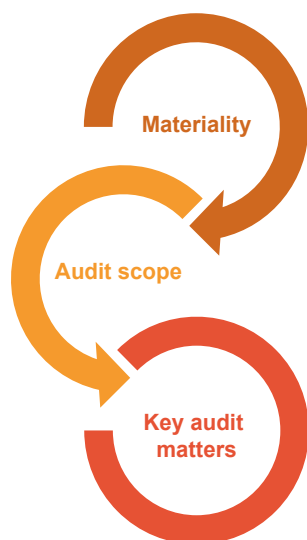
In our opinion, the financial statements (pages 88 to 94) comply with Swiss law and the company's articles of incorporation.

Basis for opinion

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

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

Our audit approach



Overall materiality: CHF 600,000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:
Impairment testing of Group assets (investments in subsidiaries and short- and long-term loans granted to subsidiaries)

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 600,000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because the company primarily holds equity investments in and grants loans to subsidiaries.

We agreed with the Audit Committee that we would report to them misstatements above CHF 60,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

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

Impairment of Group assets (investments in subsidiaries and short- and long-term loans granted to subsidiaries)

Key audit matter	How our audit addressed the key audit matter
<p>We consider impairment of Group assets to be a key audit matter because of their significance on the balance sheet. Investments in subsidiaries amount to CHF 115.2 million (92% of total assets) and loans to subsidiaries amount to CHF 4.2 million (3.4% of total assets).</p> <p>Please refer to the note “Investments” and “Loans to subsidiaries” in “General information on the financial statements” in the notes to the financial statements of INTERROLL HOLDING AG.</p>	<p>Management carried out impairment tests on all investments in subsidiaries. We performed the following audit procedures:</p> <p>Firstly, we discussed with management whether any indications of impairment were identified in relation to investments.</p> <p>Subsequently, for a sample of selected investments, we verified the factors used to calculate potential impairment and reperformed the calculation.</p> <p>Management assessed individually the recoverability of short- and long-term loans granted to subsidiaries as well as investments, except where the standalone financial statements prepared in accordance with IFRS or an impairment test showed that these were confirmed by positive equity. We discussed in detail with Management their assessment and reperformed it, and we checked the outlook based on the budget approved by the Board of Directors for plausibility.</p> <p>Based on the audit procedures described above, we addressed the risk of an incorrect valuation of investments in subsidiaries and loans to subsidiaries. We have no findings to report.</p>

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

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

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

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

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERT-suisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Gerhard Siegrist
Licensed audit expert
Auditor in charge



Regina Spälti
Licensed audit expert

Zurich, 16 March, 2023

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