

**QUALITY  
SIMPLICITY  
PERFORMED**

**664.4 MILLION**  
SALES

**105.2 MILLION**  
EBIT

**71.4 MILLION**  
OPERATING  
CASH FLOW

# KEY FIGURES

in CHF millions, unless stated otherwise

	2022	2021	2020	2019	2018
<b>Order intake/sales</b>					
Total order intake	572.6	788.4	547.8	546.5	592.6
Rollers	126.5	134.6	106	110.1	108
Drives	211.8	191.6	156.5	172.4	170.9
Conveyors & Sorters	263.5	254	221.5	223.2	220.5
Pallet Handling	62.6	59.8	46.6	54	60.5
<b>Total sales</b>	<b>664.4</b>	<b>640.1</b>	<b>530.6</b>	<b>559.7</b>	<b>559.9</b>
<b>Profitability</b>					
EBITDA	129.3	122.5	115.4	96.1	93.2
in % of sales	19.5	19.1	21.7	17.1	16.6
EBIT	105.2	99.3	94.1	72.3	69.4
in % of sales	15.8	15.5	17.7	12.9	12.4
<b>Result</b>	<b>82.8</b>	<b>80.6</b>	<b>71.7</b>	<b>56</b>	<b>51.8</b>
in % of sales	12.5	12.6	13.5	10	9.3
<b>Cash flow</b>					
Operating cash flow	71.4	47.3	122.9	99.6	67.4
in % of sales	10.7	7.4	23.2	17.8	12
<b>Free cash flow</b>	<b>49.2</b>	<b>-0.8</b>	<b>74</b>	<b>66.9</b>	<b>40.9</b>
in % of sales	7.4	-0.1	13.9	12	7.3
<b>Total investments</b>	<b>32.5</b>	<b>51.1</b>	<b>51.3</b>	<b>33.6</b>	<b>28.6</b>
<b>Balance sheet (as at 31.12.)</b>					
Total assets	545.9	538.5	468.8	435.1	417.6
Goodwill	16.4	16.7	16.4	17.1	17.3
Net financial assets	70.8	46.1	92.2	76.9	52
<b>Equity</b>	<b>394.2</b>	<b>345.4</b>	<b>312</b>	<b>304</b>	<b>284.8</b>
Equity ratio (equity in % of total assets)	72.2	64.1	66.5	69.9	68.2
Return on equity yield (in %)	22.4	24.5	23.3	19	19
<b>Other key figures</b>					
RONA (return on net assets in %)	24.5	25.4	30.4	22.6	20.9
Average number of employees (FTE)	2,500	2,421	2,206	2,284	2,198
Sales per employee (in CHF thousands)	266	264	241	245	255
Productivity (added value/total personnel expenses)	2.22	2.19	2.3	2.09	2.17

Interroll uses alternative performance figures. These alternative performance figures can be found on the Interroll homepage under "Investor Relations" ([www.interroll.com](http://www.interroll.com)).

## ABOUT INTERROLL

The Interroll Group is the leading global provider of material-handling solutions. The company was founded in 1959 and has been listed on the SIX Swiss Exchange since 1997. Interroll provides system integrators and OEMs with a wide range of platform-based products and services in these categories: Rollers (conveyor rollers), Drives (motors and drives for conveyor systems), Conveyors & Sorters as well as Pallet Handling (flow storage systems). Interroll products and solutions are used in express and postal services, e-commerce, airports, the food & beverage industry, fashion, automotive sectors and many other manufacturing industries. Among the end users are leading brands such as Amazon, Bosch, Coca-Cola, DHL, Nestlé, Procter & Gamble, Siemens, Walmart and Zalando. Headquartered in Switzerland, Interroll has a global network of 35 companies with sales of CHF 664.4 million and around 2,500 employees (average number of employees in 2022).

[www.interroll.com](http://www.interroll.com)

**28,000  
CUSTOMERS  
AROUND  
THE WORLD**

**35  
COMPANIES  
AROUND  
THE WORLD**

**2,500  
EMPLOYEES  
AROUND  
THE WORLD**

## INTERROLL PRODUCT GROUPS

**ROLLERS**



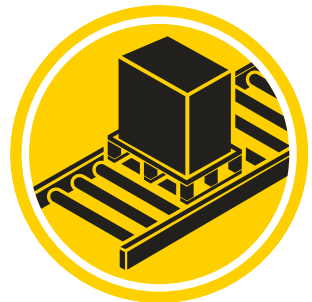
**DRIVES**



**CONVEYORS & SORTERS**



**PALLET HANDLING**



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# HIGHLIGHTS OF THE 2022 FINANCIAL YEAR



## MODERN CONVEYOR AND SORTATION SOLUTIONS IMPROVE THE FLOW OF GOODS

### MODULAR CONVEYOR PLATFORM (MCP) COMPLETES LARGEST AUTOSTORE WAREHOUSE IN LATIN AMERICA

Communication: Interroll shows in a reference film how Dafti, a leading provider of lifestyle fashion in Brazil, complements its AutoStore application with an MCP conveyor solution covering 1.7 kilometers. Around 150,000 shipments leave the modern distribution center near São Paulo every day.

### AID DELIVERY FOR UKRAINIAN REFUGEES

Truckloads of hope: the Interroll Show Truck was converted at short notice to carry essential foodstuffs and necessary goods for distribution to refugees who had sought safety in Poland after the outbreak of war.

### THE NEW VERTICAL CROSSBELT SORTER GOES INTO OPERATION

United Kingdom: Interroll is supporting a leading logistics provider with its new Vertical Crossbelt Sorter. The solution is based on the advanced crossbelt sorter platform that is also used in Interroll's other sortation solutions.



## PARTNERSHIP IN THE MATERIAL-HANDLING INDUSTRY BUNDLES CORE COMPETENCIES

### COOPERATION AGREEMENT WITH VIASTORE BUNDLES CORE COMPETENCIES

Close partnership: Interroll and systems integrator viastore have agreed to work more closely together and have signed a collaboration agreement, where viastore uses exclusively Interroll's conveyor technology products in their projects.

### ENERGY CONSUMPTION REDUCED BY ALMOST 50 PERCENT

Retrofit in France: independent measurements confirm that a decentralized drive concept based on the RollerDrive and the ZoneControl control system reduces energy consumption by almost 50 percent at Triumph in Obernai compared to the existing conveyor solution.

### INTERROLL PRESENTS NEW HYGIENE PLATFORM

Food industry: The new Modular Hygienic Platform (MHP) provides flexible modular solutions based on the principles of hygienic product design. This enables food safety and shelf life to be significantly improved while at the same time optimizing energy and operational efficiency.



### PRODUCTION CAPACITY FOR ASIA EXPANDED

#### NEW PLANT IN CHINA INAUGURATED

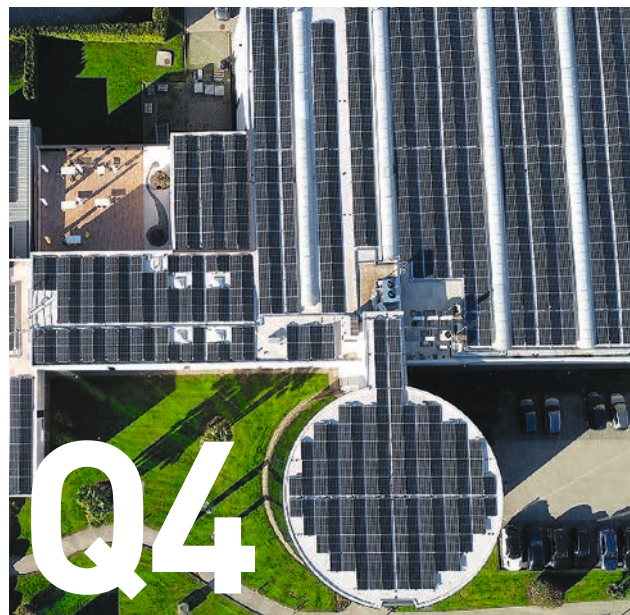
Clear confirmation of a long-term commitment: after two successful decades in the Chinese material-handling market, Interroll inaugurates its new plant in Suzhou to better serve its customers in Asia-Pacific and China.

#### INTERROLL VISITS KARLSRUHE INSTITUTE OF TECHNOLOGY (KIT)

Making contact with young engineers: at the Mechanical Engineering Day 2022 in Karlsruhe, Germany, the Interroll Show Truck presents modern material-handling solutions to graduates and students and provides insight into an exciting industry.

#### EVENT WITH PARTNERS FROM NORTH AND LATIN AMERICA

Expert meeting at the Interroll Academy: 20 Rolling On Interroll (ROI) partner companies from 13 countries in North America and Latin America gather in Baal, Germany. Presentations, discussions, a plant tour and a visit to a reference plant highlight the agenda.



### INVESTMENTS IN RENEWABLE ENERGY

#### USING THE SUN AS A SOURCE OF ELECTRICITY

Renewable energy in action: A high-performance photovoltaic system is installed and commissioned on the roofs of Interroll's Ticino headquarters. In the future, 1,200 solar modules will generate around 530 MWh of CO<sub>2</sub>-free electricity annually.

#### LARGEST INTERROLL SHOWROOM OPENED IN SINSHEIM

Customer contact: The new showroom in Sinsheim, Germany, is inaugurated as part of a customer event. Around 60 intralogistics professionals from across Europe and South Africa experienced Interroll's technology offering live, discuss it and exchange experiences.

#### COMBINED SORTATION AND CONVEYOR SOLUTION FOR NORTH AMERICA

Another success in the project business: Interroll supports an international logistics service provider with a combined solution of modern sortation and conveyor systems. The Modular Conveyor Platform (MCP) and the High Performance Crossbelt Sorter (HPCS) are used.



## STRENGTH PROVEN AND PREPARED FOR NEW BUSINESS OPPORTUNITIES



Ingo Steinkrüger, Chief Executive Officer

Dear shareholders, valued customers, employees and business partners,

The fiscal year 2022 was unusual and again very challenging. Many external factors influenced our business performance. After an initially good start to the first quarter, the war in Ukraine led to abrupt uncertainty on international markets, a surge in inflation and high energy costs in the following months, particularly in Europe. At the same time, renewed COVID lockdowns in China weighed on the already strained supply chains over the course of the year. Even in this highly volatile environment, Interroll once again confirmed its strength as a technology leader in the global material handling market.

### Record results

In fiscal year 2022, sales grew to CHF 664.4 million (+3.8% year-on-year, +8.0% in local currencies).

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased again to CHF 129.3 million (previous year: CHF 122.5 million). The EBITDA margin increased to 19.5% (previous year: 19.1%). Earnings before interest and taxes (EBIT) reached CHF 105.2 million (+5.9% above prior year with CHF 99.3 million). The EBIT margin increased to 15.8% (previous year: 15.5%).

The result increased by 2.7% to CHF 82.8 million (previous year: CHF 80.6 million). The result margin reached 12.5% (previous year: 12.6%).

Order intake in 2022 is CHF 572.6 million (–27.4% year-on-year, –24.3% in local currencies). A comparison with the record order intake in 2021 is however not meaningful. In 2021, on the one hand, there were catch-up effects from postponed projects in the pandemic year 2020 and, on the other hand, some projects were brought forward due to emerging supply chain issues. Likewise, in the product business, customers built up their inventories accordingly in 2021. In addition, the debates on energy shortages, the war in Ukraine and the general uncertainty about the global economy led to many project postponements. The rapid and strong normalization of supply chains with the accompanying reduction in delivery times led to inventory reductions at our customers in the product business.

The fundamental market drivers are intact and we are monitoring further developments in the supply chains. In principle, we are cautiously optimistic, but further economic development harbors uncertainties as global markets have not yet stabilized.

The fact that we were able to achieve this result in turbulent times is primarily due to the expertise and dedicated commitment of our employees. We would like to express our sincere thanks to them.





Paul Zumbühl, Active Chairman

### **Clear strategy ensures resilience**

Our business performance has shown that, particularly in uncertain times, our long-term strategy, our course of strict cost discipline and financial strength and our concept of “breathing” production sites have proven their worth. Our high level of resilience is based on our company’s ability to flexibly adapt to sudden changes and act agilely even in an uncertain environment. We are able to do so especially because we are committed to working – with each other and our business partners – to nurture a form of cooperation typical of medium-sized businesses characterized by flat hierarchies and personal responsibility on the part of our employees. For example, thanks to the work of an experienced international task force, in a short period of time we successfully overcame renewed supply chain disruptions during the year.

The global purchasing team helped to make material supplies even more robust through regionalization and more extensive redundancy. In addition, our sales team succeeded in maintaining and even deepening the trust of our customers, even under significantly more difficult circumstances. Thanks to this performance, the number of customers again increased toward the end of the year – a trend also made possible by the dedicated support at our 16 production sites.

### **Equipped for further growth**

Thanks to our consistent willingness to invest and our own innovative strength, we are very well positioned to take advantage of business opportunities in an environment that is returning to normal. We have a portfolio and production capacity second to none in the market. Today, we are able to serve our customers in many markets even better and faster than in the pre-pandemic period. This supply capability gives our customers a decisive added value in seizing their own business opportunities. They are also supported by our customer-focused local sales organization, which can lead even the most challenging projects to success worldwide with its solution and industry expertise.

In the third quarter of 2022, our new plant in Suzhou, China, with production capacities for almost all product groups, started operations on schedule. The plant will enable us to serve our customers in Asia even better in the future. In Europe, we have further expanded our service organization. It now has more than 100 employees and provides services at the customer’s request relating to spare parts procurement, installation, maintenance and plant optimization and also consulting in the future. For example, we contributed to the modernization of a Triumph warehouse in France, which almost halved the conveyor system’s energy consumption. In 2023, we will establish a corresponding service organization for North America. In addition, we will expand our capacity at the Hückelhoven-Baal site in Germany to manufacture new solutions for the food industry there.

**Market trends are intact**

The medium- and long-term market trends in automation, energy efficiency and sustainability on which we are focusing are not only intact but will even intensify due to the labor shortage. In addition, our discussions with customers and corresponding market studies show that both the variety of goods shipped and the volume of shipments will continue to increase worldwide. This flow of goods can only be managed – even in the emerging markets where there is yet no shortage of skilled workers and manual work processes are more common – with automated and material-handling systems that are as flexible as possible. At the same time, decentralization of delivery networks is increasingly taking place in the developed markets' distribution networks, with a large number of new distribution centers being created closer to customers – enabling courier, express and parcel (CEP) service providers to achieve higher capacity, faster deliveries and greater sustainability in the logistics process.

The issue of energy efficiency has also become more important to customers and users of our technology platforms, especially in Europe where energy costs have risen dramatically. In this field, we have held a leading position in the international material-handling market for years with the RollerDrive and decen-

tralized drive concepts, which have proven to offer users savings of around 50 percent compared to conventional solutions. In this way, users can meet not only their sustainability targets, but also achieve attractive returns on investment.

**Solid balance sheet and cash flow development**

Total assets grew to CHF 545.9 million as of December 31, 2022, 1.4% above the previous year 2021 (CHF 538.5 million). Shareholders' equity increased to CHF 394.2 million; the equity ratio was 72.2% (end of 2021: 64.1%). Net financial assets increased by 53.6% to CHF 70.8 million (previous year: CHF 46.1 million).

Operating cash flow increased by 51.0% to CHF 71.4 million (previous year: CHF 47.3 million).

Gross investments amounted to CHF 32.5 million (previous year: CHF 51.1 million). These include, among other things, the completion of the Suzhou plant in China, which went into operation in the third quarter of 2022, as well as ongoing renewal investments in our production facilities, extensions to our SAP system and the lease capitalization under IFRS 16. Due to delays some investments planned for 2022 will not take place until 2023.

As a result of the higher operating cash flow and lower gross capital expenditures, the free cash flow in the reporting year reached CHF 49.2 million (previous year: CHF –0.8 million).

The shareholders participate in the positive business development. A dividend of CHF 32.00 per share will be proposed to the Annual General Meeting on May 12, 2023 (previous year: CHF 31.00 per share).

**Innovations that bring tangible benefits to customers**

In 2022, we also consistently pursued our innovation program. With the Light Conveyor Platform (LCP), for example, we expanded our offering to include a platform-based material-handling solution that significantly increases the productivity of automated manufacturing processes in particular. We have also expanded our offering with new platform technologies that meet high hygienic requirements and are primarily aimed at dynamic sectors such as the food and pharmaceutical industries. With the new Modular Hygienic

*“Partnerships with customers that combine different core competencies drive our industry forward to distribute necessary goods to people and businesses even more efficiently and sustainably.”*

***“For the first time we have published a separate sustainability report for the fiscal year 2022 in the areas of Environment, Social and Governance (ESG) based on the international Global Reporting Initiative (GRI) standards.”***

Platform (MHP), flexible modular solutions based on the principles of hygienic product design of the international European Hygienic Engineering & Design Group (EHEDG) became available on the market for the first time. This makes it possible to significantly improve food safety and shelf life, while at the same time achieving high energy and operational efficiency.

**Customer relations and partnerships intensified**

In Sinsheim, Germany, Interroll's largest showroom in the Group was opened in 2022 as part of an international customer event. Complete sorting solutions and other technology platforms from Interroll are presented in live operation in an area of around 1,000 square meters. Interested parties and customers can learn more about functions, processes and the interaction of various solutions and use the facility as a forum for professional exchange with experts.

Interroll's Truck Roadshow was continued in 2022 under the new motto "Imagine the Way." New members were also attracted to the Rolling on Interroll (ROI) partner network, which held events and provided opportunities for exchange of information among ROI partners. It also enabled participants to get involved in the innovation and product development process at Interroll.

Partnerships with customers that combine different core competencies for the benefit of users and increase efficiency drive our industry forward to distribute necessary goods to people and businesses even more efficiently and sustainably. The partnership we established with the system integrator viastore in 2022 has led to a true win-win constellation that enables both partners to focus on their own core competencies and their promised added value for customers.

**Sustainability report according to international GRI standards**

As announced, for the first time we have published a separate sustainability report for the fiscal year 2022 in the areas of Environment, Social and Governance (ESG) based on the international Global Reporting Initiative (GRI) standards. We also assume responsibility in this important area and have set ourselves binding, concrete targets that we want to achieve by 2030. To this end, we have defined various fields of action in which our company can have the strongest impact with appropriate measures. Each of these fields of action are the strategic and substantive responsibility of individual members of Group Management, who work together with local management to achieve the corresponding targets. At Interroll, we focus on concrete measures, whose effectiveness we can actually demonstrate.

Sant'Antonino, March 16, 2023



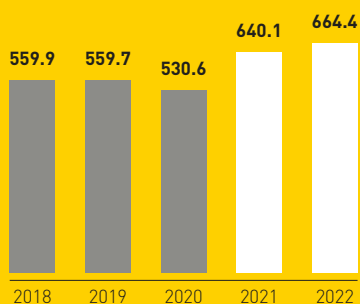
**Paul Zumbühl**  
Active Chairman



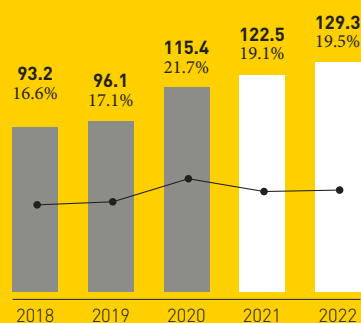
**Ingo Steinkrüger**  
Chief Executive Officer

# FINANCIAL POSITION, EARNINGS AND CASH FLOWS

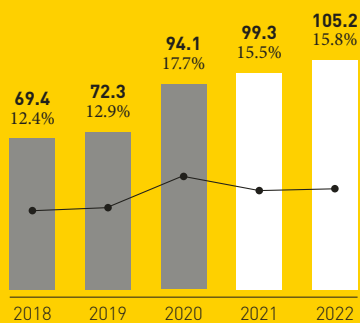
## SALES



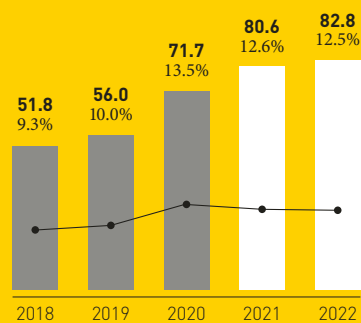
## EBITDA AND EBITDA MARGIN



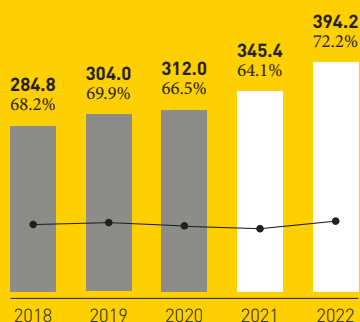
## EBIT AND EBIT MARGIN



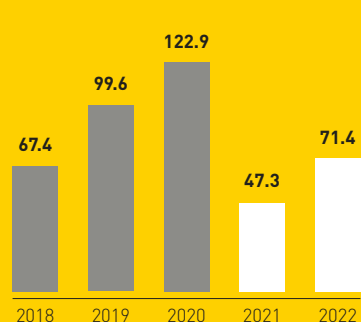
## RESULT



## EQUITY AND EQUITY RATIO



## OPERATING CASH FLOW



All amounts in CHF millions

## GOOD PERFORMANCE IN A CHALLENGING YEAR

The year 2022 was characterized by the consequences of the war in Ukraine, the zero-COVID strategy in China, very high inflation rates worldwide and globally orchestrated key interest rate adjustments, as well as over-investments in e-commerce during the COVID crisis. The energy crisis in Europe, a further aggravation of the already very tense situation in the supply chains and general macroeconomic uncertainty in the market had a corresponding impact on order intake. Against this challenging backdrop, Interroll was able to increase sales, not least by reducing the high order backlog from the previous year and achieve its profitability targets.

Interroll increased sales to CHF 664.4 million (+3.8% year-on-year, +8.0% in local currencies). Order intake in 2022 is CHF 572.6 million (-27.4% year-on-year, -24.3% in local currencies). A comparison with the record order intake in 2021 is not very meaningful. In 2021, there were on the one hand catch-up effects from postponed projects in the pandemic year 2020 and on the other hand some projects were brought forward due to emerging supply chain issues. Likewise in the product business, customers built up their inventories accordingly in 2021. In addition, the debates on energy shortages, the war in Ukraine and the general uncertainty about the global economy led to many project postponements. The rapid and strong normalization of supply chains with the accompanying reduction in delivery times led to inventory reductions at our customers in the product business.

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### RECORD RESULTS

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased again to CHF 129.3 million (previous year: CHF 122.5 million). The EBITDA margin rose to 19.5% (previous year: 19.1%). Earnings before interest and taxes (EBIT) reached CHF 105.2 million (+5.9% above the previous year's figure of CHF 99.3 million). The EBIT margin increased to 15.8% (previous year: 15.5%).

The result increased by 2.7% to CHF 82.8 million (previous year: CHF 80.6 million). The result margin reached 12.5% (previous year: 12.6%).

### SOLID BALANCE SHEET AND CASH FLOW DEVELOPMENT

Total assets grew to CHF 545.9 million as of December 31, 2022, 1.4% above the previous year 2021 (CHF 538.5 million). Shareholders' equity increased to CHF 394.2 million, the equity ratio was 72.2% (end of 2021: 64.1%). Net financial assets increased by 53.6% to CHF 70.8 million (previous year: CHF 46.1 million). Operating cash flow increased by 51.0% to CHF 71.4 million (previous year: CHF 47.3 million).

Gross investments amounted to CHF 32.5 million (previous year: CHF 51.1 million). These include, among other things, the completion of the Suzhou plant in China, which went into operation in the third quarter of 2022, as well as ongoing renewal investments in our production facilities, extensions to our SAP system, and the lease capitalization under IFRS 16. Due to delays some investments planned for 2022 will not take place until 2023.

As a result of the higher operating cash flow and the lower gross capital expenditures, the free cash flow reached CHF 49.2 million in the reporting year (previous year: CHF -0.8 million).



# CORPORATE GOVERNANCE

STATUS ON DECEMBER 31, 2022

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## INTRODUCTION

### Basis of the corporate governance report

The corporate governance report 2022 of the Interroll Group is based on the Directive of the SIX Swiss Exchange regarding information on corporate governance, issued on June 29, 2022, on the implementation of the Minder Initiative in accordance with the provisions of the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations (VegüV) applicable until the end of 2022 on best practices developed for the implementation of the Minder Initiative and on the provisions of the “Swiss Code of Best Practice for Corporate Governance” (as amended on December 31, 2022).

### Cross references

To avoid repetition, cross references are made to other reports in certain areas. This applies in particular to financial reporting.

## GROUP STRUCTURE AND SHAREHOLDERS

### Group structure

The operational management structure is disclosed in Chapter 4 of this report.

### Holding company and stock listing

The holding company of the Interroll Group, Interroll Holding AG, is headquartered in Sant'Antonino (Ticino), Switzerland, and is listed on the main board of the SIX Swiss Exchange under the security number 637289. Further information on the listing can be found in the online annual report in the chapter “Interroll on the capital market” [https://www.interroll.com/annual-report/fileadmin/user\\_upload/gb2022/pdf/en/Interroll\\_AR2022\\_Capital-Market\\_EN.pdf](https://www.interroll.com/annual-report/fileadmin/user_upload/gb2022/pdf/en/Interroll_AR2022_Capital-Market_EN.pdf).

### Consolidation range

Subsidiaries belonging to the consolidation range of the Interroll Group are disclosed in note 8.4 of the Group's financial statements. No other equity instruments are publicly traded except those of Interroll Holding AG.

### Significant shareholders

All significant shareholders with a reportable share of the Interroll Group are disclosed in note 3.5 (“Significant shareholders”) of the financial statements of Interroll Holding AG. Changes made during the year can be viewed on the SIX Swiss Exchange website (available at: <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html>) under “Significant Shareholders with Interroll.”

### Cross shareholdings

The Interroll Group holds neither capital nor voting rights with other entities.

## CAPITAL STRUCTURE

### Share capital and voting rights

The ordinary share capital of Interroll Holding AG amounts to CHF 854,000 and is made up of 854,000 fully paid registered shares with a par value of CHF 1 each. Each share has one vote.

### Authorized or conditional capital

There was no authorized or conditional capital in the financial year 2022 and there is no capital band or conditional capital.

### Other equity or participation instruments

Furthermore, there are no other equity-like instruments such as profit-sharing rights or participation certificates.

### Changes in capital

There were no changes to the capital structure in the reporting or previous year.

### Limitations on transferability and nominee rights

Acquirers of shares will be entered in the share register as shareholders with voting rights upon request against proof of acquisition if they expressly declare that they hold the shares in their own name and for their own account. Registered shares of nominees exceeding 2% of the outstanding share capital will only be entered in the register as shares with voting rights if the nominee has agreed in writing to disclose, if applicable, the names, addresses and shareholdings of the persons for whom he holds 0.5% or more of the outstanding share capital. A change in the statutory restrictions on transferability and nominee registrations requires a resolution of the General Meeting of Shareholders with a majority of at least two thirds of the votes represented and an absolute majority of the nominal share value represented.

### Further information on equity

Additional information on consolidated equity is disclosed in the statement of changes in equity of the financial statements of the Interroll Group (see “1.5 Consolidated statement of changes in equity”) and in the respective notes.

## OPERATIONAL MANAGEMENT STRUCTURE

### Functional organizational structure

The Interroll Group consists of one single business unit. The complete product range is sold in all markets through local sales organizations. Interroll caters to the needs of its customers (original equipment manufacturers, system integrators, end users) by offering a tailor-made product portfolio and expert consulting. The Interroll manufacturing units focus on the production of specific product ranges. Assembly units receive semifinished products from the manufacturing units and assemble products for their local markets. The Innovation Projects and Development Center (IPDC), which is centrally located, researches new application technologies and develops new products. Global Centers of Excellence continue developing the product range they focus on.

### Management structure

The Group Management and Interroll management structures are organized by function (Overall Management, Products & Technology, Global Sales & Solutions, Marketing and Finance). The Board of Directors bases its financial management of the Group on both the turnover generated in the product groups and geographic markets as well as on consolidated financial reports. In addition, Group Management assesses the achievement of financial and qualitative targets and other key performance indicators of all subsidiaries.

The Interroll Group has no advisory body.

### Board of Directors

<b>ACTIVE CHAIRMAN</b>			
Paul Zumbühl			
<b>LEAD INDEPENDENT DIRECTOR</b>	<b>AUDIT COMMITTEE</b>	<b>REMUNERATION COMMITTEE</b>	<b>OTHER MEMBERS</b>
Markus Asch	Stefano Mercorio Susanne Schreiber	Markus Asch Stefano Mercorio	Ingo Specht Dr. Elena Cortona

### Group Management

<b>CHIEF EXECUTIVE OFFICER</b>			
Ingo Steinkrüger			
<b>CHIEF FINANCIAL OFFICER</b>			<b>SENIOR VICE PRESIDENT CORPORATE MARKETING &amp; PEOPLE DEVELOPMENT</b>
Heinz Hössli			Jens Karolyi
<b>EXECUTIVE VICE PRESIDENT GLOBAL SALES &amp; SOLUTIONS</b>			<b>EXECUTIVE VICE PRESIDENT PRODUCTS &amp; TECHNOLOGY</b>
Maurizio Catino			Jens Strüwing
<b>REGIONS</b>			
Executive Vice President Americas		Richard Keely	
Executive Vice President Asia-Pacific		Dr. Ben Xia	

### Innovation

The Innovation Projects and Development Center (IPDC) develops new products and platform concepts in close cooperation with the Sales Solution Directors and the Group Management. Moreover, the IPDC is in charge of managing Interroll's patent activities and ensures the protection of its intellectual property.

FUNCTIONAL UNIT	MANAGED BY	COMPANY
Research & Development	Dr. Christian Ripperda	Interroll Innovation GmbH, Baal/Hückelhoven (DE)

### Global Centers of Excellence (CoE)

The nine Interroll Centers of Excellence are responsible worldwide for product development, strategic purchasing and the application and development of production technologies for selected product ranges. Furthermore, they produce and supply semifinished goods to Group companies. The global Centers of Excellence of Interroll Group are managed by the following persons:

COUNTRY	FUNCTIONAL UNIT	MANAGED BY	COMPANY
A	Software & Electronics	Andreas Eglseer	Interroll Software & Electronics GmbH, Linz (AT)
CH	Technopolymers	Ingo Specht	Interroll Ltd, Sant'Antonino (CH)
D	Sorters	Steffen Flender	Interroll Automation GmbH, Sinsheim (DE)
D	Conveyors	Jens Strüwing	Interroll Conveyor GmbH, Mosbach (DE)
D	Rollers, RollerDrive	Armin Lindholm	Interroll Engineering GmbH, Wermelskirchen (DE)
D	Industrial Drum Motors	Thomas Baack	Interroll Trommelmotoren GmbH, Baal/Hückelhoven (DE)
DK	Commercial Belt Drives & Conveyors	Andreas Traberg	Interroll Joki A/S, Hvidovre (DK)
F	Dynamic Storage Products	Bertrand Reymond	Interroll SAS, La Roche-sur-Yon (FR)
USA	Belt Curves	Shane Belcher	Interroll Engineering West Inc., Cañon City (US)

### Worldwide sales and production companies

#### Regional Centers of Excellence (RCoE)

Regional Centers of Excellence produce for the EMEA, Americas and Asia-Pacific regions. These centers handle the full product range of the global Centers of Excellence and provide the regional sales and service subsidiaries with finished products and the assembly sites with semifinished products.

#### Production companies and local assemblies

Guided by the production processes and production technologies of the global Centers of Excellence, local production companies manufacture and assemble specific products from the Interroll product portfolio. They also assemble semifinished products for their local markets.

#### Sales and service subsidiaries

The sales companies concentrate on specific market and customer segments offering the full range of Interroll products and a 24-hour repair service.

## Management of the operational companies

The management of each of the following companies has been delegated to the following persons:

### EUROPE, MIDDLE EAST AND AFRICA (EMEA)

FUNCTION	REGION/COUNTRY	MANAGED BY	COMPANY
Sales	Central Europe	Jörg Mandelatz	Interroll Fördertechnik GmbH, Wermelskirchen (DE)
Sales	France	Marc Langlois	Interroll SAS, Saint-Pol-de-Léon (FR)
Sales	Northern Europe	Anders Jørgensen	Interroll Nordic A/S, Hvidovre (DK)
Sales	Great Britain, Ireland	Hilton Campbell	Interroll Ltd., Kettering (GB)
Sales	Iberian peninsula	Carlos Álvarez García-Luján	Interroll España SA, Cerdanyola del Vallès (ES)
Sales	Czech Rep., Balkans, Hungary	Fritz Ratschiller	Interroll CZ s.r.o., Breclav (CZ)
Sales	Poland	Fritz Ratschiller	Interroll Polska sp.z.o.o., Warsaw (PL)
Sales	Turkey, Middle East	Bulent Caliskan	Interroll Lojistik Sistemleri Ticaret Limited, Istanbul (TR)
Sales	Italy	Claudio Carnino	Interroll Italia Srl, Rho (IT)
Sales, assembly	Africa	Kerr Walker	Interroll SA (Proprietary) Ltd., Johannesburg (ZA)
Service	EMEA	Peter Martin	Interroll Automation GmbH, Sinsheim (DE)

### AMERICAS

FUNCTION	REGION/COUNTRY	MANAGED BY	COMPANY
RCoE	USA	Adam McCombs	Interroll Corporation, Wilmington/NC (US)
RCoE	USA	Scott Cone	Interroll Atlanta LLC, Hiram/GA (US)
Sales, service	USA	Barry Miller	Interroll USA LLC, Wilmington/NC (US)
Sales, installation, service	Canada	Sean Gravelle	Interroll Canada Ltd., Newmarket/Toronto (CA)
Sales, assembly, service	Brazil, Argentina	Marcos Gaio	Interroll Logística Ltda., Jaguariuna/São Paulo (BR)
Sales, service	Mexico	Antonio Garcia	Interroll Mexico S. de R.L. de C.V., Mexico City (MX)

### ASIA-PACIFIC

FUNCTION	REGION/COUNTRY	MANAGED BY	COMPANY
RCoE	Asia-Pacific	Mike Zhang	Interroll (Suzhou) Co. Ltd., Suzhou (CN)
RCoE	Asia-Pacific	M.K. Lo	Interroll Shenzhen Co. Ltd., Shenzhen (CN)
Sales, service	China	Justin Wang	Interroll Holding Management Co. Ltd., Shanghai (CN)
Sales, service	South Korea	Seong Joon Jeong	Interroll Korea Corp., Seoul (KR)
Sales, service	Japan	Yusuke Urabe	Interroll Japan Co. Ltd., Tokyo (JP)
Sales, installation, service	Thailand	Grisorn Nakapong	Interroll (Thailand) Co. Ltd., Panthong (TH)
Sales, service	Singapore, South East Asia	Maurizio Catino a.i.	Interroll (Asia) Pte. Ltd., Singapore (SG)
Sales, assembly, service	Australia	Pat Cieri	Interroll Australia Pty. Ltd., Melbourne (AU)

## BOARD OF DIRECTORS

### Principles of the election procedure, term of office

The Board of Directors is composed of five to seven members. Since the 2015 Annual General Meeting, the members of the Board of Directors are elected individually for a one-year term. Reelection is permitted. The shareholders Dieter Specht and Bruna Ghisalberti or their direct first-generation descendants are entitled to nominate two representatives (one representative per family) in total, as long as they hold at least 10% each of the share capital.

### MEMBERS, PROFESSIONAL BACKGROUND AND VESTED INTERESTS OF THE BOARD OF DIRECTORS



#### **MARKUS ASCH**

(born 1971, German, independent)

has a degree in mechanical engineering (Dipl.-Ing.) of the Esslingen University of Applied Sciences and versatile expertise in the areas of technology and service. Since February 2021, he has been CEO of Rittal International and Chairman of the Management Board. Previously, he had been with Kärcher since 1995 and assumed several management positions there, until he was appointed to the management board in 2007. From 2010, Asch served as vice chairman at the Alfred Kärcher SE & Co. KG with headquarters in Winnenden, Germany, and since January 2020 as Chief Technology Officer (CTO). He has been a member of the Board of Directors of Interroll Holding AG since 2020 and currently Lead Independent Director and member of the Remuneration Committee. He holds no other external Board of Directors' mandates.



#### **DR. ELENA CORTONA**

(born 1970, Swiss and Italian, independent)

has versatile expertise in the transformation of market requirements into the development and digitalization of products and work processes. She holds a degree in mechanical engineering from the Technical University of Turin in Italy as well as a doctorate in Mechanical Engineering from the ETH Zurich in Switzerland. Since June 2021, she has been Chief Technology Officer (CTO) and member of the Group Executive Committee of the Belimo Group. Since 2017, she was Senior Vice President Digital Transformation in the CTO Division of the Schindler Group with Headquarters in Ebikon, Switzerland, having already held various management positions in the elevator group since 2001. She has been a member of the Board of Directors since 2019. She holds no other external Board of Directors' mandates.



#### **STEFANO MERCORIO**

(born 1963, Italian, not independent, representative of the Ghisalberti family)

holds a degree in economics and has diverse expertise in corporate law and finance. He is a legal auditor in Italy and founder and senior partner of the studio Castellini Mercorio & Partners. Since 1987, he has been Dottore Commercialista iscritto al "Albo dei Dottori Commercialisti e degli Esperti contabili di Bergamo." Since 2013, Mercorio has been a member of the Board of Directors of Interroll Holding AG and currently is a member of the Audit Committee and the Remuneration Committee. He holds no other external Board of Directors' mandates.



### SUSANNE SCHREIBER

(born 1974, German, independent)

holds the second state law examination in Bavaria and is admitted to practice as a tax advisor in Germany as well as in Switzerland as a lawyer and certified tax expert. She has extensive experience in international mergers and acquisitions (M&A) transactions and international tax law. She joined Bär & Karrer AG in Zurich in 2015 as partner and cohead of the tax department, where she also holds the office of Chairman of the Board of Directors. Previously, she worked for an international law firm in Germany and for KPMG in Zurich, where she headed the Swiss M&A tax department until 2015. Susanne Schreiber has been a member of the Board of Directors since 2021 and is currently a member of the Audit Committee. She holds no other external Board of Directors' mandates.



### INGO SPECHT

(born 1964, German, not independent, representative of the Specht family)

holds a degree in industrial management from the Chamber of Industry and Commerce Cologne, Germany. He has extensive expertise in the areas of production strategy, process digitization and quality management. He was the owner and managing director of Luxis in Locarno, Switzerland, and had various senior positions in the areas of Information Technology (IT), Marketing and Business Development of the Interroll Group. In his current activity, he is the Managing Director of Interroll SA. Specht has been a member of the Board of Directors since 2006. He holds no other external Board of Directors' mandates.



### PAUL ZUMBÜHL

(born 1957, Swiss, not independent, previously CEO)

holds a degree in engineering (Dipl.-Ing.) from the University of Applied Sciences and Arts in Lucerne, Switzerland. He also holds an MBA degree from the Joint-University Program of the Universities of Boston, Bern and Shanghai and has completed an AMP from the Kellogg Business School of Northwestern University Evanston/Chicago. Furthermore, he holds a degree as a federally certified marketing manager. He has broad expertise in corporate strategy and leadership, innovation, M&A transactions, corporate culture and investor relations. After working for Symalit AG as Sales Manager/ Engineer, he held various management positions and was a Managing Director in the Sarna Group. From 1994 to 1999, he was CEO of Mikron Plastics Technology and a member of the Group Management of the Mikron Group. From January 2000 to April 2021, he was CEO of the Interroll Group. Zumbühl is also Chairman of the Board of Directors of the listed Swiss companies Schlatter Industries AG and Mikron Holding AG. Since May 2021, he has been Chairman of the Board of Directors of Interroll Holding AG in the function of "Active Chairman." The additional function as "Active Chairman" is planned until the Annual General Meeting in May 2023 (see also page 19).

### **Constitution and committees of the Board of Directors**

The Board of Directors consists of the Chairman, the “Lead Independent Director” and the other members. Two standing committees support the Board of Directors in the areas of auditing (Audit Committee) and remuneration policy (Remuneration Committee).

#### **Audit Committee**

The Audit Committee receives the audit reports prepared by the local external auditors and by the Group auditor and prepares a report for the Board of Directors. In particular, the Audit Committee ensures that the Group companies are being audited on a regular basis. The Audit Committee mandates the execution of internal audits and reviews the resulting audit reports.

Several times a year, the Audit Committee also commissions a report on audits undertaken and planned as well as on any proposals to improve the audit function. The Audit Committee submits its proposals to the Board of Directors for decision.

#### **Remuneration Committee**

The Remuneration Committee submits its proposals for the compensation package of the CEO, the members of Group Management and the Board of Directors to the Board of Directors for decision. At the request of the CEO, it defines the targets for bonus payments at the beginning of the year. The Remuneration Committee is also responsible for establishing the terms of the share ownership scheme. The remuneration scheme is described in the remuneration report on pages 25 to 33 of this Annual Report.

#### **Mandates**

Pursuant to § 19 of the Articles of Incorporation (available at: <https://www.interroll.com/company/sustainability/corporate-governance/>) of Interroll Holding AG, a member of the Board of Directors may simultaneously hold a maximum of five further mandates as a member of the supreme management or administrative body of listed legal entities and a maximum of twenty further mandates as a member of the supreme management or administrative body in non-listed legal entities. Mandates in interrelated legal entities which are exercised in the function as a member of the supreme governing or administrative body of a legal entity shall count collectively as one mandate.

### **Mode of collaboration of the Board of Directors and its committees**

The Board of Directors meets as often as business requires, but at least five times per year.

The meetings are convened by the Chairman of the Board of Directors. Each member of the Board of Directors may demand that a meeting be convened, specifying the item on the agenda to be discussed. The CEO participates in the meetings of the Board of Directors. Members of Group Management and other members of management may participate in meetings as required. The Board of Directors did not call in any consultants in the past financial year.

The Board of Directors is deemed quorate if an absolute majority of its members is present in person. Resolutions are adopted on the basis of an absolute majority of votes present. If votes are tied, the Chairman’s vote counts double. All resolutions of the Board of Directors are recorded in the minutes. In 2022, the Board of Directors met seven times for regularly scheduled meetings. All were present for all meetings in the reporting year. The meetings usually take a full day.

Meetings of the Audit Committee and the Remuneration Committee are convened as required and can be called by any member of the respective committee. In year 2022, the Remuneration Committee twice for regularly scheduled meetings. All required members were present for all meetings in the reporting year. The sessions usually last 2–4 hours.



### **Statutory base for authority regulations**

All basic competences and tasks of the governing bodies are defined in the Articles of Incorporation (available at: <https://www.interroll.com/company/sustainability/corporate-governance/>) of Interroll Holding AG. The Articles of Incorporation define in Art. 12 non-transferable and inalienable duties of the Board of Directors to third parties.

### **Responsibility of the Board of Directors**

The Board of Directors is responsible for the Group's strategy and governs the overall management, supervision and control over the operational management of the Interroll Group. The Board of Directors has exercised its statutory authority to delegate management to third parties who need not be shareholders (Group Management).

### **Management and organizational regulations**

Under the organizational regulations, the Board of Directors has delegated the management of ongoing business to the Chief Executive Officer (CEO). The CEO is responsible for the overall management of the Interroll Group and for all matters that do not fall under the purview of another governing body as specified by law, the Articles of Incorporation (available at: <https://www.interroll.com/company/sustainability/corporate-governance/>) or the organizational regulations. In particular, the CEO is responsible for the operational management. Competencies and controls are specified within a set of organizational regulations. The organizational regulations are available at: <https://www.interroll.com/company/sustainability/corporate-governance/>.

### **Active Chairman of the Board of Directors**

The Chairman of the Board of Directors shall serve for two terms, Annual General Meeting (AGM) 2021 to AGM 2023, in an executive function ("Active Chairman"). This is linked to the objective of a thorough, careful introduction of the new CEO and ensuring the seamless, continuous and successful further development of the Interroll Group.

His tasks are:

- Chairing the Annual General Meeting and representing the company externally
- Leading the Board of Directors
- Preparation and supervision of the execution of the resolutions of the Board of Directors
- Audit as well as strategic support with focus on:
  1. long-term projects with strategic focus on digitalization, innovation, marketing and sales and expansion
  2. projects in the area of mergers & acquisitions
  3. investor relations

In both terms of office AGM 2021 to AGM 2023, the Vice Chairman will be replaced by the "Lead Independent Director." The latter is to ensure strict compliance with the corporate governance guidelines and represent the Active Chairman of the Board of Directors in the event of any conflicts of interest.

### **Reporting to the Board of Directors**

At each meeting, the CEO informs the Board of Directors of the course of business, the principal events within the Group and the discharge of duties delegated to the Group Management.

### **Management Information System**

The management information system (MIS) of the Interroll Group consolidates the balance sheet, income statement and cash flow statement, as well as various key figures relating to subsidiaries, on a monthly basis and compares the current figures with those of the previous year and the budget. On the basis of the quarterly financial statements, the budget is assessed in the form of a forecast as to whether it is attainable with regard to each entity and also for the consolidated Group. The financial reports are discussed during the meetings of the Board of Directors.

### **Internal audit and control instruments**

On behalf of the Audit Committee, internal audits are performed annually at selected subsidiary companies. The focal points of the audit are defined according to the risk profile of the respective entity. The reports of the Audit Committee are discussed with local management.

Extraordinary occurrences and decisions of material importance are immediately brought to the attention of the Board of Directors in writing.

## GROUP MANAGEMENT

## MEMBERS, PROFESSIONAL BACKGROUND AND VESTED INTERESTS OF GROUP MANAGEMENT

**INGO STEINKRÜGER**

(born 1972, German)

*Chief Executive Officer  
(CEO)*

holds degrees in mechanical engineering (production technology) and in industrial engineering from the University of applied Science of Cologne. He brings more than 20 years of proven management and technical expertise with a focus on project and product business, automation, engineering, and production technology, and has extensive global sales and service experience in the automotive industry. He began his career in the ThyssenKrupp Group in 2000 at Johann A. Krause Maschinenfabrik GmbH in Bremen as a sales/project engineer. After holding several successful management positions in project management, business development, and global key account management, Ingo Steinkrüger took over overall responsibility for Global Sales & Service as vice president. From mid-2016, Steinkrüger led the same standalone business unit ThyssenKrupp System Engineering as CEO. Since May 2021, Ingo Steinkrüger leads the Interroll Group as Chief Executive Officer (CEO). He holds no Board of Directors' mandates.

**HEINZ HÖSSLI**

(born 1969, Swiss)

*Chief Financial Officer  
(CFO)*

graduated as Certified Public Accountant (CPA) from EXPERTsuisse, Zurich, Switzerland, and holds a Global Executive MBA from Duke's Fuqua School of Business in Durham, United States, with recognition as a Fuqua Scholar. His previous roles included Chief Financial Officer/Vice President Advanced Materials (since 2012) at Bühler Group as well as Vice President Finance & Controlling Advanced Materials and Chief Financial Officer (CFO) of the Business Area Die Casting (from 2009 to 2011). From 2002 to 2009, Mr. Hössli held a number of leadership roles as CFO of Bühler subsidiaries and spent eight years in the United States and Mexico. Before joining Bühler in 1999 as Internal Group Auditor, he worked as Auditor for Ernst & Young, Zurich. In April 2020, he joined the Interroll Group as Chief Financial Officer (CFO). He holds no Board of Directors' mandates.

**JENS STRÜWING**

(born 1969, German)

*Executive Vice President  
Products & Technology*

graduated in production technology (production systems and materials handling) from Karlsruhe University, Germany (master's degree, Dipl. Ing). In his role as Director of Global Operations at Mahle Aftermarket GmbH, he was responsible for the operations of 18 production and logistics sites globally as well as for Mahle Consulting. Previous to this, Strüwing was responsible for the planning of logistical processes as well as standardization and automation of production processes at Mahle GmbH's pistons and engine components product line. This followed various senior management positions with focus on logistics and production at the Daimler Group and at Fairchild Dornier GmbH. In 2018, he joined Interroll Group as Executive Vice President Products & Technology and member of Group Management. He holds no Board of Directors' mandates.



## MAURIZIO CATINO

(born 1976, Italian)

*Executive Vice President  
Global Sales & Solutions*

graduated in Electronic engineering at the Politecnico of Turin in 2002. He looks back on several years of experience in the automotive business, starting in the FCA group where he was involved in different projects related to cost analysis and production optimization. Catino started his “sales career” afterwards in the automation business as global key account manager for big automotive end users for a Japanese company. In 2013, he joined the Interroll Group and opened successfully the new Italian branch as General Manager followed by the position of Global Industry Manager for the automotive and tire market. From 2018, Catino held the position of Senior Director Global Sales & Services. In July 2020, he took over the role of Executive Vice President Global Sales & Solutions and member of Group Management. He holds no Board of Directors’ mandates.



## JENS KAROLYI

(born 1970, German)

*Senior Vice President  
Corporate Marketing &  
People Development*

studied business administration at the Universities of Bamberg and Giessen, Germany. He started his career with Ericsson where he held various management positions in Marketing, Branding and Communications and was based in Stockholm, Zurich and Düsseldorf. In 2007, he was promoted to Vice President Marketing & Communications Northern Europe. In 2011, he joined Interroll Group as Vice President Corporate Marketing and member of the Interroll Group Management. In February 2015, he took over additional responsibilities as Senior Vice President Corporate Marketing & Culture, and in 2020 as Senior Vice President Corporate Marketing & People Development. He also heads the Interroll Academy. He holds no Board of Directors’ mandates.



## DR. BEN XIA

(born 1966, Chinese)

*Executive Vice President  
Asia-Pacific*

graduated with a Bachelor of Science degree in electrical engineering from Shanghai Jiaotong University, China. After that, he studied electrical machinery at the Moscow Power Engineering Institute, Russia, and holds a PhD in electrical engineering (Dr.-Ing.). He also passed the Advanced Management Program for Senior Executives at the China Europe International Business School (CEIBS) in Shanghai, China. After working for Pirelli Cables Asia-Pacific as Marketing Manager, he held positions as General Manager of Shanghai Citel Electronics Co. Ltd. and Managing Director of Vanderlande Industries North Asia. In 2013, he joined the Interroll Group as Executive Vice President Asia-Pacific and is a member of Interroll Group Management. He holds no Board of Directors’ mandates.



## RICHARD KEELY

(born 1972, American)

*Executive Vice President  
Americas*

majoring in Industrial Engineering at North Carolina State University and completed the AMP program at Harvard Business School. He has more than 20 years of manufacturing experience in operations and consulting. He began his career in the automotive industry and later transitioned to strategic consulting. He joined the Interroll team in 2006 as Vice President of Manufacturing/General Manager for Interroll Wilmington. In 2011, he was promoted to Senior Vice President of Operations for the Americas. In 2018, he joined Interroll Group as Executive Vice President Americas and is a member of Interroll Group Management. He holds no Board of Directors’ mandates.

### **Mandates**

Pursuant to § 19 of the Articles of Incorporation (available at: <https://www.interroll.com/company/sustainability/corporate-governance/>) of Interroll Holding AG, a member of the Group Management may simultaneously hold a maximum of two further mandates as a member of the supreme management or administrative body of listed legal entities and a maximum of five further mandates as a member of the supreme management or administrative body in non-listed legal entities. These mandates require the approval of the Board of Directors. Mandates in interrelated legal entities which are exercised in the function as a member of the supreme management and administrative body of a legal entity shall count collectively as one mandate.

## **REMUNERATION, PARTICIPATIONS AND LOANS**

Details of the principles of the compensation system, the compensation granted, shareholdings and loans to current and former members of the Board of Directors and the Group Management can be found in the Remuneration Report on pages 25 to 33 and in the Notes to the Consolidated Financial Statements on page 80 of this Annual Report.

## **SHAREHOLDERS' PARTICIPATION RIGHTS**

### **Representation and restriction of voting rights**

The governing shareholders' participation rights comply with the statutory provisions of the Swiss Code of Obligations. Voting rights may only be exercised if the shareholder is entered in the share register of Interroll Holding AG as a shareholder with voting rights. Shares held in treasury by the Company do not carry voting rights. Irrespective of the share capital ownership, no shareholder or beneficial owner of shares – through own or represented shares - may directly or indirectly exercise more than 5% of the total votes. Individual nominees are, however, entitled to exercise more than 5% of the total number of votes if they disclose the identity of the beneficiaries they represent and if the respective beneficiaries as a whole do not exercise more than 5% of the voting rights. This restriction of

voting rights does not apply to the founding families, insofar as the individual families hold at least 10% of the share capital. A cancellation of the statutory voting right restrictions requires a resolution of the General Meeting of Shareholders with a majority of at least two thirds of the votes represented and an absolute majority of the nominal share value represented. Shareholders may be represented by a third party. Representatives must identify themselves by means of a written power of attorney. Furthermore, shareholders may issue powers of attorney and instructions to the independent proxy in writing or electronically.

Information on restrictions on transferability and nominee registrations is provided in Chapter 3 ("Capital structure") on page 12 of the Corporate Governance Report of the Interroll Group.

### **Statutory quorum**

Subject to contrary statutory or legal provisions, the Annual General Meeting is quorate irrespective of the number of shareholders present and the shares represented by proxy.

### **Convocation of the Annual General Meeting**

The invitation to the Annual General Meeting is issued at least 20 days prior to the AGM. In addition, the Board of Directors sends out a letter of invitation to the shareholders entered in the share register.

### **Agenda and registration in the share register**

The invitation to the Annual General Meeting has to include all items on the agenda as well as all motions put forward by the Board of Directors and, if applicable, by the shareholders who have called for a General Meeting or the inclusion of an item on the agenda. No resolutions shall be passed on motions relating to items that have not been announced in the requisite manner, with the exception of those motions relating to the convocation of an Extraordinary General Meeting or the execution of a special audit. No entries are made into the share register less than ten days prior to an Annual General Meeting up to the day subsequent to the AGM.

## CHANGE OF CONTROL AND DEFENSIVE MEASURES

### Obligation to make an offer

There are no statutory regulations regarding opting up and opting out.

### Change in control clauses

There are no agreements for severance pay, other agreements and plans in the event of a change in control or upon termination of a contract of employment.

## AUDITORS

### Duration of the mandate and term of office of the lead auditor

By decision of the Annual General Meeting of May 13, 2022, Interroll Holding AG has appointed PricewaterhouseCoopers (PwC) as auditors for another term of one year as its auditing company. PwC has been the Group Auditor of the Interroll Group since 2011. Gerhard Siegrist is the lead auditor with audit responsibility since the financial year 2019.

### Audit fees

The audit fees charged by PwC for the audit of fiscal year 2022 amounted to CHF 0.7 million. The audit fees charged by PwC in 2021 amounted to CHF 0.6 million. In both the 2022 financial year and the previous year, PwC charged CHF 0.0 million for consultancy services.

### Supervisory and control instruments pertaining to the audit

The Audit Committee is responsible for evaluating the external audit. The external auditors prepare an audit report to be submitted to the Board of Directors. At least two consultations are held each year between the external auditors and the Audit Committee. Material findings for each entity as well as for the consolidated accounts are presented in the “Detailed report to the Audit Committee and to the Board of Directors for the year ended December 31, 2022” that is discussed in detail.

## INFORMATION POLICY

### Contact

Interroll maintains an active, open, timely, transparent and simultaneous information policy towards all stakeholders. To ensure this, the Group CEO and the Group CFO are available as direct contacts. Contact can be established at any time via [investor.relations@interroll.com](mailto:investor.relations@interroll.com).

At <https://www.interroll.com/investor-relations/news-service/>, interested persons can subscribe to a mailing list in order to receive, for example, ad hoc announcements or further company information. All published media releases of the Interroll Group of the last years are available at <https://www.interroll.com/investor-relations/ad-hoc-press-releases/>.

### Headquarters:

Interroll Holding AG  
Via Gorelle 3  
6592 Sant'Antonino  
Switzerland  
<https://www.interroll.com>

### Reports on the course of business

The Interroll Group publishes comprehensive financial reports twice a year: for the first half and for the financial year as a whole. In addition to the financial results that are presented in accordance with IFRS, shareholders and financial markets are regularly informed of significant changes and developments.

### Source of information

Half-year and annual reports, as well as the first sustainability report, can also be downloaded as PDF documents from <https://www.interroll.com/investor-relations/reports-and-publications/>. Since 2021, Interroll also offers online versions of its reports at <https://www.interroll.com/annual-report/en/home.html>. Shareholders recorded in the share register may request the annual report in printed form and register for automatic delivery of the Annual Report with the Investor Relations department [investor.relations@interroll.com](mailto:investor.relations@interroll.com). The financial calendar can be accessed at <https://www.interroll.com/investor-relations/financial-calendar/>.

## QUIET PERIODS

The general trading blackout periods are from January 2 until the publication of the annual report and from July 1 until the publication of the half-year report. In the reporting year 2022, the trading blackout periods lasted from January 7 to March 17, 2022, inclusive, and from June 23 to August 1, 2022, inclusive.

The deadlines for the trading blackout periods were communicated to the addressees via e-mail. In this context, the addressees were also informed that insider information must be treated as strictly confidential and must not be disclosed to non-insiders (including family members), either inside or outside Interroll. It was also pointed out that trading recommendations are not permitted and that non-insiders who act on the basis of insider information (“tipsters”) may be subject to criminal prosecution.

The addressees of the trading blackout periods included all members of the Board of Directors and Group Management, all Corporate Finance employees worldwide, and the Investor Relations department.

# REMUNERATION REPORT

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The remuneration report provides information on the principles of Interroll's remuneration policy, the management process and the remuneration of the Board of Directors and the Group Management. It complies with the requirements of the Articles 14 to 16 of the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations of November 20, 2013 (VegüV), the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and the principles of the "Swiss Code of Best Practice for Corporate Governance" issued by Economiesuisse, which came into force on August 28, 2014. Further improvements were made to this remuneration report for 2022 in terms of transparency and readability. The aim is to ensure the best possible transparency for the reader.

## BASIC PRINCIPLES OF REMUNERATION

A fair and transparently designed remuneration system is intended to contribute to the sustainable development and safeguarding of the entrepreneurial success of the Interroll Group. The remuneration system of Interroll Group is in line with the corporate strategy and is designed to adequately reward short and long-term goals achieved. Interroll should be able to attract, develop and retain the best people in their field and in the industry.

The Interroll Group's remuneration policy is based on the following principles:

- The remuneration of the Board of Directors comprises exclusively a fixed remuneration in cash or in shares. In this way, Interroll ensures the independence of the Board in its supervision of the Group Management.
- The ratio between fixed and variable remuneration of the members of the Group Management shall be reasonable and balanced. In particular, in order to ensure the continued success of the company, the risk appetite of the individual should not be influenced contrary to the medium and long-term interests of the company.
- Both the responsibility, the concrete individual contribution to the success of the company and the individual burden of the respective function must be duly taken into account in the compensation, also with regard to the competitiveness of the remuneration.
- Share plans as a component of the Group Management's remuneration are intended to reward the achievement of long-term Group objectives in the interest of the shareholders and promote entrepreneurial performance with a long-term focus.

- The Board of Directors is responsible for the principles of the Group's remuneration policy and for the steering process and is supported in this by the Remuneration Committee. The Board of Directors decides on the total remuneration for both, the Board of Directors and Group Management and presents a proposal for approval to the Annual General Meeting.

On behalf of the Board of Directors, the Remuneration Committee prepares all proposals and the basis for remuneration decisions regarding the remuneration for both, the Board of Directors and the Group Management, pursuant to the Articles of Incorporation, Art. 23<sup>bis</sup> (Remuneration Committee). Its main duties include:

- Proposal and regular review of the Interroll Group's remuneration policy.
- Proposal and formulation of the remuneration regulations for the Board of Directors and the Group Management.
- Proposal and determination of the remuneration principles for the following financial year.
- Propose the remuneration for members of the Board of Directors.
- Proposal on the remuneration of the CEO and at the CEO's request, the remuneration of the other members of the Group Managements.
- Proposal on the terms and conditions of employment, significant changes to existing employment contracts of the Group Management and other strategic Human Resources (HR) decisions.

At the Annual General Meeting of Interroll Holding AG on May 12, 2023, the Board of Directors will propose for approval the maximum possible total remuneration of the Board of Directors for the period until the Annual General Meeting 2024 and the maximum possible total remuneration of the Group Management for the financial year 2023. The voting rules modalities for the approval of the compensation of the Board of Directors and Group Management are set out in the Articles of Incorporation under Art. 12<sup>bis</sup> Remuneration of the Board of Directors and the Group Management.

The Articles of Incorporation are available on the website at <https://www.interroll.com/company/sustainability/corporate-governance/>.

## Overview of the areas of responsibilities of the Remuneration Committee, Board of Directors and Annual General Meeting

Stages of authorization	Recommendation	Review	Authorization
Principles of remuneration (Articles of Incorporation)	Remuneration Committee	Board of Directors	Annual General Meeting (mandatory vote)
Detailed remuneration model (remuneration regulations)	Remuneration Committee	Board of Directors	Board of Directors
Maximum total remuneration of the Board of Directors	Remuneration Committee	Board of Directors	Annual General Meeting (mandatory vote)
Individual remuneration for members of the Board of Directors	Remuneration Committee	Board of Directors	Board of Directors
Maximum total remuneration of Group Management	Remuneration Committee	Board of Directors	Annual General Meeting (mandatory vote)
Remuneration of the CEO	Remuneration Committee	Board of Directors	Board of Directors
Individual remuneration for all other members of Group Management	CEO	Remuneration Committee	Board of Directors

## REMUNERATION OF THE BOARD OF DIRECTORS

### Remuneration model and the determination of remuneration

The members of the Board of Directors receive exclusively a fixed, task-related remuneration in cash or shares and no variable component. In this way, Interroll ensures the independence of the Board of Directors in its supervision of the Group Management. Remuneration is based on the demands and high level of responsibility of the Board of Directors.

The annual remuneration is paid to the members of the Board of Directors of Interroll Holding AG for all services rendered to Interroll Holding AG and the Group companies directly or indirectly controlled by it.

The Board of Directors determines the fixed remuneration of the members of the Board of Directors of Interroll Holding AG annually for the period until the next Annual General Meeting of Interroll Holding AG on the basis of the Articles of Incorporation under Art. 22<sup>bis</sup> (Total Remuneration of the Board of Directors and the Management), subject to approval by the Annual General Meeting, and at any time at the request of the Remuneration Committee. All social security contributions are paid by the employer.

Temporary employment or mandate contracts with members of the Board of Directors may have a fixed contract term of up to one year.

### Total remuneration for the 2022 term of office (audited)

The remuneration of the members of the Board of Directors (BoD) is disclosed in accordance with VegüV and OR 663c as follows:

in CHF thousands		Cash	Shares/ options	Social security*	Other benefits	Total remuneration	Shares held as of 31.12.	Voting rights in %
<b>Paul Zumbühl</b>								
2022	AP	692				<b>692</b>	22,565	2.91
2021	AP	692		–		<b>692</b>	22,565	2.91
<b>Urs Tanner</b>								
2022		–		–		<b>–</b>	–	0
2021	LD, RC	135		15		<b>150</b>	35	0
<b>Elena Cortona</b>								
2022		90		15		<b>105</b>	15	0
2021		90		15		<b>105</b>	15	0
<b>Stefano Mercorio</b>								
2022	RC, AC	110		22		<b>132</b>	–	0
2021	RC, AC	110		23		<b>133</b>	–	0
<b>Ingo Specht</b>								
2022		90		15		<b>105</b>	52,000	6.69
2021		90		15		<b>105</b>	53,000	6.82
<b>Markus Asch</b>								
2022	LD, PRC	135		22		<b>157</b>	–	0
2021		90		15		<b>105</b>	–	0
<b>Susanne Schreiber</b>								
2022	PAC	100		16		<b>116</b>	15	0
2021	AC	100		16		<b>116</b>	–	0
<b>Total Board of Directors</b>								
<b>2022</b>		<b>1,217</b>		<b>90</b>		<b>1,307</b>	<b>74,595</b>	<b>9.60</b>
<b>2021</b>		<b>1,307</b>		<b>99</b>		<b>1,406</b>	<b>75,615</b>	<b>9.73</b>

AP: Active Chairman of the BoD; P: Chairman of the BoD; LD: Lead Independent Director; PAC: Chairman Audit Committee; AC: Audit Committee; PRC Chairman Remuneration Committee; RC: Remuneration Committee.

\* Social security costs consist of employer and employee contributions to OASI/IV.

2021 = term of office from AGM 2021 to AGM 2022; 2022 = term of office from AGM 2022 to AGM 2023

The Board of Directors does not hold any options to subscribe to shares of Interroll Holding AG.

### Valuation of the total remuneration for the term of 2022

The remuneration of CHF 1,307,000 (previous year CHF 1,406,000) of the Board of Directors from the Annual General Meeting 2022 to the Annual General Meeting 2023 includes the higher fee of the Chairman of the Board of Directors for the second year (of a total of two years) with his additional duties as “Active Chairman” and is below the total amount of CHF 1,400,000 approved by the Annual General Meeting 2022.

### Outlook for total remuneration for the term of 2023

At the Annual General Meeting on May 12, 2023, the Board of Directors will propose a maximum remuner-

ation of CHF 1,100,000 for the term until the next Annual General Meeting in 2024 (previous year: CHF 1,400,000). The Chairman of the Board of Directors exercised his role with additional duties as “Active Chairman” for a period limited to 2 years (term of office Annual General Meeting 2021 to Annual General Meeting 2023) and received a higher fee during this period. His duties are described in detail in the Corporate Governance section on page 19 under the section Active Chairman. As of the 2023 term of office (AGM 2023 to AGM 2024), the Chairman of the Board of Directors will perform his duties without the additional tasks as “Active Chairman”, so that his fee will be reduced to a regular level of approximately half. After 6 years of unchanged fees, the Board of Directors also proposes a total increase of CHF 55,000 p. a. for the other members of the Board of Directors (per member an increase of the fee by CHF 10,000, Vice Chairman by CHF 15,000 plus pension benefits).

The maximum remuneration of the Board of Directors proposed to the Annual General Meeting on May 12, 2023 will thus be reduced by CHF 300,000 compared to the previous year.

#### Other remuneration (audited) and further information

No further payments in cash or in kind are made and no other remuneration (e.g., commission for the transfer of companies or parts thereof) is paid to members of the Board of Directors.

Severance payments to members of the Board of Directors are not permitted; any remuneration due until the termination of the contractual term is not considered severance compensation.

Apart from the reimbursement of travel expenses actually incurred, the members of the Board of Directors do not receive any lump-sum compensation for business expenses.

#### Loans and credits (audited)

The terms and conditions governing any loans or loan suffices granted to members of the Board of Directors are defined in the Articles of Incorporation under Art. 22<sup>bis</sup> (Total Remuneration of the Board of Directors and the Management).

Interroll Holding AG and its subsidiaries did not grant any loans or advances or credits to members of the Board of Directors in the reporting years 2022 and 2021.

## REMUNERATION OF GROUP MANAGEMENT

### Remuneration model and the determination of total remuneration

An individual remuneration agreement exists for each Group Management member, with the *projected total remuneration* based on the criteria set out below for determining remuneration and conditions of the market for top managers in the relevant industry and country. The total plan remuneration consists of a fixed and a variable cash remuneration (Short-Term Incentive, STI) as well as a long-term remuneration in shares with a vesting period of at least 4 years (Long-Term Incentive, LTI).

The *projected total remuneration* may be undercut or exceeded depending on performance and business development. In their actions, the Group Management must at all times focus on long-term and sustainable value creation and not on short-term profit maximization. The total remuneration of the members of the Group Management, and in particular that of the CEO, is structured in line with this objective.

The actual total remuneration is determined on the basis of the following main criteria:

- Professional and market experience
- Complexity of the function
- Global responsibility of the function
- Personal and concrete performance contribution to the long-term strategic development as well as value enhancement of the Group

The Interroll Group consults external consultants on a case-by-case basis when determining and setting remuneration. For new appointments to the Group Management in 2017–2021, market comparisons for top management positions (industry) were carried out with the respective recruiting consultants during the

### Overview of the remuneration model for the Group Management: composition of total remuneration

Definition	Instrument	Purpose
Fixed remuneration	Monthly cash payments	Remuneration for performance of the function and all qualifications required to perform the role
Variable remuneration (Short-Term Incentive, STI)	Annual cash payment	Remuneration for the achievement of financial and individual targets in the reporting year
Long-term share participation (Long-Term Incentive, LTI)	Annual share allocation with multi-year vesting period	Promoting sustainable results and a long-term focus on shareholders' interests
Social security contributions and fringe benefits	Pension scheme, insurance policies and non-cash benefits	Protection against risks and coverage of business expenses (vehicle)

personnel search in Europe and the Americas and consulted for the determination of remuneration. In addition, comparisons were made on the basis of a detailed Kienbaum and Mercer salary study for top managers (industry) for the years 2020 to 2021. The reference group was primarily comparable companies in the manufacturing industry. In principle, such comparisons are based on a median positioning and adjustments are made where necessary.

In determining the total annual remuneration, all payments made by Interroll Holding AG and its directly controlled subsidiaries to the members of the Group Management are taken into account, irrespective of whether global or local activities for one or more subsidiaries in Switzerland or abroad (on the basis of a separate employment contract) of a member of the Group Management are compensated.

The Board of Directors determines the total compensation of the Group Management on the basis of the Articles of Incorporation under Art. 22<sup>bis</sup> (Total remuneration of the Board of Directors and the Management) and at the request of the Remuneration Committee annually, from 2015 subject to approval by the Annual General Meeting. The total compensation of the CEO is determined by the Remuneration Committee. The total compensation of the other members of the Group Management is determined by the CEO and submitted annually to the Remuneration Committee for approval by the Board of Directors. On the occasion of the Annual General Meeting of Interroll Holding AG on May 12, 2023, the Board of Directors will submit the maximum possible total remuneration of the Group Management for the financial year 2023 for approval.

### Fixed remuneration

The amount of the fixed remuneration is contractually stipulated and generally remains unchanged for three to five years, while the function remains unchanged. Adjustments may be made on the basis of individual performance assessments and in the event of any changes in the area of responsibility.

### Variable remuneration

#### (Short-Term Incentive, STI)

According to Art. 22<sup>bis</sup> of the Articles of Incorporation, the variable remuneration of the Group Management may not exceed 60% of the total remuneration (or 150% of the fixed remuneration) as a rule.

For the CEO, the variable remuneration (STI) component of the fixed remuneration amounts to approximately 75% if the plan is achieved (with a maximum of 150% and a minimum of 0%). For operational management functions, the plan value is 50% (with a maximum of 100% and a minimum of 0%). Finally, for central holding functions, the targeted amount of the variable remuneration is 25% of fixed remuneration (with a maximum of 50% and a minimum of 0%). The maximum is a theoretical cap and not a planned metric to be achieved. See also table below (overview: weighting of variable remuneration (STI) in relation to fixed remuneration).

The assessment bases of the variable remuneration (STI) are based on the one hand, on the measurable sustainable financial success (of the Group or part thereof) and, on the other hand, on annual individual targets, which must be measurable and of considerable strategic relevance. The weighting of the financial success component in the variable remuneration amounts to at least 75% of the variable compensation (STI) in the case of the CEO and in the case of operational management functions, and at least 50% in the case of central holding functions.

#### “Financial success” component of variable remuneration (STI):

The financial performance of the company for calculating the financial success component of variable remuneration balances the level and quality of the performance achieved. For this purpose, the amount of the operating profit achieved in the financial year (EBIT) is first multiplied by a predefined percentage. The determination of this percentage is based on plan compensation and plan EBIT. In a second step, the quality of the performance is taken into account by

### Overview of weighting of the variable remuneration (STI) in relation to fixed remuneration:

Role in Group Management	Variable remuneration (STI) in relation to fixed remuneration			Share of “financial success” component in variable remuneration (STI)	Share of “individual targets” component in variable remuneration (STI)
	Min.	Projected	Max. <sup>3)</sup>		
Group CEO	0%	Approx. 75%	150%	75%	25%
Executive VP <sup>1)</sup>	0%	Approx. 50%	100%	75%	25%
Corporate VP <sup>2)</sup>	0%	Approx. 25%	50%	50%	50%

<sup>1)</sup> Executive Vice President (EVP): operational management role

<sup>2)</sup> Corporate Vice President (CVP): centralized role within the holding company (Corp. Finance, Corp. Marketing)

<sup>3)</sup> Max. theoretical value for cap, not intended to be an achievable target

increasing/decreasing the resulting compensation amount through the achievement of financial performance parameters compared to a predefined benchmark set for 3 years. This benchmark includes two perspectives: on the one hand the relative positioning compared to companies with solid market positioning and comparable size within a relevant industry (Material Handling in Europe/USA, Asia) and on the other hand own ambitious financial mid-term performance targets.

Depending on the strategic situation of the company or the function of the members of the Group Management, individual performance parameters may be weighted differently for the performance assessment or may not be taken into account.

The table below is intended to illustrate the performance measurement:

#### Overview of calculation of the “financial success” component of variable remuneration (STI)

	Performance parameters (fiscal year)	Meaning
<b>Success level</b>	<b>Operating profit</b> (x % EBIT)	Earning power
<b>Quality of success</b>	<b>Operating profit margin</b> (EBIT %)	Profitability
	<b>Sales growth</b> (% compared to PY)	Market position, innovation
	<b>Gross margin</b> (as a % sales)	Price strength, procurement strength
	<b>Return on invested capital</b> (ROIC)	Management of current/fixed assets

#### “Individual targets” component of variable remuneration (STI):

For the individual targets component, three to a maximum of five individual and measurable targets are agreed every year, with either the same or different weighting. These targets must make an important contribution to the current or long-term success of the Group or parts thereof. These also include sustainability targets such as reduction of CO<sub>2</sub> emissions and other targets in accordance with environmental, social, and governance (ESG) requirements. The annual targets in accordance with the ESG sustainability requirements to be adopted by the Board of Directors will amount to approximately 30% to 50% of the individual targets from the 2022 financial year onward. For the Group Management, the Board of Directors sets overall targets for the CEO, who in turn agrees individual targets derived from these with the members of the Group Management. The ESG sustainability targets are based on the ESG Roadmap presented at the Annual General Meeting on May 13, 2022.

The individual targets relate to, for example:

- the development and market launch of new products
- the development of new markets and customer segments
- the successful integration of an acquisition
- the reduction of harmful emissions in accordance with specific ESG targets or KPIs
- specific employee development programs in line with targets, which include qualification and further training as part of long-term organizational and personnel development.

The multi-year plan basis of the variable remuneration (rather than the annual budget) motivates the Group Management to think longer-term, measures the relative continuous improvement compared to the previous year's period or to the aforementioned three-year fixed benchmark, and prevents short-term cost cutting in the area of market development, innovation, and sustainability etc.

The Remuneration Committee may exceptionally deviate from the agreement for variable remuneration in favor of a member of the Group Management if the lack of target achievement is exclusively due to external factors. There was no deviation from the agreement in the reporting year.

#### Long-term component: Share participation (Long-term Incentive, LTI)

Pursuant to Art. 22<sup>bis</sup> (Total Remuneration of the Board of Directors and the Management) of the Articles of Incorporation, shares with multi-year vesting periods can be allocated to the Group Management as part of the total remuneration.

Through their commitment and influence, the Group Management should participate in the long-term value creation of the Group and, in doing so, also share the entrepreneurial risk as a shareholder (and equity co-owner) as well as identify with the values of Interroll.

**Share plan for the Group Management:**

The share plan for the Group Management was introduced as a long-term remuneration component with the restructuring of the Group in 2011. Members of the Group Management receive a number of shares as a long-term component of variable remuneration. The portion to be drawn amounts to a minimum of 20% and a maximum of 100% of the variable remuneration. The individual portion to be received must be determined and reported by each member of the Group Management by December 15 of the current fiscal year at the latest, otherwise 20% will be allocated. These shares are blocked for four years.

**Allocation modalities:**

The relevant conversion price for the number of shares allocated is the respective stock market price on December 31 of the past financial year less the deduction permitted for tax purposes for the duration of the blocking period. The shares are allocated in the first quarter of the new financial year after the audited results of the past financial year are available.

**Total remuneration for 2022 (audited)**

The remuneration of the members of the Group Management is disclosed in accordance with Articles 14 to 16 of the Federal Council Ordinance against Excessive Compensation in Listed Stock Corporations of November 20, 2013 (VegüV), the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and the principles of the “Swiss Code of Best Practice for Corporate Governance” of Economiesuisse, which came into force on August 28, 2014:

**Explanation of the calculation method**

The calculation method under IFRS differs in two respects from the calculation of compensation and shareholdings of the Board of Directors and the Group Management in accordance with OR 663<sup>bis</sup> and OR 663c:

- Under IFRS, compensation for company vehicles is based on the expenses recognized in the financial statements, including depreciation/lease payments. Under the Swiss Code of Obligations, 0.9% of the acquisition value of the vehicles is charged monthly.
- Under IFRS, share-based payments are measured at fair value on the grant date. Under the Swiss Code of Obligations, shares are measured at tax value, which is derived from fair value. As a result of the blocking period granted, the tax value is reduced compared to the market value, depending on the defined blocking period.
- The difference of CHF 0.130 million (previous year: CHF 0.255 million) related to company vehicles CHF 0.011 million (previous year: CHF 0.015 million) and share-based payments CHF 0.119 million (previous year: CHF 0.240 million).

**Valuation of the total remuneration for the financial year 2022**

Due to the financial and individual targets achieved, the total compensation paid to the Group Management in the past year was CHF 3.72 million, below that of the previous year (CHF 4.38 million) and lower than the maximum total remuneration of CHF 4.8 million approved at the 2022 Annual General Meeting.

in CHF thousands	Remuneration (net)		Share-based compensation		Social security <sup>3)</sup>	Other benefits	Total remuneration
	Fixed	Variable <sup>1)</sup>	Shares <sup>2)</sup>	Options			
<b>CEO (highest)</b>							
2022	460	226	31	0	288	31	<b>1,036</b>
2021 (01–04)	354	158	160	0	287	22	<b>981</b>
2021 (05–12)	319	107	26	0	135	21	<b>608</b>
<b>Other members</b>							
2022	1,332	320	421	0	458	151	<b>2,682</b>
2021	1,458	358	431	0	412	129	<b>2,788</b>
<b>Total Group Management</b>							
<b>2022</b>	<b>1,792</b>	<b>546</b>	<b>452</b>	<b>0</b>	<b>746</b>	<b>182</b>	<b>3,718</b>
<b>2021</b>	<b>2,131</b>	<b>623</b>	<b>617</b>	<b>0</b>	<b>834</b>	<b>172</b>	<b>4,377</b>

- 1) The difference between provisions made in the previous year and the actually paid-out bonuses is netted with the variable compensation planned for the year under review.
- 2) In the year under review, a total of 189 treasury shares were granted to senior executives as part of their bonus plans (previous year: 326 shares) with a zero to four-year sales restriction (from the date of the allotment). The share-based compensation corresponds to the tax value.
- 3) Social security costs consist of employer and employee contributions to OASI/IV and pension scheme. Due to the non-existence of a complementary pension plan in the USA, USD 349,500, including corresponding interest, was paid into a Rabbi Trust for Richard Keely in 2022, retroactively for the period from 2007 to 2021. The contribution of USD 15,000 for the year 2022 is included in the reported values in the table above.



The total remuneration paid to the Group Management in 2022 was 92% (previous year: 95%) of the total plan remuneration based on the calculated target achievement in accordance with the calculation methodology described. Delivery bottlenecks and extraordinary raw material price increases prevented the total plan compensation from being achieved or exceeded. The value of the share component of total compensation in 2022 was 16% (previous year 19%).

The variable remuneration for the Group Management was 28% (previous year 33%) of the fixed remuneration at a plan value of 39% or 22% (previous year 25%) of the total remuneration at a plan value of 28%. The variable remuneration for the Group Executive Board was thus below the previous year and reflects the fact that the plan values were not fully achieved. In particular, the bonus targets relating to sales and the level of operating profit (EBIT) could not be achieved.

#### **Outlook for total remuneration for the financial year 2023**

The maximum possible total remuneration 2023 submitted to the Annual General Meeting of May 12, 2023 for approval amounts to CHF 4.8 million (previous year CHF 4.8 million). As in previous years, it includes a reserve for contingencies and currency fluctuations and assumes a significant overachievement of the set targets. The total remuneration actually paid out is generally lower than the maximum approved at the Annual General Meeting as the amount of the variable remuneration 2023 and its payment is based on the targets actually achieved in 2023. The fixed remuneration 2023 was adjusted for five members of the Group Management.

#### **Other remuneration (audited) and further information**

The expenses and pension fund regulations are based on the applicable local conditions of employment and the corresponding legal and market conditions in the countries concerned, in particular Germany, the United States, China and Switzerland, and are in accordance with Art. 22<sup>bis</sup> (Total Remuneration of the Board of Directors and the Management) of the Articles of Incorporation. Apart from the total Group Management remuneration presented in the table, only actual travel expenses are reimbursed to the members of the Group Management upon presentation of receipts and in accordance with the expense regulation. Any lump-sum expenses are part of the remuneration and are therefore included in the table of total remuneration.

In Switzerland, the members of the Group Management contribute one third of the savings portion of the pension fund, while the employer pays the remainder.

Members of the Group Management are provided with a company vehicle and a cell phone for business and private use, or a corresponding monthly lump sum is paid. The maximum permissible value limits for the company vehicle are regulated internally. The company vehicle is included in the total remunerations under "other benefits."

No further payments in cash or in kind are made and no other remuneration (e.g., commission for the takeover or transfer of companies or parts thereof) are paid to members of Group Management.

Severance payments to members of Group Management are not permitted; remuneration owed until the termination of contractual relationships is not considered severance compensation.

The notice periods for members of the Group Management are between and six and nine months and thus comply with the Articles of Incorporation Art. 23<sup>bis</sup> (Remuneration Committee).

#### **Loans and credits (audited)**

The terms and conditions governing any loans or credits granted to members of the Group Management are defined in the Articles of Incorporation under Art. 22<sup>bis</sup> (Total Remuneration of the Board of Directors and the Management).

Interroll Holding AG and its subsidiaries did not grant any loans, advances or credits to members of the Group Management in both of the reporting years 2022 and 2021.



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

### Report on the audit of the remuneration report

#### Opinion

We have audited the remuneration report of INTERROLL HOLDING AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the tables marked 'audited' on pages 26 to 33 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report (pages 26 to 33) complies with Swiss law and article 14 to 16 of the Ordinance.

#### 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 remuneration report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Other information

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

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

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

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

#### Board of Directors' responsibilities for the remuneration report

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

**Auditor's responsibilities for the audit of the remuneration report**

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

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

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

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

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

PricewaterhouseCoopers AG



Gerhard Siegrist  
Licensed audit expert  
Auditor in charge



Regina Spälti  
Licensed audit expert

Zurich, 16 March 2023

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# FINANCIAL REPORT OF THE INTERROLL GROUP

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# FINANCIAL REPORT

## 1 CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERROLL GROUP

### 1.1 Consolidated balance sheet

in CHF thousands	see notes*	31.12.2022	in %	31.12.2021	in %
<b>ASSETS</b>					
Property, plant and equipment	6.1	184,228		187,336	
Intangible assets	6.3	26,634		25,521	
Financial assets		902		734	
Deferred tax assets	7.6	9,454		8,776	
<b>Total non-current assets</b>		<b>221,218</b>	<b>40.5</b>	<b>222,367</b>	<b>41.3</b>
Inventories	6.5	107,357		129,412	
Current tax assets		1,836		3,587	
Trade and other accounts receivable	6.6	136,140		114,682	
Cash and cash equivalents	6.7	79,305		68,496	
<b>Total current assets</b>		<b>324,638</b>	<b>59.5</b>	<b>316,177</b>	<b>58.7</b>
<b>Total assets</b>		<b>545,856</b>	<b>100.0</b>	<b>538,544</b>	<b>100.0</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital		854		854	
Share premium		9,673		8,904	
Reserve for own shares		-74,029		-78,208	
Translation reserve		-96,248		-80,595	
Retained earnings		553,943		494,473	
<b>Total equity</b>	6.10	<b>394,193</b>	<b>72.2</b>	<b>345,428</b>	<b>64.1</b>
Financial liabilities	6.12	8,218		5,042	
Deferred tax liabilities	7.6	3,867		1,780	
Pension liabilities	6.14	4,087		6,606	
Provisions	6.13	10,448		10,064	
<b>Total non-current liabilities</b>		<b>26,620</b>	<b>4.9</b>	<b>23,492</b>	<b>4.4</b>
Financial liabilities	6.12	259		17,360	
Current tax liabilities	7.6	23,167		18,950	
Advances received from customers	6.15	40,323		48,060	
Trade and other accounts payable	6.15	61,294		85,254	
<b>Total current liabilities</b>		<b>125,043</b>	<b>22.9</b>	<b>169,624</b>	<b>31.5</b>
<b>Total liabilities</b>		<b>151,663</b>	<b>27.8</b>	<b>193,116</b>	<b>35.9</b>
<b>Total liability and shareholder's equity</b>		<b>545,856</b>	<b>100.0</b>	<b>538,544</b>	<b>100.0</b>

\* See notes to the consolidated financial statements which are an integral part of this year's financial statement.

## 1.2 Consolidated income statement

in CHF thousands	see notes*	2022	in %	2021	in %
<b>Sales</b>	5	<b>664,409</b>	<b>100.0</b>	<b>640,063</b>	<b>100.0</b>
Material expenses		-293,944	-44.2	-289,296	-45.2
Personnel expenses	6.14 & 7.1	-165,992	-25.0	-165,957	-25.9
Increase/(decrease) in work in progress, finished products and own goods capitalized		-432	-0.1	13,285	2.1
Other operating expenses	7.3	-78,604	-11.8	-78,857	-12.3
Other operating income	7.4	3,905	0.6	3,242	0.5
<b>Operating result before depreciation and amortization (EBITDA)</b>		<b>129,342</b>	<b>19.5</b>	<b>122,480</b>	<b>19.1</b>
Depreciation	6.1	-20,166	-3.1	-19,983	-3.1
Amortization	6.3	-3,961	-0.6	-3,159	-0.5
<b>Operating result (EBIT)</b>		<b>105,215</b>	<b>15.8</b>	<b>99,338</b>	<b>15.5</b>
Finance expenses		-4,111	-0.6	-1,083	-0.1
Finance income		3,675	0.6	1,016	0.1
<b>Finance result, net</b>	7.5	<b>-436</b>	<b>-0.0</b>	<b>-67</b>	<b>-0.0</b>
<b>Result before income taxes</b>		<b>104,779</b>	<b>15.8</b>	<b>99,271</b>	<b>15.5</b>
Income tax expense	7.6	-21,996	-3.3	-18,671	-2.9
<b>Result</b>		<b>82,783</b>	<b>12.5</b>	<b>80,600</b>	<b>12.6</b>
<b>Result attributable to:</b>					
- non-controlling interests		-	-	-	-
- owners of Interroll Holding AG		<b>82,783</b>	<b>12.5</b>	<b>80,600</b>	<b>12.6</b>
<b>Values per share (in CHF)</b>					
Non-diluted earnings (result) per share	6.11	100.91		98.08	
Diluted earnings (result) per share	6.11	100.91		98.08	
dividend payment		31.00		27.00	

\* See notes to the consolidated financial statements, which are an integral part of this year's financial statement.

## 1.3 Consolidated statement of comprehensive income

in CHF thousands	see notes*	2022	in %	2021	in %
<b>Result</b>		<b>82,783</b>		<b>80,600</b>	
Other comprehensive income				-	
Items that will not be reclassified to income statement				-	
Remeasurement of pension liabilities	6.15	2,627		4,111	
Income tax		-538		-808	
<b>Total items that will not be reclassified to income statement</b>		<b>2,089</b>		<b>3,303</b>	
Items that in the future may be reclassified subsequently to income statement					
Currency translation differences		-15,653		-6,586	
Income taxes				-	
<b>Total items that in the future may be reclassified subsequently to income statement</b>		<b>-15,653</b>		<b>-6,586</b>	
<b>Other income</b>		<b>-13,563</b>		<b>-3,283</b>	
<b>Comprehensive income</b>		<b>69,220</b>		<b>77,317</b>	
<b>Result attributable to:</b>					
- non-controlling interests		-	-	-	
- owners of Interroll Holding AG		69,220	10.4	77,317	12.1

\* See notes to the consolidated financial statements, which are an integral part of this year's financial statement.



## 1.4 Consolidated statement of cash flows

in CHF thousands	see notes*	2022	2021
<b>Result</b>		<b>82,783</b>	<b>80,600</b>
Depreciation, amortization and impairment	6.1 & 6.3	24,127	23,142
Loss/(gain) on disposal of tangible and intangible assets	7.4	-590	-343
Financial result, net	7.5	436	67
Income tax expense	7.6	21,996	18,671
Changes in inventories		18,652	-69,071
Changes in trade and other accounts receivable		-25,637	-9,363
Changes in trade and other accounts payable		-28,642	23,207
Changes in provisions, net	6.13	-1,693	-2,240
Income tax paid		-14,923	-21,869
Personnel expenses on share-based payments	7.1	607	890
Other non-cash expenses/(income)		-5,751	3,600
<b>Cash flow from operating activities</b>		<b>71,365</b>	<b>47,291</b>
Acquisition of property, plant and equipment	6.1	-20,826	-46,552
Acquisition of intangible assets	6.3	-5,530	-4,589
Acquisition of financial assets		-389	-31
Proceeds from disposal of property, plant and equipment	6.1 & 6.1.1 & 6.3	3,432	2,386
Settlement of loans receivable		183	34
Acquisition of subsidiaries, net of cash acquired	4	-	12
Interest received		946	675
<b>Cash flow from investing activities</b>		<b>-22,184</b>	<b>-48,065</b>
Dividends paid	1.5	-25,401	-22,267
Purchase of treasury shares		-	-22,501
Sale of treasury shares		4,341	-
Proceeds from financial liabilities		-	18,012
Repayment of financial liabilities		-12,951	-2,741
Interest paid		-505	-274
<b>Cash flow from financing activities</b>		<b>-34,516</b>	<b>-29,771</b>
Translation adjustments on cash and cash equivalents		-3,856	729
<b>Change in cash and cash equivalents</b>		<b>10,809</b>	<b>-29,816</b>
Cash and cash equivalents at January 1		68,496	98,312
<b>Cash and cash equivalents at December 31</b>	6.7	<b>79,305</b>	<b>68,496</b>

\* See notes to the consolidated financial statements which are an integral part of this year's financial statement.

## 1.5 Consolidated statement of changes in equity

in CHF thousands	see notes*	Share capital	Share premium	Reserve for treasury shares	Translation reserve	Retained earnings	Total equity
<b>Balance at January 1, 2021</b>		<b>854</b>	<b>8,660</b>	<b>-56,352</b>	<b>-74,009</b>	<b>432,837</b>	<b>311,990</b>
<b>Result</b>						<b>80,600</b>	<b>80,600</b>
<b>Other comprehensive income, net of taxes</b>		-	-	-	<b>-6,587</b>	<b>3,303</b>	<b>-3,284</b>
<b>Total comprehensive income</b>		-	-	-	<b>-6,587</b>	<b>83,903</b>	<b>77,317</b>
Dividend payment, net		-	-	-	-	-22,267	-22,267
Share-based payments	7.1	-	244	645	-	-	889
Purchase of treasury shares incl. tax effects	6.10	-	-	-22,501	-	-	-22,501
<b>Balance at December 31, 2021</b>		<b>854</b>	<b>8,904</b>	<b>-78,208</b>	<b>-80,596</b>	<b>494,473</b>	<b>345,428</b>
<b>Balance at January 1, 2022</b>		<b>854</b>	<b>8,904</b>	<b>-78,208</b>	<b>-80,596</b>	<b>494,473</b>	<b>345,428</b>
<b>Result</b>		-	-	-		<b>82,783</b>	<b>82,783</b>
<b>Other comprehensive income, net of taxes</b>		-	-	-	<b>-15,653</b>	<b>2,087</b>	<b>-13,564</b>
<b>Total comprehensive income</b>		-	-	-	<b>-15,653</b>	<b>84,870</b>	<b>69,217</b>
Dividend payment, net	7.1	-	-	-	-	-25,401	-25,401
Share-based payments	6.10	-	182	425	-	-	607
Sale of treasury shares incl. tax effects	6.10	-	587	3,754	-	-	4,341
<b>Balance at December 31, 2022</b>		<b>854</b>	<b>9,673</b>	<b>-74,029</b>	<b>-96,248</b>	<b>553,943</b>	<b>394,193</b>

\* See notes to the consolidated financial statements which are an integral part of this year's financial statement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 GENERAL INFORMATION ON THE FINANCIAL STATEMENTS

### General notes on the convention of preparation

The 2022 consolidated financial statements of the Interroll Group are based on the annual financial statements of Interroll Holding AG, Sant'Antonino, and its subsidiaries as of December 31, 2022, drawn up according to uniform Group accounting principles. The consolidated financial statements present a true and fair view of the financial position, results of operations and cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

The consolidated financial statements are based on historical cost except for marketable securities, investments not involving significant influence and derivative financial instruments, which are stated at fair value.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the given circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next years are disclosed in note 2.2 (Critical accounting estimates and judgements).

### 2.1 New and amended standards (IAS/IFRS) and interpretations

The Group prepares its Annual Report in accordance with IAS/IFRS, To that end, the Group regularly assesses the effects of adjustments and renewals communicated by the International Accounting Standards Board (IASB). In the year under review, the adoption of new or revised standards and interpretations effective for annual period beginning on or after January 1, 2022, had no significant impact on the consolidated financial statements.

### Future changes and amendments to IAS/IFRS standards and interpretations

New and revised standards and interpretations have been adopted by the IASB. However, these will not be applied until January 1, 2023, or later and have not been applied early in these consolidated financial statements. The impact of the introduction/amendment of those standards and interpretations is considered to be rather insignificant.

## 2.2 Critical accounting estimates and judgements

When preparing the consolidated financial statements, Group Management and the Board of Directors must make estimates and assumptions concerning the future. The resulting accounting estimates have an impact on the Group's assets, liabilities, income and expenses. Additionally, these estimates have an impact on the presentation of financial statements. Estimates made are assessed continuously and are based principally on historical experiences and other factors. The resulting accounting estimates can, by definition, deviate from the actual outcome.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial years are discussed below:

### *a) Income tax*

The holding company and its subsidiaries are subject to income taxes in various countries. Significant judgement is required in determining the required worldwide liabilities for current and deferred income taxes and the realization of tax losses carried forward. There are many transactions and calculations made for which the final tax determination is uncertain in the year under review. In case final tax assessments or tax audits of such matters are different from the amounts that were initially recorded, such differences may materially impact income tax expenses of the current period. The assessment of deferred tax assets is done with reference to business plans. Capitalized effects of losses carried forward are subject to annual review. Losses carried forward are only capitalized if they are usable under valid fiscal law in respective countries. The relevant figures are outlined in note 7.6.

### *b) Recoverable amount of goodwill, patents and licenses*

The assessment of the recoverable amount of goodwill and other intangible assets is, by definition, subject to uncertainties regarding expected future cash flows. It requires making adequate assumptions and calculating parameters. Detailed comments and the carrying amounts can be found under note 6.3.

### *c) Provisions*

Liabilities from warranty are a result of the operational business of the Group. These provisions are accrued at balance sheet date based on historical experience. The actual cash flow can be lower or higher, or specific requests can be covered by insurance. The assessment of provisions is, by definition, subject to uncertainties regarding future cash flows. It requires making assumptions and determining parameters, whose adequacy will only become clear in the future. We refer to comments made under notes 6.13 and 6.14, which also include the relevant carrying amounts.

## 2.3 Retained general accounting principles

### General notes on the principles of consolidation

The consolidated financial statements of Interroll Holding AG include the parent company's financial statements and the financial statements of all directly or indirectly held Swiss and foreign subsidiaries where the parent company holds more than 50% of the voting rights, or effectively exercises control through other means.

The full consolidation method is applied, with the assets, liabilities, income and expenses fully incorporated. The proportion of the net assets and net income attributable to minority shareholders is presented separately as non-controlling interests in the consolidated balance sheet, the consolidated income statement and the consolidated statement of comprehensive income. Accounts payable to, accounts receivable from, income and expenses between the companies included in the scope of consolidation are eliminated. Intercompany profits included in inventories of goods produced are also eliminated.

Subsidiaries acquired during the year are included in the consolidated financial statements from the date on which control is obtained, while subsidiaries sold are excluded from the consolidated financial statements from the date on which control is given up. The capital consolidation at acquisition date is carried out using the purchase method. The acquisition price for such a business combination is defined by the sum of assets and liabilities acquired or incurred, measured at fair value, and of the sum of equity instruments issued. Transaction costs related to a business combination are expensed. The goodwill resulting from such a business combination is to be recognized as an intangible asset. It corresponds to the excess of the sum of the acquisition price, the amount of non-controlling interests of the entity acquired, the fair value of equity instruments already held, liabilities and contingent liabilities at fair value. There is one option per transaction for the valuation of non-controlling interests. The non-controlling interests are valued either at fair value or based on the proportion of the net assets acquired at fair value related to the non-controlling interests. Any negative goodwill is immediately recognized in the income statement after review of the fair value of the net assets acquired and set off against the purchase price. Goodwill is subject to an annual impairment test or whenever there are indications of impairment.

Changes in the amount of the holding which do not result in a loss of control are considered to be transactions with equity holders. Any difference between the acquisition price paid or the consideration received and the amount by which the non-controlling interests' value is adjusted, is recognized in equity.

Investments in associated companies are investments where the parent company is either (directly or indirectly) entitled to 20%–50% of the voting rights, or has considerable influence through other means. Investments in associates are accounted for by applying the equity method. Under this method, the investment is initially recorded at the purchase price and subsequently increased or decreased by the share of the associate's profits or losses incurred after the acquisition, adjusted for any impairment losses. The Group's share of results of associates is recognized in the income statement and in the statement of comprehensive income under share of profit and loss of associates. Goodwill included in the purchase price, representing any excess of consideration over the Group's share in net assets of the associate, is recognized as part of the investment's carrying amount. Dividends received during the year reduce the carrying amount of such investments.

Investments in which the Group does not hold a significant position of voting rights or in which the Group holds less than 20% are not consolidated, but stated at their estimated fair value. Such investments are presented under financial assets at their estimated fair value. Any fair value adjustments are recognized in retained earnings, Fair value adjustments are recycled through the income statement at the date of disposal.

### Foreign currency translation

The consolidated financial statements are presented in Swiss francs (CHF). All assets and liabilities of the consolidated foreign subsidiaries are translated using the exchange rates prevailing at the closing date. Income, expenses and cash flows are translated at the average exchange rates for the year under review. The foreign currency translation differences resulting from applying different translation rates to the statement of financial position, the income statement and the statement of comprehensive income are added to or deducted from the translation reserve item in equity. The same principle is applied for those resulting from the translation of the subsidiaries' opening net asset values at year-end rates and those arising from long-term intercompany loans (net investment approach).

Transactions in consolidated entities where the transaction currency is different from the functional currency of the entity are recorded using exchange rates prevailing at the time of the transaction. Gains or losses arising on settlement of these transactions are included in the income statement. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates prevailing at year-end (closing date). Any gains or losses resulting from this translation are also recognized in the income statement.

The following exchange rates were the most important rates used for the translation of financial statements denominated in foreign currencies:

	Income statement (average rates)			Balance sheet (year-end rates)		
	2022	2021	Change in %	31.12.2022	31.12.2021	Change in %
1 EUR	1.002	1.080	-7.2	0.985	1.033	-4.7
1 USD	0.955	0.914	4.5	0.923	0.912	1.2
1 CAD	0.731	0.730	0.2	0.682	0.718	-5.0
1 GBP	1.173	1.258	-6.8	1.110	1.230	-9.7
1 SGD	0.692	0.681	1.7	0.689	0.676	1.8
1 CNY	0.142	0.142	-0.2	0.134	0.144	-6.8
1 JPY	0.007	0.008	-12.3	0.007	0.008	-11.7

#### Current/non-current distinction

Current assets are assets expected to be realized within one year or consumed in the normal course of the Group'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 Group's operating cycle or liabilities due within one year from the reporting date. These also include short-term borrowings made as part of credit limits granted for an indefinite period, but subject to a termination period of less than one year from the reporting date. All other liabilities are classified as non-current liabilities.

#### Segment reporting

The Interroll Group has consisted of one single business unit since January 1, 2011. The complete product range is sold in all markets through the respective local sales organizations. The customer groups that are original equipment manufacturers (OEMs), system integrators and end users are provided with tailor-made product offerings and differentiated consulting levels. The Interroll manufacturing units focus on the production of specific product ranges. Assembly units receive semifinished products from the manufacturing units and assemble a wide product range for their local markets. The IPDC, which is centrally located, develops new application technologies and new products for all product groups. The manufacturing units continuously refine the current product ranges they are focused on.

Group Management and the Interroll management structure are organized by function (Overall Management, Products & Technology, Global Sales & Solution, Marketing & People Development and Corporate Finance). The Board of Directors bases its financial management of the Group on both the turnover generated in the product groups and geographical markets as well as on consolidated financial reports. Group Management additionally assesses the achievement of financial and qualitative targets of all legal entities.

Based on the current management structure, financial reporting to the chief operating decision-makers is carried out in one reportable segment which is equal to the consolidated financial statements of the Group.

**Statement of cash flows**

The statement of cash flows shows the foreign currency-adjusted cash flow from operating activities, investing activities and financing measures. This shows the change in cash and cash equivalents (funds) between balance sheet dates. Cash equivalents are held for the purpose of meeting the Group's short-term cash commitments rather than for investment or any other purposes. The effect of foreign exchange rate changes on cash and cash equivalents in foreign currencies is disclosed separately.

Cash flow from operating activities is calculated using the indirect method, the results of the financial year are adjusted in respect to the following:

- a) effects of transactions of a non-cash nature;
- b) deferrals or accruals of past or future operating cash receipts or payments;
- c) items of income or expense associated with investments or financing transactions.

**Impairments**

The carrying amount of non-current nonfinancial assets, except assets from retirement benefits and assets from deferred taxes, are assessed at least once a year. If indications for an impairment exist, a calculation of the recoverable amount is performed (impairment test). For goodwill, other intangible assets with an indefinite useful lifetime and intangible assets which are not yet available for use, the recoverable amount is calculated regardless of the existence of indications of a decrease in value. If the carrying amount of such an asset or the cash-generating unit to which such an asset belongs exceeds the recoverable amount, an adjustment is recognized through the income statement. Impairments on a cash-generating unit or a group of cash-generating units are first applied to goodwill and thereafter proportionally to the other assets of the unit (or the Group).

The recoverable amount is the higher of fair value less selling costs and value in use. The estimated future discounted cash flows are evaluated to determine the value in use. The discounting rate applied corresponds to a pretax rate which reflects the risk related to the assets. If an asset does not largely generate independent cash flows, the recoverable amount for the cash-generating unit to which the asset concerned belongs is calculated.

Impairments on the remaining assets are reversed if the estimations made in the calculation of the recoverable amount have changed and there is a reduction of the impairment amount or no impairment is required anymore. There is no reversal of impairment losses on goodwill.

**Derivative financial instruments**

Derivative financial instruments are stated at fair value.

The group does not apply hedge accounting as defined by IFRS, but uses derivative financial instruments to hedge transactions and cash flows ("economic hedging").

Changes in the fair value of such hedging instruments are recognized immediately in the income statement. The fair value of derivatives traded in public markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. The fair value of derivatives that are not traded publicly (for example, over-the-counter derivatives) is determined by a valuation provided by the financial institution from which the derivative has been acquired.



## 2.4 Retained accounting principles: balance sheet items

### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Non-current assets acquired by way of finance leases are recognized at the lower of the present value of future minimum lease payments and fair value, and depreciated accordingly. The related leasing liabilities are presented at their present value.

Depreciation is recognized on a straight-line basis over the estimated useful life and considering a potential residual value. The following useful economic life terms apply to the Group's main asset categories:

Buildings	25 years
Machinery	10 years
Vehicles	5 years
Office machines and furniture	5 years
Tools and molds	5 years
IT infrastructure	3 years

Land is not depreciated.

Components of major investments in fixed assets with different estimated useful lives are recognized separately and depreciated accordingly. Estimated useful lives and estimated residual values are revised on an annual basis as at the reporting date, and resulting adjustments are recorded in the income statement.

Assets under construction for which completion has not yet been concluded or which cannot yet be used are capitalized based on the costs incurred as at the closing date. Respective depreciation is recognized when the asset can be used.

Interest directly related to the acquisition or construction of property, plant and equipment is recognized and allocated to the related asset.

### Intangible assets

Intangible assets include goodwill, intangible assets purchased in the course of business combinations (patented and unpatented technology, customer relationships), licenses and patents and similar rights acquired from third parties as well as software acquired from third parties. These assets are stated at cost and are amortized on a straight-line basis over the following expected useful lifetime:

Standard software	3 years
ERP software	8 years
Customer relationships	5–10 years
Patents, technology and licenses	6 years

Acquired customer relationships are customer values identified within the scope of IFRS 3. They are amortized based on their estimated melt-off time being a period of five to ten years. In markets in which Interroll holds a solid market position, customer value is amortized over 10 years. A shorter amortization period is defined in markets with stiff competition.

Patents and technical know-how are amortized over their expected useful life. In view of the innovative market and competitive environment, the amortization period has been determined to be six years.

Furthermore, intangible values acquired through business combinations may be identified. These result from individual contractual agreements. These values are amortized over the period derived from the contractual agreement.

Goodwill with an indefinite useful life is allocated to specific cash-generating units in order to allow the identification of possible impairments. Such impairment tests are carried out on an annual basis and any impairment is recognized in the income statement. Goodwill is considered an asset component of the acquired entity. It is reported in the functional currency of that entity, then translated to the Group's reporting currency at the year-end rate.

#### **Non-current assets held for sale**

Tangible assets or a group of assets are classified as non-current assets held for sale if their carrying amount will most probably be realized in a divestment transaction rather than by being used in the normal course of business. Such assets are actively brought onto the market and should be sold within one year. Non-current assets held for sale are presented at the recoverable amount, which is the lower of book value or fair value less costs to sell.

#### **Inventory**

Inventories are stated at the lower of cost (purchase price or Group production cost) and net realizable value. The cost of inventories is calculated using the weighted average method. Production overheads are allocated to inventories on a proportional basis. Slow-moving goods and obsolete stocks are impaired. Intercompany profits included in inventories are eliminated by affecting net result.

#### **Shareholders' equity**

Shareholders' equity is categorized as follows:

##### ***a) Share capital***

The share capital contains the fully paid-in registered shares.

##### ***b) Share premium***

Share premium comprises payments from shareholders that exceed the par value as well as realized gains/losses including tax on transactions with treasury shares.

##### ***c) Treasury shares***

The acquisition price of treasury shares is disclosed as a reduction of shareholders' equity. Realized gains and losses on transactions with treasury shares are recognized in share premium. Compensation and cash inflows resulting from the issue and subsequent possible exercise of share options are credited to the Group's reserves.

##### ***d) Translation reserve***

The translation reserve consists of accumulated translation differences resulting from the translation of Group subsidiaries' financial statements with a functional currency other than the Swiss franc and of intercompany loans with equity characteristics. The changes in currency differences are presented in the consolidated statement of comprehensive income.

##### ***e) Retained earnings***

Retained earnings contain undistributed profits.

#### **Provisions**

Provisions relate to product warranties and impending losses whose amount and timing are uncertain. They are recognized if the Group has an obligation based on past occurrences at balance sheet date or a cash drain is probable and can be reliably determined. The amounts recognized represent management's best estimate of the expenditure that will be required to settle the obligation. Providing the effect is material, long-term provisions are discounted.

#### **Pension costs**

The Group sponsors pension plans according to the national regulations of the countries in which it operates. All significant pension plans are operated through pension funds that are legally independent from the Group. Generally, they are funded by employee and employer contributions. The foreign pension schemes are normally defined contribution plans whereby the pension expense for a period equals the companies' contributions during that period. The Swiss and French pension schemes have certain characteristics of a defined benefit plan; the financial impact of such plan on the consolidated financial statements is determined based on the projected unit credit method.

## 2.5 Retained accounting principles: income statement

### Material expenses

Material expenses include all costs of raw materials and consumables used, goods purchased and third-party manufacturing, processing or conversion of the Group's products (services purchased).

### Product development

Expenditure on research and development is capitalized only when the cumulative recognition criteria of IAS 38 are met. Expenses for product development include wages and salaries, material costs, depreciation of technical equipment and machinery dedicated to research and development, as well as proportional overhead costs. Such expenses are included in the respective line item of the income statement.

### Personnel expenses: equity-based compensation schemes

Some of our employees participate in equity-based compensation schemes (equity instruments offered by Interroll Holding AG). All equity-based compensation granted to these employees is valued at fair value at the grant date and recognized as personnel expense over the period until the vesting date. The fair value is calculated on the basis of the binomial method. Discounts granted to beneficiaries on the unconditional purchase of Interroll shares are recognized in the income statement at the grant date. Cash inflows resulting from equity-based participation plans are recognized as an increase in equity. Cash-compensated participation plans are recognized as other liabilities and are valued at fair value at the balance sheet date.

### Financial result

Interest expenses on loans and finance lease liabilities are recognized as financial expenses, whereas interest income on financial assets is recognized in financial income, both on an accrual basis. Moreover, the financial result includes foreign exchange gains and losses arising from the translation of items of the statement of financial position and transactions in foreign currencies as well as changes in the fair value of financial instruments.

### Income tax

Current income taxes are calculated on the statutory results of the Group companies at the enacted or substantively enacted tax rate. They also include adjustment charges and credit notes issued on previous years' results,

Changes in deferred taxes are generally recognized in the income tax item, unless the underlying transaction has been directly recognized in other comprehensive income. In such case the related income tax is also directly recognized in the statement of comprehensive income or in equity. Temporary differences resulting from initial recognition of assets and liabilities are not recognized in the income statement. Temporary differences on the participation value of subsidiaries are recognized except if the parent is able to control the timing of the reversal of temporary differences and it is probable that the temporary difference will not be reversed in the foreseeable future. Similarly, deferred tax effects from the initial recognition of assets/debts related to a transaction that does not affect the taxable result or the annual profit are not registered in the deferred tax expense or income.

Deferred taxes are calculated using local enacted or substantively enacted tax rates. The future benefits of tax loss carryforwards are recognized as an asset if it is probable that future taxable profits will be available to realize such benefits.

## 3 RISK MANAGEMENT

### 3.1 Operational and strategic risk management

Risk management at Group level supports strategic decision-making. Operational and strategic risk management coordinates and monitors risks arising from the economic activities of the Group.

A systematic operational and strategic risk analysis is performed annually by Group Management. In an annual strategy meeting, Group Management discusses and analyses such risks. The Board of Directors is regularly informed in a uniform manner of the nature of, scope of, assessment of and countermeasures in relation to the risks.

### 3.2 Financial risk management

#### **General information on the financial risk management of the Interroll Group**

The Group's businesses are exposed to various financial risks: market risk (including foreign currency, interest rate and price risks), credit risk and cash flow risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Board of Directors has supreme responsibility for risk management. To this end, the Board of Directors has delegated responsibility for the development and supervision of the risk management principles to the Audit Committee. The Audit Committee reports regularly to the Board of Directors.

The principles established for risk management are geared toward identifying and analyzing those risks that might impact the Group, defining adequate limits and implementing and adhering to risk controls. The risk management principles and the related procedures are regularly verified in order to reflect changing market conditions and operations of the Group. The goal is to develop management regulations and management processes as well as a disciplined and constructive control environment through existing training and guidelines to ensure that risks are handled in a disciplined, deliberate manner.

The Audit Committee supervises the management's monitoring of compliance with principles and processes. Their adequacy is continuously verified with respect to the risks that the Group is exposed to. The Audit Committee will be supported in this respect by the internal audit department.

Financial risk management is carried out by Group Treasury. Group Treasury identifies, evaluates and reduces financial risks in close cooperation with the Group's operating units and reports at regular intervals to the Audit Committee.

The following sections provide a summary of the scope of individual risks and the targets, principles and processes implemented for measuring, monitoring and hedging financial risks. Additional information on the financial risks is included in the notes to the consolidated financial statements (see note 6.9 Financial risks).

#### **Market risk**

Market risks to which the Interroll Group is exposed fall in the following three main risk categories:

##### ***a) Currency risk exposure***

The Group operates internationally and is exposed to foreign exchange risks arising from various currencies. Foreign exchange risks arise from future commercial transactions and from recognized assets and liabilities. To manage its foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Group operates an internal monthly "netting" process. Net exposure resulting from assets and liabilities recognized is partially reduced using forward currency contracts. Such contracts are entered into only with highly rated financial institutions. Furthermore, the decentralized structure of the Group contributes to a substantial reduction of foreign currency exchange risks.

**b) Interest rate risk**

Financial assets and liabilities contain interest-bearing loans at either a fixed or a variable rate. Related interest rate risks are disclosed in note 6.9.

**c) Price risk**

The Group is exposed to raw material price changes (steel, copper, technical polymers) as well as to price changes in financial liabilities and assets. These risks are generally not hedged. Risks from financial assets and liabilities are hedged under certain conditions (as described in note 2.3 Retained general accounting principles).

**Credit risk**

The risk of default is the risk of incurring a financial loss when a customer or a counterparty to a financial instrument does not fulfill its legal obligation. The default risk at Interroll exists on trade and other accounts receivable and on cash and cash equivalents.

A credit check is performed for any customers who exceed the EUR 5,000 credit limit before the order is executed. The credit check is also based on the credit information database provided by an international service provider that is a leader in this sector. Its software enables a credit limit to be determined for each individual customer based on available data using defined calculation formulas. This calculation formula is defined by the Interroll Group.

Accumulation of credit risks in trade and other accounts receivable is limited due to the large number of customers and their global distribution. The extent of credit risks is mainly determined by the individual characteristics of each single customer. The risk evaluation includes an assessment of creditworthiness by considering the customer's financial situation, its credit history and other factors. Sales and services are provided only to customers whose creditworthiness is verified by means of the process described above. A credit limit is defined for each customer. These limits are verified at least once a year.

Interroll invests its funds in short-term deposits at a multitude of banks with whom long-standing relationships exist. Such deposits have a maturity date shorter than 12 months. Likewise, transactions with derivative financial instruments are entered into only with major financial institutions. Interroll does not hold material open positions with any of these institutions.

The maximum credit risk from financial instruments corresponds to the carrying amount of each single financial asset. There are no guarantees or other liabilities that could increase the risk over the corresponding amount in the statement of financial position.

**Liquidity risk**

Liquidity risk is the risk that the Group cannot fulfill its financial obligations on time.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close market positions at any time. Due to the dynamic nature of the underlying business, Group Treasury aims to ensure funding by keeping committed credit limits available.

### 3.3 Capital risk management

#### Objectives and principles of capital risk management

The Interroll Group strives to safeguard its going concern status by defining and adhering to a strong equity base. This base reflects the business and balance sheet risks of the Group. The Group's refinancing should be adapted to suit the asset structure and allow further growth of the business. The distribution of a regular portion of the profits shall be made possible based on the realization of an appropriate return on equity.

#### Equity ratio targets and payout ratio

Based on the above targets and principles, Group Management aims for a long-term equity ratio of around 50%. The ordinary payout ratio is about 30% of net profits. This ratio may vary depending on the general economic outlook and planned future investment activities.

#### Key figures for capital risk management

The following table shows the key indicators with regard to capital risk management. Additional information can be found inside the cover of the Annual Report:

in CHF millions, if not noted otherwise	2022	2021
Total assets	545.7	538.5
Net financial assets	70.8	46.1
– Cash	79.3	68.5
– Finance liabilities (bank + leasing)	–8.5	–22.4
Operating cash flow	71.4	47.3
Equity	394.2	345.4
<b>Equity ratio (equity in % of assets)</b>	<b>72.2</b>	<b>64.1</b>
Result	82.8	80.6
<b>Return on equity (in %)</b>	<b>22.4</b>	<b>24.5</b>
Non-diluted earnings per registered share (in CHF)	100.91	98.08
Distribution per registered share (in CHF)	32.00	31.00
<b>Payout ratio per registered share (in %)</b>	<b>33.01</b>	<b>32.85</b>

#### Debt covenants

Debt covenants for committed credit facilities above CHF 40 million require a minimum equity ratio of 35% (see note 6.9 Financial risks).

## 4 CHANGES IN THE SCOPE OF CONSOLIDATION

### Changes in financial year 2022

In the financial year 2022 there was no acquisition of subsidiaries or business activities respectively. No change in scope consolidation occurred.

### Changes in financial year 2021

In the previous year, the business activities of MITmacher GmbH in Linz (Austria) were purchased by Interroll Holding AG, Switzerland.

### Allocation of net assets acquired

The following overview shows in summary paid purchase price for the acquisition as well as the values of the identified assets and liabilities as per acquisition date.

in CHF thousands	2022	2021
	Fair value	Fair value
Property, plant and equipment	-	25
Intangible assets (customer value)	-	8
Acquired Goodwill	-	393
Other receivables	-	138
Inventory	-	-
Trade receivables	-	40
Cash & cash equivalents	-	442
<b>Total assets</b>	<b>-</b>	<b>1,046</b>
Financial liabilities	-	101
Trade and other short-term accounts payables	-	429
Current tax liabilities	-	86
<b>Total liabilities</b>	<b>-</b>	<b>615</b>
<b>Total acquisition costs</b>	<b>-</b>	<b>431</b>

in CHF thousands	2022	2021
Cash settlement of acquisition	-	431
./. Purchase price retention	-	-442
<b>Net cash flow in acquisition</b>	<b>-</b>	<b>-11</b>



## 5 SEGMENT REPORTING

### Sales and non-current assets by geographical markets

Sales and non-current assets according to geographical markets is presented as follow:

in CHF thousands	Sales				Non-current assets			
	2022	in %	2021	in %	2022	in %	2021	in %
Germany	94,679	14.3	62,686	9.8	102,084	48.4	111,387	52.3
Other EMEA*	288,187	43.4	271,698	42.4	41,155	19.5	37,246	17.5
<b>Total EMEA*</b>	<b>382,865</b>	<b>57.6</b>	<b>334,384</b>	<b>52.2</b>	<b>143,239</b>	<b>67.9</b>	<b>148,633</b>	<b>69.8</b>
USA	189,960	28.6	182,703	28.5	33,628	16.0	34,172	16.1
Other Americas	31,642	4.8	30,098	4.7	4,247	2.0	1,474	0.7
<b>Total Americas</b>	<b>221,602</b>	<b>33.4</b>	<b>212,801</b>	<b>33.2</b>	<b>37,875</b>	<b>18.0</b>	<b>35,646</b>	<b>16.7</b>
China	27,540	4.1	43,998	6.9	22,187	10.5	20,705	9.7
Other Asia-Pacific	32,402	4.9	48,881	7.6	7,561	3.6	7,874	3.7
<b>Total Asia-Pacific</b>	<b>59,942</b>	<b>9.0</b>	<b>92,879</b>	<b>14.5</b>	<b>29,748</b>	<b>14.1</b>	<b>28,579</b>	<b>13.4</b>
<b>Total Group</b>	<b>664,409</b>	<b>100.0</b>	<b>640,063</b>	<b>100.0</b>	<b>210,862</b>	<b>100.0</b>	<b>212,858</b>	<b>100.0</b>

\* Europe, Middle East, Africa

Sales were broken down by invoice address. Non-current assets are disclosed excluding financial assets and deferred tax assets.

### Information about major customers

Sales are transacted with around 18,000 active customers. No customer accounts for more than 10% of Group sales.

### Sales by product group

in CHF thousands	2022	in %	2021	in %
Rollers	126,469	19.0%	134,586	21.0
Drives	211,839	31.9%	191,636	29.9
Conveyors & Sorters	263,503	39.7%	254,035	39.7
Pallet Handling	62,599	9.4%	59,806	9.3
<b>Total Group</b>	<b>664,409</b>	<b>100.0%</b>	<b>640,063</b>	<b>100.0</b>

### Timing of revenue recognition

Orders are recognized at a point in time with one exception. The exception concerns one minor maintenance contract in Singapore which is recognized over time. Most of the service business are Ad Hoc orders, for instance overhauling of drum motors. Such services are charged to the customer based on an hourly rate and are invoiced at a point in time.

## 6 NOTES TO THE CONSOLIDATED BALANCE SHEET

### 6.1 Property, plant & equipment

#### Movements of property plant & equipment

in CHF thousands	Land & building		Production equipment & machinery		Office equipment & motor vehicles		Assets under construction		Total	
	2022	2021	2022	2021	2021	2021	2022	2021	2022	2021
<b>COSTS</b>										
<b>At 1.1.</b>	<b>181,213</b>	<b>141,367</b>	<b>129,664</b>	<b>125,086</b>	<b>15,048</b>	<b>14,264</b>	<b>21,871</b>	<b>35,884</b>	<b>347,796</b>	<b>316,601</b>
Currency translation adj.	-7,222	-4,658	-3,667	-2,018	-627	-448	-606	-226	-12,122	-7,350
Additions	9,030	5,249	4,651	4,399	2,724	3,052	10,574	35,581	26,979	48,281
Disposals	-5,593	-2,003	-3,764	-3,463	-799	-1,828	-23	-	-10,179	-7,294
Reclassifications	15,187	41,258	4,295	5,651	49	-30	-19,953	-49,368	-422	-2,489
Acquisition	-	-	-	8	-	38	-	-	-	46
<b>At 31.12.</b>	<b>192,615</b>	<b>181,213</b>	<b>131,179</b>	<b>129,663</b>	<b>16,395</b>	<b>15,048</b>	<b>11,863</b>	<b>21,871</b>	<b>352,052</b>	<b>347,795</b>
<b>ACCUMULATED DEPRECIATION &amp; IMPAIRMENTS</b>										
<b>At 1.1.</b>	<b>(61,426)</b>	<b>(55,339)</b>	<b>(88,955)</b>	<b>(86,223)</b>	<b>(10,078)</b>	<b>(9,808)</b>			<b>(160,459)</b>	<b>(151,370)</b>
Currency translation adj.	2,128	1,394	2,526	1,514	403	268			5,057	3,176
Depreciation	-8,255	-7,925	-9,504	-9,729	-2,407	-2,329			-20,166	-19,983
Acquisition				-3		-17				-20
Disposals	2,910	442	3,516	3,204	736	1,604			7,162	5,250
Reclassifications	-	2	582	2,282	-	204			582	2,488
<b>At 31.12.</b>	<b>-64,643</b>	<b>-61,426</b>	<b>-91,835</b>	<b>-88,955</b>	<b>-11,346</b>	<b>-10,078</b>			<b>-167,824</b>	<b>-160,459</b>
<b>Property, plant &amp; equipment at 31.12.</b>	<b>127,972</b>	<b>119,787</b>	<b>39,344</b>	<b>40,708</b>	<b>5,049</b>	<b>4,970</b>	<b>11,863</b>	<b>21,871</b>	<b>184,228</b>	<b>187,336</b>
Capital commitments	55	8	718	4,014	-	-			773	4,022
Insurance value*	189,318	168,159	151,421	141,152	-	-			340,739	309,311

\* The insurance value of production equipment and machinery also covers other tangible assets.

#### Further notes to property, plant and equipment

In the opinion of Group Management, there were no risks at the end of the period under review which negatively impacted the carrying amount of fixed assets.

### 6.1.1 Leasing (IFRS 16)

#### Lease assets

in CHF thousands	31.12.2022	31.12.2021
<b>Carrying amount of lease assets</b>	<b>9,568</b>	<b>6,865</b>
of which		
– Land & building	8,746	6,018
– Production equipment & machinery	225	398
– Office equipment & motor vehicles	597	449
<b>Additions to lease assets</b>	<b>5,849</b>	<b>1,583</b>

#### Income statement

in CHF thousands	2022	2021
<b>Depreciation of lease assets</b>	<b>2,189</b>	<b>2,916</b>
of which		
– Land & building	1,805	2,425
– Production equipment & machinery	78	181
– Office equipment & motor vehicles	306	310
<b>Interest on lease liabilities</b>	<b>215</b>	<b>243</b>
<b>Variable lease payments</b>	<b>-</b>	<b>-</b>

#### Cash flow statement

in CHF thousands	2022	2021
<b>Total cash outflow for leases</b>	<b>1,854</b>	<b>2,741</b>

#### Lease liabilities by duration

in CHF thousands	31.12.2022	31.12.2021
Lease payments due within 6 months	1,177	1,404
Lease payments due within 7–12 months	1,564	1,404
Lease payments due within 1–5 years	3,984	3,033
Lease payments due after 5 years	2,822	11
<b>Lease payment</b>	<b>9,547</b>	<b>5,852</b>

**6.2 Non-current assets held for sale**

No non-current assets were held for sale, neither in the year under review nor in the previous year.

**6.3 Intangible assets****Movements of goodwill and intangible assets**

in thousands CHF	Goodwill		Software		Patents, technology and licenses		Customer relationships		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>COSTS</b>										
<b>At 1.1.</b>	<b>19,870</b>	<b>19,494</b>	<b>51,042</b>	<b>47,403</b>	<b>12,779</b>	<b>13,377</b>	<b>20,426</b>	<b>21,032</b>	<b>104,117</b>	<b>101,306</b>
Currency translation adj.	-392	-17	-165	-151	-598	-583	-891	-604	-2,047	-1,355
Additions	-	-	5,530	4,589	-	-	-	-	5,530	4,589
Disposals	-	-	-18	-741	-	-	-	-	-18	-741
Acquisition	-	393	-	10	-	-	-	-	-	403
Reclassifications	-	-	-	-68	-22	-15	22	-2	-	-85
<b>At 31.12.</b>	<b>19,478</b>	<b>19,870</b>	<b>56,388</b>	<b>51,042</b>	<b>12,159</b>	<b>12,779</b>	<b>19,557</b>	<b>20,426</b>	<b>107,582</b>	<b>104,117</b>
<b>ACCUMULATED AMORTIZATION &amp; IMPAIRMENTS</b>										
<b>At 1.1.</b>	<b>-3,126</b>	<b>-3,126</b>	<b>(42,781)</b>	<b>-40,722</b>	<b>(12,574)</b>	<b>-13,097</b>	<b>-20,115</b>	<b>-20,617</b>	<b>(78,596)</b>	<b>-77,562</b>
Currency translation adj.	-	-	127	109	590	573	878	618	1,595	1,300
Amortization	-	-	(3,784)	-2,975	-58	-65	-119	-119	-3,961	-3,159
Acquisition	-	-	-	-2	-	-	-	-	-	-2
Disposals	-	-	14	741	-	-	-	1	14	742
Reclassifications	-	-	-	68	22	15	-22	2	-	85
<b>At 31.12.</b>	<b>-3,126</b>	<b>-3,126</b>	<b>(46,424)</b>	<b>-42,781</b>	<b>-12,020</b>	<b>-12,574</b>	<b>-19,378</b>	<b>-20,115</b>	<b>-80,948</b>	<b>-78,596</b>
<b>Total intangible assets, net at 31.12.</b>	<b>16,352</b>	<b>16,744</b>	<b>9,964</b>	<b>8,261</b>	<b>139</b>	<b>205</b>	<b>179</b>	<b>311</b>	<b>26,634</b>	<b>25,521</b>

**Goodwill impairment tests**

The impairment tests are generally based on a three-year plan and are prepared on the basis of discounted future free cash flows (before taxes) (value in use). The growth rate is defined as a key assumption. No further growth was taken into account in extrapolating the data. The current medium-term planning assumes more expansion investments. Free cash flows were discounted at a pretax discount rate of 10.2% in the year under review (previous year: 8.9%), which reflects the market risk premium. The cash-generating unit (CGU) equals the Interroll Group. All decisions are made at the Interroll Group level.

**Sensitivity analysis of the goodwill impairment tests**

The sensitivity analysis carried out in both the reporting period and the previous year showed that the present value of future cash flows would still exceed the carrying amount even if the discount rate were to increase under normal circumstances. The growth rate was reviewed in regards to its sensitivity. This review led to the conclusion that the present value of future cash flows exceeds the carrying amount even in the event of zero growth.

**Software**

Of the accumulated acquisition costs, CHF 46.7 million (2021: CHF 43.9 million) relate to the development and implementation of the Group's SAP software. In the year under review, the additions to this process management system amounted to CHF 2.2 million (previous year: CHF 2.4 million). Amortization begins from the go-live date and ends after eight years.

In 2022, the technology platform for spend management Coupa went live and at the production site in Hiram (USA) the technical conditions for replacement of the old ERP system by SAP in the course of 2023 was created. In the previous year the local assembly in Brazil went live on SAP, process management for project-related execution of orders was further enhanced and supply chain-related processes were optimized.

**Patents and licenses**

Patents and licences are normally amortized on a straight-line basis over six years unless the life cycle is shorter. In the year under review and in the previous year, no essential patents or licenses were bought. A review was performed for indications of impairment in patents and licenses. Like in the previous year, there are no signs that would indicate an impairment of this value.

**Customer relationships**

Customer relationships are amortized on a straight-line basis over ten years unless the life cycle is shorter. In the year under review no new customer relationships were bought, nor were existing customer relationships assets depreciated ahead of time.

**6.4 Assets pledged or assigned**

There were no pledged assets neither in the year under review nor in the previous year.

**6.5 Inventories****Detailed overview on the positions belonging to the inventory**

in thousands CHF	31.12.2022	31.12.2021
Raw materials	98,937	108,945
Work in progress	20,826	20,423
Finished products	3,683	7,744
Valuation allowance	-16,089	-7,700
<b>Total inventory, net</b>	<b>107,357</b>	<b>129,412</b>

**Development of valuation allowance on inventory**

in CHF thousands	2022	2021
<b>Balance as per 1.1.</b>	<b>-7,700</b>	<b>-8,445</b>
Currency translation adjustment	439	35
Additions	-10,171	-1,248
Reductions	1,343	1,958
<b>Total valuation allowance on inventory as per 31.12.</b>	<b>-16,089</b>	<b>-7,700</b>

To face supply chain-related issues and to maintain the ability to guarantee reasonable delivery times towards Interroll customers, raw material stocks were significantly increased during the second half of 2021. Some of these stored raw materials later on showed no or slow turnover rates and therefore were value adjusted.

**6.6 Trade and other receivables****Detailed overview of trade and other accounts receivable**

Trade accounts receivable arise from deliveries and services relating to the Group's operating activities. VAT, withholding tax and other current receivables are included in other accounts receivable. The other accounts receivable are analyzed for valuation adjustment like trade receivables. There was no valuation adjustment necessary on other accounts receivable neither in the year under review nor in the previous year.

in CHF thousands	31.12.2022	31.12.2021
Trade accounts receivable from goods and services	122,127	106,438
Valuation allowance	-10,015	-9,950
<b>Total trade accounts receivable, net</b>	<b>112,112</b>	<b>96,488</b>
Prepaid expenses and accrued income	6,175	6,074
Prepayments for inventories	5,261	4,503
Other accounts receivable	11,308	7,774
Forward exchange dealing	1,284	-157
<b>Total other accounts receivable</b>	<b>24,028</b>	<b>18,194</b>
<b>Total trade and other accounts receivable, net</b>	<b>136,140</b>	<b>114,682</b>

**Aging and valuation allowances of trade accounts receivable**

Trade accounts receivable are due and specific/general valuation allowances have been raised as follows:

in CHF thousands	31.12.2022				31.12.2021			
	Gross	Valuation allowance		Net	Gross	Valuation allowance		Net
		individual	collective			individual	collective	
Not past due	69,136	-	-	69,136	69,351	-14	-	69,337
Past due 1-30 days	20,184	-	-	20,184	12,382	-2	-	12,380
Past due 31-60 days	9,859	-15	-	9,844	6,342	-6	-	6,336
Past due 61-90 days	5,354	-2	-	5,352	5,430	-	-	5,430
Past due > 90 days	17,594	(9,594)	(404)	7,596	12,933	-9,504	-424	3,005
<b>Total trade accounts receivable</b>	<b>122,127</b>	<b>(9,611)</b>	<b>(404)</b>	<b>112,112</b>	<b>106,438</b>	<b>-9,526</b>	<b>-424</b>	<b>96,488</b>

**Development of the individual and collective valuation allowances of trade accounts receivable**

The valuation allowances on trade accounts receivable from third parties developed as follows:

in CHF thousands	2022			2021		
	Valuation allowance					
	Total	individual	collective	Total	individual	collective
<b>At 1.1.</b>	<b>-9,950</b>	<b>-9,526</b>	<b>-424</b>	<b>-11,228</b>	<b>-10,785</b>	<b>-443</b>
Currency translation adjustment	355	335	20	-212	-231	19
Additions	-3,165	-3,165		-3,888	-3,888	-
Allowance used	130	130		264	264	-
Allowance reversed	2,615	2,615		5,114	5,114	-
<b>At 31.12.</b>	<b>-10,015</b>	<b>-9,611</b>	<b>-404</b>	<b>-9,950</b>	<b>-9,526</b>	<b>-424</b>

During the year under review, CHF 0.3 million (previous year: CHF 0.3 million) of irrecoverable trade receivables were written off. Furthermore, trade receivables of one substantial project were value adjusted. Sales are broadly diversified across geographical and industrial markets.

**Currencies in trade accounts receivable**

Trade accounts receivable reported in CHF are held in the following currencies:

in CHF thousands	31.12.2022	in %	31.12.2021	in %
EUR	55,441	45.4	48,092	45.2
USD	40,709	33.3	27,346	25.7
CNY	4,814	3.9	10,235	9.6
THB	2,346	1.9	2,465	2.3
DKK	3,482	2.9	2,571	2.4
all other currencies	15,335	12.6	15,729	14.8
<b>Total trade accounts receivable, gross</b>	<b>122,127</b>	<b>100.0</b>	<b>106,438</b>	<b>100.0</b>

**Regional breakdown of trade accounts receivable**

Trade accounts receivable can be broken down into the following geographical areas:

in CHF thousands	31.12.2022	in %	31.12.2021	in %
Europe, Middle East, Africa	66,543	54.5	55,727	52.4
Americas	44,849	36.7	30,220	28.3
Asia-Pacific	10,735	8.8	20,491	19.3
<b>Total trade accounts receivable, gross</b>	<b>122,127</b>	<b>100.0</b>	<b>106,438</b>	<b>100.0</b>

On average, trade accounts receivable are outstanding for 58 days (DSO). The respective values are 54 for Europe, 66 for the Americas and 37 for Asia. In the previous year, the DSO was 46 for the Group, 45 for Europe, 61 for the Americas and 26 for Asia.



**6.7 Cash and cash equivalents****Items included in cash and cash equivalents**

in CHF thousands	31.12.2022	31.12.2021
Cash on hand, bank and postal accounts	64,298	53,528
Current deposits	15,007	14,968
<b>Total cash and cash equivalents</b>	<b>79,305</b>	<b>68,496</b>

**Interest rates of cash and cash equivalents**

Interest rates on cash and cash equivalents vary between 0% (CHF) and 3% (BRL). The respective rates for the previous year were 0% (CHF) and 3% (BRL).

**Currencies held in cash and cash equivalents**

in %	31.12.2022	31.12.2021
EUR	26.0	11.0
CHF	1.0	1.0
CNY	34.0	39.0
USD	13.0	15.0
THB	2.0	1.0
JPY	1.0	-
KRW	9.0	21.0
BRL	1.0	1.0
ZAR	1.0	-
Other currencies	12.0	11.0
<b>Total cash and cash equivalents</b>	<b>100.0</b>	<b>100.0</b>

**Transfer limitations on cash and cash equivalents**

There are restrictions on cash and cash equivalents in countries like Brazil, South Korea and China, but no general limitations. These transfer restrictions do not have any impact on the operating activities.

## 6.8 Financial instruments

### Reconciliation from balance sheet items to valuation categories as per IFRS 9

The table below shows an overview of financial instruments held by valuation category according to IFRS 9:

in CHF thousands	31.12.2022	31.12.2021
Cash and cash equivalents	79,305	68,496
Trade and other accounts receivable without advances and foreign currency forward contracts	129,595	110,179
Financial assets	902	734
<b>Total financial assets at amortized cost</b>	<b>209,802</b>	<b>179,409</b>
Foreign currency forward contracts*	1,284	-157
<b>Total financial instruments at fair value</b>	<b>1,284</b>	<b>-157</b>
Trade and other accounts payable	80,401	100,426
Financial liabilities (incl. bank overdrafts)	8,477	22,402
<b>Total financial liabilities at carrying value</b>	<b>88,878</b>	<b>122,828</b>

\* see notes 6.9

Carrying amounts of cash and cash equivalents, trade and other accounts receivable and payable as well as financial assets correspond to fair value due to their short-term maturity. Customer receivables and other receivables do not include any advance payments for inventories as per IFRS 9, as such payments are not of a monetary nature, but rather a payment in kind. Financial assets are due predominantly within approximately two years and their net present values correspond very closely to their carrying amounts.

Interroll only has financial assets in the form of foreign currency forward contracts that are allocated to level 2 in the fair value hierarchy. Level 2 consists of inputs that are observable for assets and liabilities, either directly (as prices) or indirectly (derived from prices).

## 6.9 Financial risks

### Currency risk exposure

Due to its international focus, the Interroll Group is exposed to foreign currency risks. Risk exposure results from transactions in currencies deviating from the entity's functional currency.

The following table shows the major currency risks at the respective balance sheet date:

in CHF thousands	31.12.2022					31.12.2021				
	EUR	CHF	USD	SGD	CNY	EUR	CHF	USD	SGD	CNY
Financial assets	3	75	-	-	-	3	75	-24	-	-
Trade and other accounts receivable	8,421	297	9,794	40	506	12,410	416	9,608	131	945
Cash and cash equivalents incl. intercompany loans	7,733	15,085	26,170	-	46	5,777	19,096	2,540	-	22
Financial liabilities	-	-	1,569	-	-	-	-	695	-	-
Trade and other accounts payable	12,138	16,110	2,607	-	2,340	14,624	8,982	3,882	-	3,059
Current liabilities	829	10,557	122	1,033	-	1,453	10,000	646	1,352	-
<b>Currency risks on the balance sheet (gross)</b>	<b>29,124</b>	<b>42,124</b>	<b>40,262</b>	<b>1,073</b>	<b>2,892</b>	<b>34,267</b>	<b>38,569</b>	<b>17,347</b>	<b>1,483</b>	<b>4,026</b>
Elimination same currency	-25,934	-30,914	-8,596	-82	-1,104	-20,881	-28,459	-10,407	-	-88
<b>Currency risks on the balance sheet (net)</b>	<b>3,190</b>	<b>11,210</b>	<b>31,666</b>	<b>991</b>	<b>1,788</b>	<b>13,386</b>	<b>10,110</b>	<b>6,940</b>	<b>1,483</b>	<b>3,938</b>
Natural hedges	-1,613	-1,369	-	-60	-631	-2,374	-822	-	-48	-923
FX forward contracts	-4,582	-13,472	-21,052	-972	-530	-1,148	-3,688	-4,443	-979	-1,430
<b>Net currency risk exposure</b>	<b>-3,005</b>	<b>-3,631</b>	<b>10,614</b>	<b>-41</b>	<b>627</b>	<b>9,864</b>	<b>5,600</b>	<b>2,497</b>	<b>456</b>	<b>1,585</b>

The currency risk on the balance sheet (gross) is equal to the sum of the value of all positions in the balance sheet that are held in a different currency than the functional currency of a company. Such positions contain both group internal as well as external amounts. In a first step, all of those risks are added up because a currency risk can arise on the debit as well as on the credit side of the balance sheet. The total is then disclosed as currency risk on the balance sheet (gross). The risk of each currency group is translated into CHF at the closing rate and added up to total Group values. "Elimination equal currency" results from setting off short positions versus long positions of currency risks which exist in the same foreign currency deviating from the functional currency and which are presented in the same group entity. Natural hedges result from netting out currency risks among all group entities. The amount disclosed in line "FX forward contracts" (foreign currency forward contracts) corresponds to the amount actually hedged and translated into CHF. Changes in the valuation of fair value hedges are recognized in the financing result (see note 7.5). The table only contains the material foreign currency risks. All others are regarded to be immaterial in both years.

Net investments in foreign subsidiaries are long-term investments. Such investments are exposed to currency fluctuation, because they are held in another currency than the Group's functional currency. From a macroeconomic and long-term point of view, the currency exchange effects should be neutralized by the inflation rate at the subsidiaries, domicile. Due to this reason and also due to costs for respective derivative instruments, the Group does not hedge such risks.

**Foreign currency forward contracts**

The Group prepares regularly a rolling forecast of foreign currency cash flows. 0–50% of such budgeted, future foreign currency flows may be hedged through forward contracts. At the end of the year under review, there were no open cash flow hedges held by the Group (in previous year no open cash flow hedges).

The notional amount corresponds to the hedged balance sheet risk, translated into CHF. With derivative financial instruments, the Group hedges normally 50–100% of its net currency risks on the balance sheet.

The following table shows the open currency forward contracts held by the Group at year-end:

in CHF thousands		31.12.2022			31.12.2021		
Hedged currency	Sell/buy	Maturity	Notional amount in CHF	Fair value	Sell/buy	Notional amount in CHF	Fair value
EUR	EUR/CNY	Feb 23	1,297	-67			
EUR	EUR/TRY				EUR/TRY	530	-120
EUR	GBP/EUR	Feb 23	1,249	18			
EUR	EUR/CZK	Feb 23	878	25			
EUR	EUR/PLN	Feb 23	1,158	62			
EUR	EUR/SGD				EUR/SGD	619	-14
CHF	USD/CHF	Feb 23	1,052	65	USD/CHF	1,628	19
CHF	EUR/CHF	Feb 23	12,420	-162	CHF/EUR	3,688	-103
USD	USD/EUR	Feb 23	18,787	1,398	EUR/USD	2,815	-57
USD	MEX/USD	Feb 23	717	-27			
USD	USD/CNY	Feb 23	514	15			
USD	USD/CAD	Feb 23	1,034	16			
SGD	SGD/CHF	Jan 23	972	8	SGD/CHF	1,347	4
CAD	CHF/CAD	Jan 23	2,980	20	CHF/CAD	2,855	28
CNY	CNY/AUD				CNY/AUD	1,430	48
CNY	KRW/CNY	Feb 23	530	-48			
AUD	AUD/CHF	Jan 23	2,133	42	AUD/CHF	1,967	20
CZK	CHF/CZK	Jan 23	3,107	30	CHF/CZK	2,675	29
GBP	CHF/GBP	Jan 23	2,926	-29	GBP/CHF	2,685	28
KRW	CHF/KRW	Mar 23	2,142	15			
PLN	CHF/PLN	Jan 23	1,233	14	CHF/PLN	851	7
THB	THB/CHF	Feb 23	3,167	-94	THB/CHF	3,063	-2
THB	THB/EUR	Feb 23	1,475	-25	THB/EUR	1,386	-44
ZAR	ZAR/EUR	Feb 23	710	8			
<b>Total derivative financial instruments</b>				1,284			-157

**Sensitivity analysis of currency risk exposure**

As per year-end, a sensitivity analysis was carried out in respect to financial instruments. The sensitivity analyses calculates the effect of FOREX – changes on the major currency pairs within the Group. These risks particularly result from different currencies between costs for production and invoicing currency to the customers. Assumed currency fluctuations would have the following effects on the foreign currency positions in the balance sheet:

in CHF thousands	31.12.2022			31.12.2021		
	EUR vs. CHF	CHF vs. USD	CAD vs. USD	EUR vs. CHF	CHF vs. USD	CAD vs. USD
Currency pair						
Financial assets	75	–	–	75	–	–
Trade and other receivables	–4,167	574	573	–	359	156
Cash and cash equiv. incl. IC-loans	14,944	3	631	19,077	111	656
Trade and other payables	5,192	–970	51	1,130	–	–
Current liabilities	10,557	–	–	10,000	–	–
<b>Gross exposure per currency pair</b>	<b>26,600</b>	<b>–394</b>	<b>1,256</b>	<b>30,282</b>	<b>470</b>	<b>812</b>
Risks opposing each other	–21,703	1,940	–102	–26,168	3,360	1,900
FX forward contracts	–12,420	–1,052	–1,034	3,688	1,628	–
<b>Net FX exposure per currency pair</b>	<b>–7,523</b>	<b>495</b>	<b>119</b>	<b>7,802</b>	<b>5,458</b>	<b>2,712</b>
Currency change in %	5	1	6	1	2	7
<b>Effect on the result (+/-)</b>	<b>370</b>	<b>6</b>	<b>8</b>	<b>62</b>	<b>120</b>	<b>193</b>
Income tax expense at 19.6% (previous year: 17.5%)	–73	–1	–1	–11	–21	–34
<b>Net FX exposure after income taxes</b>	<b>297</b>	<b>5</b>	<b>6</b>	<b>51</b>	<b>99</b>	<b>159</b>

Analogous to the currency risk analysis, the net risks of currency pairs are summed up. The position “Risks opposing each other” is a result of netting out those risks that are contrary to each other. The disclosed amount in line “FX forward contracts” equals to the total of hedged currency risks of a currency pair. It is also deducted from the gross risk as it deviates linearly with the fluctuation of the currency. The income taxes are calculated in line with the expected tax rate for the Group (see note 7.6).

**Interest rate risks**

As at the balance sheet date, the Interroll Group held net financial assets of CHF 15.0 million (previous year: CHF 15.0 million, see also note 6.12). These comprise CHF 15.6 million (previous year: CHF 15.7 million) in financial assets, of which CHF 0.6 million (previous year: CHF 0.7 million) are non-interest-bearing. In the year under review no bank loans are reported (previous year: CHF 17.1 million). The portion of non-interest-bearing financial assets was immaterial in both years under review.

The following table divides interest-bearing assets and liabilities into fixed and variable and also shows non-interest-bearing positions within financial assets and liabilities. A change of the interest rate would have had no effect onto the equity because the Group currently does not hold any cash flow hedges to hedge currency risks and because there are no assets held for sale at a fixed interest rate. The Group regularly monitors its interest risks and reserves the possibility to hedge such in future.

in CHF thousands	31.12.2022					31.12.2021				
	Nom. int. rate in %	Carrying amounts	Basis points		Nom. int. rate in %	Carrying amounts	Basis points			
			+100	-100			+100	-100		
<b>FINANCIAL ASSETS</b>										
Fixed interest rate	0.4–3.0	2,873			0.1–3.0	14,889	–	–		
Variable interest rate	2.0–2.6	12,134	121	–121	0.4–2.5	79	1	–1		
Not-interest-bearing	–	580			–	733	–	–		
<b>Total deposits</b>		<b>15,587</b>	<b>121</b>	<b>–121</b>		<b>15,701</b>	<b>1</b>	<b>–1</b>		
Cash on hand, bank and postal accounts		64,298				53,528	–	–		
Trade and other receivables w/o advance payments		130,879				110,179	–	–		
<b>Total other financial assets</b>		<b>195,177</b>	<b>–</b>	<b>–</b>		<b>163,707</b>	<b>–</b>	<b>–</b>		
<b>Total financial assets</b>		<b>210,764</b>	<b>121</b>	<b>–121</b>		<b>179,408</b>	<b>1</b>	<b>–1</b>		
<b>FINANCIAL LIABILITIES</b>										
Fixed interest rate		–	–	–	0.5	17,135	–	–		
<b>Total bank loans</b>		<b>–</b>	<b>–</b>	<b>–</b>		<b>17,135</b>	<b>–</b>	<b>–</b>		
Bank overdrafts		–	–	–		98	–	–		
Trade and other accounts payable		80,401				100,583	–	–		
Financial liabilities		8,477				22,304	–	–		
<b>Total trade and other accounts payable</b>		<b>88,878</b>	<b>–</b>	<b>–</b>		<b>122,985</b>	<b>–</b>	<b>–</b>		
<b>Total financial liabilities</b>		<b>88,878</b>	<b>–</b>	<b>–</b>		<b>140,120</b>	<b>–</b>	<b>–</b>		
<b>Net financial liabilities</b>		<b>121,886</b>	<b>121</b>	<b>–121</b>		<b>39,288</b>	<b>1</b>	<b>–1</b>		

**Sensitivity analysis of interest risks**

Interest sensitivity is only calculated on interest-bearing items of the balance sheet. No effect is calculated on items bearing interest at a fixed rate. In these cases, calculations were performed only for interest rate reductions of no more than the interest rates concerned. As per the above analysis, the Group's annual result would have changed by CHF 0.12 million if there had been a 1 percentage point increase or decrease in interest rates. In the previous year, an increase in the interest rate of 1 percentage point would have changed the Group's result slightly (rounded CHF 0.00 million).

**Liquidity risk**

The Group performs comprehensive liquidity planning on a quarterly basis. The Group holds liquidity reserves in the form of committed and uncommitted credit lines in order to satisfy unexpected and extraordinary liquidity requirements.

**Credit facilities and debt covenants**

The amount of unused credit facilities as at the end of the reporting year amounted to CHF 67.4 million (2021: CHF 50.8 million).

Committed credit limits amounted to CHF 40.0 million, of which CHF 40.0 million were extended for a further three years in 2021 under the same terms. They safeguard funding of the future investment program and generally serve to finance the business. The Group has always complied with the agreed debt covenants, which are as follows:

EBITDA	= min. 4.0 × net interest costs
Net debt	= max. 3.0 × EBITDA
Equity	= min. 35% of total assets

The aging of the financial liabilities is disclosed in note 6.12 (see "Aging of financial liabilities").

**6.10 Information on shareholder's equity****Reconciliation from total issued shares to the outstanding shares**

	2022	2021
<b>Issued shares par value CHF 1.00 each</b>	<b>854,000</b>	<b>854,000</b>
<b>Own shares held by the Group as per 1.1.</b>	<b>34,794</b>	<b>28,620</b>
Purchase of own shares		6,500
Attribution of shares relating to bonus plan	-184	-326
Sales of shares	-1,675	-
<b>Treasury shares held by the Group as per 31.12.</b>	<b>32,935</b>	<b>34,794</b>
thereof unreserved	32,935	34,794
<b>Shares outstanding as per 31.12.</b>	<b>821,065</b>	<b>819,206</b>

## 6.11 Earnings per share

### Undiluted earnings per share

The undiluted earnings per share in 2022 amount to CHF 100.91 (previous year: CHF 98.08). The calculation is based on the profit attributable to the equity holders of the parent company, divided by the weighted average of shares outstanding.

	2022	2021
<b>Result attributable to the equity holders (in CHF thousands)</b>	<b>82,783</b>	<b>80,600</b>
<b>Shares outstanding as per 1.1.</b>	<b>819,206</b>	<b>825,380</b>
Effect of the purchase of treasury shares	–	–3,871
Effect of the sale/attribution of treasury shares	1,163	291
<b>Weighted average of shares outstanding as per 31.12.</b>	<b>820,369</b>	<b>821,800</b>
<b>Undiluted earnings per share (in CHF)</b>	<b>100.91</b>	<b>98.08</b>

### Diluted earnings per share

There were no dilutive effects during the year under review and the previous year.

	2022	2021
<b>Result attributable to the equity holders (in CHF thousands)</b>	<b>82,783</b>	<b>80,600</b>
<b>Weighted average of shares outstanding (diluted)</b>	<b>820,369</b>	<b>821,800</b>
<b>Diluted earnings per share (in CHF)</b>	<b>100.91</b>	<b>98.08</b>

## 6.12 Financial liabilities

### Details of current and non-current financial liabilities

in CHF thousands	31.12.2022	31.12.2021
Bank overdrafts	–	98
Bank loans	–	17,135
Lease liabilities (finance + operating)	259	127
<b>Total current financial liabilities</b>	<b>259</b>	<b>17,360</b>
Lease liabilities (finance + operating)	8,218	5,042
<b>Total non-current financial liabilities</b>	<b>8,218</b>	<b>5,042</b>
<b>Total financial liabilities</b>	<b>8,477</b>	<b>22,402</b>



**Net financial liabilities to equity ratio**

in CHF thousands	31.12.2022	31.12.2021
Total financial liabilities	8,477	22,402
./. Cash and cash equivalents	-79,305	-68,496
<b>Net financial liabilities (-net cash)</b>	<b>-70,828</b>	<b>-46,094</b>
<b>Equity</b>	<b>394,193</b>	<b>345,428</b>
<b>Net financial debt in % of the equity</b>	<b>n/a</b>	<b>n/a</b>

**Loan structure**

in CHF thousands						2022	2021	
	Currency	Weighted av. interest rate	Interest due fixed/variable	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Bank loans	CHF/EUR	0.50 %	fix	2022	-	-	17,135	17,135
<b>Total loans</b>					<b>-</b>	<b>-</b>	<b>17,135</b>	<b>17,135</b>

**Maturities of financial liabilities.**

The financial liabilities as at December 31, 2022, are due as follows:

in CHF thousands	Carrying amount	Face value (undiscounted)	within 6 months	within 7-12 months	within 1-5 years	> 5 years
Bank loans	-	-	-	-	-	-
Other loans	-	-	-	-	-	-
Bank overdrafts	-	-	-	-	-	-
Trade/other accounts payable*	80,401	80,401	80,401	-	-	-
Lease liabilities	8,477	9,547	1,177	1,564	3,984	2,822
<b>Total financial liabilities</b>	<b>88,878</b>	<b>89,948</b>	<b>81,578</b>	<b>1,564</b>	<b>3,984</b>	<b>2,822</b>

\* An aging analysis is not readily available. Based on past experience, it can be reliably assumed that the full amount is due within less than six months.

The financial liabilities as at December 31, 2021, are due as follows:

in CHF thousands	Carrying amount	Face value (undiscounted)	within 6 months	within 7-12 months	within 1-5 years	> 5 years
Other loans	17,135	17,135		17,135		
Bank overdrafts	98	98	98			
Trade/other accounts payable*	100,583	100,583	100,583			
Lease liabilities	5,169	5,289		2,568	2,710	11
<b>Total financial liabilities</b>	<b>122,985</b>	<b>123,105</b>	<b>100,681</b>	<b>19,703</b>	<b>2,710</b>	<b>11</b>

\* An aging analysis is not readily available. Based on past experience, it can be reliably assumed that the full amount is due within less than six months.

## 6.13 Provisions

### Movements in provisions

in CHF thousands	Warranties		Other provisions		Total	
	2022	2021	2022	2021	2022	2021
<b>At 1.1.</b>	<b>9,197</b>	<b>8,784</b>	<b>867</b>	<b>766</b>	<b>10,064</b>	<b>9,550</b>
Currency translation adjustments	-341	-10	-99	-55	-440	-65
Provisions made	4,002	4,006	1,166	2,005	5,168	6,011
Provisions used	-2,482	-1,848	-140	-218	-2,622	-2,066
Provisions reversed	-1,483	-1,735	-239	-1,631	-1,722	-3,366
<b>At 31.12.</b>	<b>8,893</b>	<b>9,197</b>	<b>1,555</b>	<b>867</b>	<b>10,448</b>	<b>10,064</b>

### Warranty provisions

The Group companies normally grant a 24-month warranty. The warranty provision is recognized on the basis of past experience as well as on existing warranty claims for specific projects. The warranty provision is about 1.34% (previous year: 1.44%) of sales.

### Other provisions

The other provisions mainly include provisions for litigation.

## 6.14 Employee benefits

The employee benefits recognized in the income statement for 2022 amounted to CHF 2.6 million (previous year: CHF 3.5 million). Pension costs consist of employer contributions relating to the defined contribution plans and pension costs relating to the defined benefit plans and other long-term employee benefits.

The pension plans in Switzerland and France are classified as defined benefit plans under IAS 19. In 2022, 214 people participated in these defined benefit plans; in the previous year, the number was 218. The Swiss plan is fully incorporated under a collective foundation. The French plan is funded by insurance. For the defined benefit plans, the pension costs in each period are calculated on the basis of an actuarial valuation. The deficit or excess of the fair value of plan assets over the present value of the defined benefit obligation is recognized as a liability or an asset on the balance sheet. Actuarial gains and losses arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and actual developments. They are recognized in the statement of comprehensive income. It can be assumed that the assets of both plans do not include Interroll shares.

**Components of defined benefit cost**

in CHF thousands	2022	2021
<b>Costs of the defined contribution plans</b>	<b>2,263</b>	<b>1,501</b>
Past service costs incl. curtailment	-548	1,049
Result from non-routine settlements	0	-424
Current service costs, net	857	1,309
Administrative expenses	25	30
Interest costs	35	20
<b>Costs of the defined benefit plans</b>	<b>369</b>	<b>1,984</b>
Effects of changes in demographic assumptions	-	-985
Effects of changes in financial assumptions	-3,737	-290
Effects of experience assumptions	-685	-1,040
Result on plan assets (excl. interest income)	1,795	-1,796
<b>Remeasurements included in other income</b>	<b>-2,627</b>	<b>-4,111</b>
<b>Defined benefit costs</b>	<b>5</b>	<b>-626</b>

The expected employer's contributions will not differ materially in future years from current contributions, provided the number of employees remains stable.

**Amounts recognized in the statement of financial position**

in CHF thousands, per 31.12.	2022	2021
Present value of defined benefit obligation	-13,425	-17,715
Fair value of plan assets	9,735	11,109
Long-term employee benefits	-397	-
<b>Pension liability</b>	<b>-4,087</b>	<b>-6,606</b>

**Roll forward of the defined benefit obligation**

in CHF thousands	2022	2021
<b>Benefit obligation as per 1.1.</b>	<b>-17,715</b>	<b>-33,557</b>
Past service costs incl. curtailment	548	-1,049
Current service costs, net	-857	-1,309
Interest costs	-145	-58
Contributions from employees	-599	-494
Benefits (funded)/paid, net	860	10,863
Benefits (funded)/paid, net from employer	42	49
Translation difference	19	39
Liabilities extinguished on settlement	0	5,486
Remeasurements		
- Effects of changes in demographic assumptions	0	985
- Effects of changes in financial assumptions	3,737	290
- Effects of experience assumptions	685	1,040
<b>Benefit obligation as per 31.12.</b>	<b>-13,425</b>	<b>-17,715</b>

**Roll forward of the present value of plan assets**

in CHF thousands	2022	2021
<b>Fair value of plan assets as per 1.1.</b>	<b>11,109</b>	<b>24,095</b>
Administrative expenses	-25	-30
Interest income	110	38
Employer contributions	599	645
Employee contributions	599	494
Assets distributed on settlements	0	-5,062
Benefits (funded)/paid, net	-860	-10,863
Translation difference	-2	-4
Result of plan assets	-1,795	1,796
<b>Fair value of plan assets as per 31.12.</b>	<b>9,735</b>	<b>11,109</b>

**Investment categories**

in CHF thousands, per 31.12.	2022	2021
Equities (quoted market prices)	2,875	2,594
Bonds (quoted market prices)	2,503	4,143
Real estate (other than quoted market prices)	1,576	657
Real estate (direct investments)	742	1,607
Alternative investments (quoted market prices)	1,483	1,134
Qualified insurance policies*	463	734
Cash	93	240
<b>Total investments</b>	<b>9,735</b>	<b>11,109</b>

\* These assets are fully invested by the collective foundation of the pension fund insurer in qualified insurance policies with the pension fund insurer (SwissLife).

**Net defined benefit liability (asset) reconciliation**

in CHF thousands	2022	2021
<b>Net defined benefit liability as per 1.1.</b>	<b>-6,606</b>	<b>-9,462</b>
Defined benefit costs included in P/L	-369	-1,984
Total remeasurements included in OCI	2,627	4,111
Employer contributions	641	694
Other long-term employee benefits	-397	-
Translation difference	17	35
<b>Net defined benefit liability as per 31.12.</b>	<b>-4,087</b>	<b>-6,606</b>

**Actuarial assumptions**

in %	2022	2021
Discount rate	2.3	0.3
Future salary increases	2.0	1.1
Expected benefit increases	0.0	0.0
Fluctuation rate	10.0	10.0
Mortality probabilities	BVG 2020	BVG 2020
Weighted modified duration in years	17.0	20.4

**Sensitivities**

Discount rates and future salary increases are considered essential actuarial assumptions. The following effects are expected:

<b>Discount rate</b>	<b>2.31%</b>	<b>+0.25%</b>	<b>-0.25%</b>
Benefit obligation	-13,425	-12,862	-14,023
<b>Rate of salary increase</b>	<b>2.02%</b>	<b>+0.25%</b>	<b>-0.25%</b>
Benefit obligation	-13,425	-13,502	-13,346

Sensitivities are based on possible changes that are likely as at the end of 2022.

**6.15 Trade and other accounts payable, accrued expenses**

in CHF thousands	<b>31.12.2022</b>	<b>31.12.2021</b>
Trade accounts payable to third parties	22,235	38,550
<b>Total trade accounts payable</b>	<b>22,235</b>	<b>38,550</b>
Other liabilities	17,843	13,973
Advances received from customers	40,323	48,060
<b>Total other accounts payable</b>	<b>58,166</b>	<b>62,033</b>
Accrued personnel expenses	8,957	9,932
Accrued interest	5	5
Other accrued expenses	12,258	22,795
<b>Total accrued expenses</b>	<b>21,220</b>	<b>32,732</b>
<b>Total trade and other accounts payable, accrued expenses</b>	<b>101,621</b>	<b>133,315</b>

Advances received from customers mainly relate to larger projects within the product groups “Conveyors & Sorters” and “Pallet Handling.” Other liabilities include VAT and social security-related liabilities. Accrued personnel expenses relate to accrued vacation and bonuses.

Advance payments received from customers correspond to the contractual liabilities according to IFRS 15.116(a).

Sales are realized following the final approval of the respective project.

The major part of advances received from customers existing at the beginning of 2022 were recognized as revenue during the period under review. Due to supply chain issues a few customers (system integrators) had to postpone some projects into the next year.

The main changes in the inventory of advance payments received from customers for the current period are as follows:

in CHF thousands	<b>2022</b>	<b>2021</b>
<b>Opening balance of advances received from customers as per 1.1.</b>	<b>48,060</b>	<b>41,918</b>
- Revenue recognized that was included in the advances received from customers' balances at the beginning of the period	-40,345	-39,590
- Increases due to cash received, excl. amounts recognized as revenue during the period	33,267	45,738
Currency translation adj.	-659	-6
<b>Closing balance of advances received from customers as per 31.12.</b>	<b>40,323</b>	<b>48,060</b>

## 7 NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 7.1 Personnel expenses

#### Details of personnel expenses and number of employees

in CHF thousands	2022	2021
Wages and salaries	137,032	136,217
Social security costs	20,675	21,115
Pension costs (see note 6.14)	2,632	3,485
Other personnel-related costs	5,046	4,251
Equity-based personnel expenses to management personnel	607	889
<b>Total personnel expenses</b>	<b>165,992</b>	<b>165,957</b>
Thereof production-related personnel expenses	76,822	77,204
Average number of employees	2,500	2,421

In the year under review, a total of 189 treasury shares (previous year: 326) were allocated to senior employees under bonus plans, of which 184 shares (previous year: 321 shares) are subject to a sales restriction of four years (from the date of allocation). The shares were measured at market value on the grant date.

### 7.2 Research and development expenditures

These expenses are mostly incurred to further develop and complete the product ranges. They are included in personnel and other operational expenses as well as in depreciation of fixed tangible assets. No expenses have been capitalized as the preconditions stated in IAS 38 are not met cumulatively.

The Group incurred the following expenses for research and development during the years under review:

in CHF thousands	2022	2021
Research and development (R&D) expenditures	11,228	12,182
R&D in % of sales	1.69	1.90

### 7.3 Other operating expenses

in CHF thousands	2022	2021
Production-related expenses	13,108	14,368
Freight	16,649	19,761
Office, administration and IT services	13,619	11,258
Building costs	5,820	5,682
Traveling and transportation	6,715	4,639
Marketing	5,760	5,074
Consultancy, auditing and insurance	7,735	9,343
Provisions and allowances, net	-1,858	1,944
Variable sales costs	3,285	275
Non-income taxes	2,883	2,746
Other expenses and services	4,888	3,767
<b>Total other operating expenses</b>	<b>78,604</b>	<b>78,857</b>

## 7.4 Other operating income

in CHF thousands	2022	2021
Income from freight and packing	2,406	2,206
Income from services	228	152
Government grants received	681	541
Gain on disposal of tangible and intangible assets	590	343
<b>Total other operating income</b>	<b>3,905</b>	<b>3,242</b>

## 7.5 Financial result

in CHF thousands	2022	2021
Realized translation losses	-	-805
Realized translation expenses	-3,674	-
Interest expenses	-437	-278
<b>Financial expenses</b>	<b>-4,111</b>	<b>-1,083</b>
Realized translation result, net	-	166
Realized translation losses	1,279	-
Fair value changes of foreign currency forward contracts	1,441	170
Interest income	955	680
<b>Financial income</b>	<b>3,675</b>	<b>1,016</b>
<b>Financial result, net</b>	<b>-436</b>	<b>-67</b>

## 7.6 Income tax expense

### Components of income tax expense

in CHF thousands	2022	2021
Income taxes relating to the current period	21,456	21,827
Income taxes relating to past periods, net	-233	-1,939
<b>Current income tax expense</b>	<b>21,223</b>	<b>19,888</b>
Due to temporary differences	1,404	-1,086
Due to tax rate changes	5	-249
Due to (recognition)/use of tax loss carryforwards	-696	10
Adjustments to deferred tax assets		109
Other effects (including acquisition)	60	-1
<b>Deferred income tax expense/(income)</b>	<b>773</b>	<b>-1,217</b>
<b>Total income tax expense</b>	<b>21,996</b>	<b>18,671</b>

Taxes on capital are included in other operating expenses (see note 7.3).

Deferred tax liabilities of CHF 1.4 million (previous year: CHF 1.0 million) have not been recognized for withholding and other taxes on the un-remitted earnings. Such distributable earnings which are subject to withholding tax are normally left in the respective companies.

**Reconciliation of effective tax rate**

in CHF thousands	2022	2021
<b>Result before income taxes</b>	<b>104,779</b>	<b>99,271</b>
Income tax expense at the expected tax rate of 19.6% (previous year: 17.5%)	20,495	17,382
(Tax credits)/tax charges on prior years' results, net	-233	-1,939
Effect from deviation to tax rates in Group companies	491	11,882
Tax rate changes, net	-662	-249
(Non-taxable income)/non-tax deductible expenses, net	2,249	-8,595
(use of unrecognized tax losses)/effect of unrecognized tax losses on the current year's result, net	-380	81
(Reversal of)/write offs on deferred tax assets, net	36	109
<b>Effective (total) income tax expense</b>	<b>21,996</b>	<b>18,671</b>

The income tax expense analysis is based on the weighted average of the expected tax rates within the Interroll Group.

**Tax effects on and expiry dates of carried forward losses**

in CHF thousands	2022		2021	
	not activated	activated	not activated	activated
<b>Expiry:</b>				
Expiry within 12 months	69	-	-	-
Expiry in 1-2 years	140	-	221	-
Expiry in 2-3 years	53	-	159	-
Expiry in 3-4 years	1,194	-	60	419
Expiry in 4-5 years	392	-	1,031	-
Expiry in 5-6 years	-	-	-	-
Expiry in 6-7 years	201	663	-	-
Expiry in more than 7 years	1,559	2,819	4,400	-
<b>Total</b>	<b>3,608</b>	<b>3,481</b>	<b>5,871</b>	<b>419</b>
Tax benefit	939	696	1,441	84
Thereof unrecognizable	-939	-	-1,441	-
<b>Deferred tax assets from carried forward losses</b>	<b>-</b>	<b>696</b>	<b>-</b>	<b>84</b>

New loss carryforwards of CHF 0.7 million resulted in a potential tax credit of CHF 0.1 million in 2022. In the period under review, tax assets of CHF 0.7 million were capitalized. In the previous year, new loss carryforwards of CHF 1.4 million resulted in a potential tax credit of CHF 0.3 million.

Deferred tax assets on unused tax losses carried forward and based on temporary differences are capitalized in case it is probable that such assets can be offset against future taxable profits. No deferred tax assets are reported on the balance sheet for the other loss carryforwards due to the not foreseeable potential for offsetting. The majority of unrecognized deferred taxes on loss carryforwards are loss carryforwards from Brazil and Thailand.



**Attribution of deferred tax assets/liabilities to balance sheet items**

in CHF thousands	31.12.2022		31.12.2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	113	185	2,789	231
Property, plant and equipment	1,686	5,015	1,879	3,943
Financial assets	873	65	–	2,767
Inventory	5,290	495	3,501	303
Benefits of loss carryforwards	696	–	84	–
Receivables	395	332	636	136
<b>Total assets</b>	<b>9,054</b>	<b>6,092</b>	<b>8,889</b>	<b>7,380</b>
Non-current debts	1,420	–	1,238	–
Provisions	2,312	1,550	4,329	2,327
Current debts	382	15	2,232	477
Other liabilities	79	1	502	10
<b>Total liabilities</b>	<b>4,193</b>	<b>1,567</b>	<b>8,301</b>	<b>2,814</b>
Set-off	–3,792	–3,792	–8,414	–8,414
<b>Total net</b>	<b>9,454</b>	<b>3,867</b>	<b>8,776</b>	<b>1,780</b>

Deferred tax assets and deferred tax liabilities are offset within and between companies belonging to the same taxable unit.

## 8 OTHER DISCLOSURES ON THE CONSOLIDATED FINANCIAL STATEMENTS

### 8.1 Contingent liabilities

As at the end of 2022, the Interroll Group issued third-party guarantees totaling CHF 0.7 million (previous year: CHF 0.5 million) in connection with customer orders for project execution. There are no other contingent liabilities in either of the years under review.

### 8.2 Related-party transactions

#### Transactions with related parties

in CHF thousands	Category	Volume		Open payables	
		2022	2021	31.12.2022	31.12.2021
Purchase of materials	a	63	251	-1	27
Consulting services	b	-	21	-	6
IT investments/IT services	a	-	174	-	19
Other purchases	a	-	790	-	56
<b>Total purchases</b>		<b>63</b>	<b>1,236</b>	<b>-1</b>	<b>108</b>

in CHF thousands	Category	Volume		Open receivables	
		2022	2021	31.12.2022	31.12.2021
Sale of material	a	95	74	22	-
Other income	b	-	606	-	-
<b>Total services</b>		<b>95</b>	<b>680</b>	<b>22</b>	<b>-</b>

#### Definition of related parties

The Interroll Group defines and categorizes its related parties as follows:

- a) Shareholders of Interroll Holding AG owning more than 3% of the share capital.
- b) Members of the Board of Directors of Interroll Holding AG and legal entities that are directly controlled by them.

**Total remuneration of the Board of the Directors**

Total remuneration of the Board of Directors of Interroll Holding AG amounted to CHF 1.3 million in 2022 (2021: CHF 1.4 million). Detailed disclosures regarding the remuneration and shareholdings of the Board of Directors in accordance with Swiss law (OR) can be found in the remuneration report (see pages 25 to 33).

**Total compensation for the Group Management**

in CHF thousands	2022	2021
Salaries incl. bonus	2,739	2,985
Post-employment benefits	539	593
Equity-based compensation	571	857
<b>Total compensation to the Group Management</b>	<b>3,849</b>	<b>4,435</b>

As in the previous year, no loans were granted in the period under review.

Detailed disclosures regarding the remuneration of and shares held by Group Management in accordance with Swiss law can be found in the remuneration report (see pages 25 to 33).

**8.3 Subsequent events**

The consolidated financial statements for the year 2022 were approved by the Board of Directors on March 16, 2023, and are subject to further approval by the Annual General Meeting of Shareholders on May 12, 2023.

No event has occurred between December 31, 2022, and March 16, 2023, that would require adjustment to the carrying amount of the Group's assets and liabilities as at December 2022, or would require disclosure in accordance with IAS 10.

## 8.4 Scope of consolidation

Name	Location (country)	Function	Owner	Share capital in 1,000	Ownership in %
<b>Switzerland</b>					
Interroll Holding AG	Sant'Antonino (CH)	F		CHF 854.0	
Interroll SA	Sant'Antonino (CH)	P	HD	CHF 100.0	100%
Interroll (Schweiz) AG	Sant'Antonino (CH)	F	HD	CHF 5,000.0	100%
Interroll Management AG	Sant'Antonino (CH)	F	HD	CHF 100.0	100%
<b>EMEA (without Switzerland)</b>					
Interroll Fördertechnik GmbH	Wermelskirchen (DE)	S	DP	EUR 25.6	100%
Interroll Engineering GmbH	Wermelskirchen (DE)	P	DHO	EUR 1,662.2	100%
Interroll Automation GmbH	Sinsheim (DE)	P	DHO	EUR 2,000.0	100%
Interroll Holding GmbH	Wermelskirchen (DE)	F	HD	EUR 500.0	100%
Interroll Conveyor GmbH	Obrigheim (DE)	P	DHO	EUR 25.0	100%
Interroll Innovation GmbH	Baal/Hückelhoven (DE)	I	DHO	EUR 26.0	100%
Interroll Trommelmotoren GmbH	Baal/Hückelhoven (DE)	P	DHO	EUR 77.0	100%
Interroll SAS	Saint-Pol-de-Léon (FR)	F	HDE	EUR 2,808.0	100%
Interroll SAS	La Roche-sur-Yon (FR)	P	F	EUR 2,660.0	100%
Interroll SAS	Saint-Pol-de-Léon (FR)	S	F	EUR 61.0	100%
Interroll Nordic AS	Hvidovre (DK)	S	DKP	EUR 67.1	100%
Interroll Joki AS	Hvidovre (DK)	P	HD	EUR 2,013.8	100%
Interroll Ltd.	Kettering (GB)	S	HDE	GBP 0.0	100%
Interroll Engineering Ltd.	Corby (GB)	D	HDE	GBP 0.1	100%
Interroll Italia S.r.l	Rho/Cornaredo (IT)	S	HDE	EUR 10.0	100%
Interroll España SA	Cerdanyola del Vallès (ES)	S	HDE/TI	EUR 600.0	100%
Interroll Software & Electronics GmbH	Linz (AT)	P	HD	EUR 35.0	100%
Interroll CZ sro.	Breclav (CZ)	S	HDE	CZK 1,000.0	100%
Interroll Europe BV	Emmeloord (NL)	F	HD	EUR 18.2	100%
Interroll Polska Sp.z.o.o.	Warsaw (PL)	S	HD	PLZ 100.0	100%
Interroll Lojistik Sistemleri	Istanbul (TR)	S	HD/PR	TRY 1,000.0	100%
Interroll SA (Proprietary) Ltd.	Johannesburg (ZA)	P/S	HD	ZAR 0.3	100%
<b>Americas</b>					
Interroll Corporation	Wilmington, NC (US)	P	IAU	USD 65.0	100%
Interroll USA, LLC	Wilmington, NC (US)	S	IAU	USD 0.0	100%
Interroll USA Holding, LLC	Wilmington, NC (US)	F	HD	USD 0.1	100%
Interroll Engineering West, Inc.	Cañon City, CO (US)	P	IAU	USD 0.0	100%
Interroll Atlanta, LLC	Hiram/Atlanta, GA (US)	P	IAU	USD 0.0	100%
Interroll Real Estate, LLC	Wilmington, NC (US)	F	IAU	USD 0.0	100%
Interroll Canada Ltd.	Aurora (CA)	P/S	HD	CAD 1,720.1	100%
Interroll Logistica Ltda	Jaguariuna/S. Paulo (BR)	P/S	HD/E	BRL 37,049.7	100%
Interroll Mexico S. de R.L. de C.V.	Mexico City (MX)	S	HD/PR	MXN 3.0	100%

Name	Location (country)	Function	Owner	Share capital in 1,000	Ownership in %
<b>Asia-Pacific</b>					
Interroll (Asia) Pte. Ltd.	Singapore (SG)	S	HDE	SGD 26,625.0	100%
Interroll Suzhou Co. Ltd.	Suzhou (CN)	P	SGP	CNY 146,381.2	100%
Interroll Holding Management (Shanghai) Co. Ltd.	Shanghai (CN)	S	SGP	CNY 13,373.0	100%
Interroll Shenzhen Co. Ltd.	Shenzhen (CN)	P	SGP	CNY 5,770.0	100%
Interroll Australia Pty. Ltd.	Victoria (AU)	S	HD	AUD 51.2	100%
Interroll (Thailand) Co. Ltd.	Panthong (TH)	P/S	SGP/HD	THB 100,000.0	100%
Interroll Japan Co. Ltd.	Tokyo (JP)	S	HD	JPY 10,000.0	100%
Interroll (Korea) Corporation	Seoul (KR)	S	SGP/HD	KRW 1,500,000.0	100%

Function: P = Production, S = Sales, I = Innovation, F = Finance, D = dormant,

Owner: HD = Interroll Holding AG, HDE = Interroll Europe BV, TI = Interroll SA, DHO = Interroll Holding GmbH, DKP = Interroll Joki AS, F = Interroll SAS, Saint-Pol-de-Léon, E = Interroll España SA, SGP = Interroll (Asia) Pte. Ltd., Singapur, IAU = Interroll USA Holding LLC, PR = Interroll (Schweiz) AG

### Movements within the scope of consolidation in 2022

During the year under review no acquisition or divestitures were carried out.

### Changes to the scope of consolidation in 2021

In 2021, the company MitMacher GmbH in Linz Austria was acquired and renamed Interroll Software & Electronics GmbH. Interroll Kronau GmbH was renamed Interroll Conveyor GmbH and the place of business was moved to Obrigheim, Germany.



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

### Report on the audit of the consolidated financial statements

#### Opinion

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

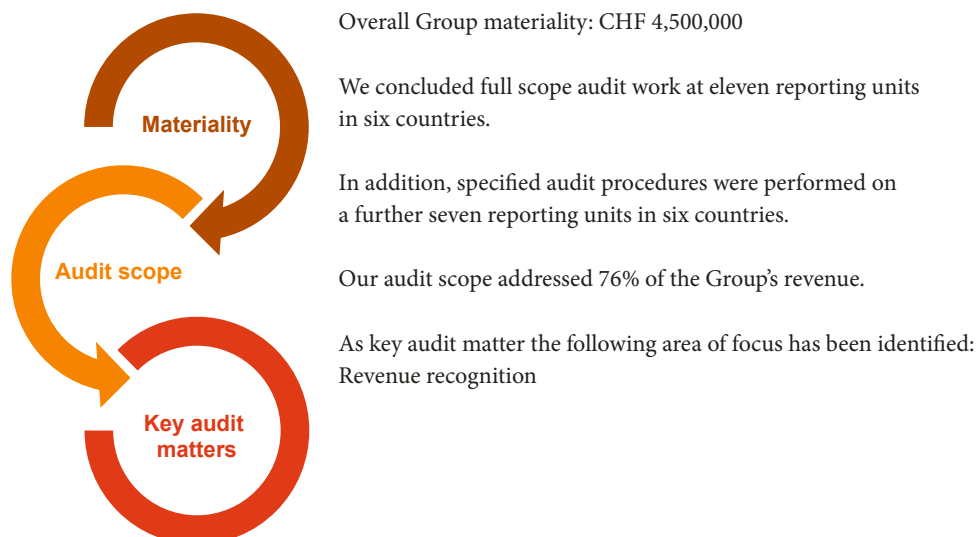
In our opinion, the consolidated financial statements (pages 38 to 82) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

#### Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Our audit approach



**Materiality**

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated 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 consolidated financial statements as a whole.

<b>Overall Group materiality</b>	CHF 4,500,000
<b>Benchmark applied</b>	Result before income taxes
<b>Rationale for the materiality benchmark applied</b>	We chose the result before income taxes as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 225,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

**Audit scope**

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

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant estimates that involved making assumptions and considering future events that are inherently uncertain. As in all 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.

Our instructions ensured an appropriate and a consistent audit was performed by the component auditors. In addition, we were involved in the audits of the component auditors by means of various telephone calls, written correspondence and the inspection of reports. Further, as the Group auditor, we performed audits of the consolidation, of the disclosures in the consolidated financial statements and of more complex elements.

**Key audit matters**

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

**Revenue recognition****Key audit matter****How our audit addressed the key audit matter**

Consolidated sales of the INTERROLL Group for the financial year 2022 amounted to kCHF 664'409 (2021: kCHF 640'063).

In accordance with IFRS 15, the Group recognizes revenue when a performance obligation is satisfied by transferring control of a promised good or service. The significant portion of the contracts are recognized as revenue on a point in time basis, however there are a few maintenance contracts which are recognized in revenue over time.

As revenue is a key performance indicator and is in the focus of stakeholders, there could be undue pressure to achieve the forecasted results. This could lead to an increased risk relating to sales cut-off and revenues not being recorded in the appropriate accounting period.

We consider revenue recognition to be a key audit matter due to the number of transactions that occur close to year-end and the potential impact of the cut-off date of these transactions on the consolidated financial statements.

We refer to note 5 "Segment Reporting" in the notes to the consolidated financial statements.

We performed the following audit procedures to assess whether sales were recognized in the appropriate period:

- On a sample basis, we confirmed revenue to the supporting documentation, such as sales orders, shipping documents, invoices and cash payments. A specific emphasis was set on verifying that revenue transactions at the end of the financial year and at the beginning of the new financial year have been recognized in the proper accounting period by comparing revenues close to the balance sheet date with the respective contractual terms.
- We performed enquiries to gain an understanding of processes and internal controls, with respect to revenue recognition.

We consider Management's approach to recognizing revenue in the appropriate period to be reasonable.



**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, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

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

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

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

**Board of Directors' responsibilities for the consolidated financial statements**

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

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

**Auditor's responsibilities for the audit of the consolidated financial statements**

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse'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 consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated 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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# FINANCIAL REPORT

## 1 FINANCIAL STATEMENTS OF INTERROLL HOLDING AG

### 1.1 Balance sheet

in CHF thousands	see notes*	31.12.2022	31.12.2021
<b>ASSETS</b>			
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
<b>Total current assets</b>		<b>6,537</b>	<b>898</b>
Investments		115,248	115,248
Loans to subsidiaries	3.3	4,010	4,116
<b>Total non-current assets</b>		<b>119,258</b>	<b>119,364</b>
<b>Total assets</b>		<b>125,795</b>	<b>120,262</b>
<b>EQUITY AND LIABILITIES</b>			
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
<b>Total current liabilities</b>		<b>36,278</b>	<b>28,006</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
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
<b>Total shareholder's equity</b>		<b>89,517</b>	<b>92,256</b>
<b>Total liabilities and equity</b>		<b>125,795</b>	<b>120,262</b>

\* 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
<b>Total income</b>	<b>29,639</b>	<b>68,824</b>
Administration expenses	-831	-723
Personnel expenses	-2,099	-2,203
Other operating expenses	-1,912	-1,760
Financial expenses	-6,191	-3,184
<b>Total expenses</b>	<b>-11,033</b>	<b>-7,870</b>
<b>Result before income taxes</b>	<b>18,606</b>	<b>60,954</b>
Direct taxes	-123	-766
<b>Result</b>	<b>18,483</b>	<b>60,188</b>

## 1.3 Statement of changes in equity

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

## 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 (32<sup>nd</sup> 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
<b>Total</b>	<b>854,000</b>	<b>100.00</b>	<b>854,000</b>	<b>100.00</b>

\* 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 Hösli	21	10
Maurizio Catino	21	10
Jens Strüwing	92	73
Dr. Ben Xia	809	750
Jens Karolyi	127	150
<b>Total</b>	<b>1,252</b>	<b>23,690</b>

\* 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
	<b>157,475</b>	<b>164,393</b>
Distribution of a dividend of	27,328	26,474
To be carried forward	130,147	138,992
	<b>157,475</b>	<b>164,393</b>

### 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.

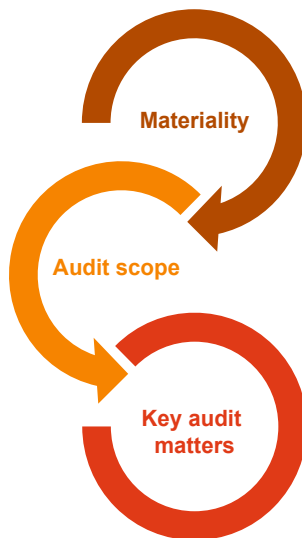
In our opinion, the financial statements (pages 88 to 94) comply with Swiss law and the company's articles of incorporation.

#### 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.

<b>Overall materiality</b>	CHF 600,000
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	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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# FINANCIAL CALENDAR 2023

Preliminary financial figures 2022 (unaudited)	January 30
Publication Annual Report 2022 and balance sheet press conference	March 17
Annual General Meeting	May 12
Publication Half-Year Report 2023	August 2

## CONTACT AND PUBLISHING DETAILS

If you have any questions regarding the Interroll Group or would like to be included in our distribution list, please contact the Investor Relations team:

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[www.printlink.ch](http://www.printlink.ch)



**NOTE ON THE ANNUAL REPORT**

This Annual Report is also available in German. If there are differences between the two, the German version shall prevail.

**NOTE ON ROUNDING**

Please note that slight differences may arise as a result of the use of rounded amounts and percentages.

**FORWARD-LOOKING STATEMENTS**

This Annual Report contains certain forward-looking statements. Forward-looking statements include all statements which do not relate to historical facts and events and contain future-oriented expressions such as “believe,” “estimate,” “assume,” “expect,” “forecast,” “intend,” “could” or “should” or expressions of a similar kind. Such forward-looking statements are subject to risks and uncertainties since they relate to future events and are based on the company’s current assumptions, which may not take place in the future or be fulfilled as expected. The company points out that such forward-looking statements provide no guarantee for the future and that the actual events, including the financial position and profitability of the Interroll Group and developments in the economic and regulatory fundamentals, may vary substantially (particularly on the downside) from those explicitly or implicitly assumed in these statements. Even if the actual assets for the Interroll Group, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such forward-looking statements in this Annual Report, no guarantee can be given that this will continue to be the case in the future.





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