QUALITY

SIMPLICITY

SPEED

ANNUAL REPORT 2023

INTERROLL®

556.3 MIO.

SALES

83.9 MIO.

EBIT

113.2 MIO.

OPERATING CASH FLOW

KEY FIGURES

in CHF millions, unless stated otherwise	2023	2022	2021	2020	2019
Order intake/sales					
Total order intake	519.7	572.6	788.4	547.8	546.5
Rollers	99.1	126.5	134.6	106	110.1
Drives	171.2	211.8	191.6	156.5	172.4
Conveyors & Sorters	246.5	263.5	254	221.5	223.2
Pallet Handling	39.5	62.6	59.8	46.6	54
Total sales	**556.3**	**664.4**	**640.1**	**530.6**	**559.7**
Profitability					
EBITDA	106.3	129.3	122.5	115.4	96.1
in % of sales	19.1	19.5	19.1	21.7	17.1
EBIT	83.9	105.2	99.3	94.1	72.3
in % of sales	15.1	15.8	15.5	17.7	12.9
Result	**66.3**	**82.8**	**80.6**	**71.7**	**56**
in % of sales	11.9	12.5	12.6	13.5	10
Cash flow					
Operating cash flow	113.2	71.4	47.3	122.9	99.6
in % of sales	20.4	10.7	7.4	23.2	17.8
Free cash flow	**91.1**	**49.2**	**–0.8**	**74**	**66.9**
in % of sales	16.4	7.4	–0.1	13.9	12
Total investments	**25.1**	**32.5**	**51.1**	**51.3**	**33.6**
Balance sheet (as at 31.12.)					
Total assets	544.0	545.9	538.5	468.8	435.1
Goodwill	15.1	16.4	16.7	16.4	17.1
Net financial assets	133.2	70.8	46.1	92.2	76.9
Equity	**410.8**	**394.2**	**345.4**	**312**	**304**
Equity ratio (equity in % of total assets)	75.5	72.2	64.1	66.5	69.9
Return on equity yield (in %)	16.5	22.4	24.5	23.3	19
Other key figures					
RONA (return on net assets in %)	22.6	24.5	25.4	30.4	22.6
Average number of employees (FTE)	2,294	2,500	2,421	2,206	2,284
Sales per employee (in CHF thousands)	243	266	264	241	245
Productivity (added value/total personnel expenses)	2.18	2.22	2.19	2.3	2.09

Interroll uses alternative performance figures. These alternative performance figures can be found on the Interroll homepage under "Investor Relations" (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 556.3 million and around 2,400 employees (average number of employees in 2023).

www.interroll.com

28,000 CUSTOMERS AROUND THE WORLD

35 COMPANIES AROUND THE WORLD

2,400 EMPLOYEES AROUND THE WORLD

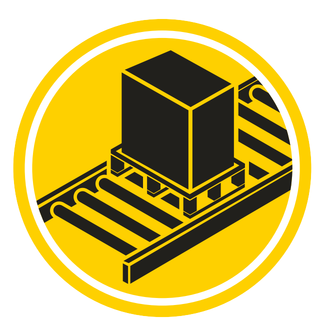
INTERROLL PRODUCT GROUPS

ROLLERS

DRIVES

CONVEYORS & SORTERS

PALLET HANDLING



CONTENT

HIGHLIGHTS OF THE 2023 FINANCIAL YEAR

OUR NEWEST HIGH PERFORMANCE PLATFORM

OUR SUSTAINABILITY COMMITMENT AND AWARDS ACHIEVED

In 2023, we published our first Sustainability Report for the financial year 2022, which was prepared in accordance with the internationally recognized GRI Sustainability Reporting Standards. Our proven energy efficient products and solutions are contributing to the net zero CO_2 targets of our customers. Interroll placed among the top 100 companies in the 2022 Swiss Annual Reporting Rating, and received the Rising Star Award in recognition of our first-ever comprehensive sustainability report.

INTERROLL LAUNCHES NEW HIGH-PERFORMANCE PLATFORM

In March, we launched our High-Performance Conveyor Platform (HPP), which offers customers outstanding performance and requires low maintenance. The platform consists of a variety of modules that can be adapted to customers' specific requirements. The new platform offers customers extremely high speeds and throughput of more than 10,000 units per hour.

THE POWER OF PARTNERSHIP

PALLET AND CONTAINER CONVEYING

A combined retrofit and expansion project at a Rossmann distribution center – one of Europe's largest drugstore chains with more than 4,500 outlets. The seamless interaction between Interroll's modular pallet conveyor platform (MPP) and modular conveyor platform (MCP) will improve performance and energy efficiency at the company's warehouses.

OUR CUSTOMER FOCUS

In June, our global Rolling on Interroll (ROI) community event took place in Valencia, Spain, during which we welcomed more than 35 global partners to exchange ideas and market views, including discussions of innovations and business models, in the context of our fast-changing world. Furthermore, at our global management meeting, we connected our Rolling on Interroll Advisory Board with all our global managing directors in order to give direct customer feedback to our management team.

OUR LATEST PRODUCT LAUNCH WITH TWO ROBOTICS COMPANIES

INTERROLL INTRODUCES…

The new Autonomous Mobile Robot (AMR) Top Module based on a Light Good Conveyor Platform (LCP). This co-development with two leading AMR manufacturers is another milestone of Interroll's long-term strategy. This solution opens up system boundaries by ensuring seamless interaction between autonomous mobile robots and stationary conveyors.

ENHANCING DIGITALIZATION

In 2022, we began our global migration from SAP ECC 6.0 to SAP S/4HANA, which will enable us to make significant improvements in productivity. In parallel, we are working on harmonizing and standardizing data. SAP S/4HANA was deployed at the same time at all the Interroll sites in February 2024.

THE PARTNERSHIP WITH OUR ROI PARTNERS

MANAGEMENT CHANGES AT CORPORATE LEVEL

In October, Interroll announced changes to its management team to further strengthen the organization with the introduction of Chief Technology Officer and Chief Operation Officer roles and strengthening the position of Chief Sales Officer. The new structure will help Interroll to further improve its focus on customers, innovation, products, and manufacturing. It is a necessary step to fully support our long-term strategy and achieve our growth targets.

CUSTOMER REFERENCE

Two Rolling On Interroll (ROI) partners have implemented a seamless material flow solution with Interroll consisting of high-performance conveyor and sorting systems with intelligent control at a US distribution center operated by Arvato, one of the world's leading contract logistics providers. Approximately 1.4 miles (2.25 kilometers) of intelligent conveying equipment and two crossbelt sorters are used in their outstanding 80,000-pallet warehouse to ensure seamless material flows with optimized throughput and accurate delivery.

FOCUSED ON MAXIMIZING FUTURE OPPORTUNITIES

Ingo Steinkrüger, Chief Executive Officer.

Dear shareholders, customers, employees and business partners,

In 2023, we were faced with a particularly challenging market environment. However, although we experienced a slowdown, we successfully defended our market position, acquired new customers, and generated good profitability.

The year was something rather volatile. The first months of 2023 started strongly, mainly driven by several larger orders in the US, followed by weak demand, especially in Europe, as customers reduced their inventories before placing new orders with us. In the second half of the year, the impact of destocking eased significantly, but the general economic downturn became more pronounced. However, we were able to increase sales due to the nature of the seasonality of the project business. The completion of the US projects won in the first half of the year contributed in particular to this.

Our close focus on cost fitness and our highly flexible production sites enable us to respond quickly to changing situations; and our solutions ensure that we are perfectly aligned with market requirements. In addition, due to our strong market position, we were able to maintain attractive price points for our products.

So, despite challenging market conditions, Interroll achieved good profitability in 2023, is financially very stable and independent and is well prepared for future growth. As we look ahead to 2024 and beyond, all our market drivers are in place, and we are ready to meet demand as it returns.

Good profitability

For the full year 2023, sales decreased to CHF 556.3 million (-16.3% year-on-year, -11.7% in local currencies).

Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased to CHF 106.3 million (previous year: CHF 129.3 million). EBITDA margin decreased to 19.1% (previous year: 19.5%). Earnings before interest and taxes (EBIT) amounted to CHF 83.9 million. EBIT margin decreased to 15.1% (previous year: 15.8%).

The result decreased to CHF 66.3 million (previous year: CHF 82.8 million). The result margin was 11.9% (previous year: 12.5%).


Paul Zumbühl, Chairman.

Solid balance sheet and cash flow development
Total assets amounted to CHF 544.0 million as of December 31, 2023, which was virtually unchanged from December 31, 2022, at CHF 545.9 million. Shareholder equity increased to CHF 410.8 million; the equity ratio was 75.5% (end of 2022: 72.2%). Net financial assets increased by 88.1% to CHF 133.2 million (previous year: CHF 70.8 million).

Operating cash flow increased by 58.5% to CHF 113.2 million (previous year: CHF 71.4 million).

Gross investment amounted to CHF 25.1 million (previous year: CHF 32.5 million). This includes ongoing renewal investment in our production facilities, extensions to our SAP system and lease capitalization under IFRS 16. Due to delays, some investment that had been planned for 2023 will not take place until 2024 or 2025. As a result of the higher operating cash flow and lower gross capital expenditures, free cash flow in the reporting year reached CHF 91.1 million (previous year: CHF 49.2 million).

A dividend of CHF 32.00 per share will be proposed to the Annual General Meeting on May 3, 2024 (previous year: CHF 32.00 per share).

Long-term thinking as one of our values
In October, we announced a new management team structure and the introduction of a Chief Technology Officer and a Chief Operations Officer position; both roles are currently under recruitment. The position of EVP Global Sales & Solutions was renamed Chief Sales Officer and now carries more responsibility in line with our long-term strategy. These changes are designed to enable us to further increase our focus on customers, innovation, product development, and production. The changes are also a key component of our growth ambitions.

Innovation with customer benefit
During the year, Interroll also continued to invest in the future by launching the new High Performance Conveyor Platform (HPP). Designed to be a modular solution, HPP meets the demanding requirements of Courier, Express, Parcel (CEP) service providers. HPP combines proven technologies with innovations that enable the safe transport of goods with a throughput of more than 10,000 units an hour.

Partnering with two leading Autonomous Mobile robotics companies, we launched our (AMR) Top Module based on our Light Good Conveyor Platform (LCP), highlighting how Interroll is successfully introducing its proven solutions into new industries such as robotics with applications in a wide variety of segments including logistics. The AMR Top Module offers a seamless interface and guarantees smooth material flow. End users benefit from a proven solution, with high quality, fast delivery, and a simple integration process.

Customer Focus

Launched in 2015, our Rolling On Interroll (ROI) program continued to expand in 2023. The global ROI network and community now includes more than 130 companies in 48 countries, predominantly small and medium-sized system integrators and OEM leaders in their niches. All of them are long-standing Interroll customers.

The program is intended to bring together trusted partners with the aim of creating long-term relationships that will lead to significantly better results for all stakeholders by building value in the global material handling industry.

We hosted three dedicated ROI community events in Europe, Asia and North America in 2023, during which we welcomed ROI partners from around the globe to exchange ideas on market trends, new technologies and business models and, ultimately, their current and future needs in terms of process automation in our fast-changing world. We also facilitated the participation of the ROI Advisory Board at our global management summit in June to bring the "voice of the customer" directly into group management.

Sustainability

Throughout 2023, we continued to implement routines and controls in each of our material sustainability topic across the Group. The newly established Sustainability Committee of the Board of Directors will regularly review the progress of our ESG agenda, identify challenges in good time, and monitor developments.

Our manufacturing sites made significant progress in the annual EcoVadis assessments conducted in 2023 compared to the previous year. A remarkable collaborative effort at these sites resulted in three platinum, ten gold, four silver and one bronze medals. In particular, the Interroll sites in Switzerland, Brazil and Australia were awarded EcoVadis Platinum medals for 2023, recognizing their outstanding performance in all four assessment criteria. This achievement places these sites in the top one percent of companies in our industry assessed by EcoVadis worldwide.

In our 2023 sustainability report, we describe our sustainability strategy, management approaches for our identified material topics and disclose our performance in terms of our targets and objectives. The sustainability report fulfills again the requirements of the GRI Standards 2021 from the Global Reporting Initiative as well as the disclosure and reporting obligations related to non-financial matters according to Art. 964 of the Swiss Code of Obligations.

"We were able to successfully defend our market share and acquire new customers in 2023."

"The Autonomous Mobile Robot Top Module based on the Light Goods Conveyor Platform(LCP) creates a seamless interface and guarantees smooth material flows."

Digitalization

Digitalization has become a key topic for virtually all businesses. In 2023, Interroll increased its ambition to strengthen its digitalization capabilities by setting up an international and interdisciplinary team fostering digital transformation in the context of maintaining consistent customer experience focus.

Firstly, emphasis is placed on the clarity of the enterprise data architecture and data governance and a sustainable foundation will be laid for the future. In addition, work began on consolidating a large number of decentralized projects to evaluate suitability based on best-practice and to monitor for potential global rollout.

In 2022, we started our global transformation from SAP ECC 6.0 to SAP S/4HANA, which is enabling us to make major improvements in terms of efficiency.

In parallel to this, we are also working on the harmonization and standardization of data. With this major global project, we are also promoting global exchange and collaboration under the umbrella of "ONE Interroll" and thereby improving our service to customers. In February 2024, SAP S/4HANA was successfully simultaneously implemented at all Interroll sites already using SAP ECC 6.0.

Outlook

We believe that the downturn has bottomed out. We are unable to foresee precisely when the market will rebound, but we are seeing positive signs in the industry. Furthermore, we anticipate a general improvement in market conditions as interest rate rises give way to anticipated cuts later this year as inflationary pressures ease in many of our markets. We see that the demand for automation in material flows will increase further due to labor shortages. These factors will encourage overall economic activity and thereby demand for our solutions.

We have the right product and solution portfolio in place, and with the management changes we announced last October, our long-term strategy is even more focused on our customers. As we look ahead, we remain committed to combining our proven technologies and innovative expertise with our firm customer-first mindset.

We are ideally positioned to maximize future growth in terms of product portfolio, breathing facilities, pricing power, international presence and technical expertise. All these strengths are in place and ready to help extend our advantage as demand returns in our markets.

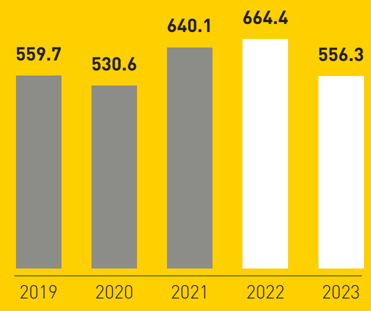
Sant'Antonino, March 15, 2024

Paul Zumbühl
Chairman of the Board of Directors

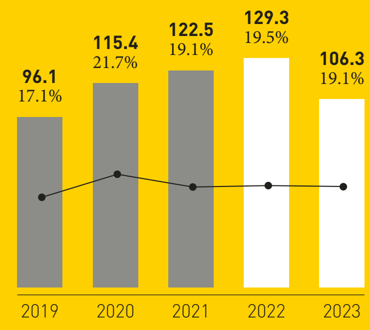
Ingo Steinkrüger
Chief Executive Officer

FINANCIAL POSITION, EARNINGS AND CASH FLOWS

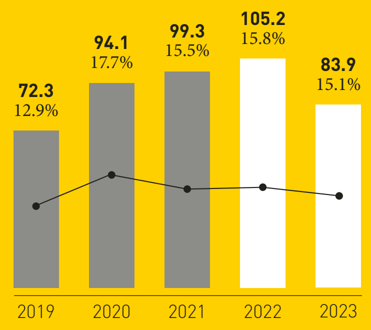
SALES



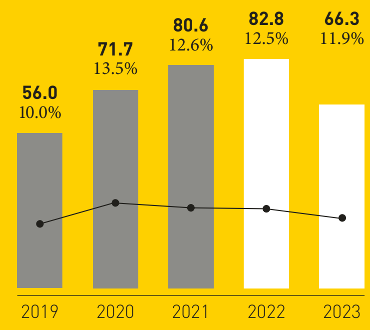
EBITDA AND EBITDA MARGIN



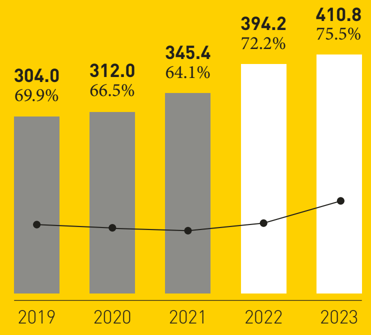
EBIT AND EBIT MARGIN



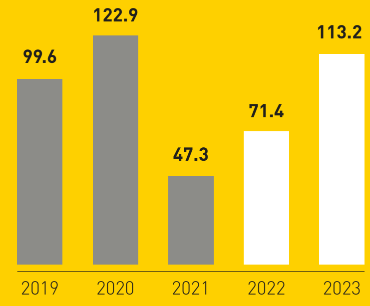
RESULT



EQUITY AND EQUITY RATIO



OPERATING CASH FLOW



All amounts in CHF millions

GOOD PERFORMANCE IN A CHALLENGING YEAR

2023 was characterized by a very challenging macro-economic situation and increased geo-political tensions. Inflation rates decreased, but key interest rates remained at their highest level since the global financial crisis 2008/2009. In addition, the strong Swiss franc also had a considerable negative impact on order intake and sales. Against this challenging backdrop, Interroll was able to adapt quickly to the new situation. We were able to limit impact on profitability by maintaining attractive price points for our products, achieving better purchasing conditions and managing our costs.

Sales decreased to CHF 556.3 million (-16.3% year-on-year, -11.7% in local currencies). Order intake was CHF 519.7 million (-9.2% year-on-year, -3.9% in local currencies). A comparison with the record sales of 2022 is not very meaningful. In 2022, many projects, for which orders were received in 2021, were realized and also the reduction of the backlog of the product orders supported the record sales in 2022. In contrast to 2022, we started 2023 with a very low order backlog, then the first months of 2023 with strong order intake, mainly driven by several larger orders in the US, followed by weak demand, especially in Europe, as customers reduced their inventories before placing new orders. In the second half year, the general downturn became more pronounced. Due to the nature of the seasonality of our project business, the second half year saw increased sales as usual. The completion of the US projects won in the first months of 2023 contributed in particular to this.

As we look ahead to 2024 and beyond, all our market drivers are in place, we have the right product and solution portfolio at hand. With the management changes we announced last October, our long-term strategy is even more focused on our customers, and we are ready to meet demand as it returns.

GOOD PROFITABILITY

Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased to CHF 106.3 million (previous year: CHF 129.3 million). EBITDA margin declined to 19.1% (previous year: 19.5%). Earnings before interest and taxes (EBIT) reached CHF 83.9 million (-20.2% below previous year's figure of CHF 105.2 million). EBIT margin decreased to 15.1% (previous year: 15.8%).

The result decreased by -19.9% to CHF 66.3 million (previous year: CHF 82.8 million). Result margin reached 11.9% (previous year: 12.5%).

SOLID BALANCE SHEET AND CASH FLOW DEVELOPMENT

Total assets amounted to CHF 544.0 million as of December 31, 2023, which was virtually unchanged from December 31, 2022, at CHF 545.9 million. Equity increased to CHF 410.8 million; the equity ratio was 75.5% (end of 2022: 72.2%). Net financial assets increased by 88.1% to CHF 133.2 million (previous year: CHF 70.8 million).

Operating cash flow increased by 58.5% to CHF 113.2 million (previous year: CHF 71.4 million).

Gross investment amounted to CHF 25.1 million (previous year: CHF 32.5 million). This includes ongoing renewal investment in our production facilities, extensions to our SAP system, and lease capitalization under IFRS 16. Due to delays, some investment that had been planned for 2023 will not take place until 2024/25.

As a result of the higher operating cash flow and the lower gross capital expenditures, free cash flow reached CHF 91.1 million in the reporting year (previous year: CHF 49.2 million).

CORPORATE GOVERNANCE

STATUS ON DECEMBER 31, 2023

INTRODUCTION

Basis of the corporate governance report
The corporate governance report 2023 of the Interroll Group is based on the SIX Swiss Exchange Directive on information relating to corporate governance, dated June 29, 2022, and the provisions of the "2023 Swiss Code of Best Practice for Corporate Governance."

Cross references
To avoid repetition, cross references are made to other reports in certain areas.

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 in the International Reporting Standard of the SIX Swiss Exchange under 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/gb2023/pdf/en/Interroll_AR2023_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
Investors or groups of investors who hold a reportable interest in Interroll Holding AG are listed as significant shareholders. These investors are listed in the notes to the financial statements of Interroll Holding AG under note 3.5 ("Significant shareholders"). 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 of Interroll Holding AG."

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 equates to one vote.

Authorized or conditional capital; capital band
There was no authorized or conditional capital in the financial year 2023 and there is no capital band.

Other equity or participation instruments
There are no other equity-like instruments such as profit-sharing rights or participation certificates.

Changes in capital
There have been no changes in capital in the past three reporting years.

Limitations on transferability and nominee rights
Acquirers of shares are 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 respective notes.

There are no outstanding convertible bonds or options on participation rights of Interroll Holding AG.

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 semi-finished 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 (CoE) develop specific product ranges.

Management structure

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 the turnover generated in the product groups and geographic markets and 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

CHAIRMAN
Paul Zumbühl

VICE CHAIRMAN
Markus Asch

AUDIT COMMITTEE
Susanne Schreiber, Chair
Stefano Mercorio

REMUNERATION & NOMINATION COMMITTEE
Markus Asch, Chair
Stefano Mercorio

SUSTAINABILITY COMMITTEE
Dr. Elena Cortona, Chair
Ingo Specht

Group Management

CHIEF EXECUTIVE OFFICER
Ingo Steinkrüger

CHIEF FINANCIAL OFFICER
Heinz Hössli

SENIOR VICE PRESIDENT CORPORATE MARKETING & PEOPLE DEVELOPMENT
Jens Karolyi

EXECUTIVE VICE PRESIDENT GLOBAL SALES & SOLUTIONS
Maurizio Catino

EXECUTIVE VICE PRESIDENT PRODUCTS & TECHNOLOGY
Ingo Steinkrüger a.i.

REGIONS

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 (SSD) and the Group Management. The IPDC is also responsible for managing Interroll's patent activities and 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)

Interroll's nine Centers of Excellence are responsible for worldwide product development, strategic purchasing and the application and development of production technologies for selected product ranges. They also 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	Timo Grom	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 manage 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 operational companies
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	Maurizio Catino a.i.	Interroll SA (Proprietary) Ltd., Johannesburg (ZA)
Service	EMEA	Peter Martin	Interroll Automation GmbH, Sinsheim (DE)

AMERICAS

FUNCTION	REGION/COUNTRY	MANAGED BY	COMPANY
RCoE	USA	John Downs	Interroll Corporation, Wilmington/NC (US)
RCoE	USA	Scott Cone	Interroll Atlanta LLC, Hiram/GA (US)
Sales, service	USA	Darren Milgate	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 Paolo (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	Kim Jun Hyung	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	Keith Lim	Interroll (Asia) Pte. Ltd., Singapore (SG)
Sales, assembly, service	Australia	Pat Cieri	Interroll Australia Pty. Ltd., Melbourne (AU)

BOARD OF DIRECTORS

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

A complete list of the mandates of the members of the Board of Directors can be found in the remuneration report on page 29 of this Annual Report.

Principles of the election procedure, term of office
The Board of Directors is composed of five to seven members. The members of the Board of Directors are elected individually for a one-year term. Reelection is permitted.

From left to right: Markus Asch, Ingo Specht, Susanne Schreiber, Paul Zumbühl, Dr. Elena Cortona, Stefano Mercorio

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 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 a 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 Interroll Group. Zumbühl is also Chair of the Board of Directors of the two listed Swiss companies Schlatter Industries AG and Mikron Holding AG and Zumbühl Management AG. Since May 2021, he has been Chairman of the Board of Directors of Interroll Holding AG.

MARKUS ASCH

(born 1971, German, independent)

has a degree in Mechanical Engineering (Dipl. Ing.) from Esslingen University of Applied Sciences and wide-ranging 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, where he held several management positions before being appointed to the management board in 2007. From 2010, Markus 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 is currently Vice Chairman and Chair of the Remuneration & Nomination Committee. He holds no other external Board of Directors' mandates.

DR. ELENA CORTONA

(born 1970, Swiss and Italian, independent)

has extensive experience in market transformation based on the development and digitalization of products and work processes. She holds a degree in Mechanical Engineering from the Technical University of Turin in Italy and 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, Head of Digital Transformation in the CTO Division of the Schindler Group with headquarters in Ebikon, Switzerland, having already held various management positions with the group since 2001. Since October 2022, Dr. Elena Cortona is a member of the Innovation Council of Innosuisse, the innovation agency of the Swiss Confederation. She has been a member of the Board of Directors since 2019 and is currently Chair of the newly established Sustainability Committee. 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 and Switzerland as a lawyer and certified tax expert. She has extensive experience in international mergers and acquisitions transactions and international tax law. She joined Bär & Karrer AG in Zurich in 2015 as partner and co-head of the tax department, where she is also Chair 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 has been a member of the Board of Directors since 2021 and is currently Chair 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 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 at Interroll. Currently, Ingo Specht is the Managing Director of Interroll SA. He has been a member of the Board of Directors since 2006 and is a member of the newly established Sustainability Committee. He holds no other external Board of Directors' mandates.

Constitution and committees of the Board of Directors

The Board of Directors consists of the Chairman, the Vice Chairman and the other members. Three standing committees support the Board of Directors in the areas of auditing (Audit Committee), remuneration & nomination policy (Remuneration & Nomination Committee) and since December 2023 in sustainability (Sustainability Committee).

During the two terms of office from the AGM 2021 to the AGM 2023, the Chairman also exercised an executive function (Active Chairman) and the Vice Chairman acted as Lead Independent Director. This transitional structure served to familiarize the new CEO and ensure the seamless, continuous and successful further development of the Interroll Group.

Audit Committee

The Audit Committee receives audit reports prepared by local external auditors and by the Group auditor and prepares a report for the Board of Directors. In particular, the Audit Committee ensures that Group companies are 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 & Nomination Committee

The Remuneration & Nomination 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 & Nomination 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 35 of the Annual Report.

Sustainability Committee

The Sustainability Committee supports the Board of Directors in advising on the sustainability strategy, objectives, initiatives and legislation on ESG issues and monitors the sustainable development of the Interroll Group. It reviews the long-term qualitative and quantitative environmental, social and governance ("ESG") targets and the annual ESG risk inventory and submits these to the Board of Directors. The Sustainability Committee assesses the completeness and accuracy of the sustainability reporting and monitors the progress of the initiatives introduced and the achievement of targets. It submits its proposals to the Board of Directors for decision.

Mandates

According to Art. 24 of the Articles of Incorporation (available at: https://www.interroll.com/company/about-interroll/corporate-governance/) of Interroll Holding AG, a member of the Board of Directors may not hold more than ten mandates in other companies, of which no more than six additional mandates may be in listed companies. Mandates as Chair of the Board of Directors count double.

Mandates in companies controlled by Interroll Holding AG and mandates in structures for the management of personal assets or family assets of members of the Board of Directors and/or their related parties are not subject to this restriction.

A "mandate" is defined as any membership of the Board of Directors, Group Management or Advisory Board or a comparable function under foreign law of a company with a commercial purpose. Mandates in different legal entities of the same Group or on behalf of Interroll Holding AG or another company pusuant to Art. 24 para 1 (e.g., pension funds and joint ventures) are deemed to be one mandate.

Mode of collaboration of the Board of Directors and its committees

The Board of Directors meets as often as necessary, but at least four times per year.

Meetings of the Board of Directors are convened by the Chair of the Board of Directors or, if he is unable to do so, by any other member. Each member of the Board and the CEO are entitled to request that a meeting be convened, stating the subject of the meeting. The CEO attends the meetings of the Board of Directors. Other members of Group Management or third parties attend the meetings as required. The Board of Directors consulted no advisors in the past financial year.

The Board of Directors is quorate if an absolute majority of all members are present in person. As a rule, resolutions are passed by an absolute majority of the votes present. In the event of a tie, the Chairman's vote counts twice. All resolutions of the Board of Directors are recorded in the minutes. In the financial year 2023, the Board of Directors met seven times for regularly scheduled meetings. All meetings in the reporting year were attended by all members of the Board. The meetings are usually full-day meetings.

The meetings of the Audit Committee and the Remuneration and Nomination Committee are held as required and can be convened by any member of the respective committee. In the financial year 2023, the Audit Committee met five times and the Remuneration and Nomination Committee three times for regularly scheduled meetings. All meetings in the reporting year were attended by all representatives. The meetings generally last two to four 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/about-interroll/corporate-governance/) of Interroll Holding AG. Article 22 of the Articles of Incorporation defines the duties of the Board of Directors, which are non-transferable and inalienable 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/about-interroll/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/about-interroll/corporate-governance/

Reporting to the Board of Directors
At each meeting, the CEO informs the Board of Directors about the current course of business, the Group's most important business transactions and the completion of tasks delegated to 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 for the consolidated Group. 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 conducted 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

None of the Group Management members has any activities in other companies according to Art. 626 para. 2 no. 1 of the Swiss Code of Obligations.

From left to right: Richard Keely, Jens Karoly, Dr. Ben Xia, Ingo Steinkrüger, Heinz Hössli, Jens Strüwing, Maurizio Catino

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 at the Thyssen- Krupp Group in 2000 at Johann A. Krause Maschinenfabrik GmbH in Bremen as a sales/project engineer. After holding several management positions in project management, business development, and global key account management, Ingo Steinkrüger took on overall responsibility for Global Sales & Service as Vice President. From mid-2016, he 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 a 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 and 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, Heinz 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.

MAURIZIO CATINO
(born 1977, Italian)

Executive Vice President
Global Sales & Solutions

graduated in Electronic Engineering at the Politecnico of Turin in 2002. He has many years' experience in the automotive sector, starting with the FCA group where he worked on cost analysis and production optimization projects. Catino started his sales career 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 successfully opened 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 STRÜWING
(born 1969, German)

Executive Vice President
Products & Technology
(left group management
on September 30, 2023)

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, Jens 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, Jens Strüwing joined Interroll Group as Executive Vice President Products & Technology and member of Group Management. He holds no Board of Directors' mandates.

JENS KAROLYI
(born 1970, German)

Senior Vice President Corporate
Marketing & People Development
(left group management
on December 31, 2023)

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, Jens Karolyi 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.

RICHARD KEELY
(born 1972, American)

Executive Vice President
Americas

majored 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.

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. He then 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.

Mandates

According to Art. 24 of the Articles of Incorporation (available at: https://www.interroll.com/company/about-interroll/corporate-governance/) of Interroll Holding AG, a member of Group Management may not hold more than four mandates in other companies, of which no more than two additional mandates may be in listed companies. Members of Group Management may not hold mandates as of the Board of Directors of other companies. Such mandates require the prior approval of the Board of Directors.

Mandates in companies controlled by Interroll Holding AG and mandates in structures for the management of personal assets or family assets of members of Group Management and/or their related parties are not subject to this restriction.

A "mandate" is defined as any membership of the Board of Directors, Group Management or Advisory Board or a comparable function under foreign law of a company with a commercial purpose. Mandates in different legal entities of the same group or on behalf of the company or another company pursuant to Art. 24 para. 1 (e.g., pension funds and joint ventures) are deemed to be 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 35 and in the Notes to the Consolidated Financial Statements on page 82 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.

Statutory quorum

Subject to contrary statutory or legal provisions, the Annual General Meeting (AGM) 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 AGM is sent by letter or electronically at least 20 days prior to the AGM to the shareholders entered in the share register.

Agenda and registration in the share register

The invitation to the AGM has to include all items on the agenda as well as all motions put forward by the Board of Directors and, if applicable, by 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 investigation. No entries are made into the share register less than ten days prior to an AGM up to the day subsequent to the AGM.

CHANGE OF CONTROL AND DEFENCE 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.

TRANSPARENCY ON NON-FINANCIAL MATTERS

Information on environmental issues (in particular Interroll's CO_2 targets), social issues, employee issues, respect for human rights and the fight against corruption can be found in the Sustainability Report, which can be downloaded as a PDF document at https://www.interroll.com/company/investor-relations/reports-and-publications/.

AUDITORS

Duration of the mandate and term of office of the lead auditor
By decision of the AGM of May 12, 2023, 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 has been the lead auditor with audit responsibility since financial year 2019.

Audit fees
The audit fees charged by PwC for the audit of fiscal year 2023 amounted to CHF 0.7 million. The audit fees charged by PwC in 2022 amounted to CHF 0.7 million. In financial years 2022 and 2023, 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, 2023" that is discussed in detail.

INFORMATION POLICY

Contact
Interroll maintains an active, open, timely, transparent and simultaneous information policy towards all stakeholders. Therefore, the Group CEO and the Group CFO are available as direct contacts. Contact can be established at any time via 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/company/investor-relations/ad-hoc-press-releases/.

Headquarters:
Interroll Holding AG
Via Gorelle 3
6592 Sant'Antonino
Switzerland
www.interroll.com

Reports on the course of business
The Interroll Group publishes comprehensive financial reports twice a year: for the first half of the year and for the full financial year. 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 sustainability report, can also be downloaded as PDF documents from https://www.interroll.com/company/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. The financial calendar can be accessed at https://www.interroll.com/investor-relations/financial-calendar/.

QUIET PERIODS

General trading blackout periods are in effect from January 2 until the publication of the Annual Report and from July 1 until the publication of the half-year report. For the reporting year 2023, the trading blackout periods lasted from January 2 to March 16, 2023, regarding the Annual Report 2022, inclusive, and from July 3 to August 1, 2023, regarding the Half Year report 2023, inclusive.

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

The remuneration report provides information on the principles of the remuneration policy, the management process and the remuneration of the Board of Directors of Interroll Holding AG (hereinafter referred to as the Board of Directors) and the Group Management of Interroll Holding AG and its subsidiaries (hereinafter referred to as the Interroll Group). It complies with Art. 734 ff. of the of the Swiss Code of Obligations (CO), the Directive on Information on Corporate Governance of the SIX Swiss Exchange and the principles of the “Swiss Code of Best Practice for Corporate Governance” from Economiesuisse. This remuneration report 2023 has been further improved in terms of transparency and comprehensibility. The aim of transparency is to ensure the best possible comprehensibility for the reader.

BASIC PRINCIPLES OF REMUNERATION

A fair and transparent remuneration system should contribute to the sustainable development and safeguarding of the Interroll Group's business success and be in line with the strategic objectives adopted by the Board of Directors. The Interroll Group’s remuneration system is in line with the corporate strategy and is designed to reward short- and long-term targets appropriately and in a comprehensible manner. Interroll should be able to attract, develop, train and retain the best people in its 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. This ensures the independence of the Board in its supervision of the Group Management.
– The ratio between fixed and variable remuneration for members of the Group Management should be reasonable, balanced and transparent. In order to ensure the continued success of the company, the individual's willingness to take risks in particular should not be influenced in a way that is contrary to the medium and long-term interests of the company.
– Both, the responsibility to make a concrete individual contribution to the company’s success as well as the individual burden of the respective function must be duly reflected in the remuneration, also with regard to the competitiveness of the remuneration.
– Share programs as a remuneration component of the Group Mangement should reward the achievement of long-term Group targets in the interests of shareholders and to reward long-term entrepreneurial performance.

The Board of Directors is responsible for the principles of the remuneration policy and for the management process and is supported in this by the Remuneration and Nomination Committee. The Board of Directors decides on the remuneration of the Board of Directors and the Group Management and submits these proposals to the Annual General Meeting (hereinafter also referred to as the AGM) for approval.

In accordance with the Articles of Incorporation of Interroll Holding AG, the Remuneration and Nomination Committee consists of two or more members of the Board of Directors, each of whom is elected individually by the AGM for a term of office until the conclusion of the next AGM.

The Remuneration and Nomination Committee prepares all proposals and decision-making bases for the remuneration of the Board of Directors and Group Management for the attention of the Board of Directors in accordance with Articles of Incorporation Art. 23bis (Remuneration Committee). Its main tasks include:

– Proposal and regular review of the remuneration policy of the Interroll Group
– Proposal and draft of the remuneration regulations for the Board of Directors and the Group Management
– Proposal and determination of the remuneration principles for the next financial year
– Proposal on the remuneration of the members of the Board of Directors
– Proposal on the remuneration of the CEO and of the other members of the Group Management
– Proposal on the terms of employment, significant changes to existing employment contracts of the Group Management and on other strategic personnel decisions

For information on the number of and attendance at regularly scheduled meetings of the Remuneration and Nomination Committee in the financial year 2023, see page 19 of the Corporate Governance Report 2023 of the Interroll Group.

At the Annual General Meeting of Interroll Holding AG on May 3, 2024, 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 2025 and the maximum possible total remuneration of the Group Management for the financial year 2024. The voting modalities for approving the remuneration of the Board of Directors and the Group Management are set out in the Articles of Incorporation under Art. 12bis (Remuneration of the Board of Directors and the Group Management). The Articles of Incorporation are under https://www.interroll.com/company/about-interroll/corporate-governance/.

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

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

REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration model and determination of the remuneration

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

The annual remuneration paid to the members of the Board of Directors of Interroll Holding AG covers all mandates held at Interroll Holiding AG and directly or indirectly controlled Group companies.

The Board of Directors determines annually for the period until the next AGM, subject to approval by the AGM, the fixed remuneration of the members of the Board of Directors on the basis of Art. 22^{bis} (total remuneration of the Board of Directors and the Group Management) of the Articles of Incorporation, and at any time at the request of the Remuneration and Nomination Committee. All social security contributions are paid by Interroll Holding AG.

The duration of the contracts underlying the remuneration of members of the Board of Directors may not exceed the term of office.

The members of the Board of Directors and their related parties do not hold any options to subscribe to shares of Interroll Holding AG.

TOTAL REMUNERATION FOR THE 2023 TERM OF OFFICE (AUDITED)

The remuneration of the members of the Board of Directors is disclosed in accordance with 734a CO as follows:

in thousand CHF		Bar	Shares / Options	Pension benefits	Other Services	Total remuneration
Paul Zumbühl						
2023	P	340				**340**
2022	AP	692				**692**
Markus Asch						
2023	VP, VRC	150		25		**175**
2022	LD, VRC	135		22		**157**
Dr. Elena Cortona						
2023		100		16		**116**
2022		90		15		**105**
Stefano Mercorio						
2023	RC, AC	120		24		**144**
2022	RC, AC	110		22		**132**
Susanne Schreiber						
2023	VAC	110		18		**128**
2022	VAC	100		16		**116**
Ingo Specht**						
2023		100		16		**116**
2022		90		15		**105**
Total Board of Directors						
2023		**920**		**99**		**1,019**
2022		**1,217**		**90**		**1,307**

AP: Active Chairman of the BoD; P: Chairman of the BoD; LD: Lead Independent Director; VP: Vice Chairman of the BoD; VAC: Chair of the Audit Committee; AC: Audit Committee; VRC: Chair of the Remuneration and Nomination Committee; RC: Remuneration and Nomination Committee.

* Pension benefits include contributions to AHV/IV on both sides.
** In addition to remuneration as a member of the Board of Directors, Ingo Specht receives remuneration as Managing Director of Interroll SA as follows:. 2023 (2022) Cash 321 (338), pension benefits 146 (150), other benefits 8 (8), total 475 (496)

2022 = term of office from the 2022 AGM to the 2023 AGM; 2023 = term of office from the 2023 AGM to the 2024 AGM

Assessment of the total remuneration for the 2023 term of office

The total remuneration of CHF 1,019,000 (previous year CHF 1,307,000) for the Board of Directors from the 2023 AGM to the 2024 AGM is below the total amount of CHF 1,100,000 approved at the 2023 Annual General Meeting. In the 2023 term of office (AGM 2023 to AGM 2024), the Chairman of the Board of Directors holds office without the additional duties as "Active Chairman", which was limited to 2 years (term of office from the AGM 2021 to the AGM 2023), so that his fee was reduced to a regular level of approx. half. After 6 years of unchanged fees, the other members of the Board of Directors also received an increase totaling CHF 55,000. p.a. (per member an increase in the fee of CHF 10,000 and for the Vice President by CHF 15,000; plus pension benefits).

Outlook for the total remuneration for the 2024 term of office

At the Annual General Meeting on May 3, 2024 the Board of Directors will propose a maximum total remuneration of CHF 1,100,000 for the term of office until the next Annual General Meeting in 2025 (previous year CHF 1,100,000). The maximum total remuneration for the BoD proposed at the Annual General Meeting on May 3, 2024 therefore remains unchanged compared to the previous year.

Other remuneration (audited) and further information

The members of the BoD do not receive any payments in cash or in kind or other remuneration, such as commissions for the acquisition or transfer of companies or parts thereof.

Severance payments to members of the BoD are inadmissible, whereby remuneration that is owed until the end of the contractual relationship is not considered severance pay.

With the exception of compensation for actual travel expenses, members of the BoD do not receive any lump-sum compensation for business expenses.

Loans and credits (audited)

The terms and conditions for any loans and credits to the members of the BoD are set out in the Articles of Incorporation under Art. 22bis (Total remuneration of the Board of Directors and the Group Management).

In the reporting years 2023 and 2022, the Group companies of the Interroll Group have neither granted loans to the members of the BoD, nor were any outstanding at December 31, 2023.

Remuneration, loans and credit to related parties of the Board of Directors (audited)

The companies of the Interroll Group have neither directly nor indirectly paid non-market remuneration to persons related to current or former members of the Board of Directors in the reporting years 2023 and 2022, nor were any outstanding at December 31, 2023.

Activities at other companies (audited)

The number of activities of the members of the BoD in other companies within the meaning of Art. 626 para. 2 No. 1 of the Swiss Code of Obligations during the financial year 2023 are disclosed below:

	Company	Board	Function
Paul Zumbühl	Schlatter Industries AG (stock listed)	Board of Directors	President (until 06.05.25)
	Mikron Holding AG (stock listed)	Board of Directors	President
	Zumbühl Management AG	Board of Directors	Member of the Board of Directors
Markus Asch	Rittal International Stiftung & Co. KG und Rittal GmbH & Co. KG	Group Management	Chief Executive Officer
	Condividi GmbH & Co. KG	Management	Managing Partner
	Valorata GmbH	Management	Managing Partner
Dr. Elena Cortona	Belimo Holding AG	Konzernleitung	Chief Technology Officer
	Innosuisse	Innovation Council	Member of the Innovation Council
Stefano Mercorio	Mercorio Maiocco Valentini & Partners	Partner	Founding Partner
	Fondazione Italiana per la Ricerca in Reumatologia – FIRA ETS	Board of Directors	Member of the Board of Directors
Susanne Schreiber	Bär & Karrer AG	Board of Directors	President
Ingo Specht	TiTop Sagl	Management	Managing Director

The provisions of Art. 24 (External mandates) of the Articles of Incorporation are complied with.

Participation rights and options on such Rights of the Board of Directors

At December 31, 2023, the members of the Board of Directors including their related parties, each held the following participation rights in Interroll Holding AG (at December 31, 2023, these persons did not hold any options to subscribe to such rights):

	Shares per 31.12.		Share of voting rights in % as of 31.12. (rounded)	
	2023	2022	2023	2022
Paul Zumbühl Chairman	22,565	22,565	2.76	2.84
Markus Asch Vice Chairman	–	–	–	–
Dr. Elena Cortona Member	15	15	0.00	0.00
Stefano Mercorio Member	–	–	–	–
Susanne Schreiber Member	15	15	0.00	0.00
Ingo Specht Member	42,100	52,000	5.16	6.56
Total	**64,695**	**74,595**	**7.92**	**9.40**

REMUNERATION OF THE GROUP MANAGEMENT

Remuneration model and determination of the total compensation

Each member of the Group Management has an individual remuneration agreement, which is based on the following criteria for determining remuneration and the conditions of the market for top managers (industry) in the respective country. The total remuneration plan consists of fixed remuneration and variable remuneration, consisting of cash remuneration (Short-Term incentive (STI)) and 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 its actions, the Group Management should at all times focus on long-term and sustainable value creation and not on maximizing profits in the short term.

The total remuneration of the members of the Group Management and in particular the CEO are composed in line with this objective.

The actual total remuneration is determined on the basis of the following main criteria:
- Professional and market-related experience
- Complexity of the area of responsibility
- Global responsibility of the function
- Personal and specific performance contribution to long-term strategic development and value enhancement of the Interroll Group

The Interroll Group consults external consultants on a case-by-case basis when structuring and determining remuneration. When new appointments are made to Group Management, market comparisons for top management positions (industry) are carried out with the respective recruitment consultants and consulted to determine remuneration.

In addition, regular comparisons are made on the basis of detailed salary studies, e.g. Kienbaum or Mercer salary study for top managers (industry). The next comparison will take place in 2024. The reference group used are primarily comparable companies in the manufacturing industry and production. In principle, such comparisons are based on a median positioning and adjustments are made where necessary.

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 longterm focus for stakeholders' interests
Social security contributions and fringe benefits	Retirement provision, insurance and non-monetary benefits	Protection against risks and coverage of business expenses (vehicle)

When determining the total annual remuneration, all remuneration paid by all Group companies of the Interroll Group to the members of the Group Management are taken into account. Regardless whether global or local activities for one or more Group companies of the Interroll Group in Switzerland and abroad (on the basis of separate contract of employment) of a member of the Group Management are compensated.

The Board of Directors determines the total remuneration of the Group Management annually on the basis of the Articles of Incorporation under Art. 22bis (Total remuneration of the Board of Directors and the Group Management) and at the request of the Remuneration and Nomination Committee, since 2015 subject to approval by the AGM. The remuneration of the CEO is determined by the Remuneration and Nomination Committee. The total remuneration of the other members of the Group Management are proposed by the CEO and submitted to the Remuneration and Nomination Committee annually for approval by the Board of Directors. At the Annual General Meeting of Interroll Holding AG on May 3, 2024, the Board of Directors will set the maximum possible remuneration of the Group Management for the financial year 2024 for approval.

Fixed remuneration

The amount of the fixed remuneration is determined contractually and usually remains unchanged for 3 to 5 years for the same function. Adjustments may be made on the basis of individual performance and in the event of any changes to the area of responsibility.

Variable remuneration

In accordance with Art. 22bis of the Articles of Incorporation, the variable remuneration of Articles of Incorporation may not exceed 60 percent of the total remuneration (or 150 percent of the fixed remuneration).

In the case of the CEO, the variable remuneration amounts to approx. 60 percent of the fixed remuneration (with a maximum of approx. 100 percent and a minimum of 0 percent). For operational management functions, and central holding functions the plan value of the variable remuneration is approx. 30 percent of the fixed remuneration (with a maximum of approximately 50 percent and a minimum of 0 percent). The maximum is a theoretical cap and not a planned target figure. See also page 32 (Overview: Weighting of variable remuneration in relation to fixed remuneration).

The basis for calculating the variable remuneration is on the one hand the measurable sustainable financial success (of the Interroll Group or a part of it) and on the other hand annual individual targets, which must be measurable and of high strategic relevance. The weighting of the “financial success” component of the variable remuneration for the CEO and the operational and central holding functions is approx. 70 percent.

Overview: Weighting of variable remuneration in relation to fixed remuneration:

Function of the Group Management	Variable remuneration in relation to fixed remuneration: Min.	Plan	Max.[3]	Share of component "Financial success" component of the variable remuneration	Share of component "Individual targets" component of the variable remuneration
Group CEO	0%	approx. 60%	approx. 100%	approx. 70%	approx. 30%
Executive VP[1]	0%	approx. 30%	approx. 50%	approx. 70%	approx. 30%
Corporate VP[2]	0%	approx. 30%	approx. 50%	approx. 70%	approx. 30%

[1] Executive Vice President (EVP): operational management function
[2] Corporate Vice President (CVP): central holding function (i.e. Corp. Finance, Corp. Marketing)
[3] Max. theoretical value for capping; no planned target to be achieved

"Financial performance" component of the variable remuneration:

The financial performance of the company for the calculation of the financial success component of variable remuneration balances the amount and quality of success achieved. For this purpose, the amount of the operating profit achieved in the financial year (EBIT) is multiplied by a predefined percentage. The determination of the amount of this percentage is derived from the plan remuneration and plan EBIT. In a second step, the quality of the success is taken into account by multiplying the resulting remuneration by the achievement of financial performance parameters in comparison to a predefined benchmark defined for 3 years. This benchmark includes two perspectives: on one hand, the relative positioning compared to companies with a solid market position and comparable size within the relevant industry (material handling in Europe/USA, Asia) and, on the other hand, individual ambitious, longer-term financial performance targets.

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

"Individual targets" component of variable remuneration:

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_2 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. The ESG sustainability targets are based on the ESG Roadmap presented at the Annual General Meeting on May 13, 2022.

The table below illustrates the performance measurement:

Overview of the calculation of the "financial performance" component of variable remuneration (STI)

	Performance parameters (financial year)	Importance
Level of success	**Operating profit** (x % EBIT)	Earning power
Quality of success	**Operating profit margin** (EBIT %)	Profitability
	Sales growth (% from PY)	Market position, innovation
	Gross margin (% Sales)	Price strength, procurement strength
	Return on capital (ROIC)	Management of current and fixed assets

For the Group Management, the Board of Directors sets overall targets for the CEO, who in turn sets individual targets derived from this for the members of the Group Management.

The individual targets concern, 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 target or respective KPIs
- specific employee development programs in accordance with targets, qualifications and further training as part of a long-term oriented organizational and personnel development.

The Remuneration and Nomination Committee may decide in favor of a Group Management member to deviate from agreements in regards to variable remuneration, if the lack of target achievement is a result of external factors. There were no deviations in the current reporting year.

Variable remuneration: cash component (Short-Term Incentive, STI) and share participation (Long-Term Incentive, LTI)
In line with Art.22bis (total renumeration the Board of Directors and Group Management) of the Articles of Incorporation, the Group Management may be allocated shares with multi-year vesting periods as part of the total remuneration.

Through its commitment and influence, the Group Management should participate in the value creation of the Interroll Group in the long term, while also assuming the entrepreneurial risk as a shareholder (and equity co-owner) and identify themselves with the values of the Interroll Group.

Share plan for the Group Management:
The share plan for the Group Management was introduced as a long-term remuneration component with the reorganization of the Group structure in 2011. The members of the Group Management receive a number of shares as a long-term component of remuneration. The proportion is to be drawn with minimum 20 percent and maximum 100 percent of the variable remuneration. The individual share to be drawn by each member of the Group Management needs to be communicated latest by December 15 of the current financial year, if not 20 percent will be allocated. These shares are blocked for a period of 4 years. The portion of the variable compensation of not allocated share amounts will be compensated in cash.

Allocation modalities:
The relevant conversion price for the number of shares is the respective stock market price on 31.12. of the current financial year, less the deduction permitted for tax purposes for the duration of the blocking period. The allocation takes place in the first quarter of the new financial year after the audited results of the past financial year are available.

Total remuneration for the financial year 2023 (audited)
The remuneration of the members of the Group Mangement is determined in accordance with Art. 734 ff. of the Swiss Code of Obligations, the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange and the principles of the from the "Swiss Code of Best Practice for Corporate Governance" from Economiesuisse as follows:

	Remuneration (net)					
in thousand CHF	Fix	Variable: Cash (STI)1)	Variable: Shares (LTI)2/3)	Pension benefits4)	Other Services	**Total Remuneration**
CEO (highest amount)						
2023	474	126	77	280	31	**988**
2022	460	226	31	288	31	**1,036**
Other Group Management						
2023	1,523	355	431	483	143	**2,935**
2022	1,332	320	421	458	151	**2,682**
Total Group Management						
2023	**1,997**	**481**	**508**	**763**	**174**	**3,923**
2022	**1,792**	**546**	**452**	**746**	**182**	**3,718**

1) The difference between the provision recognized in the previous year and the bonuses actually paid is offset against the planned variable remuneration in the reporting year.
2) For the reporting year, no options on participation rights in Interroll Holding AG were issued to members of the Group Management.
3) For the reporting year, a total of 211 treasury shares were allocated to senior employees as part of bonus plans (previous year: 189 treasury shares) with a restriction period of four years (from the date of allocation). The share-based compensation corresponds to the tax value.
4) Pension benefits include employee and employer contributions to AHV/IV and the pension plan.

Explanation of the calculation method

The calculation method according to IFRS differs in two points from the calculation of the remuneration of the Board of Directors and the Group Management in accordance with the Swiss Code of Obligations 734a ff:

- Compensation for company vehicles is calculated in accordance with IFRS on the basis of the expenses recognized in the financial statements, including depreciation/lease installments. According to the Swiss Code of Obligation, monthly 0.9% of the acquisition value of the vehicles is calculated.
- In accordance with IFRS, share-based payments are calculated at market value on the date of allocation. Under the Swiss Code of Obligations, shares are valued at tax value, which is derived from the market value. As a result of the vesting period granted, the tax value is reduced compared to the market value, depending on the defined blocking period.
- The difference of CHF 0.153 million (previous year: CHF 0.130 million) related to business vehicles CHF 0.020 million (previous year: CHF 0.011 million) and share-based remuneration of CHF 0.133 million (previous year: CHF 0.119 million).

Assessment of the total remuneration for the financial year 2023

The total remuneration paid to the Group Management in the past year, in line with the financial and individual targets achieved, at CHF 3.92 million was higher than of previous year (CHF 3.72 million) and lower than the maximum total remuneration of CHF 4.8 million, approved at the Annual General Meeting 2023.

The total remuneration paid for the Group Management in 2023, based on the calculated target achievement in accordance with the calculation methodology described, was 93% (previous year 92%) of the total plan remuneration. Postponed projects and less customer demand due to the difficult economic environment and the destocking of important customers prevented the exceeding of the planned total remuneration. The value of the share component of the total remuneration 2023 amounted to 12% (previous year 16%).

The variable remuneration for the Group Management amounted to 31% (previous year: 28%) of fixed remuneration with a plan value of 40%. Compared to the total remuneration, it amounted to 23% (previous year 22%) with a planned value of 29%. The amount of the variable remuneration for the Group Management was below previous year and below plan and reflects the fact that the plan figures were not fully achieved for the target values. In particular, the targets in terms of sales were not achieved.

Outlook for the total remuneration for the financial year 2024

A maximum possible total remuneration of CHF 4.6 million (previous year CHF 4.8 million) will be proposed to the Annual General Meeting on May 3, 2024 for approval. As in previous years, the total remuneration includes a reserve for contingencies and currency fluctuations and assumes that the targets set will be significantly exceeded. The mentioned reserve also takes into account any additional remuneration in connection with new appointments of members of the Group Management after May 3, 2024. The application of Art. 12bis para. 3 (additional amount) of the Articles of Incorporation is reserved irrespective of this. The total remuneration actually paid out is generally lower than the maximum approved at the Annual General Meeting, as the amount of variable remuneration 2024 and its payment is based on the targets actually achieved in 2024. The fixed remuneration 2024 was adjusted for two members of the Group Management.

Other remuneration (audited) and further information

The expense and pension fund regulations are derived from the applicable local terms and conditions of employment and the corresponding legal and customary market conditions in the countries concerned, in particular Germany, the USA, China and Switzerland, and correspond to the provisions of Art. 22bis (Total remuneration of the Board of Directors and the Group Management) of the Articles of Incorporation. Outside of the total remuneration of the Group Management shown in the table, only actual travel expenses, after the submission of receipts and in accordance with the travel expense regulations applicable to the members of the Group Management are reimbursed. Any lump-sum expenses are part of the remuneration and are therefore included in the total remuneration table.

In Switzerland, the member of the Group Management pays one third of the savings portion of the pension fund, the rest is paid by the employer.

The members of the Group Management are entitled to a company car and a cell phone for business and private purpose or a corresponding monthly lump sum is paid. The maximum limits for the company car are regulated internally. The company car is included in the total remuneration under "Other benefits."

No further payments in cash or in kind or other remuneration, such as commissions for the acquisition or transfer of companies or parts thereof, are paid to members of the Group Management.

Severance payments to members of the Group Management are not permitted, whereby remuneration that is owed until the termination of the contractual terms is not considered as severance pay.

The notice periods for members of the Group Management are between 6 and 9 months and thus correspond to Art. 25 (employment and mandate contracts) of the Articles of Incorporation. There are no fixed-term employment contracts with members of the Group Management.

Loans and credits (audited)
The terms and conditions for any loans or credits to the members of the Group Management are set out in Art. 22bis (Total remuneration of the Board of Directors and the Group Management) of the Articles of Incorporation.

The Group companies of the Interroll Group did not grant any loans, advances or credits to members of the Group Management in the two reporting years 2023 and 2022.

Remuneration, loans and credit to related persons of the Group Management (audited)
The Group companies of the Interroll Group have neither directly nor indirectly paid non-market-rate remuneration to persons related to current or former members of the Group Management and no loans or credits were granted to these persons in 2023 and 2022, nor were any such loans or credits outstanding at December 31, 2023.

Activities at other companies (audited)
None of the Group Management members, has any activities in other companies according to Art. 626 para. 2 no. 1 of the Swiss Code of Obligations.

Participation rights and options to such rights
At December 31, 2023, the members of the Group Management, including their related parties held the following participation rights in Interroll Holding AG (at December 31, 2023, these persons did not hold options to subscribe to such rights):

	Shares per 31.12		Share of voting rights in % as at 31.12. (rounded)	
in thousand CHF	2023	2022	2023	2022
Ingo Steinkrüger CEO	43	12	0.01	0.00
Heinz Hössli CFO	35	21	0.00	0.00
Maurizio Catino Executive Vice President Global Sales & Solutions	46	21	0.01	0.00
Jens Karolyi Senior Vice President Corporate Marketing & People Development	104	127	0.01	0.02
Richard Keely Executive Vice President America	95	170	0.01	0.02
Dr. Ben Xia Executive Vice President Asia-Pacific	883	809	0.11	0.10
Total	**1,206**	**1,160**	**0.15**	**0.15**

Note: As per 31.12.2022 Mr. Jens Strüwing held 92 shares (left Group Managemet as of 30.09.2023).

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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 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 25 to 35 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages 25 to 35) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the 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. It 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 pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement 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, 14 March 2024

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FINANCIAL REPORT OF THE INTERROLL GROUP

FINANCIAL REPORT

1 CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERROLL GROUP

1.1 Consolidated balance sheet

in CHF thousands	see notes*	31.12.2023	in %	31.12.2022	in %
ASSETS					
Property, plant and equipment	6.1	170,596		184,228	
Intangible assets	6.3	28,235		26,634	
Financial assets		1,910		902	
Deferred tax assets	7.6	10,246		9,454	
Total non-current assets		**210,987**	**38.8**	**221,218**	**40.5**
Inventories	6.5	76,666		107,357	
Current tax assets		2,603		1,836	
Trade and other accounts receivable	6.6	113,502		136,140	
Cash and cash equivalents	6.7	140,269		79,305	
Total current assets		**333,040**	**61.2**	**324,638**	**59.5**
Total assets		**544,027**	**100.0**	**545,856**	**100.0**
EQUITY AND LIABILITIES					
Share capital		854		854	
Share premium		11,714		9,673	
Reserve for own shares		–67,248		–74,029	
Translation reserve		–127,871		–96,248	
Retained earnings		593,363		553,943	
Total equity	6.10	**410,812**	**75.5**	**394,193**	**72.2**
Financial liabilities	6.12	6,912		8,218	
Deferred tax liabilities	7.6	3,514		3,867	
Pension liabilities	6.14	5,092		4,087	
Provisions	6.13	13,824		10,448	
Total non-current liabilities		**29,342**	**5.4**	**26,620**	**4.9**
Financial liabilities	6.12	151		259	
Current tax liabilities	7.6	21,549		23,167	
Advances received from customers	6.15	29,589		40,323	
Trade and other accounts payable	6.15	52,584		61,294	
Total current liabilities		**103,873**	**19.1**	**125,043**	**22.9**
Total liabilities		**133,215**	**24.5**	**151,663**	**27.8**
Total liability and shareholder's equity		**544,027**	**100.0**	**545,856**	**100.0**

* 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*	2023	in %	2022	in %
Sales	5	**556,338**	**100.0**	**664,409**	**100.0**
Material expenses		–208,502	–37.5	–293,944	–44.2
Personnel expenses	6.14 & 7.1	–157,349	–28.3	–165,992	–25.0
Increase/(decrease) in work in progress, finished products and own goods capitalized		–3,163	–0.6	–432	–0.1
Other operating expenses	7.3	–84,951	–15.3	–78,604	–11.8
Other operating income	7.4	3,923	0.7	3,905	0.6
Operating result before depreciation and amortization (EBITDA)		**106,296**	**19.1**	**129,342**	**19.5**
Depreciation	6.1	–18,999	–3.4	–20,166	–3.1
Amortization	6.3	–3,444	–0.6	–3,961	–0.6
Operating result (EBIT)		**83,853**	**15.1**	**105,215**	**15.8**
Finance expenses		–2,198	–0.4	–4,111	–0.6
Finance income		2,265	0.4	3,675	0.6
Finance result, net	7.5	**67**	**0.0**	**–436**	**–0.0**
Result before income taxes		83,920	15.1	**104,779**	**15.8**
Income tax expense	7.6	–17,571	–3.2	–21,996	–3.3
Result		**66,349**	**11.9**	**82,783**	**12.5**
Result attributable to:					
– non-controlling interests		–	–	–	–
– owners of Interroll Holding AG		**66,349**	**11.9**	**82,783**	**12.5**
Values per share (in CHF)					
Non-diluted earnings (result) per share	6.11	80.64		100.91	
Diluted earnings (result) per share	6.11	80.64		100.91	
Dividend payment		32.00		31.00	

* 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*	2023	in %	2022	in %
Result		**66,349**		**82,783**	
Other comprehensive income					
Items that will not be reclassified to income statement					
Remeasurement of pension liabilities	6.15	–802		2,627	
Income tax		153		–538	
Total items that will not be reclassified to income statement		**–649**		**2,089**	
Items that in the future may be reclassified subsequently to income statement					
Currency translation differences		–31,624		–15,653	
Income taxes		–		–	
Total items that in the future may be reclassified subsequently to income statement		**–31,624**		**–15,653**	
Other income		**–32,272**		**–13,563**	
Comprehensive income		**34,076**		**69,220**	
Result attributable to:					
– non–controlling interests		–	–	–	–
– owners of Interroll Holding AG		34,076	6.1	69,220	10.4

* 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*	2023	2022
Result		**66,349**	**82,783**
Depreciation, amortization and impairment	6.1 & 6.3	22,443	24,127
Loss/(gain) on disposal of tangible and intangible assets	7.3	307	–590
Financial result, net	7.5	–67	436
Income tax expense	7.6	17,571	21,996
Changes in inventories		25,547	18,652
Changes in trade and other accounts receivable		10,399	–25,637
Changes in trade and other accounts payable		–12,017	–28,642
Changes in provisions, net	6.13	5,202	–1,693
Income tax paid		–19,991	–14,923
Personnel expenses on share-based payments	7.1	637	607
Other non-cash expenses/(income)		–3,149	–5,751
Cash flow from operating activities		**113,231**	**71,365**
Acquisition of property, plant and equipment	6.1	–17,489	–20,826
Acquisition of intangible assets	6.3	–6,322	–5,530
Acquisition of financial assets		–1,160	–389
Proceeds from disposal of property, plant and equipment	6.1 & 6.1.1 & 6.3	534	3,432
Repayment of financial assets		5	183
Interest received		2,265	946
Cash flow from investing activities		**– 22,167**	**– 22,184**
Dividends paid	1.5	–26,280	–25,401
Sale of treasury shares		8,186	4,341
Proceeds from financial liabilities		3	–
Repayment of financial liabilities		–2,102	–12,951
Interest paid		–265	–505
Cash flow from financing activities		**–20,458**	**–34,516**
Translation adjustments on cash and cash equivalents		–9,642	–3,856
Change in cash and cash equivalents		**60,964**	**10,809**
Cash and cash equivalents at January 1		79,305	68,496
Cash and cash equivalents at December 31	6.7	**140,269**	**79,305**

* 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**
Balance at January 1, 2022		**854**	**8,904**	**–78,208**	**–80,595**	**494,473**	**345,428**
Result		**–**	**–**	**–**		**82,783**	**82,783**
Other comprehensive income, net of taxes		**–**	**–**	**–**	**–15,653**	**2,087**	**–13,565**
Total comprehensive income		**–**	**–**	**–**	**–15,653**	**84,870**	**69,218**
Dividend payment, net	7.1	–	–	–	–	–25,401	**–25,401**
Share-based payments	6.1	–	182	425	–	–	**607**
Sale of treasury shares incl. tax effects	6.1	–	587	3,754	–	–	**4,341**
Balance at December 31, 2022		**854**	**9,673**	**–74,029**	**–96,248**	**553,943**	**394,193**
Balance at January 1, 2023		**854**	**9,673**	**–74,029**	**–96,248**	**553,943**	**394,193**
Result		**–**	**–**	**–**	**–**	**66,349**	**66,349**
Other comprehensive income, net of taxes		**–**	**–**	**–**	**–31,624**	**–649**	**–32,272**
Total comprehensive income		**–**	**–**	**–**	**–31,624**	**65,700**	**34,076**
Dividend payment, net	7.1	–	–	–	–	–26,280	**–26,280**
Share-based payments	6.1	–	150	487	–	–	**637**
Sale of treasury shares incl. tax effects	6.1	–	1,892	6,294	–	–	**8,186**
Balance at December 31, 2023		**854**	**11,714**	**–67,248**	**–127,871**	**593,363**	**410,812**

* 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 2023 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, 2023, 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, 2023, 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, 2024, 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)		
Einheit	**2023**	**2022**	Change in %	**31.12.2023**	**31.12.2022**	Change in %
1 EUR	0.972	1.002	–3.0	0.926	0.985	–6.0
1 USD	0.898	0.955	–6.0	0.838	0.923	–9.2
1 CAD	0.665	0.731	–9.1	0.632	0.682	–7.3
1 GBP	1.118	1.173	–4.6	1.066	1.110	–4.0
1 SGD	0.669	0.692	–3.4	0.635	0.689	–7.8
1 CNY	0.127	0.142	–10.6	0.118	0.134	–11.9
1 JPY	0.006	0.007	–12.5	0.006	0.007	–15.4

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
Since January 1, 2011, the Interroll Group consists of one single business unit. 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 above 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	2023	2022
Total assets	544.0	545.9
Net financial assets	133.2	70.8
– Cash	140.3	79.3
– Finance liabilities (bank + leasing)	–7.1	–8.5
Operating cash flow	113.2	71.4
Equity	410.8	394.2
Equity ratio (equity in % of assets)	**75.5**	**72.2**
Result	66.3	82.8
Return on equity (in %)	**16.5**	**22.4**
Non-diluted earnings per registered share (in CHF)	80.64	100.91
Distribution per registered share (in CHF)	32.00	32.00
Payout ratio per registered share (in %)	**39.7**	**31.7**

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 the financial year 2023
In the financial year 2023 there was no acquisition of subsidiaries or business activities respectively. However Interroll Real Estate, LLC was merged into Interroll USA Holding, LLC and the assets transferred to the operating entities (Interroll USA, LLC, Interroll Atlanta, LLC and Interroll Engineering West, INC).

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

5 SEGMENT REPORTING

Sales and non-current assets by geographical markets

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

	Sales				Non-current assets			
in CHF thousands	2023	in %	2022	in %	2023	in %	2022	in %
Germany	65,528	11.8	94,679	14.3	94,498	47.5	102,084	48.4
Other EMEA*	224,139	40.3	288,187	43.4	43,853	22.1	41,155	19.5
Total EMEA*	**289,667**	**52.1**	**382,865**	**57.6**	**138,352**	**69.6**	**143,239**	**67.9**
USA	167,655	30.1	189,960	28.6	31,840	16.0	33,628	16
Other Americas	24,495	4.4	31,642	4.8	3,871	1.9	4,247	2.0
Total Americas	**192,151**	**34.5**	**221,602**	**33.4**	**35,711**	**17.9**	**37,875**	**18.0**
China	20,712	3.7	27,540	4.1	18,436	9.3	22,187	10.5
Other Asia-Pacific	53,808	9.7	32,402	4.9	6,332	3.2	7,561	3.6
Total Asia-Pacific	**74,520**	**13.4**	**59,942**	**9.0**	**24,768**	**12.5**	**29,748**	**14.1**
Total Group	**556,338**	**100.0**	**664,409**	**100.0**	**198,831**	**100.0**	**210,862**	**100.0**

* 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	2023	in %	2022	in %
Rollers	99,123	17.8	126,469	19.0
Drives	171,192	30.8	211,839	31.9
Conveyors & Sorters	246,530	44.3	263,503	39.7
Pallet Handling	39,493	7.1	62,599	9.4
Total Group	**556,338**	**100.0**	**664,409**	**100.0**

Timing of revenue recognition

Orders are recognized at a point in time with one exception. The exception concerns two minor maintenance contracts in Singapore which are 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 2023	Land & building 2022	Production equipment & machinery 2023	Production equipment & machinery 2022	Office equipment & motor vehicles 2023	Office equipment & motor vehicles 2022	Assets under construction 2023	Assets under construction 2022	Total 2023	Total 2022
COSTS										
At 1.1.	**192,615**	**181,213**	**131,179**	**129,663**	**16,395**	**15,048**	**11,863**	**21,871**	**352,052**	**347,796**
Currency translation adj.	–12,919	–7,222	–7,481	–3,666	–1,153	–627	–761	–606	**–22,314**	**–12,122**
Additions	2,879	9,030	3,443	4,651	2,836	2,724	9,573	10,574	**18,731**	**26,979**
Disposals	–983	–5,593	–5,365	–3,764	–1,688	–799	–48	–23	**–8,084**	**–10,179**
Reclassifications	252	15,187	9,131	4,295	34	49	–9,463	–19,953	**–46**	**–422**
At 31.12.	**181,844**	**192,615**	**130,907**	**131,179**	**16,424**	**16,395**	**11,164**	**11,863**	**340,339**	**352,052**
ACCUMULATED DEPRECIATION & IMPAIRMENTS										
At 1.1.	**–64,643**	**–61,426**	**–91,835**	**–88,955**	**–11,346**	**–10,078**			**–167,824**	**–160,459**
Currency translation adj.	4,066	2,128	4,914	2,526	809	403			**9,789**	**5,057**
Depreciation	–7,617	–8,255	–9,010	–9,504	–2,372	–2,407			**–18,999**	**–20,166**
Disposals	1,062	2,910	4,769	3,516	1,414	736			**7,245**	**7,162**
Reclassifications	–	–	46	582	–	–			**46**	**582**
At 31.12.	**–67,132**	**–64,643**	**–91,116**	**–91,835**	**–11,495**	**–11,346**			**–169,743**	**–167,824**
Property, plant & equipment at 31.12.	**114,712**	**127,972**	**39,791**	**39,344**	**4,929**	**5,049**	**11,164**	**11,863**	**170,596**	**184,228**
Capital commitments	–	55	771	718	29	–			**800**	**773**
Insurance value*	183,137	189,318	140,196	151,421	–	–			**323,333**	**340,739**

* 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

Lease assets

in CHF thousands	31.12.2023	31.12.2022
Carrying amount of lease assets	**8,160**	**9,568**
of which		
– Land & building	7,497	8,746
– Production equipment & machinery	161	225
– Office equipment & motor vehicles	502	597
Additions to lease assets	**1,287**	**5,849**

Income statement

in CHF thousands	2023	2022
Depreciation of lease assets	**1,943**	**2,189**
of which		
– Land & building	1,680	1,805
– Production equipment & machinery	47	78
– Office equipment & motor vehicles	216	306
Interest on lease liabilities	**251**	**215**
Variable lease payments	**–**	**–**

Cash flow statement

in CHF thousands	2023	2022
Total cash outflow for leases	**2,356**	**1,854**

Lease liabilities by duration

in CHF thousands	31.12.2023	31.12.2022
Lease payments due within 6 months	1,001	1,177
Lease payments due within 7–12 months	794	1,564
Lease payments due within 1–5 years	3,214	3,984
Lease payments due after 5 years	2,500	2,822
Lease payment	**7,509**	**9,547**

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

	Goodwill		Software		Patents, technology and licenses		Customer relationships		**Total**	
in thousands CHF	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
COSTS										
At 1.1.	**19,478**	**19,870**	**56,388**	**51,042**	**12,159**	**12,779**	**19,557**	**20,426**	**107,582**	**104,117**
Currency translation adj.	–1,232	–392	–232	–165	–725	–598	–1,294	–891	**–3,483**	**–2,047**
Additions	–	–	6,279	5,530	43	–	–	–	**6,322**	**5,530**
Disposals	–	–	–332	–18	–27	–	–	–	**–359**	**–18**
Reclassifications	–	–	–	–	–	–22	–	22	**–**	**–**
At 31.12.	**18,246**	**19,478**	**62,103**	**56,388**	**11,450**	**12,159**	**18,263**	**19,557**	**110,062**	**107,582**
ACCUMULATED AMORTIZATION & IMPAIRMENTS										
At 1.1.	**–3,126**	**–3,126**	**–46,424**	**–42,781**	**–12,020**	**–12,574**	**–19,378**	**–20,115**	**–80,948**	**–78,596**
Currency translation adj.	–	–	208	127	718	590	1,282	878	**2,208**	**1,595**
Amortization	–	–	–3,281	–3,784	–60	–58	–103	–119	**–3,444**	**–3,961**
Disposals	–	–	330	14	27	–	–	–	**357**	**14**
Reclassifications	–	–	–	–	–	22	–	–22	**–**	**–**
At 31.12.	**–3,126**	**–3,126**	**–49,167**	**–46,424**	**–11,335**	**–12,020**	**–18,199**	**–19,378**	**–81,827**	**–80,948**
Total intangible assets, net at 31.12.	**15,120**	**16,352**	**12,936**	**9,964**	**115**	**139**	**64**	**179**	**28,235**	**26,634**

Goodwill impairment tests

The impairment tests are generally based on a three year plan and on the present value of future (pre-tax) cash flows (value in use) determined using a discount rate before tax of 8.7 % (previous year: 10.2 %). The growth rate and the discount rate were defined as key assumptions. No further growth was assumed for the extrapolation of free cash flows. The cash-generating unit (CGU) equals the Interroll Group. There is only one operating segment that corresponds to the reporting segment. 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 46.2 million (2021: CHF 45.3 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 0.9 million (previous year: CHF 2.2 million). Amortization begins from the go-live date and ends after eight years.

In 2023, at the production site in Hiram (USA) the old ERP system was replaced by SAP and new licenses were acquired (MES and archiving). In the previous year 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 were created.

Patents and licenses
Patents and licenses 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	31.12.2023	31.12.2022
Raw materials	73,910	98,937
Work in progress	14,266	20,826
Finished products	3,254	3,683
Valuation allowance	–14,764	–16,089
Total inventory, net	**76,666**	**107,357**

Development of valuation allowance on inventory

in CHF thousands	2023	2022
Balance as per 1.1.	**–16,089**	**–7,700**
Currency translation adjustment	1,167	439
Additions	–1,577	–10,171
Reductions	1,735	1,343
Total valuation allowance on inventory as per 31.12.	**–14,764**	**–16,089**

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	31.12.2023	31.12.2022
Trade accounts receivable from goods and services	102,809	122,127
Valuation allowance	–9,325	–10,015
Total trade accounts receivable, net	**93,484**	**112,112**
Prepaid expenses and accrued income	3,963	6,175
Prepayments for inventories	2,087	5,261
Other accounts receivable	13,995	11,308
Forward exchange dealing	–27	1,284
Total other accounts receivable	**20,018**	**24,028**
Total trade and other accounts receivable, net	**113,502**	**136,140**

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	31.12.2023				31.12.2022			
	Gross	Valuation allowance		Net	Gross	Valuation allowance		Net
		individual	collective			individual	collective	
Not past due	67,584	–	–	**67,584**	69,136	–	–	**69,136**
Past due 1–30 days	13,016	–	–	**13,016**	20,184	–	–	**20,184**
Past due 31–60 days	8,933	–	–	**8,933**	9,859	–15	–	**9,844**
Past due 61–90 days	1,965	–7	–	**1,958**	5,354	–2	–	**5,352**
Past due > 90 days	11,311	–8,938	–380	**1,993**	17,594	–9,594	–404	**7,596**
Total trade accounts receivable	**102,809**	**–8,945**	**–380**	**93,484**	**122,127**	**–9,611**	**–404**	**112,112**

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	2023			2022		
		Valuation allowance			Valuation allowance	
	Total	individual	collective	**Total**	individual	collective
At 1.1.	**–10,015**	**–9,611**	**–404**	**–9,950**	**–9,526**	**–424**
Currency translation adjustment	326	302	24	355	335	20
Additions	–679	–679		–3,165	–3,165	
Allowance used	142	142		130	130	
Allowance reversed	901	901		2,615	2,615	
At 31.12.	**–9,325**	**–8,945**	**–380**	**–10,015**	**–9,611**	**–404**

During the year under review, CHF 0.1 million (previous year: CHF 0.1 million) of irrecoverable trade receivables were written off. 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	31.12.2023	in %	31.12.2022	in %
EUR	34,879	33.9	55,441	45.4
USD	42,952	41.8	40,709	33.3
CNY	3,803	3.7	4,814	3.9
THB	3,009	2.9	2,346	1.9
DKK	2,666	2.6	3,482	2.9
all other currencies	15,500	15.1	15,335	12.6
Total trade accounts receivable, gross	**102,809**	**100.0**	**122,127**	**100.0**

Regional breakdown of trade accounts receivable
Trade accounts receivable can be broken down into the following geographical areas:

in CHF thousands	31.12.2023	in %	31.12.2022	in %
Europe, Middle East, Africa	45,162	44.0	66,543	54.5
Americas	46,615	45.3	44,849	36.7
Asia-Pacific	11,032	10.7	10,735	8.8
Total trade accounts receivable, gross	**102,809**	**100.0**	**122,127**	**100.0**

On average, trade accounts receivable are outstanding for 39 days (DSO). The respective values are 42 for Europe, 42 for the Americas and 37 for Asia. In the previous year, the DSO was 58 for the Group, 54 for Europe, 66 for the Americas and 37 for Asia.

6.7 Cash and cash equivalents

Items included in cash and cash equivalents

in CHF thousands	31.12.2023	31.12.2022
Cash on hand, bank and postal accounts	59,408	64,298
Current deposits	80,861	15,007
Total cash and cash equivalents	**140,269**	**79,305**

Interest rates of cash and cash equivalents

Interest rates on cash and cash equivalents vary between 0% (CHF) and 6% (BRL). The respective rates for the previous year were 0% (CHF) and 3% (BRL).

Currencies held in cash and cash equivalents

in %	31.12.2023	31.12.2022
EUR	48.0	26.0
CHF	17.0	1.0
CNY	15.0	34.0
USD	6.0	13.0
THB	1.0	2.0
JPY	0.0	1.0
KRW	3.0	9.0
BRL	2.0	1.0
ZAR	1.0	1.0
Other currencies	6.0	12.0
Total cash and cash equivalents	**100.0**	**100.0**

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	31.12.2023	31.12.2022
Cash and cash equivalents	140,269	79,305
Trade and other accounts receivable without advances and foreign currency forward contracts	111,442	129,595
Financial assets	1,911	902
Total financial assets at amortized cost	**253,622**	**209,802**
Foreign currency forward contracts*	–27	1,284
Total financial instruments at fair value	**–27**	**1,284**
Trade and other accounts payable	60,709	80,401
Financial liabilities (incl. bank overdrafts)	7,063	8,477
Total financial liabilities at carrying value	**67,772**	**88,878**

* 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					31.12.2023					31.12.2022
	EUR	CHF	USD	SGD	CNY	EUR	CHF	USD	SGD	CNY
Financial assets	3	75	25	–	–	3	75	–	–	–
Trade and other accounts receivable	5,832	5,127	8,744	25	423	8,421	297	9,794	40	506
Cash and cash equivalents incl. intercompany loans	10,781	20,769	9,243	1	576	7,733	15,085	26,170	–	46
Financial liabilities	–	–	1,676	–	–	–	–	1,569	–	–
Trade and other accounts payable	17,347	15,288	2,131	–	2,467	12,138	16,110	2,607	–	2,340
Current liabilities	577	12,972	750	952	0	829	10,557	122	1,033	–
Currency risks on the balance sheet (gross)	**34,540**	**54,231**	**22,569**	**978**	**3,466**	**29,124**	**42,124**	**40,262**	**1,073**	**2,892**
Elimination same currency	–33,230	–51,941	–9,116	–51	–1,999	–25,934	–30,914	–8,596	–82	–1,104
Currency risks on the balance sheet (net)	**1,310**	**2,290**	**13,453**	**927**	**1,467**	**3,190**	**11,210**	**31,666**	**991**	**1,788**
Natural hedges	–3,008	–432	–	–57	–757	–1,613	–1,369	–	–60	–631
FX forward contracts	–4,101	–12,598	–7,017	–973	–733	–4,582	–13,472	–21,052	–972	–530
Net currency risk exposure	**–5,799**	**–10,740**	**6,436**	**–103**	**–23**	**–3,005**	**–3,631**	**10,614**	**–41**	**627**

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	31.12.2023				31.12.2022		
Hedged currency	Sell/buy	Maturity	Notional amount in CHF	Fair value	Sell/buy	Notional amount in CHF	Fair value
EUR	EUR/CNY				EUR/CNY	1,297	–67
EUR	GBP/EUR	Feb 24	681	–3	GBP/EUR	1,249	18
EUR	EUR/CZK	Feb 24	1,531	4	EUR/CZK	878	25
EUR	EUR/PLN	Feb 24	1,889	52	EUR/PLN	1,158	62
CHF	USD/CHF	Feb 24	848	45	USD/CHF	1,052	65
CHF	EUR/CHF	Feb 24	11,750	–181	EUR/CHF	12,420	–162
USD	USD/EUR	Feb 24	6,048	234	USD/EUR	18,787	1,398
USD	MEX/USD				MEX/USD	717	–27
USD	USD/CNY				USD/CNY	514	15
USD	USD/CAD	Feb 24	969	27	USD/CAD	1,034	16
SGD	CHF/ SGD	Jan 24	973	–18	SGD/CHF	972	8
CAD	CHF/CAD	Jan 24	645	–11	CHF/CAD	2,980	20
CNY	KRW/CNY	Feb 24	733	–15	KRW/CNY	530	–48
AUD	CHF /AUD	Jan 24	2,324	–34	AUD/CHF	2,133	42
CZK	CHF/CZK				CHF/CZK	3,107	30
GBP	CHF/GBP	Jan 24	4,377	–96	CHF/GBP	2,926	–29
KRW	CHF/KRW				CHF/KRW	2,142	15
PLN	CHF/PLN	Jan 24	1,371	–27	CHF/PLN	1,233	14
THB	THB/CHF	Feb 24	1,270	7	THB/CHF	3,167	–94
THB	THB/EUR	Feb 24	1,363	–11	THB/EUR	1,475	–25
ZAR	ZAR/EUR				ZAR/EUR	710	8
Total derivative financial instruments				–27			1,284

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			31.12.2023			31.12.2022
Currency pair	EUR vs. CHF	CHF vs. USD	CAD vs. USD	EUR vs. CHF	CHF vs. USD	CAD vs. USD
Financial assets	75	–	–	75	–	–
Trade and other receivables	3,866	462	924	–4,167	574	573
Cash and cash equiv. incl. IC-loans	20,568	5	1,542	14,944	3	631
Trade and other payables	7,449	–1,299	460	5,192	–970	51
Current liabilities	12,972	–	750	10,557	–	–
Gross exposure per currency pair	**44,930**	**–832**	**3,676**	**26,600**	**–394**	**1,256**
Risks opposing each other	–40,842	2,598	–2,419	–21,703	1,940	–102
FX forward contracts	–11,750	–848	–969	–12,420	–1,052	–1,034
Net FX exposure per currency pair	**–7,662**	**917**	**287**	**–7,523**	**495**	**119**
Currency change in %	6	10	2	5	1	6
Effect on the result (+/–)	**486**	**93**	**6**	**370**	**6**	**8**
Income tax expense at 18.1% (previous year: 19.6%)	–88	–17	–1	–73	–1	–1
Net FX exposure after income taxes	**398**	**76**	**5**	**297**	**5**	**6**

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. The assumed currency fluctuation in the reporting year corresponds to the effective change of the average exchange rate of the 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 interest-bearing financial assets of CHF 80.9 million (previous year: CHF 15.0 million). These are part of CHF 82.4 million (previous year: CHF 15.6 million) in financial assets, of which CHF 1.6 million (previous year: CHF 0.6 million) are non-interest-bearing. In the year under review no bank loans are reported (previous year: CHF 0.0 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				31.12.2023				31.12.2022
	Nom. int. rate in %	Carrying amounts	Basis points		Nom. int. rate in %	Carrying amounts	Basis points	
			+100	–100			+100	–100
FINANCIAL ASSETS								
Fixed interest rate	1.7 – 6.0	70,640			0.4 – 3.0	2,873		
Variable interest rate	2.1 – 4.0	10,222	102	–102	2.0 – 2.6	12,134	121	–121
Not-interest-bearing	–	1,581			–	580		
Total deposits		**82,443**	**102**	**–102**		**15,587**	**121**	**–121**
Cash on hand, bank and postal accounts		59,408				64,298		
Trade and other receivables		111,415				130,879		
Total other financial assets		**170,823**	**–**	**–**		**195,177**	**–**	**–**
Total financial assets		**253,266**	**102**	**–102**		**210,764**	**121**	**–121**
FINANCIAL LIABILITIES								
Trade and other accounts payable		60,698				80,401		
Financial liabilities		7,063				8,477		
Total trade and other accounts payable		**67,761**	**–**	**–**		**88,878**	**–**	**–**
Total financial liabilities		**67,761**	–	–		**88,878**		–
Net financial liabilities		**185,505**	**102**	**–102**		**121,886**	**121**	**–121**

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 analysis on the previous page, the Group's annual result would have changed by CHF 0.10 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 0.12 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 65.2 million (2022: CHF 67.4 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

	2023	2022
Issued shares par value CHF 1.00 each	**854,000**	**854,000**
Own shares held by the Group as per 1.1.	**32,935**	**34,794**
Attribution of shares relating to bonus plan	–217	–184
Sales of shares	–2,800	–1,675
Treasury shares held by the Group as per 31.12.	**29,918**	**32,935**
thereof unreserved	29,918	32,935
Shares outstanding as per 31.12.	**824,082**	**821,065**

6.11 Earnings per share

Undiluted earnings per share
The undiluted earnings per share in 2023 amount to CHF 80.64 (previous year: CHF 100.91). The calculation is based on the profit attributable to the equity holders of the parent company, divided by the weighted average of shares outstanding.

	2023	2022
Result attributable to the equity holders (in CHF thousands)	**66,349**	**82,783**
Shares outstanding as per 1.1.	**821,065**	**819,206**
Effect of the sale/attribution of treasury shares	1,750	1,163
Weighted average of shares outstanding as per 31.12.	**822,815**	**820,369**
Undiluted earnings per share (in CHF)	**80.64**	**100.91**

Diluted earnings per share

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

	2023	2022
Result attributable to the equity holders (in CHF thousands)	**66,349**	**82,783**
Weighted average of shares outstanding (diluted)	**822,815**	**820,369**
Diluted earnings per share (in CHF)	**80.64**	**100.91**

6.12 Financial liabilities

Details of current and non-current financial liabilities

in CHF thousands	31.12.2023	31.12.2022
Lease liabilities (finance + operating)	151	259
Total current financial liabilities	**151**	**259**
Lease liabilities (finance + operating)	6,912	8,218
Total non-current financial liabilities	**6,912**	**8,218**
Total financial liabilities	**7,063**	**8,477**

Net financial liabilities to equity ratio

in CHF thousands	31.12.2023	31.12.2022
Total financial liabilities	7,063	8,477
./. Cash and cash equivalents	–140,269	–79,305
Net financial liabilities (-net cash)	**–133,206**	**–70,828**
Equity	**410,812**	**394,193**
Net financial debt in % of the equity	**n/a**	**n/a**

Maturities of financial liabilities

The financial liabilities as at December 31, 2023, are due as follows:

in CHF thousands	Carrying amount	Face value (undis-counted)	within 6 months	within 7–12 months	within 1–5 years	> 5 years
Trade/other accounts payable*	60,698	60,698	60,698	–	–	–
Lease liabilities	7,063	7,509	1,001	794	3,214	2,500
Total financial liabilities	**67,761**	**68,207**	**61,699**	**794**	**3,214**	**2,500**

* 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, 2022, are due as follows:

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

* 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

	Warranties		Other provisions		Total	
in CHF thousands	2023	2022	2023	2022	2023	2022
At 1.1.	**8,893**	**9,197**	**1,555**	**867**	**10,448**	**10,064**
Currency translation adjustments	–679	–341	–62	–99	–741	**–440**
Provisions made	9,448	4,002	–292	1,166	9,156	**5,168**
Provisions used	–2,529	–2,482	–216	–140	–2,745	**–2,622**
Provisions reversed	–2,055	–1,483	–239	–239	–2,294	**–1,722**
At 31.12.	**13,078**	**8,893**	**746**	**1,555**	**13,824**	**10,448**

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 2.35% (previous year: 1.34%) of sales.

Other provisions
The other provisions mainly include provisions for litigation.

6.14 Employee benefits

General information on the Groups employee benefits
The employee benefits recognized in the income statement for 2023 amounted to CHF 4.2 million (previous year: CHF 2.6 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 2023, 204 people participated in these defined benefit plans; in the previous year, the number was 214. 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	2023	2022
Costs of the defined contribution plans	**3,448**	**2,263**
Past service costs incl. curtailment	29	–548
Current service costs, net	590	857
Administrative expenses	29	25
Interest costs	76	35
Costs of the defined benefit plans	**724**	**369**
Effects of changes in demographic assumptions	14	–
Effects of changes in financial assumptions	1,320	–3,737
Effects of experience assumptions	–182	–685
Result on plan assets (excl. interest income)	–350	1,795
Remeasurements included in other income	**802**	**–2,627**
Defined benefit costs	**4,974**	**5**

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.	2023	2022
Present value of defined benefit obligation	–15,495	–13,425
Fair value of plan assets	10,945	9,735
Other long-term employee benefits	–542	–397
Pension liability	**–5.092**	**–4,087**

Roll forward of the defined benefit obligation

in CHF thousands	2023	2022
Benefit obligation as per 1.1.	**–13,425**	**–17,715**
Past service costs incl. curtailment	–29	548
Current service costs, net	–590	–857
Interest costs	–303	–145
Contributions from employees	–602	–599
Benefits (funded)/paid, net	534	860
Benefits (funded)/paid, net from employer	14	42
Translation difference	58	19
Remeasurements		
– Effects of changes in demographic assumptions	–14	–
– Effects of changes in financial assumptions	–1,320	3,737
– Effects of experience assumptions	182	685
Benefit obligation as per 31.12.	**–15,495**	**–13,425**

Roll forward of the present value of plan assets

in CHF thousands	2023	2022
Fair value of plan assets as per 1.1.	**9,735**	**11,109**
Administrative expenses	–29	–25
Interest income	227	110
Employer contributions	602	599
Employee contributions	602	599
Benefits (funded)/paid, net	–534	–860
Translation difference	–8	–2
Result of plan assets	350	–1,795
Fair value of plan assets as per 31.12.	**10,945**	**9,735**

Investment categories

in CHF thousands, per 31.12.	2023	2022
Equities (quoted market prices)	3,238	2,875
Bonds (quoted market prices)	2,819	2,503
Real estate (other than quoted market prices)	1,775	1,576
Real estate (direct investments)	836	742
Alternative investments (quoted market prices)	1,671	1,483
Qualified insurance policies*	501	463
Cash	105	93
Total investments	**10,945**	**9,735**

* 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	2023	2022
Net defined benefit liability as per 1.1.	**–4,087**	**–6,606**
Defined benefit costs included in P/L	–724	–369
Total remeasurements included in OCI	–802	2,627
Employer contributions	616	641
Other long-term employee benefits	–177	–397
Translation difference	82	17
Net defined benefit liability as per 31.12.	**–5,092**	**–4,087**

Actuarial assumptions

in %	2023	2022
Discount rate	1.6	2.3
Future salary increases	2.0	2.0
Expected benefit increases	0.0	0.0
Fluctuation rate	10.0	10.0
Mortality probabilities	BVG 2020	BVG 2020
Weighted modified duration in years	17.8	17.0

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

Discount rate	**1.60%**	**+0.25%**	**–0.25%**
Benefit obligation	–15,495	–14,819	–16,218

Rate of salary increase	**2.02%**	**+0.25%**	**–0.25%**
Benefit obligation	–15,495	–15,581	–15,408

Sensitivities are based on possible changes that are likely as at the end of 2023.

6.15 Trade and other accounts payable, accrued expenses

in CHF thousands	**31.12.2023**	**31.12.2022**
Trade accounts payable to third parties	14,031	22,235
Total trade accounts payable	**14,031**	**22,235**
Other liabilities	17,078	17,843
Advances received from customers	29,589	40,323
Total other accounts payable	**46,667**	**58,166**
Accrued personnel expenses	10,327	8,957
Accrued interest	5	5
Other accrued expenses	11,144	12,258
Total accrued expenses	**21,476**	**21,220**
Total trade and other accounts payable, accrued expenses	**82,174**	**101,621**

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 2023 were recognized as revenue during the period under review.

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

in CHF thousands	**2023**	**2022**
Opening balance of advances received from customers as per 1.1.	**–40,323**	**48,060**
– Revenue recognized includes advanced payments from customers carried forward from previous year.	62,189	–40,345
– Increases due to cash received, excl. amounts recognized as revenue during the period	–54,818	33,267
Currency translation adj.	3,363	–659
Closing balance of advances received from customers as per 31.12.	**–29,589**	**40,323**

7 NOTES TO THE CONSOLIDATED INCOME STATEMENT

7.1 Personnel expenses

Details of personnel expenses and number of employees

in CHF thousands	2023	2022
Wages and salaries	128,248	137,032
Social security costs	20,567	20,675
Pension costs (see note 6.14)	4,172	2,632
Other personnel-related costs	3,725	5,046
Equity-based personnel expenses to management personnel	637	607
Total personnel expenses	**157,349**	**165,992**
Thereof production-related personnel expenses	64,214	76,822
Average number of full time employees	2,294	2,500

In the year under review, a total of 217 treasury shares (previous year: 189) were allocated to senior employees under bonus plans, of which 162 shares (previous year: 184 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	2023	2022
Research and development (R&D) expenditures	8,480	11,228
R&D in % of sales	1.52	1.69

7.3 Other operating expenses

in CHF thousands	2023	2022
Production-related expenses	13,691	13,108
Freight	11,860	16,649
Office, administration and IT services	13,982	13,619
Building costs	5,762	5,820
Traveling and transportation	6,406	6,715
Marketing	5,476	5,760
Consultancy, auditing and insurance	8,374	7,735
Provisions and allowances, net	6,889	–1,858
Variable sales costs	2,338	3,285
Non-income taxes	3,422	2,883
Other expenses and services	6,444	4,888
Losses on disposals of tangible/intangible assets	307	–
Total other operating expenses	**84,951**	**78,604**

7.4 Other operating income

in CHF thousands	2023	2022
Income from freight and packing	2,829	2,406
Income from services	149	228
Government grants received	945	681
Gain on disposal of tangible and intangible assets	–	590
Total other operating income	**3,923**	**3,905**

7.5 Financial result

in CHF thousands	2023	2022
Unrealized translation differences, net	–611	–
Fair value changes of foreign currency forward contracts	–1,311	–
Realized translation differences, net	–	–3,674
Interest expenses	–276	–437
Financial expenses	**–2,198**	**–4,111**
Unrealized translation differences, net	–	1,279
Fair value changes of foreign currency forward contracts	–	1,441
Interest income	2,265	955
Financial income	**2,265**	**3,675**
Financial result, net	**67**	**–436**

7.6 Income tax expense

Components of income tax expense

in CHF thousands	2023	2022
Income taxes relating to the current period	20,798	21,456
Income taxes relating to past periods, net	–2,073	–233
Current income tax expense	**18,725**	**21,223**
Due to temporary differences	–1,144	1,404
Due to tax rate changes	–115	5
Due to (recognition)/use of tax loss carryforwards	–277	–696
Adjustments to deferred tax assets	33	–
Other effects (including acquisition)	349	60
Deferred income tax expense/(income)	**–1,154**	**773**
Total income tax expense	**17,571**	**21,996**

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

Deferred tax liabilities of CHF 0.4 million (previous year: CHF 1.4 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	2023	2022
Result before income taxes	**83,920**	**104,779**
Income tax expense at the expected tax rate of 18.1% (previous year: 19.6%)	15,230	20,495
(Tax credits)/tax charges on prior years, results, net	–2,073	–233
Effect from deviation to tax rates in Group companies	–1,112	491
Tax rate changes, net	–63	–662
(Non-taxable income)/non-tax deductible expenses, net	5,641	2,249
(use of unrecognized tax losses)/effect of unrecognized tax losses on the current year's result, net	–52	–380
(Reversal of)/write offs on deferred tax assets, net	–	36
Effective (total) income tax expense	**17,571**	**21,996**

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	2023		2022	
	not activated	activated	not activated	activated
Expiry:				
Expiry within 12 months	–	36	69	–
Expiry in 1–2 years	–	45	140	–
Expiry in 2–3 years	–	1	53	–
Expiry in 3–4 years	317	–	1,194	–
Expiry in 4–5 years	651	–	392	–
Expiry in 5–6 years	475	170	–	–
Expiry in 6–7 years	261	–	201	663
Expiry in more than 7 years	226	1,629	1,559	2,819
Total	**1,930**	**1,882**	**3,608**	**3,481**
Tax benefit	395	354	939	696
Thereof unrecognizable	– 395	–	–939	–
Deferred tax assets from carried forward losses	**–**	**354**	**–**	**696**

New loss carryforwards of CHF 0.2 million resulted in a potential tax credit of CHF 0.03 million in 2023. In the period under review, no tax assets were capitalized (2022: CHF 0.7 million). In the previous year, new loss carryforwards of CHF 0.7 million resulted in a potential tax credit of CHF 0.1 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 Thailand.

Attribution of deferred tax assets/liabilities to balance sheet items

in CHF thousands	31.12.2023		31.12.2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	122	143	113	185
Property, plant and equipment	1,843	4,982	1,686	5,015
Financial assets	633	101	873	65
Inventory	4,275	128	5,290	495
Benefits of loss carryforwards	277	–	696	–
Receivables	1,024	513	395	332
Total assets	**8,174**	**5,868**	**9,054**	**6,092**
Non-current debts	1,532	1	1,420	–
Provisions	3,515	1,301	2,312	1,550
Current debts	105	41	382	15
Other liabilities	758	141	79	1
Total liabilities	**5,910**	**1,484**	**4,193**	**1,567**
Set-off	– 3,838	–3,838	–3,792	–3,792
Total net	**10,246**	**3,514**	**9,454**	**3,867**

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 2023, the Interroll Group issued third-party guarantees totaling CHF 0.6 million (previous year: CHF 0.7 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

		Volume		Open payables	
in CHF thousands	Category	**2023**	**2022**	**31.12.2023**	**31.12.2022**
Purchase of materials	a	86	63	2	–1
Total purchases		**86**	**63**	**2**	**–1**

		Volume		Open receivables	
in CHF thousands	Category	**2023**	**2022**	**31.12.2023**	**31.12.2022**
Sale of material	a	124	95	–	22
Total services		**124**	**95**	**–**	**22**

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 1.0 million in 2023 (2022: CHF 1.3 million). Detailed disclosures regarding the remuneration and shareholdings of the Board of Directors in accordance with Swiss law (CO) can be found in the remuneration report (see pages 25 to 35).

Total compensation for the Group Management

in CHF thousands	2023	2022
Salaries incl. bonus	2,901	2,739
Post-employment benefits	536	539
Equity-based compensation	640	571
Total compensation for the Group Management	**4,077**	**3,849**

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 35).

8.3 Subsequent events

The consolidated financial statements for the year 2023 were approved by the Board of Directors on March 14, 2024, and are subject to further approval by the Annual General Meeting of Shareholders on May 3, 2024.

No event has occurred between December 31, 2023, and March 14, 2024, that would require adjustment to the carrying amount of the Group's assets and liabilities as at December 2023, 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 %
Switzerland						
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%
EMEA (without Switzerland)						
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	2,000.0	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%
Americas						
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 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 %
Asia-Pacific						
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	250,000.0	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., Singapore, IAU = Interroll USA Holding LLC, PR = Interroll (Schweiz) AG

Movements within the scope of consolidation in 2023

During the year under review no acquisition or divestitures were carried out. However Interroll Real Estate, LLC was merged into Interroll USA Holding, LLC and the assets transferred to the operating entities (Interroll USA, LLC, Interroll Atlanta, LLC and Interroll Engineering West, INC).

Changes to the scope of consolidation in 2022

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

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

Report on the audit of the consolidated financial statements

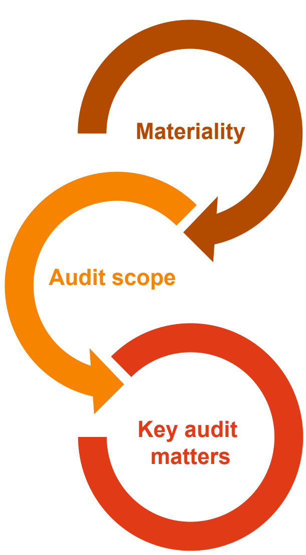
Opinion
We have audited the consolidated financial statements of INTERROLL HOLDING AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 39 to 84) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (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



Overall Group materiality: CHF 4,100,000

We concluded full scope audit work at eleven reporting units in six countries ("full scope audits").

In addition, audit of specific accounts were performed on a further seven reporting units in five countries.

Our audit scope addressed 71% of the Group's revenue.

As key audit matter the following area of focus has been identified:
Revenue recognition

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.

Overall Group materiality	CHF 4,100,000
Benchmark applied	Result before income taxes
Rationale for the materiality benchmark applied	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 190,000 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 2023 amounted to kCHF 556,338 (2022: kCHF 664,409). 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 consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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 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 para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

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, 14 March, 2024

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
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FINANCIAL REPORT

1 FINANCIAL STATEMENTS OF INTERROLL HOLDING AG

1.1 Balance sheet

in CHF thousands	see notes*	31.12.2023	31.12.2022
ASSETS			
Cash and cash equivalents		24,290	187
Accounts receivable from subsidiaries		4	4,377
Other receivables from third parties		631	1,770
Loans to subsidiaries		172	203
Total current assets		**25,097**	**6,537**
Investments		119,050	115,248
Loans to subsidiaries	3.3	–	4,010
Total non-current assets		**119,050**	**119,258**
Total assets		**144,147**	**125,795**
EQUITY AND LIABILITIES			
Trade and other accounts payable from subsidiaries		665	2,015
Trade and other accounts payable from third parties		71	63
Loans from subsidiaries	3.4	20,712	29,791
Accrued expenses		4,421	4,409
Total current liabilities		**25,869**	**36,278**
Total non-current liabilities		**–**	**–**
Share capital	3.5	854	854
Legal reserve			
– Share premium		8	8
– Other legal reserves		5,209	5,209
– Available earnings		179,455	157,475
Treasury shares	3.1	–67,248	–74,029
Total shareholder's equity		**118,278**	**89,517**
Total liabilities and equity		**144,147**	**125,795**

* See notes to the financial statements.

1.2 Income statement

in CHF thousands	2023	2022
Investment income	44,635	18,411
Royalty income	5,350	6,380
Other operating income	580	742
Financial income	4,153	4,106
Total income	**54.719**	**29,639**
Administration expenses	–989	–831
Personnel expenses	–1,694	–2,099
Other operating expenses	–2,074	–1,912
Financial expenses	–973	–6,191
Total expenses	**–5,730**	**–11,033**
Result before income taxes	**48,988**	**18,606**
Direct taxes	–729	–123
Result	**48,259**	**18,483**

1.3 Statement of changes in equity

in CHF thousands	Share capital	Reserves from capital contrib.	Legal reserve	Available earnings	Own shares	**Total**
As of 1.1.2022	**854**	**8**	**5,209**	**164,393**	**–78,207**	**92,257**
Result 2022				18,483		**18,483**
Dividend payment, net				–25,401		**–25,401**
Change of balance for treasury shares					4,178	**4,178**
Per 31.12.2022	**854**	**8**	**5,209**	**157,475**	**–74,029**	**89,517**
Result 2023				48,259		**48,259**
Dividend payment, net				–26,280		**–26,280**
Change of balance for treasury shares					6,781	**6,781**
Per 31.12.2023	**854**	**8**	**5,209**	**179,455**	**–67,248**	**118,278**

NOTES TO THE FINANCIAL STATEMENTS

2 GENERAL INFORMATION ON THE FINANCIAL STATEMENTS

2.1 Accounting policies

Accounting law
The 2023 financial statements were prepared according to the provisions of Swiss law on Accounting and Financial Reporting (32nd title, Swiss Code of Obligations).

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

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

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

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

2.2 Valuation principles

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

Treasury shares
Treasury shares are stated at acquisition price. In case of sales a potential difference between sales price and acquisition price is accounted in the P&L statement.

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 2,800 own shares (previous year: 1,670 shares were sold). In the year under review, the company did not acquire any shares (previous year: 0 shares). At year-end 2023, the company held 29,918 own shares at the book value of CHF 67.2 million (previous year: 32,935 own shares at a book value of CHF 74.0 million).

Allocation of treasury shares to employees
217 shares (previous year: 189) at a carrying value of CHF 0.7 million (previous year: CHF 0.5 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 2023	0.20%	0.50%
In the year 2022	0.20%	0.50%

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 0.2 million (previous year: CHF 4.0 million). During the year under review no valuation allowance has been accounted for (previous year: CHF 0.0 million).

3.4 Loans from subsidiaries

The following interest rates were used:	Lowest	Highest
In the year 2023	1.50%	7.00%
In the year 2022	0.00%	7.11%

Loans due from subsidiaries are normally redeemable with a notice period of three months. As at year-end 2023, 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 1.00 each (previous year: CHF 1.00). 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.

	31.12.2023		31.12.2022	
Shareholder / shareholder group	Number of shares	Interest in %	Number of shares	Interest in %
Ghisalberti family	69,004	8.08	71,004	8.31
D. Specht and family	42,100	4.93	52,000	6.09
Groupama Asset Management	–	–	43,726	5.12
Stiftung Erlebnispark Fördertechnik GmbH	34,275	4.01	34,275	4.01
Interroll Holding AG	29,918	3.50	32,935	3.86
Credit Suisse Funds AG	33,033	3.87	26,242	3.07
Premier Portfolio Managers Limited	–	–	25,695	3.01
BlackRock, Inc., New York	25,858	3.03	–	–
EGS Beteiligungen AG, Zürich	32,993	3.86	–	–
Various other shareholders	586,819	68.72	568,123	66.53
Total	**854,000**	**100.00**	**854,000**	**100.00**

3.6 Contingent liabilities

Interroll Holding AG has issued a guarantee for an existing shared credit facility in the amount of CHF 58.5 million (previous year: CHF 42 million) in favor of Interroll (Schweiz) AG. As at year-end 2023 no credit facility was used (previous year: CHF 0.0 million).

In addition, Interroll Holding AG issued letters of continuing financial support in favor 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. Interroll Holding Ltd also granted advance payment guarantees of CHF 2.6 million, in favor of customers from its subsidairies.

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. 734ff, Swiss Code of Obligations (see remuneration report, pages 25 to 35).

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.	
	2023	**2022**
Ingo Steinkrüger	43	12
Heinz Hössli	35	21
Maurizio Catino	46	21
Jens Karolyi	104	127
Richard Keely	95	170
Dr. Ben Xia	883	809
Total	**1,325**	**1,252**

Note: As per 31.12.2022 Mr. Jens Strüwing held 92 shares (who left Group Managemet as of 30.09.2023).

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	2023	2022
Result	48,259	18,483
Available earnings carried forward from previous year	131,195	138,992
	179,453	**157,475**
Distribution of a dividend of	27,328	26,280
To be carried forward	152,125	131,195
	179,453	**157,475**

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 32.00 per share or a maximum of CHF 27.3 million was approved. If this year's dividend proposal is approved, the respective payment will be processed in the second quarter of 2024.

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

Report on the audit of the financial statements

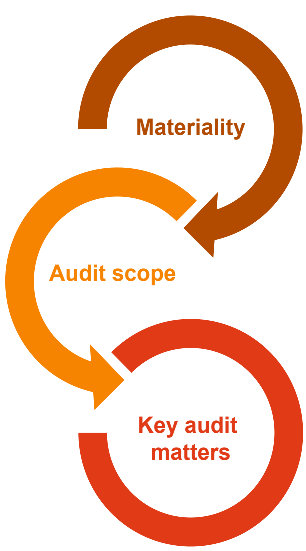
Opinion
We have audited the financial statements of INTERROLL HOLDING AG (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 90 to 96) 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 800,000

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 Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:
Impairment testing of investments

Materiality

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

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

Overall materiality	CHF 800,000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because the company primarily holds equity investments in subsidiaries.

We agreed with the Audit Committee that we would report to them misstatements above CHF 108,000 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 testing of investments

Key audit matter	How our audit addressed the key audit matter
We consider impairment testing of investments to be a key audit matter because of their significance on the balance sheet. Investments in subsidiaries amount to CHF 119.05 million (82.6% of total assets). Please refer to the note "Investments" in "General information on the financial statements" in the notes to the financial statements of INTERROLL HOLDING AG.	Management carried out impairment tests on all investments in subsidiaries. We performed the following audit procedures: Firstly, we discussed with management whether any indications of impairment were identified in relation to an investment. Subsequently, for a sample of selected investments, we verified the factors used to calculate potential impairment and reperformed the calculation. Management assessed individually the recoverability of 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. Based on the audit procedures described above, we addressed the risk of an incorrect valuation of the investments in subsidiaries. We have no findings to report.

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 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 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 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 para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

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, 14 March, 2024

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FINANCIAL CALENDAR 2024

Preliminary financial figures 2023 (unaudited)	January 29
Publication Annual Report 2023 and balance sheet press conference	March 15
Annual General Meeting	May 3
Publication Half-Year Report 2024	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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climate contribution
ClimatePartner.com/11665-2403-1003

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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