

22

Annual Report

We Enable Energy

CELEBRATING
200
YEARS

vonRoll

Key Facts

CHF **14.8** million
EBIT

CHF **24.0** million
Cash flow from operating
activities

78.8%
Equity ratio



CHF **227.7** million
Net sales

Product portfolio



Composites



Resins



Electrical
insulation materials



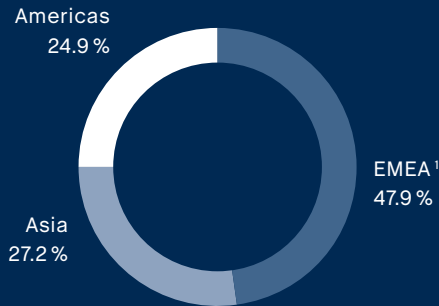
Wires

vonRoll

World-leading manufacturer of electrical and thermal insulation systems and advanced composites for industrial applications

Sales split by region

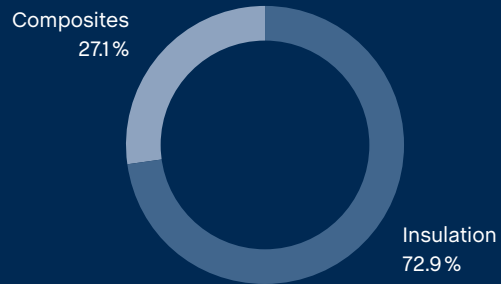
Share of total sales



¹ Europe, Middle East and Africa

Sales split by segment

Share of total sales



Distribution networks in over

80
countries

about **1,000**
employees

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Dear Shareholders,

For the past fiscal year, the Von Roll Group can look back on a positive business performance. The macro-economic environment was again challenging. In some regions, such as China in particular, the residual effects of the pandemic were still being felt. It was not until the end of the year that the situation there relaxed, leading to a further upturn in demand. In turn, global inflation developed at a rapid pace with a sharp rise in industrial producer prices. In addition, the Ukraine conflict led to fragile supply chains and a massive increase in energy costs, particularly in Europe. We were able to pass on most of the cost increases to the market after a certain time lag by systematically adjusting our prices.

The Von Roll Group's diversified market positioning in a wide range of applications combined with a local presence in key regions is currently proving particularly advantageous. Despite the aforementioned factors, order intake remained robust at CHF 242.1 million (2021: CHF 234.8 million).

Net sales for the financial year 2022 were CHF 227.7 million (2021: CHF 218.6 million). Before currency effects, this results in organic sales growth of CHF 12.4 million (+5.7%) compared to the previous year. Continued supply chain challenges and ongoing constraints at our Swiss production site due to the fire in 2021 prevented the realization of higher sales.

The operating profit (EBIT) amounted to CHF 14.8 million, corresponding to an EBIT margin of 6.5%. In the previous year, the operating profit was CHF 21.9 million, but this included proceeds from the sale of real estate amounting to CHF 6.7 million as well as other one-off effects.

The Group earnings after tax (EAT) were CHF 9.6 million. In the previous year, Group earnings after tax amounted to CHF 30.8 million which included, in addition to the

one-off effects already mentioned in the operating profit section above, non-operating income of CHF 12.9 million resulting from the sale of real estate in Switzerland that was not used for operations.

The cash flow from operating activities was CHF 24.0 million (2021: CHF 0.2 million). With an equity ratio of 78.8% and cash and cash equivalents of CHF 81.1 million, Von Roll is in an excellent financial position.

Highlights of the past fiscal year included the market launch of our newly developed specialty resins for use in electric vehicles and in power electronics for charging stations. These are particularly environmentally friendly formulations that offer special properties for increasing the performance and durability of batteries and power electronics. This product line gives us excellent opportunities to establish a new foothold in the rapidly growing market for e-mobility.

Furthermore, in the past year we have focused on the sustainability reporting requirements that will apply from 2023 onwards. As a pioneer of electrification, Von Roll has always made a major positive contribution to the industrial transformation towards net zero. Our products play a key role in the growth of renewable energies as well as in tomorrow's mobility. They improve the efficiency and durability of electric motors and power generators. For e-mobility, they enable shorter charging times and higher energy densities in vehicle batteries. Sustainability is a priority not only for the application of our products, but also for their chemical formulation.

A large share of our liquid insulation materials are already free of solvents and CMR hazards. We will publish a dedicated sustainability report for the first time in the coming months.



Due to the prevailing shortage of specialists, we again intensified our internal activities for personnel recruiting and to improve our employer branding. This was rewarded by the continued addition of new talents as well as corresponding awards such as "TOP Arbeitgeber Mittelstand 2023" in "Focus" magazine.

For the upcoming fiscal year 2023, demand in our core markets is expected to remain stable. We are currently experiencing strong growth momentum for ballistic products in personal protection as a result of the geopolitical tensions. We expect further impetus from various new product launches, particularly in the area of liquid insulating materials.

Consequently, the Von Roll Group is very well positioned in time for its 200th anniversary. The strategic decisions taken in recent years have positioned us strongly to participate in attractive markets of the future driven by the energy and mobility transformation and the global trend towards more environmentally friendly materials.

On behalf of the Board of Directors and the Executive Management, we would like to thank our shareholders for their trust and our business partners for the successful cooperation. We would also like to thank all our employees around the world for their high level of commitment and loyalty to Von Roll.

Breitenbach, March 2023

P. Kalantzis *Ch. Hennerkes*

Dr. Peter Kalantzis
Chairman of the
Board of Directors

Dr. Christian Hennerkes
Chief Executive Officer



Business development

In the financial year 2022, Von Roll generated revenues of CHF 227.7 million (2021: CHF 218.6 million). Before currency effects, the organic revenue growth amounted to CHF 12.4 million (+5.7%) compared to the previous year. Order intake increased to CHF 242.1 million.

The operating income (EBIT) amounted to CHF 14.8 million, equivalent to an EBIT margin of 6.5%. In the previous year, the operating result was CHF 21.9 million, but this included proceeds from the sale of real estate amounting to CHF 6.7 million and other one-off effects.

The circumstances and conditions in our core markets were once again challenging. In addition to repeated lockdowns in China, sharply rising producer prices fueled inflation worldwide. The armed conflict in Ukraine led to disruptions in supply chains and a massive spike in energy prices, particularly in Europe. We were able to largely pass on the cost increases to the markets through pricing increases with some delay.

The Group earnings after tax (EAT) amounted to CHF 9.6 million. In the previous fiscal year, the Group earnings after tax totaled CHF 30.8 million, which included proceeds from the sale of real estate in the amount of CHF 19.6 million as well as further one-off effects.

The cash flow from operating activities improved to CHF 24.0 million. With an equity ratio of 78.8% as well as cash and cash equivalents of CHF 81.1 million, Von Roll is in an excellent financial position.

Von Roll Insulation

With a share of about two-thirds, this segment continues to be the main driver of the Group's sales. The Insulation segment includes the product areas "electrical insulation materials," "resins and varnishes" and "insulated wires." These products offer electrical, mechanical and thermal protection, primarily for electrical applications in generators, transformers and motors, as well as high- and low-voltage equipment.

Here, our core competency lies not only in the production, but also in the development and technical design of all the core components. In this regard, highly developed resins, varnishes and electrical insulation materials and wire products are offered as integrated and customized insulation systems.

Our key markets and customers mainly comprise producers of generators, electrical drives, various electronic applications and transformers, as well as power transmission networks and fire-resistant cables. Von Roll is the global pioneer and technology leader for electrical insulation systems, and is also involved in numerous interdisciplinary research projects.



Group key figures

in CHF 1,000	2022	2021
Order intake	242,134	234,795
Net sales	227,719	218,637
Earnings before interest, taxes, depreciation and amortization (EBITDA)	27,610	49,796
Operating result (EBIT)	14,796	21,903
Earnings after taxes (EAT)	9,620	30,807
Cash flow from operating activities	23,997	164
Capital expenditures for tangible assets and intangible assets	11,187	5,900
Equity	206,042	199,871
Equity ratio (%)	78.8	75.9
Number of employees (FTE)	912	911

The revenue in the Insulation segment improved to CHF 165.9 million in the financial year 2022 (2021: CHF 157.7 million). The market for the Insulation segment can be divided into two areas: high-voltage and low-voltage.

High-voltage insulation

The high-voltage insulation segment comprises all operating activities of Von Roll that focus on high-voltage applications. Our insulation systems are used, among other applications, in generators for conventional power plants as well as for the generation of renewable energies in wind and hydroelectric power plants. In addition, they are a key component for high-performance electric motors in various industrial applications.

With regard to the segment as a whole, sales developed positively in the past fiscal year. The exception to this trend was the wind sub-segment. Due to disruptions in global supply chains, some of our customers in the wind industry were forced to temporarily reduce their production. This led to a slowdown in demand for our products and services in this sub-segment. We expect a recovery in the second half of 2023 and a significant pick-up in demand from 2024 onwards.

The slower wind business was offset by increased demand in the global distribution and repair business for upgrades to conventional power plants, particularly in the USA. To meet the increasing demand for electrical energy, power plant operators are increasingly focusing on upgrades and modernization of existing power plants with more efficient turbines and generators. In an environment of drawn-out approval procedures, upgrading is often the only short-term solution.

Another growth factor in the past fiscal year was the continued trend towards decentralized power generation. Concerns about large-scale power outages increased demand for our insulation systems for application in generators for back-up power supply. This includes diesel generators for powering factories and hospitals as well as temporary backup power plants. In all these applications, the advantages of our new Sami-cabond Plus system are leveraged to the full, as the compact generator design requires insulation systems with the highest thermal and electrical resistance.

Low-voltage insulation

The low-voltage insulation segment comprises all operating activities of Von Roll that focus on low-voltage applications. Von Roll is one of the world's largest producers of liquid insulation materials. These materials

are predominantly based on internally developed formulations and are, for the most part, distributed under the globally renowned brand Dolph's®. Another core product of our low-voltage product range is insulation paper, which is used to insulate electric motors.

In addition to our polyester-, polyesterimide-, silicone- and epoxy-based impregnation resin systems, the Von Roll Innovation Lab is working on further expanding our innovative next-generation potting resin solutions. Such potting resins play a key role in technological progress for e-mobility and digitalization. They protect electronic and inductive components from environmental influences, prevent short circuits and efficiently dissipate operating heat. For the rapidly increasing number of electric vehicles, innovative potting resins are needed to boost power electronics, drive motors, sensor technology and battery systems to the next performance level. In addition, our newly developed green potting resins protect particularly sensitive electronic control units, which are increasingly being used in modern vehicles.

Our products are manufactured in our global production network with sites in the USA, France, Italy, India and China, and are sold in more than 80 countries. Our local competence centers support and assist the production sites in adapting products to specific customer requirements.

Following the turbulences on the raw material markets, which had a particularly negative impact on the low-voltage segment in the past two years, 2022 marked a noticeable stabilization. This applies in particular with regard to improved raw material availability, although at a still significantly elevated price level.

Sales of our impregnation resins developed particularly positively in the North American and Indian markets. In the North American market, increased demand was driven primarily by repair and maintenance work on industrial motors and generators. In India, we benefited from the expanded localization of our impregnation resins, which allows us to better serve local customers. For example, we secured an order from a manufacturer of alternators for use in the emerging Indian automotive sector.

Once again, we recorded the strongest growth in the Electronics segment with our newly developed protective coatings and potting resins. In particular, sales of resins in the fields of sensor technology and battery systems increased significantly. Business with existing

customers was not the only area to improve. We also acquired numerous new customers, including well-known manufacturers of electronic assemblies and battery systems in the automotive industry.

The global transformation towards environmentally friendly resin systems has further accelerated in almost all areas of application. We particularly benefited from this with our green resin systems, which are formulated without solvents and in some cases even without any hazardous substances at all. In addition to better environmental performance, green resin systems offer further significant advantages: Cost savings due to the elimination of thermal oxidation, shorter process times, safer handling, and reduced training requirements for production staff.

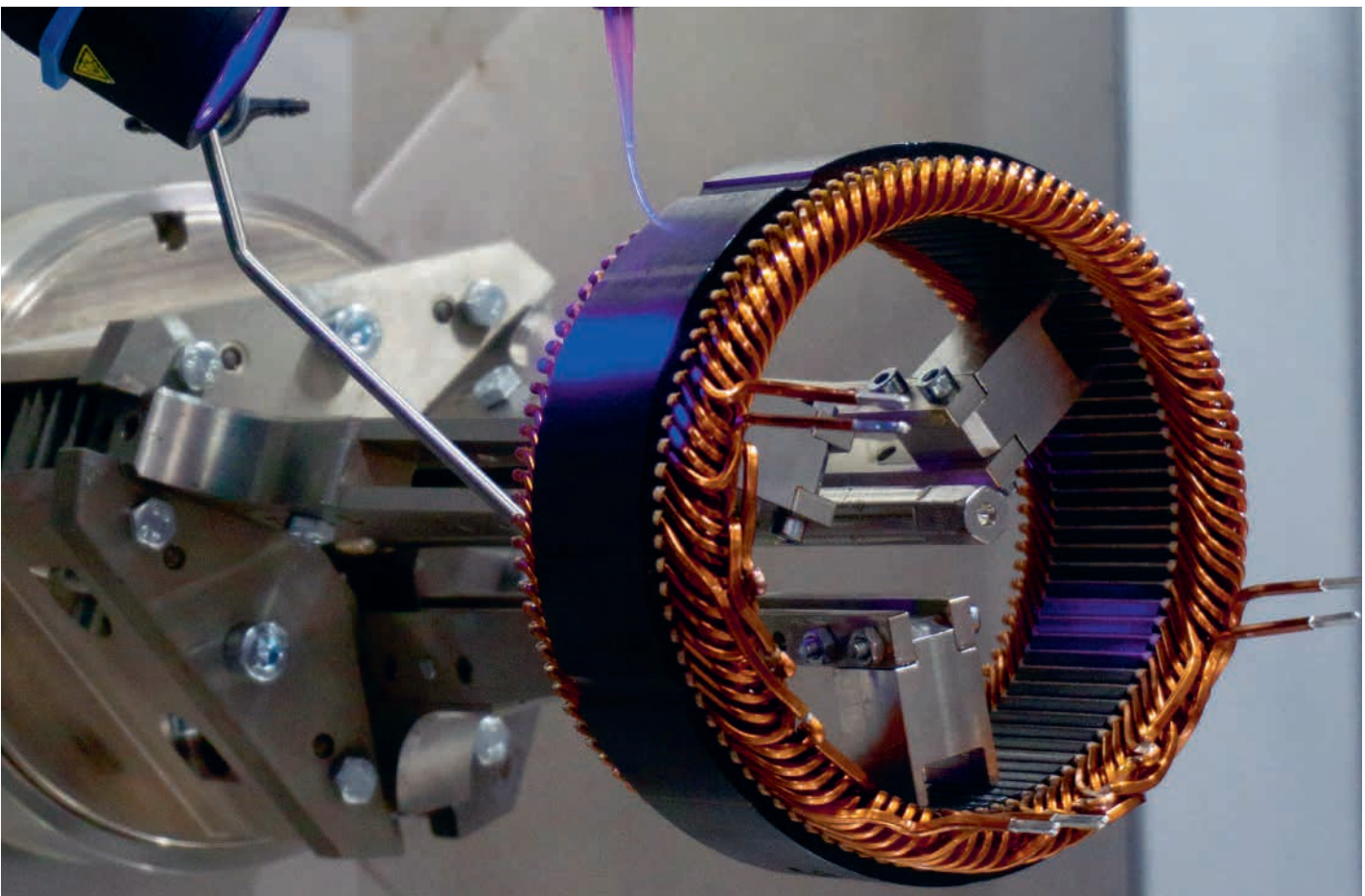
Overall, our strategic focus in the low-voltage segment lies on increasing customer added value through functional properties, easy workability, competitive costs

and the best environmental compatibility. The main challenges in this respect are to adapt the product to the customers' requirements and still achieve the best possible symbiosis of all our quality features listed before.

Von Roll Composites

The Composites segment comprises composites that are offered as semi-finished products, prepregs or machined parts. The perfect interaction of mechanical, thermal and sometimes also electrical properties is very important for the respective area of application.

The fiber-reinforced plastics developed and produced by Von Roll are used in power generation, power transmission and power storage systems. In addition, Von Roll offers specific solutions for a wide range of industrial applications, including for industrial presses and ovens, for the consumer goods, electronics, paper and textile industries, as well as for hydraulic applications and ball bearings.





Von Roll sets itself apart from many competitors on the composites market by vertically integrating very different competencies and production stages along the entire value chain.

As technology leaders in specialty resins, our experts are masters at developing tailor-made resin formulations. These form the basis for our innovative laminates, whose properties can be specifically optimized for the respective area of application. Combined with the use of various impregnation processes, materials with superior performance characteristics are produced at attractive costs.

In addition to our wide range of industrial composites, we also develop and produce ready-to-install machined components according to customer specifications. Using the latest milling and grinding technology, we even manufacture complex assemblies in small and large series. In doing so, we support our customers from prototyping to series production stages – and meet the highest standards in terms of tolerances and quality. Our plants are therefore also certified as suppliers for the aerospace and automotive industries.

Despite considerable turbulence due to increasing raw material prices and exorbitantly rising energy costs, we were able to keep sales in the Composites segment stable at CHF 61.8 million (2021: CHF 60.9 million).

The war in Ukraine caused a direct and indirect increase in demand in the ballistic segment. Even nations not directly affected by this conflict have adapted their defense and security strategies and decided to spend substantial amounts on defense. The resulting strong demand stimulated our business with laminates and prepregs for fragment protection and protective helmets in the past year.

We further experienced an increase in demand for our composites for the paper industry. In this area, it seems that the declining trend in print media, which has been characteristic of the past few years, is being compensated for by the upturn in business with cardboard packaging and shipping materials. Our doctor blades perform an important role within the paper machine: They clean the individual cylinders of the paper machine by gently removing cellulose fiber residues.

New business areas



Aerospace and transport industry

The Aerospace business area serves the special requirements of the aerospace industry. At the very heart of these requirements is the desire for lightweight alternatives and outstanding fire protection properties. Our optimized, NxtGen composite products offer convincing solutions to meet these requirements.

In our existing business, the recovery of the previous year continued in the second year after the peak of the COVID pandemic. In terms of revenues, we were able to match the pre-pandemic level. In parallel, we further expanded our activities to develop advanced composite materials for aircraft interiors. The optimization of these products for use in large-scale production is almost completed, and we expect final qualification of prepreg and core filler products from our NxtGen product family in the coming months.

Automotive

The Automotive business area comprises innovative solutions for automotive engineering. Our products and business activities focus on technologies for the rapidly advancing mobility transition.

Following initial project successes for our cell spacers for use in vehicle batteries, we suffered some isolated setbacks in the past fiscal year. The highly dynamic development in the market for e-mobility meant that customers had to adapt or postpone their scheduled production series, resulting in the cancelation of orders that had already been nominated.

The resins business, however, developed positively. In the past fiscal year, our automotive team further

expanded its sales and product range. The newly developed, heat-conducting potting compounds appeal to our customers with their outstanding technical properties and attractive price/performance ratio. Several technical approvals have already been obtained for series production in the power electronics and battery sectors. At the same time, the existing business with resins for battery applications was further reinforced by follow-up orders.

With increasing end-customer demand for e-mobility, the market for charging stations is likewise developing rapidly. In particular, fast charging stations with charging powers well in excess of 22 kW in some cases are playing a decisive role in reducing charging times and thus promoting the further spread of electric vehicles. Von Roll potting resins increase the longevity and performance of electronic components in charging stations: The power electronics of the chargers are reliably protected from harmful environmental influences and at the same time the considerable heat generated can be safely dissipated. In the past fiscal year, we experienced strong customer interest in potting solutions for power electronics in fast chargers.

A related business area is stationary energy storage systems (ESS), which make a crucial contribution to grid stability. Due to the higher variance in power generation from renewable energies, the need for such buffer storage systems will increase substantially in the coming years. For 2023, we expect the start of series production for module covers made of our composites at one of the leading European battery manufacturers.

Von Roll Innovation Lab

In the Von Roll Innovation Lab, our industry experts develop innovative solutions for a wide range of applications in close cooperation with our customers. In doing so, we respond to current market trends in agile teams with high intensity and reaction speed.

The latest insights from science and academia are combined with the global understanding of the industry within the entire Von Roll Group. In the past fiscal year, we were once again able to strengthen the team with several new additions and experienced experts from the industry.

With particularly short and efficient development cycles we accelerate the time taken from the idea to the start of series production for our customers.



The slow demand during the COVID pandemic has allowed aircraft manufacturers to place a special focus on optimizing the environmental impact of their products. Important levers are weight reduction, which allows for lower fuel consumption in operation, and the use of raw

materials with an improved environmental performance.

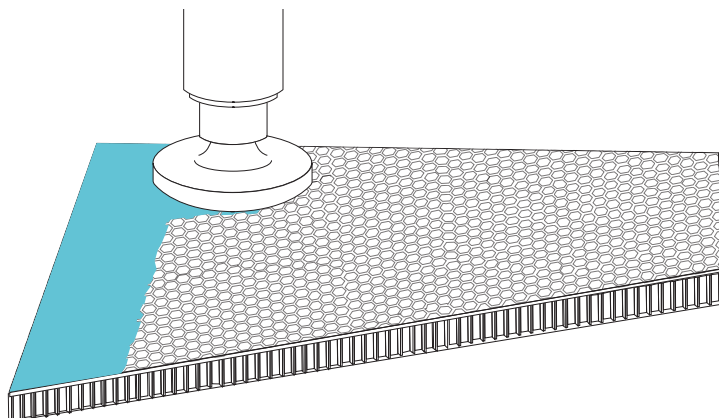
For the purpose of weight reduction, components made of metal are increasingly being replaced by high-performance composites. Panels with a hollow honeycomb core play an important role. This core is covered with layers of highly rigid prepregs to form so-called sandwich panels. Components that are particularly lightweight and at the same time extremely strong are the result. They are used in modern aircraft for all floor panels in the passenger and cargo compartments as well as in wall linings.

At particularly critical points, sandwich panels are further reinforced by the use of core filler compounds, by selectively filling-in some of the hollow honeycombs. Such reinforcement is necessary, for example, for the installation of seats. In addition, the core filler is used to protect the edges of the honeycomb structure from impact, environmental influences, moisture and dust.

Von Roll offers both novel prepregs and core filler compounds from its NxtGen product line. The NxtGen products are our answer to the special requirements of the aviation industry. Our robust, flame-retardant epoxy system is free of harmful phenolics and solvents. At the same time, compared to commercially available phenolic resin-based solutions, it offers optimized processability, better storage stability at room temperature, and superior environmental compatibility.

Von Roll has now selectively refined its core fillers, which are already used for specialty applications, for their use in series production and for automated application. Here, the focus was on simplified processing at the customer's site as well as on improved process stability and efficiency. The optimized formulations are characterized by an unprecedented, high discharge rate. Customers thus benefit from significantly higher production speeds and the manufacturing costs of sandwich panels can be greatly reduced.

The increased stability of the resin system makes it possible to extend the working time over several days. This eliminates the need for intermediate cold storage during production interruptions, as has been the case with commercially available alternatives up to now. Von Roll thus offers a convincing solution to the biggest challenges to date relating to the processing of core filler compounds and reduces the logistical effort involved in the customer's production processes.





E-mobility is on the rise. However, there are still hurdles along the way, such as the charging infrastructure, charging times, and the “range anxiety” of some consumers.

Fast chargers or intensive use of the battery often result in an undesirably high level of heat buildup.

The trapped heat, especially in so-called hotspots within the cell, can lead to accelerated aging and, in the worst case, to a short circuit. Active and passive thermal management in the battery is therefore a decisive factor for its performance, longevity and safety.

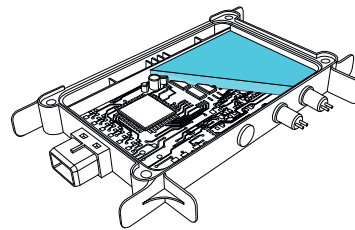
In a typical EV battery, the individual cells are connected to the cooling system via heat conducting foils while also needing to be mechanically fixed. However, this design is complex to assemble and not very effective in terms of thermal management. Heat dissipation only occurs at the contact point, so that critical temperature differences can remain within the individual cells.

Fixing the individual battery cells is much easier using our newly developed potting resins. The battery cells are encapsulated with this highly thermally conductive resin and at the same time mounted in the battery in a shock-resistant manner. After curing of the potting compound, a thermoset plastic is produced that meets high requirements in terms of mechanical strength and electrical properties. Depending on the application, these products are formulated using either hard and durable epoxy resins or elastic and shock-absorbing polyurethanes. Regardless of their chemical base, all products are free of solvents and CMR hazards. Thanks to the ultra-light formulation, the customer additionally saves on vehicle weight.

The Von Roll Innovation Lab has successfully developed potting products that are particularly low in viscosity and at the same time offer high thermal conductivity. These two properties are particularly difficult to combine, since special fillers are used to achieve the thermal conductivity, which in turn adversely affect the flow properties. With our new developments, even intricate windings and complex component geometries can be encapsulated absolutely without gaps, achieving optimum heat dissipation due to the good flowability.

To prevent short circuits in batteries and power electronics, the automotive industry in particular places high demands on the aging resistance of the mechanical and

electrical properties. These properties must not change over a lifetime of at least 10 years, even if the material is subjected to strong vibrations and temperature fluctuations of -40 to $+80^{\circ}\text{C}$. For this reason, the material is extensively tested under extreme conditions in the Von Roll laboratory.

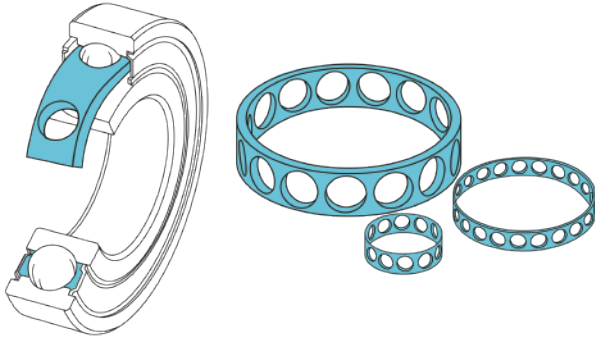


Machines and tools with rotating components have become an indispensable part of our modern society and industry. In everyday applications such as drills or roller skates as well as highly complex industrial equipment: wherever components rotate, ball bearings ensure improved efficiency and reduced frictional losses.

Ball bearing cages are used wherever very high speeds are achieved and high performance as well as durability are required. The cages guide the balls within the bearing and stabilize them at high speeds. As a result, the bearings run more calmly and with less wear.

For many decades, Von Roll has been a supplier of composite tubes for the production of ball bearing cages in a wide range of industrial applications. Today, composite cages are mainly used in place of simpler solutions made of metal. These usually consist of phenolic resins with a cotton fabric as reinforcing material. Although these cages have very good gliding properties and low frictional resistance, they have disadvantages in terms of mechanical strength.

To address this limitation, Von Roll has developed a completely new generation of ball bearing cages with a hybrid material composition. In doing so, the engineering team was able to draw on its broad and long-standing experience with a wide range of different resins and reinforcement materials.



Thus, the mechanical properties can be significantly improved, resulting in a longer service life and resilience of the ball bearings. In addition, up to 20% higher speeds can be achieved during operation, opening up completely new fields of application.

Typical applications for the new ball bearing cages are compact rotary axes and precision gears ranging from multifunctional tools for home improvement to high-performance medical instruments such as dental drills.



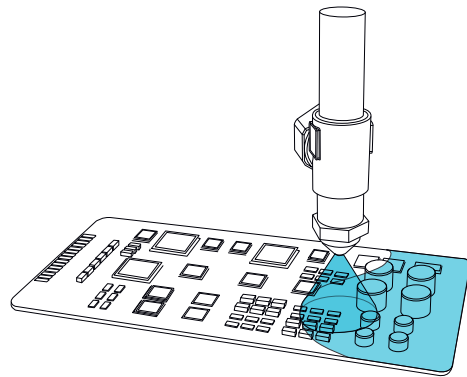
As technology advances, electronic devices are increasingly being used in harsh environmental conditions. The requirements for functional reliability, durability and longevity are particularly high in these applications, as replacing the components can sometimes be associated with considerable expenses.

The standard solution for protecting printed circuit boards in such applications is to coat them with a protective layer. The “conformal coating” is the application of a thin layer of varnish to electronic assemblies that conforms to the contours of the components on them. This coating serves as protection against corrosion and its secondary damage, which can be caused by moisture, harmful gases and dust.

The conformal coating is usually sprayed onto the electronic assembly as a 20–150 µm thick layer. The cross-linking reaction is then initiated using UV light so that the coating cures to a transparent, flexible polymer film. An operational challenge of this manufacturing process is that certain areas are shaded by the electrical components and the UV light cannot reach the coating.

Commercially available UV-curing products will not cure in these areas. The coating remains tacky, and the protection of the electronics is deficient as a result.

In response to this challenge, Von Roll has developed a conformal coating with a dual cure mechanism. As with conventional systems, this product cures quickly and efficiently using UV light. The areas in the shade that cannot be reached by the UV light cure within a few hours via a secondary reaction with air humidity, and thus still achieve a tack-free, elastic state. Regardless of the accessibility of the UV light, this coating solution provides complete protection of the electronic assembly.

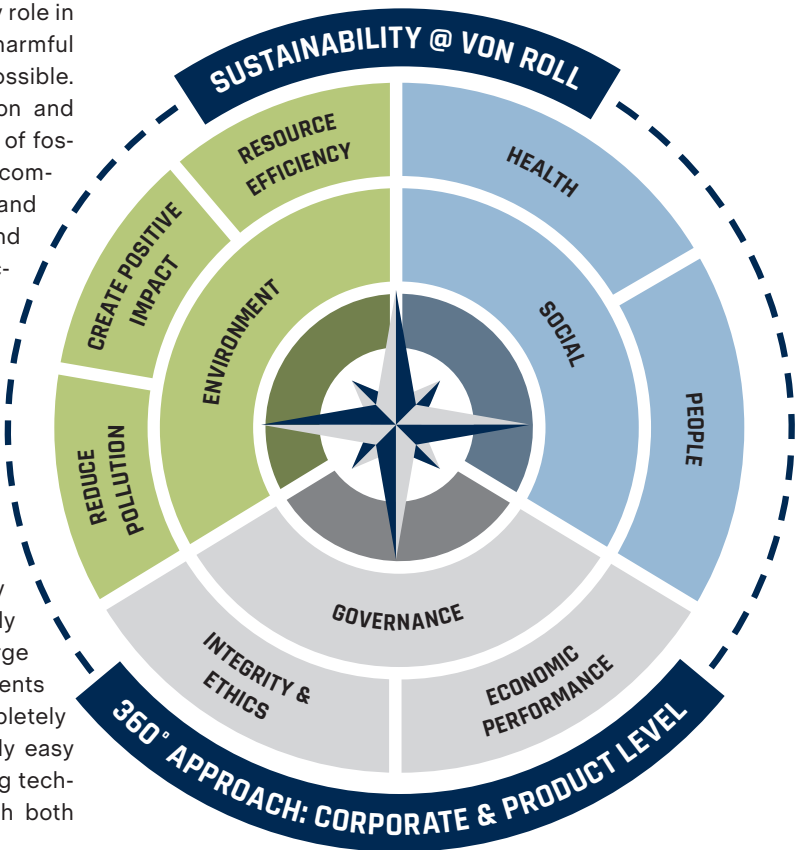


Von Roll's new conformal coating is free of CMR hazards and features a particularly low viscosity. In a direct comparison with market alternatives, the new conformal coating outperforms benchmark values for storage stability, tack-free properties and flexibility of the polymer film. The new Von Roll product also achieves top marks for resistance to high temperatures and a wide range of different chemicals such as acids, bases and industrial solvents.

Sustainability

Our products and system solutions perform a key role in the global ambitions to reduce environmentally harmful impacts of greenhouse gases as quickly as possible. Major areas include the green energy transition and e-mobility as sustainable alternatives to the use of fossil fuels. With our insulation systems, resins and composites, we increase the efficiency, durability and performance of generators in hydro and wind power plants as well as electric motors and traction batteries in electric vehicles.

The systematic focus on sustainability applies not only with regard to our target markets, but equally to our manufacturing processes and to the chemical formulation of our products. This is exemplified by the substantial progress we have made to improve the environmental performance of our resin portfolio. For decades, we have been pioneering the development of highly environmentally friendly formulations, particularly with our world-renowned brand Dolph's®. A large proportion of our resins are already free of solvents and CMR hazards. Some of them are even completely label-free. These green solutions are particularly easy to process and support our customers in shaping technical progress in a way that is compatible with both health and the climate.



The subject of sustainability is not only an essential pillar of our product portfolio, but it also determines our daily interaction with employees, suppliers, customers and other stakeholders. In recent years, sustainability considerations have also become significantly more important in society. Therefore, we would like to report in more detail on our activities in the future. To this end, we will present a separate ESG report for the first time in 2023.

“Our products are an essential element of the transformation to net zero. They are not only future-proof, they are future-critical.”

Sustainability Compass

Our Sustainability Compass visualizes our comprehensive approach to the interplay between target markets, products, organization and corporate governance. We take responsibility at both corporate and product level and do so with regard to environmental and social sustainability. At the same time, we ensure that the economic performance of the Von Roll Group is sustained.

Durability and resource efficiency are more than a matter of cost. We do everything possible to not only produce our insulation systems in an environmentally friendly manner, but also to ensure their sustainability through exceptional longevity. Intensive R&D and the careful selection of suppliers as well as our raw material sources ensure that our system solutions take into account ecological, social and functional as well as economic factors in a balanced way.

Compliance

Our sustainability goals are ambitious and can only be achieved if everyone involved works together. This requires a corporate culture that is based on respectful, human interaction and promotes personal growth and development within the company. All of Von Roll Group's actions are based on strict, ethical values that are set out in our Codes of Conduct for employees and for suppliers as well as being deeply rooted in our corporate culture. The Code of Conduct sets the framework in terms of anti-corruption, fair competition, data protection requirements and correct behavior towards each other and towards business partners, among other things. All employees receive and sign a copy at the start of their employment and complete an online training course.

Employees

We are convinced that a diverse workforce leads to better decisions and stimulates new innovation. Diversity, inclusion and equal opportunities contribute to the success of our company in more ways than one. We particularly focus on valuing our employees. Our corporate culture does not tolerate any form of discrimination. The positive atmosphere in the workplace results in a high average service length of approximately 13 years. In terms of employee satisfaction, we regularly occupy the top spots on relevant online portals.

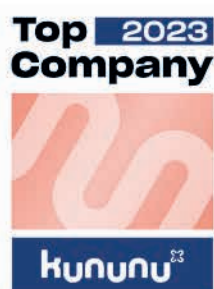
Occupational safety

Safe working conditions with healthy employees are the prerequisite for motivated, productive work. We implement company-wide, harmonized safety standards to protect our employees. The hazards and risks at our workplaces have been assessed and appropriate operating instructions developed. We evaluate deviations

and incidents in a systematic process. Regular evaluations are used to update requirements and to verify the effectiveness of our risk assessments.

Environmental impact

The direct environmental impact of our operations is a further focus of our sustainability management. In order to better define and manage our actions, we are currently working with an external auditor to determine our Group-wide CO₂ emissions. This assessment follows the recognized principles of the Greenhouse Gas Protocol (GHG Protocol). To obtain a complete picture of our emissions, we convert the emissions of the greenhouse gases defined in the Kyoto Protocol into CO₂ equivalents. Our focus is on emissions in Scopes 1 (direct emissions) and 2 (indirect emissions), as these can be optimized directly and transparently by us on the one hand, and on the other hand have a longer implementation timescale, as often investments have to be made in equipment or facilities. With this assessment, we are expanding the scope of the data available to the Group beyond the scope of the existing environmental management system in accordance with ISO 14001. We will define concrete, specific reduction and prevention targets on the basis of this expanded data.



VonRoll

WORLDWIDE



PRODUCTION & SALES

- CH Breitenbach
- DE Augsburg
- FR Meyzieu
- FR Valdoie
- GB Bradford
- IT Trofarello
- BR Maracanaú
- IN Bangalore
- IN Bhopal
- US Cleveland
- US Schenectady
- CN Shanghai
- SG Singapore

The Von Roll distribution network and service locations extend across the globe and are supplemented by representatives and authorized distributors in the countries where we do not have our own organization. Our specialized production and development centers are strategically located in the major regional markets.

- Electrical insulation materials
- Resins
- Composites
- Wires

Corporate governance

Von Roll Holding AG is organized in accordance with Swiss law and complies with the current Directive on Information relating to Corporate Governance of SIX Swiss Exchange Regulation AG. Unless specified otherwise, the disclosures are made as at the balance sheet date of December 31, 2022.

1. Group structure and shareholders

1.1 Group structure

Operating Group structure

The operating activities of Von Roll Holding AG and its subsidiaries are divided into the “Von Roll Insulation” and “Von Roll Composites” segments. Further details are available in the segment reporting part of the “Financial reporting” section (see note 4 on page 52 of this annual report).

Listed companies

Since August 11, 1987, Von Roll Holding AG, with its registered office in Breitenbach and its domicile at Passwangstrasse 20, 4226 Breitenbach, has been listed on the SIX Swiss Exchange AG (valoren symbol: ROL, valoren number: 324.535, ISIN: CH0003245351). As at December 31, 2022, it had a market capitalization of CHF 307,393,071. There are no other listed companies within the scope of consolidation of Von Roll Holding AG.

Non-listed companies

A list of significant non-listed, consolidated companies and the criterion of their significance is disclosed in note 14 of the “Financial reporting” section on page 62 of this annual report. Companies that are not significant are not included.

1.2 Significant shareholders

According to the information available to the company, the following shareholders held 3% or more of the company’s share capital and voting rights on the reporting date.

Shareholder	Share in %
Clair AG (beneficial owners under Art. 120 Swiss Financial Market Infrastructure Act (FinMIA): Francine von Finck, August Francois von Finck, Maximilian von Finck)	73.2
Maria-Theresia von Finck	4.1
Luitpold von Finck	3.6

There were four disclosure notifications regarding shareholdings of significant shareholders or groups of shareholders in the reporting year. For details about the disclosure notifications, please refer to the SIX Exchange Regulation AG website (<https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>).

1.3 Cross-shareholdings

The company has no cross-shareholdings with other companies.

2. Capital structure

2.1 Capital

The nominal share capital of the company is CHF 35,743,380.40, corresponding to 357,433,804 fully paid-up bearer shares with a nominal value of CHF 0.10 each.

The Articles of Incorporation of Von Roll Holding AG provide for an increase by the Board of Directors of share capital as a component of the conditional capital by up to CHF 276,177.00, which corresponds to up to 2,761,770 bearer shares to be fully paid up, each with a nominal value of CHF 0.10.

The Articles of Incorporation of Von Roll Holding AG provide for an increase by the Board of Directors of share capital as a component of the authorized capital by up to CHF 14,000,000.00, which corresponds to up to 140,000,000 bearer shares to be fully paid up, each with a nominal value of CHF 0.10.

2.2 Authorized and conditional capital

The Board of Directors is authorized to increase the share capital of the company, as a component of the conditional capital, by up to CHF 276,177.00, representing a 0.77% increase of the issued share capital of CHF 35,743,380.40, by issuing a maximum of 2,761,770 bearer shares to be fully paid up, each with a nominal value of CHF 0.10, based on the exercise of conversion rights granted in connection with bonds or similar obligations of Von Roll Holding AG or Group companies. The holders of conversion rights at that time are entitled to acquire the new shares. Shareholders' subscription rights are excluded. Shareholders' advance subscription rights can be restricted or excluded by resolution of the Board of Directors to finance or refinance the acquisition of companies, parts of companies or shareholdings, or new investments planned by the company or to issue convertible bonds on national or international capital markets. If advance subscription rights are excluded, the bonds are to be placed at market conditions, the period for exercising the conversion rights is to be set at a maximum of 10 years from bond issuance and, when conversion rights are exercised, new shares are to be issued at conditions that take the market price of the shares into account.

The Board of Directors is authorized to increase the share capital of the company at any time until April 30, 2023, by a maximum amount of CHF 14,000,000.00, by issuing a maximum of 140,000,000 bearer shares to be fully paid up, each with a nominal value of CHF 0.10, which makes up 39.17% of the issued share capital of CHF 35,743,380.40. Increases by way of firm underwriting (by a bank, a banking syndicate or a third party) and increases in partial amounts are permitted. The Board of Directors determines the time of issue, the issue price, the type of contributions to be made and the time of dividend entitlement. The Board of Directors is authorized to permit, restrict or exclude trading in subscription rights. The Board of Directors may place subscription rights that have not been exercised or shares for which subscription rights have been granted but not exercised at market conditions or otherwise use them in the interest of the company. The Board of Directors is authorized to restrict or cancel shareholders' subscription rights in the event of shares being used in connection with mergers, acquisitions (including takeovers) of companies, parts of companies, shareholdings or new investments of the company and/or of Group companies, the financing or refinancing of such mergers, acquisitions or new investments, the conversion of loans or financial liabilities.

2.3 Changes in capital

In the reporting year:

The share capital was increased by a nominal amount of CHF 75,900.00 from CHF 35,667,480.40 to CHF 35,743,380.40 as a result of the partial conversions of the 1.00% convertible bond CHF 150,000,000 2016–2022; the amount of up to CHF 352,077.00 existing as at December 31, 2021, by which the Board of Directors could increase the share capital as a component of the conditional capital, was reduced accordingly by CHF 75,900.00 to a maximum of CHF 276,177.00. The amount of up to CHF 14,000,000.00 as at December 31, 2021, by which the Board of Directors could increase the share capital as a component of the authorized capital, did not change in the reporting year.

In 2021:

The share capital was increased by a nominal amount of CHF 11,600.00 from CHF 35,655,880.40 to CHF 35,667,480.40 as a result of the partial conversions of the 1.00% convertible bond CHF 150,000,000 2016–2022; the amount of up to CHF 363,677.00 existing as at December 31, 2020, by which the Board of Directors could increase the share capital as a component of the conditional capital, was reduced accordingly by CHF 11,600.00 to a maximum of CHF 352,077.00. The ordinary General Meeting of April 30, 2021, approved an amount of up to CHF 14,000,000.00 by which the Board of Directors may increase the share capital as a component of the authorized capital; this amount did not change in the reporting year.

In 2020:

No changes were made to the ordinary or conditional capital in 2020. As at March 12, 2020, however, the partial conversions in 2019 of the 1.00% convertible bond CHF 150,000,000 2016–2022 were entered into the commercial register. The Board of Directors was authorized to increase the share capital of the company at any time until April 24, 2020, by a maximum amount of CHF 2,245,725.80 by issuing a maximum of 22,457,258 bearer shares to be fully paid up, each with a nominal value of CHF 0.10. The Board of Directors did not make use of this authorization, and as at December 31, 2020, there was no more authorized capital.

The changes in share capital in the last three reporting years are shown in the table below:

Type of capital (in CHF) / reporting date	12/31/2022	12/31/2021	12/31/2020
Ordinary capital (issued capital)	35,743,380.40	35,667,480.40 ¹	35,655,880.40
Ordinary capital (capital registered in the commercial register)	35,743,380.40	35,655,880.40	35,655,880.40
Conditional capital	276,177.00	352,077.00	363,677.00
Authorized capital	14,000,000.00	14,000,000.00	0.00

¹ The issued capital was registered in the Swiss commercial register as at March 8, 2022.

2.4 Shares and participation certificates

As at December 31, 2022, 357,433,804 bearer shares with a nominal value of CHF 0.10 had been issued and were fully paid up. One bearer share carries one voting right. Each shareholder possesses statutory membership and proprietary rights, in particular the entitlement to receive dividends and voting rights. Von Roll Holding AG has not issued any participation certificates.

2.5 Dividend-right certificates

Von Roll Holding AG has not issued any dividend-right certificates.

2.6 Limitations on transferability and nominee registrations

There are no limitations on transferability or nominee registrations.

2.7 Convertible bonds and options

1.00% convertible bond CHF 150,000,000 2016 – 2022

Von Roll Holding AG issued on April 11, 2016, an uncollateralized convertible bond (valoren symbol: ROL16, valoren number: 31954490; ISIN: CH0319544901) amounting to CHF 150 million due on April 11, 2022. It was convertible into 150,000,000 bearer shares (subject to any adjustments due to the dilution protection clauses) of Von Roll Holding AG.

After expiry of the conversion period on April 11, 2022, conversion rights amounting to nominal CHF 218,000 had not been exercised and the conversion bond was redeemed in full.

Options

Von Roll Holding AG has not issued any options.

3. Board of Directors

3.1 Members of the Board of Directors

As at December 31, 2022, the Board of Directors of Von Roll Holding AG comprised the following members:

Name	Nationality	Born in	Member since	Function
Dr. Peter Kalantzis	CH/GR	1945	2007	Chairman ¹ , non-executive
Guido Egli	CH	1951	2007	Vice-Chairman, non-executive
Gerd Amtstätter	D	1943	2007	Member, non-executive
August François von Finck	CH	1968	2010	Member, non-executive
Dr. Christian Hennerkes	D	1971	2016	Delegate, executive
Gerhard Bruckmeier	D	1954	2022	Non-executive

¹ Chairman since 12/2010

Gerd Peskes resigned from the Board of Directors with the conclusion of the 199th ordinary General Meeting on May 4, 2022. For further details about Gerd Peskes, please refer to the 2021 annual report at https://www.vonroll.com/app/uploads/2022/03/VonRoll_GB_2021_EN_web.pdf.

Dr. Peter Kalantzis

Chairman of the Board of Directors

Education

Dr. rer. pol., University of Basel, Switzerland

Professional career

1971 – 1990:

Various management positions, last position as Delegate of the Board of Directors of Lonza AG, Basel, Switzerland

1991 – 2000:

General Director and Member of Executive Management of Alusuisse-Lonza Group AG, Zurich, Switzerland; from 1991 to 1996 Head of the Chemistry division and subsequently responsible for Group development from 1997 to 2000

Other activities and vested interests

Chairman of the Board of Directors of Clair AG, Baar, Switzerland; Chairman of the Board of Directors of Degussa Sonne/Mond Goldhandel AG, Baar, Switzerland; Chairman of the Board of Directors of Hardstone Services SA, Geneva, Switzerland; Member of the Board of Directors of Paneuropean Oil and Industrial Holdings S.A., Luxembourg, Luxembourg; Member of the Board of Directors of Consolidated Lamda Holdings Ltd., Luxembourg, Luxembourg; President of the Foundation Board of John S. Latsis Public Benefit Foundation, Vaduz, Principality of Liechtenstein; President of the Foundation Board of Gnosis Foundation, Vaduz, Principality of Liechtenstein.

Guido Egli

Vice-Chairman of the Board of Directors

Education

Degree from University of Applied Sciences, Switzerland
Degree from the London Business School, UK

Professional career

1977 – 1996:

Various management positions, e.g. as Director of Sales and Marketing with the Emmi Group, Switzerland; CEO and Delegate of the Board of Directors of Hero, Lenzburg, Switzerland

1996:

Own consulting company “ifm Food Marketing,” Lucerne, Switzerland, with various consultancy mandates in Switzerland and abroad.

2001 – 2014:

Mövenpick Foods Switzerland Ltd., Baar, Switzerland, Chairman of the Board of Directors and CEO

2006 – 2014:

Mövenpick Holding AG, Baar, Switzerland, CEO

Other activities and vested interests

Chairman of the Board of Directors of Kursaal-Casino AG Luzern, Lucerne, Switzerland; Chairman of the Board of Directors of Grand Casino Luzern AG, Lucerne, Switzerland; Chairman of the Board of Directors of Casino Online AG, Lucerne, Switzerland; Chairman of the Board of Directors of Parkhaus Casino-Palace AG, Lucerne, Switzerland; Chairman of the Board of Directors of Meyerhans Mühlen AG, Weinfelden, Switzerland; Chairman of the Board of Directors of Casino du Valais SA, Sion, Switzerland; Member of the Board of Directors of Remimag Holding AG, Rothenburg, Switzerland; Member of the Board of Directors of Remimag Gastronomie AG, Rothenburg, Switzerland; Member of the Board of Directors of Remimag AG, Rothenburg, Switzerland; Member of the Board of Directors of REITZEL S.A., Fribourg, Switzerland; Member of the Board of Directors of Riviera Restaurants AG, Bern, Switzerland; Member of the Board of Directors of Degussa Sonne/Mond Goldhandel AG, Baar, Switzerland; Member of the Foundation Board of the Foundation of the Pontifical Swiss Guard in the Vatican, Fribourg, Switzerland; Member of the Supervisory Board of J. Bauer GmbH & Co. KG, Wasserburg, Germany.

Gerd Amtstätter

Member of the Board
of Directors

Education

Degree in law from the University of Munich, Germany

Professional career

1971 – 1975:

Member of the Management Team of a medium-sized company

1975 – 1998:

Government of the Free State of Bavaria, Germany, most recently as Assistant Secretary of State (Ministerialdirektor) at the Ministry of Finance

Since 1998:

General Manager of von Finck'sche Hauptverwaltung, Munich, Germany

Other activities and vested interests

Supervisory Board Chairman of Nymphenburg Immobilien AG, Munich, Germany; Supervisory Board Chairman of Amira Verwaltungs SE, Munich, Germany; Supervisory Board Chairman of Custodia Holding SE, Munich, Germany; Supervisory Board Chairman of Staatliche Mineralbrunnen AG, Bad Brückenau, Germany; Supervisory Board Chairman of Oppmann Immobilien AG, Würzburg, Germany.

**August François von
Finck**

Member of the Board
of Directors

Education

Master of Business Administration (MBA) Degree, Georgetown University, USA

Bachelor of Science (BS) Degree, Georgetown University, USA

Completed training as bank clerk, Swiss Bank Corporation, Basel, Switzerland

Professional career

Since 2000:

Self-employed entrepreneur

Other activities and vested interests

Vice-Chairman of the Board of Directors of Bank von Roll AG, Zurich, Switzerland; Member of the Board of Directors of Clair AG, Baar, Switzerland; Member of the Board of Directors of Degussa Sonne/Mond Goldhandel AG, Baar, Switzerland; Member of the Supervisory Board of Custodia Holding SE, Munich, Germany; Member of the Supervisory Board of Staatliche Mineralbrunnen AG, Bad Brückenau, Germany; Chairman of the Board of Directors of Degussa Sonne/Mond Goldhandel GmbH, Munich, Germany.

Dr. oec. Christian Hennerkes

Delegate of the Board of Directors, Chief Executive Officer (CEO)

Education

Doctorate in Economics (Hohenheim, Germany)
First and second state exam in Law (Konstanz and Stuttgart, Germany)

Professional career

2001 – 2004:
The Boston Consulting Group (Manager/Principal)
2005 – 2016:
Managing Director and Partner of various companies in the consumer and industrial goods sector (including the Theo Müller Group, Travel IQ GmbH, Menerga GmbH, Germany)
Since October 1, 2016:
Chief Executive Officer (CEO) of Von Roll Holding AG, Breitenbach, Switzerland

Other activities and vested interests

Member of the Supervisory Board of Interstuhl Büromöbel GmbH & Co. KG, Messstetten-Tieringen, Germany.

Gerhard Bruckmeier

Member of the Board of Directors

Education

Degree in business administration from the University of Munich, Germany
Appointed as tax consultant and auditor, Germany

Professional career

1992 – 2021:
Managing Director of Dr. Kleeberg & Partner GmbH, Munich, Germany
Since 2022:
Various mandates as tax consultant

Other activities and vested interests

Member of the Supervisory Board of Nymphenburg Immobilien AG, Munich, Germany; Member of the Supervisory Board of Amira Verwaltungs SE, Munich, Germany; Member of the Supervisory Board of Custodia Holding SE, Munich, Germany; Member of the Supervisory Board of Oppmann Immobilien AG, Würzburg, Germany; Member of the Supervisory Board of Substantia AG, Munich, Germany; Member of the Supervisory Board of Faber-Castell AG, Stein, Germany.

During the reporting year or the three financial years preceding it, none of the non-executive members of the Board of Directors, including Gerd Peskes, who left on May 4, 2022, belonged to either the Executive Management of Von Roll Holding AG or the Management Team of any of its subsidiaries; they did not have any significant business relations with these companies.

3.2 Other activities and vested interests

Information on the other activities and vested interests of members of the Board of Directors is shown in Section 3.1 (page 19 et seq.).

3.3 Number of permitted activities

The permissible number of external offices is determined with binding effect in Article 24 (1) and (3) of the Articles of Incorporation, which can be viewed at <https://www.vonroll.com/en/group/investors/corporate-governance/>:

Members of the Board of Directors may not simultaneously hold more than 20 offices in top-tier management or administrative bodies of legal entities outside the Group that are subject to entry in the Swiss commercial register or a similar register in another country. Of these offices, no more than 15 may be held in listed legal entities. Multiple offices within the same group and offices exercised on behalf of a group or legal entity (including offices in care institutions, joint ventures and legal entities in which a significant stake is held) count as one office. Offices in nonprofit or charitable legal entities such as clubs, associations and foundations are not subject to the above restrictions, but must not exceed 15.

3.4 Elections and terms of office

The Chairman of the Board of Directors, the other members of the Board of Directors and the members of the People & Remuneration Committee are each elected by the ordinary General Meeting for a one-year term, which runs until the end of the next ordinary General Meeting. The Vice-Chairman of the Board of Directors, the Chairman of the People & Remuneration Committee and the Chairman and members of the Audit Committee are elected by the full Board of Directors. Re-election is permitted without restrictions. There are no restrictions with regard to age or term of office. The year the individual members of the Board of Directors were elected for the first time is listed under Section 3.1 (page 19).

3.5 Internal organization

The organization, tasks and areas of responsibility of the Board of Directors and its committees are detailed in the organizational regulations. They can be viewed at <https://www.vonroll.com/en/group/investors/corporate-governance/>. The following paragraphs summarize the essential elements of the organizational regulations:

Allocation of tasks within the Board of Directors

The individual functions (Chairman, Vice-Chairman and Delegate) are listed in Section 3.1 (page 19).

The Chairman's responsibilities and tasks particularly include setting and preparing the agenda items for the General Meeting and (together with the Delegate of the Board of Directors/CEO) for meetings of the Board of Directors, convening meetings of the Board of Directors, chairing the General Meeting and meetings of the Board of Directors, ordering and monitoring the implementation of resolutions of the General Meeting, monitoring compliance with resolutions of the meetings of the Board of Directors and the guidelines and regulations on business policy approved by the Board of Directors, supervising and monitoring the business development and activities of Executive Management on an ongoing basis, submitting motions to the Board of Directors for appointing and dismissing the CEO, CFO and any other members of Executive Management, observing ad hoc notification requirements in collaboration with Executive Management, and making executive resolutions in urgent and unavoidable cases. The Vice-Chairman represents the Chairman if he is prevented from exercising his function.

The Delegate of the Board of Directors manages the Von Roll Group in the role of CEO. He decides on all matters that are not non-transferable and inalienable duties of the Board of Directors in accordance with Article 716a of the Swiss Code of Obligations (CO) or Article 22 of the Articles of Incorporation (which can be viewed under <https://www.vonroll.com/en/group/investors/corporate-governance/>) and do not fall under the decision-making power of the Board of Directors (see page 25 et seq., Section 3.6). He helps the Chairman to prepare for the meetings of the Board of Directors. He also makes resolutions in consultation with the Chairman in urgent cases.

Membership of all committees of the Board of Directors, their responsibilities and the scope of their competencies

The Board of Directors has the following committees:

Audit Committee

The Audit Committee is a standing committee of the Board of Directors and has a purely advisory and preparatory role for the Board of Directors. It supports the Board of Directors in the assumption of its responsibility for the Group in the area of financial reporting, the application of accounting standards and systems, and the external audit. The activities of the Audit Committee do not release the Board of Directors from its legal obligations, and the decision-making power remains with the full Board of Directors. The Audit Committee comprises members of the Board of Directors Gerhard Bruckmeier (Chairman), Gerd Amtstätter and Dr. Peter Kalantzis.

People & Remuneration Committee

The People & Remuneration Committee is a standing committee of the Board of Directors and has a fundamentally advisory and preparatory role for the Board of Directors. It assists the Board of Directors with setting and reviewing the company's remuneration strategy and guidelines and qualitative and quantitative remuneration criteria, as well as with preparing motions for the General Meeting relating to the remuneration of the Board of Directors and Executive Management. The People & Remuneration Committee can make suggestions and recommendations to the Board of Directors regarding remuneration issues. The People & Remuneration Committee can call in external specialists. The activities of the People & Remuneration Committee do not release the Board of Directors from its legal obligations, and the decision-making power remains with the full Board of Directors, with the exception of the approval of the bonus model for employees below the level of Executive Management, which is solely decided by the People & Remuneration Committee. The People & Remuneration Committee is made up of Gerd Amtstätter (Chairman), Guido Egli and August François von Finck, all of whom are members of the Board of Directors.

Working methods of the Board of Directors and its committees

The Board of Directors shall constitute a quorum when the majority of its members are present. If such an attendance-based quorum is not reached, the Board of Directors shall constitute a quorum provided that all absent members subsequently consent to the relevant motion in writing. No attendance-based quorum is required for the Board of Directors to make resolutions on a capital increase report or for resolutions that require public certification. The Board of Directors makes its resolutions and decides its elections with an absolute majority of the votes cast. The Chairman participates in the vote and has the casting vote in the event of a tie. Resolutions may also be made by circular letter insofar as no member requests an oral debate. If an oral debate is requested, the resolution shall not be made in writing. All members of the Board of Directors are to be asked for their opinion for resolutions made by circular letter. Resolutions of this kind require the absolute majority of all members of the Board of Direc-

tors and are to be included in the minutes of the next meeting. At least two members must be present for the Audit Committee and at least two for the People & Remuneration Committee to make resolutions. Resolutions are made by an absolute majority of the votes cast. The respective Chairman participates in the vote and has the casting vote in the event of a tie.

In the reporting year, the CFO participated in an advisory capacity without voting rights in all meetings of the Board of Directors for the agenda items relating to business activities. The Delegate of the Board of Directors/CEO and the CFO regularly attended all meetings of the Audit Committee and the People & Remuneration Committee in an advisory capacity without voting rights in the reporting year. The Chairman attended the meetings of the People & Remuneration Committee in the reporting year. In the reporting year, meetings of the Audit Committee and the People & Remuneration Committee were occasionally also attended by other members of the Board of Directors who do not belong to the committee in question. In the reporting year, external consultants were not brought in to either a meeting of the Board of Directors, the Audit Committee or the People & Remuneration Committee. The auditor Deloitte AG took part in all meetings of the Audit Committee in the reporting year.

The invitation letters to a meeting show all the agenda items that a member of the Board of Directors, a committee or a member of Executive Management wishes to discuss. The dates for the ordinary meetings are set with due advance notice so that all members are able to attend in person. For all motions, the participants of the meeting receive detailed written documentation in advance. The Chairmen of the committees report to the Board of Directors on the committee's activities. The minutes of the committee meetings are provided to members of the Board of Directors. As a rule, the Chairman convenes the Board of Directors approximately every two months, or as often as business operations require, and also when a member submits a request in writing specifying the desired agenda items. The Board of Directors met five times during the reporting year. Meetings lasted 10 hours and 10 minutes in total, which reflects an average of 2 hours and 2 minutes per session. Two meetings were also held with the exclusive participation of the Delegate of the Board of Directors/CEO to prepare the public deeds for the purpose of updating the Articles of Incorporation following the completed capital increases from the conditional capital. The Audit Committee and the People & Remuneration Committee gather as often as business operations require, and at least twice annually. During the reporting year, the Audit Committee met three times. Meetings lasted 2 hours in total, which reflects an average of 40 minutes per session. The People & Remuneration Committee met twice during the reporting year. Meetings lasted 1 hour and 10 minutes in total, which reflects an average of 35 minutes per session.

3.6 Definition of areas of responsibility

The areas of responsibility and nature of cooperation between the Board of Directors and Executive Management are stipulated in the organizational regulations. They can be viewed at <https://www.vonroll.com/en/group/investors/corporate-governance/>. The Board of Directors has delegated responsibility for business operations to the Delegate of the Board of Directors/CEO. In addition to the responsibilities mentioned in the organizational regulations, however, the Board of Directors also makes decisions about the following:

- » Inalienable duties in accordance with Article 716a of the Swiss Code of Obligations (CO) and Article 22 of the Articles of Incorporation (see <https://www.vonroll.com/en/group/investors/corporate-governance/>)
- » Investments in companies and involvement in joint ventures
- » Partnerships and licensing agreements with financial commitments exceeding CHF 5 million
- » Acquisition and divestment of companies
- » Internal restructuring of the Group
- » Human resources principles
- » Basic principles of salary and bonus systems
- » Introduction of and major changes to company retirement plans
- » Purchase and sale of real estate over CHF 2 million
- » Real estate rental agreements with a term of more than five years or costs of over CHF 5 million

3.7 Information and instruments for monitoring Executive Management

The Delegate of the Board of Directors/CEO forms the link between the Board of Directors and Executive Management. He ensures that the Chairman is regularly updated on business activities and all important issues and events. Each member of the Board of Directors receives the detailed monthly financial statements, plus comments, and the semi-annual and annual financial statements. The Delegate of the Board of Directors/CEO and the CFO report to the meetings of the Board of Directors on a regular basis regarding business activities, key transactions and all matters relevant to the Group. The Delegate of the Board of Directors/CEO and the CFO regularly attend the meetings of the Audit Committee and the People & Remuneration Committee. Site visits serve to complete the information at hand. Each year, based on the proposals of Executive Management, the Board of Directors discusses and approves the following year's budget, which it then regularly reviews. Once a year, the Board of Directors reviews the strategic direction of the Group.

The Board of Directors and Executive Management attach a great deal of importance to dealing carefully with risk, and operate a system for monitoring and managing the risks associated with business activities. This process includes identifying, analyzing and managing risk, and risk reporting.

The Von Roll Group compliance program manages compliance with laws, regulations and guidelines for proper company management and introduces any activities required for preventing breaches and identifying them at an early stage.

4. Executive Management

4.1 Members of Executive Management

As at December 31, 2022, Executive Management of Von Roll Holding AG comprised the following members:

Name	Nationality	Born in	Term of office	Function
Dr. Christian Hennerkes	D	1971	Since 2016	Delegate of the Board of Directors and CEO
Artur Lust	D	1982	Since 2017	CFO

Dr. oec. Christian Hennerkes

Delegate of the Board of Directors, Chief Executive Officer (CEO)

Education

Doctorate in Economics (Hohenheim, Germany)
First and second state exam in Law (Konstanz and Stuttgart, Germany)

Professional career

2001 – 2004:
The Boston Consulting Group (Manager/Principal)
2005 – 2016:
Managing Director and Partner of various companies in the consumer and industrial goods sector (including the Theo Müller Group, Travel IQ GmbH, Menerga GmbH, Germany)
Since October 1, 2016:
Chief Executive Officer (CEO) of Von Roll Holding AG, Breitenbach, Switzerland

Other activities and vested interests

Member of the Supervisory Board of Interstuhl Büromöbel GmbH & Co. KG, Messstetten-Tieringen, Germany

Artur Lust

Chief Financial Officer (CFO)

Education

Degree in business administration from the University of Applied Sciences for Economics and Management, Essen, Germany
Certified accountant (Chamber of Commerce and Industry)

Professional career

2004 – 2012:
Various leadership and management positions in family-owned, medium-sized companies and listed corporations in the consumer and industrial goods sector, most recently as Company Controlling Manager at Ericsson GmbH, Düsseldorf, Germany
2012 – 2015:
Commercial Director and Authorized Representative at Menerga GmbH, Mülheim an der Ruhr, Germany
2016 – 2017:
Head of Corporate Development of Von Roll Management AG, Breitenbach, Switzerland
Since October 1, 2017:
Chief Financial Officer (CFO) of Von Roll Holding AG, Breitenbach, Switzerland

Other activities and vested interests

No other activities or vested interests.

4.2 Other activities and vested interests

Information on the other activities and vested interests of members of Executive Management is shown in Section 4.1 (page 27).

4.3 Number of permitted activities

The permissible number of external offices is determined with binding effect in Article 24 (2) and (3) of the Articles of Incorporation, which can be viewed at <https://www.vonroll.com/en/group/investors/corporate-governance/>.

Subject to the approval of the Board of Directors, members of Executive Management may simultaneously hold a maximum of five offices in top-tier management or administrative bodies of legal entities outside the Group that are subject to entry in the Swiss commercial register or a similar register in another country. Of these offices, no more than two may be held in listed legal entities. Multiple offices within the same group and offices exercised on behalf of a group or legal entity (including offices in care institutions, joint ventures and legal entities in which a significant stake is held) count as one office. Offices in nonprofit or charitable legal entities such as clubs, associations and foundations are not subject to the above restrictions, but must not exceed 15.

4.4 Management contracts

There are no management or service contracts with third parties.

5. Remuneration, shareholdings and loans

5.1 Content and method of determining the remuneration and the shareholding programs

The basic principles regarding the content and method of determining the remuneration for the Board of Directors and Executive Management are given in the remuneration report (Sections 1.4–1.6, page 32 ff.) and in the Articles of Incorporation (Articles 29 to 32—see <https://www.vonroll.com/en/group/investors/corporate-governance/>). The following is also stipulated for the reporting year: The maximum amount for the remuneration for the Board of Directors, which is approved by the General Meeting, and the maximum amount for the fixed remuneration and the total amount for the variable remuneration for Executive Management were discussed in advance on a one-time basis by the People & Remuneration Committee, with participation and advice from all Members of the Board of Directors and the Executive Management, and then approved by the Board of Directors by circular letter or proposed to the General Meeting for approval. These decisions were discretionary decisions, which is why no explanation is given in this regard. The actual amount of fixed remuneration paid to the members of Executive Management is agreed in their employment contracts and was increased by the Board of Directors from the start of the reporting year (remuneration report Section 2.2, p. 36). The Delegate of the Board of Directors/CEO only received remuneration for his role as CEO, not as a member of the Board of Directors (remuneration report Sections 2.1–2.2, page 35 f.). For the extraordinarily successful financial year 2021 in a particularly difficult economic environment, a variable remuneration corresponding to the amount of CHF 100,000 was paid to each Member of the Executive Board (remuneration report Section 2.2, p. 36); drawing this payment in the form of shares or options was not possible. Gerhard Bruckmeier, who was re-elected as a member of the Board of Directors at the General Meeting of May 4, 2022, received no special remuneration. No external consultants were consulted in determining remuneration.

5.2 Information on issuers subject to the Swiss Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (“ERCO”)

The regulations in the Articles of Incorporation concerning the principles of performance-related remuneration, the allocation of equity securities and conversion rights and options, the additional amount for remuneration of members of Executive Management appointed following the vote of the General Meeting on remuneration and the vote of the General Meeting on remuneration can be found in Section 4, Article 30 et seq. of the Articles of Incorporation, which can be viewed at <https://www.vonroll.com/en/group/investors/corporate-governance/>, with the exception of the regulations on loans, credits and retirement benefits outside the occupational pension scheme granted to members of the Board of Directors and Executive Management, which have not been included in the Articles of Incorporation.

6. Shareholders' participation rights

6.1 Voting right restrictions and representation

The company's Articles of Incorporation do not contain any voting right restrictions and do not deviate from Swiss law with regard to the representation of voting rights. The General Meeting adopts resolutions and conducts elections with a simple majority of the votes cast at the meeting, excluding any abstentions or invalid votes. This regulation applies unless stipulated otherwise by mandatory legal provisions or provisions set out in the Articles of Incorporation (see page 29, Section 6.2). Each share carries one vote at the General Meeting. Each shareholder can be represented at the General Meeting by the independent voting representative or a third party. In light of the COVID-19 pandemic, votes for the attention of the ordinary General Meeting of May 4, 2022, were cast using the independent voting representative exclusively. The independent voting representative is obliged to exercise the voting rights he represents in accordance with the instructions he has received. If he has not received any instructions, he abstains from voting. The Board of Directors ensures that shareholders can also give powers and instructions to the independent voting representative electronically. He may also lay down the details in this regard.

The independent voting representative is elected by the General Meeting for a one-year term, which runs until the end of the next ordinary General Meeting. The independent voting representative may be re-elected.

6.2 Quorums required by the Articles of Incorporation

In accordance with Art. 703 of the Swiss Code of Obligations (CO), resolutions of the General Meeting are to be passed with an absolute majority of the votes represented as a basic principle. The resolutions cited in Art. 704 CO and Article 17 of the Articles of Incorporation are exceptions to this rule, as they require at least two-thirds of the votes represented and an absolute majority of the nominal value of the shares represented. Article 17 of the Articles of Incorporation can be viewed at <https://www.vonroll.com/en/group/investors/corporate-governance/>.

6.3 Convocation of the General Meeting

The ordinary General Meeting is held annually within six months of the close of the financial year. Extraordinary General Meetings are convened as necessary. Extraordinary General Meetings are also convened by decision of the General Meeting or when requested by one or more shareholders with a total shareholding of no less than one-tenth of the share capital in a petition signed by the respective shareholder(s) citing the agenda item and motions. Extraordinary General Meetings must take place within 90 days of receipt of such a request.

The convocation of the General Meeting stating the agenda items and the motions of the Board of Directors or the shareholders is issued by the Board of Directors, if necessary through the auditor or another body designated by law, no later than 20 days before the General Meeting by means of a one-time announcement in the "Swiss Official Gazette of Commerce" (SOGC).

6.4 Agenda items

Shareholders who together represent at least 3% of the share capital, or shares with a nominal value of CHF 1 million, may ask for an item to be included in the agenda for discussion. The agenda item must be requested at least 40 days prior to the day of the meeting in a submission signed by the relevant shareholders, specifying the agenda item and the motions submitted.

6.5 Entries in the share register

The share capital of the company is exclusively comprised of bearer shares, and consequently no share register is kept.

7. Changes of control and defense measures

7.1 Duty to make a public offer

In accordance with Article 4a ("Opting out") of the Articles of Incorporation (which can be viewed at <https://www.vonroll.com/en/group/investors/corporate-governance/>), parties purchasing shares in the company are exempt from the obligation to make a public offer to purchase in accordance with Art. 135 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of June 19, 2015.

7.2 Change of control clauses

The Articles of Incorporation do not contain any provision in favor of members of the Board of Directors and/or Executive Management in the event of a change of control.

8. Auditor

8.1 Duration of mandate and term of office of the auditor in charge

Time of assumption of the current audit mandate

Deloitte AG, Zurich, was registered in the commercial register as the auditor for Von Roll Holding AG on June 11, 2004.

Assumption of office of the auditor in charge who is responsible for the current audit mandate

The auditor is appointed by the General Meeting for one financial year, and the same auditor may be reappointed in the next financial year. The applicable statutory maximum term of office for an auditor in charge of seven years (Art. 730a (2) CO) is not limited by the Articles of Incorporation. Chris Krämer has been appointed auditor in charge for the second year.

8.2 Auditing fee

The fee paid to the auditor (including the auditors belonging to the network of the statutory auditor) for the audit of the 2022 annual financial statements was CHF 325,050 in total.

8.3 Additional fees

In the reporting period, additional fees of CHF 100,014 were paid for tax advice.

8.4 Information instruments pertaining to the external audit

The auditor submits a written report concerning relevant audit activities and other important processes in connection with the company to the Audit Committee for each scheduled meeting. Representatives of the auditor participate in individual agenda items of the Audit Committee meetings, explain their activities and take questions. The auditor attended two out of three meetings of the Audit Committee in the reporting year. Further discussions were also held between the auditor and Executive Management.

The activities of the auditors are monitored by the Audit Committee. This committee assesses the performance, remuneration, independence and scope of the audit, as well as the relevant procedures, on an annual basis. To ensure their independence, the auditor in charge is replaced regularly, and always before the legal maximum term of seven years. The audit mandate is regularly put out for tender to assess the commensurability of the fee.

9. Information policy

Agenda 2023

March 15, 2023:

Publication of results for the year 2022

April 19, 2023:

200th ordinary General Meeting

August 29, 2023:

Publication of results for the first half of 2023

All regularly updated information is also available online at <https://www.vonroll.com/en/group/investors/facts-figures/>. Previously published press releases are available at www.vonroll.com/en/group/investors/press-releases/. Shareholders can request to receive future press releases by email by registering in the press distribution list. These can also be ordered from Von Roll Holding AG, Passwangstrasse 20, 4226 Breitenbach, or online at <https://www.vonroll.com/en/group/investors/press-releases/#order-service>. Further information can be requested at www.vonroll.com/en/contact/ or by calling +41 61 785 58 86 or emailing investor@vonroll.com.

10. Trading blackout periods

The company informs employees working at Group level of potential trading blackout periods as the situation requires.

Remuneration report 2022

1. Remuneration philosophy and basic principles

1.1 General information

The remuneration report lays down the remuneration principles and the governance framework for the remuneration of the Board of Directors and the members of Executive Management of Von Roll Holding AG. It also includes details of the remuneration policy and the remuneration paid to the aforesaid bodies in the financial year 2022.

Unless indicated otherwise, all information provided in this report relates to the financial year that ended on December 31, 2022. The report is in line with Art. 13 of the Swiss Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO); the Swiss Code of Best Practice for Corporate Governance issued by Economiesuisse; Section 5.1 of the Annex to the SIX Swiss Exchange's Directive on Information relating to Corporate Governance; and the Swiss Code of Obligations.

1.2 Corporate governance as the basis for remuneration policy

The principles of our remuneration system for the Board of Directors and Executive Management are included in the Articles of Incorporation.

1.3 ERCO

The remuneration system and employment contracts with members of Executive Management comply with the ERCO.

1.4 Responsibilities

Board of Directors

The Board of Directors is responsible for the Group's remuneration system and for drafting corresponding motions for the General Meeting.

People & Remuneration Committee

The People & Remuneration Committee comprises three members of the Board of Directors. The members of the People & Remuneration Committee are elected by the General Meeting for a one-year term, which runs until the end of the next ordinary General Meeting. Re-election is permissible. The Chairman of the People & Remuneration Committee is elected by the entire Board of Directors. The People & Remuneration Committee assists the Board of Directors with setting and reviewing the company's remuneration strategy and guidelines and the qualitative and quantitative remuneration criteria, as well as with preparing motions for the General Meeting relating to the remuneration of the Board of Directors. The People & Remuneration Committee can make suggestions and recommendations to the Board of Directors regarding other remuneration issues. The People & Remuneration Committee can call in external specialists.

The People & Remuneration Committee is made up of Gerd Amtstätter (Chairman), Guido Egli and August François von Finck, all of whom are members of the Board of Directors. The Delegate of the Board of Directors / CEO and the CFO regularly attend People & Remuneration Committee meetings in an advisory capacity without voting rights. The People & Remuneration Committee met twice during the financial year. The Chairman of the People & Remuneration Committee reports to the Board of Directors with regard to the committee's activities. The minutes of the committee meetings are provided to members of the Board of Directors.

CEO and Executive Management

Headed by the CEO, Executive Management reviews the targets set for the management team's performance-related bonus scheme based on the People & Remuneration Committee's specifications.

1.5 Principles and components of remuneration

General principles

The Board of Directors may decide whether remuneration is paid wholly or partially in cash, restricted company shares or future subscription rights to shares. The Board of Directors determines the timing of the allocation, the length of the restricted period and any discount, taking into account the length of the restricted or vesting period. The restricted or vesting period shall be at least three years, whereby the Board of Directors may agree on a shorter period in justified cases. The Board of Directors may stipulate that, should a certain event specified in advance ultimately occur, such as the termination of an employment or mandate relationship or a change of control, then restricted or vesting periods shall continue to apply, be shortened or be canceled, or remuneration shall be paid out (assuming targets have been met) or forfeited.

If shares or future subscription rights to shares are to be allocated or other remuneration components granted, the remuneration amount shall correspond to the value accorded to these remuneration components at the time of their allocation in accordance with generally recognized valuation methods.

In respect of duties performed in legal entities of the Group or on behalf of a legal entity of the Group, these entities may grant remuneration to the members of the Board of Directors and Executive Management insofar as the amounts concerned do not exceed the limit approved by the General Meeting or the additional limit in accordance with Art. 32 (6) of the Articles of Incorporation.

Within the scope permissible by law, the company may compensate members of the Board of Directors and Executive Management for losses incurred in conjunction with lawsuits, proceedings or settlements related to their activities for the company. It may also advance relevant sums or take out insurance policies. Compensation, advances and insurance policies of this kind are not considered remuneration.

Components of the Board of Directors' remuneration

Members of the Board of Directors receive fixed remuneration for their activities. Their expenses are also reimbursed. Reimbursed expenses, including lump-sum expenses, are not deemed to be remuneration. Supplements may be paid for serving as a member of a committee or for undertaking specific duties or projects.

Components of Executive Management's remuneration

Members of Executive Management receive fixed remuneration for their activities. Their expenses are also reimbursed. Reimbursed expenses, including lump-sum expenses, are not deemed to be remuneration. The main shareholder group has authorized the current Executive Management to participate in the proceeds from the sale in the event of significant company shares being sold.

General information

The General Meeting approves the maximum remuneration for members of the Board of Directors with binding effect when the ordinary General Meeting convenes each year, with this remuneration limit then applying until the next ordinary General Meeting.

The General Meeting shall approve the maximum amount for fixed remuneration components for the following financial year for members of Executive Management with binding effect when the ordinary General Meeting convenes each year.

The General Meeting can approve a retrospective increase in a total amount already approved at any time.

1.6 Approval procedure

The General Meeting shall approve the total variable remuneration components for the previous financial year for members of Executive Management with binding effect when the ordinary General Meeting convenes each year.

If the General Meeting withholds its approval, the Board of Directors may submit new motions for approval at the same General Meeting. If the Board of Directors does not submit any new motions or if the General Meeting rejects the new motions as well, the Board of Directors can convene a new General Meeting.

For the appointment of new members of Executive Management made after the General Meeting has given its approval, the additional limit for each new member shall be 150% of the highest remuneration amount paid to a member of the Executive Management at the last ordinary General Meeting in the previous financial year. This additional remuneration does not need to be approved by the General Meeting.

Appointment of members of Executive Management

The Board of Directors appoints members of Executive Management.

Number of external offices and positions

The number of external offices and positions is stipulated with binding effect in the Articles of Incorporation.

Contracts with members of the Board of Directors and Executive Management

Contracts with members of the Board of Directors and Executive Management, which provide the foundation for their remuneration, may be temporary or permanent. The maximum term of a temporary contract is one year. Contracts may be renewed. Notice periods for permanent contracts may not exceed one year.

The notice period for the CEO and the other members of Executive Management is 12 months. All employment contracts with members of Executive Management comply with the legislation and the provisions of the ERCO.

Severance pay

The employment contracts concluded with members of Executive Management do not provide for any severance pay.

2. Remuneration in the financial year

2.1 Remuneration of the Board of Directors (audited)

Board of Directors' fee

The following remuneration was paid to members of the Board of Directors for the financial year 2022:

in CHF 1,000	Function	Fixed fee ¹	Variable remuneration	Other remuneration ²	Retirement benefits ³	Total
Dr. Peter Kalantzis	Chairman	294	–	–	14	308
Guido Egli	Vice-Chairman	144	–	–	7	151
Gerd Amtstätter	Member	94	–	–	–	94
Gerd Peskes	Member (left Board of Directors in May 2022)	32	–	–	–	32
August François von Finck	Member	94	–	–	6	100
Gerhard Bruckmeier	Member	62 ⁴	–	–	–	62
Dr. Christian Hennerkes	Delegate	–	–	–	–	–
Total		720	–	–	27	747

¹ Gross fee, i.e. before the deduction of social security contributions, withholding taxes, etc.

² Other remuneration does not include any lump-sum expenses.

³ Statutory charges, e.g. contributions to old-age and surviving dependents' insurance, unemployment, pension funds or executive insurance.

⁴ Base fee 2022 pro rata for the period from May to December 2022.

The following remuneration was paid to members of the Board of Directors for the financial year 2021:

in CHF 1,000	Function	Fixed fee ¹	Variable remuneration	Other remuneration ²	Retirement benefits ³	Total
Dr. Peter Kalantzis	Chairman	294	–	–	14	308
Guido Egli	Vice-Chairman	144	–	–	7	151
Gerd Amtstätter	Member	94	–	–	–	94
Gerd Peskes	Member	94	–	–	–	94
August François von Finck	Member	94	–	–	6	100
Dr. Christian Hennerkes	Delegate	–	–	–	–	–
Total		720	–	–	27	747

¹ Gross fee, i.e. before the deduction of social security contributions, withholding taxes, etc.

² Other remuneration does not include any lump-sum expenses.

³ Statutory charges, e.g. contributions to old-age and surviving dependents' insurance, unemployment, pension funds or executive insurance.

Other remuneration

Apart from the amounts disclosed here, no member of the Board of Directors received any additional fees or remuneration in 2022 or 2021 for services provided to Von Roll. In particular, no additional remuneration was paid for serving as a member of a committee or undertaking specific duties or projects in the financial years 2022 and 2021.

2.2 Remuneration of Executive Management (audited)

Short-term remuneration

The members of Executive Management received remuneration totaling CHF 1.8 million in the financial year 2022 (2021: CHF 1.3 million). This amount includes fixed basic salaries of CHF 1.3 million (2021: CHF 1.1 million), short-term performance bonuses of CHF 0.2 million (2021: CHF 0) and social security contributions of CHF 0.3 million (2021: CHF 0.2 million).

The following remuneration was paid to members of Executive Management for the financial year 2022:

in CHF 1,000	Function	Basic salary ¹	Variable remuneration ²	Other remuneration ³	Retirement benefits ⁴	Total	
	Dr. Christian Hennerkes	CEO	760	100	20	120	1,000
	Artur Lust	CFO	540	100	12	101	753
	Total		1,300	200	32	221	1,753

¹ Gross salary, i.e. before the deduction of social security contributions, withholding taxes, etc. The changes compared with the previous year result from a TCHF 100 increase in the fixed remuneration of each member of Executive Management.

² In connection with the General Meeting of May 4, 2022, each member of the Executive Management was granted a one-time bonus of TCHF 100 in recognition of an extremely successful financial year 2021 in a particularly difficult economic environment.

³ Other remuneration comprises lump-sum compensation (TCHF 24) and child allowances (TCHF 8).

⁴ Statutory charges, e.g. contributions to old-age and surviving dependents' insurance, pension funds or executive insurance.

The following remuneration was paid to members of Executive Management for the financial year 2021:

in CHF 1,000	Function	Basic salary ¹	Variable remuneration	Other remuneration ²	Retirement benefits ³	Total	
	Dr. Christian Hennerkes	CEO	660	–	20	107	787
	Artur Lust	CFO	440	–	12	85	537
	Total		1,100	–	32	192	1,324

¹ Gross salary, i.e. before the deduction of social security contributions, withholding taxes, etc.

² The remaining remuneration comprises lump-sum compensation (TCHF 24) and child allowances (TCHF 8).

³ Statutory charges, e.g. contributions to old-age and surviving dependents' insurance, unemployment, pension funds or executive insurance.

Long-term remuneration

There is no plan for long-term remuneration.

Other remuneration

Apart from the amounts disclosed here, no member of Executive Management received any additional fees or remuneration in the financial years 2022 or 2021 for services provided to Von Roll.

2.3 Remuneration of former members of the Board of Directors and Executive Management (audited)

No remuneration was due to former members of Executive Management or for former members of the Board of Directors in the financial years 2022 and 2021.

2.4 Loans (audited)

Board of Directors

No members of the Board of Directors were granted any loans in the financial years 2022 and 2021. No loans were outstanding at the end of the financial years 2022 and 2021.

Executive Management

No members of Executive Management were granted any loans in the financial years 2022 and 2021. No loans were outstanding at the end of the financial years 2022 and 2021.

Former members of the Board of Directors and Executive Management

No former members of the Board of Directors or Executive Management were granted any loans diverging from standard market terms during the financial years 2022 and 2021. Neither are any such loans outstanding.

2.5 Remuneration and loans to related parties (audited)

No remuneration diverging from standard market practice was granted either directly or indirectly to any related parties in the financial years 2022 and 2021. In addition, no related parties were granted any loans diverging from standard market terms. Neither are any such loans outstanding.

2.6 Shareholdings

Shares held by members of the Board of Directors

The members of the Board of Directors held the following number of shares as at December 31 of the respective financial year:

Number of shares	2022	2021
Dr. Peter Kalantzis	1,333	1,333
Guido Egli	1,067	1,067
Gerd Amtstätter	466,667	466,667
Gerhard Bruckmeier	–	–
August François von Finck	59,266,689	46,328,166
Dr. Christian Hennerkes	3,600,000	3,600,000
Total	63,335,756	50,397,233

Shares held by members of Executive Management

Members of Executive Management held the following number of shares as at December 31 of the respective financial year:

Number of shares	2022	2021
Dr. Christian Hennerkes, CEO	3,600,000	3,600,000
Artur Lust, CFO	2,400,000	2,400,000
Total	6,000,000	6,000,000

2.7 Convertible bonds

Convertible bonds held by members of the Board of Directors

No convertible bonds of Von Roll Holding AG were held by members of the Board of Directors at the end of the financial years 2022 and 2021.

Convertible bonds held by members of Executive Management

No convertible bonds of Von Roll Holding AG were held by members of Executive Management at the end of financial years 2022 and 2021.

Report of the statutory auditor

To the General Meeting of
VON ROLL HOLDING AG, BREITENBACH

Report of the statutory auditor in relation to the remuneration report

Opinion

We have audited the remuneration report of Von Roll Holding AG (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14–16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked “audited” on pages 35 to 37 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the accompanying remuneration report complies with Swiss law and Art. 14–16 VegüV.

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 stand-alone financial statements and our auditor’s reports thereon.

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

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

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

Board of Directors’ responsibilities for the remuneration report

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

Auditor's responsibilities for the audit of the remuneration report

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

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

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

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.

Deloitte AG



Chris Krämer
Licensed audit expert
Auditor in Charge



Thomas Dettwiler
Licensed audit expert

Zurich, March 10, 2023

Financial Reporting

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Consolidated income statement for the financial year 2022

in CHF 1,000	Note	2022	2021
Net sales	5a	227,719	218,637
Other operating income	5b	13,887	24,682
Total income		241,606	243,319
Change in inventory of unfinished and finished goods		1,978	668
Material cost		-110,244	-98,959
Gross profit		133,340	145,028
Personnel expenses	5c	-65,785	-69,569
Depreciation and impairment of tangible assets	5d	-10,838	-12,858
Amortization and impairment of intangible assets	13	-1,976	-2,059
Other operating expenses	5e	-39,945	-38,639
Operating result (EBIT)		14,796	21,903
Financial result	5f	-1,536	-1,159
Ordinary result		13,260	20,744
Non-operating result	5g	-	12,750
Earnings before taxes (EBT)		13,260	33,494
Income taxes	6	-3,640	-2,687
Earnings after taxes (EAT)		9,620	30,807
Of which attributable to:			
– Shareholders of Von Roll Holding AG		9,621	30,807
– Non-controlling interests		-1	-1
Basic earnings after taxes (EAT) per share (in CHF)	7	0.0275	0.0881
Diluted earnings after taxes (EAT) per share (in CHF)	7	0.0275	0.0880

Consolidated balance sheet as at December 31, 2022

Assets

in CHF 1,000	Note	31.12.2022	in %	31.12.2021	in %
Current assets					
Cash and cash equivalents		81,069		69,437	
Trade receivables	8	41,401		40,050	
Other receivables	9	11,655		11,223	
Inventories	10	42,470		41,952	
Accrued income and prepaid expenses	11	2,053		15,268	
Total current assets		178,648	68.3%	177,930	67.6%
Non-current assets					
Tangible assets	12	73,522		74,387	
Financial assets		348		351	
Intangible assets	13	2,785		4,670	
Other non-current assets		2,638		2,517	
Deferred income tax assets	6c	3,443		3,384	
Total non-current assets		82,736	31.7%	85,309	32.4%
Total assets		261,384	100.0%	263,239	100.0%

Liabilities and equity

in CHF 1,000	Note	31.12.2022	in %	31.12.2021	in %
Liabilities					
Current liabilities					
Financial liabilities	17	–		979	
Trade payables	15a	11,822		13,326	
Other liabilities		6,824		6,808	
Provisions	16	3,326		2,723	
Accrued liabilities and deferred income	15b	13,568		15,492	
Total current liabilities		35,540	13.6%	39,328	14.9%
Non-current liabilities					
Employee benefit obligations	18	12,743		17,054	
Provisions	16	5,228		6,168	
Deferred income tax liabilities	6c	1,831		818	
Total non-current liabilities		19,802	7.6%	24,040	9.2%
Total liabilities		55,342	21.2%	63,368	24.1%
Equity					
Share capital	19	35,743		35,667	
Capital reserves		574,230		573,866	
Treasury shares		–7,222		–7,514	
Accumulated losses		–396,630		–402,070	
Equity attributable to shareholders of Von Roll Holding AG		206,121		199,949	
Non-controlling interests		–79		–78	
Total equity		206,042	78.8%	199,871	75.9%
Total liabilities and equity		261,384	100.0%	263,239	100.0%

Consolidated cash flow statement for the financial year 2022

in CHF 1,000	Note	2022	2021
Cash flow from operating activities			
Earnings after taxes (EAT)		9,620	30,807
Income taxes (income (-)/expenses (+))	6	3,640	2,687
Financial result (profit (-)/loss (+))	5f	1,536	1,159
Depreciation and impairment of tangible assets (operational)	5d	10,838	12,927
Depreciation and impairment investment properties	12	–	157
Amortization and impairment of intangible assets	13	1,976	2,059
Earnings before interest, taxes, depreciation and amortization (EBITDA)		27,610	49,796
Result from disposal of tangible assets and intangible assets (profit (-)/loss (+))		–24	–21,457
Interest and other financial income received		376	278
Interest and other financial expenses paid		–338	–365
Taxes paid		–1,489	–2,371
Increase (+)/decrease (-) in provisions		–4,394	–4,222
Increase (-)/decrease (+) in trade receivables		–3,438	–6,321
Increase (-)/decrease (+) in inventories		–2,584	–8,632
Increase (+)/decrease (-) in trade payables		–539	3,486
Increase (-)/decrease (+) in other net current assets		8,817	–10,028
Total cash flow from operating activities		23,997	164
Cash flow from investing activities			
Capital expenditures for tangible assets and intangible assets	12/13	–11,187	–5,900
Sale of tangible assets		34	25,000
Sale of investments		–	1,428
Sale of financial assets		77	–
Total cash flow from investing activities		–11,076	20,528
Cash flow from financing activities			
Decrease of financial liabilities		–218	–
Purchase of treasury shares		–687	–985
Sale of treasury shares		668	1,010
Total cash flow from financing activities		–237	25
Increase (+)/decrease (-) in cash and cash equivalents		12,684	20,717
Cash and cash equivalents as at January 1		69,437	48,271
Change in cash and cash equivalents		12,684	20,717
Currency effects on cash and cash equivalents		–1,052	449
Cash and cash equivalents as at December 31		81,069	69,437

Consolidated statement of changes in equity for the financial year 2022

In the financial year 2022, consolidated equity changed as follows:

in CHF 1,000	Equity attributable to shareholders of Von Roll Holding AG							Non-controlling interests	Total equity
	Share capital	Capital reserves	Treasury shares	Offsetting goodwill	Currency effects	Other accumulated losses	Total		
Balance as at January 1, 2022	35,667	573,866	-7,514	-10,968	-14,721	-376,381	199,949	-78	199,871
Earnings after taxes (EAT)	-	-	-	-	-	9,621	9,621	-1	9,620
Conversion of convertible bond	76	675	-	-	-	-	751	-	751
Purchase/sale of treasury shares	-	-311	292	-	-	-	-19	-	-19
Currency effects	-	-	-	-	-4,181	-	-4,181	-	-4,181
Balance as at December 31, 2022	35,743	574,230	-7,222	-10,968	-18,902	-366,760	206,121	-79	206,042

In the financial year 2021, consolidated equity changed as follows:

in CHF 1,000	Equity attributable to shareholders of Von Roll Holding AG							Non-controlling interests	Total equity
	Share capital	Capital reserves	Treasury shares	Offsetting goodwill	Currency effects	Other accumulated losses	Total		
Balance as at January 1, 2021	35,656	574,686	-8,462	-10,968	-15,740	-407,188	167,984	-77	167,907
Earnings after taxes (EAT)	-	-	-	-	-	30,807	30,807	-1	30,806
Conversion of convertible bond	11	104	-	-	-	-	115	-	115
Purchase/sale of treasury shares	-	-924	948	-	-	-	24	-	24
Currency effects	-	-	-	-	1,019	-	1,019	-	1,019
Balance as at December 31, 2021	35,667	573,866	-7,514	-10,968	-14,721	-376,381	199,949	-78	199,871

Notes to the consolidated financial statements as at December 31, 2022

1. General information

Von Roll Holding AG (the “company”) and its subsidiaries (together “Von Roll”) is an international manufacturing and service company. Its primary activities are outlined in Note 4 on the business segments. The company is a publicly traded company listed on the Swiss stock exchange (SIX Swiss Exchange AG). Its registered office is in Breitenbach, Switzerland. Its domicile is at Passwangstrasse 20, 4226 Breitenbach, Switzerland.

2. Significant accounting policies

Principles

The consolidated financial statements present a true and fair view of the financial position, cash flows and the result of operations of Von Roll. The statements have been prepared in accordance with all current guidelines set out in the Swiss GAAP FER Accounting and Reporting Recommendations.

The consolidated financial statements are presented in Swiss francs (CHF). The financial statements refer to CHF 1,000 (TCHF). Due to the chosen number format, minor rounding differences may arise. The use of the year in connection with the presentation of the balance sheet relates to December 31 of the stated year unless specified otherwise (financial year).

The consolidated financial statements have been prepared on a going concern assumption under the principle of historical cost of acquisition.

Scope and principles of consolidation

The consolidated financial statements encompass Group companies directly or indirectly controlled by Von Roll Holding AG. “Control” here is defined as the ability to direct the financial and operational business activities of the respective company in order to obtain a corresponding benefit. This is typically the case if Von Roll holds more than 50 % of the voting rights in a company’s share capital. Such Group companies are fully consolidated. Assets, equity and liabilities as well as income and expenses are fully included under application of the full consolidation method, intragroup transactions (receivables and payables, income and expenses) are eliminated and minority interests in equity and the net profit of consolidated companies are reported separately but as part of Group equity and the Group earnings after taxes (EAT).

The Group companies are consolidated from the date on which control passes to Von Roll and deconsolidated from the date at which Von Roll can no longer exercise control.

Intercompany profits on intragroup transactions and balances are eliminated with an impact on Group earnings after taxes (EAT).

Capital consolidation is based on the purchase method. Applying uniform Group principles, the amortized cost of an acquired Group company is offset against the net assets measured at fair value at the time of acquisition. The difference is then recognized as goodwill, which is offset against Group equity.

See Note 14 for an overview of significant Group companies.

Changes in accounting principles

There were no changes in Swiss GAAP FER standards relevant for Von Roll in the financial year 2022. The amendments of the regulations to FER 28 and FER 30 (applicable from January 1, 2024) have not yet been implemented in these consolidated financial statements. No significant changes are expected.

Currency translation

Foreign currency transactions of the subsidiaries are translated at the monthly average exchange rate. Monetary items in foreign currency are translated at the reporting date with the closing rate. Exchange differences arising from monetary items are recorded in the income statement and shown in the net financial result as far as they are not to be regarded as part of a net investment in a foreign business.

The individual Group companies prepare their financial statements in the respective local currency (functional currency).

Assets and liabilities from balance sheets prepared in foreign currency are translated at the exchange rate on the balance sheet date.

Equity is translated at historical rates, while income, expenses and cash flows are translated at the average rate for the year. Translation differences resulting from the application of this method are offset against retained earnings/accumulated losses in equity. Intragroup loans are recognized as liabilities as long as positive future cash flows are expected and there is no decision to convert them into equity or waive the debts. On a semi-annual basis, the capital situation of the subsidiaries is reassessed and intragroup loans with equity characteristics are redetermined. Foreign currency effects resulting from these non-current intragroup loans with equity characteristics are recognized directly in equity. Foreign currency effects recorded in equity are only released through profit and loss when the company is sold or liquidated.

The primary exchange rates applied are:

Currency	Average rates		Spot rates	
	2022	2021	31.12.2022	31.12.2021
EUR	1.006	1.084	0.985	1.033
USD	0.954	0.911	0.923	0.912
GBP	1.183	1.256	1.110	1.230
INR	0.012	0.012	0.011	0.012
BRL	0.185	0.170	0.175	0.164
CNY	0.142	0.141	0.134	0.144

Revenue recognition

Net sales include inflows of economic benefits from the sale of goods and services in the course of ordinary business activity in the financial year. Early payment discounts, rebates and other price reductions as well as payments to third parties such as commissions are deducted from the net sales reported.

The products sold or the services rendered are recorded as soon as the goods or services have been delivered and risk and reward have been transferred. Accruals for rebates and discounts are recognized in the same period as the related net sales in accordance with the relevant terms and conditions of sale.

Cash and cash equivalents

The balance sheet item cash and cash equivalents includes cash on hand, cash at banks and short-term deposits with an original maturity of three months or less. They are recorded at their nominal value.

Trade receivables and other receivables

Trade receivables and other receivables are reported at their nominal value. An impairment is charged on receivables for which specific risks have been identified. Additionally, overdue receivables are adjusted by applying internal Group guidelines to reflect the specific default risk. Both allowances for doubtful trade accounts and bad debt losses are recorded as sales deductions. Both allowances for doubtful other receivables and bad debt losses are recorded in other operating expenses.

Inventories

Raw materials, supplies and purchased finished goods are valued at acquisition cost or at the lower net market value. Work in progress, unfinished and finished products are valued at production cost including the corresponding production-related overheads. The valuation of inventories in the balance sheet, or the records of the cost in the income statement, is made at standard cost, taking account of normal capacity utilization. Valuations are reviewed regularly and, if necessary, adjusted in line with current circumstances. Unsalable and expired goods are written off in full. Valuation allowances are also recognized based on inventory turnover and coverage analyses.

Tangible assets

Tangible assets are reported at acquisition or production cost minus accumulated depreciation and recognized impairments. They are depreciated in the income statement on a straight-line basis in accordance with their useful economic lives.

- » Land: not depreciated
- » Company buildings, solid structure: 25 years
- » Company buildings, lightweight structure: 10 – 20 years
- » Technical installations and machinery: 10 – 20 years
- » Plant and office equipment: 5 – 10 years
- » IT equipment: 3 – 10 years
- » Vehicles: 3 – 8 years

Goodwill

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquired company and the fair value of the acquiring party's previously held equity interest in the acquired company (if applicable) over the net of the acquisition date amounts of the identifiable acquired assets and assumed liabilities.

Goodwill resulting from acquisitions is offset against Group equity at the time of acquisition.

The following goodwill amounts have previously been offset against Group equity:

	CHF 1,000	Acquisition date
Von Roll Italia S.r.l., Trofarello	462	Q2/2013
Von Roll (India) Pvt. Ltd., Bangalore	5,132	Q1/1998
Von Roll USA, Inc., Schenectady/New York	5,374	Q3/1995
Total	10,968	

In the event of any theoretical capitalization and assumed amortization over 5 years, these amounts would be written off in full.

On disposal, acquired goodwill previously offset against equity must be recognized at original cost in order to determine the effect on Group earnings after taxes (EAT).

Intangible assets

Acquired licenses, patents and similar rights as well as other intangible assets have a determinable useful life, which is estimated in each case. They are recorded at historical cost minus amortization. Amortization is calculated using the straight-line method over the estimated useful life, which ranges between five and twenty-five years.

Reliably measurable costs for internally developed licenses, patents and similar rights as well as for product development are capitalized only if these assets are identifiable and it is probable that the expected future economic benefits attributable to each intangible asset will flow to Von Roll.

Asset impairment

All assets are tested for impairment at each balance sheet date. Given indications of lasting impairment, the difference between carrying value and recoverable amount is recognized as an impairment loss in the income statement. The recoverable amount is the higher of the net selling price and the value in use. The value in use is based on future expected discounted cash flows. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

If the factors considered in determining the recoverable amount have improved significantly, an impairment recorded in previous periods is to be reversed, in part or in full, in the income statement.

Financial liabilities

Financial liabilities are initially recognized at fair value, net of transaction costs. Financial liabilities are subsequently carried at amortized cost. Differences between the proceeds (net of transaction costs) and the redemption value are recognized in the income statement using the effective interest method over the period of the liability.

Fair value at initial recognition is typically equivalent to the redemption amount. Fair value only deviates from the redemption amount in the case of convertible bonds, because a conversion right implies an equity instrument. The difference between the debt component of a convertible bond and the redemption amount is thus recorded in equity at initial recognition. Von Roll applies IFRS (IAS 32) in this case, as there is no corresponding rule under Swiss GAAP FER.

Provisions

Provisions for environmental restoration, contingencies and commitments, restructuring and legal claims are only recognized if Von Roll has an existing legal or constructive obligation resulting from past events and if it is more likely than not that an outflow of resources will be required to settle the obligation and if the amount can be reliably estimated.

Provisions also include employee benefits in the form of anniversary bonuses paid by a number of Von Roll Group companies. Entitlement to such benefits is generally dependent on length of service with the company. Estimated costs for these benefits are recorded on the income statement in the period of their accrual and are calculated for the significant benefit plans applying the projected unit credit method.

Contingent liabilities

Contingent liabilities are measured based on the information available and on a realistic estimate of the expected cash outflow.

Trade payables and other liabilities

Trade payables and other liabilities are reported at their nominal value.

Income taxes

Tax expenses for the financial year are the total of current income taxes and deferred taxes. Taxes are recorded on the income statement unless they are associated with items recorded directly in equity. In such case, the taxes are likewise recorded directly in equity.

Current income taxes

Current tax liabilities and tax receivables are recorded based on the estimated amount owed or estimated refund due from the tax authorities.

Deferred taxes

Deferred income taxes are provided in full, using the comprehensive liability method, on temporary differences arising between the tax bases of assets and their liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted by the balance sheet date and that are expected to apply when the related deferred income tax assets are realized or the deferred income tax liability is settled. Deferred taxes on temporary valuation differences on intercompany items are not recorded, provided a reversal of these valuation differences is not expected in the foreseeable future.

Deferred income tax assets for temporary differences are recognized to the extent that realizable temporary differences can be expected.

Deferred income tax assets are not capitalized for tax loss carryforwards.

Tax assets and tax liabilities are netted if they relate to the same tax object in the same tax jurisdiction. Deferred income tax assets or tax liabilities are reported as non-current assets or non-current liabilities.

Employee benefit obligations

Von Roll Group companies have various pension plans in place which conform with the laws and regulations of the respective country of residence. The actual financial effects of pension plans on the Group are calculated as of the balance sheet date. A liability is recorded for a financial obligation if the conditions for recording a provision are met. An economic benefit is capitalized if doing so is permitted and the benefit's use for future contributions to Group pension plans is intended. Freely disposable employer

contribution reserves are recognized as assets. Employees of the Swiss companies are insured pension plan participants of “Pensionskasse SIB.” This is a legally independent pension fund funded by employer and employee contributions. Any surplus or deficit is determined on the basis of the financial statements of the pension fund prepared in accordance with Swiss GAAP FER 26. The pension plan expenses of the Group include the employer contributions deferred for the period and any financial effects arising from surpluses or deficits. Some foreign-registered subsidiary companies have fully funded pension plans. For accounting purposes, these are treated the same as the Swiss plan: i. e., as a rule, the amounts paid are recognized as expenses. There are also pension plans without own assets in some countries. The corresponding pension provisions are recorded directly on the balance sheet and changes thereto are recorded on the income statement.

Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

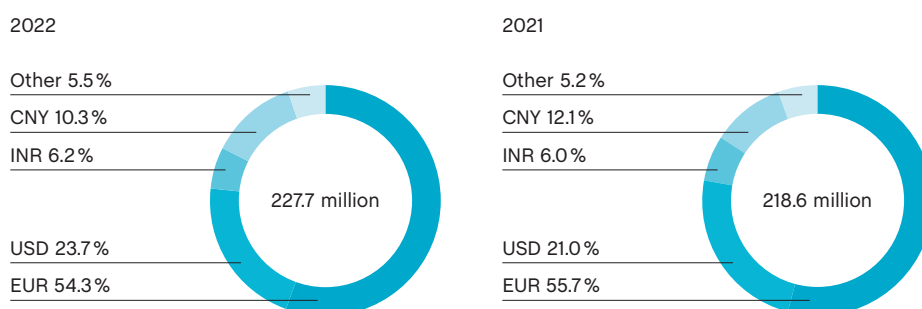
3. Financial risk factors

As an internationally active company, the activities of Von Roll are exposed to a variety of financial risks: market risks (currency, interest rate and price risks), credit risks and liquidity risks. Company management constantly monitors and manages these risks and seeks to minimize potential adverse effects on the financial performance of Von Roll. Financial risk management is carried out within the Group according to the principles and guidelines issued by the Board of Directors and Executive Management. Risk management is monitored by Corporate Finance and continually reconciled with each operational entity.

Foreign exchange risks

Foreign exchange risks arise when commercial transactions of a business unit are not denominated in the functional currency of the respective operation but in another currency.

Net sales breakdown by currency as follows:



Due to the respective financial currency risks, equity and earnings before taxes (EBT) would be affected by a 5% appreciation of the Swiss franc versus all other currencies.

in CHF 1,000	Equity in CHF 1,000 at CHF +5% Increase (+)/Decrease (-)		Earnings before taxes (EBT) in CHF 1,000 at CHF +5% Profit (+)/Loss (-)	
	2022	2021	2022	2021
in EUR	-1,141	-992	-563	-799
in USD	-1,772	-1,707	-359	-600
Other currencies	-881	-530	-627	-259
Total	-3,794	-3,229	-1,549	-1,658

Price risks

Von Roll is exposed to price risks for its raw materials. The actual price risk arises from the time difference between rising purchase prices of raw materials and these price increases being passed on to the sales side. It is management's responsibility to identify and quantify these price risks.

Interest rate risks

Von Roll is exposed to interest rate risks on financial assets and on financial liabilities. Von Roll's only interest-bearing assets are cash and cash equivalents and short-term deposits. These are only exposed to minor interest rate risk. Further details on the financial liabilities are provided in Note 17.

Von Roll is also exposed to an interest rate risk arising from employee benefit obligations. Further details are provided in Note 18.

Credit risk

Von Roll has no significant concentration of credit risks. The management team establishes credit limits to ensure that sales of products are made to customers with an appropriate credit rating. Credit limits are continually monitored and adjusted. In addition, certain customer receivables are covered by credit insurance.

Liquidity risk

Liquidity risk is limited by continuously monitoring liquidity and ensuring it with sufficiently high cash on hand, cash at banks, short-term deposits and the availability of sufficient credit lines.

Von Roll's capital management objective is to keep its equity base as strong as possible. The equity ratio at the end of the financial year 2022 was 78.8% (2021: 75.9%).

A credit line of CHF 30.0 million (2021: CHF 30.0 million) was unutilized as of the reporting date. The credit line contains financial covenants on net debt and the equity ratio. All of the financial covenants are being complied with as at December 31, 2022.

4. Segment information

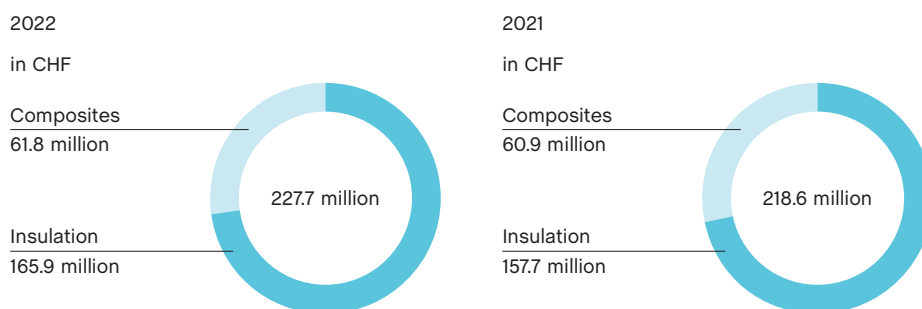
The reportable segments are determined on the basis of the relevant business management approach. External segment reporting is then carried out on the basis of the organizational and management structure within the Group as well as internal financial reporting to the Board of Directors of Von Roll Holding AG. The Board of Directors of Von Roll Holding AG is the highest governing body of Von Roll.

Business segments

The primary operating activities of Von Roll have been organized into the two segments “Von Roll Insulation” and “Von Roll Composites.” These form the basis for segment reporting. The Von Roll business segments encompass all activities relating to production processes. The primary activities are as follows:

- » Von Roll Insulation – production and distribution of electrical insulation materials, winding wires, resins and varnishes
- » Von Roll Composites – production and distribution of composites

The information on the net sales of the business segments is outlined below:



The financial operating results per segment are not disclosed because disclosure entails a risk of significant competitive disadvantage. The target markets within these segments are predominantly market niches with a relatively homogeneous product range. The key competitors in the markets relevant for Von Roll either are unlisted companies or do not disclose comparable segment information.

Geographical information by customer location

The table below provides a breakdown of net sales by geographic market.

in CHF 1,000	2022	in %	2021	in %	Δ in %
EMEA	109,025	47.9%	111,573	51.0%	-2.3%
America	56,636	24.9%	47,099	21.5%	20.2%
Asia	62,058	27.2%	59,965	27.5%	3.5%
Total net sales	227,719	100.0%	218,637	100.0%	4.2%

5. Income and expenses

a) Analysis of net sales

Net sales developed as follows in the financial year 2022 compared to the previous year:

in CHF 1,000	2022	2021	Δ in %
Net sales	227,719	218,637	4.2%
(+/-) Currency effects ¹	3,329		
Total net sales at constant exchange rates	231,048	218,637	5.7%

¹ Effect of translating sales using the average exchange rates of the previous year.

b) Other operating income

in CHF 1,000	2022	2021
Profit from disposal of tangible and intangible assets	34	7,699
Various operating income	13,853	16,983
Total other operating income	13,887	24,682

Various operating income in the financial year 2022 mainly includes insurance compensation of CHF 10.9 million (2021: CHF 12.4 million) in connection with a fire incident in 2021. This includes in particular CHF 4.7 million (2021: CHF 1.2 million) for lost contribution margins due to the restricted production capacities as a result of the fire, cost reimbursements for expenses incurred in the financial year for reconditioning measures in the amount of CHF 5.0 million (2021: CHF 3.3 million), and CHF 1.2 million (2021: CHF 7.9 million) for the replacement of tangible assets. The accruals for insurance benefits are presented gross in the balance sheet (Note 11/15b).

In addition, various operating income includes a compensation payment for project costs incurred and equipment already acquired in the amount of CHF 1.9 million in the course of a canceled customer order, as well as services of CHF 0.3 million (2021: CHF 1.0 million). The previous year also includes income of CHF 2.27 million from a COVID-19 loan forgiveness in the USA.

The gain on the sale of non-current assets in the financial year 2021 mainly represents the sale of the operational real estate in Breitenbach (Note 5g).

c) Personnel

in CHF 1,000	2022	2021
Wages and salaries	-51,108	-53,206
Pension plan and other social contributions	-8,794	-11,669
Agency staff	-1,829	-2,366
Various personnel expenses	-4,054	-2,328
Total personnel expenses	-65,785	-69,569

Various personnel expenses include in the financial year 2022 restructuring costs of CHF 1.5 million (Note 16e). In 2021, various personnel expenses include a release of restructuring costs in the amount of CHF 1.8 million.

The table below shows the change in number of employees (FTEs = full-time equivalents):

	2022	2021
Average number of employees	919	936
Total number of employees as at December 31	912	911

d) Depreciation and impairment of tangible assets

in CHF 1,000	2022	2021
Land and buildings	-2,724	-2,839
Technical installations and machinery	-5,345	-5,632
Plant and office equipment	-861	-959
Total depreciation operational	-8,930	-9,430
Impairment tangible assets	-1,908	-3,497
Total impairments	-1,908	-3,497
Total depreciation and impairment of tangible assets (operational) before cost allocation to investment properties	-10,838	-12,927
Depreciation of tangible assets included in investment properties	-	69
Total depreciation and impairment of tangible assets (operational)	-10,838	-12,858

In the financial year 2022, impairments of tangible assets were recognized in the amount of CHF 0.6 million due to restructuring to optimize the internal supply chains (Note 16e).

Furthermore, impairment losses on assets under construction in the amount of CHF 0.9 million were recognized due to a canceled customer order.

In the course of the reconditioning of the tangible assets affected by the fire in 2021, further damaged components were identified in 2022. The impairment losses of CHF 0.4 million (2021: CHF 3.5 million) recognized in this context are covered by insurance benefits (Note 5b).

e) Other operating expenses

in CHF 1,000	2022	2021
Loss from disposal of tangible and intangible assets	-31	-158
Freight	-5,052	-5,065
Services	-4,043	-5,071
Energy	-6,530	-6,497
Maintenance and repair	-9,063	-8,366
Various	-15,226	-13,482
Total other operating expenses	-39,945	-38,639

In the financial year 2022, other operating expenses include one-off costs of CHF 3.9 million (2021: CHF 2.9 million) due to the fire in 2021 at the production site in Switzerland, in particular in the items services and maintenance and repair.

Various consists mainly of cost for rent, insurance, patents, IT infrastructure, travel expenses as well as consulting fees and legal costs.

f) Financial result

in CHF 1,000	2022	2021
Interest income	464	304
Total financial income	464	304
Interest expenses	-54	-208
Currency effects	-1,830	-936
Other financial expenses	-116	-319
Total financial expense	-2,000	-1,463
Total financial result	-1,536	-1,159

g) Non-operating result

in CHF 1,000	2022	2021
Income from investment properties	-	1,069
Expenses for investment properties	-	-1,245
Result from the sale of investment properties	-	12,926
Total non-operating result	-	12,750

In the first half of the financial year 2021, non-operating and operating properties in Breitenbach, Switzerland, were sold. The resulting gain totaling CHF 19.6 million was recognized as follows:

- » CHF 6.7 million in profit from disposal of tangible and intangible assets (Note 5b)
- » CHF 12.9 million in non-operating result (result from the sale of investment properties)

6. Income taxes

a) Income taxes

in CHF 1,000	2022	2021
Current income taxes	-2,700	-2,117
Deferred income taxes	-940	-570
Total income taxes	-3,640	-2,687

b) Effective income taxes

The following table shows the reconciliation of the expected tax expense (-) or income (+) with the effective tax expense. The expected tax expense (or income) is calculated using the weighted average tax rate within the Group. This average rate may fluctuate significantly from year to year due to changes in the profit contributions of the individual companies. Moreover, since mixing tax rates of entities with profits and those with losses can lead to an implausible average tax rate, the latter is calculated by using absolute values.

The difference caused by the different average rates of entities with profits and those with losses is shown in a separate line in the table.

in CHF 1,000	2022	2021
Earnings before taxes (EBT)	13,260	33,494
Weighted-average income tax rate in %	20.7	20.0
Expected income tax expenses	-2,745	-6,699
Differences between tax rates of profitable and loss-making business units	-545	156
Non-tax-deductible expenses	-1,334	-1,324
Non-taxable income	866	1,000
Effect of tax rate changes	-	57
Increase in unrecognized tax losses	-2,137	-1,678
Utilization of unrecognized tax losses	1,920	4,883
Income taxes from previous periods and other effects	335	918
Total income taxes	-3,640	-2,687

c) Deferred income tax assets and liabilities

Deferred income taxes are composed of temporary differences between tax values and carrying values for the following items:

in CHF 1,000	31.12.2022	31.12.2021
Non-current assets	688	688
Current assets	1,136	1,018
Non-current liabilities	2,409	3,825
Current liabilities	705	181
Total deferred income tax assets (gross)	4,938	5,712
Offsetting with deferred income tax liabilities	-1,495	-2,328
Deferred income tax assets recognized in the balance sheet	3,443	3,384
Non-current assets	2,398	2,437
Current assets	705	617
Non-current liabilities	10	19
Current liabilities	213	73
Total deferred income tax liabilities (gross)	3,326	3,146
Offsetting with deferred income tax assets	-1,495	-2,328
Deferred income tax liabilities recognized in the balance sheet	1,831	818
Net deferred income tax assets (+)/deferred income tax liabilities (-)	1,612	2,566

d) Tax loss carryforwards

Expiry dates for tax loss carryforwards are as follows:

in CHF 1,000	31.12.2022	31.12.2021
in less than 1 year	8,310	47,271
in 2 years	15,921	8,310
in 3 years	13,810	17,308
in 4 years	5,461	13,810
in 5 years	24,967	5,919
in 6 years	11,672	23,881
in 7 years	6,431	11,672
in 8 and more years	5,809	5,495
No expiry date	25,113	30,553
Total not capitalized tax loss carryforwards	117,494	164,219

The tax loss carryforwards result in a theoretical (unrecognized) tax asset of CHF 23.8 million (2021: CHF 32.6 million). The decrease is due to (a) expiry of tax loss carryforwards, (b) utilization of tax loss carryforwards due to tax profits and (c) non-recognition of tax loss carryforwards by tax authorities for past fiscal years.

7. Earnings after taxes (EAT) per share

	31.12.2022	31.12.2021
Earnings after taxes (EAT) attributable to shareholders in CHF 1,000	9,621	30,807
Weighted average number of issued shares	350,217,252	349,518,321
Basic earnings after taxes (EAT) per share (in CHF)	0.0275	0.0881
Diluted earnings after taxes (EAT) per share (in CHF)	0.0275	0.0880

In connection with the convertible bond 2016 – 2022, there was the possibility of exercising conversion rights, resulting in a potential dilutive effect.

8. Trade receivables

in CHF 1,000	31.12.2022	31.12.2021
Trade receivables (gross)	42,215	40,826
Individual and flat-rate valuation allowances	-814	-776
Total trade receivables	41,401	40,050

Individual valuation allowances for trade receivables are recorded based on risk experience and management estimates of default risk.

Flat-rate valuation allowances are applied as follows based on the number of days outstanding:

91 – 120 days: 10 %
121 – 180 days: 20 %
181 – 360 days: 50 %
Over 360 days: 100 %

The aging structure of trade receivables is as follows:

in CHF 1,000	31.12.2022	31.12.2021
Not due	36,069	33,641
Overdue in less than 1 month	4,528	4,108
Overdue between 1 and 3 month(s)	722	2,395
Overdue between 3 and 12 months	352	143
Overdue in more than 1 year	544	539
Individual and flat-rate valuation allowances	-814	-776
Total trade receivables	41,401	40,050

9. Other receivables

in CHF 1,000	31.12.2022	31.12.2021
Receivables from VAT and other excise duties	4,642	5,087
Down payments to suppliers	1,104	1,153
Term deposits	3,807	2,358
Other receivables	2,102	2,625
Total other receivables	11,655	11,223

Other receivables mainly consist of tax receivables.

10. Inventories

in CHF 1,000	31.12.2022	31.12.2021
Raw materials and supplies	25,660	25,156
Work in progress and unfinished goods	5,605	5,387
Finished goods	14,741	14,476
Write-downs	-3,536	-3,067
Total inventories	42,470	41,952

11. Accrued liabilities and deferred income

in CHF 1,000	31.12.2022	31.12.2021
Accrued insurance benefits (Note 5b)	163	12,663
Other accrued liabilities and deferred income	1,890	2,605
Total accrued liabilities and deferred income	2,053	15,268

12. Tangible assets

in CHF 1,000	Investment properties	Land and buildings	Undeveloped land	Technical installations and machinery	Plant and office equipment	Assets under construction	Total
Cost							
Balance as at January 1, 2021	43,374	138,650	127	142,357	14,861	3,253	342,622
Additions	-	1,105	-	2,931	807	987	5,830
Disposals	-41,352	-33,451	-95	-7,529	-830	-26	-83,283
Reclassifications	-2,022	2,208	-	1,868	46	-2,100	-
Currency effects	-	-816	-1	-1,149	-251	30	-2,187
Balance as at December 31, 2021	-	107,696	31	138,478	14,633	2,144	262,982
Balance as at January 1, 2022	-	107,696	31	138,478	14,633	2,144	262,982
Additions	-	1,436	-	2,212	379	7,084	11,111
Disposals	-	-343	-	-2,782	-1,318	-20	-4,463
Reclassifications	-	1,853	-	1,620	164	-3,637	-
Currency effects	-	-1,628	1	-2,781	-464	-118	-4,991
Balance as at December 31, 2022	-	109,014	32	136,747	13,394	5,453	264,639
Accumulated depreciation							
Balance as at January 1, 2021	-39,176	-97,148	-62	-106,852	-11,942	-	-255,180
Depreciation	-157	-2,839	-	-5,632	-959	-	-9,587
Impairment	-	-2,814	-	-683	-	-	-3,497
Disposals	38,655	31,806	62	6,062	762	-	77,347
Reclassifications	678	-678	-	-	-	-	-
Currency effects	-	707	-	1,427	188	-	2,322
Balance as at December 31, 2021	-	-70,966	-	-105,678	-11,951	-	-188,595
Balance as at January 1, 2022	-	-70,966	-	-105,678	-11,951	-	-188,595
Depreciation	-	-2,724	-	-5,345	-861	-	-8,930
Impairment	-	-504	-	-388	-81	-935	-1,908
Disposals	-	343	-	2,771	1,318	-	4,432
Currency effects	-	1,086	-	2,422	373	3	3,884
Balance as at December 31, 2022	-	-72,765	-	-106,218	-11,202	-932	-191,117
Net book value as at December 31, 2021	-	36,730	31	32,800	2,682	2,144	74,387
Net book value as at December 31, 2022	-	36,249	32	30,529	2,192	4,521	73,522

In the financial year 2022, the impairment test resulted in an impairment loss on assets under construction in the amount of CHF 0.9 million due to a canceled customer order (Note 5d), as well as an impairment loss on tangible assets in the amount of CHF 0.6 million due to restructuring to optimize the internal supply chains (Note 16e).

In the course of the reconditioning of the tangible assets affected by the fire in 2021, further damaged components were identified in 2022. The impairment losses of CHF 0.4 million recognized in this context are covered by insurance benefits (Note 5b).

In the financial year 2021, the impairment test resulted in an impairment loss in the amount of CHF 3.5 million due to the fire incident in October 2021 (Note 5d).

In the first half of the financial year 2021, operational and non-operational properties in Breitenbach, Switzerland were sold (Note 5b/5g).

13. Intangible assets

in CHF 1,000	Trademarks, licenses and similar rights	Other intangible assets	Internally developed intangible assets	Total
Cost				
Balance as at January 1, 2021	21,384	11,686	5,826	38,896
Additions	45	464	25	534
Disposals	-4	-29	-	-33
Reclassifications	25	-	-25	-
Currency effects	-57	392	-1	334
Balance as at December 31, 2021	21,393	12,513	5,825	39,731
Balance as at January 1, 2022	21,393	12,513	5,825	39,731
Additions	15	36	25	76
Disposals	-1,885	-	-	-1,885
Reclassifications	25	-	-25	-
Currency effects	-70	-220	1	-289
Balance as at December 31, 2022	19,478	12,329	5,826	37,633
Accumulated depreciation				
Balance as at January 1, 2021	-17,352	-11,363	-3,974	-32,689
Amortization	-1,329	-200	-530	-2,059
Impairment	-	-	-	-
Disposals	4	29	-	33
Currency effects	53	-399	-	-346
Balance as at December 31, 2021	-18,624	-11,933	-4,504	-35,061
Balance as at January 1, 2022	-18,624	-11,933	-4,504	-35,061
Amortization	-1,218	-260	-498	-1,976
Impairment	-	-	-	-
Disposals	1,885	-	-	1,885
Currency effects	69	235	-	304
Balance as at December 31, 2022	-17,888	-11,958	-5,002	-34,848
Net book value as at December 31, 2021	2,769	580	1,321	4,670
Net book value as at December 31, 2022	1,590	371	824	2,785

14. List of subsidiaries

The list of shareholdings of the significant subsidiaries included in the consolidation as of December 31, 2022 is as follows (no changes in the financial years 2022 and 2021):

Name and registered office	Country	Capital and voting rights	Share capital	Share capital amount (in 1,000)	Direct investment Von Roll Holding AG	Holding and administration	Production	Distribution
EMEA								
Von Roll Schweiz AG, Breitenbach	CH	100.0%	CHF	16,000	●		●	●
Von Roll Management AG, Breitenbach	CH	100.0%	CHF	1,500	●	●		
Von Roll Umwelttechnik Holding AG, Breitenbach	CH	97.5%	CHF	100	●	●		
Von Roll Finance AG, Breitenbach	CH	100.0%	CHF	1,000	●	●		
Von Roll Insulation & Composites Holding AG, Breitenbach	CH	100.0%	CHF	1,000	●	●		
Von Roll Deutschland Holding GmbH, Augsburg	DE	100.0%	EUR	125	●	●		
Von Roll Deutschland GmbH, Augsburg	DE	100.0%	EUR	9,000			●	●
Von Roll Automotive GmbH, Augsburg	DE	100.0%	EUR	1,000			●	●
Von Roll REACH GmbH, Augsburg	DE	100.0%	EUR	25		●		
Von Roll France S.A., Meyzieu	FR	100.0%	EUR	5,925			●	●
Valdoie Mica SAS, Valdoie	FR	100.0%	EUR	11			●	
Von Roll UK Ltd., Bradford ¹	GB	100.0%	GBP	4,000			●	●
Von Roll Italia S.r.l., Trofarello	IT	100.0%	EUR	2,300			●	●
America								
Von Roll do Brasil Ltda., Fortaleza	BR	100.0%	BRL	22,929			●	●
Von Roll USA, Inc., Schenectady/New York	US	100.0%	USD	250			●	●
John C. Dolph Company, Schenectady/New York	US	100.0%	USD	434		●		
Von Roll USA Holding, Inc., Wilmington/Delaware	US	100.0%	USD	0		●		
Asia								
Von Roll (India) Pvt. Ltd., Bangalore	IN	100.0%	INR	24,459	●		●	●
Von Roll Asia Pte. Ltd., Singapore	SG	100.0%	SGD	850				●
Von Roll Shanghai Co. Ltd., Shanghai	CN	100.0%	CHF	7,100			●	●
Von Roll Hong Kong Holding Ltd., Hong Kong	CN	100.0%	HKD	10		●		

¹ Of which kGBP 3,750 paid in.

Companies are classified as significant if their operating or financial performance has a significant influence on the Group's net assets and results.

15. Liabilities, accrued expenses and deferred income

a) Trade payables

Trade payables are outstanding with the following maturities:

in CHF 1,000	31.12.2022	31.12.2021
Due in less than 1 month	9,158	9,845
Due between 1 and 3 month(s)	2,553	2,081
Due between 3 and 12 months	106	1,316
Due in more than 1 year	5	84
Total trade payables	11,822	13,326

b) Accrued liabilities and deferred income

in CHF 1,000	31.12.2022	31.12.2021
Accruals for current income taxes	3,113	2,070
Accruals for personnel-related costs	4,669	4,858
Various accruals	5,786	8,564
Total accrued liabilities and deferred income	13,568	15,492

Various accruals in the financial year 2021 also included accruals for the fire incident.

16. Provisions

in CHF 1,000	Personnel- related	Environmental restoration	Contingency and commit- ments	Legal claims	Restructuring	Other	Total
Balance as at January 1, 2021	1,155	4,064	466	1,028	2,795	2,236	11,744
Additions	66	-	212	214	425	860	1,777
Unused amounts reversed	-59	-	-	-	-1,788	-41	-1,888
Utilized	-104	-	-103	-566	-1,355	-536	-2,664
Currency effects	-26	-	-20	-23	5	-14	-78
Balance as at December 31, 2021	1,032	4,064	555	653	82	2,505	8,891
- Current	-	-	235	43	82	2,363	2,723
- Non-current	1,032	4,064	320	610	-	142	6,168
Balance as at January 1, 2022	1,032	4,064	555	653	82	2,505	8,891
Additions	91	-	206	40	1,733	487	2,557
Unused amounts reversed	-99	-	-	-269	-11	-7	-386
Utilized	-370	-	-218	-234	-186	-1,436	-2,444
Currency effects	-21	-	-17	-7	-	-19	-64
Balance as at December 31, 2022	633	4,064	526	183	1,618	1,530	8,554
- Current	-	-	211	51	1,618	1,446	3,326
- Non-current	633	4,064	315	132	-	84	5,228

a) Personnel-related

Personnel-related provisions mainly include contributions for employee anniversary benefits and partial retirement.

b) Environmental restoration

Future requirements for Von Roll to take action in compliance with environmental laws and regulations to remediate the environmental impact of the prior storage or emission of chemical substances caused by Von Roll or third parties, as well as the associated costs, are inherently difficult to estimate. The material components of environmental provisions constitute the costs of completely cleaning and restoring contaminated sites or of treating and containing contamination at sites where the environmental exposure is less severe. The environmental provisions are reviewed and assessed regularly by Group management based on the information available at the time of the evaluation.

On the basis of an analysis and given the information currently available, Von Roll has concluded that its total environmental provision is adequate. Nevertheless, the actual funds required and the timing of the cash outflow are very difficult to estimate due to the inherent uncertainties.

c) Contingency and commitments

Contingency and commitments consist mainly of provisions for customer claims, guarantees and warranties.

d) Legal claims

Legal claims consist mainly of provisions for ongoing legal proceedings.

e) Restructuring

In response to the cost increases, management decided in the financial year 2022 on measures to optimize the internal supply chains (Note 5c).

In response to the lower sales level, management decided and initiated appropriate personnel measures in the financial year 2020. After demand recovered faster than expected in the financial year 2021 from the decline in sales impacted by the pandemic, part of the originally planned measures was not implemented and restructuring provisions in the amount of CHF 1.8 million were released.

f) Other

Other provisions consist of provisions that could not be allocated to any other categories, for example tax disputes or obligations arising from onerous contracts.

17. Financial liabilities

in CHF 1,000	Fair value		Book value	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Convertible bonds	–	1,084	–	979
Current financial liabilities	–	1,084	–	979
Total financial liabilities	–	1,084	–	979

In the financial year 2022, the credit line amounted to CHF 30.0 million and was not utilized (Note 21).

1.00% convertible bond CHF 150,000,000 2016 – 2022

On April 11, 2016, Von Roll Holding AG issued an unsecured convertible bond (valoren symbol: ROL16; valoren number: 31954490; ISIN: CH0319544901) in the amount of CHF 150.0 million with maturity in 2022. In the financial year 2022, bonds with a nominal value of TCHF 759 (2021: TCHF 116) were converted, resulting in the creation of 759,000 new bearer shares (2021: 116,000). In addition to the interest due amounting to TCHF 2 (2021: TCHF 10), the income statement also includes an expense of TCHF 7 (2021: TCHF 30) from compounding, which represents an effective interest rate of 3.898%. The convertible bond matured on April 11, 2022, and the unconverted balance of TCHF 218 was repaid on time.

18. Employee benefit obligations

Von Roll has a number of employee pension plans in place in Switzerland and other countries which meet the applicable conditions for inclusion. The tables below show the economic benefits and liabilities arising from these pension plans and the corresponding change in pension expense:

in CHF 1,000	Pension plans with economic benefit (CH)	Pension plans with economic liability (pension plan US, IN)	Pension plans without own assets (DE, IT, FR, US medical plan)	Total
Economic part of the Group – asset (+)/liability (-)				
Balance as at January 1, 2021	–	–7,478	–11,105	–18,583
Recognized in the operating result (income (+)/expenses (-))	–1,661	503	–470	–1,628
Regular contributions	1,661	605	834	3,100
Currency effects	–	–273	330	57
Balance as at December 31, 2021	–	–6,643	–10,411	–17,054
Balance as at January 1, 2022	–	–6,643	–10,411	–17,054
Recognized in the operating result (income (+)/expenses (-))	–1,596	2,231	1,198	1,833
Regular contributions	1,596	23	637	2,256
Currency effects	–	–116	338	222
Balance as at December 31, 2022	–	–4,505	–8,238	–12,743
Economic benefit or economic liability of the pension plan				
Balance as at December 31, 2020	63,674	–7,478	–11,105	45,091
thereof capitalized	–	–7,478	–11,105	–18,583
Economic benefit or economic liability of the pension plan				
Balance as at December 31, 2021	64,114	–6,643	–10,411	47,060
thereof capitalized	–	–6,643	–10,411	–17,054

The level of deficit/surplus in coverage of the plans as at December 31, 2022, is not known at the time of drafting this financial statement.

The decrease in employee benefit obligations in the financial year 2022 mainly results from the change in the discount rate applied in the United States. Furthermore, the US medical plan was closed for the active insured individuals. As a result, employee benefit obligations were released.

a) Pension plans in Switzerland (CH)

Von Roll operates two different pension plans for employees in Switzerland, which are the company's own pension foundations.

Pension benefits are generally paid based on the pension account balance, which grows through annual pension credits and interest. Upon retirement, the insured members can choose whether to take lifelong pension benefits or a partial lump-sum payment. In addition to pension benefits, the plan also includes disability, death and children's benefits. On leaving the company, the vested termination benefits will be transferred to the pension institution of the new employer or to a vested benefits institution.

When defining the benefits, the minimum requirements of the Swiss federal law on occupational pension schemes and the relevant old-age, survivors' and disability benefits (LPP) and its implementing provisions must be considered.

b) Pension plans in the USA

Von Roll operates a pension plan and a medical plan in the USA.

The pension plan is financed through an employer trust and employee contributions. Upon retirement, payment occurs in the form of lifelong pension benefits. The insured member can also opt for a lump-sum payment. Legal minimum funding requirements apply for this plan. This pension plan is principally funded by its own assets but exhibits a deficit.

The medical plan allows the insured person, in the case of early retirement, to receive the same medical benefits from age 60 to age 65 as if the insured person had continued to work until 65 (normal retirement). This plan is not funded through assets of its own. In the financial year 2022, the medical plan was closed for the active insured individuals.

c) Other pension plans

In Germany (DE), the Group operates different company pension plans. These plans are based on different regulations and agreements between the employer and employees. Individual agreements apply to certain executive employees. The most significant pension plans are funded directly by the employer and not by their own assets. The plans are regulated by the German Occupational Retirement Act (“Betriebsrentengesetz”).

Further plans exist in France (FR), India (IN) and Italy (IT). These plans are based on local legal requirements. The benefits of these plans are usually distributed as a one-time lump-sum payment.

19. Total equity

Share capital

The share capital is divided into 357,433,804 bearer shares with a nominal value of CHF 0.10 per share. In the financial year 2022, the equity was increased through conversions by TCHF 75.9 (2021: TCHF 11.6).

	Number of shares		in CHF 1,000	
	2022	2021	2022	2021
Balance as at January 1	356,674,804	356,558,804	35,667	35,656
Conversion of convertible bond	759,000	116,000	76	11
Balance as at December 31	357,433,804	356,674,804	35,743	35,667

Treasury shares

As at December 31, 2022, Von Roll held 7,084,373 treasury shares (2021: 7,055,257). This represents a shareholding of 1.98% (2021: 1.98%) of the share capital issued.

	Number of shares		in CHF 1,000	
	2022	2021	2022	2021
Balance as at January 1	7,055,257	7,077,464	7,514	8,462
Purchases	712,060	1,060,284	684	986
Sales	-682,944	-1,082,491	-670	-1,019
Loss according to FIFO method	-	-	-306	-915
Balance as at December 31	7,084,373	7,055,257	7,222	7,514

In the financial year 2022, 712,060 (2021: 1,060,284) treasury shares with an average transaction value of CHF 0.95 (2021: CHF 0.92) were purchased on the stock exchange and 682,944 (2021: 1,082,491) treasury shares with an average transaction value of CHF 0.96 (2021: CHF 0.93) were sold on the stock exchange.

Conditional capital

The Board of Directors is entitled to increase the company's share capital by a maximum of CHF 0.276 million by issuing up to 2,761,770 fully paid-up bearer shares to be subscribed for by exercising conversion rights granted in connection with debentures or similar bonds of Von Roll Holding AG or Group companies. This represents 0.77 % of the existing share capital. The holders of conversion rights at that time are entitled to acquire the new shares.

Further explanation of the capital structure is found in section 2 of the chapter on corporate governances. The exact provisions are specified in Article 5a of the Articles of Incorporation, which can be viewed at www.vonroll.com/en/group/investors/corporate-governance.

Authorized capital

The Board of Directors is authorized to increase the share capital of the company at any time until April 30, 2023, by a maximum amount CHF 14.0 million by issuing a maximum of 140 million fully paid-up bearer shares, each with a par value of CHF 0.10, which represents 39.17% of the existing share capital.

The exact provisions are specified in Article 5b of the Articles of Incorporation, which can be viewed at www.vonroll.com/en/group/investors/corporate-governance.

Composition of the major shareholders

The composition of the major shareholders is presented in the notes to the statutory financial statements of Von Roll Holding AG.

20. Obligations and contingent liabilities**a) Guarantees and warranties**

As at December 31, 2022, guarantee obligations and warranties totaled CHF 0.40 million (2021: CHF 0.43 million).

b) Leasing

The obligations incurred for non-cancelable operating leases are stated as at December 31, with the following maturities:

in CHF 1,000	31.12.2022	31.12.2021
Due in less than 1 year	481	292
Due between 1 and 5 years	863	396
Due in more than 5 years	30	–
Total lease commitments of future minimum lease payments	1,374	688

c) Non-current rental contract

As at December 31, 2022, non-current rental contracts amounted to CHF 0.12 million (2021: CHF 0.77 million).

21. Pledged assets

Buildings and land have been pledged in the amount of CHF 30.0 million (2021: CHF 30.0 million) to secure the CHF 30.0 million (2021: CHF 30.0 million) credit line, which had not been utilized as at December 31, 2022.

22. Related-party transactions

Related companies and persons include associated companies and persons holding voting rights, either directly or indirectly, who could exercise a decisive influence on company management, as well as their closest relatives, Group managers and their relatives, and companies subject to uniform management or decisive influence by the cited persons. No loans, advances or guarantee obligations were granted to members of the Board of Directors and/or Executive Management or major shareholders of Von Roll Holding AG. As at December 31, 2022, members of the Board of Directors, members of management and their respective related parties held 65,735,756 shares of Von Roll Holding AG (2021: 52,797,233). For detailed information, please refer to the notes to the statutory financial statements of Von Roll Holding AG.

23. Events after the balance sheet date

There were no significant events between the balance sheet date and the approval of the report by the Board of Directors.

24. Authorization of the consolidated financial statements

The Board of Directors approved the consolidated financial statements for publication on March 10, 2023. They will be recommended for approval at the Annual General Meeting on April 19, 2023.

Statutory Auditor's Report

To the General Meeting of
VON ROLL HOLDING AG, BREITENBACH

Report on the audit of the consolidated financial statements

Opinion

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

In our opinion the consolidated financial statements (pages 41 – 69) give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

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 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, 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.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, 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.

Cut-off revenue recognition

Key audit matter

The Von Roll Group generates revenue from sales of goods and services as part of ordinary business activity. According to the disclosure in Appendix 2 of the consolidated financial statements (Significant accounting policies), the products sold or the services rendered are recognized as soon as the goods or services have been delivered and the transfer of control has passed.

The transfer of control is determined according to the terms of sales using the incoterms (international trade clauses). Various incoterms are used at the Von Roll Group, such as 'ex works', free on board or 'delivered duty paid.'

We consider the correct cut-off of revenue recognition to be a key audit matter due to the risk that revenue recognition in the accounts does not correspond to the actual transfer of control in accordance with the agreed incoterms.

How the scope of our audit responded to the key audit matter

We carried out the following audit procedures to verify the correct cut-off of revenue recognition:

- » Analytical audit procedures by comparing sales to the previous year in December 2022 and January 2023.
- » Audit of the existence and implementation of the relevant controls for the correct cut-off of revenue recognition.
- » Test of details of sales with a sample in the last two weeks in December 2022 and in the first two weeks in January 2023 by:
 - Reconciliation of the order confirmation, the delivery note and the receipt of payment (if available) for the recorded sales.
 - Checking compliance with the transfer of control in accordance with the incoterms specified in the sales conditions.

Based on the procedures outlined above, we have obtained sufficient audit evidence to account for the risk of the correct cut-off of revenue recognition.

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 consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER 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 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 at the website of EXPERTsuisse: <https://www.expertsuisse.ch/en/audit-report>. This description forms part of our auditor's report.

**Report on other legal
and regulatory
requirements**

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

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte AG



Chris Krämer
Licensed Audit Expert
Auditor in Charge



Thomas Dettwiler
Licensed Audit Expert

Zurich, March 10, 2023

Income statement of Von Roll Holding AG for the year 2022

in CHF 1,000	Note	2022	2021
Operating income		1,189	803
Personnel expense		-1,885	-1,443
Operating expense		-8,107	-7,460
Net operating result		-8,803	-8,100
Impairment on investments held		-115	-
Other financial income		2,195	2,097
Other financial expense	3	-3,338	-3,538
Net operating result before taxes		-10,061	-9,541
Result before taxes		-10,061	-9,541
Result after taxes		-10,061	-9,541

Balance sheet of Von Roll Holding AG as at December 31, 2022

Assets

in CHF 1,000	Note	31.12.2022	31.12.2021
Current assets			
Cash and cash equivalents	4	14,581	14,060
Receivables with Group companies	12a	1,842	1,037
Receivables with third parties		290	214
Accrued liabilities and deferred income		96	108
Total current assets		16,809	15,419
Non-current assets			
Loans to Group companies	12a	15,784	23,156
Securities		270	270
Investments in Group companies	5	214,131	214,131
Total non-current assets		230,185	237,557
Total assets		246,994	252,976

Equity and liabilities

in CHF 1,000	Note	31.12.2022	31.12.2021
Liabilities			
Current liabilities			
Payables to Group companies		9,237	4,789
Payables to third parties		295	320
Financial liabilities	6	–	977
Provisions	7	257	578
Accrued liabilities and deferred income		417	514
Total current liabilities		10,206	7,178
Non-current liabilities			
Provisions	7	4,062	4,062
Total non-current liabilities		4,062	4,062
Total liabilities		14,268	11,240
Equity			
Share capital	8	35,743	35,667
Legal capital reserves			
– Capital contribution reserves		528,165	527,482
– Other capital reserves		11,124	11,124
Voluntary retained earnings		3,490	3,490
Net loss			
– Accumulated loss		–328,513	–318,972
– Result after taxes		–10,061	–9,541
Treasury shares	8		
– against capital contribution reserves		–7,222	–7,514
Total equity		232,726	241,736
Total liabilities and equity		246,994	252,976

Notes to the statutory financial statements 2022 of Von Roll Holding AG

1. Introduction

The statutory financial statements of Von Roll Holding AG, based in Breitenbach, Switzerland, comply with the provisions of Swiss accounting law under the Swiss Code of Obligations (CO).

Von Roll Holding AG prepares consolidated financial statements in accordance with Swiss GAAP FER. Therefore, these financial statements and their notes do not contain any additional information or a cash flow statement or management report.

2. Accounting policies

Investments in Group companies/loans to Group companies

Investments in Group companies and loans to Group companies are reported at acquisition cost minus valuation adjustments.

Financial liabilities

Financial liabilities are included in the balance sheet at their nominal value. Financial liabilities are described in Note 6.

Treasury shares

Treasury shares are reported at cost at the time of acquisition as negative items in equity and are valued using the FIFO method (first in, first out). If they are disposed of at a later date, the resulting gain or loss is recognized in the income statement as financial income or expense.

3. Other financial expense

As in the previous year, other financial expenses consist mainly of losses relating to the sale of treasury shares (Note 8), expenses for intragroup financing of TCHF 642 (2021: TCHF 805) and currency effects.

4. Cash and cash equivalents

Cash and cash equivalents are held in the following currencies:

in CHF 1,000	31.12.2022	31.12.2021
CHF	864	2,503
EUR	250	223
GBP	4,569	2,793
USD	8,898	8,541
Total	14,581	14,060

5. Investments in Group companies

The direct and indirect investments in Group companies of Von Roll Holding AG include the Group companies listed in the consolidated financial statements in Note 14.

6. Financial liabilities

Financial liabilities included one convertible bond only.

1.00% convertible bond CHF 150,000,000 2016 – 2022

As at April 11, 2022, the unsecured convertible bond issued in 2016 (valoren code: ROL16; valoren number: 31954490; ISIN: CH0319544901) in the amount of CHF 150 million matured. The unconverted balance of CHF 218,000 was repaid on time.

Bonds with a nominal value of CHF 75,900 were converted during the financial year 2022, meaning that 759,000 new bearer shares were created (2021: 116,000 new bearer shares). The shares to be delivered upon conversion were made available through the provision of new shares from the conditional capital. The conversion price was set at CHF 1.00. The offering and redemption prices were set at 100% each.

7. Provisions

The provisions mainly include provisions for environmental restoration.

8. Equity and treasury shares

	31.12.2022	31.12.2021
Number of shares issued	357,433,804	356,674,804
Number of shares registered in the commercial register	357,433,804	356,558,804
Nominal value in CHF	0.10	0.10
Share capital (shares issued) in CHF	35,743,380	35,667,480
Share capital (shares registered in the commercial register) in CHF	35,743,380	35,655,880

Share capital

The issued share capital amounts to CHF 35,743,380.40 nominal, corresponding to 357,433,804 fully paid bearer shares with a nominal value of CHF 0.10 per share.

Compared to the previous year, this corresponds to an increase in share capital of CHF 75,900, corresponding to 759,000 fully paid bearer shares with a nominal value of CHF 0.10 per share. The amount by which the carrying amount of the pro rata liability component exceeds the nominal value of the new shares was credited to the capital contribution reserves. The registration of the 759,000 bearer shares in the commercial register took place on June 23, 2022.

Treasury shares

As at December 31, 2022, Von Roll Holding AG holds 7,084,373 treasury shares (2021: 7,055,257). This represents a shareholding of 1.98 % (2021: 1.98 %) of the share capital issued.

	Numbers	Paid prices			in CHF 1,000
		Average	Highest	Lowest	
Balance as at January 1, 2021	7,077,464				8,462
Purchases	1,060,284	0.92	1.28	0.71	986
Sales	-1,082,491	0.93	1.31	0.73	-1,019
Loss according to FIFO method					-915
Balance as at December 31, 2021	7,055,257				7,514
Balance as at January 1, 2022	7,055,257				7,514
Purchases	712,060	0.95	1.17	0.60	684
Sales	-682,944	0.96	1.18	0.70	-670
Loss according to FIFO method					-306
Balance as at December 31, 2022	7,084,373				7,222

Conditional capital

The Board of Directors is entitled to increase the company's share capital by a maximum of CHF 0.276 million by issuing up to 2,761,770 fully paid-up bearer shares to be subscribed for by exercising conversion rights granted in connection with debentures or similar bonds of Von Roll Holding AG or Group companies. This represents 0.77 % of the existing share capital. The holders of conversion rights at that time are entitled to acquire the new shares.

The exact provisions are specified in Article 5a of the Articles of Incorporation, which can be viewed at www.vonroll.com/en/group/investors/corporate-governance.

Authorized capital

The Board of Directors is authorized to increase the share capital of the company at any time until April 30, 2023, by a maximum amount CHF 14.0 million by issuing a maximum of 140 million fully paid-up bearer shares, each with a par value of CHF 0.10, which represents 39.17 % of the existing share capital.

The exact provisions are specified in Article 5b of the Articles of Incorporation, which can be viewed at www.vonroll.com/en/group/investors/corporate-governance.

9. Significant shareholders

According to the information available to the company, the following shareholders held 3% or more of the company's share capital and voting rights on the reporting date:

Shareholder	Share in %
Clair AG (beneficial owners under Art. 120 Swiss Financial Market Infrastructure Act (FinMIA): Francine von Finck, August François von Finck, Maximilian von Finck)	73.2
Maria-Theresia von Finck	4.1
Luitpold von Finck	3.6

There were four disclosure notifications regarding shareholdings of significant shareholders or groups of shareholders in the reporting year. For details about the disclosure notifications, please refer to the SIX Exchange Regulation AG website (<https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>).

10. Contingent liabilities

in CHF 1,000	31.12.2022	31.12.2021
Guarantees	372	448
Letter of comfort	1,477	517

11. Disclosures relating to the Board of Directors and management

Board of Directors and management remuneration are shown in the remuneration report.

On December 31 of the reporting year, members of the Board of Directors, members of the management team and parties related to them held the following bearer shares:

Number	31.12.2022	31.12.2021
Dr. Peter Kalantzis Chairman of the Board of Directors	1,333	1,333
Guido Egli Vice-Chairman of the Board of Directors	1,067	1,067
Gerd Amtstätter Member of the Board of Directors	466,667	466,667
August François von Finck Member of the Board of Directors	59,266,689	46,328,166
Dr. Christian Hennerkes Delegate of the Board of Directors	3,600,000	3,600,000
Artur Lust CFO	2,400,000	2,400,000
Total	65,735,756	52,797,233

As at December 31, 2022 and December 31, 2021, no convertible bonds of Von Roll Holding AG were held by the Board of Directors or the above-mentioned management.

12. Further information

a) Subordination

Receivables with Group companies in the amount of CHF 1.84 million (2021: CHF 1.04 million) include TCHF 152 in subordination (2021: TCHF 148), of which TCHF 141 are impaired (2021: TCHF 142).

Loans to Group companies in the amount of CHF 15.78 million (2021: CHF 23.16 million) include CHF 2.29 million in subordination (2021: CHF 3.09 million).

b) Full-time positions

In the financial year 2022, as in the previous year, less than 10 members of staff were employed by Von Roll Holding AG.

c) Events after the balance sheet date

There were no significant events between the balance sheet date and the approval of the report by the Board of Directors.

Appropriation of available earnings

in CHF 1,000	31.12.2022	31.12.2021
Accumulated loss	-328,513	-318,972
Result after taxes	-10,061	-9,541
Net loss	-338,574	-328,513
Balance to be carried forward	-338,574	-328,513

After the appropriation of available earnings, the equity is composed as follows:

in CHF 1,000	31.12.2022	31.12.2021
Share capital	35,743	35,667
Capital contribution reserves	528,165	527,482
Other capital reserves	11,124	11,124
Voluntary retained earnings	3,490	3,490
Net loss	-338,574	-328,513
Treasury shares		
- against capital contribution reserves	-7,222	-7,514
Equity	232,726	241,736

Breitenbach, March 10, 2023

Von Roll Holding AG
For the Board of Directors:

P. Kalantzis

Dr. Peter Kalantzis
Chairman of the Board of Directors

Statutory Auditor’s Report

To the General Meeting of
VON ROLL HOLDING AG, BREITENBACH

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Von Roll Holding AG, which comprise the balance sheet as at December 31, 2022 and the income statement and notes for the year then ended.

In our opinion the financial statements as at December 31, 2022 (pages 74 – 81) 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.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, 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.

Valuation of non-current loans and investments

Key audit matter

Von Roll Holding AG has recognized significant non-current loans to various Group companies and their corresponding investments. These non-current loans amounted to CHF 16 million (around 6% of total assets) at the end of 2022. The value of the investments amounted to CHF 214 million (approximately 87% of total assets) as of December 31, 2022.

Management assesses the recoverability of non-current loans and investments, as a unit, as part of the impairment test for each Group company. In the event of an impairment, investments are impaired first and subsequently, the non-current loans.

We consider the assessment of the recoverability of the non-current loans to Group companies and investments to be a key audit matter due to the significant amounts involved and the existing management discretion in performing impairment tests in the areas of future income/ cash flows, discount rates and growth rates.

In this context, we refer to the accounting and valuation principles in the annual financial statements.

How the scope of our audit responded to the key audit matter

For the purpose of assessing the recoverability of non-current loans and investments, we have evaluated the impairment tests performed by management on the significant Von Roll Group companies with regard to the following matters:

- » Test of the design and implementation of internal controls in connection with management's impairment assessment.
- » Critical assessment of future prospects based on multi-year planning through management inquiry and analysis of the parameters of the impairment tests.
- » Reconciliation of the actual results of the respective companies with the corresponding budgets in order to retrospectively verify the forecast accuracy of the budgets and assessment of the current equity position of the companies.
- » Assessment of the appropriateness of the model applied for the impairment test.
- » Assessment of the main parameters of the impairment tests (discount rates and growth rates) and evaluation of the sensitivity analyses in respect to the risk of impairment.

Based on the above-mentioned audit procedures performed, we have attained sufficient assurance to address the risk of the valuation of non-current loans and investments.

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 consolidated financial statements, the stand-alone financial statements 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.

Responsibility of the Board of Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

**Report on other legal
and regulatory
requirements**

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

Furthermore, we 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.

Deloitte AG



Chris Krämer
Licensed Audit Expert
Auditor in Charge



Thomas Dettwiler
Licensed Audit Expert

Zurich, March 10, 2023

Financial glossary

Cash flow from operating activities

EBITDA less gains/losses on the disposal of fixed assets, changes in non-current provisions, and changes in current assets and liabilities plus income taxes paid.

Cash flow from financing activities

Cash flow from equity contributions minus payments to owners plus cash flow from raising financial liabilities minus repayments of financial liabilities.

Cash flow from investing activities

Cash flow for investments and loans plus revenue from the disposal of fixed assets.

EAT

Earnings after taxes.

EBT

Earnings before taxes.

EBIT

Earnings before non-operating result, interest and taxes.

EBIT margin

Ratio of EBIT to net sales.

EPS (earnings per share)

Earnings after taxes, divided by the average weighted number of issued shares.

Equity ratio

Percentage share of equity to total assets.

Gross margin

Percentage share of gross profit (net sales and other operating income less cost of goods sold) to total net sales and other operating income.

Market capitalization

Share price at balance sheet date multiplied by the total number of shares.

Net cash position

Cash and cash equivalents less interest-bearing financial liabilities.

Net sales

Revenue from the sale of products and/or services after sales deductions.

Order intake

Incoming orders include all binding customer orders received as of the reporting date. Not included are framework agreements and nominations without volume guarantee.

Product glossary

Alternating current

A flow of electrical current whose strength and direction change periodically. Abbreviated to AC.

Ampere

Unit of electrical current, named after the French physicist André-Marie Ampère (1775 – 1836).

Baekeland

Leo Hendrik Baekeland was a Belgian chemist who invented Bakelite, the thermosetting plastic based on phenol resin, in the early 20th century, thus laying the foundation for the production of the first composites (sheets, tubes and molded parts) by Von Roll a few years later.

Composite

A combination of two or more materials that have different properties than their individual components. For fiber composites, glass or carbon fibers, for example, are embedded in a matrix such as resin.

Direct current (DC)

A flow of electrical current whose strength and direction do not change. It is generated in galvanic solar or fuel cells or produced from alternating current by means of a commutator, and is used in electronics, galvanization and in the supply of energy to railway systems.

Duroplasts

Duroplasts, also called duromers, are plastics that can no longer be molded after hardening. Duroplasts are hard, glasslike polymer materials that are linked in a rigid 3D structure by chemical primary valency bonds. The bonds are created when preliminary products chemically react with molecular chains through the application of heat or pressure, usually with the help of catalysts.

Electrical generators

An electrical generator (from the Latin “generare:” to beget, produce) is an electrical machine that converts kinetic energy or rotational energy into electrical energy and is therefore the reverse of the principle of the electric motor, which converts electrical energy into kinetic energy.

FST (fire, smoke and toxicity)

Fire, smoke and toxicity (FST) properties play an important role in the design and manufacture of cabin interior components. FST-tested insulation products and filler materials meet industry standards for fire resistance, flammability, smoke density and toxicity for aircraft interior applications.

High-voltage current

High-voltage current is used for regional and nationwide electrical power transmission. The voltage level is defined as being between 60 and 150 kV, but the most common is 110 kV. In contrast, rotating high-voltage machines such as motors and generators normally use between 1 and 30 kV.

High-voltage insulation

The HV insulation (high-voltage) area comprises all operational activities of Von Roll that focus on applications in the high-voltage field. The main markets include large industrial drives, power generation and railway technology.

Insulation

Insulation refers to the process of keeping two things separate or isolating them. The verb “isolate” derives from the French “isoler.” In electrical engineering, insulation is used to protect the live components against contact, short circuits and unwanted residual current.

Iodine

A chemical element, often used as a catalyst in chemical reactions such as polymerization.

Laminate

A laminate (from the Latin “lamina,” or layer) is a multilayer duroplastic material made by compressing and sticking together at least two layers of the same or different materials. Joining the materials can complement the properties of the individual constituents.

Low-voltage current

Used for local power supply. Defined as up to 1,000 volts (1 kV), but normally 230 to 400 volts.

Low-voltage insulation

The LV insulation (low-voltage) area comprises all operational activities of Von Roll that focus on low-voltage applications. The main markets include all electrical and electronic applications that operate on low voltage.

Mica

The term “mica” covers a group of sheet silicates whose properties make them especially suitable for use in high-voltage insulation materials, particularly the minerals muscovite and phlogopite belonging to the mica group. Their more noteworthy properties include high levels of electrical, heat and chemical resistance. Mica is resistant to the corona discharge invariably associated with high-voltage equipment. The English term “mica” is derived from the Latin “micare,” meaning to sparkle or shine.

Motor

A motor (from the Latin “motor,” or mover) is a device that performs mechanical work by converting thermal, chemical, electrical or other forms of energy. Motors normally rotate a shaft that drives machines, tools and means of transport.

Prepreg

Short for preimpregnated. A combination of glass fiber mat or glass fiber filament fabric, nonwoven material or roving with resin, usually cured to the B-stage, ready for molding.

Primary energy

Primary energy is an unconverted energy form that produces electricity and heat. Examples include oil, coal, natural gas and hydroelectric power.

Quality assurance

In today’s industrial companies, the quality of manufactured products is guaranteed through quality assurance systems and periodically checked using ISO certification (e.g. ISO 9001, ISO 14001).

REACH

Registration, Evaluation, Authorization and Restriction of Chemicals.

Rotational energy

Rotational energy is the kinetic energy of a rigid body – such as a wind turbine – rotating on a fixed axis. This energy depends on the body’s moment of inertia and its angular velocity. Wind turbine generators use rotational energy to produce electric current in the stator coils through electromagnetic induction.

Stator

A stator is the stationary part of a machine, for example in an electric motor, generator, hydromotor or pump. It often also serves as the housing, and in the case of electric motors and generators, consists primarily of sheet steel and the stator coils.

Surface resistance

The voltage required to cause a specific current to flow across the surface of a material. This is an important parameter for the surface leakage resistance and anti-static properties of materials used to make printed circuits (soldering and assembly frames).

Traction motor

A traction motor is an electric motor that drives a rail-borne vehicle. It is usually housed in the chassis and connected to the wheel axle via a reduction gear.

Underwriters Laboratories (UL)

US organization, founded over 100 years ago, that inspects and certifies products for their usage properties and safety.

Volt

Unit of electromotive force named after the Italian physicist Alessandro Volta (1745 – 1827), the inventor of the battery.

Xenon

A chemical element and noble gas used in gas discharge lamps, for example in car headlights.

Yttrium

A chemical element and rare earth metal. It plays an important role in ceramic high-temperature superconductors.

Our product portfolio

We Enable Energy – as one of Switzerland's longest-established industrial companies, Von Roll focuses on products and systems for electrical power generation, power transmission and industrial applications.

Von Roll's portfolio is divided into the following businesses:



Mica

Mica is a base material for high-voltage insulation. Von Roll's commitment to mica is extensive and covers all stages in the manufacturing process.



Wires

Coils and insulated flat wires for high- and low-voltage markets and electronic applications.



Cables

Mica tapes for fire-resistant cables. Von Roll provides a wide range of products that are ideally suited to all commonly used standards.



Resins

Impregnation and potting resins as well as encapsulating and conformal coatings for high- and low-voltage applications.



Flexibles

Insulating flexible materials suited for low-voltage applications such as flexible laminates and slot insulation.

Von Roll Insulation offers electrical insulation products, systems and services for generators, high- and low-voltage motors, electric vehicles, transformers and other applications.

Von Roll Composites produces composite materials and machined parts for numerous branches of industry.



Composites

Engineered materials made from a resin and a support structure with distinct physical, thermal and electrical properties. They can be molded, machined or semi-finished.



Defense & security

High-quality systems for security and protection based on thermoset/thermoplastic products in single use or tailored combinations.



Testing

Von Roll provides electrical, thermal and mechanical testing of individual materials as well as complete insulating systems in accordance with UL and IEC standards.



Training

The Von Roll Insulation Training program provides training in high- and low-voltage insulation to its customers.

Five-year overview

in CHF 1,000	2022	2021	2020	2019	2018 ¹
Order intake	242,134	234,795	196,998	296,944	335,890
Net sales	227,719	218,637	212,237	291,581	321,387
Number of employees (FTE)	912	911	973	1,203	1,264
Earnings before interest, taxes, depreciation and amortization (EBITDA)	27,610	49,796	-4,920	21,540	24,918
Depreciation, amortization and impairment (operational and non-operational)	-12,814	-15,143	-12,774	-13,264	-20,962
Operating result before deconsolidation result	14,796	21,903	-5,283	9,795	2,517
Operating result (EBIT)	14,796	21,903	-16,565	9,795	2,517
Earnings after taxes (EAT)	9,620	30,807	-24,215	3,261	-6,801
Cash flow from operating activities	23,997	164	6,831	12,625	18,573
Capital expenditures for property, plant and equipment and intangible assets	11,187	5,900	7,061	5,370	7,798
Current assets	178,648	177,930	125,670	160,901	183,984
Total assets	261,384	263,239	225,273	276,762	310,792
Current liabilities	35,540	39,328	26,805	46,762	70,519
Non-current liabilities	19,802	24,040	30,561	30,982	41,731
Equity	206,042	199,871	167,907	199,018	198,542
Equity ratio (%)	78.8	75.9	74.5	71.9	63.9
Number of shares issued	357,433,804	356,674,804	356,558,804	356,558,804	356,544,804
EBITDA per share ²	0.08	0.14	-0.01	0.06	0.12
EBIT per share ³	0.04	0.06	-0.05	0.03	0.01
Cash flow from operating activities per share ⁴	0.07	0.00	0.02	0.04	0.09
Equity per share (CHF) ⁵	0.59	0.57	0.48	0.57	0.99

¹ Since 2019, the consolidated financial statements have been prepared in accordance with Swiss GAAP FER. The 2018 figures have been adjusted accordingly.

² EBITDA/weighted average number of issued shares

³ EBIT/weighted average number of issued shares

⁴ Cash flow from operating activities/weighted average number of issued shares

⁵ Consolidated equity/weighted average number of issued shares

Listing information

Stock exchange listing	SIX Swiss Exchange symbol: ROL
Security number	324.535
ISIN	CH0003245351
Reuters	ROL.S
Bloomberg	ROL SW

Financial calendar

March 15, 2023:
Announcement of
results for the year 2022

April 19, 2023:
Annual General Meeting

August 29, 2023:
Announcement of
results for the first half of 2023

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Stock market data

in CHF	2022
Number of issued shares	357,433,804
Price high (in CHF)	1.24
Price low (in CHF)	0.56
Price at balance sheet date (in CHF)	0.86
Market capitalization (units of CHF 1,000)	307,393
Trading volume (daily average)	96,734

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Imprint

Publisher: Von Roll Holding AG, Breitenbach
Content/text: Von Roll Holding AG, Breitenbach
Design/artwork:
gateB AG, Transforming Digital into Value, Steinhausen/Zug

Created in Switzerland
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The Von Roll Annual Report is originally prepared in German and translated into English. In the event of any discrepancy, the German version prevails.

The Annual Report is available on the Internet at www.vonroll.com

Von Roll Holding AG with registered office in CH-4226 Breitenbach (Canton Solothurn) has been listed on the SIX Swiss Exchange (symbol: ROL, security number: 324.535, ISIN: CH0003245351) since August 11, 1987.