ANNUAL REPORT 2021

QUALITY SPEED SIMPLICITY

788.4 MILLION
ORDER INTAKE
640.1 MILLION
SALES
99.3 MILLION
EBIT

KEY FIGURES

in CHF millions, unless stated otherwise	2021	2020	2019	2018	2017
Order intake/sales					
Total order intake	788.4	547.8	546.5	592.6	458.1
Rollers	134.6	106.0	110.1	108.0	105.8
Drives	191.6	156.5	172.4	170.9	146.7
Conveyors & Sorters	254.0	221.5	223.2	220.5	142.6
Pallet Handling	59.8	46.6	54.0	60.5	55.6
Total sales	**640.1**	**530.6**	**559.7**	**559.9**	**450.7**
Profitability					
EBITDA	122.5	115.4	96.1	93.2	66.3
in % of sales	19.1	21.7	17.1	16.6	14.7
EBIT	99.3	94.1	72.3	69.4	47.4
in % of sales	15.5	17.7	12.9	12.4	10.5
Result	**80.6**	**71.7**	**56.0**	**51.8**	**39.1**
in % of sales	12.6	13.5	10.0	9.3	8.7
Cash flow					
Operating cash flow	47.3	122.9	99.6	67.4	46.2
in % of sales	7.4	23.2	17.8	12.0	10.3
Free cash flow	**–0.8**	**74.0**	**66.9**	**40.9**	**20.1**
in % of sales	–0.1	13.9	12.0	7.3	4.5
Total investments	**51.1**	**51.3**	**33.6**	**28.6**	**25.4**
Balance sheet (as at 31.12.)					
Total assets	538.5	468.8	435.1	417.6	355.3
Goodwill	16.7	16.4	17.1	17.3	17.6
Net financial assets	46.1	92.2	76.9	52.0	37.1
Equity	**345.4**	**312.0**	**304.0**	**284.8**	**261.7**
Equity ratio (equity in % of total assets)	64.1	66.5	69.9	68.2	73.6
Return on equity yield (in %)	24.5	23.3	19.0	19.0	15.8
Other key figures					
RONA (return on net assets in %)	25.4	30.4	22.6	20.9	16.5
Average number of employees (FTE)	2,421	2,206	2,284	2,198	2,067
Sales per employee (in CHF thousands)	264	241	245	255	218
Productivity (added value/total personnel expenses)	2.19	2.30	2.09	2.17	2.02

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

ABOUT INTERROLL

The Interroll Group is the leading global provider of material-handling solutions. The company was founded in 1959 and has been listed on the SIX Swiss Exchange since 1997. Interroll provides system integrators and OEMs with a wide range of platform-based products and services in these categories: Rollers (conveyor rollers), Drives (motors and drives for conveyor systems), Conveyors & Sorters as well as Pallet Handling (flow storage systems). Interroll products and solutions are used in express and postal services, e-commerce, airports, the food & beverage industry, fashion, automotive sectors and many other manufacturing industries. Among the end users are leading brands such as Amazon, Bosch, Coca-Cola, DHL, Nestlé, Procter & Gamble, Siemens, Walmart and Zalando. Headquartered in Switzerland, Interroll has a global network of 35 companies with sales of CHF 640.1 million and around 2,600 employees (headcount as of December 31, 2021).

www.interroll.com

28,000 CUSTOMERS AROUND THE WORLD

35 COMPANIES AROUND THE WORLD

2,600 EMPLOYEES AROUND THE WORLD

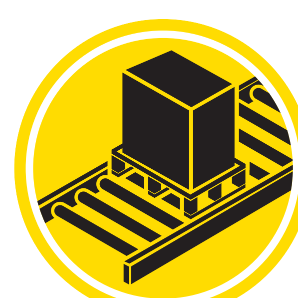
INTERROLL PRODUCT GROUPS

ROLLERS

DRIVES

CONVEYORS & SORTERS

PALLET HANDLING



MULTIMEDIA ADDED VALUE

As a contribution to sustainability, Interroll keeps the circulation of the printed annual report as small as possible and provides multimedia added value.

Detailed information, available anytime and from anywhere, can be found online:

- Video interview with Ingo Steinkrüger, CEO
- Quick report
- Interactive chart tool
- Download center

interroll.com/annual-report

HIGHLIGHTS OF THE 2021 FINANCIAL YEAR

BETTER SUPPORT FOR SYSTEM INTEGRATORS

NEW CENTER OF EXCELLENCE IN LINZ

Interroll announces that it has acquired MITmacher GmbH in Linz, Austria. The acquisition of the company serves as the basis to build Interroll's new Global Center of Excellence (CoE) Software & Electronics.

INTERROLL EXTENDS SORTER PLATFORM

The new Split Tray Sorter MT 015S makes entering the e-commerce market easy. It can be used as a flexible addition to existing sortation solutions, for example in the fashion industry.

WORLD'S LARGEST SHRIMP PRODUCER RELIES ON INTERROLL

System integrators including Thai MecTech Co., Ltd. and MT Food System Co., Ltd. order a set of state-of-the-art conveying solutions for the Charoen Pokphand Foods facility in Bình Phước, Vietnam, with Interroll Drum Motors as the key drive equipment.

Q1

INSPIRING EVENTS AROUND THE THEMES OF TECHNOLOGY, INNOVATION AND PARTNERSHIP

NEW CEO TAKES OVER AT INTERROLL

Ingo Steinkrüger joins Interroll on May 1, 2021. He brings in more than 20 years of proven management and technical expertise and has extensive global sales and service experience in the highly competitive automotive industry.

TRUCKLOADS OF INSPIRATION

Interroll launches its Truckloads of Inspiration European road show. The 1,300 visitors at 26 stopovers see inspiring events around the themes of technology, innovation and partnership.

LARGE ORDERS RECEIVED IN THE US

Interroll reports two large orders received from a leading e-commerce platform in North America and a large fashion company. The orders include the supply of horizontal and vertical crossbelt sorter solutions for a combined total of five locations, amounting to a lower double-digit million in Swiss francs (CHF).

Q2

AWARD-WINNING SOLUTIONS

FAN VISIT AT INTERROLL INNOVATION PROJECT & DEVELOPMENT CENTER

HYGIENIC FOOD PROCESSING IN FOCUS CUSTOMER PROXIMITY THROUGH LIVESTREAMS

Interroll announces the expansion of its product portfolio at its site in Baal, Germany, by acquiring a neighboring plot of land. As early as 2022, Interroll will introduce a new platform for hygienic food processing and logistics.

MATERIAL FLOW, BRICK BY BRICK

LEGO® orders via a system integrator an Interroll solution that comprises Modular Pallet Conveyor Platform (MPP), Modular Conveyor Platform (MCP) as well as modular Stacker Cranes and Dynamic Storage solutions for a warehouse in the Czech Republic.

IFOY AWARD: PROUD WINNERS

The independent experts of the International Intralogistics and Forklift Truck of the Year (IFOY AWARD) choose the Interroll Smart Pallet Mover (SPM) as the winner in the special category.

Q3

AUTOMATED NAUTICAL EQUIPMENT DISTRIBUTION

Toyota Material Handling and Interroll install a powerful and efficient conveyor system for Imnasa in Campllong near Girona, Spain, consisting of Modular Conveyor Platform (MCP), the RollerDrive EC 5000 and the MultiControl from Interroll.

LARGE ORDER RECEIVED IN SOUTH KOREA

Interroll reports a large order for delivery to a South Korean e-commerce company. It comprises the delivery of Interroll's Modular Conveyor Platform (MCP), which is designed for highly efficient and flexible material flow processes. The contract amounts to a lower double-digit million Swiss franc (CHF) figure.

SANTA CLAUS LOVES MATERIAL HANDLING

Interroll runs a video campaign depicting Santa Claus as a true material-handling aficionado who secretly visits the Interroll Innovation Project and Development Center (IPDC) at night.

Q4

CREATING SUSTAINABLE GROWTH

Ingo Steinkrüger, Chief Executive Officer

Dear shareholders, valued customers,
employees and business partners,

In a dynamic but also challenging fiscal year 2021, we were able to build on our strengths and fully achieved our growth targets.

Interroll increased sales significantly to CHF 640.1 million (+20.6% year-on-year, +21.0% in local currencies). Order intake climbed significantly to CHF 788.4 million (+43.9% year-on-year, +44.2% in local currencies).

Based on the positive order development in 2021 as a whole, the Group is cautiously optimistic about the fiscal year 2022. In order to be able to take advantage of the demand momentum, we are also expanding our production network in 2022: With a new plant in Suzhou, China, which will start operations in the third quarter of 2022, we are increasing our capacities in Asia for all product groups. In addition, we will also expand at the Hückelhoven-Baal site in Germany to manufacture new solutions for the food sector there from the beginning of 2023.

In the year under review, we further expanded our leading position in material flow: Our innovative solutions for smart logistics, such as the RollerDrive EC5000, once again made a growing contribution to our market success. In addition, we expanded our sorter platform with the Split Tray Sorter in the basic segment and the new Vertical Sorter in the mid-range segment, and developed our own sorter controls in the new Center of Excellence Software & Electronics in Linz, Austria. We added powerful options to our drum motor platform and won prestigious awards with the Smart Pallet Mover (SPM).

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased again to CHF 122.5 million (previous year: CHF 115.4 million). The EBITDA margin decreased to 19.1% (previous year: 21.7%). Earnings before interest and taxes (EBIT) reached CHF 99.3 million (+5.6% above previous year with CHF 94.1 million).

Net profit again rose strongly by 12.3% to CHF 80.6 million (previous year: CHF 71.7 million). The net profit margin reached 12.6% (previous year: 13.5%). Gross capital expenditures amounted to CHF 51.1 million (previous year: CHF 51.3 million). Cash flow decreased to CHF 47.3 million (previous year: CHF 122.9 million). Uncertainty in the availability of materials and the associated warehousing contributed significantly to this.

Supply chains proved to be a major challenge throughout the industry in the year under review, particularly in the second half of the year, both in terms of material availability and price increases, as well as massively longer delivery times. Interroll countered this development with a task force that was mostly able to achieve good solutions for our customers. However, delivery delays could not be completely avoided.

SUSTAINABLY STRENGTHENING CUSTOMER TRUST

With our road show, Truckloads of Inspiration, we further deepened our relationships with our customers in Europe in 2021 and will continue to do so in

Paul Zumbühl, Active Chairman

2022. Our Rolling On Interroll partner network also expanded with new members in the reporting year and offered numerous opportunities for our partners to exchange ideas.

Our solution sales approach helps us to better understand success stories in our target industries. We use these insights where we can create added value in order to integrate them as products into our solution platform in the long term. So far, this approach has proven particularly successful in the food industry and production logistics, where Interroll is aiming for a greater presence, especially with pallet-handling solutions.

ADDED VALUE THROUGH DIGITIZATION

With digitalization, we increase customer convenience through high transparency, more simplicity in handling or an increase in the performance of a material flow solution. In doing so, we systematically improve our digital tools for the planning and design stage (e.g., with 3D layouts and simulations) to achieve significant time and cost savings for system integrators and users. We use digitalization wherever we can to accelerate their applications and processes, make them easier to manage, more efficient, safer and more sustainable.

At the same time, we are pushing ahead with our cost discipline and productivity programs. We are continuing to press ahead strongly with our substantial investments of recent years in the global networking of our information technology (IT) infrastructure and the harmonization of our digital production and business processes.

In the year under review, the Interroll team grew to more than 2,600 employees. It is important to us to be a highly attractive employer in our industry. This claim applies to our current employees as well as to our future employees. That is why we take a targeted, long-term approach to career development.

With our Interroll Academy, we are intensively involved in the training and development of our employees and are convinced that, in addition to our excellent corporate culture, good, regular training is the prerequisite for outstanding motivation. We are also systematically expanding our cooperation with universities.

MATERIAL FLOW: AN IMPORTANT FACTOR IN THE ECONOMY OF THE FUTURE

By 2050, the world's population will grow to around 10 billion people. Supplying people and the economy with the necessary goods and food is a key challenge for the future. Logistics plays a crucial role in optimizing the necessary processes: Only with well-thought-out concepts and technologies will it be possible to manage the increasing complexity and volume in supply chains in a demand-oriented and sustainable manner. This applies in particular to our industry, intralogistics: It will take on a great deal of social importance and attention in terms of speed, increased efficiency, networking and individualization, but also in terms of resource conservation, environmental friendliness and food safety. We are facing up to this responsibility. It is important to us to make this contribution even more sustainable in the future, and from March 2023 we will publish a sustainability report that will meet the standards of the Global Reporting Initiative. This report will focus on the three topics of environment, social and governance (together referred to as ESG). We are also ensuring internal transparency here with new management systems in order to be able to improve continuously and comprehensibly in this area.

Shareholders participate in our positive business development. A dividend of CHF 31.00 per share will be proposed to the Annual General Meeting on May 13, 2022 (+15%; previous year: CHF 27. 00 per share).

Sant'Antonino, March 17, 2022

Paul Zumbühl *Active Chairman*	***Ingo Steinkrüger*** *Chief Executive Officer*

GROUP MANAGEMENT

PROFESSIONAL BACKGROUND AND VESTED INTERESTS OF GROUP MANAGEMENT

INGO STEINKRÜGER
(born 1972, German)

Chief Executive Officer (CEO)

Member since May 2021

Ingo Steinkrüger holds degrees in mechanical engineering (production technology) and in industrial engineering from the University of applied Science of Cologne. He brings more than 20 years of proven management and technical expertise with a focus on project and product business, automation, engineering, and production technology, and has extensive global sales and service experience in the automotive industry. He began his career in the thyssenkrupp Group in 2000 at Johann A. Krause Maschinenfabrik GmbH in Bremen as a sales/project engineer. After holding several successful management positions in project management, business development, and global key account management, Ingo Steinkrüger took over overall responsibility for Global Sales & Service as vice president. From mid-2016, Steinkrüger led the same standalone business unit thyssenkrupp System Engineering as CEO. Since May 2021, Ingo Steinkrüger leads the Interroll Worldwide Group as Chief Executive Officer (CEO).

HEINZ HÖSSLI
(born 1969, Swiss)

Chief Financial Officer (CFO)

Heinz Hössli graduated as Certified Public Accountant (CPA) from EXPERTsuisse, Zurich, Switzerland, and holds a Global Executive MBA from Duke's Fuqua School of Business in Durham, United States, with recognition as a Fuqua Scholar. His previous roles included Chief Financial Officer / Vice President Advanced Materials (since 2012) at Bühler Group as well as Vice President Finance & Controlling Advanced Materials and Chief Financial Officer (CFO) of the Business Area Die Casting (from 2009 to 2011). From 2002 to 2009, Mr. Hössli held a number of leadership roles as CFO of Bühler subsidiaries and spent eight years in the United States and Mexico. Before joining Bühler in 1999 as Internal Group Auditor, he worked as Auditor for Ernst & Young, Zurich. In April 2020, he joined the Interroll Group as Chief Financial Officer (CFO).

JENS STRÜWING
(born 1969, German)

Executive Vice President Products & Technology

Jens Strüwing graduated in production technology (production systems and materials handling) from Karlsruhe University, Germany (master's degree, Dipl. Ing). In his role as Director of Global Operations at Mahle Aftermarket GmbH, he was responsible for the operations of 18 production and logistics sites globally as well as for Mahle Consulting. Previous to this, Strüwing was responsible for the planning of logistical processes as well as standardization and automation of production processes at Mahle GmbH's pistons and engine components product line. This followed various senior management positions with focus on logistics and production at the Daimler Group and at Fairchild Dornier GmbH. In 2018, he joined Interroll Group as Executive Vice President Products & Technology and member of Group Management.

MAURIZIO CATINO

(born 1976, Italian)

Executive Vice President
Global Sales & Solutions

Maurizio Catino graduated in Electronic engineering at the Politecnico of Turin in 2002. He looks back on several years of experience in the automotive business, starting in the FCA group where he was involved in different projects related to cost analysis and production optimization. Catino started his “sales career” afterwards in the automation business as global key account manager for big automotive end users for a Japanese company. In 2013, he joined the Interroll Group and opened successfully the new Italian branch as General Manager followed by the position of Global Industry Manager for the automotive and tire market. From 2018, Catino held the position of Senior Director Global Sales & Services. In July 2020, he took over the role of Executive Vice President Global Sales & Solutions and member of Group Management.

JENS KAROLYI

(born 1970, German)

Senior Vice President
Corporate Marketing &
People Development

Jens Karolyi studied business administration at the Universities of Bamberg and Giessen, Germany. He started his career with Ericsson where he held various management positions in Marketing, Branding and Communications and was based in Stockholm, Zurich and Düsseldorf. In 2007, he was promoted to Vice President Marketing & Communications Northern Europe. In 2011, he joined Interroll Group as Vice President Corporate Marketing and member of the Interroll Group Management. In February 2015, he took over additional responsibilities as Senior Vice President Corporate Marketing & Culture, and in 2020 as Senior Vice President Corporate Marketing & People Development. He also heads the Interroll Academy.

DR. BEN XIA

(born 1966, Chinese)

Executive Vice President
Asia-Pacific

Dr. Ben Xia graduated with a bachelor of science degree in electrical engineering from Shanghai Jiaotong University, China. After that, he studied electrical machinery at the Moscow Power Engineering Institute, Russia, and holds a PhD in electrical engineering (Dr.-Ing.). He also passed the Advanced Management Program for Senior Executives at the China Europe International Business School (CEIBS) in Shanghai, China. After working for Pirelli Cables Asia-Pacific as Marketing Manager, he held positions as General Manager of Shanghai Citel Electronics Co. Ltd. and Managing Director of Vanderlande Industries North Asia. In 2013, he joined the Interroll Group as Executive Vice President Asia-Pacific and is a member of Interroll Group Management.

RICHARD KEELY

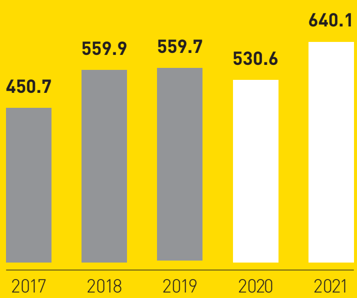
(born 1972, American)

Executive Vice President
Americas

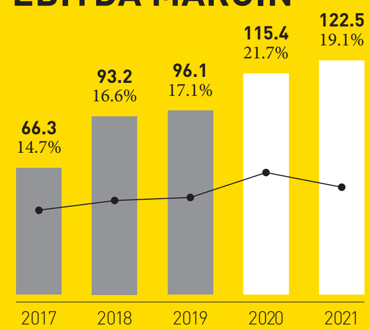
Richard Keely majored in Industrial Engineering at North Carolina State University and completed the AMP program at Harvard Business School. He has more than 20 years of manufacturing experience in operations and consulting. He began his career in the automotive industry and later transitioned to strategic consulting. He joined the Interroll team in 2006 as Vice President of Manufacturing / General Manager for Interroll Wilmington. In 2011, he was promoted to Senior Vice President of Operations for the Americas. In 2018, he joined Interroll Group as Executive Vice President Americas and is a member of Interroll Group Management.

FINANCIAL POSITION, EARNINGS AND CASH FLOWS

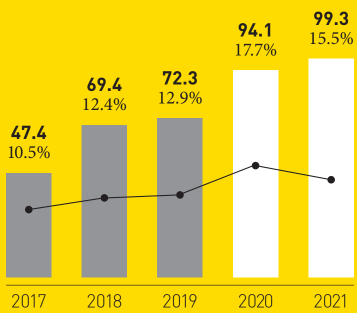
SALES



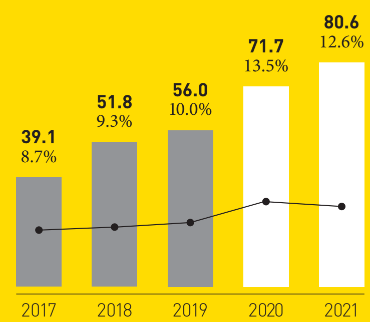
EBITDA AND EBITDA MARGIN



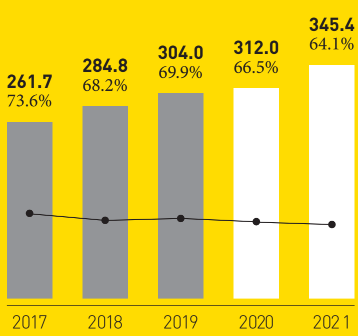
EBIT AND EBIT MARGIN



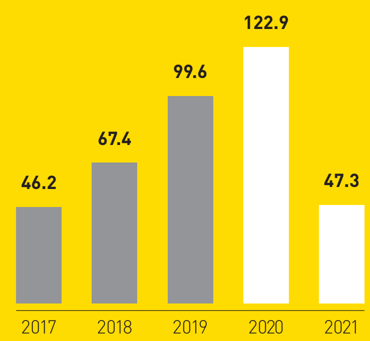
RESULT



EQUITY AND EQUITY RATIO



OPERATING CASH FLOW



All amounts in CHF millions

STRONG GROWTH IN A CHALLENGING YEAR

The year 2021 was characterized by pandemic-related influences on the supply chains as well as strong growth in demand. On one hand, these consisted of catch-up effects due to multiple lockdowns in the 2020 financial year but, on the other hand, primarily reflected structurally sustainable growth. Against this challenging backdrop, Interroll was able to take advantage of numerous opportunities, but not all due to material bottlenecks, and in some cases there were delivery delays. The growth targets were nevertheless fully achieved.

Interroll increased sales significantly to CHF 640.1 million (+20.6% year-on-year, +21.0% in local currencies). Order intake climbed significantly to CHF 788.4 million (+43.9% year-on-year, +44.2% in local currencies).

Based on the positive order development in the full year 2021, the Group is cautiously optimistic about fiscal year 2022.

RECORD RESULTS

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased again to CHF 122.5 million (previous year: CHF 115.4 million). The EBITDA margin decreased to 19.1% (previous year: 21.7%). Earnings before interest and taxes (EBIT) reached CHF 99.3 million (+5.6% above previous year with CHF 94.1 million).

Net profit increased again strongly by 12.3% to CHF 80.6 million (previous year: CHF 71.7 million). The net profit margin reached 12.6% (previous year: 13.5%). Gross capital expenditures amounted to CHF 51.1 million (previous year: CHF 51.3 million). Cash flow decreased to CHF 47.3 million (previous year: CHF 122.9 million).

SOLID BALANCE SHEET DEVELOPMENT

Total assets grew to CHF 538.5 million as of December 31, 2021, and were thus 14.9% higher than at year-end 2020 (CHF 468.8 million). Shareholders' equity increased to CHF 345.4 million, with an equity ratio of 64.1% (year-end 2020: 66.5%). Net financial assets decreased by 50.0% to CHF 46.1 million (previous year: CHF 92.2 million).

Due to the uncertain supply chains, inventories had to be built up and, as a result, operating cash flow fell by 61.5% from CHF 122.9 million (previous year) to CHF 47.3 million. As a consequence, free cash flow decreased to CHF -0.8 million in the reporting year (previous year: CHF 74.0 million).

Gross investments amounted to CHF 51.1 million (previous year: CHF 51.3 million). Contributing to this were the completion of the plant in Mosbach, Germany, and progress on construction of the new plant in Suzhou, China, which is scheduled to start operations in the third quarter of 2022.

THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

Global Compact
Network Switzerland

PROGRESS REPORT 2021

1. STATEMENT OF SUPPORT FROM THE GROUP MANAGEMENT

By 2050, the world's population will grow to around 10 billion people. Optimizing processes and supplying people and the economy with the necessary goods and food is a key challenge for the future. Logistics will play a crucial role in this: Only with well-thought-out concepts and technologies will it be possible to manage the increasing complexity and volume in supply chains in a demand-oriented and sustainable way. This applies in particular to our industry, intralogistics: It will receive a great deal of social significance and attention in terms of speed, increased efficiency, networking and individualization, but also in terms of resource conservation, environmental friendliness and food safety. We are facing up to this social responsibility.

Interroll makes a significant contribution to the performance and further development of global logistics, which plays a central role in the development of prosperity. It is important to us to make this contribution even more sustainable in the future. To this end, we want to engage even more intensively with our employees, customers, suppliers and investors. We set high standards for ourselves and will publish sustainability reports that meet the standards of the Global Reporting Initiative beginning in the fiscal year 2022. This report will focus on the three topics of environment, society and governance (together referred to as ESG). With new management systems, we are now also ensuring internal transparency in order to be able to improve continuously and comprehensively in this area. We also aim to continuously improve our performance in risk management.

Safety to school, our HR and safety departments contacted a primary school near our factory and planned a special class for students to learn about safety in school, outside school and at home. The purpose is to reduce accidents, damage and injuries to students and teachers.

Sustainability principles

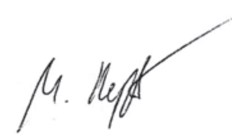
- We act sustainably and focus on long-term business success. In doing so, we strive for an appropriate balance between ecological action, social responsibility and economic success.
- We oblige business partners and suppliers to comply with basic principles.
- We commit our managers and employees to our Code of Conduct.
- In the further development of our technology platform, we continuously examine where we can contribute to the conservation of resources and the reduction of pollutants and energy consumption in manufacturing and product operation with alternative concepts, designs or materials.

Our strategies and activities are consistently guided by universal principles in the areas of human rights, labor standards, environmental protection and corruption prevention. In addition, we strive to advance social objectives. By joining the United Nations (UN) Global Compact in November 2016, we underscored our global commitment for the first time and also pledged to transparently document our progress in the areas mentioned. Our fifth progress report, which covers fiscal year 2021, demonstrates the key measures and achievements of our ongoing commitment to comply with the 10 principles of the UN Global Compact.

In addition, we outline how our actions support the United Nations Sustainable Development Goals (SDGs). In doing so, we emphasize the relevance of social responsibility for our business activities. At the same time, we renew our commitment as a member of the UN Global Compact for another year.

February 28, 2022

Interroll Holding AG



Heinz Hössli
Chief Financial Officer

Martin Regnet
Head of Communications & Investor Relations

2. PRESENTATION OF PRACTICAL MEASURES AND MEASUREMENT OF RESULTS IN 2020

HUMAN RIGHTS

Principle 1	**Principle 2**
Support and respect international human rights within its own sphere of influence.	Ensure that the company itself is not complicit in human rights abuses.

Interroll's commitment

"Interroll does not tolerate any discrimination, harassment or unfair treatment based on gender, race, disability, ethnic or cultural origin, religion, belief, age or sexual orientation."

This extract from the Interroll Code of Conduct requires the company and its employees to respect human rights and the relevant laws. Interroll's good reputation and the trust placed in Interroll by customers, suppliers, business partners, shareholders and the general public depend heavily on the responsible conduct of all of its employees.

Interroll expects all suppliers and subcontractors to comply with these principles, which reflect Interroll's corporate values. They represent an important component of supplier selection and evaluation. Furthermore, we expect our suppliers to observe these standards in the further course of their supply chain.
The relevant guidelines explained in the Interroll Supplier Code of Conduct are intended to ensure compliance with all applicable laws, regulations and ordinances and to ensure that the processes along the Interroll supply chain meet certain social, ecological and economic requirements.

Measures in 2021

1. Compliance with the Interroll Supplier Code of Conduct
2. Compliance with the Code of Conduct
3. Education and prevention through training
4. Continued implementation and expansion of the Compliance Management System
5. Introduction of a whistleblower platform
6. Further development and training

Measurement of the results

Res 1: When selecting new suppliers, a commitment to comply with our principles is a mandatory prerequisite for a business relationship. The aim is also to commit the most important existing suppliers to compliance with the Supplier Code of Conduct. By the end of 2021, 95% of all suppliers to the European companies had already been covered, and great progress was also made in the Americas and Asia-Pacific in 2021. For 2022, we target 95% of all suppliers worldwide.

Res 2 and 3: To ensure the continued practical implementation of our Code of Conduct, it was updated in 2020 and translated into all national languages of our sites and distributed to all employees. The employees have signed the Interroll Code of Conduct, thereby committing themselves to comply with it. All new employees also sign the Code of Conduct. In some companies, additional special in-depth training courses were held. More in-depth training will take place in FY 2022.

Res 4: The Compliance Management System (CMS) of the Interroll Group is structured according to the recommendations of the international standard ISO 19600 Compliance Management Systems. The risk-based approach is designed to weigh up the severity of potential violations of laws and obligations in relation to the achievement of corporate objectives and the negative impact on the Group's reputation, and to determine appropriate priorities for action. In Germany, a local compliance board has been active since 2019. Renewed readiness checks were carried out in Germany by an external compliance expert. In addition, global risk analyses were carried out and weak points were addressed. The findings from the risk analysis and whistleblower system will be further deepened and rolled out globally in the fiscal year 2022.

LABOR STANDARDS

Principle 3	Principle 4	Principle 5	Principle 6
Uphold the freedom of association and the effective recognition of the right to collective bargaining.	Advocate for the elimination of all forms of forced and compulsory labor.	Advocate for the elimination of child labor.	Advocate for the elimination of discrimination in respect of employment and occupation.

Res 5: Interroll has launched a new digital whistleblowing system throughout the Group in 2021. The aim is to identify and remedy violations of laws and internal rules of conduct as early as possible. In the few cases received, it was possible to follow up on all tips.

Res 6: Every employee has the right and the duty to report violations of the rules of the Code of Conduct, of a law or of an obligation, either in the digital whistleblowing system or directly to his or her superior.

Commitment

Interroll's globally applicable Codes of Conduct include fundamental internationally recognized labor standards such as freedom of association, the exclusion of forced labor and child labor, and a working environment free of discrimination. Interroll and its suppliers do not tolerate discrimination against employees on the basis of gender, race, disability, ethnic or cultural origin, religion, belief, age or sexual orientation.

Measures in 2021

1. Compliance with our Supplier Code of Conducts
2. Compliance with the Interroll Code of Conduct
3. Education and prevention through training
4. Continued implementation and expansion of the compliance management system
5. Expanded cooperation between the Chief Financial Officer and local compliance managers
6. Measurement of key performance indicators (KPIs)
7. Involvement of employees
8. Employee training
9. Working conditions

Measurement of the results

Res 1 to 5: See the section on human rights.

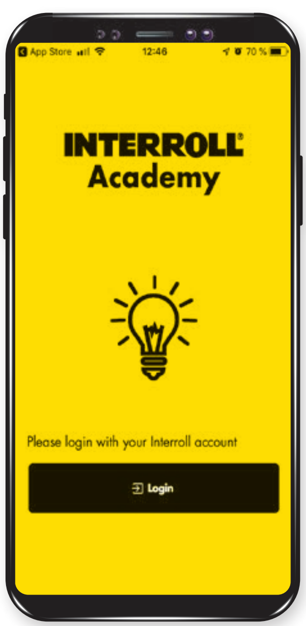
Res 6: Overall, there were no reported forms of forced labor or child labor at Interroll or in the supply chain in the reporting year.

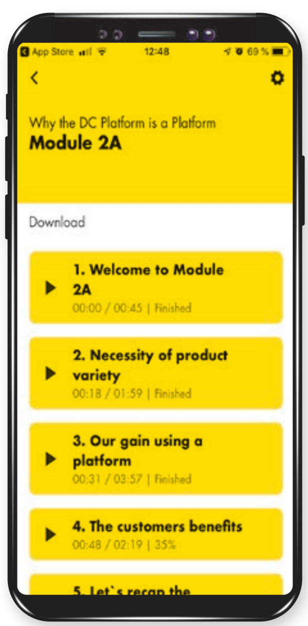
Res 7: The third Group-wide Employee Engagement Survey showed very good results in 2019. Interroll has a dedicated workforce that is willing to go the extra mile for the company at any time. Employees also clearly confirmed the quality and customer focus within the Group. In order to verify the consistency, the next Group-wide Employee Engagement Survey is planned for the 2022 financial year.

Res 8: The Interroll Academy is the driving force behind knowledge transfer in all aspects of material flow. With our strong commitment to the training and development of our employees and the exchange of know-how with customers and partners, we make an important contribution to the success of the company and the further development of our industry. We are convinced that good training is a prerequisite for motivated employees. Therefore, our goal is to provide the expertise that will enable them to serve our customers and users as a competent partner in all phases of customer projects.

Interroll Academy participants, who come from all areas of the company, therefore familiarize themselves during a training course not only with Interroll products, but also with the applications and problems of our customers.

Our numerous learning solutions and training offerings enable all employees to optimally develop and use their talents. A blended learning combination of hands-on workshops and new, Internet-based training methods (e-learning offerings) overcomes internal barriers and reaches inquisitive employees who cannot be on-site in Baal, Germany. In this way, we also achieve global consistency. In 2021, a large amount of new content (e.g., for new product developments) was added to the learning program. Further expansion of the internal training offering is planned for 2022. In the 2021 pandemic year, the Interroll Academy greatly expanded its virtual training program and supplemented the offering to employees with new formats such as gamification apps and podcasts.





Cooperation with universities was also expanded. For example, Interroll has agreed to cooperate with the Fontys University of Applied Sciences and the Baden-Württemberg Cooperative State University in Mosbach, Germany, for instance at Career Days. The common goal is to introduce students of logistics, information technology (IT), engineering and business administration to the world of modern intralogistics and to enable them to apply their acquired knowledge in practice at Interroll, the world's leading supplier of material-handling solutions.

Res 9: Interroll and its suppliers comply with all applicable laws and regulations regarding working hours and breaks. Overtime must always be worked voluntarily. Care must be taken to ensure that all employees receive appropriate remuneration and the national statutory minimum wage where applicable. Interroll and its suppliers shall ensure the safety of all employees in the workplace and provide a health-promoting working environment that supports accident prevention and exposes employees to as few health risks as possible. Interroll has an appropriate health and safety system in place. Employees shall receive adequate training in their native language on health and safety issues in the workplace. Health- and safety-related information shall be clearly posted in the facilities. Interroll also expects this from its suppliers. In the financial year 2021, absences due to accidents were reduced and the number of accident-free days at Interroll sites were successfully increased through health and safety management at Interroll.

ENVIRONMENT AND CLIMATE

Principle 7	Principle 8	Principle 9
Support a precautionary approach to environmental challenges.	Take initiative to create a greater sense of responsibility for the environment.	Encourage the development and diffusion of environmentally friendly technologies.

Commitment

The responsible use of resources and the protection of the environment and climate are core social responsibility topics and therefore also a central field of action of the Interroll strategy. Our basic principle, "Inspired by Efficiency," refers not only to the benefits our customers can expect from Interroll solutions. With Interroll products and solutions, companies can increase their profits, but can also rely on Interroll to provide solutions that clearly focus on resource conservation, environmental friendliness, occupational safety and food safety at the same time. They reduce their ecological footprint and ensure sustainable growth. Interroll also attaches great importance to its own resource efficiency. For Interroll, the responsible use of resources and energy is the most important prerequisite for maintaining our technological and innovative market leadership position. Our customers also benefit from this.

Measures in 2021

1. Compliance with our Supplier Code of Conduct
2. Compliance with the Interroll Code of Conduct
3. Education and prevention through training
4. Continued implementation and expansion of the Compliance Management System
5. Expanded cooperation between the Chief Compliance Officer and local officers
6. Measurement of key performance indicators (KPIs)

Measurement of the results

Res 1 to 5: See the section on human rights.

Res 6: Following the initial recording of KPIs in the fiscal year 2017, further target values were set for 2021. A reduction of 10% was targeted for Group-wide paper consumption. Further projects in the area of "paperless" were initiated. A reduction of a further 10% is planned for 2022.

CORRUPTION PREVENTION

Principle 10
Advocate against all forms of corruption, including extortion and bribery.

Commitment

We aim to actively counteract potential breaches of rules in advance through prevention and awareness-raising among our employees. In extensive classroom and e-learning training courses, our employees are trained on topics such as "antitrust law" or "gifts and invitations, conflict of interest." The anti-bribery guidelines introduced in 2016 and updated in 2021 are designed to establish control mechanisms to ensure compliance with all applicable anti-bribery and corruption regulations and to ensure that the company conducts its business in a socially responsible manner. Bribery is defined as offering, promising, granting, accepting or promoting an advantage in return for an illegal act or breach of trust. It includes accepting gratuities of material value in exchange for a commercial, contractual, governmental or personal benefit. In accordance with our Code of Conduct, we conduct our business honestly and ethically. We have a zero-tolerance policy regarding bribery and corruption. We are committed to acting professionally, fairly and with integrity at all times in all our business relationships, and to implementing, applying and enforcing effective anti-bribery mechanisms.

Measures in 2021

1. Compliance with our Supplier Code of Conduct
2. Compliance with the Interroll Code of Conduct
3. Education and prevention through training
4. Continued implementation and expansion of the Compliance Management System
5. Introduction of a whistleblower platform
6. Expanded cooperation between Chief Financial Officer and local compliance managers
7. Compliance with our anti-bribery and anti-corruption policy
8. Compliance with our anti-bribery and anti-corruption policy

Measurement of the results

Res 1 to 5: See the section on human rights.

Res 6: To ensure the continued practical implementation of our anti-bribery guidelines, they were updated in 2020 and translated into all national languages of our sites and distributed to all employees together with the Interroll Code of Conduct. Employees have signed the Interroll Code of Conduct, thereby committing to comply with it and with the anti-bribery guidelines. Special in-depth training was also provided at some companies.

Res 7: Overall, there were no reported forms of corruption, extortion or bribery at Interroll or in the supply chain in the reporting year.

SUSTAINABLE DEVELOPMENT GOALS

In addition to its commitment to the UN Global Compact, Interroll is also committed to selected Sustainable Development Goals (SDGs) of the United Nations. Interroll focuses on the following topics, which are presented here as examples:

Interroll promotes the health and well-being of its employees (SDG 3)

Interroll offers its employees the use of sports facilities at some of its sites, for example a fitness center on the company premises in Wermelskirchen, Germany, and an athletics track on the premises of the Interroll plant in Thailand. In addition, the canteen in Wermelskirchen offers meals made from organically grown ingredients. When it comes to occupational safety, Interroll meets the highest standards at all its sites worldwide and regularly monitors compliance. Employees receive appropriate training. This also applies to sites where there is no production. For example, an occupational health and safety management system (OH&S) in accordance with ISO 45001 was set up at Interroll España S.A. in the year under review.

Interroll promotes the training of its employees (SDG 4)

Interroll is already committed to training. In Germany and Switzerland, 29 apprentices worked for Interroll during the reporting period. In addition to the regular courses offered by the Interroll Academy, Interroll supports the further training of employees with customized programs, for example with cooperation partners such as the Fraunhofer Institute or Krauthammer. In the “Culture for Growth” leadership program, over 200 managers have been trained in recent years. Interroll has specifically expanded its cooperation with universities in order to come into contact with young talent in a targeted manner. Accordingly, sponsorships in the area of “knowledge and inspiration” were developed in this direction in 2021, for example at the Fontys Career Day and events at the Interroll Academy. In addition, students took advantage of offers for internships as well as collaboration on bachelor’s degree theses. Interroll also made a positive contribution to knowledge and inspiration in the area of social responsibility. For example, Interroll (Thailand) Co., Ltd. was involved in a cooperation with a local temple as a sponsor for educational opportunities for orphans.

Interroll is committed to fair working conditions (SDG 8)

Employees are Interroll’s most important asset. The company values their contribution and ensures fair working conditions. This includes compliance with working hours and break regulations as well as the offer of social benefits, collectively agreed wages and job security. Where locally appropriate, Interroll also offers company housing.

Interroll helps drive innovation in industry and infrastructure (SDG 9)

We see it as our responsibility to challenge the status quo of our industry and to drive its development as an innovator. Our proximity to customers and their industries, as well as our Innovation Projects and Development Center (IPDC), make a decisive contribution to the further development of our technology platform. In doing so, we network in our Rolling On Interroll partner network, learn from the best including market leaders outside our industry, cooperate with research institutes and engage in industry associations. At the same time, we are inspired by efficiency and characteristics such as precision, reliability and down-to-earthness “Swissness” as part of our self-image.


scanenergi

Klimabevis
VINDenergi + KLIMAtiltag

Interroll-Joki A/S

har omlagt sit el-indkøb til 100% vedvarende og CO2-neutral energi fremstillet ved dansk vindkraft i perioden

fra d. 01.01.2021 til d. 31.12.2026

og valgt at investere direkte i en yderligere reduktion af verdens CO2-udledning i perioden 2021-2022

I denne periode bliver virksomhedens CO2-udledning yderligere udlignet via et projekt i Shimba Hills i det sydlige Kenya. Reduktionen sker 1:1 via investering i nye lerkomfurer, som reducerer udledning af røg og forbrug af træ.

Læs mere på scanenergi.dk

Klimabevis nr.: 5607122

Jens Jacobsen
Adm. direktør

Interroll Joki A/S in Hvidovre, Denmark, has switched its electricity procurement to 100% renewable and CO_2-neutral energy produced by Danish wind power.

The company is "Inspired by Efficiency" and lives this also in the handling of energy. Interroll offers numerous solutions with an energy saving potential of 20% to 50% compared to standard solutions on the market. In a practical test carried out by the independent expert Bureau Veritas in the distribution center of the user Triumph International (Obernai, France), energy saving of 48% compared to conventional systems was confirmed after a retrofit with the Interroll RollerDrive EC5000.

The principle of zero-pressure-accumulation conveying and Interroll's focus on 24-volt/48-volt technology offer high potential to further reduce energy consumption for material flow. Interroll also offers modular solutions for increasing the productivity of existing systems as part of a retrofit.

Interroll is committed to the responsible consumption of materials and goods (SDG 12) and to a conscious approach to the climate (SDG 13)

The Interroll Production System (IPS), introduced in 2006, is based on the Kaizen principle and aims to achieve continuous improvement in efficiency. Thus, waste is avoided and processes are simplified. Production employees are actively involved in the process. In addition, Interroll uses digital technologies to further increase productivity. Paperless production has already been introduced at the Wermelskirchen site and the flow of information in the production area around the orders to be processed has been digitalized. From 2021 onward, the experience gained will be incorporated into a global rollout at other sites.

In the responsible use of energy, a number of measures were taken at Interroll sites in 2021. One example is the Interroll-Joki A/S site in Hvidovre, Denmark, which has obtained 100% of its energy from wind power since 2021.

CORPORATE GOVERNANCE

STATUS ON DECEMBER 31, 2021

1 INTRODUCTION

Basis of the corporate governance report
The corporate governance report 2021 of the Interroll Group refers to the official guideline of the SIX Swiss Exchange regarding information on corporate governance, best practice related to the Minder initiative and on the regulations of the "Swiss Code of Best Practice for Corporate Governance."

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

2 GROUP STRUCTURE AND SHAREHOLDERS

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

Holding company and stock listing
The holding company of the Interroll Group, Interroll Holding AG, is headquartered in Sant'Antonino (Ticino), Switzerland, and is listed on the main board of the SIX Swiss Exchange under the security number 637289. Further notes on the listing can be found in the chapter "Interroll on the capital market" in the Online Report.

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

Significant shareholders
All significant shareholders with a reportable share of the Interroll Group are disclosed in note 3.5 ("Significant shareholders") of the financial statements of Interroll Holding AG. Changes made during the year can be viewed on the SIX Swiss Exchange website under "Significant Shareholders with Interroll."

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

3 CAPITAL STRUCTURE

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

Authorized or conditional capital
There is no authorized or conditional capital.

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

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

Limitations on transferability and nominee rights
Information about limitations on transferability and other nominee rights of the shareholders is disclosed in Chapter 10 ("Shareholders' participation rights") of this corporate governance report of the Interroll Group.

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

4 OPERATIONAL MANAGEMENT STRUCTURE

Functional organizational structure

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

Management structure

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

The Interroll Group has no advisory body.

Board of Directors

ACTIVE CHAIRMAN
Paul Zumbühl

LEAD INDEPENDENT DIRECTOR	AUDIT COMMITTEE	REMUNERATION COMMITTEE	OTHER MEMBERS
Urs Tanner	Stefano Mercorio	Urs Tanner	Ingo Specht
	Susanne Schreiber	Stefano Mercorio	Dr. Elena Cortona
			Markus Asch

Group Management

CHIEF EXECUTIVE OFFICER
Ingo Steinkrüger

CHIEF FINANCIAL OFFICER
Heinz Hössli

SENIOR VICE PRESIDENT CORPORATE MARKETING & PEOPLE DEVELOPMENT
Jens Karolyi

EXECUTIVE VICE PRESIDENT GLOBAL SALES & SOLUTIONS
Maurizio Catino

EXECUTIVE VICE PRESIDENT PRODUCTS & TECHNOLOGY
Jens Strüwing

REGIONS	
Executive Vice President Americas	Richard Keely
Executive Vice President Asia-Pacific	Dr. Ben Xia

Innovation

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

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

Global Centers of Excellence (CoE)

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

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

Worldwide sales and production companies

Regional Centers of Excellence (RCoE)

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

Production companies and local assemblies

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

Sales and service subsidiaries

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

Management of the operational companies

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

EUROPE, MIDDLE EAST AND AFRICA (EMEA)

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

AMERICAS

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

ASIA-PACIFIC

FUNCTION	REGION/COUNTRY	MANAGED BY	COMPANY
RCoE	Asia-Pacific	M. Zhang	Interroll (Suzhou) Co. Ltd., Suzhou (CN)
RCoE	Asia-Pacific	M.K. Lo	Interroll Shenzhen Co. Ltd., Shenzhen (CN)
Sales, service	China	J. Wang	Interroll Holding Management (Shanghai) Co. Ltd. (CN)
Sales, service	South Korea	S. Jeong	Interroll Korea Corp., Seoul (KR)
Sales, service	Japan	U. Yurake	Interroll Japan Co. Ltd., Tokyo (JP)
Sales, installation, service	Thailand	N. Grisorn	Interroll (Thailand) Co. Ltd., Panthong (TH)
Sales, service	Singapore, South East Asia	G.W. Seng	Interroll (Asia) Pte. Ltd., Singapore (SG)
Sales, assembly, service	Australia	P. Cieri	Interroll Australia Pty. Ltd., Melbourne (AU)

5 BOARD OF DIRECTORS

Members of the Board of Directors

Principles of the election procedure, term of office

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

PROFESSIONAL BACKGROUND AND VESTED INTERESTS OF THE BOARD OF DIRECTORS

MARKUS ASCH

(born 1971, German, independent)

Asch has a degree in mechanical engineering (Dipl.-Ing.) of the Esslingen University of Applied Sciences and versatile expertise in the areas of technology and service. Since February 2021, he has been CEO of Rittal International and Chairman of the Management Board. Previously, he had been with Kärcher since 1995 and assumed several management positions there, until he was appointed to the management board in 2007. From 2010, Asch served as vice chairman at the Alfred Kärcher SE & Co. KG with headquarters in Winnenden, Germany (Germany), and since January 2020 as Chief Technology Officer (CTO). He has been a member of the Board of Directors of Interroll Holding AG since 2020.

DR. ELENA CORTONA

(born 1970, Swiss and Italian, independent)

Cortona has versatile expertise in the transformation of market requirements into the development and digitalization of products and work processes. She holds a degree in mechanical engineering from the Technical University of Turin in Italy as well as a doctorate in Mechanical Engineering from the ETH Zurich in Switzerland. Since June 2021, she has been Chief Technology Officer (CTO) and member of the Group Executive Committee of the Belimo Group. Since 2017, she was Senior Vice President Digital Transformation in the CTO Division of the Schindler Group with Headquarters in Ebikon, Switzerland, having already held various management positions in the elevator group since 2001. She has been a member of the Board of Directors since 2019.

STEFANO MERCORIO

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

Mercorio holds a degree in economics and has diverse expertise in corporate law and finance. He is a legal auditor in Italy and founder and senior partner of the studio Castellini Mercorio & Partners. Since 1987, he has been Dottore Commercialista iscritto al “Albo dei Dottori Commercialisti e degli Esperti contabili di Bergamo.” Since 2013, Mercorio has been a member of the Board of Directors of Interroll Holding AG and currently is a member of the Audit Committee and the Remuneration Committee.

SUSANNE SCHREIBER

(born 1974, German, independent)

Schreiber holds the second state law examination in Bavaria and is admitted to practice as a tax advisor in Germany as well as in Switzerland as a lawyer and certified tax expert. She has extensive experience in international mergers and acquisitions (M&A) transactions and international tax law. She joined Bär & Karrer AG in Zurich in 2015 as partner and cohead of the tax department. Previously, she worked for an international law firm in Germany and for KPMG in Zurich, where she headed the Swiss M&A tax department until 2015. Schreiber has been a member of the Board of Directors since 2021 and is currently a member of the Audit Committee.

INGO SPECHT

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

Specht holds a degree in industrial management from the Chamber of Industry and Commerce Cologne, Germany. He has extensive expertise in the areas of production strategy, process digitization and quality management. He was the owner and managing director of Luxis in Locarno, Switzerland, and had various senior positions in the areas of Information Technology (IT), Marketing and Business Development of the Interroll Group. In his current activity, he is the Managing Director of Interroll SA. Specht has been a member of the Board of Directors since 2006.

URS TANNER

(born 1951, Swiss, independent)

Tanner holds an executive master of business administration degree from the University of St. Gallen, AMP Harvard, and has versatile expertise in the areas of corporate strategy and management as well as international copyright law. He was CEO of the Medela Group, Managing Director of the Tools & Plastics division of the Mikron Group and held executive positions at Styner & Bienz AG (Adval Tech). He is currently co-owner of Halcyon Associates Inc. in the United States and a member of the Board of Directors of Neutrik AG. Tanner, a member of the Board of Directors since 2008, was Deputy President from 2009 and from 2016 to 2021 the President of the Board of Directors of Interroll Holding AG. Since 2021, he has been "Lead Independent Director" Member of the Board of Directors and a member of the Remuneration Committee.

PAUL ZUMBÜHL

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

Zumbühl holds a degree in engineering (Dipl-Ing.) from the University of Applied Sciences and Arts in Lucerne, Switzerland. He also holds an MBA degree from the Joint-University Program of the Universities of Boston, Bern and Shanghai and has completed an AMP from the Kellogg Business School of Northwestern University Evanston/Chicago. Furthermore, he holds a degree as a federally certified marketing manager. He has broad expertise in corporate strategy and leadership, innovation, M&A transactions, corporate culture and investor relations. After working for Symalit AG as Sales Manager/Engineer, he held various management positions and was a Managing Director in the Sarna Group. From 1994 to 1999, he was CEO of Mikron Plastics Technology and a member of the Group Management of the Mikron Group. From January 2000 to April 2021, he was CEO of the worldwide Interroll Group. Zumbühl is also Chairman of the Board of Directors of the listed Swiss companies Schlatter Industries AG and Mikron Holding AG. Since May 2021, he has been Chairman of the Board of Directors of Interroll Holding AG in the function of "Active Chairman." The additional function as "Active Chairman" is planned until the Annual General Meeting in May 2023 (see also page 27).

6 INTERNAL ORGANIZATION

Constitution and committees of the Board of Directors

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

Audit Committee

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

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

Remuneration Committee

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

Mode of collaboration of the Board of Directors and its committees

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

The meetings are convened by the Chairman of the Board of Directors. Each member of the Board of Directors may demand that a meeting be convened, specifying the item on the agenda to be discussed. The CEO participates in the meetings of the Board of Directors. Members of Group Management and other members of management may participate in meetings as required.

The Board of Directors is deemed quorate if an absolute majority of its members is present in person. Resolutions are adopted on the basis of an absolute majority of votes present. If votes are tied, the Chairman's vote counts double. All resolutions of the Board of Directors are recorded in the minutes. The meetings usually take a full day.

Meetings of the Audit Committee and the Remuneration Committee are convened as required and can be called by any member. In fiscal 2021, the Board of Directors met seven times, the Audit Committee five times, and the Remuneration Committee twice for regularly scheduled meetings. All required members were present for all meetings in the reporting year.

7 AUTHORITY REGULATIONS

Statutory base for authority regulations

All basic competences and tasks of the governing bodies are defined in the Articles of Incorporation of Interroll Holding AG. The Articles of Incorporation also define responsibilities that cannot be delegated to third parties.

Responsibility of the Board of Directors

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

Management and organizational regulations

Under the organizational regulations, the Board of Directors has delegated the management of ongoing business to the Chief Executive Officer (CEO). The CEO is responsible for the overall management of the Interroll Group and for all matters that do not fall under the purview of another governing body as specified by law, the Articles of Incorporation or the organizational regulations. In particular, the CEO is responsible for the operational management of the company as a whole. Competencies and controls are specified within a set of organizational regulations.

Active Chairman of the Board of Directors

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

His tasks are:

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

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

8 INFORMATION AND CONTROL INSTRUMENTS

Reporting to the Board of Directors

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

Management Information System

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

Internal audit and control instruments

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

Extraordinary occurrences and decisions of material importance, as specified in the organizational regulations, are immediately brought to the attention of the Board of Directors in writing.

9 GROUP MANAGEMENT

Group Management of the Interroll Group consisted of the following members as of the end of 2021:

NAME / YEAR OF BIRTH	NATIONALITY	FUNCTION	MEMBER SINCE
Ingo Steinkrüger (1972)	German	Chief Executive Officer (CEO)	May 2021
Heinz Hössli (1969)	Swiss	Chief Financial Officer (CFO)	April 2020
Jens Strüwing (1969)	German	Executive Vice President Products & Technology	November 2018
Maurizio Catino (1976)	Italian	Executive Vice President Global Sales & Solutions	July 2020
Jens Karolyi (1970)	German	Senior Vice President Corporate Marketing & People Development	January 2011
Richard Keely (1972)	American	Executive Vice President Operations Americas	March 2018
Dr. Ben Xia (1966)	Chinese	Executive Vice President Operations Asia	June 2013

10 SHAREHOLDERS' PARTICIPATION RIGHTS

Representation and restriction of voting rights

Rights governing shareholder participation are in accordance with the requirements specified in the Swiss Code of Obligations. Each share has one vote. A shareholder's voting rights are restricted to a maximum of 5% of the total number of votes. Individual nominees are, however, entitled to exercise more than 5% of the total number of votes if they disclose the identity of the beneficiaries they represent and if the respective beneficiaries as a whole do not exercise more than 5% of the voting rights. This restriction of voting rights does not apply to the founding families, insofar as the individual families hold at least 10% of the share capital.

Registered shares of nominees that exceed 2% of the shares outstanding are only listed in the share register as shares furnished with voting rights if the nominee has provided written consent to the possible disclosure of names, addresses and shareholdings of those persons for whom the said nominee holds 0.5% or more of the shares outstanding.

Statutory quorum

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

Convocation of the Annual General Meeting

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

Agenda and registration in the share register

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

11 CHANGE IN CONTROL AND DEFENSIVE MEASURES

Obligation to make an offer

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

Change in control clauses

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

12 AUDITOR

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

By decision of the Annual General Meeting of May 7, 2021, Interroll Holding AG has appointed PricewaterhouseCoopers (PwC) as auditors for another term of one year as its auditing company. PwC has been the Group Auditor of the Interroll Group since 2011. Patrick Balkanyi was the lead auditor with audit responsibility from 2012 to 2019, with Gerhard Siegrist assuming this responsibility since the 2019 financial year.

Audit fees

The audit fees charged by PwC for the audit of fiscal year 2021 amounted to CHF 0.6 million. The audit fees charged by PwC in 2020 amounted to CHF 0.5 million. In both the 2021 financial year and the previous year, PwC charged CHF 0.0 million for consultancy services.

Supervisory and control instruments pertaining to the audit

The Audit Committee is responsible for evaluating the external audit. The external auditors prepare an audit report to be submitted to the Board of Directors. At least two consultations are held each year between the external auditors and the Audit Committee. Material findings for each entity as well as for the consolidated accounts are presented in the "Detailed report to the Audit Committee and to the Board of Directors for the year ended December 31, 2021" that is discussed in detail.

13 INFORMATION POLICY

Contact

Interroll is committed to providing swift, transparent and synchronous information to all stakeholders. To ensure this, the Group CEO and the Group CFO are available as direct contacts.

Reports on the course of business

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

Source of information

Further relevant information and financial reports are available at www.interroll.com/investor-relations/reports-and-publications. Half-yearly and annual reports can also be downloaded from www.interroll.com as PDF documents. Since 2021, Interroll also offers online versions of its reports at www.interroll.com/annual-report. Shareholders recorded in the share register may request the Annual Report in printed form and register for automatic delivery of the Annual Report with the Investor Relations department.

14 TRADING BLACKOUT PERIODS (GENERAL BLACKOUT PERIODS)

As deadlines for the trading blackout periods (general blackout periods), the period from Friday, January 8, up to and including Thursday, March 18, 2021, as well as July 6 up to and including Friday, July 30, 2021, were communicated to the addressees via e-mail. In this context, the addressees were also informed that insider information must be treated as strictly confidential and must not be disclosed to non-insiders (including family members), either inside or outside Interroll. It was also pointed out that trading recommendations are not permitted and that non-insiders who act on the basis of insider information (“tipsters”) may be subject to criminal prosecution.

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

REMUNERATION REPORT

The remuneration report provides information about the principles of Interroll's remuneration policy, the management process, and the remuneration of the Board of Directors and Group Management. It complies with the requirements of the Articles 14 to 16 of the Swiss Ordinance against Excessive Compensation in Listed Companies Limited by Shares (VegüV) of November 20, 2013, the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and the principles of the Swiss Code of Best Practice for Corporate Governance issued by economiesuisse, which entered into force on August 28, 2014. Further improvements were made to this remuneration report for 2021 in terms of transparency and readability. The aim is to ensure the best possible transparency for the reader.

BASIC PRINCIPLES OF REMUNERATION

A fair and transparent remuneration system is designed to contribute to the long-term development and success of the Interroll Group as a business. The remuneration system in place at the Interroll Group is in line with the corporate strategy and is geared toward appropriately rewarding the achievement of both short-term and long-term goals targets. Interroll is committed to recruiting, developing, and retaining the most talented people in its particular field and industry.

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

– The members of the Board of Directors receive a fixed cash remuneration only. This ensures the independence of the board in its supervision of the Group Management.
– The ratio between fixed and variable remuneration of the members of the Group Management shall be reasonable and balanced. In particular, in order to ensure the continued success of the company, the risk appetite of the individual should not be influenced contrary to the medium and long-term interests of the company.
– Both the responsibility, the concrete individual contribution to the success of the company and the individual burden of the respective function must be duly taken into account in the compensation, also with regard to the competitiveness of the remuneration.
– Share plans, which form part of the Group Management's remuneration, are aimed at rewarding the achievement of long-term Group objectives in the interest of the shareholders and fostering long-term corporate performance.
– The Board of Directors is responsible for defining the principles of the Group's remuneration policy and management process and is supported by the Remuneration Committee in this respect. The Board of Directors decides on the total remuneration for both, the Board of Directors and Group Management and presents a proposal for approval to the Annual General Meeting.

On behalf of the Board of Directors, the Remuneration Committee prepares all proposals and the basis for remuneration decisions regarding the remuneration for both, the Board of Directors and the Group Management, pursuant to the Articles of Incorporation, Article 23bis (Remuneration Committee). Its key duties are as follows::

– Propose and regularly review the Interroll Group's remuneration policy.
– Propose and develop remuneration regulations for the Board of Directors and the Group Management.
– Propose and specify the remuneration principles for the following financial year.
– Propose and specify the remuneration principles for the following financial year.
– Propose the remuneration for members of the Board of Directors.
– Propose the remuneration of the CEO and, at the CEO's request, the remuneration of the other members of the Group Managements.
– Propose employment terms and conditions and material amendments to existing contracts of employment of Group Management and make proposals regarding other strategic Human Resources (HR) decisions.

At the Annual General Meeting of Interroll Holding AG on May 13, 2022, the Board of Directors will propose for approval the maximum possible total remuneration of the Board of Directors for the period up to the Annual General Meeting 2023 and the maximum possible total remuneration of the Group Management for the financial year 2022. The voting rules governing the authorization of the Board of Directors and Group Management are included in the Articles of Incorporation, under Article 12bis Remuneration of the Board of Directors and the Group Management.

The Articles of Incorporation can be found on the website at www.interroll.com/en/investoren/corporate-governance.

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

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

REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration model and the determination of remuneration

Remuneration paid to members of the Board of Directors is fixed, commensurate with members' responsibilities and paid in cash or shares and no variable component.

In this way, Interroll ensures the independence of the Board of Directors in its supervision of the Group Management. The remuneration depends on the workload and responsibilities of the Board of Directors

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

Every year, the Board of Directors determines the fixed remuneration of the members of the Board of Directors of Interroll Holding AG for the period until the next Annual General Meeting of Interroll Holding AG on the basis of the Articles of Incorporation under Article 22bis, Total Remuneration of the Board of Directors and the Management, the remuneration regulations dated March 15, 2014 and, at the request of the Remuneration Committee, subject to approval by the Annual General Meeting. All social security contributions are paid by the employer.

Fixed-term contracts of employment and mandate agreements with members of the Board of Directors may be for a fixed contractual term of up to one year.

Total remuneration for the 2021 term of office (audited)

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

in CHF thousands		Cash	Shares/ options	Social security*	Other benefits	Total remu- neration	Shares held as of 31.12.	Voting rights in %
Paul Zumbühl								
2021	AP	692				**692**	22,565	2.91
2020		–		–		**–**	22,453	2.80
Urs Tanner								
2021	LD, RC	135		15		**150**	35	0.00
2020	P, RC	270		35		**305**	35	0.00
Paolo Bottini								
2021		–	–			**–**	25	0.00
2020	VP, AC	135		21		**156**	20	0.00
Elena Cortona								
2021		90		15		**105**	15	0.00
2020		90		15		**105**	15	0.00
Stefano Mercorio								
2021	RC, AC	110		23		**133**	–	0.00
2020	RC, AC	110		23		**133**	–	0.00
Ingo Specht								
2021		90		15		**105**	53,000	6.82
2020		90		15		**105**	56,417	7.03
Markus Asch								
2021		90		15		**105**	–	0.00
2020		90		15		**105**	–	0.00
Susanne Schreiber								
2021	AC	100		16		**116**	–	0.00
2020		–		–		**–**	–	0.00
Total Board of Directors								
2021		**1,307**	**–**	**99**	**–**	**1,406**	**75,615**	**9.73**
2020		**785**	**–**	**124**	**–**	**909**	**78,940**	**9.83**

AP: Active Chairman of the BoD; P: Chairman of the BoD; LD: Lead Independent Director; AC: Audit Committee; VP: Vice Chairman of the BoD; RC: Remuneration Committee.
* Social security costs consist of employer and employee contributions to OASI/IV.

2020 = term of office from AGM 2020 to AGM 2021; 2021 = term of office from AGM 2021 to AGM 2022

The Board of Directors has no stock options for shares in Interroll Holding AG.

Valuation of total remuneration for the 2021 term

The remuneration of CHF 1,406,000 (previous year CHF 909,000) of the Board of Directors from the Annual General Meeting 2021 to the Annual General Meeting 2022 includes the higher fee of the Chairman of the Board of Directors for the first year (of a total of two years) with his additional duties as "Active Chairman" as well as the fee of the additional member of the Board of Directors and is below the total amount of CHF 1,550,000 approved at Annual General Meeting 2021. For further explanations, see under: Outlook for total remuneration for the 2022 and the 2023 terms.

Outlook for total remuneration for the 2022 and the 2023 terms

At the Annual General Meeting on May 13, 2022, the Board of Directors proposes a maximum remuneration of CHF 1,400,000 for the term until the next Annual General Meeting 2023 (previous year: CHF 1,550,000). The new Chairman of the Board of Directors is to perform his role as "Active Chairman" for two years (term of office Annual General Meeting 2021 to Annual General Meeting 2023) and will receive a correspondingly increased fee during this period. His duties are described in detail in the corporate governance report page 27 (item 7. Authority regulations). From the term of office 2023 (AGM 2023 to AGM 2024), the Chairman of the Board of Directors will perform his duties without the additional tasks as

"Active Chairman," so that his fee will be reduced to a regular level of approximately half.

The cumulative maximum remuneration of the Board of Directors and the Group Management proposed to the Annual General Meeting in May 2022 will decrease by a total of CHF 550,000 compared to the previous year.

Other remuneration (audited) and further information

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

Severance payments to members of the Board of Directors is not permitted; any remuneration due to the end of the contractual term does not constitute severance pay.

Members of the Board of Directors do not receive any flat-rate compensation for business expenses apart from the reimbursement of travel expenses actually incurred.

Loans and credits (audited)

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

Interroll Holding AG and its subsidiaries did not grant any loans or advances to members of the Board of Directors in the reporting years 2021 and 2020.

REMUNERATION OF GROUP MANAGEMENT

Remuneration model and the determination of total remuneration

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

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

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

The Interroll Group consults external consultants on a case-by-case basis when structuring and determining remuneration. For new appointments to the Group Management in 2017–2021, market comparisons for top executive positions were carried out with the respective recruiting consultants on the occasion of the personnel search in Europe and the Americas and

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

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

consulted for the determination of remuneration. In addition, comparisons were made using detailed Kienbaum and Mercer salary studies for top managers for the years 2020–2021. The reference group was primarily comparable companies in the manufacturing industry or production. In principle, such comparisons are based on a median positioning and adjustments are made where necessary.

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

On the basis of the approved Articles of Incorporation under Article 22bis Total Remuneration of the Board of Directors and the Group Management, the remuneration regulations of March 15, 2014 and the Remuneration Committee's request, the Board of Directors sets the total remuneration of the Group Management every year, subject to approval by the Annual General Meeting as of 2015.

The total remuneration of the CEO is determined by the Remuneration Committee. The total remuneration of the other members of the Group Management is determined by the CEO and submitted annually to the Remuneration Committee for approval by the Board of Directors. On the occasion of the Annual General Meeting of Interroll Holding AG on May 13, 2022, the Board of Directors will submit the maximum possible total remuneration of the Group Management for the financial year 2022 for approval.

Fixed remuneration

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

Variable remuneration (Short-Term Incentive, STI)

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

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

The calculation basis of the variable remuneration (STI) includes the measurable sustainable financial success (of the company or a part thereof) and annual individual targets, which must be measurable and of considerable strategic significance. The weighting of the *financial success* component in the variable remuneration amounts to at least 75% of the variable compensation (STI) in the case of the CEO and the operational management functions, and at least 50% in the case of central holding functions.

"Financial success" component of variable remuneration (STI):

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

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

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

[1] Executive Vice President (EVP): operational management role
[2] Corporate Vice President (CVP): centralized role within the holding company (Corp. Finance, Corp. Marketing)
[3] Max. theoretical value for cap, not intended to be an achievable target

increasing/decreasing the resulting remuneration amount through the achievement of financial performance parameters compared to a predefined benchmark set for three years. This benchmark includes two views: on the one hand the relative positioning compared to companies with solid market positioning, and comparable size within a relevant industry (material handling in Europe and the United States), and on the other hand own ambitious financial midterm performance targets.

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

The table below is intended to illustrate the performance measurement:

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

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

"Individual targets" component of variable remuneration (STI):
For the *individual targets* component, three to a maximum of five individual and measurable targets are agreed every year, with either the same or different weighting. These targets must make an important contribution to the current or long-term success of the Group or parts thereof. They also include sustainability targets such as reduction of CO_2 emissions and other targets in accordance with environmental, social, and governance (ESG) requirements. The annual targets in accordance with the ESG sustainability requirements to be adopted by the Board of Directors will amount to approximately 30% to 50% of the individual targets from the 2022 financial year onward. For the Group Management, the Board of Directors sets overall targets for the CEO, who in turn agrees individual targets derived from these with the members of the Group Management.

Individual goals include, for example:
- Developing and launching new products
- Gaining market share
- Tapping new markets and customer segments
- Successfully integrating an acquired company
- Successful strategic projects
- Achieving inventory reduction targets, etc.
- Reducing harmful emissions in accordance with targets
- Concrete employee development programs according to targets, which include qualification and further training within the framework of long-term oriented organizational and personnel development

The multiyear plan basis of variable remuneration (rather than the annual budget) motivates the Group Management to think longer term, measures relative continuous improvement to prior year periods or to the aforementioned three-year fixed benchmark, and prevents short-term cost cutting in the areas of market development and innovation, etc.

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

Long-term incentive (LTI)
Pursuant to Article 22^{bis} (Total Remuneration of the Board of Directors and the Group Management) of the Articles of Incorporation, shares with multiyear vesting periods may be allotted to the Group Management as part of total remuneration.

Based on their commitment and influence, the Group Management members are to participate long-term in the Group's increased value, also share the business risk as shareholders (and equity co-investors) and as well as identify with Interroll's values.

The share plan for the rest of Group Management:
The share plan for the Group Management was introduced as a long-term remuneration component with the restructuring of the Group in 2011. Members of the Group Management receive a number of shares as a long-term component of the variable remuneration. The shares received must account for at least 20% and no more than 100% of the variable remuneration. Each member of the Group Management must reach a decision regarding the individual share no later than December 15 of the current financial year at the latest, otherwise 20% will be allocated. These vest over four years.

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

Total remuneration for 2021 (audited)
The remuneration of the members of the Group Management is disclosed in accordance with Articles 14 to 16 of the Federal Council Ordinance against Excessive Compensation in Listed Stock Corporations of November 20, 2013 (VegüV), the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse, which entered into force on August 28, 2014, are disclosed as follows:

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

- Compensation for company cars under IFRS is based on the expenses including depreciation and lease installments. Under Swiss Code of Obligations, 0.8% per month of the acquisition cost of the vehicles is used.
- Under IFRS, share-based remuneration is determined at value at the allotment date. Under Swiss Code of Obligations, shares are valued at their taxable value, which is derived from the market value. As a result of the vesting period granted, the taxable value decreases compared with the market value according to the vesting period defined.
- The difference of CHF 0.255 million (previous year: CHF 0.486 million) related to company cars – CHF 0.015 million (previous year: CHF 0.025 million) and share-based payments – CHF 0.240 million (previous year: CHF 0.461 million).

Valuation of total remuneration for the financial year 2021
Due to the financial and individual targets achieved, the total remuneration paid to the Group Management in the past year was CHF 4.38 million, lower than in the previous year (CHF 5.38 million) and significantly lower than the maximum total remuneration of CHF 5.2 million approved at the Annual General Meeting 2021.

	Remuneration (net)		Share-based compensation				
in CHF thousands	Fixed	Variable[1]	Shares[2]	Options	Social security[3]	Other benefits	**Total remuneration**
CEO (highest)							
2021 (01-04)	354	158	160	0	287	22	**981**
2021 (05-12)	319	107	26	0	135	21	**608**
2020	703	917	435	0	573	44	**2,672**
Other members							
2021	1,458	358	431	0	412	129	**2,788**
2020	1,583	203	488	0	308	126	**2,708**
Total Group Management							
2021	**2,131**	**623**	**617**	**0**	**834**	**172**	**4,377**
2020	**2,286**	**1,120**	**923**	**0**	**881**	**170**	**5,380**

1) The difference between provisions made in the previous year and the actually paid-out bonuses is netted with the variable compensation planned for the year under review.
2) In the year under review, a total of 326 treasury shares were granted to senior executives as part of their bonus plans (2020: 739 shares) with a four-to ten-year sales restriction (from the date of the allotment).
The share-based compensation corresponds to the tax value.
3) Social security costs consist of employer and employee contributions to OASI/IV and pension scheme.

The total remuneration paid to the Group Management in 2021 was 95% (previous year: 107%) of the *total plan remuneration* based on the calculated target achievement in accordance with the calculation methodology described.

The variable remuneration for the Group Management was 33% (previous year 59%) of the fixed remuneration at a plan value of 39% or 25% (previous year 34%) of the total remuneration at a plan value of 28%.

Outlook for total remuneration for the fiscal year 2022

The maximum possible total remuneration 2022 submitted to the Annual General Meeting of May 13, 2022 for approval decreases to CHF 4.8 million compared to the previous year (CHF 5.2 million), mainly due to the CEO change. As in previous years, it includes a reserve for contingencies and currency fluctuations and assumes that the targets will be substantially exceeded. The total remuneration actually paid out is generally lower than the maximum approved at the Annual General Meeting because the amount of the variable remuneration 2022 and its payment are based on the targets actually achieved in 2022. The fixed remuneration 2022 was adjusted for one member of the Group Management compared to the previous year.

Other remuneration (audited) and further information

The regulations on expenses and pensions are specified in the applicable local employment terms and conditions as well as the relevant statutory and prevailing market conditions in the countries concerned, in particular Germany, the United States, China and Switzerland, and are compliant with Article 22bis (Total Remuneration of the Board of Directors and the Management) of the Articles of Incorporation. Apart from the total Group Management remuneration presented in the table, members of Group Management only receive compensation for travel costs actually incurred, upon presentation of the receipts and in accordance with the expense policy. Any flat-rate expenses paid form part of the remuneration and are thus included in the total remuneration table.

In Switzerland, the member of the Group Management contributes one-third of the savings portion of the pension fund, while the employer pays the remainder.

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

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

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

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

Loans and credits (audited)

The terms and conditions governing any loans granted to members of the Group Management are defined in the Articles of Incorporation under Article 22bis (Total Remuneration of the Board of Directors and the Management).

Interroll Holding AG and its subsidiaries did not grant any loans or advances to member of the Group Management in either of the reporting years 2020 and 2021.

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

We have audited the remuneration report of Interroll Holding AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled "audited" on pages 34, 35, 38 and page 39 of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

Opinion

In our opinion, the remuneration report of Interroll Holding AG for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Gerhard Siegrist Audit expert Auditor in charge	Regina Spälti Audit expert

Zurich, March 17, 2022

FINANCIAL REPORT OF THE INTERROLL GROUP

1 CONSOLIDATED FINANCIAL STATEMENTS OF INTERROLL

1.1 Consolidated balance sheet

in CHF thousands	see notes*	31.12.2021	in %	31.12.2020	in %
ASSETS					
Property, plant and equipment	6.1	187,336		165,231	
Intangible assets	6.3	25,521		23,744	
Financial assets		734		751	
Deferred tax assets	7.6	8,776		8,421	
Total non-current assets		**222,367**	**41.3**	**198,147**	**42.3**
Inventories	6.5	129,412		62,586	
Current tax assets		3,587		1,855	
Trade and other accounts receivable	6.6	114,682		107,942	
Cash and cash equivalents	6.7	68,496		98,312	
Total current assets		**316,177**	**58.7**	**270,695**	**57.7**
Total assets		**538,544**	**100.0**	**468,842**	**100.0**
EQUITY AND LIABILITIES					
Share capital		854		854	
Share premium		8,904		8,660	
Reserve for own shares		–78,208		–56,352	
Translation reserve		–80,595		–74,009	
Retained earnings		494,473		432,837	
Total equity	6.10	**345,428**	**64.1**	**311,990**	**66.5**
Financial liabilities	6.12	5,042		5,794	
Deferred tax liabilities	7.6	1,780		1,723	
Pension liabilities	6.14	6,606		9,462	
Provisions	6.13	10,064		9,550	
Total non-current liabilities		**23,492**	**4.4**	**26,529**	**5.7**
Financial liabilities	6.12	17,360		297	
Current tax liabilities	7.6	18,950		19,411	
Advances received from customers	6.15	48,060		41,918	
Trade and other accounts payable	6.15	85,254		68,697	
Total current liabilities		**169,624**	**31.5**	**130,323**	**27.8**
Total liabilities		**193,116**	**35.9**	**156,852**	**33.5**
Total liability and shareholder's equity		**538,544**	**100.0**	**468,842**	**100.0**

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

1.2 Consolidated income statement

in CHF thousands	see notes*	2021	in %	2020	in %
Sales	5	**640,063**	**100.0**	**530,629**	**100.0**
Material expenses		–289,296	–45.2	–209,783	–39.5
Personnel expenses	6.14 & 7.1	–165,957	–25.9	–138,910	–26.2
Increase/(decrease) in work in progress, finished products and own goods capitalized		13,285	2.1	105	
Other operating expenses	7.3	–78,857	–12.3	–71,483	–13.5
Other operating income	7.4	3,242	0.5	4,855	0.9
Operating result before depreciation and amortization (EBITDA)		**122,480**	**19.1**	**115,413**	**21.7**
Depreciation	6.1	–19,983	–3.1	–17,966	–3.4
Amortization	6.3	–3,159	–0.5	–3,374	–0.6
Operating result (EBIT)		**99,338**	**15.5**	**94,073**	**17.7**
Finance expenses		–1,083	–0.1	–1,978	–0.4
Finance income		1,016	0.1	543	0.1
Finance result, net	7.5	**–67**	**–0.0**	**–1,435**	**–0.3**
Result before income taxes		**99,271**	**15.5**	**92,638**	**17.5**
Income tax expense	7.6	–18,671	–2.9	–20,896	–4.0
Result		**80,600**	**12.6**	**71,742**	**13.5**
Result attributable to:					
– non-controlling interests		–		–	
– owners of Interroll Holding AG		**80,600**	12.6	**71,742**	13.5
Values per share (in CHF)					
Non-diluted earnings (result) per share	6.11	98.08		85.97	
Diluted earnings (result) per share	6.11	98.08		85.97	
dividend payment		27.00		22.50	

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

1.3 Consolidated statement of comprehensive income

in CHF thousands	see notes*	2021	in %	2020	in %
Result		**80,600**		**71,742**	
Other comprehensive income		–		–	
Items that will not be reclassified to income statement		–		–	
Remeasurement of pension liabilities	6.14	4,111		–3,876	
Income tax		–808		786	
Total items that will not be reclassified to income statement		**3,303**		**–3,090**	
Items that in the future may be reclassified subsequently to income statement					
Currency translation differences		–6,586		–12,422	
Income taxes		–		–	
Total items that in the future may be reclassified subsequently to income statement		**–6,586**		**–12,422**	
Other income		**–3,283**		**–15,512**	
Comprehensive income		**77,317**		**56,230**	
Result attributable to:					
– non-controlling interests		–		–	
– owners of Interroll Holding AG		77,317	12.1	56,230	10.6

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

1.4 Consolidated statement of cash flows

in CHF thousands	see notes*	2021	2020
Result		**80,600**	**71,742**
Depreciation, amortization and impairment	6.1 & 6.3	23,142	21,340
Loss/(gain) on disposal of tangible and intangible assets	7.3 & 7.4	–343	909
Financial result, net	7.5	67	1,434
Income tax expense	7.6	18,671	20,896
Changes in inventories		–69,071	937
Changes in trade and other accounts receivable		–9,363	–4,560
Changes in trade and other accounts payable		23,207	31,771
Changes in provisions, net	6.13	–2,240	1,704
Income tax paid		–21,869	–20,322
Personnel expenses on share-based payments	7.1	890	1,388
Other non-cash expenses/(income)		3,600	–4,296
Cash flow from operating activities		**47,291**	**122,943**
Acquisition of property, plant and equipment	6.1	–46,552	–47,962
Acquisition of intangible assets	6.3	–4,589	–3,350
Acquisition of financial assets		–31	–59
Proceeds from disposal of property, plant and equipment	6.1 & 6.1.1 & 6.3	2,386	1,825
Settlement of loans receivable		34	47
Acquisition of subsidiaries, net of cash acquired	4	12	–
Interest received		675	540
Cash flow from investing activities		**–48,065**	**–48,959**
Dividends paid	1.5	–22,267	–18,835
Purchase of treasury shares		–22,501	–30,814
Proceeds from financial liabilities		18,012	–
Repayment of financial liabilities		–2,741	–4,597
Interest paid		–274	–276
Cash flow from financing activities		**–29,771**	**–54,522**
Translation adjustments on cash and cash equivalents		729	–4,929
Change in cash and cash equivalents		**–29,816**	**14,533**
Cash and cash equivalents at January 1		98,312	83,779
Cash and cash equivalents at December 31	6.7	**68,496**	**98,312**

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

1.5 Consolidated statement of changes in equity

in CHF thousands	see notes*	Share capital	Share premium	Reserve for treasury shares	Translation reserve	Retained earnings	**Total equity**
Balance at January 1, 2020		**854**	**8,479**	**–26,745**	**–61,587**	**383,019**	**304,020**
Result						**71,742**	**71,742**
Other comprehensive income, net of taxes		**–**	**–**	**–**	**–12,422**	**–3,090**	**–15,512**
Total comprehensive income		**–**	**–**	**–**	**–12,422**	**68,652**	**56,230**
Dividend payment, net		**–**	–	–	–	–18,835	**–18,835**
Share-based payments	7.1	–	181	1,207	–	–	**1,388**
Purchase of treasury shares	6.10	–	–	–30,814	–	–	**–30,814**
Balance at December 31, 2020		**854**	**8,660**	**–56,352**	**–74,009**	**432,837**	**311,990**
Balance at January 1, 2021		**854**	**8,660**	**–56,352**	**–74,009**	**432,837**	**311,990**
Result						**80,600**	**80,600**
Other comprehensive income, net of taxes		**–**	**–**	**–**	**–6,586**	**3,303**	**–3,283**
Total comprehensive income		**–**	**–**	**–**	**–6,586**	**83,903**	**77,317**
Dividend payment, net		–	–	–	–	–22,267	**–22,267**
Share-based payments	7.1	–	244	645	–	–	**889**
Purchase of treasury shares	6.10	–	–	–22,501	–	–	**–22,501**
Balance at December 31, 2021		**854**	**8,904**	**–78,208**	**–80,595**	**494,473**	**345,428**

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

2 GENERAL INFORMATION ON THE FINANCIAL STATEMENTS

General notes on the convention of preparation

The 2021 consolidated financial statements of the Interroll Group are based on the annual financial statements of Interroll Holding AG, Sant'Antonino, and its subsidiaries as of December 31, 2021, drawn up according to uniform Group accounting principles. The consolidated financial statements present a true and fair view of the financial position, results of operations and cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

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

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

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

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

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

The Group prepares its Annual Report in accordance with IAS/IFRS, To that end, the Group regularly assesses the effects of adjustments and renewals communicated by the International Accounting Standards Board (IASB). In the year under review, the adoption of new or revised standards and interpretations effective for annual period beginning on or after January 1, 2021, had no significant impact on the consolidated financial statements.

Future changes and amendments to IAS/IFRS standards and interpretations

New and revised standards and interpretations have been adopted by the IASB. However, these will not be applied until January 1, 2022, or later and have not been applied early in these consolidated financial statements. The impact of the introduction/amendment of those standards and interpretations is considered to be rather insignificant.

2.2 Critical accounting estimates and judgements

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

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

a) Income tax

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

b) Recoverable amount of goodwill, patents and licenses

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

c) Provisions

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

2.3 Retained general accounting principles

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

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

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

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

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

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

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

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

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

	Income statement (average rates)			Balance sheet (year-end rates)		
	2021	**2020**	Change in %	**31.12.2021**	**31.12.2020**	Change in %
1 EUR	1.080	1.071	0.8	1.033	1.080	–4.4
1 USD	0.914	0.935	–2.2	0.912	0.880	3.6
1 CAD	0.730	0.697	4.7	0.718	0.691	3.9
1 GBP	1.258	1.205	4.4	1.230	1.202	2.3
1 SGD	0.681	0.679	0.3	0.676	0.666	1.5
1 CNY	0.142	0.136	4.6	0.144	0.135	6.7
1 JPY	0.008	0.009	–5.7	0.008	0.009	–7.1

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

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

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

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

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

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

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

a) effects of transactions of a non-cash nature;

b) deferrals or accruals of past or future operating cash receipts or payments;

c) items of income or expense associated with investments or financing transactions.

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

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

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

Derivative financial instruments
Derivative financial instruments are stated at fair value.

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

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

2.4 Retained accounting principles: balance sheet items

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

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

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

Land is not depreciated.

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

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

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

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

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

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

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

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

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

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

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

Shareholders' equity
Shareholders' equity is categorized as follows:

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

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

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

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

e) Retained earnings
Retained earnings contain undistributed profits.

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

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

2.5 Retained accounting principles: income statement

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

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

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

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

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

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

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

3 RISK MANAGEMENT

3.1 Operational and strategic risk management

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

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

3.2 Financial risk management

General information on the financial risk management of the Interroll Group

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

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

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

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

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

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

Market risk

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

a) Currency risk exposure

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

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

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

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

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

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

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

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

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

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

3.3 Capital risk management

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

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

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

in CHF millions, if not noted otherwise	2021	2020
Total assets	538.5	468.8
Net financial assets	46.1	92.2
– Cash	68.5	98.3
– Finance liabilities (bank + leasing)	–22.4	–6.1
Operating cash flow	47.3	122.9
Equity	345.4	312.0
Equity ratio (equity in % of assets)	**64.1**	**66.5**
Result	80.6	71.7
Return on equity (in %)	**24.5**	**23.3**
Non-diluted earnings per share (in CHF)	98.08	85.97
Distribution per share (in CHF)	31.00	27.00
Payout ratio (in %)	**31.6**	**31.4**

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

4 CHANGES IN THE SCOPE OF CONSOLIDATION

Changes in financial year 2021

Acquisitions/divestitures
As per January 13, 2021, Interroll Holding AG in Switzerland acquired the business activities of MITmacher GmbH in Linz (Austria) and integrated it in the newly founded entity "Interroll Software & Electronics GmbH." The fair market value of the net assets amounted to EUR 0.4m. Thereof EUR 0.4m were paid off directly.

in CHF thousands	2021	2020
	Fair value	Fair value
Property, plant and equipment	25	–
Intangible assets (customer value)	8	–
Acquired goodwill	393	–
Other receivables	138	–
Trade receivables	40	–
Cash & cash equivalents	442	–
Total assets	**1,046**	**–**
Financial liabilities	101	–
Trade and other short-term accounts payables	429	–
Current tax liabilities	86	–
Total liabilities	**615**	**–**
Total acquisition costs	**431**	**–**

in CHF thousands	2021	2020
Cash settlement of acquisition	431	–
./. Purchase price retention	-442	–
Net cash flow in acquisition	**-11**	**–**

Changes in financial year 2020
In 2020, no acquisitions or divestitures were carried out.

5 SEGMENT REPORTING

Sales and non-current assets by geographical markets

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

	Sales				Non-current assets			
in CHF thousands	**2021**	in %	**2020**	in %	**2021**	in %	**2020**	in %
Germany	62,686	9.8	62,079	11.7	111,387	52.3	98,060	51.9
Other EMEA*	271,698	42.4	224,899	42.4	37,246	17.5	36,192	19.1
Total EMEA*	**334,384**	**52.2**	**286,978**	**54.1**	**148,633**	**69.8**	**134,252**	**71.0**
USA	182,703	28.5	129,814	24.5	34,172	16.1	34,434	18.2
Other Americas	30,098	4.7	28,321	5.3	1,474	0.7	1,491	0.8
Total Americas	**212,801**	**33.2**	**158,135**	**29.8**	**35,646**	**16.7**	**35,925**	**19.0**
China	43,998	6.9	40,223	7.6	20,705	9.7	9,978	5.3
Other Asia-Pacific	48,881	7.6	45,293	8.5	7,874	3.7	8,820	4.7
Total Asia-Pacific	**92,879**	**14.5**	**85,516**	**16.1**	**28,579**	**13.4**	**18,798**	**10.0**
Total Group	**640,063**	**100.0**	**530,629**	**100.0**	**212,858**	**100.0**	**188,975**	**100.0**

* Europe, Middle East, Africa

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

Information about major customers

Sales are transacted with around 19,000 active customers. No customer accounts for more than 10% of Group sales.

Sales by product group

Sales broken down by product group:

in CHF thousands	**2021**	in %	**2020**	in %
Rollers	134,586	21.0	105,992	20.0
Drives	191,636	29.9	156,519	29.5
Conveyors & Sorters	254,035	39.7	221,521	41.7
Pallet Handling	59,806	9.3	46,597	8.8
Total Group	**640,063**	**100.0**	**530,629**	**100.0**

Timing of revenue recognition

All order types are recorded as revenue at one point in time. Most of the service business consists of ad hoc orders; for instance, overhaul of drum motors. Such services are charged to the customer based on an hourly rate and are invoiced at a point in time.

6 NOTES TO THE CONSOLIDATED BALANCE SHEET

6.1 Property, plant & equipment

Movements of property plant & equipment

	Land & building		Production equipment & machinery		Office equipment & motor vehicles		Assets under construction		Total	
in CHF thousands	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
COSTS										
At 1.1.	**141,367**	**130,567**	**125,086**	**125,743**	**14,264**	**12,992**	**35,884**	**10,525**	**316,601**	**279,827**
Currency translation adj.	–4,658	–4,038	–2,018	–2,872	–448	–378	–226	–23	**–7,350**	**–7,311**
Additions	5,249	4,520	4,399	4,479	3,052	2,380	35,581	40,652	**48,281**	**52,031**
Disposals	–2,003	–822	–3,463	–6,211	–1,828	–899	–	–	**–7,294**	**–7,932**
Reclassifications	41,258	11,140	5,651	3,947	–30	169	–49,368	–15,270	**–2,489**	**–14**
Acquisition	–	–	5	–	21	–			**26**	**–**
At 31.12.	**181,213**	**141,367**	**129,660**	**125,086**	**15,031**	**14,264**	**21,871**	**35,884**	**347,775**	**316,601**
ACCUMULATED DEPRECIATION & IMPAIRMENTS										
At 1.1.	**–55,339**	**–50,215**	**–86,223**	**–85,140**	**–9,808**	**–8,968**			**–151,370**	**–144,323**
Currency translation adj.	1,394	1,303	1,514	1,632	268	281			**3,176**	**3,216**
Depreciation	–7,925	–7,131	–9,729	–8,882	–2,329	–1,954			**–19,983**	**–17,967**
Disposals	442	704	3,204	6,154	1,604	831			**5,250**	**7,689**
Reclassifications	2	–	2,282	13	204	2			**2,488**	**15**
At 31.12.	**–61,426**	**–55,339**	**–88,952**	**–86,223**	**–10,061**	**–9,808**			**–160,439**	**–151,370**
Property, plant & equipment at 31.12.	**119,787**	**86,028**	**40,708**	**38,863**	**4,970**	**4,456**	**21,871**	**35,884**	**187,336**	**165,231**
Capital commitments	8	–	4,014	6,296	–	–			**4,022**	**6,296**
Insurance value*	168,159	140,071	141,152	139,238	–	–			**309,311**	**279,309**

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

Further notes to property, plant and equipment

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

6.1.1 Leasing (IFRS 16)

Lease assets

in CHF thousands	31.12.2021	31.12.2020
Carrying amount of lease assets	**6,865**	**7,284**
of which		
– Land & building	6,018	6,712
– Production equipment & machinery	398	150
– Office equipment & motor vehicles	449	422
Additions to lease assets	**1,583**	**4,016**

Income statement

in CHF thousands	2021	2020
Depreciation of lease assets	**2,916**	**2,954**
of which		
– Land & building	2,425	2,693
– Production equipment & machinery	181	58
– Office equipment & motor vehicles	310	203
Interest on lease liabilities	**243**	**239**
Variable lease payments	**–**	**–**

Cash flow statement

in CHF thousands	2021	2020
Total cash outflow for leases	**2,741**	**4,598**

Lease liabilities by duration

in CHF thousands	31.12.2021	31.12.2020
≤ 1 year	2,808	2,427
2 years	1,611	1,954
3 years	987	1,007
4 years	374	582
5 years	61	201
> 5 years	11	–
Total lease liabilities (undiscounted)	**5,852**	**6,171**

6.2 Non-current assets held for sale

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

6.3 Intangible assets

Movements of goodwill and intangible assets

	Goodwill		Software		Patents, technology and licenses		Customer relationships		Total	
in thousands CHF	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
COSTS										
At 1.1.	19,494	20,264	47,403	46,126	13,377	18,763	21,032	23,857	101,306	109,010
Currency translation adj.	–17	–770	–151	–85	–583	–153	–604	–436	–1,355	–1,444
Additions	–	–	4,589	3,225	–	124	–	–	4,589	3,349
Disposals	–	–	–741	–315	–	–6,905	–	–2,389	–741	–9,609
Acquisition	393	–	10	–	–	–	–	–	403	–
Reclassifications	–	–	–68	–1,548	–15	1,548	–2	–	–85	–
At 31.12.	19,870	19,494	51,042	47,403	12,779	13,377	20,426	21,032	104,117	101,306
ACCUMULATED AMORTIZATION & IMPAIRMENTS										
At 1.1.	–3,126	–3,126	–40,722	–38,373	–13,097	–18,543	–20,617	–21,849	–77,562	–81,891
Currency translation adj.	–	–	109	61	573	153	618	372	1,300	586
Amortization	–	–	–2,975	–2,725	–65	–63	–119	–586	–3,159	–3,374
Acquisition	–	–	–2	–	–	–	–	–	–2	–
Disposals	–	–	741	315	–	5,356	1	1,446	742	7,117
Reclassifications	–	–	68	–	15	–	2	–	85	–
At 31.12.	–3,126	–3,126	–42,781	–40,722	–12,574	–13,097	–20,115	–20,617	–78,596	–77,562
Total intangible assets, net at 31.12.	16,744	16,368	8,261	6,681	205	280	311	415	25,521	23,744

Goodwill impairment tests

The impairment tests are generally based on a three-year plan and are prepared on the basis of discounted future free cash flows (before taxes) (value in use). The growth rate is defined as a key assumption. No further growth was taken into account in extrapolating the data. The current medium-term planning assumes more expansion investments. Free cash flows were discounted at a pretax discount rate of 8.9% in the year under review (2020: 10.1%), which reflects the market risk premium. The cash-generating unit (CGU) equals the Interroll Group. There is only one operating segment that corresponds to the reporting segment. All decisions are made at the Interroll Group level.

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

Software
Of the accumulated acquisition costs, CHF 43.9 million (2020: CHF 41.9million) relate to the development and implementation of the Group's SAP software. In the year under review, the additions to this process management system amounted to CHF 2.4 million (2020: CHF 3.2 million). Amortization begins from the go-live date and ends after eight years.

In the year under review Management did not write off any software assets (2020: CHF 0.5 million). In 2021, the local assembly in Brazil went live on SAP, process management for project-related execution of orders was further enhanced and supply chain-related processes were optimized. In the previous year, process management for project-related execution of orders was enhanced and the manufacturing execution system was introduced.

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

Customer relationships
Customer relationships are amortized on a straight-line basis over ten years unless the life cycle is shorter. In the year under review no new customer relationships were bought, nor were existing customer relationships assets depreciated ahead of time. In the previous year, remaining customer relationships in the USA were fully depreciated ahead of time. At the end of 2021, there was a residual amortization period of one year remaining on the majority of the customer relationships.

6.4 Assets pledged or assigned
There were no pledged assets neither in the year under review nor in the previous year.

6.5 Inventories

Detailed overview on the positions belonging to the inventory

in thousands CHF	31.12.2021	31.12.2020
Raw materials	108,945	53,740
Work in progress	20,423	14,067
Finished products	7,744	3,224
Valuation allowance	–7,700	–8,445
Total inventory, net	**129,412**	**62,586**

No inventory was pledged in neither year under review.

Development of valuation allowance on inventory

in CHF thousands	2021	2020
Balance as per 1.1.	**–8,445**	**–8,648**
Currency translation adjustment	35	218
Additions	–1,248	–962
Reductions	1,958	947
Total valuation allowance on inventory as per 31.12.	**–7,700**	**–8,445**

The increase in valuation allowances relates to slow-moving or nonexistent items within the inventory. The reduction of the valuation allowance on inventory is related to the sale or scrapping of items, and to a reassessment of the valuation allowance affecting the consolidated income statement of the Group.

6.6 Trade and other receivables

Detailed overview of trade and other accounts receivable

Trade accounts receivable arise from deliveries and services relating to the Group's operating activities. VAT, withholding tax and other current receivables are included in other accounts receivable. The other accounts receivable are analyzed for valuation adjustment like trade receivables. There was no valuation adjustment necessary on other accounts receivable in neither year under review.

in CHF thousands	31.12.2021	31.12.2020
Trade accounts receivable from goods and services	106,438	101,495
Valuation allowance	–9,950	–11,228
Total trade accounts receivable, net	**96,488**	**90,267**
Prepaid expenses and accrued income	6,074	4,139
Prepayments for inventories	4,503	4,603
Other accounts receivable	7,774	8,841
Forward exchange dealing	–157	92
Total other accounts receivable	**18,194**	**17,675**
Total trade and other accounts receivable, net	**114,682**	**107,942**

Aging and valuation allowances of trade accounts receivable

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

in CHF thousands				31.12.2021				31.12.2020
	Gross	Valuation allowance		Net	Gross	Valuation allowance		Net
		individual	collective			individual	collective	
Not past due	69,351	–14	–	**69,337**	69,330	–	–	**69,330**
Past due 1–30 days	12,382	–2	–	**12,380**	9,587	–	–	**9,587**
Past due 31–60 days	6,342	–6	–	**6,336**	10,867	–2,471	–	**8,396**
Past due 61–90 days	5,430	–	–	**5,430**	2,909	–	–	**2,909**
Past due > 90 days	12,933	–9,504	–424	**3,005**	8,802	–8,314	–443	**45**
Total trade accounts receivable	**106,438**	**–9,526**	**–424**	**96,488**	**101,495**	**–10,785**	**–443**	**90,267**

Development of the individual and collective valuation allowances of trade accounts receivable
The valuation allowances on trade accounts receivable from third parties developed as follows:

in CHF thousands	2021			2020		
		Valuation allowance			Valuation allowance	
	Total	individual	collective	**Total**	individual	collective
At 1.1.	**–11,228**	**–10,785**	**–443**	**–6,383**	**–5,938**	**–445**
Currency translation adjustment	–212	–231	19	3,903	3,901	2
Additions	–3,888	–3,888	–	–9,915	–9,915	–
Allowance used	264	264	–	260	260	–
Allowance reversed	5,114	5,114	–	907	907	–
At 31.12.	**–9,950**	**–9,526**	**–424**	**–11,228**	**–10,785**	**–443**

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

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

in CHF thousands	31.12.2021	in %	31.12.2020	in %
EUR	48,092	45.2	39,547	39.0
USD	27,346	25.7	30,980	30.5
CNY	10,235	9.6	11,446	11.3
THB	2,465	2.3	3,117	3.1
DKK	2,571	2.4	2,205	2.2
all other currencies	15,729	14.8	14,200	13.9
Total trade accounts receivable, gross	**106,438**	**100.0**	**101,495**	**100.0**

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

in CHF thousands	31.12.2021	in %	31.12.2020	in %
Europe, Middle East, Africa	55,727	52.4	46,073	45.4
Americas	30,220	28.3	34,407	33.9
Asia-Pacific	20,491	19.3	21,015	20.7
Total trade accounts receivable, gross	**106,438**	**100.0**	**101,495**	**100.0**

On average, trade accounts receivable are outstanding for 46 days (DSO). The respective values are 45 for Europe, 61 for the Americas and 26 for Asia. In the previous year, the DSO was 48 for the Group, 45 for Europe, 58 for the Americas and 39 for Asia.

6.7 Cash and cash equivalents

Items included in cash and cash equivalents

in CHF thousands	31.12.2021	31.12.2020
Cash on hand, bank and postal accounts	53,528	77,551
Current deposits	14,968	20,761
Total cash and cash equivalents	**68,496**	**98,312**

Interest rates of cash and cash equivalents

Interest rates on cash and cash equivalents vary between 0% (CHF) and 13% (BRL). The respective rates for the previous year were 0% (CHF) and 13% (BRL).

Currencies held in cash and cash equivalents

in %	31.12.2021	31.12.2020
EUR	11.0	14.0
CHF	1.0	5.0
CNY	39.0	29.0
USD	15.0	31.0
THB	1.0	1.0
KRW	21.0	8.0
BRL	1.0	1.0
ZAR	–	1.0
Other currencies	11.0	10.0
Total cash and cash equivalents	**100.0**	**100.0**

Transfer limitations on cash and cash equivalents

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

6.8 Financial instruments

Reconciliation from balance sheet items to valuation categories as per IFRS 9
The table below shows an overview of financial instruments held by valuation category according to IFRS 9:

in CHF thousands	31.12.2021	31.12.2020
Cash and cash equivalents	68,496	98,312
Trade and other accounts receivable without advances	110,179	103,339
Financial assets	734	751
Total financial assets at amortized cost	**179,409**	**202,402**
Foreign currency forward contracts*	–157	92
Total financial instruments at fair value	**–157**	**92**
Trade and other accounts payable	100,426	75,721
Financial liabilities (incl. bank overdrafts)	22,402	6,091
Total financial liabilities at carrying value	**122,828**	**81,812**

* see notes 6.9

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

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

6.9 Financial risks

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

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

in CHF thousands					31.12.2021					31.12.2020
	EUR	CHF	USD	SGD	CNY	EUR	CHF	USD	SGD	CNY
Financial assets	3	75	–24	–	–	3	75	–	–	–
Trade and other accounts receivable	12,410	416	9,608	131	945	5,843	354	8,349	54	1,050
Cash and cash equivalents incl. intercompany loans	5,777	19,096	2,540	–	22	8,027	50,625	1,584	–	29
Financial liabilities	–	–	695	–	–	–	–	–	–	–
Trade and other accounts payable	14,624	8,982	3,882	–	3,059	8,493	12,016	3,644	–	3,051
Current liabilities	1,453	10,000	646	1,352	–	1,733	–	28	–	–
Currency risks on the balance sheet (gross)	**34,267**	**38,569**	**17,347**	**1,483**	**4,026**	**24,099**	**63,070**	**13,605**	**54**	**4,130**
Elimination same currency	–20,881	–28,459	–10,407	–	–88	–14,464	–16,868	–6,922	–	–55
Currency risks on the balance sheet (net)	**13,386**	**10,110**	**6,940**	**1,483**	**3,938**	**9,635**	**46,202**	**6,683**	**54**	**4,075**
Natural hedges	–2,374	–822	–	–48	–923	–192	–415	–	–	–85
FX forward contracts	–1,148	–3,688	-4'443	–979	–1,430	–3,224	–21,341	–3,435	–	–1,445
Net currency risk exposure	**9,864**	**5,600**	**2'497**	**456**	**1,585**	**6,219**	**24,446**	**3,248**	**54**	**2,545**

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

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

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

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

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

in CHF thousands	31.12.2021				31.12.2020		
Hedged currency	Sell/buy	Maturity	Notional amount in CHF	Fair value	Sell/buy	Notional amount in CHF	Fair value
USD	USD/CHF	Feb 22	1,628	19	USD/CHF	662	12
USD	USD/EUR	Feb 22	2,815	–57	USD/EUR	1,409	38
USD					CAD/USD	869	25
SGD	SGD/EUR	Feb 22	619	–14			
SGD	CHF/SGD	Jan 22	1,347	4			
EUR	EUR/TRY	Feb 22	530	–120	EUR/TRY	893	37
EUR					PLN/EUR	962	3
AUD	CHF/AUD	Jan 22	1,967	20			
CNY	AUD/CNY	Feb 22	1,430	48			
CNY					CNY/EUR	1,002	1
CNY					KRW/CNY	580	–11
CHF	CHF/EUR	Feb 22	3,688	–103	CHF/EUR	14,705	122
CZK					EUR/CZK	675	23
CZK	CHF/CZK	Jan 22	2,675	29	CHF/CZK	1,496	–13
GBP	CHF/GBP	Jan 22	2,685	28			
PLN	CHF/PLN	Jan 22	851	7	CHF/PLN	1,416	–43
THB	THB/CHF	Feb 22	3,063	–2	THB/CHF	2,936	–77
THB	THB/EUR	Feb 22	1,386	–44	THB/EUR	1,507	–27
CAD	CHF/CAD	Jan 22	2,855	28	CHF/CAD	1,734	2
Total derivative financial instruments				**–157**			**92**

Sensitivity analysis of currency risk exposure

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

in CHF thousands			31.12.2021			31.12.2020
Currency pair	EUR vs. CHF	CHF vs. USD	CAD vs. USD	EUR vs. CHF	CHF vs. USD	CAD vs. USD
Financial assets	75	–	–	75	–	–
Trade and other receivables	–	359	156	–	879	935
Cash and cash equiv. incl. IC-loans	19,077	111	656	50,520	3	749
Trade and other payables	1,130	–	–	5,355	–	570
Current liabilities	10,000	–	–	–	–	–
Gross exposure per currency pair	**30,282**	**470**	**812**	**55,950**	**882**	**2,254**
Risks opposing each other	–26,168	3'360	1,900	–13,268	1,191	–1,142
FX forward contracts	3,688	1'628	–	14,704	663	–869
Net FX exposure per currency pair	**7,802**	**5'458**	**2,712**	**57,386**	**2,736**	**243**
Currency change in %	1	2	7	4	6	1
Effect on the result (+/-)	**62**	**120**	**193**	**2,066**	**159**	**3**
Income tax expense at 17.51%	–11	-21	–34	–428	–33	–1
Net FX exposure after income taxes	**51**	**99**	**159**	**1,638**	**126**	**2**

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

Interest rate risks

As at the balance sheet date, the Interroll Group held net financial assets of CHF 15.0 million (previous year: CHF 20.8 million, see also note 6.12). These comprise CHF 15.7 million (previous year: CHF 21.5 million) in financial assets, of which CHF 0.7 million (previous year: CHF 0.8 million) are non-interest-bearing. There are bank loans of CHF 17.1 million (previous year: nil). The portion of non-interest-bearing financial assets was immaterial in both years under review.

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

in CHF thousands				31.12.2021				31.12.2020
	Nom. int. rate in %	Carrying amounts	Basis points		Nom. int. rate in %	Carrying amounts	Basis points	
			+100	−100			+100	−100
FINANCIAL ASSETS								
Fixed interest rate	0.1–3.0	14,889	–	–	0.5–3.0	2,839	–	–
Variable interest rate	0.4–2.5	79	1	–1	0.00–0.03	17,922	179	–179
Not-interest-bearing	–	733	–	–	–	751	–	–
Total deposits		**15,701**	**1**	**–1**		**21,512**	**179**	**–179**
Cash on hand, bank and postal accounts		53,528	–	–		77,551	–	–
Trade and other receivables		110,179	–	–		103,339	–	–
Total other financial assets		**163,707**	**–**	**–**		**180,890**	**–**	**–**
Total financial assets		**179,408**	**1**	**–1**		**202,402**	**179**	**–179**
FINANCIAL LIABILITIES								
Fixed interest rate	0.5	17,135	–	–	–	–	–	–
Total bank loans		**17,135**	**–**	**–**		**–**	**–**	**–**
Bank overdrafts		98	–	–		1	–	–
Trade and other accounts payable		100,583	–	–		75,629	–	–
Financial liabilities		22,304	–	–		6,090	–	–
Total trade and other accounts payable		**122,985**	**–**	**–**		**81,720**	**–**	**–**
Total financial liabilities		**140,120**	**–**	**–**		**– 81,720**	**–**	**–**
Net financial liabilities		**39,288**	**1**	**–1**		**120,682**	**179**	**–179**

Sensitivity analysis of interest risks

Interest sensitivity is only calculated on interest-bearing items of the balance sheet. No effect is calculated on items bearing interest at a fixed rate. In these cases, calculations were performed only for interest rate reductions of no more than the interest rates concerned. As per the above analysis, the Group's annual result would have remained almost unchanged if there had been a 1 percentage point increase or decrease in interest rates. In the previous year, an increase in the interest rate of 1 percentage point would have changed the Group's result slightly by CHF 0.18 million.

Liquidity risk

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

Credit facilities and debt covenants

The amount of unused credit facilities as at the end of the reporting year amounted to CHF 50.8 million (2020: CHF 68.3 million).

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

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

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

6.10 Information on shareholder's equity

Reconciliation from total issued shares to the outstanding shares

	2021	2020
Issued shares par value CHF 1.00 each	**854,000**	**854,000**
Own shares held by the Group as per 1.1.	**28,620**	**16,559**
Purchase of own shares	6,500	12,800
Attribution of shares relating to bonus plan	–326	–739
Treasury shares held by the Group as per 31.12.	**34,794**	**28,620**
thereof unreserved	34,794	28,620
Shares outstanding as per 31.12.	**819,206**	**825,380**

6.11 Earnings per share

Undiluted earnings per share

The non-diluted earnings per share in 2021 amount to CHF 98.08 (2020: CHF 85.97). The calculation is based on the profit attributable to the equity holders of the parent company, divided by the weighted average of shares outstanding.

	2021	2020
Result attributable to the equity holders (in CHF thousands)	**80,600**	**71,742**
Shares outstanding as per 1.1.	**825,380**	**837,441**
Effect of the purchase of treasury shares	–3,871	–3,520
Effect of the sale/attribution of treasury shares	291	611
Weighted average of shares outstanding as per 31.12.	**821,800**	**834,532**
Undiluted earnings per share (in CHF)	**98,08**	**85,97**

Diluted earnings per share

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

	2021	2020
Result attributable to the equity holders (in CHF thousands)	**80,600**	**71,742**
Weighted average of shares outstanding (diluted)	**821,800**	**834,532**
Diluted earnings per share (in CHF)	**98,08**	**85,97**

6.12 Financial liabilities

Details of current and non-current financial liabilities

in CHF thousands	31.12.2021	31.12.2020
Bank overdrafts	98	1
Bank loans	17,135	–
Lease liabilities (finance + operating)	127	296
Total current financial liabilities	**17,360**	**297**
Lease liabilities (finance + operating)	5,042	5,794
Total non-current financial liabilities	**5,042**	**5,794**
Total financial liabilities	**22,402**	**6,091**

Net financial liabilities to equity ratio

in CHF thousands	31.12.2021	31.12.2020
Total financial liabilities	22,402	6,091
./. Cash and cash equivalents	–68,496	–98,312
Net financial liabilities (-net cash)	**–46,094**	**–92,221**
Equity	**345,428**	**311,990**
Net financial debt in % of the equity	**n/a**	**n/a**

Loan structure

in CHF thousands					2021		2020	
	Currency	Weighted av. interest rate	Interest due fixed/variable	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Bank loans	CHF/EUR	0.50 %	fix	2022	17,135	17,135	–	–
Total loans					**17,135**	**17,135**	**–**	**–**

Maturities of financial liabilities

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

in CHF thousands	Carrying amount	Face value (undis-counted)	within 12 months	within 2 years	within 3 years	within 4 years	within 5 years	> 5 years
Bank loans	17,135	17,135	17,135	–	–	–	–	–
Bank overdrafts	98	98	98	–	–	–	–	–
Trade/other accounts payable*	100,583	100,583	100,583	–	–	–	–	–
Lease liabilities	5,169	5,289	2,568	1,431	844	374	61	11
Total financial liabilities	**122,985**	**123,105**	**120,384**	**1,431**	**844**	**374**	**61**	**11**

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

The financial liabilities reported as at December 31, 2020, were due as follows:

in CHF thousands	Carrying amount	Face value (undis-counted)	within 12 months	within 2 years	within 3 years	within 4 years	within 5 years	> 5 years
Bank overdrafts	1	1	–	–	–	–	–	–
Trade/other accounts payable*	75,629	75,629	75,629	–	–	–	–	–
Lease liabilities	6,090	6,171	2,427	1,954	1,007	582	201	–
Total financial liabilities	**81,720**	**81,801**	**78,056**	**1,954**	**1,007**	**582**	**201**	**–**

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

6.13 Provisions

Movements in provisions

	Warranties		Other provisions		Total	
in CHF thousands	2021	2020	2021	2020	2021	2020
At 1.1.	**8,784**	**8,158**	**766**	**697**	**9,550**	**8,855**
Currency translation adjustments	–10	–383	–55	–14	–65	**–397**
Provisions made	4,006	4,395	2,005	249	6,011	**4,644**
Provisions used	–1,848	–2,776	–218	–119	–2,066	**–2,895**
Provisions reversed	–1,735	–610	–1,631	–47	–3,366	**–657**
At 31.12.	**9,197**	**8,784**	**867**	**766**	**10,064**	**9,550**

Warranty provisions
The Group companies normally grant a 24-month warranty. The warranty provision is recognized on the basis of past experience as well as on existing warranty claims for specific projects. The warranty provision is about 1.4% (previous year: 1.7%) of sales.

Other provisions
The other provisions mainly include provisions for litigation.

6.14 Employee benefits

The employee benefits recognized in the income statement for 2021 amounted to CHF –3.5 million (2020: CHF +1.1 million). The cost reduction in the previous year was the result of a plan change in Switzerland, which generated a positive contribution of CHF 4.2 million. The past service costs of CHF 1.0 million in the year under review are due to another plan change in Switzerland. Pension costs consist of employer contributions relating to the defined contribution plans and pension costs relating to the defined benefit plans.

The pension plans in Switzerland and France are classified as defined benefit plans under IAS 19. In 2021, 218 people participated in these defined benefit plans; in 2020, the number was 218. The Swiss plan is fully incorporated under a collective foundation. The French plan is funded by insurance. For the defined benefit plans, the pension costs in each period are calculated on the basis of an actuarial valuation. The deficit or excess of the fair value of plan assets over the present value of the defined benefit obligation is recognized as a liability or an asset on the balance sheet. Actuarial gains and losses arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and actual developments. They are recognized in the statement of comprehensive income. It can be assumed that the assets of both plans do not include Interroll shares.

Components of defined benefit cost

in CHF thousands	2021	2020
Costs of the defined contribution plans	**1,501**	**1,487**
Past service costs incl. curtailment	1,049	–4,171
Result from non-routine settlements	–424	–
Current service costs, net	1,309	1,501
Administrative expenses	30	33
Interest costs	20	32
Costs of the defined benefit plans	**1,984**	**–2,605**
Effects of changes in demographic assumptions	–985	–
Effects of changes in financial assumptions	–290	742
Effects of experience assumptions	–1,040	747
Return on plan assets (excl. interest income)	–1,796	2,387
Remeasurements included in other income	**–4,111**	**3,876**
Defined benefit costs	**–626**	**2,758**

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

Amounts recognized in the statement of financial position

in CHF thousands, per 31.12.	2021	2020
Present value of defined benefit obligation	–17,715	–33,557
Fair value of plan assets	11,109	24,095
Pension liability	**–6,606**	**–9,462**

Roll forward of the defined benefit obligation

in CHF thousands	2021	2020
Benefit obligation as per 1.1.	**–33,557**	**–35,404**
Past service costs incl. curtailment	–1,049	4,171
Current service costs, net	–1,309	–1,501
Interest costs	–58	–125
Contributions from employees	–494	–510
Benefits (funded)/paid, net	10,863	1,295
Benefits (funded)/paid, net from employer	49	3
Translation difference	39	3
Liabilities extinguished on settlement	5,486	–
Remeasurements		
– Effects of changes in demographic assumptions	985	–
– Effects of changes in financial assumptions	290	–742
– Effects of experience assumptions	1,040	–747
Benefit obligation as per 31.12.	**–17,715**	**–33,557**

Roll forward of the present value of plan assets

in CHF thousands	2021	2020
Fair value of plan assets as per 1.1.	**24,095**	**26,545**
Administrative expenses	–30	–33
Interest income	38	93
Employer contributions	645	662
Employee contributions	494	510
Assets distributed on settlements	–5,062	–
Benefits (funded)/paid, net	–10,863	–1,295
Translation difference	–4	–
Result of plan assets	1,796	–2,387
Fair value of plan assets as per 31.12.	**11,109**	**24,095**

Investment categories

in CHF thousands, per 31.12.	2021	2020
Equities (quoted market prices)	2,594	7,388
Bonds (quoted market prices)	4,143	6,028
Real estate (other than quoted market prices)	657	1,325
Real estate (direct investments)	1,607	5,272
Alternative investments (quoted market prices)	1,134	1,039
Qualified insurance policies*	734	2,351
Cash	240	692
Total investments	**11,109**	**24,095**

* These assets are fully invested by the collective foundation of the pension fund insurer (2021: SwissLife; 2020: AXA) in qualified insurance policies with the pension fund insurer.

Net defined benefit liability (asset) reconciliation

in CHF thousands	2021	2020
Net defined benefit liability as per 1.1.	**–9,462**	**–8,859**
Defined benefit costs included in P/L	–1,984	2,605
Total remeasurements included in OCI	4,111	–3,876
Employer contributions	694	665
Translation difference	35	3
Net defined benefit liability as per 31.12.	**–6,606**	**–9,462**

Actuarial assumptions

in %	2021	2020
Discount rate	0.3	0.2
Future salary increases	1.1	0.8
Expected benefit increases	0.0	0.0
Fluctuation rate	10.0	10.0
Mortality probabilities	BVG 2020	BVG 2015
Weighted modified duration in years	20.4	14.1

Sensitivities

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

Discount rate	**0.33%**	**+0.25%**	**–0.25%**
Benefit obligation	–17,715	–16,830	–18,666

Rate of salary increase	**1.05%**	**+0.25%**	**–0.25%**
Benefit obligation	–17,715	–17,835	–17,593

Sensitivities are based on possible changes that are likely as at the end of 2021.

6.15 Trade and other accounts payable, accrued expenses

in CHF thousands	31.12.2021	31.12.2020
Trade accounts payable to third parties	38,550	18,269
Total trade accounts payable	**38,550**	**18,269**
Other liabilities	13,973	15,442
Advances received from customers	48,060	41,918
Total other accounts payable	**62,033**	**57,360**
Accrued personnel expenses	9,932	11,190
Accrued interest	5	5
Other accrued expenses	22,795	23,791
Total accrued expenses	**32,732**	**34,986**
Total trade and other accounts payable, accrued expenses	**133,315**	**110,615**

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

Advance payments received from customers correspond to the contractual liabilities according to IFRS 15.116(a).
Sales are realized following the final approval of the respective project.
Practically all advances received from customers existing at the beginning of 2021 were recognized as revenue during the period under review.

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

in CHF thousands	2021	2020
Opening balance of advances received from customers as per 1.1.	**41,918**	**16,645**
– Revenue recognized that was included in the advances received from customers balance at the beginning of the period	–39,590	–13,755
– Increases due to cash received, excl, amounts recognized as revenue during the period	45,738	41,495
Currency translation adj.	–6	–2,467
Closing balance of advances received from customers as per 31.12.	**48,060**	**41,918**

7 NOTES TO THE CONSOLIDATED INCOME STATEMENT

7.1 Personnel expenses

Details of personnel expenses and number of employees

in CHF thousands	2021	2020
Wages and salaries	136,217	117,572
Social security costs	21,115	17,342
Pension costs (see note 6.14)	3,485	–1,118
Other personnel-related costs	4,251	3,726
Equity-based personnel expenses to management personnel	889	1,388
Total personnel expenses	**165,957**	**138,910**
Thereof production-related personnel expenses	77,204	62,177
Average number of employees	2,421	2,206

In the year under review, a total of 326 treasury shares (previous year: 739) were allocated to senior employees under bonus plans, of which 321 shares (previous year: 734 shares) are subject to a sales restriction of four to ten years (from the date of allocation). The shares were measured at market value on the grant date.

7.2 Research and development expenditures

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

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

in CHF thousands	2021	2020
Research and development (R&D) expenditures	12,182	9,979
R&D in % of sales	1.90	1.88

7.3 Other operating expenses

in CHF thousands	2021	2020
Production-related expenses	14,368	10,986
Freight	19,761	13,277
Office, administration and IT services	11,258	10,669
Building costs	5,682	4,070
Traveling and transportation	4,639	3,254
Marketing	5,074	4,288
Consultancy, auditing and insurance	9,343	6,710
Provisions and allowances, net	1,944	2,795
Variable sales costs	275	7,725
Non-income taxes	2,746	2,451
Other expenses and services	3,767	4,349
Losses on disposals of tangible/intangible assets	–	909
Total other operating expenses	**78,857**	**71,483**

7.4 Other operating income

in CHF thousands	2021	2020
Income from freight and packing	2,206	2,564
Income from services	152	480
Government grants received	541	1,811
Gain on disposal of tangible and intangible assets	343	–
Total other operating income	**3,242**	**4,855**

7.5 Financial result

in CHF thousands	2021	2020
Fair value changes of foreign currency forward contracts	–	–189
Realized translation losses	–805	–752
Realized translation expenses, net	–	–756
Interest expenses	–278	–281
Financial expenses	**–1,083**	**–1,978**
Realized translation result, net	166	–
Fair value changes of foreign currency forward contracts	170	–
Interest income	680	543
Financial income	**1,016**	**543**
Financial result, net	**–67**	**–1,435**

7.6 Income tax expense

Components of income tax expense

in CHF thousands	2021	2020
Income taxes relating to the current period	21,827	22,621
Income taxes relating to past periods, net	–1,939	–1,818
Current income tax expense	**19,888**	**20,803**
Due to temporary differences	–1,086	1,203
Due to tax rate changes	–249	–1,002
Due to (recognition)/use of tax loss carryforwards	10	–101
Adjustments to deferred tax assets	109	–
Other effects (including acquisition)	–1	–7
Deferred income tax expense/(income)	**–1,217**	**93**
Total income tax expense	**18,671**	**20,896**

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

Deferred tax liabilities of CHF 1.0 million (previous year: CHF 0.8 million) have not been recognized for withholding and other taxes on the un-remitted earnings. Such distributable earnings which are subject to withholding tax are normally left in the respective companies.

Reconciliation of effective tax rate

in CHF thousands	2021	2020
Result before income taxes	**99,271**	**92,638**
Income tax expense at the expected tax rate of 17.5% (2020: 25.6%)	17,382	23,718
(Tax credits)/tax charges on prior years' results, net	–1,939	–1,818
Effect from deviation to tax rates in Group companies	11,882	2,822
Tax rate changes, net	–249	–1,002
(Non-taxable income)/non-tax deductible expenses, net	–8,595	–34
(use of unrecognized tax losses)/effect of unrecognized tax losses on the current year's result, net	81	–2,783
(Reversal of)/write offs on deferred tax assets, net	109	–7
Effective (total) income tax expense	**18,671**	**20,896**

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

Tax effects on and expiry dates of carried forward losses

in CHF thousands	31.12.2021		31.12.2020	
	not capitalized	capitalized	not capitalized	capitalized
Expiry:				
2021	–	–	99	–
2022	–	–	–	–
2023	221	–	334	–
2024	159	–	171	–
2025	60	419	65	485
2026 and later	1,031	–	247	–
unlimited	4,400	–	5,585	–
Total	**5,871**	**419**	**6,501**	**485**
Tax benefit	1,441	84	1,605	100
Thereof unrecognizable	–1,441	–	–1,605	–
Deferred tax assets from carried forward losses		**84**		**100**

New loss carryforwards of CHF 1.4 million resulted in a potential tax credit of CHF 0.3 million in 2021. In the period under review, tax assets of CHF 0.0 million were capitalized. In the previous year, new loss carryforwards of CHF 0.5 million resulted in a potential tax credit of CHF 0.1 million.

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

Attribution of deferred tax assets/liabilities to balance sheet items

in CHF thousands	31.12.2021		31.12.2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	2,789	231	2,737	344
Property, plant and equipment	1,879	3,943	1,447	4,174
Financial assets	–	2,767	–	2,842
Inventory	3,501	303	2,821	91
Benefits of loss carryforwards	84	–	100	–
Receivables	636	136	415	145
Total assets	**8,889**	**7,380**	**7,520**	**7,596**
Non-current debts	1,238	–	1,437	–
Provisions	4,329	2,327	4,923	1,213
Current debts	2,232	477	1,683	182
Other liabilities	502	10	229	103
Total liabilities	**8,301**	**2,814**	**8,272**	**1,498**
Set-off	–8,414	–8,414	–7,371	–7,371
Total net	**8,776**	**1,780**	**8,421**	**1,723**

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

8 OTHER DISCLOSURES ON THE CONSOLIDATED FINANCIAL STATEMENTS

8.1 Contingent liabilities

As at the end of 2021, the Interroll Group issued third-party guarantees totaling CHF 0.5 million (2020: CHF 0.3 million) in connection with customer orders for project execution. There are no other contingent liabilities in either of the years under review.

8.2 Related-party transactions

Transactions with related parties

		Volume		Open payables	
in CHF thousands	Category	**2021**	**2020**	**31.12.2021**	**31.12.2020**
Purchase of materials	a	251	126	27	5
Consulting services	b	21	–	6	–
IT investments/IT services	a	174	–	19	–
Other purchases	a	790	125	56	–
Total purchases		**1,236**	**251**	**108**	**5**

		Volume		Open receivables	
in CHF thousands	Category	**2021**	**2020**	**31.12.2021**	**31.12.2020**
Sale of material	a	74	130	–	–
Other income	b	606	–	–	–
Total services		**680**	**130**	**–**	**–**

Definition of related parties

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

a) Shareholders of Interroll Holding AG owning more than 3% of the share capital.

b) Members of the Board of Directors of Interroll Holding Ltd. and legal entities that are directly controlled by them.

Total remuneration of the Board of the Directors
Total remuneration of the Board of Directors of Interroll Holding AG amounted to CHF 1.4 million in 2021 (2020: CHF 0.9 million). Detailed disclosures regarding the remuneration and shareholdings of the Board of Directors in accordance with Swiss law (OR) can be found in the remuneration report (see pp 59–67).

Total compensation for the Group Management

in CHF thousands	2021	2020
Salaries incl. bonus	2,985	3,820
Post-employment benefits	593	661
Equity-based compensation	857	1,384
Total compensation to the Group Management	**4,435**	**5,865**

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

Detailed disclosures regarding the remuneration of and shares held by Group Management in accordance with Swiss law can be found in the remuneration report (see pp 59–67).

8.3 Subsequent events
The consolidated financial statements for the year 2021were approved by the Board of Directors on March 14, 2022, and are subject to further approval by the Annual General Meeting of Shareholders on May 13, 2022.

No event has occurred between December 31, 2021, and March 14, 2022, that would require adjustment to the carrying amount of the Group's assets and liabilities as at December 2021, or would require disclosure in accordance with IAS 10.

8.4 Scope of consolidation

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

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

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

Movements within the scope of consolidation in 2021

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

Changes to the scope of consolidation in 2020

During the year under review no acquisition or divestitures were carried out. Interroll Conveyor GmbH was renamed to Interroll Innovation GmbH and the place of business was moved to Baal, Germany.

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

Report on the audit of the consolidated financial statements

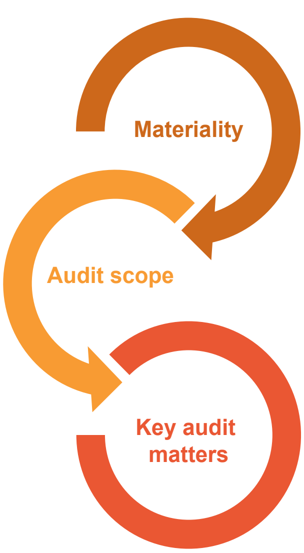
Opinion
We have audited the consolidated financial statements of Interroll Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 42 to 87) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach



Overall Group materiality: CHF 4,950,000

We concluded full scope audit work at ten reporting units in six countries.

In addition, specified audit procedures were performed on a further eight reporting units in five countries.

Our audit scope addressed 73% of the Group's revenue.

As key audit matter the following area of focus has been identified:
Valuation of accounts receivable

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

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

Overall Group materiality	CHF 4,950,000
Benchmark applied	Profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 200'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

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

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

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

Key audit matters

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

Valuation of accounts receivable

Key audit matter	How our audit addressed the key audit matter
As at December 31, 2021, trade receivables amount to CHF 96.5 million which represent a significant balance of the Group's total assets. Due to the significant sales growth of the Group during past years with new customers, the resulting high balance of trade receivables and the significant influence of assumptions made by management in assessing impairment, the valuation of trade receivables is a focus area of our audit. Trade receivables are stated at amortized cost less valuation adjustments. The amount of the adjustment is calculated based on expected credit losses. It consists of individual allowances for specifically identified items and collective allowances for losses incurred but not reported. The expected future credit losses were estimated by management based on the customer's ageing profile, historical payment pattern and the past record of default of the customer. For the purpose of impairment assessment, significant management judgements and assumptions are required for the identification of impairment events and the determination of the impairment charge. We refer to the section "Trade and other receivables" in the accounting policies and to note 6.6 in the notes to the financial statements.	We have performed the following audit procedures regarding the recoverability of the accounts receivable: – Tested the accuracy and existence of the customer receivables outstanding at the end of the year on a sample basis; – Obtained a list of outstanding receivables and identified any debtors with potential payment difficulties through discussion with management and review of ageing structure; – Assessed the recoverability of unsettled receivables on a sample basis through our evaluation of management's assessment, with reference to the credit profile of the customers, historical payment patterns, publicly available information and the latest correspondence with customers to consider if any additional allowances should be made; – Tested subsequent settlement of trade receivables after balance sheet date on a sample basis. Our audit results support the Board of Directors' assessment of trade receivables as at December 31, 2021.

Other information in the annual report
The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and the remuneration report of Interroll Holding AG and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report 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 in the annual report 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.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards 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: 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 article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

Gerhard Siegrist
Audit expert
Auditor in charge

Regina Spälti
Audit expert

Zurich, 17 March, 2022

FINANCIAL STATEMENTS OF INTERROLL HOLDING AG

1 FINANCIAL STATEMENTS OF INTERROLL HOLDING AG

1.1 Balance sheet

in CHF thousands	see notes*	31.12.2021	31.12.2020
ASSETS			
Cash and cash equivalents		145	580
Accounts receivable from subsidiaries		49	1,535
Other receivables from third parties		474	264
Loans to subsidiaries		230	248
Total current assets		**898**	**2,627**
Investments		115,248	114,817
Loans to subsidiaries	3.3	4,116	4,412
Total non-current assets		**119,364**	**119,229**
Total assets		**120,262**	**121,856**
EQUITY AND LIABILITIES			
Trade and other accounts payable from subsidiaries		457	517
Trade and other accounts payable from third parties		16	31
Loans from subsidiaries	3.4	25,242	43,152
Accrued expenses		2,291	1,965
Total current liabilities		**28,006**	**45,665**
Total non-current liabilities		**–**	**–**
Share capital	3.5	854	854
Legal reserve			
– Share premium		8	8
– Other legal reserves		5,209	5,209
– Available earnings		164,393	126,472
Treasury shares	3.1	–78,208	–56,352
Total shareholder's equity		**92,256**	**76,191**
Total liabilities and equity		**120,262**	**121,856**

* See notes to the financial statements.

1.2 Income statement

in CHF thousands	2021	2020
Investment income	58,692	–
Royalty income	6,189	5,066
Other operating income	1,017	1,555
Financial income	2,926	3,678
Total income	**68,824**	**10,299**
Administration expenses	–723	–588
Personnel expenses	–2,203	–2,468
Other operating expenses	–1,760	–2,554
Financial expenses	–3,184	–2,778
Total expenses	**–7,870**	**–8,388**
Result before income taxes	**60,954**	**1,911**
Direct taxes	–766	–
Result	**60,188**	**1,911**

1.3 Statement of changes in equity

in CHF thousands	Share capital	Reserves from capital contrib.	Legal reserve	Available earnings	Own shares	Total
As of 1.1.2020	**854**	**8**	**5,209**	**143,395**	**–26,745**	**122,721**
Result 2020				1,911		**1,911**
Dividend payment, net				–18,834		**–18,834**
Change of balance for treasury shares					–29,607	**–29,607**
Per 31.12.2020	**854**	**8**	**5,209**	**126,472**	**–56,352**	**76,191**
Result 2021				60,188		**60,188**
Dividend payment, net				–22,267		**–22,267**
Change of balance for treasury shares					–21,855	**–21,855**
Per 31.12.2021	**854**	**8**	**5,209**	**164,393**	**–78,207**	**92,257**

2 GENERAL INFORMATION ON THE FINANCIAL STATEMENTS

2.1 Accounting policies

Accounting law
The 2021 financial statements were prepared according to the provisions of Swiss law on Accounting and Financial Reporting (32nd title, Swiss Code of Obligations).

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

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

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

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

2.2 Valuation principles

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

Treasury shares
Treasury shares are stated at the lower of cost and fair value.

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

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

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

3 NOTES TO THE FINANCIAL STATEMENTS

3.1 Treasury shares

Shares sold, acquired and held in the periods under review
In the year under review, as well as in the prior year, no own shares were sold. In the year under review, the company acquired 6,500 shares (previous year: 12,800 shares). At year-end 2021, the company held 34,794 own shares at the book value of CHF 78.2 million (2020: 28,620 own shares at a book value of CHF 56.3 million).

Allocation of treasury shares to employees
326 shares (previous year: 739) at a carrying value of CHF 0.9 million (previous year: CHF 1.4 million) were attributed to employees.

3.2 Investments

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

3.3 Loans to subsidiaries

The interest rates used were the following:	Lowest	Highest
In the year 2021	0.20%	0.50%
In the year 2020	0.20%	0.50%

Loans to subsidiaries are normally redeemable with a notice period of three months. At year-end, loans of CHF 4.3 million (2020 CHF 4.7 million) were outstanding. In the year under review, no impairments were recognized on loans (previous year: CHF 0.0 million). In the year under review, of the total CHF 4.3 million in loans (2020: CHF 4.7 million), CHF 0.2 million (2020: CHF 0.2 million) was reported as short-term loans.

3.4 Loans from subsidiaries

The following interest rates were used:	Lowest	Highest
In the year 2021	0.04%	1.06%
In the year 2020	0.20%	0.49%

Loans due from subsidiaries are normally redeemable with a notice period of three months. As at year-end 2021, no Group loans were due.

3.5 Equity capital

Composition of the share capital
As in the previous year, the share capital consists of 854,000 fully paid-in registered shares with a par value of CHF 1 per share. Each share entitles the holder to equal dividend and voting rights.

Significant shareholders (at least 3% of the share capital)
The following table shows the number of shares held by the most significant shareholders as well as their participation in percent:

	31.12.2021		31.12.2020	
Shareholder/shareholder group	Number of shares	Interest in %	Number of shares	Interest in %
Ghisalberti family	70,604	8.27	82,079	9.61
D. Specht and Family	53,000	6.21	56,417	6.61
Groupama Asset Management	43,726	5.12	43,726	5.12
Allianz Group*	0	0.00	42,697	5.00
Stiftung Erlebnispark Fördertechnik GmbH	34,275	4.01	34,275	4.01
Premier Portfolio Managers Limited	25,695	3.01	0	0.00
Interroll Holding AG	34,794	4.07	28,620	3.35
Various other shareholders	591,906	69.31	566,186	66.30
Total	**854,000**	**100.00**	**854,000**	**100.00**

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

3.6 Contingent liabilities

Interroll Holding AG guarantees the joint use of existing credit facilities by Interroll (Schweiz) AG up to a maximum of CHF 42 million (2020: CHF 42 million). The credit facility was utilized in the amount of CHF 17.1 million on December 31, 2021.

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

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

In the year under review and the previous year, there were no retention guarantees in favor of customers of Interroll Holding AG. Interroll Holding AG carries joint liability with respect to the federal tax authorities for value-added tax debts of all Swiss subsidiaries.

4 OTHER DISCLOSURES ACCORDING TO SWISS LAW

4.1 Full-time positions

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

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

The remuneration of the members of the Board of Directors and Group Management and the shares and options held by the members of the Board of Directors at year-end are disclosed in the remuneration report in accordance with VegüV and Art. 663c, Swiss Code of Obligations (see remuneration report, pp 59–67).

4.3 Shares held by the Group Management

	Shares as at 31.12.	
	2021	**2020**
Paul Zumbühl	22,565	22,453
Richard Keely	132	105
Heinz Hössli	10	–
Maurizio Catino	10	–
Jens Strüwing	73	37
Dr. Ben Xia	750	682
Jens Karolyi	150	152
Total	**23,690**	**23,429**

5 PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

Appropriation of available earnings

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

in CHF thousands	2021	2020
Result	60,188	1,911
Available earnings carried forward from previous year	104,205	124,561
	164,393	**126,472**
Distribution of a dividend of	26,474	22,267
To be carried forward	137,919	104,205
	164,393	**126,472**

Proposed dividend payment

The Board of Directors proposes to the Annual General Meeting to pay a dividend of CHF 31.00 per share. A maximum total of CHF 26.5 million would be distributed. In the previous year, a dividend in the amount of CHF 27.00 per share or a maximum of CHF 23.1 million was approved. If this year's dividend proposal is approved, the respective payment will be processed in the second quarter of 2022.

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

Report on the audit of the financial statements

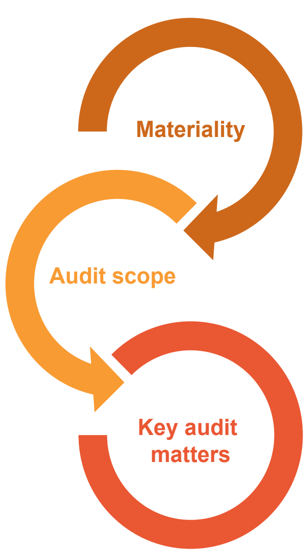
Opinion
We have audited the financial statements of Interroll Holding AG, which comprise the balance sheet as at 31 December 2021, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 94 to 100) as at 31 December 2021 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 Auditing Standards. 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 entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach



Overall materiality: CHF 600,000

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

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

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

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

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

We agreed with the Audit Committee that we would report to them misstatements above CHF 57'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

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

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

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

Key audit matter	How our audit addressed the key audit matter
We consider impairment testing of Group assets to be a key audit matter because of their significance on the balance sheet. Investments in subsidiaries amount to CHF 115.2 million (95.8% of total assets) and loans to subsidiaries amount to CHF 4.3 million (3.4% of total assets). Please refer to note 3.2 (Investments) and note 3.3 (Loans to subsidiaries) in "General information on the financial statements" in the notes to the financial statements of Interroll Holding AG.	Management carried out impairment tests on all investments in subsidiaries. We performed the following audit procedures: Firstly, we discussed with management whether any indications of impairment were identified in relation to an investment. Subsequently, for a sample of selected investments, we verified the factors used to calculate potential impairment and reperformed the calculation. Management assessed individually the recoverability of short- and long-term loans granted to subsidiaries as well as investments. We discussed in detail with Management their assessment and reperformed it, and we checked the outlook based on the budget approved by the Board of Directors for plausibility. Based on the audit procedures described above, we addressed the risk of an incorrect valuation of the investments in subsidiaries and loans to subsidiaries. We have no findings to report.

Responsibilities 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 entity'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 entity 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 Swiss Auditing Standards 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 EXPERT- suisse: 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 article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

Gerhard Siegrist Audit expert Auditor in charge	Regina Spälti Audit expert

Zurich, 17 March, 2022

FINANCIAL CALENDAR 2022

Preliminary financial figures 2021 (unaudited)	January 26
Publication Annual Report 2021 and balance sheet press conference	March 18
Annual General Meeting	May 13
Publication Half-Year Report 2022	August 2

CONTACT AND PUBLISHING DETAILS
If you have any questions regarding the Interroll Group
or would like to be included in our distribution list,
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NOTE ON THE ANNUAL REPORT
This Annual Report is also available in German. If there are differences between the two, the German version shall prevail.

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

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

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