



Financial Report

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AT A GLANCE

Most important figures

Net sales

in CHF

1,069 million

EBIT

in CHF

113 million

EBIT margin

10.6 %

Net income

in CHF

77 million

FINANCIAL REVIEW 2023

Robust balance sheet and solid profitability in a challenging environment

In an economically challenging market environment marked by a strong Swiss franc, the Bossard Group achieved sales of CHF 1,069.0 million in the financial year 2023 (prior year: CHF 1,153.8 million). This represents a decrease of 7.4 percent (in local currency: –2.6 percent). EBIT amounted to CHF 113.1 million (prior year: CHF 141.5 million), a decrease of 20.1 percent. The EBIT margin was 10.6 percent (prior year: 12.3 percent). Net income declined by 27.2 percent to CHF 76.8 million (prior year: CHF 105.6 million).

The positive business momentum that continued into the first quarter of 2023 normalized over the course of the year. Normalization of incoming orders in the course of customer inventory reductions seamlessly transitioned to weaker customer demand. Economic indicators deteriorated as the year progressed. Thanks to stable demand in parts of our growth industries and the gratifying performance of Smart Factory services, Bossard was still able to strengthen its market position in all three market regions.

Weakening market in Europe

In Europe, Bossard posted a drop in sales of 6.1 percent to CHF 586.4 million (in local currency: –3.5 percent). This result was a consequence of the economic slowdown and normalization of demand as well as the stronger Swiss franc. Despite tough economic conditions, the railway and electromobility sectors showed encouraging signs. In an environment marked by inflation and a shortage of skilled labor, Bossard’s Smart Factory services drew even more attention from customers.

Normalization of demand dynamics in America

After a phase of double-digit growth rates, demand in America also began to normalize over the course of the year. The strong Swiss franc had an additional negative impact on sales development. While sales increased by 3.6 percent in local currency, sales in Swiss francs declined by 2.6 percent to CHF 301.5 million. The successful expansion of the customer base over the last years was particularly evident in the positive development of the focus industry of electromobility. Bossard Ontario Inc. in Canada, which is consolidated since December 1, 2022, contributed to the sales performance.

Restrained demand development in Asia

Sales in Asia declined by 17.8 percent to CHF 181.1 million (in local currency: –9.0 percent). In this market region the appreciation of the Swiss franc was significant. Apart from the gratifying development in India, the overall demand momentum in Asia was restrained. Particularly in China, only slight growth momentum was felt after COVID-19 restrictions were lifted. In India, Bossard benefited from nearshoring trends, a dynamic start-up landscape, and infrastructure projects in the focus industry of railway.

Solid profitability in spite of challenging market environment

In addition to geopolitical tensions, the market environment in 2023 was marked by weakening global demand, which led to shorter delivery times and a widespread normalization on the procurement market. In spite of the difficult market environment, the gross profit margin of 31.7 percent was above last year’s 31.2 percent.

Compared to the prior year, sales and administration expenses increased by 3.4 percent to CHF 226.1 million. In relation to sales, the share of costs increased from 19.0 percent in the prior year to 21.1 percent. The rise in costs is partly due to the inflationary market environment, which primarily manifested in rising labor costs. The increase in costs also resulted from our targeted investments in the organization and the digitalization initiatives in the course of our Strategy 200. The number of full-time equivalents at year end increased slightly from last year's 2,823 to 2,835.

The slowdown in demand as well as the higher cost basis negatively impacted the results. EBIT decreased by CHF 28.4 million to CHF 113.1 million. The EBIT margin declined from last year's 12.3 percent to 10.6 percent, which nonetheless reflects solid profitability in a challenging market environment.

The financial result amounted to CHF -12.7 million compared to last year's CHF -5.0 million. The increase results from rising interest rates. In addition, foreign currency losses were higher than last year. Tax expenses declined from CHF 30.0 million to CHF 22.8 million as a result of the decrease in profit. The tax rate was 22.9 percent compared to the prior year's 22.2 percent. The slight increase in the tax rate is mainly due to the regional profit mix.

Net income declined by 27.2 percent to CHF 76.8 million (prior year: CHF 105.6 million). At the annual general meeting of shareholders, the board of directors will propose a dividend of CHF 4.00 per registered A share (prior year: CHF 5.50), in line with our dividend policy of a 40 percent payout of net income.

Robust balance sheet and strong cash flow

The normalization in the supply chains over the course of the year as well as the slowdown in demand had a positive effect on capital commitment and hence total assets. Compared to prior year, total assets decreased by 11.3 percent to CHF 807.2 million.

The decrease is driven by lower customer receivables due to the drop in sales as well as the normalization of the supply chains. The latter increased the availability of products, which resulted in lower inventory levels. Both the decline in receivables as well as the drop in inventory were disproportionate to the decline in sales, which is partly due to the strong Swiss franc.

Thanks to continued solid profitability and lower capital commitment, the equity ratio increased from 41.7 percent in the prior year to 46.2 percent. As a result of the strong free cash flow, net debt declined from last year's CHF 319.0 million to CHF 241.0 million. The gearing – the ratio

of net debt to equity – declined from 0.8 in the prior year to 0.6. The debt factor – net debt in relation to EBITDA – was 1.7 after 1.9 in the prior year, underscoring the Group's continued solid financial position.

While cash flow from operating activities before the change in net working capital dropped by CHF 33.5 million to CHF 104.2 million, cash flow from operating activities increased from CHF 6.0 million in the prior year to CHF 157.7 million as a result of the above-average decrease in operating net working capital. Cash flow from investment activities declined by CHF 31.8 million to CHF 36.3 million owing to the lower outflow of funds for business acquisitions. In addition, the outflow of funds for investments in tangible and intangible assets totaled CHF 38.4 million, slightly lower than last year. Thanks to consistently solid profitability and the significant decrease in operating net working capital, Bossard recorded an above-average free cash flow of CHF 121.4 million in the financial year 2023 (prior year: CHF -62.1 million).

Outlook

The uncertainties about the economic development and hence customer demand, inflation, central bank policies, and geopolitical tensions will persist in 2024. For this reason, it is difficult to forecast how the financial year will unfold. However, even this market environment holds opportunities for growth. The stronger trend toward near-shoring and the digitalization of processes to increase efficiency and productivity should further strengthen demand for Bossard's Smart Factory services in the current environment marked by cost and wage inflation.



Stephan Zehnder
CFO

Zug, February 28, 2024

BOSSARD GROUP

Consolidated balance sheet

in CHF 1,000	Notes	31.12.2023	31.12.2022
Assets			
Current assets			
Cash and cash equivalents	1	52,244	35,792
Accounts receivable, trade	2	159,981	193,039
Other receivables		4,232	6,529
Prepaid expenses		12,719	13,126
Inventories	3	358,484	442,275
		587,660	690,761
Non-current assets			
Property, plant and equipment	4	141,225	143,096
Intangible assets	5	51,958	47,800
Financial assets	6	8,081	8,311
Deferred tax assets	7	18,313	20,121
		219,577	219,328
Total assets		807,237	910,089

in CHF 1,000	Notes	31.12.2023	31.12.2022
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable, trade		54,477	80,350
Other liabilities		15,768	13,431
Accrued expenses		39,678	48,374
Tax liabilities		6,314	8,194
Provisions	8	2,125	1,794
Short-term debts	9	90,492	128,677
		208,854	280,820
Non-current liabilities			
Long-term debts	10	202,793	226,104
Provisions	8	9,776	10,882
Deferred tax liabilities	7	13,128	12,660
		225,697	249,646
Total liabilities		434,551	530,466
Shareholders' equity			
Share capital	11	40,000	40,000
Treasury shares	11	-2,911	-3,844
Capital reserves		74,459	74,393
Retained earnings		253,964	263,135
		365,512	373,684
Non-controlling interest		7,174	5,939
Total shareholders' equity		372,686	379,623
Total liabilities and shareholders' equity		807,237	910,089

The notes on pages 136 to 159 are an integral part of the consolidated financial statements.

BOSSARD GROUP

Consolidated income statement

in CHF 1,000	Notes	2023	2022
Net sales	12/13	1,068,976	1,153,841
Cost of goods sold		-729,808	-793,710
Gross profit		339,168	360,131
Selling expenses		-144,588	-137,218
Administrative expenses		-81,494	-81,446
EBIT		113,086	141,467
Share of result from associated companies		-702	-813
Financial result	16	-12,740	-5,024
Income before taxes		99,644	135,630
Income taxes	7	-22,815	-30,047
Net income		76,829	105,583
Attributable to:			
Shareholders of Bossard Holding AG		74,214	102,980
Non-controlling interest		2,615	2,603
in CHF	Notes	2023	2022
Earnings per registered A share ¹⁾	17	9.64	13.38
Earnings per registered B share ¹⁾	17	1.93	2.68

1) Earnings per share is based on the net income of the shareholders of Bossard Holding AG and the annual average number of outstanding shares entitled to dividend. There is no dilution effect.

The notes on pages 136 to 159 are an integral part of the consolidated financial statements.

BOSSARD GROUP

Consolidated statement of changes in equity

in CHF 1,000	Share capital	Treasury shares	Capital reserves	Retained earnings			Shareholders Bossard	Non-controlling interest	Shareholders' equity
				Retained earnings	Goodwill offset	Translation differences			
Balance at January 1, 2022	40,000	-4,242	75,165	728,111	-385,313	-108,466	345,255	4,293	349,548
Dividend				-39,264			-39,264	-449	-39,713
Net income for the period				102,980			102,980	2,603	105,583
Management participation plan			1,216				1,216		1,216
Change in treasury shares		398	-1,988				-1,590		-1,590
Offset goodwill from acquisitions					-19,761		-19,761		-19,761
Translation differences						-15,152	-15,152	-508	-15,660
Balance at December 31, 2022	40,000	-3,844	74,393	791,827	-405,074	-123,618	373,684	5,939	379,623
Balance at January 1, 2023	40,000	-3,844	74,393	791,827	-405,074	-123,618	373,684	5,939	379,623
Dividend				-42,326			-42,326	-477	-42,803
Net income for the period				74,214			74,214	2,615	76,829
Management participation plan			1,299				1,299		1,299
Change in treasury shares		933	-1,233				-300		-300
Non-controlling interest from acquisitions					-1,043		-1,043	-251	-1,294
Changes in the scope of consolidation				28			28	-28	0
Translation differences						-40,044	-40,044	-624	-40,668
Balance at December 31, 2023	40,000	-2,911	74,459	823,743	-406,117	-163,662	365,512	7,174	372,686

For details regarding share capital, please refer to note 11 on page 143 and regarding the goodwill offset from acquisitions to note 20 on page 147.

The notes on pages 136 to 159 are an integral part of the consolidated financial statements

BOSSARD GROUP

Consolidated cash flow statement

in CHF 1,000	Notes	2023	2022
Net income		76,829	105,583
Share of result from associated companies		702	813
Income taxes	7	22,815	30,047
Financial result	16	12,740	5,024
Depreciation and amortization	4/5	24,995	23,718
(Decrease)/increase provisions	8	-333	4,796
Loss/(gain) from disposals of property, plant and equipment	4	128	-530
Loss from disposals of intangible assets	5	11	634
Interest received		1,268	507
Interest paid		-9,480	-4,582
Taxes paid		-24,656	-27,738
Increase management participation plan (part of equity)		1,299	1,216
Other non-cash income		-2,116	-1,827
Cash flow from operating activities before changes in net working capital		104,202	137,661
Decrease/(increase) accounts receivable, trade		19,754	-21,679
Decrease/(increase) other current assets		578	-1,994
Decrease/(increase) inventories		58,006	-108,165
(Decrease)/increase accounts payable, trade		-21,219	2,637
Decrease other non-interest bearing liabilities		-3,634	-2,456
Cash flow from operating activities		157,687	6,004

in CHF 1,000	Notes	2023	2022
Investments in property, plant and equipment	4	-26,515	-25,788
Proceeds from sales of property, plant and equipment	4	2,714	2,170
Investments in intangible assets	5	-11,846	-15,442
Net cash flow from purchases of companies	18	-1,294	-27,423
Net cash flow from purchase price adjustments	18	1,347	-
Investments in financial assets	6	-886	-1,720
Divestments of financial assets	6	190	122
Cash flow from investing activities		-36,290	-68,081
(Repayment)/proceeds of short-term debts	9	-36,874	42,704
(Repayment)/proceeds of long-term debts	10	-22,882	61,777
Purchase/sale of treasury shares		933	398
Dividends paid to shareholders		-42,326	-39,264
Dividends paid to non-controlling interest		-477	-449
Cash flow from financing activities		-101,626	65,166
Translation differences		-3,319	-1,405
Change in cash and cash equivalents		16,452	1,684
Cash and cash equivalents at January 1		35,792	34,108
Cash and cash equivalents at December 31	1	52,244	35,792

The notes on pages 136 to 159 are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Scope of operations

Bossard Holding AG, Zug, Switzerland, a limited company subject to Swiss law, is the parent company of all entities within the Bossard Group (hereinafter Bossard or Group). Bossard is a leading distributor of fasteners of every kind and a provider of related engineering and logistics services. The Group operates in three geographic regions, Europe, America and Asia, and is one of the market leaders in its sector of industry.

Accounting principles of the consolidated financial statements

The consolidated financial statements of the Group are based on the financial statements of the individual Group companies at December 31, 2023, prepared in accordance with uniform accounting policies. The consolidated financial statements have been prepared under the historical cost convention except for the revaluation of certain financial assets and liabilities at market value, in accordance with full Swiss GAAP FER. They are consistent with Swiss law and the listing rules of the SIX Swiss Exchange.

The consolidated financial statements were approved by the board of directors on February 23, 2024 and will be recommended for approval at the annual general meeting of shareholders.

The main principles of consolidation and valuation are detailed at the end of the notes to the consolidated financial statements.

1. Cash and cash equivalents

in CHF 1,000	2023	Interest rates in %	2022	Interest rates in %
Cash on hand and at banks	48,170	0.0–7.5	35,554	0.0–10.5
Short-term bank deposits	4,074	4.6–7.1	238	5.0
Total	52,244		35,792	

For details of movements in cash and cash equivalents please refer to the consolidated cash flow statement (page 135).

2. Accounts receivable, trade

in CHF 1,000	2023	2022
Accounts receivable, trade gross	162,285	194,997
According to due date		
not due	150,001	178,623
30 days overdue	5,816	8,298
60 days overdue	1,631	3,088
90 days overdue	4,837	4,988
Notes receivable	3,348	4,005
Allowance for bad debts	-5,652	-5,963
Total	159,981	193,039

3. Inventories

in CHF 1,000	2023	2022
Goods for trading/components	409,231	490,464
Value adjustments	-50,747	-48,189
Total	358,484	442,275
Value adjustments in % of inventory value	12.4	9.8

4. Property, plant and equipment

in CHF 1,000	Construction in progress	Land and buildings	Machinery and equipment	Others	Total
Cost					
Balance at Jan. 1, 2023	7,752	155,948	133,847	9,947	307,494
Additions	6,759	2,152	15,706	1,898	26,515
Changes in the scope of consolidation	-	-	-	-	-
Disposals	-	-2,704	-3,286	-1,538	-7,528
Reclass	-12,026	9,875	2,151	-	-
Translation differences	-379	-6,907	-6,113	-440	-13,839
Balance at Dec. 31, 2023	2,106	158,364	142,305	9,867	312,642
Accumulated depreciation					
Balance at Jan. 1, 2023	0	65,356	93,640	5,402	164,398
Depreciation	-	4,120	11,712	1,601	17,433
Disposals	-	-949	-2,268	-1,469	-4,686
Translation differences	-	-1,644	-3,851	-233	-5,728
Balance at Dec. 31, 2023	0	66,883	99,233	5,301	171,417
Net book value	2,106	91,481	43,072	4,566	141,225

in CHF 1,000	Construction in progress	Land and buildings	Machinery and equipment	Others	Total
Cost					
Balance at Jan. 1, 2022	6,117	154,659	128,797	9,273	298,846
Additions	6,232	1,521	14,593	3,442	25,788
Changes in the scope of consolidation	-	1	190	18	209
Disposals	-10	-310	-7,092	-2,488	-9,900
Reclass	-3,940	3,655	285	-	-
Translation differences	-647	-3,578	-2,926	-298	-7,449
Balance at Dec. 31, 2022	7,752	155,948	133,847	9,947	307,494
Accumulated depreciation					
Balance at Jan. 1, 2022	0	61,529	89,650	6,538	157,717
Depreciation	-	4,629	11,203	1,362	17,194
Disposals	-	-213	-5,710	-2,337	-8,260
Translation differences	-	-589	-1,503	-161	-2,253
Balance at Dec. 31, 2022	0	65,356	93,640	5,402	164,398
Net book value	7,752	90,592	40,207	4,545	143,096

5. Intangible assets

in CHF 1,000	Software in development	Software	Others	Total
Cost				
Balance at Jan. 1, 2023	6,205	79,789	220	86,214
Additions	10,755	1,091	-	11,846
Changes in the scope of consolidation	-	-	-	-
Disposals	-	-267	-	-267
Reclass	-6,168	6,168	-	-
Translation differences	-19	-489	-	-508
Balance at Dec. 31, 2023	10,773	86,292	220	97,285
Accumulated amortization				
Balance at Jan. 1, 2023	0	38,307	107	38,414
Amortization	-	7,518	44	7,562
Disposals	-	-256	-	-256
Translation differences	-	-392	-1	-393
Balance at Dec. 31, 2023	0	45,177	150	45,327
Net book value	10,773	41,115	70	51,958

in CHF 1,000	Software in development	Software	Others	Total
Cost				
Balance at Jan. 1, 2022	10,271	61,919	220	72,410
Additions	14,010	1,432	-	15,442
Changes in the scope of consolidation	-	-	-	-
Disposals	-632	-628	-	-1,260
Reclass	-17,440	17,440	-	-
Translation differences	-4	-374	-	-378
Balance at Dec. 31, 2022	6,205	79,789	220	86,214
Accumulated amortization				
Balance at Jan. 1, 2022	0	32,734	63	32,797
Amortization	-	6,480	44	6,524
Disposals	-	-626	-	-626
Translation differences	-	-281	-	-281
Balance at Dec. 31, 2022	0	38,307	107	38,414
Net book value	6,205	41,482	113	47,800

In 2023, no self-generated intangible assets were capitalized (2022: CHF 1.0 million).

6. Financial assets

in CHF 1,000	2023	Interest rates in %	2022	Interest rates in %
Loans and deposits to third parties	6,809	0.0–7.0	6,346	0.0–3.8
Investments in associated companies	160		850	
Other financial assets	1,112		1,115	
Total	8,081		8,311	

7. Income taxes

The tax expenses are made up as follows:

in CHF 1,000	2023	2022
Current taxes	21,717	27,718
Deferred taxes	1,098	2,329
Total	22,815	30,047

The effective tax rate on the Group's profit differs from the average basic tax rate of the various countries in which Bossard operates as follows:

in CHF 1,000	2023	2022
Income before taxes	99,644	135,630
Weighted average tax rate in %	21.4	20.4
Tax expense at weighted average tax rate	21,305	27,628
Non tax deductible expenses	493	909
Non-taxable income	-280	-76
Income/expenses taxed at special rate	30	-36
Unrecognized current year tax losses	364	449
Utilization unrecognized prior year tax losses	-540	-1,560
Change in applicable tax rate	63	24
Others	1,380	2,709
Tax expense at effective tax rate	22,815	30,047
Effective tax rate in %	22.9	22.2

The Group's average tax rate is the weighted average based on the various individual results and the local tax rates.

The deferred taxes consist of the following:

in CHF 1,000	Assets 2023	Liabilities 2023	Assets 2022	Liabilities 2022
Accounts receivable	701	293	676	316
Inventories	8,427	3,077	8,583	3,925
Property, plant and equipment	345	2,373	348	2,457
Intangible assets	4,952	3,217	6,480	2,035
Liabilities	3,888	4,168	4,034	3,927
Total deferred taxes	18,313	13,128	20,121	12,660
Net	5,185		7,461	

The gross values of unused tax losses carried forward which have not been capitalized expire as follows:

Expiry of unused tax losses carried forward in CHF 1,000	Within 5 years	After 5 years	Total
2023	998	11,196	12,194
2022	780	13,367	14,147

This results in not capitalized deferred tax assets for unused tax losses carried forward of CHF 2.6 million (2022: CHF 3.0 million).

The Group falls within the scope of the OECD global minimum tax framework (Pillar Two) which was implemented in local legislation in numerous countries of operation as of January 1, 2024. Under this legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15 percent minimum tax rate.

Since the legislation was not effective in financial year 2023, the Group has not recognized any corresponding tax expense. Furthermore, these financial statements have been prepared without recognition of any deferred tax assets and liabilities related to the OECD Pillar Two income taxes.

The Group is continuously assessing its exposure to the global minimum taxation legislation and monitors developments closely. Based on the current assessment, there are a limited number of jurisdictions where the GloBE effective tax rate is close to 15 percent and the transitional safe harbor relief does not apply. Therefore, the Group does not anticipate a material exposure related to the OECD Pillar Two top-up taxes in those jurisdictions for the financial year 2024.

8. Provisions

in CHF 1,000	Pension and other termination benefits	Management participation plan	Others	Total
Balance at Jan. 1, 2023	5,118	448	7,110	12,676
Additions	587	378	1,261	2,226
Usage	-411	-269	-1,219	-1,899
Reversals	-339	-13	-308	-660
Translation differences	-292	-53	-97	-442
Balance at Dec. 31, 2023	4,663	491	6,747	11,901
Thereof short-term	321	0	1,804	2,125

Pension and other termination benefits include liabilities for pension and granted legal benefits based on affiliation to the Group.

The provision management participation plan pertains to a long-term orientated program which is offered by the Group to specified middle and top management personnel. The manager annually receives a defined sum which is converted into restricted stock units of Bossard Holding AG registered A shares. This additional compensation is locked up for three to five years.

Other provisions include CHF 5.1 million (2022: CHF 6.0 million) for assumed obligations for rental and renovations related to the acquisition of KVT-Fastening. Of this amount, CHF 4.2 million (2022: CHF 4.9 million) is for an open rental obligation, which is due to the abandonment of the site and was discounted at a rate of 2.1 percent (2022: 2.1 percent).

in CHF 1,000	Pension and other termination benefits	Management participation plan	Others	Total
Balance at Jan. 1, 2022	5,016	782	2,379	8,177
Additions	604	325	5,524	6,453
Usage	-249	-266	-413	-928
Reversals	-19	-365	-344	-728
Translation differences	-234	-28	-36	-298
Balance at Dec. 31, 2022	5,118	448	7,110	12,676
Thereof short-term	248	0	1,546	1,794

9. Short-term debts

in CHF 1,000	2023	Interest rates in %	2022	Interest rates in %
Bank overdrafts	672	0.0–5.0	823	0.0–4.7
Bank loans	65,680	0.9–4.8	98,263	0.9–6.7
Personnel savings accounts	21,770	0.8	24,191	0.8
Others ¹⁾	2,370	2.5	5,400	0.6–0.8
Total	90,492		128,677	

1) For details, please refer to note 23

The personnel savings accounts correspond to savings of employees. The effective weighted average interest rate on all borrowings was 2.6 percent (2022: 1.1 percent).

10. Long-term debts

in CHF 1,000	2023	Interest rates in %	2022	Interest rates in %
Bank loans	168,581	0.9–2.9	196,266	0.9–2.1
Others ¹⁾	34,212	2.1–12.0	29,838	0.5–12.0
Total	202,793		226,104	

1) For details, please refer to note 23

11. Share capital

Details of share capital 2023/2022	Par value in CHF	Number of shares	Total in CHF 1,000
Registered A shares	5	6,650,000	33,250
Registered B shares	1	6,750,000	6,750
Total			40,000

298,577 registered A shares of CHF 5 par value are held by Bossard Holding AG and have neither voting rights nor dividend entitlement.

The consolidated reserves include non-distributable legal reserves of CHF 16 million (2022: CHF 16 million).

Treasury shares

The treasury shares can be used especially for management participation plans, acquisitions or other purposes in the interest of the Group.

	2023		2022	
	Number	in CHF	Number	in CHF
Balance at Jan. 1	303,559	3,843,877	300,904	4,241,836
Additions	36,216	8,218,877	114,577	24,768,347
Disposals	-41,198	-9,152,200	-111,922	-25,166,306
Balance at Dec. 31	298,577	2,910,554	303,559	3,843,877

Average transaction price in CHF	2023	2022
Additions	226.94	216.17
Disposals management participation plans	205.23	215.62
Other disposals	227.01	217.82

The disposals contain 6,777 shares (2022: 6,796) for the restricted stock unit plan (RSU).

6,710 registered A shares (2022: 11,692) are reserved for the management participation plan (RSU).

Dividend

At the upcoming annual general meeting of shareholders on April 8, 2024, the board of directors of Bossard Holding AG will propose a dividend for the financial year 2023 of CHF 4.00 (2022: CHF 5.50) per registered A share and CHF 0.80 (2022: CHF 1.10) per registered B share.

12. Segment information

The Group and all its regional companies are operating internationally in the field of industrial fastening technology. There are no separate segments as per Swiss GAAP FER 31. All the regional companies are managed based on a uniform business strategy. The core of Bossard's strategy is a uniform business model with the same customer and product focus in the world's major industrial regions. Bossard supplies industrial companies at their worldwide production sites with fastening technology products and related services based on uniform quality standards using uniform operational systems and processes. The board of directors and executive committee manage the Group on the basis of the financial statements of the individual regional companies and the Group's consolidated financial statement. Based on the number of regional companies, the CEO delegates the monitoring of the goals and their implementation in daily operations to the members of the executive committee, which are responsible for a different number of companies in the various regions.

13. Sales by regions

in CHF million	Europe		America		Asia		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Sales	588.3	627.4	302.0	310.1	181.3	220.6	1,071.6	1,158.1
Sales deductions	-1.9	-3.2	-0.5	-0.7	-0.2	-0.4	-2.6	-4.3
Net sales	586.4	624.2	301.5	309.4	181.1	220.2	1,069.0	1,153.8

14. Personnel expenses

in CHF 1,000	2023	2022
Salaries and variable compensation	168,456	170,642
Social security expenses	26,364	25,228
Pension expenses	12,790	11,953
Other personnel expenses	7,392	8,652
Total	215,002	216,475

The expense for share-based compensation recognized in the result for the period is CHF 1.7 million (2022: CHF 1.2 million).

15. Awarded restricted stock units

Number of RSUs	2023	2022
Balance at Jan. 1: Number of RSUs outstanding	28,216	27,934
Deliveries	-8,325	-8,239
Allocations	8,606	9,254
Other changes	-1,060	-733
Balance at Dec. 31: Number of RSUs outstanding	27,437	28,216

16. Financial result

in CHF 1,000	2023	2022
Income from interests and securities	1,135	360
Income from non-consolidated investments	179	179
Interest expenses	-10,373	-4,991
Exchange differences	-3,681	-572
Total	-12,740	-5,024

17. Earnings per share

	2023	2022
Net income in CHF 1,000	74,214	102,980
Average number of shares entitled to dividend ¹⁾	7,696,833	7,695,992
Earnings per registered A share in CHF	9.64	13.38
Earnings per registered B share in CHF	1.93	2.68

1) Registered B shares adjusted to the nominal value of the registered A shares

Earnings per share are calculated by dividing the net income attributable to Shareholders of Bossard Holding AG by the weighted average number of shares entitled to dividend during the year. There is no dilution effect as there are no options or convertible bonds outstanding.

18. Acquisitions and disposals of subsidiaries and businesses

Acquisitions 2023

In November 2023, the investment in Arnold Industries Cork DAC, Ireland, was increased from 95.0 percent to 100.0 percent. This acquisition resulted in a cash outflow of CHF 1.3 million and goodwill of CHF 1.0 million.

Disposals 2023

No subsidiaries or associated companies were disposed of.

Other changes in the scope of consolidation 2023

In 2023, the scope of consolidation changed as follows:

- Bossard Services Pte. Ltd, Singapore (incorporation)
- Bossard Industrial Fasteners Int. Trading (Shanghai) Co. Ltd, China (liquidation)
- Sentinus AG, Switzerland (incorporation)

Acquisitions 2022

The following table shows the acquired assets and liabilities at their market value at the acquisition date and the resulting goodwill.

in CHF 1,000	Market value at acquisition date
Cash and cash equivalents	237
Accounts receivable, trade	3,873
Inventories	6,357
Other current assets	216
Non-current assets	213
Accounts payable, trade	-2,974
Other current liabilities	-1,370
Non-current liabilities	-
Net assets acquired	6,552
Goodwill	19,761
Total	26,313
Less acquired cash and cash equivalents	-237
Plus purchase price adjustment not yet received	1,347
Cash flow from acquisitions	27,423

In 2022, the following company was acquired:

- PENN Engineered Fasteners Corporation, Canada (November 2022), now Bossard Ontario Inc.

Disposals 2022

No subsidiaries or associated companies were disposed of.

Other changes in the scope of consolidation 2022

In 2022, the scope of consolidation changed as follows:

- Bossard Deutschland GmbH, Germany (merger with KVT-Fastening GmbH, Germany)
- Boysen Verwaltungs GmbH, Germany (merger with Bossard-KVT Beteiligungs GmbH, Germany)
- Normscrews Beheer B.V., Netherlands (merger with Jeveka B.V., Netherlands)

19. Derivative financial instruments

As of December 31, 2023, there were no open foreign exchange contracts or other derivative financial instruments (2022: none).

20. Goodwill

The theoretical capitalization and amortization of goodwill would affect the consolidated financial statements as follows:

Theoretical movements in goodwill and effect on balance sheet

in CHF 1,000	2023	2022
Equity incl. non-controlling interest	372,686	379,623
Equity ratio in %	46.2	41.7
Cost		
Balance at Jan. 1	405,074	385,313
Additions	1,043	19,761
Disposals	-	-
Balance at Dec. 31	406,117	405,074
Accumulated amortization		
Balance at Jan. 1	336,982	315,778
Amortization	24,276	21,204
Disposals	-	-
Balance at Dec. 31	361,258	336,982
Theoretical net book value goodwill at Dec. 31	44,859	68,092
Theoretical equity incl. non-controlling interest and net book value goodwill	417,545	447,715
Theoretical equity ratio in %	49.0	45.8

Effect on income statement

in CHF 1,000	2023	2022
EBIT without theoretical goodwill amortization	113,086	141,467
Theoretical goodwill amortization	-24,276	-21,204
EBIT incl. theoretical goodwill amortization	88,810	120,263

Goodwill from acquisitions is converted into Swiss francs using the closing rate and offset against equity at the acquisition date. As a result, no exchange differences arise in the movement schedule. The theoretical, straight-line amortization period usually is five years.

21. Pension benefit obligations

The Group has various pension plans to which most of its employees contribute. With the exception of companies in Switzerland, the pension institution is responsible for providing coverage for retirement, survivors' and disability benefits. The pension plan institution for the Swiss companies is an independent pension plan in accordance with the Swiss federal law on occupational retirement, survivors' and disability pension plans (BVG). The pension plan institution uses the fundamentals BVG 2020/generation table. The actuarial interest rate is 1.50 percent (2022: 1.50 percent). In accordance with Swiss GAAP FER 26, the last available financial statements of the pension plan institution, which have a balance sheet date not older than 12 months, serve as a basis for calculation.

Economic benefit/economic obligation and pension plan expenses:

in CHF 1,000	Surplus/Deficit according to pension plans	Economic share of the Group		Change or capitalized in financial year	Contributions accrued	Pension plan expenses in personnel expenses	
	31.12.2023	31.12.2023	31.12.2022	2023	2023	2023	2022
Patronage funds/pension institutions	2,372	-	-	-	318	318	309
Pension institutions without surplus/deficit	-	-	-	-	6,447	6,447	5,856
Pension institutions with surplus	-	-	-	-	-	-	-
Pension institutions with deficit	-	-	-	-	-	-	-
Pension institutions abroad	-	-	-	-	6,025	6,025	5,788
Total	2,372	-	-	-	12,790	12,790	11,953

The surplus in the patronage fund corresponds to the non-committed funds. The patronage fund may, at its own discretion, make contributions to the pension plan institution.

Financing is through employer and employee contributions. The contributions are calculated as a percentage of the insured compensation.

There were no employer contribution reserves as of December 31, 2023 (2022: none).

22. Participations by the board of directors and the executive committee

At December 31, the individual members of the board of directors and of the executive committee (including persons closely associated with them) held the following registered A shares of Bossard Holding AG:

	2023	2022
Board of directors		
Dr. Thomas Schmuckli Chair, Chair NC ¹⁾ , ARCC ²⁾	8,352	8,658
Patricia Heidtman Vice Chair, NC, CC ³⁾	927	785
David Dean Representative of registered A shares, Chair CC, ARCC ⁴⁾	1,427	1,285
Petra Maria Ehmann NC ⁵⁾ , ARCC	277	135
Marcel Keller CC	277	135
Martin Kühn Chair ARCC ⁶⁾	1,589	1,447
Prof. Dr. Ina Toegel ⁷⁾ CC, NC	-	-
Total	12,849	12,445

1) Nomination committee

2) Member of the audit, risk & compliance committee (ARCC) until April 2023

3) Member of the compensation committee (CC) until April 2023

4) Member of the ARCC since April 2023

5) Member of the NC until April 2023

6) Chair of the ARCC since April 2023, before member of the ARCC

7) Election to the board of directors in April 2023

	2023	2022
Executive committee		
Dr. Daniel Bossard ¹⁾ CEO	7,630	7,205
Stephan Zehnder CFO	10,575	11,710
Rolf Ritter ²⁾ CEO Central Europe	241	210
Dr. Frank Hilgers CEO Northern and Eastern Europe, CCO	2,827	2,562
David Jones CEO America	700	300
Robert Ang CEO Asia	12,819	13,054
Susan Salzbrenner ³⁾ VP of People & Organization	-	-
Total	34,792	35,041

1) Also acting as CEO Central Europe ad interim in 2022

2) Appointment as CEO Central Europe in January 2023, former CSO in 2022

3) Appointment as VP of People & Organization in January 2023

At December 31, the individual members of the executive committee held the following numbers of awarded restricted stock units (RSUs):

	2023 ⁴⁾	2022
Dr. Daniel Bossard ¹⁾ CEO	1,210	1,185
Stephan Zehnder CFO	637	662
Rolf Ritter ²⁾ CEO Central Europe	296	189
Dr. Frank Hilgers CEO Northern and Eastern Europe, CCO	647	662
David Jones CEO America	385	145
Robert Ang CEO Asia	622	662
Susan Salzbrenner ³⁾ VP of People & Organization	96	96
Total	3,893	3,601

1) Also acting as CEO Central Europe ad interim in 2022

2) Appointment as CEO Central Europe in January 2023, former CSO in 2022

3) Appointment as VP of People & Organization in January 2023

4) RSUs which will be granted in the second quarter of 2024 for the financial year 2023 are not included in the balance.

23. Related party transactions

Kolin Holding AG, Zug, Switzerland, and Bossard Unternehmensstiftung, Zug, Switzerland, form a group of shareholders as defined in article 120seq. of Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). They hold 56.3 percent (2022: 56.3 percent) of total voting rights or 27.8 percent (2022: 27.8 percent) of the capital entitled to dividend. Kolin Holding AG is wholly owned by the Bossard families.

The following related party transactions were undertaken:

Balance sheet positions as per year-end in CHF 1,000	2023	Interest rates in %	2022	Interest rates in %
Deposits in the personnel savings accounts	7,913	0.8	8,720	0.8
Short-term loans from related parties	2,370	0.6–2.1	5,400	0.6–0.8
Long-term loans from related parties	33,000	0.5–2.1	28,500	0.5

In 2023, transactions took place during the year with Bossard Unternehmensstiftung, Zug, Bossard Personalstiftung, Zug, and Bossard Finanzierungsstiftung, Zug, with an interest expense of CHF 611,761.

In 2022, transactions took place during the year with Bossard Unternehmensstiftung, Zug, Bossard Personalstiftung, Zug, and Bossard Finanzierungsstiftung, Zug, with an interest expense of CHF 164,588.

24. Lease and rental obligations

At December 31, future operating lease payments not recorded in the balance sheet amounted to:

Operating lease commitments in CHF 1,000	Due within 1 year	Due within 2 years	Due within 3 years	Due within 4 years	Due after 4 years	Total
2023	1,473	873	578	293	44	3,261
2022	1,259	655	284	79	7	2,284

At December 31, future rental liabilities for office and warehouse premises amounted to:

Long-term rental liabilities in CHF 1,000	Due within 1 year	Due within 2 years	Due within 3 years	Due within 4 years	Due after 4 years	Total
2023	8,782	6,624	5,659	3,456	12,976	37,497
2022	8,547	5,826	4,088	3,798	6,882	29,141

25. Assets pledged or otherwise restricted

in CHF 1,000	2023	2022
Property, plant and equipment	2,099	3,147
Total	2,099	3,147

The pledged or restricted assets are used as collateral for outstanding bank and mortgage loans, which are not encumbered with any special conditions. After the repayment of the credits, the assets are again freely available.

26. Contingent liabilities

As of December 31, 2023 there were no contingent liabilities (2022: none).

27. Events occurring after balance sheet date

Between December 31, 2023 and the approval of the consolidated financial statements by the board of directors, no major events occurred which would require additional disclosures or changes in the consolidated financial statements 2023.

28. List of group companies

Companies and branches		Registered office	Currency	Capital in 1,000	Shareholding
Holding and finance companies					
Switzerland	Bossard Holding AG	Zug	CHF	40,000	100
	Bossard Finance AG	Zug	CHF	100	100
Germany	Bossard Beteiligungs GmbH	Illerrieden	EUR	25	100
UK	bigHead Fasteners Ltd	Verwood	GBP	1,847	42
USA	Bossard U.S. Holdings, Inc.	Phoenix, AZ	USD	40,000	100
Europe					
Switzerland	Bossard Aerospace Switzerland AG	Zug	CHF	50	100
	Bossard AG	Zug	CHF	12,000	100
	3d-prototyp GmbH in Liquidation	Dietikon	CHF	20	100
Austria	Bossard Austria Ges.m.b.H.	Schwechat	EUR	1,017	100
	KVT-Fastening GmbH	Linz	EUR	509	100
Czech Rep.	Bossard CZ s.r.o.	Brno	CZK	1,000	100
	KVT-Fastening s.r.o.	Brno	CZK	200	100
Denmark	Bossard Denmark A/S	Hvidovre	DKK	9,000	100
France	Bossard France SAS	Souffelweyersheim	EUR	17,600	100
Germany	Bossard Aerospace Germany GmbH	Feldkirchen	EUR	1,050	100
	Bossard Deutschland GmbH	Illerrieden	EUR	100	100
	Bossard Deutschland GmbH	Velbert	EUR	110	100
Hungary	KVT-Fastening Kft.	Budapest	HUF	3,000	100
Ireland	Arnold Industries Cork DAC	Cork	EUR	0.2	100
Italy	Bossard Italia S.r.l.	Legnano	EUR	100	100
Netherlands	Bossard Nederland B.V.	Almere	EUR	45	100
Norway	Bossard Norway AS	Oslo	NOK	200	100
Poland	Bossard Poland Sp. z o.o.	Radom	PLN	1,300	100
	KVT-Fastening Sp. z o.o.	Radom	PLN	100	100
Romania	KVT-Fastening S.R.L.	Bucharest	RON	0.2	100
Serbia	KVT-Fastening d.o.o. Beograd	Belgrade	RSD	1,000	100
Slovakia	KVT-Fastening spol. s.r.o.	Bratislava	EUR	5	100

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Companies and branches		Registered office	Currency	Capital in 1,000	Shareholding
Slovenia	KVT-Tehnika pritrjevanja, d.o.o.	Ljubljana	EUR	8.3	100
South Africa	Bossard South Africa (Pty) Ltd	Kempton Park	ZAR	-	75
Spain	Bossard Spain SA	Sant Cugat del Vallès	EUR	745	100
Sweden	Bossard Sweden AB	Malmö	SEK	400	100
UK	bigHead Bonding Fasteners Ltd	Verwood	GBP	1.8	42
America					
Canada	Bossard Canada, Inc.	Montreal	CAD	-	100
	Bossard Ontario Inc.	Toronto	CAD	-	100
Mexico	Bossard de México, S.A. de C.V.	Monterrey	USD	755	100
	Aero-Space Southwest Mexico, S. de R.L. de C.V.	Guadalajara	MXN	10	100
USA	Bossard Aerospace, Inc.	Phoenix, AZ	USD	4.9	100
	Bossard Aerospace U.S., Inc.	Irving, TX	USD	25	100
	Bossard, Inc.	Cedar Falls, IA	USD	2,255	100
	Bossard, LLC	Stoughton, MA	USD	-	100
Asia/Oceania					
Australia	Bossard Australia Pty. Ltd	Melbourne	AUD	500	100
China	Bossard Fastening Solutions (Shanghai) Co. Ltd	Shanghai	RMB	76,829	100
	Bossard Fastening Solutions (Tianjin) Co. Ltd	Tianjin	RMB	68,102	100
India	LPS Bossard Pvt. Ltd	Rohtak	INR	48,000	51
Malaysia	Bossard (M) Sdn. Bhd.	Penang	MYR	8,500	100
Singapore	Bossard Pte. Ltd	Singapore	SGD	15,600	100
	Bossard Services Pte. Ltd	Singapore	SGD	300	100
South Korea	Bossard (Korea) Ltd	Cheonan	KRW	3,500,000	100
Taiwan	Bossard Ltd Taiwan Branch	Taichung	TWD	-	100
Thailand	Bossard (Thailand) Ltd	Bangkok	THB	45,000	100
Associated companies					
Switzerland	Ecoparts AG	Hinwil	CHF	270	30
	MultiMaterial-Welding AG	Biel/Bienne	CHF	187	41
	Sentinus AG	Cham	CHF	100	20
Austria	PDi Digital GmbH	Fernitz-Mellach	EUR	35	30

As per December 31, 2023

29. Principles of consolidation

The consolidated financial statements include the financial statements of Bossard Holding AG as well as the domestic and foreign Group companies over which Bossard Holding AG exercises control. Group companies acquired during the year are included in the consolidated financial statements from the date on which control is obtained by Bossard. Group companies are deconsolidated on the date Bossard ceases to have control. The uniform closing date for all Group companies included in the consolidated financial statements is December 31.

Capital consolidation is based on the purchase method. Intercompany receivables and liabilities as well as transactions and intercompany profits not yet realized through sales to third parties are eliminated.

Investments in subsidiaries

Subsidiaries are fully consolidated. These are companies over which Bossard Holding AG directly or indirectly exercises control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when Bossard Holding AG directly or indirectly holds more than half of the voting rights of a company or is able to exercise control in another way. This does not apply if in exceptional circumstances it can be clearly demonstrated that such ownership does not constitute control. Under the full consolidation method, 100 percent of assets, liabilities, income and expenses are included. The interests of minority shareholders in equity and net income or loss are shown separately in the balance sheet and income statement.

In accordance with Swiss GAAP FER 30 "Consolidated financial statements", goodwill from acquisitions is converted into Swiss francs using the closing rate and is offset against equity at the date of acquisition. Goodwill represents the excess of the consideration transferred over the proportionate share of the revalued net assets of an acquired company at the date of acquisition.

Transactions with non-controlling interest which do not result in a change of the consolidation method are recognized directly in equity. The difference between the consideration transferred and the corresponding non-controlling interest is recognized as goodwill and is offset against the retained earnings in equity.

Associated companies

Associated companies are those in which Bossard Holding AG directly or indirectly holds an interest between 20 percent and 50 percent and exercises significant influence. Associated companies are accounted for using the equity method. Under the equity method, investments in associated companies are recognized at the proportionate share of equity at the date of acquisition. The difference to the consideration transferred is recognized as goodwill and is offset against the retained earnings in equity at the date of acquisition. Subsequently, the book value is adjusted to reflect the company's proportionate equity.

Non-controlling interest

Non-controlling interest of less than 20 percent and without any other form of control or significant influence is recognized at acquisition cost less any economically necessary impairment.

Foreign currency translation

The consolidated financial statements are presented in Swiss francs (CHF). The financial statements of the Group companies are prepared in their respective local currency. Transactions in foreign currencies are translated at the exchange rate on the day of the transaction. Exchange differences resulting from adjustments of foreign exchange balances at the balance sheet date are recognized as exchange gains or losses in the income statements of the Group companies and are included in the consolidated net income.

For the consolidated financial statements, the financial statements of the Group companies that report in a foreign currency are translated into Swiss francs as follows: balance sheet items at year-end exchange rates, equity at historical rates, and items of the income statement at the average exchange rate for the year. Any translation differences and exchange differences arising from intercompany loans with equity character are recognized in the Group's consolidated equity.

The following principal exchange rates were applied:

	31.12.2023 Year-end exchange rate	01.01.2023– 31.12.2023 Average exchange rate	31.12.2022 Year-end exchange rate	01.01.2022– 31.12.2022 Average exchange rate
1 EUR	0.93	0.97	0.99	1.01
1 USD	0.84	0.90	0.93	0.95
100 DKK	12.47	13.04	13.28	13.51
100 RMB	11.87	12.72	13.32	14.20
100 INR	1.01	1.09	1.12	1.22

30. Accounting and valuation principles

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, time deposits, and other short-term highly liquid investments with original maturities of up to three months. Cash and cash equivalents are recognized at nominal value.

Accounts receivable, trade

Accounts receivable are stated at the invoiced amount less allowances. The allowance for doubtful accounts is based on the maturity structure and identifiable credit risks.

Inventories

Goods for trading are recognized at average acquisition cost. Should the net realizable value be lower, a corresponding value adjustment is made. Acquisition cost include the product purchase price and delivery cost (freight, customs duties, etc.). Cash discounts are treated as reductions of the acquisition cost. Inventories that lack marketability or have low turnover, are written down to the estimated market value less cost to sell.

Property, plant and equipment

Land is stated at cost and generally not depreciated. Buildings, machinery and equipment, office machines and furniture as well as vehicles are stated at cost less economically necessary depreciation and impairment. Assets are depreciated on a straight-line basis over their estimated useful lives:

Buildings	30–40 years
Machinery and equipment	5–20 years
Office machines and furniture	3–10 years
Vehicles	4–10 years

Leasehold improvements are depreciated over the shorter of useful life or lease term. Repair and maintenance costs which do not increase the value or useful life of an asset are charged directly as an expense. Expenditures which increase the useful life of an asset are capitalized. Fixed assets no longer in use or sold are removed from the assets at acquisition cost minus the related accumulated depreciation. Any gains or losses arising from the disposal of fixed assets are recognized in the income statement.

Leasing

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases, and payments are recognized as an expense on a straight-line basis over the lease term.

Intangible assets – software

Costs arising from the development of software (purchased or self-generated) are capitalized, provided such costs are clearly associated with an identifiable and business-related computer program, can be reliably determined, and lead to measurable benefits over several years. Software is amortized on a straight-line basis over its estimated useful life, up to a maximum of 15 years.

Intangible assets – others

This item includes rights. Rights are amortized on a straight-line basis over their estimated useful life, up to a maximum of ten years.

Financial assets

Financial assets comprise both non-consolidated investments and long-term loans. They are recognized at acquisition cost less economically necessary value adjustments. Fair value changes are recognized in the income statement in the period in which they arise.

Impairment

The recoverability of non-current assets is determined at the balance sheet date. Impairment losses are recognized in the income statement.

Derivative financial instruments

Financial instruments are recognized in the balance sheet at fair value. Assets from derivatives are recognized under financial assets and liabilities from derivatives are recognized under current liabilities. Derivative financial instruments held for hedging purposes are valued at the same valuation principles as the underlying hedged item.

Liabilities

Liabilities are recognized at nominal value.

Provisions

A provision is recognized if the Group has a probable obligation that is based on a past event and its amount and/or its due date is uncertain but can be estimated.

Contingent liabilities

Contingent liabilities are valued at the balance sheet date. A provision is made if an outflow of funds without a simultaneously usable inflow of funds is both probable and estimable.

Financial debts

Financial debts are recognized at nominal value. They are classified as current liabilities unless the Group can defer the settlement of the liability for at least twelve months after the balance sheet date.

Treasury shares

Treasury shares are recognized at acquisition cost and presented as a deduction from equity. Any gains and losses arising from transactions with treasury shares are recognized in the capital reserves.

Share-based compensation

There is a share purchase plan for the board of directors and the executive committee, and they are required, or may elect, to draw part of their total compensation in shares. The shares are made available at market price. The market value is always determined in February and is based on the average closing price over the last ten trading days in February.

There is a restricted stock unit plan (RSU) in place for the members of the management. The eligible participants annually receive a defined sum which is converted into RSUs on Bossard Holding AG registered A shares. The conversion is performed at market value and is based on the average closing price over the last ten trading days in November. The stock options (RSUs) are subject to a vesting period of three to five years. After three years, yearly one-third of the allocated RSUs is passed on to the manager provided as long as she or he is employed at the time of the vesting. After the last contractual working day, all remaining stock options (RSUs) forfeit immediately. If the employment terminates due to retirement, disability or death, the RSUs vest immediately.

There is an equivalent restricted stock unit plan (RSU) in place for the members of the executive committee. However, the condition for grant is linked to the implementation of the Group's strategic initiatives of the prior financial year. Therefore, the vesting period starts after the termination of the financial year. The conversion is carried out at market value and is based on the average share price over the last ten trading days in December. The RSUs of the members of the executive committee do not forfeit upon termination of the employment and remain subject to the respective vesting period.

The share-based compensation is valued at present value when granted and is recognized over the vesting period as personnel costs and as equity (instruments with equity compensation) or liability (instruments with cash compensation). If no cash settlement is planned, no subsequent valuation is made unless the terms of exercise and purchase are amended. The subsequent valuation is based on the closing price for the share on the last trading day of the financial year. No dilution effect results because no additional shares have been issued.

Pension benefit obligations

A number of pension plans in accordance with the legal requirements in the individual countries exist within the Group. Their assets are generally held in autonomous pension institutions or in statutory occupational pension plans. The pension plans are funded by employee and employer contributions. Pension plans are accounted for in accordance with Swiss GAAP FER 16.

Any real economic impacts of pension plans on the Group are calculated at the balance sheet date. An economic benefit from a surplus is recognized as an asset provided this is admissible and the surplus can be used to decrease the Group's future contributions to its pension plans. An economic obligation is recognized if the criteria for recognizing a provision are met. Contributions by Group companies to pension plans are recognized in the income statement in the year in which they occur.

Net sales and revenue recognition

Revenue is recognized at fair value and represents the amount receivable for goods sold and services provided, net of sales-related taxes and revenue deductions. Revenue deductions include all positions that are directly related to the corresponding sales, such as discounts and losses on receivables. Revenue is recognized when the goods and services have been supplied or provided.

Income taxes

All tax liabilities are accrued irrespective of when such taxes are due. Deferred income taxes are recognized according to the “liability method” for temporary differences arising between the tax base of assets and liabilities and their carrying values determined in accordance with Swiss GAAP FER.

Deferred tax assets on temporary differences are only capitalized if it is probable that they can be realized in the future through sufficient taxable profits. Deferred taxes are calculated using the expected applicable local tax rates. Bossard does not recognize deferred tax assets on tax losses carried forward. The value of such tax assets is recognized only when realized.

No deferred taxes are recognized for taxes on future distributions of profits of subsidiaries, provided that no distribution is intended in the foreseeable future and Bossard is able to control its timing.

Related parties

A party is related to the Group if it directly or indirectly controls, is controlled by, or is under common control with Bossard, has an interest in Bossard that gives it significant influence over the Group, has joint control over the Group (board of directors and executive committee) or is an associate or a joint venture of the Group. In addition, personnel in key management positions of Bossard as well as pension plans are also considered related parties.

Accounting estimates and assumptions

Preparing the financial statements in accordance with Swiss GAAP FER requires the board of directors and the executive committee to make estimates and assumptions which can have an impact on the recognized assets, liabilities, contingent liabilities and contingent assets at the time of preparation as well as income and expenses for the reporting period. These estimates are based on the board of directors’ and the executive committee’s best knowledge and belief of current and future activities of the Group. The actual results may deviate from these estimates.

31. Financial risk management

The goal of the risk management is to identify and evaluate financial risks with a potential negative impact on the Group and to mitigate and minimize them accordingly. The board of directors bears ultimate responsibility for the risk management and delegates its implementation to the Group finance department. The results are summarized in a report to the board of directors and the executive committee.

Due to its international operations, Bossard is exposed to various financial risks arising from its business activities, but also from financing activities. The Group’s main financial risks include foreign exchange and credit risks with regard to the solvency of the Group’s counterparties. Any hedging activities must be linked to the Group’s operations. The Group has comprehensive insurance coverage to protect itself against other risks.

Foreign currency risk

Given its international operations, the Group is exposed to exchange rate fluctuations which have an impact on the Group’s consolidated financial statements presented in Swiss francs. The Group continuously monitors its currency risks and, if necessary, hedges against them. The Group’s currency risks are mainly limited to the Euro and the US dollar. Transactions in the individual Group companies are predominantly conducted in their local currencies, which is why the currency risk from current operating activities is considered to be low. In some Group companies, however, foreign currency risks exist for payments to suppliers outside their local currency. Where necessary, parts of these foreign currency risks are hedged through foreign exchange contracts. The net assets of foreign subsidiaries are exposed to exchange rate risks. Such risks are partly hedged by financing activities in the respective foreign currency and, where necessary, through foreign exchange contracts with a maturity of a maximum of twelve months.

Interest rate risk

The risk of changes in interest rates is monitored and managed centrally by the Group's corporate treasury department. In certain market situations, the Group may make use of instruments to hedge interest rate fluctuations, or it can convert part of the loans with variable interest rates to fixed interest rates.

Credit risk

Credit risks arise if, in a transaction, the counterparty is either not willing or not able to meet its payment obligations. The credit loss risk for accounts receivable is minimized through credit limits, credit worthiness checks and by an efficient system for managing receivables. Given the Group's monthly internal reporting system, continuous monitoring of overdue payments is ensured. Additionally, the risk concentration is limited due to the fact that the Group's customer base consists of numerous customers with a wide geographical and industrial distribution.

Liquidity risk

One aspect of judicious risk management is ensuring an appropriate amount of cash and cash equivalents and committed credit facilities as well as the possibility of refinancing. To ensure that the Group is solvent and financially flexible at all times, it maintains a liquidity reserve in the form of cash and cash equivalents as well as credit facilities. Optimal liquidity control is achieved through cash pooling.

Capital risk

To minimize its capital risk, the Group ensures that the continuation of its operating activities is guaranteed and that an appropriate return can be generated for its shareholders. To achieve this, the Group may adjust dividend payments, pay back capital to shareholders, issue new shares or sell assets.

The Group monitors its capital structure based on its equity ratio with a target value of at least 40 percent.



Report of the statutory auditor

to the General Meeting of Bossard Holding AG Zug

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Bossard Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement 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 132 to 159) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law

Basis for opinion

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

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

Our audit approach

Overview

Overall Group materiality: CHF 5,000,000

We concluded full scope audit work at eleven reporting units in six countries. Our audit scope addressed over 67 % of Group's revenue.

In addition, specified procedures were performed on a further three reporting units in two countries representing a further 4 % of the Group's revenue.

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

Valuation of inventories



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 5,000,000
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, Risk and Compliance Committee that we would report to them misstatements above CHF 500,000 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.

The audit strategy for the audit of the consolidated financial statements was determined considering the work performed by the Group auditor and the component auditors in the PwC network. All significant subsidiaries of the Group were audited by PwC. Where audits were performed by component auditors, we ensured that, as Group auditor, we were sufficiently involved in the audit in order to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. The involvement of the Group auditor included video call conferences with the component auditors, an investigation of the risk analysis and participating in the audit discussions of group companies subject to full scope audits, at which the local management, the local auditor and Group representatives took part.

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 inventories

Key audit matter

Inventories amount to CHF 358.5 million (after deduction of a value adjustment of CHF 50.7 million) as of December 31, 2023 and are thus the largest asset category, representing around 44 % of total assets.

Inventories are stated at the lower of acquisition cost and net realisable value (lower of cost or market principle).

We consider the valuation of inventories as a key audit matter due to the amount they represent on the balance sheet and the significant scope for judgement involved in determining the write-downs required on obsolescent or slow-moving products.

Please refer to page 137 (3 Inventories) and page 155 (30 Accounting and valuation principles) in the annual report.

How our audit addressed the key audit matter

We performed the following audit procedures to assess the appropriateness of the valuation of the inventories:

- We gathered an understanding of the process of the valuation of inventories.
- We checked on a sample basis the acquisition costs used for valuation purposes against the latest purchase prices. Additionally, by reference to sales prices achieved in the year, we checked on a sample basis compliance with the lower of cost or market principle.
- We ensure that the method for determining write-downs of inventories was applied consistently.
- For obsolescent or slow-moving inventories, we discussed with Management the assumptions applied in calculating the required write-downs and assessed these assumptions. In doing so, we paid particular attention to changes in write-downs for each category of product or of write-downs compared with the prior year. We also considered the experience of significant unforeseen product write-downs or write-offs in previous years.
- We tested on a sample basis the computational accuracy and completeness of the calculation of the write-downs.
- We discussed with Management and the Audit, Risk & Compliance Committee the results of our work and any movements in the write-downs.

On the basis of the audit procedures performed, we consider Management's valuation of inventories to be reasonable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the note 5 and 6 in the compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Thomas Wallmer

Licensed audit expert
Auditor in charge

Simon Hux

Licensed audit expert

Zurich, February 23, 2024

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BOSSARD HOLDING AG

Balance sheet

in CHF	Notes	31.12.2023	31.12.2022
Assets			
Current assets			
Cash and cash equivalents		14,793	1,367,289
Other receivables	1	917,419	941,899
Prepaid expenses		43,423	54,548
		975,635	2,363,736
Non-current assets			
Financial assets	2	39,620,491	30,866,800
Investments	3	118,023,215	118,023,215
		157,643,706	148,890,015
Total assets		158,619,341	151,253,751

in CHF	Notes	31.12.2023	31.12.2022
Liabilities and shareholders' equity			
Current liabilities			
Other current liabilities to third parties		51,072	130,930
Accrued expenses		299,026	284,761
		350,098	415,691
Total liabilities		350,098	415,691
Shareholders' equity			
Share capital		40,000,000	40,000,000
Legal reserve			
Reserves from capital contributions		15,701,654	15,701,654
Other legal reserves		2,049,686	2,049,686
Statutory retained earnings			
General statutory retained earnings		16,000,000	16,000,000
Other reserves		34,111,700	34,111,700
Retained earnings			
Profit brought forward		4,492,943	14,442,755
Profit for the current year		48,823,814	32,376,142
Treasury shares	4	-2,910,554	-3,843,877
Total shareholders' equity		158,269,243	150,838,060
Total liabilities and shareholders' equity		158,619,341	151,253,751

BOSSARD HOLDING AG

Income statement

in CHF	Notes	2023	2022
Income			
Dividend income		50,000,000	35,000,000
Other operating income		300,000	300,000
Expenses			
Personnel expenses	8	-1,491,885	-1,634,223
Other operating expenses		-909,919	-718,694
Other financial income		1,033,211	268,101
Financial expenses		-74,076	-839,042
Income before taxes		48,857,331	32,376,142
Taxes		-33,517	-
Net income		48,823,814	32,376,142

BOSSARD HOLDING AG

Notes to the financial statements

Accounting principles applied in the preparation of the financial statements

General

The financial statements of Bossard Holding AG, Zug, were prepared in accordance with the Swiss Code of Obligations and under the financial reporting law (Title 32 of the Swiss Code of Obligations).

Bossard Holding AG reports its consolidated financial statements on the basis of a recognized standard (Swiss GAAP FER) and has therefore, in accordance with the legal provisions, decided to not to provide a separate management report, a separate cash flow statement or a note on the audit fees in this financial report. The content of the management report is reflected in the sections “At a glance”, “Report to the shareholders”, “Company”, “Corporate Governance”, and “Financial Report” of the annual report.

Financial assets

Financial assets include non-current loans. Loans in foreign currency are translated into Swiss francs at year-end rate. Unrealized translation losses are recognized in the income statement, whereas unrealized translation gains remain unrecognized (principle of imparity).

Investments

Investments are measured at cost. Investments are valued individually if they are material and are not usually grouped together for valuation purposes due to their similarity.

Treasury shares

Treasury shares are measured at cost and are disclosed as a negative item in the shareholders’ equity. Gains and losses arising from disposal of treasury shares are recognized in the income statement as financial income or financial expenses.

Foreign currencies

Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following exchange rates:

	31.12.2023 Year-end exchange rate	31.12.2022 Year-end exchange rate
EUR	0.93	0.99

Information and explanations relating to items in the balance sheet and in the income statement

1. Other receivables

in CHF	2023	2022
From subsidiaries	917,419	941,899
Total	917,419	941,899

2. Financial assets

in CHF	2023	2022
From subsidiaries	39,620,491	30,866,800
Total	39,620,491	30,866,800

3. Investments

Name, legal form, registered office	2023		2022	
	Capital	Votes	Capital	Votes
Direct investment				
Bossard Finance AG, Zug	100 %	100 %	100 %	100 %
Indirect investments				
Bossard Beteiligungs GmbH, Illerrieden	100 %	100 %	100 %	100 %
bigHead Fasteners Ltd, Verwood	42 %	42 %	42 %	42 %
Bossard U.S. Holdings, Inc., Phoenix	100 %	100 %	100 %	100 %
Bossard Aerospace Switzerland AG, Zug	100 %	100 %	100 %	100 %
Bossard AG, Zug	100 %	100 %	100 %	100 %
3d-prototyp GmbH in Liquidation, Dietikon	100 %	100 %	100 %	100 %
KKV AG, Zug	35 %	35 %	35 %	35 %
Bossard Austria Ges.m.b.H., Schwechat	100 %	100 %	100 %	100 %
KVT-Fastening GmbH, Linz	100 %	100 %	100 %	100 %
Bossard CZ s.r.o., Brno	100 %	100 %	100 %	100 %
KVT-Fastening s.r.o., Brno	100 %	100 %	100 %	100 %
Bossard Denmark A/S, Hvidovre	100 %	100 %	100 %	100 %
Bossard France SAS, Souffelweyersheim	100 %	100 %	100 %	100 %
Bossard Aerospace Germany GmbH, Feldkirchen	100 %	100 %	100 %	100 %
Bossard Deutschland GmbH, Illerrieden	100 %	100 %	100 %	100 %
Bossard Deutschland GmbH, Velbert	100 %	100 %	100 %	100 %
KVT-Fastening Kft., Budapest	100 %	100 %	100 %	100 %
Arnold Industries Cork DAC, Cork	100 %	100 %	95 %	95 %
Bossard Italia S.r.l., Legnano	100 %	100 %	100 %	100 %
Bossard Nederland B.V., Almere	100 %	100 %	100 %	100 %
Bossard Norway AS, Oslo	100 %	100 %	100 %	100 %
Bossard Poland Sp. z o.o., Radom	100 %	100 %	100 %	100 %
KVT-Fastening Sp. z o.o., Radom	100 %	100 %	100 %	100 %
KVT-Fastening S.R.L., Bucharest	100 %	100 %	100 %	100 %
KVT-Fastening d.o.o. Beograd, Belgrade	100 %	100 %	100 %	100 %
KVT-Fastening spol. s.r.o., Bratislava	100 %	100 %	100 %	100 %
KVT-Tehnika pritrjevanja, d.o.o., Ljubljana	100 %	100 %	100 %	100 %
Bossard South Africa (Pty) Ltd, Kempton Park	75 %	75 %	100 %	100 %

Name, legal form, registered office	2023		2022	
	Capital	Votes	Capital	Votes
Bossard Spain SA, Sant Cugat del Vallès	100 %	100 %	100 %	100 %
Bossard Sweden AB, Malmö	100 %	100 %	100 %	100 %
bigHead Bonding Fasteners Ltd, Verwood	42 %	42 %	42 %	42 %
Bossard Canada, Inc., Montreal	100 %	100 %	100 %	100 %
Bossard Ontario Inc., Toronto	100 %	100 %	100 %	100 %
Bossard de México, S.A. de C.V., Monterrey	100 %	100 %	100 %	100 %
Aero-Space Southwest Mexico, S. de R.L. de C.V., Guadalajara	100 %	100 %	100 %	100 %
Bossard Aerospace, Inc., Phoenix	100 %	100 %	100 %	100 %
Bossard Aerospace U.S., Inc., Irving	100 %	100 %	100 %	100 %
Bossard, Inc., Cedar Falls	100 %	100 %	100 %	100 %
Bossard, LLC, Stoughton	100 %	100 %	100 %	100 %
Bossard Australia Pty. Ltd, Melbourne	100 %	100 %	100 %	100 %
Bossard Industrial Fasteners Int. Trading (Shanghai) Co. Ltd, Shanghai (liquidation)	-	-	100 %	100 %
Bossard Fastening Solutions (Shanghai) Co. Ltd, Shanghai	100 %	100 %	100 %	100 %
Bossard Fastening Solutions (Tianjin) Co. Ltd, Tianjin	100 %	100 %	100 %	100 %
LPS Bossard Pvt. Ltd, Rohtak	51 %	51 %	51 %	51 %
LPS Bossard Information System Pvt., Rohtak	51 %	51 %	51 %	51 %
Bossard (M) Sdn. Bhd., Penang	100 %	100 %	100 %	100 %
Bossard Pte. Ltd, Singapore	100 %	100 %	100 %	100 %
Bossard Services Pte. Ltd, Singapore (incorporation)	100 %	100 %	-	-
Bossard (Korea) Ltd, Cheonan	100 %	100 %	100 %	100 %
Bossard (Thailand) Ltd, Bangkok	100 %	100 %	100 %	100 %
Ecoparts AG, Hinwil	30 %	30 %	30 %	30 %
MultiMaterial-Welding AG, Biel/Bienne	41 %	41 %	41 %	41 %
Sentinus AG, Cham (incorporation)	20 %	20 %	-	-
PDi Digital GmbH, Fernitz-Mellach	30 %	30 %	30 %	30 %

4. Treasury shares, incl. shares held by subsidiaries

in CHF	2023		2022	
	Number	Value	Number	Value
Balance at January 1	303,559	3,843,877	300,904	4,241,836
Additions	36,216	8,218,877	114,577	24,768,347
Disposals	-41,198	-9,152,200	-111,922	-25,166,306
Balance at December 31	298,577	2,910,554	303,559	3,843,877

Group companies do not hold any registered A shares. In 2023, 8,313 registered A shares were used for the share option programs (2022: 8,676 registered A shares).

5. Collateral to third parties

in CHF	2023	2022
Guarantees	526,853,930	530,665,694
Thereof used	238,920,340	294,106,568

The Bossard Group concentrates its main credit facilities in Bossard Holding AG. The joint use by the subsidiaries is secured through guarantee obligations.

6. Shares and options on shares held by management and related parties

The disclosure of shareholdings of the board of directors and the executive committee as per Swiss Code of Obligation article 959c, section 2, paragraph 11 and article 734d can be found in the notes to the consolidated financial statements (note 22 page 149).

7. Significant shareholders

Kolin Holding AG, Zug, and Bossard Unternehmensstiftung, Zug, form a shareholder group in accordance with article 120seq. of Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). They hold 56.3 percent (2022: 56.3 percent) of the voting rights. Kolin Holding AG is wholly owned by the Bossard families.

[Other information required by law](#)

8. Full-time equivalents/personnel expenses

Bossard Holding AG has no employees. Personnel expenses include the compensation of the board of directors.

BOSSARD HOLDING AG

Appropriation of available earnings

Statement of changes in retained earnings

in CHF	2023	2022
Retained earnings at the beginning of the year	46,818,897	53,706,900
Net income	48,823,814	32,376,142
Appropriation of available profit determined by the annual general meeting of shareholders		
Dividends for 2022 and 2021 respectively	-42,325,954	-39,264,145
Retained earnings at the end of the year	53,316,757	46,818,897

Statement of changes in capital contribution reserve

in CHF	2023	2022
Capital contribution reserve at the beginning of the year	15,701,654	15,701,654
Deposits on the use of treasury shares	-	-
Capital contribution reserve at the end of the year ¹⁾	15,701,654	15,701,654

1) Subject to adjustments by the Federal Tax Administration

The board of directors proposes to the annual general meeting of shareholders the following appropriation of available retained earnings

in CHF	2023
Available retained earnings before distribution	53,316,757
Dividend of 80 percent on the share capital eligible for dividends of max. CHF 38,507,115 ¹⁾	-30,805,692
To be carried forward	22,511,065

1) The figure is based on the issued share capital as of December 31, 2023 eligible for dividends. It may change due to movements on treasury shares after the balance sheet date.



Report of the statutory auditor to the General Meeting of Bossard Holding AG Zug

Report on the audit of the financial statements

Opinion

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

In our opinion, the financial statements (pages 164 to 169) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Our audit approach

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 1,580,000
Benchmark applied	Shareholders' equity
Rationale for the materiality benchmark applied	We chose shareholders' equity as the benchmark because it is a relevant and generally accepted benchmark for materiality considerations relating to a holding company.

We agreed with the Audit, Risk & Compliance Committee that we would report to them misstatements above CHF 158,000 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.

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

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the note 5 and 6 in the compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG



Thomas Wallmer

Licensed audit expert
Auditor in charge



Simon Hux

Licensed audit expert

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INVESTOR INFORMATION

	2023	2022	2021	2020	2019
Share capital					
Registered A shares at CHF 5 par					
Capital stock in CHF 1,000	33,250	33,250	33,250	33,250	33,250
Number of shares issued	6,650,000	6,650,000	6,650,000	6,650,000	6,650,000
Number of shares entitled to dividend	6,351,423	6,346,441	6,349,096	6,341,309	6,345,360
Registered B shares at CHF 1 par					
Capital stock in CHF 1,000	6,750	6,750	6,750	6,750	6,750
Number of shares issued	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
Number of shares entitled to dividend	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
Registered A shares equivalents, entitled to dividend at Dec. 31	7,701,423	7,696,441	7,699,096	7,691,309	7,695,360
Market price					
Ticker symbol (BOSN)					
Volume traded (daily average)	9,182	15,065	13,466	20,805	19,036
Closing price at Dec. 31 in CHF	221.0	199.8	328.5	178.4	174.7
Registered A share high in CHF	264.5	331.5	362.0	179.4	180.8
Registered A share low in CHF	173.0	157.8	172.6	90.0	123.9
Dividend per share					
Registered A share in CHF	4.00 ¹⁾	5.50	5.10	4.40	2.00
Registered B share in CHF	0.80 ¹⁾	1.10	1.02	0.88	0.40
in % of share capital	80.0	110.0	102.0	88.0	40.0
Dividend yield in % (Basis: price at Dec. 31)	1.8	2.8	1.6	2.5	1.1
Earnings per share ^{2) 5)}					
Registered A share in CHF	9.64	13.38	12.53	8.73	9.73
Registered B share in CHF	1.93	2.68	2.51	1.75	1.95

	2023	2022	2021	2020	2019
Cash flow per share ^{2) 4)}					
Registered A share in CHF	13.23	16.80	15.68	11.36	12.30
Registered B share in CHF	2.65	3.36	3.14	2.27	2.46
Price/Earnings ratio (Basis: price at Dec. 31)	22.9	14.9	26.2	20.4	18.0
Net worth per share ³⁾					
Registered A share in CHF	48.4	49.3	45.4	41.9	39.6
Registered B share in CHF	9.7	9.9	9.1	8.4	7.9
Market capitalization (Basis: price at Dec. 31)					
in CHF million ³⁾	1,702.0	1,537.7	2,529.2	1,372.1	1,344.4
in % of shareholders' equity	456.7	405.1	723.6	425.7	441.5

1) Proposal to annual general meeting of shareholders

2) Basis: Average number of outstanding shares entitled to dividend

3) Basis: Number of outstanding shares entitled to dividend at year-end

4) Net income + depreciation and amortization

5) Share attributable to shareholders of Bossard Holding AG

in CHF million	2023	2022	2021	2020	2019
Economic value added analysis					
Net sales	1,069.0	1,153.8	995.1	812.8	876.2
Earnings before interest and taxes (EBIT)	113.1	141.5	123.3	86.4	95.7
Effective tax rate in %	22.9	22.2	19.2	17.6	18.3
Net operating profit after tax (NOPAT)	87.2	110.1	99.6	71.2	78.2
Equity	372.7	379.6	349.5	322.3	304.5
Gross financial debt	293.3	354.8	251.3	196.4	220.4
Less cash and cash equivalents	52.2	35.8	34.1	40.7	32.7
Capital employed (year-end)	613.8	698.6	566.7	478.0	492.2
Average annual capital employed (A)	656.2	632.7	522.4	485.1	466.1
Return on average capital employed in % (ROCE)	13.3	17.4	19.1	14.7	16.8

	2023	2022	2021	2020	2019
Cost of financial debt in %					
Average cost of financial debt	2.6	1.1	1.1	1.1	1.2
Less effective tax	22.9	22.2	19.2	17.6	18.3
Cost of financial debt after tax	2.0	0.9	0.9	0.9	1.0
Cost of equity in %					
Risk free rate (Basis: yearly average of yield Swiss government bond)	1.0	0.8	-0.2	-0.5	-0.5
Risk premium	5.5	5.5	5.5	5.5	5.5
Cost of equity	6.5	6.3	5.3	5.0	5.0
Equity ratio	46.2	41.7	45.2	50.3	46.7
Weighted average cost of capital in % (WACC)	4.1	3.2	2.9	3.0	2.9
Economic profit in % (ROCE - WACC) (B)	9.2	14.2	16.2	11.7	13.9
Economic profit in CHF million (A) * (B)	60.4	89.8	84.6	57.0	65.0

The articles of association do not include any provisions for opting-out or opting-up.

in CHF million	2023	2022	2021	2020	2019
Economic book value (EBV)					
Market value added (economic profit/WACC)	1,480.4	2,781.9	2,933.8	1,928.9	2,271.8
Capital employed	613.8	698.6	566.7	478.0	492.2
Implied enterprise value (EVA®)	2,094.2	3,480.5	3,500.5	2,406.9	2,764.0
Less gross financial debt	293.3	354.8	251.3	196.4	220.4
Plus cash and cash equivalents	52.2	35.8	34.1	40.7	32.7
Economic book value at Dec. 31	1,853.1	3,161.5	3,283.3	2,251.2	2,576.3
Market valuation and key ratios					
Share price at Dec. 31 in CHF	221.0	199.8	328.5	178.4	174.7
Market capitalization	1,702.0	1,537.7	2,529.2	1,372.1	1,344.4
Net financial debt	241.1	319.0	217.2	155.7	187.7
Enterprise value (EV)	1,943.1	1,856.7	2,746.4	1,527.8	1,532.1
EV in % of net sales	181.8	160.9	276.0	188.0	174.9
EV/EBITDA	14.1	11.2	18.9	14.4	13.5
EV/EBIT	17.2	13.1	22.4	17.7	16.0
EV/NOPAT	22.3	16.9	27.6	21.5	19.6
Price/book value per share	4.6	4.1	7.2	4.3	4.4
Return on equity in %	20.4	29.0	29.2	21.6	24.7

EBIT Earnings Before Interest and Taxes
 NOPAT Net Operating Profit After Taxes
 ROCE Return On Capital Employed
 WACC Weighted Average Cost of Capital
 EV Enterprise Value
 EVA Economic Value Added
 EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization

Share price development 2019–2023

Valor: 23862714, ISIN CH0238627142/BOSN

