



Financial Report

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AT A GLANCE

Most important figures

Net sales

in CHF

1,154

million

EBIT

in CHF

141

million

EBIT margin

12.3 %

Net income

in CHF

106 million

FINANCIAL REVIEW 2022

Robust profitability in a challenging environment

In an economically challenging environment, the Bossard Group generated sales of CHF 1,153.8 million in the financial year 2022 (prior year: CHF 995.1 million). This represents an increase of 15.9 percent (in local currency: +18.4 percent), corresponding to organic sales growth of 15.0 percent in local currency. EBIT amounted to CHF 141.5 million (prior year: CHF 123.3 million), a plus of 14.7 percent, resulting in an EBIT margin of 12.3 percent (prior year: 12.4 percent). Net income increased by 7.7 percent to CHF 105.6 million (prior year: CHF 98.0 million). For the first time in its history, the Group reached the following milestones: sales of more than 1 billion Swiss francs and a net income of over 100 million Swiss francs.

The broad-based growth of the Bossard Group, which began in the fourth quarter of 2020, continued in the financial year 2022. All three market regions achieved new records. While demand in Europe stabilized at a high level over the course of the year, America posted impressive double-digit growth rates during the entire year. Asia also maintained double-digit sales growth. The strong global demand only led to a slight improvement of the tense situation on the procurement market. As a result, delivery capability and inventory levels continued to play a key role in 2022.

Broad-based growth in Europe

Sales in Europe increased by 8.7 percent to CHF 624.2 million (in local currency: +14.4 percent). Overall, demand remained at a high level in spite of continuing geopolitical tensions and the resulting challenges. Despite the strong Swiss franc, we achieved above-average growth in the aerospace, electronics, and mechanical engineering sectors. In an environment marked by inflation and a shortage of skilled labor, Bossard's Smart Factory services drew even more attention from customers. The acquisition of the Dutch company Jeveka B.V. in 2021 also contributed to the positive development. Adjusted for acquisitions, annual sales totaled CHF 593.5 million.

Continued strong growth in America

Sales in America grew by 36.8 percent to CHF 309.4 million (in local currency: +31.0 percent). The positive business development was driven by dynamic and broad-based economic growth. In the electromobility sector, exciting commercial vehicle projects were implemented. The acquisition of PENN Engineered Fasteners Corporation in Canada, consolidated since December 1, 2022, contributed to the gratifying sales performance. The acquisition is in line with the strategic approach to further expand Bossard's capabilities in America.

Above-average growth

Despite repeated lockdowns in China, Bossard was able to maintain double-digit sales growth in Asia. At CHF 220.2 million, sales were 13.0 percent (in local currency: +14.4 percent) above the prior year. Bossard achieved above-average growth especially in the growth industries of electromobility, electronics, and railway.

Robust profitability

The market environment in 2022 was marked by strong global demand and geopolitical tensions. This led to capacity bottlenecks, rising raw material prices, and significantly higher freight rates, which overall resulted in higher procurement costs. In this challenging market environment and owing to the regional margin mix, the gross profit margin declined by 0.7 percentage points compared to the prior year to 31.2 percent.

Sales and administration expenses increased by 12.8 percent to CHF 218.7 million. In relation to sales, however, these costs dropped to 19.0 percent from 19.5 percent in the prior year. On one hand, these expenses increased due to the steadily growing number of employees, which increased by 6.2 percent (organically: +5.1 percent) or 166 employees to a total of 2,823 full-time equivalents. On the other hand, the cost increases are associated with further normalization of business activities as well as our targeted investments in the organization as part of Strategy 200 and our digitalization initiatives.

In spite of the higher cost basis, the strong growth resulted in an increase in earnings. EBIT grew by CHF 18.2 million to a record of CHF 141.5 million, an increase of 14.7 percent. The EBIT margin was 12.3 percent (prior year: 12.4 percent), thus remaining at the prior year's level in spite of the inflationary environment.

The financial result amounted to CHF –5.0 million compared to last year's CHF –1.3 million. The increase in financial expenses results from the considerably higher capital requirement, rising interest rates as well as negative foreign currency valuations, which made a positive contribution in 2021. Tax expenses grew from CHF 23.3 million to CHF 30.0 million as a result of the significant increase in profit. The tax rate was 22.2 percent (prior year: 19.2 percent) and rose mainly due to the regional profit mix.

Net income grew by 7.7 percent to CHF 105.6 million (prior year: CHF 98.0 million). The Bossard Group thus achieved not only its best result in the Group's history but also a profit of over 100 million Swiss francs. At the annual general meeting of shareholders, the board of directors will propose a dividend of CHF 5.50 per registered A share (prior year: CHF 5.10), in line with our dividend policy of a 40 percent payout of net income.

Solid balance sheet despite significantly higher net debt

The significant growth as well as the Group's investment activity are also reflected in the increase in total assets. Compared to the prior year, total assets increased by 17.8 percent to CHF 910.1 million.

This increase is driven by higher customer receivables through increased sales as well as higher inventory. While the increase in receivables was disproportionately low compared to sales growth, the increase in inventory was above average. Besides the higher inventory volumes, this increase is due to higher raw material prices and freight rates. In addition, in light of the persistent market uncertainties and longer delivery times, we deliberately increased our inventory in order to ensure the best possible delivery capability to our customers. Last but not least, the acquisition of PENN Engineered Fasteners Corporation contributed to the increase in total assets.

Despite high profitability, the equity ratio fell from 45.2 percent in the prior year to 41.7 percent. The reason for this decline is the disproportional rise in net working capital and the goodwill offset from the acquisition of PENN Engineered Fasteners Corporation against equity. As a result of high investment activity, accelerated

growth, and especially the considerable increase in inventory, net debt increased from CHF 217.2 million in the prior year to CHF 319.0 million. The gearing – the ratio of net debt to equity – rose from 0.6 in the prior year to 0.8. The debt factor – net debt in relation to EBITDA – was 1.9 after 1.5 in the previous year.

While cash flow from operating activities before the change in net working capital increased by CHF 11.6 million to CHF 137.7 million, cash flow from operating activities fell from CHF 65.9 million in the prior year to CHF 6.0 million as a result of the above-average increase in operating net working capital. Cash flow from investment activities declined by CHF 24.2 million to CHF 68.1 million owing to the lower outflow of funds for business acquisitions. In contrast, outflows for investments in tangible and intangible assets were higher than in the prior year. Mainly as a result of the significant increase in net working capital, Bossard recorded a negative free cash flow of CHF 62.1 million in 2022 (prior year: CHF –26.4 million).

Outlook

The uncertainties on the procurement market, inflation, central bank policies, and geopolitical tensions will continue in the financial year 2023. But even a volatile market environment holds opportunities for growth. In 2022, for example, we noted a stronger trend toward nearshoring and increased demand for our Smart Factory Assembly (SFA) and Smart Factory Logistics (SFL) solutions. The current cost and wage inflation is expected to support demand for automated and digital Proven Productivity solutions from Bossard. Furthermore, our focus on growth industries such as electromobility, railway, electronics, and automation offers additional growth potential in 2023.

In addition, our focus in 2023 will be on our Strategy 200, with Bossard targeting an average organic growth rate of over 5 percent and an EBIT margin of 12 percent to 15 percent in the medium term following a phase of increased investments. We continue to rely on a strong balance sheet with an equity ratio of at least 40 percent and a payout ratio of approximately 40 percent of net income.



Stephan Zehnder
CFO

Zug, February 24, 2023

BOSSARD GROUP

Consolidated balance sheet

in CHF 1,000	Notes	31.12.2022	31.12.2021
Assets			
Current assets			
Cash and cash equivalents	1	35,792	34,108
Accounts receivable, trade	2	193,039	174,524
Other receivables		6,529	5,717
Prepaid expenses		13,126	10,812
Inventories	3	442,275	338,296
		690,761	563,457
Non-current assets			
Property, plant and equipment	4	143,096	141,129
Intangible assets	5	47,800	39,613
Financial assets	6	8,311	7,671
Deferred tax assets	7	20,121	20,906
		219,328	209,319
Total assets		910,089	772,776

in CHF 1,000	Notes	31.12.2022	31.12.2021
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable, trade		80,350	77,200
Other liabilities		13,431	19,007
Accrued expenses		48,374	45,436
Tax liabilities		8,194	11,391
Provisions	8	1,794	789
Short-term debts	9	128,677	86,554
		280,820	240,377
Non-current liabilities			
Long-term debts	10	226,104	164,776
Provisions	8	10,882	7,388
Deferred tax liabilities	7	12,660	10,687
		249,646	182,851
Total liabilities		530,466	423,228
Shareholders' equity			
Share capital	11	40,000	40,000
Treasury shares	11	-3,844	-4,242
Capital reserves		74,393	75,165
Retained earnings		263,135	234,332
		373,684	345,255
Non-controlling interest		5,939	4,293
Total shareholders' equity		379,623	349,548
Total liabilities and shareholders' equity		910,089	772,776

The notes on pages 120 to 142 are an integral part of the consolidated financial statements.

BOSSARD GROUP

Consolidated income statement

in CHF 1,000	Notes	2022	2021
Net sales	12/13	1,153,841	995,148
Cost of goods sold		-793,710	-678,028
Gross profit		360,131	317,120
Selling expenses		-137,218	-128,918
Administrative expenses		-81,446	-64,876
EBIT		141,467	123,326
Share of result from associated companies		-813	-620
Financial result	16	-5,024	-1,348
Income before taxes		135,630	121,358
Income taxes	7	-30,047	-23,341
Net income		105,583	98,017
Attributable to:			
Shareholders of Bossard Holding AG		102,980	96,374
Non-controlling interest		2,603	1,643

in CHF	Notes	2022	2021
Earnings per registered A share ¹⁾	17	13.38	12.53
Earnings per registered B share ¹⁾	17	2.68	2.51

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 120 to 142 are an integral part of the consolidated financial statements.

BOSSARD GROUP

Consolidated statement of changes in equity

in CHF 1,000	Issued 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, 2021	40,000	-3,171	72,860	666,714	-350,536	-105,912	319,955	2,385	322,340
Dividend				-33,866			-33,866	-367	-34,233
Net income for the period				96,374			96,374	1,643	98,017
Management participation plan			1,141				1,141		1,141
Change in treasury shares		-1,102	-718				-1,820		-1,820
Usage unissued treasury shares		31	1,882				1,913		1,913
Offset goodwill from acquisitions					-34,777		-34,777		-34,777
Non-controlling interest from acquisitions				-1,111			-1,111	636	-475
Translation differences						-2,554	-2,554	-4	-2,558
Balance at December 31, 2021	40,000	-4,242	75,165	728,111	-385,313	-108,466	345,255	4,293	349,548
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

For details regarding share capital, please refer to note 11 on page 126 and regarding the goodwill offset from acquisitions to note 20 on page 130.

The notes on pages 120 to 142 are an integral part of the consolidated financial statements

BOSSARD GROUP

Consolidated cash flow statement

in CHF 1,000	Notes	2022	2021
Net income		105,583	98,017
Share of result from associated companies		813	620
Income taxes	7	30,047	23,341
Financial result	16	5,024	1,348
Depreciation and amortization	4/5	23,718	22,578
Increase/(decrease) provisions	8	4,796	-1,936
(Gain)/loss from disposals of property, plant and equipment	4	-530	233
Loss from disposals of intangible assets	5	634	64
Loss from disposals of companies	18	-	779
Interest received		507	357
Interest paid		-4,582	-3,293
Taxes paid		-27,738	-19,114
Increase management participation plan (part of equity)		1,216	1,141
Other non-cash (income)/expenses		-1,827	1,878
Cash flow from operating activities before changes in net working capital		137,661	126,013
Increase accounts receivable, trade		-21,679	-23,843
(Increase)/decrease other current assets		-1,994	706
Increase inventories		-108,165	-81,722
Increase accounts payable, trade		2,637	26,076
(Decrease)/increase other non-interest bearing liabilities		-2,456	18,701
Cash flow from operating activities		6,004	65,931

in CHF 1,000	Notes	2022	2021
Investments in property, plant and equipment	4	-25,788	-24,265
Proceeds from sales of property, plant and equipment	4	2,170	1,763
Investments in intangible assets	5	-15,442	-11,024
Net cash flow from purchases of companies	18	-27,423	-59,140
Investments in financial assets	6	-1,720	-793
Divestments of financial assets	6	122	1,148
Cash flow from investing activities		-68,081	-92,311
Proceeds of short-term debts	9	42,704	19,051
Proceeds of long-term debts	10	61,777	36,279
Purchase/sale of treasury shares		398	-1,102
Dividends paid to shareholders		-39,264	-33,866
Dividends paid to non-controlling interest		-449	-367
Cash flow from financing activities		65,166	19,995
Translation differences		-1,405	-183
Change in cash and cash equivalents		1,684	-6,568
Cash and cash equivalents at January 1		34,108	40,676
Cash and cash equivalents at December 31	1	35,792	34,108

The notes on pages 120 to 142 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, 2022, 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 24, 2023 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	2022	Interest rates in %	2021	Interest rates in %
Cash on hand and at banks	35,554	0.0–10.5	34,093	0.0–2.0
Short-term bank deposits	238	5.0	15	4.9–6.4
Total	35,792		34,108	

For details of movements in cash and cash equivalents please refer to the consolidated cash flow statement (page 119).

2. Accounts receivable, trade

in CHF 1,000	2022	2021
Accounts receivable, trade gross	194,997	175,579
According to due date		
not due	178,623	162,777
30 days overdue	8,298	7,635
60 days overdue	3,088	1,569
90 days overdue	4,988	3,598
Notes receivable	4,005	3,316
Allowance for bad debts	-5,963	-4,371
Total	193,039	174,524

3. Inventories

in CHF 1,000	2022	2021
Goods for trading/components	490,464	383,134
Value adjustments	-48,189	-44,838
Total	442,275	338,296
Value adjustments in % of inventory value	9.8	11.7

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, 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
Impairments	-	-	-	-	-
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

in CHF 1,000	Construction in progress	Land and buildings	Machinery and equipment	Others	Total
Cost					
Balance at Jan. 1, 2021	18,889	129,546	124,476	9,150	282,061
Additions	5,924	5,497	11,607	1,237	24,265
Changes in the scope of consolidation	-	5,900	1,346	382	7,628
Disposals	-	-2,103	-10,491	-1,343	-13,937
Reclass	-18,972	16,610	2,362	-	-
Translation differences	276	-791	-503	-153	-1,171
Balance at Dec. 31, 2021	6,117	154,659	128,797	9,273	298,846
Accumulated depreciation					
Balance at Jan. 1, 2021	0	58,454	88,058	6,379	152,891
Depreciation	-	4,399	11,052	1,395	16,846
Impairments	-	244	-	-	244
Disposals	-	-1,462	-9,254	-1,146	-11,862
Translation differences	-	-106	-206	-90	-402
Balance at Dec. 31, 2021	0	61,529	89,650	6,538	157,717
Net book value	6,117	93,130	39,147	2,735	141,129

5. Intangible assets

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 CHF 1,000	Software in development	Software	Others	Total
Cost				
Balance at Jan. 1, 2021	2,036	58,345	220	60,601
Additions	9,018	2,006	-	11,024
Changes in the scope of consolidation	-	1,965	-	1,965
Disposals	-	-871	-	-871
Reclass	-781	781	-	-
Translation differences	-2	-307	-	-309
Balance at Dec. 31, 2021	10,271	61,919	220	72,410
Accumulated amortization				
Balance at Jan. 1, 2021	0	28,323	19	28,342
Amortization	-	5,444	44	5,488
Disposals	-	-803	-	-803
Translation differences	-	-230	-	-230
Balance at Dec. 31, 2021	0	32,734	63	32,797
Net book value	10,271	29,185	157	39,613

In 2022, CHF 1.0 million self-generated intangible assets were capitalized (2021: CHF 1.1 million).

6. Financial assets

in CHF 1,000	2022	Interest rates in %	2021	Interest rates in %
Loans and deposits to third parties	6,346	0.0–3.8	5,966	0.0–5.0
Investments in associated companies	850		1,670	
Other financial assets	1,115		35	
Total	8,311		7,671	

7. Income taxes

The tax expenses are made up as follows:

in CHF 1,000	2022	2021
Current taxes	27,718	21,740
Deferred taxes	2,329	1,601
Total	30,047	23,341

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	2022	2021
Income before taxes	135,630	121,358
Weighted average tax rate in %	20.4	19.3
Tax expense at weighted average tax rate	27,628	23,410
Non tax deductible expenses	909	856
Non-taxable income	-76	-248
(Income)/expenses taxed at special rate	-36	67
Unrecognized current year tax losses	449	155
Utilization unrecognized prior year tax losses	-1,560	-502
Change in applicable tax rate	24	202
Others	2,709	-599
Tax expense at effective tax rate	30,047	23,341
Effective tax rate in %	22.2	19.2

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 2022	Liabilities 2022	Assets 2021	Liabilities 2021
Accounts receivable	676	316	468	245
Inventories	8,583	3,925	7,343	2,909
Property, plant and equipment	348	2,457	337	2,377
Intangible assets	6,480	2,035	8,446	1,303
Liabilities	4,034	3,927	4,312	3,853
Total deferred taxes	20,121	12,660	20,906	10,687
Net	7,461		10,219	

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
2022	780	13,367	14,147
2021	39	11,587	11,626

This results in not capitalized deferred tax assets for unused tax losses carried forward of CHF 3.0 million (2021: CHF 2.2 million).

8. Provisions

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
Changes in the scope of consolidation	-	-	-	-
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	-	1,546	1,794

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 6.0 million (2021: CHF 1.2 million) for assumed obligations for rental and renovations related to the acquisition of KVT-Fastening. Of this amount, 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.

in CHF 1,000	Pension and other termination benefits	Management participation plan	Others	Total
Balance at Jan. 1, 2021	4,770	446	4,942	10,158
Additions	708	595	852	2,155
Changes in the scope of consolidation	-	-	177	177
Usage	-81	-268	-1,619	-1,968
Reversals	-151	-	-1,980	-2,131
Translation differences	-230	9	7	-214
Balance at Dec. 31, 2021	5,016	782	2,379	8,177
Thereof short-term	11	-	778	789

9. Short-term debts

in CHF 1,000	2022	Interest rates in %	2021	Interest rates in %
Bank overdrafts	823	0.0-4.7	4,895	0.6-4.5
Bank loans	98,263	0.9-6.7	50,140	0.7-5.1
Personnel savings accounts	24,191	0.8	24,869	0.8
Others ¹⁾	5,400	0.6-0.8	6,650	0.6-0.8
Total	128,677		86,554	

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 1.1 percent (2021: 1.1 percent).

10. Long-term debts

in CHF 1,000	2022	Interest rates in %	2021	Interest rates in %
Bank loans	196,266	0.9–2.1	141,404	0.5–1.2
Others ¹⁾	29,838	0.5–12.0	23,372	0.5–12.0
Total	226,104		164,776	

1) For details, please refer to note 23

11. Share capital

Details of share capital 2022/2021	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

303,559 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 (2021: 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.

	2022		2021	
	Number	in CHF	Number	in CHF
Balance at Jan. 1	300,904	4,241,836	308,691	3,170,816
Additions	114,577	24,768,347	93,408	24,382,760
Use of treasury stock	-	-	-	1,901,090
Disposals	-111,922	-25,166,306	-101,195	-25,212,830
Balance at Dec. 31	303,559	3,843,877	300,904	4,241,836

Average transaction price in CHF	2022	2021
Additions	216.17	261.04
Disposals management participation plans	215.62	284.34
Other disposals	217.82	260.78

The disposals contain 6,796 shares (2021: 7,361) for the restricted stock unit plan (RSU).

11,692 registered A shares (2021: 9,037) are reserved for the management participation plan (RSU).

Dividend

At the upcoming annual general meeting of shareholders on April 17, 2023, the board of directors of Bossard Holding AG will propose a dividend for the financial year 2022 of CHF 5.50 (2021: CHF 5.10) per registered A share and CHF 1.10 (2021: CHF 1.02) 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 production sites worldwide 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 statements. Based on the number of regional companies, the CEO delegates the monitoring of the goals and their implementation in daily operations to the other members of the executive committee, each of whom is responsible for a different number of companies in the various regions.

13. Sales by regions

in CHF million	Europe		America		Asia		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Sales	627.4	575.5	310.1	226.9	220.6	194.9	1,158.1	997.3
Sales deductions	-3.2	-1.5	-0.7	-0.7	-0.4	-0.0	-4.3	-2.2
Net sales	624.2	574.0	309.4	226.2	220.2	194.9	1,153.8	995.1

14. Personnel expenses

in CHF 1,000	2022	2021
Salaries and variable compensation	170,642	158,320
Social security expenses	25,228	23,797
Pension expenses	11,953	11,300
Other personnel expenses	8,652	6,315
Total	216,475	199,732

The expense for share-based compensation recognized in the result for the period is CHF 1.2 million (2021: CHF 1.7 million).

In 2022, the personnel expenses do not contain reductions due to governmental support (2021: CHF 1.3 million).

15. Awarded restricted stock units

Number of RSUs	2022	2021
Balance at Jan. 1: Number of RSUs outstanding	27,934	33,263
Deliveries	-8,239	-8,986
Allocations	9,254	4,377
Other changes	-733	-720
Balance at Dec. 31: Number of RSUs outstanding	28,216	27,934

16. Financial result

in CHF 1,000	2022	2021
Income from interests and securities	360	246
Income from non-consolidated investments	179	144
Interest expenses	-4,991	-3,605
Exchange differences	-572	1,867
Total	-5,024	-1,348

17. Earnings per share

	2022	2021
Net income in CHF 1,000	102,980	96,374
Average number of shares entitled to dividend ¹⁾	7,695,992	7,693,138
Earnings per registered A share in CHF	13.38	12.53
Earnings per registered B share in CHF	2.68	2.51

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 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)

Acquisitions 2021

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	1,001
Accounts receivable, trade	5,687
Inventories	8,337
Other current assets	1,479
Non-current assets	9,824
Accounts payable, trade	-1,340
Other current liabilities	-2,220
Non-current liabilities	-605
Net assets acquired	22,163
Goodwill	37,978
Total	60,141
Less acquired cash and cash equivalents	-1,001
Cash flow from acquisitions	59,140

In 2021, the following companies were acquired:

- Normscrews Beheer B.V., Netherlands (October 2021)
- Jeveka B.V., Netherlands (October 2021)

In March and August 2021, purchase price adjustments were made for transactions from 2019 in China and Germany. These adjustments resulted in a cumulative reduction of goodwill by CHF 0.3 million.

Disposals 2021

In October 2021, business and asset components from KVT-Fastening, Branch of Bossard AG, Switzerland, were sold cash neutral as part of an asset deal.

Other changes in the scope of consolidation 2021

In 2021, the scope of consolidation changed as follows:

- Effilio AG, Switzerland (merger with Bossard Finance AG, Switzerland)

19. Derivative financial instruments

As of December 31, 2022, there were no open foreign exchange contracts or other derivative financial instruments (2021: 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	2022	2021
Equity incl. non-controlling interest	379,623	349,548
Equity ratio in %	41.7	45.2
Cost		
Balance at Jan. 1	385,313	350,536
Additions	19,761	37,978
Disposals	-	-3,201
Balance at Dec. 31	405,074	385,313
Accumulated amortization		
Balance at Jan. 1	315,778	301,177
Amortization	21,204	17,486
Disposals	-	-2,885
Balance at Dec. 31	336,982	315,778
Theoretical net book value goodwill at Dec. 31	68,092	69,535
Theoretical equity incl. non-controlling interest and net book value goodwill	447,715	419,083
Theoretical equity ratio in %	45.8	49.8

Effect on income statement

in CHF 1,000	2022	2021
EBIT without theoretical goodwill amortization	141,467	123,326
Theoretical goodwill amortization	-21,204	-17,486
EBIT incl. theoretical goodwill amortization	120,263	105,840

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 (2021: 1.50 percent). In accordance with Swiss GAAP FER 26, the provisional and unaudited financial statements 2022 of the pension plan institution 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	
	31.12.2022	31.12.2022	31.12.2021	2022	2022	2022	2021
Patronage funds/pension institutions	2,100	-	-	-	309	309	594
Pension institutions without surplus/deficit	-	-	-	-	5,856	5,856	-
Pension institutions with surplus	-	-	-	-	-	-	5,682
Pension institutions with deficit	-	-	-	-	-	-	-
Pension institutions abroad	-	-	-	-	5,788	5,788	5,024
Total	2,100	-	-	-	11,953	11,953	11,300

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, 2022 (2021: 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:

		2022	2021
Board of directors			
Dr. Thomas Schmuckli	Chair, Chair NC ¹⁾ , ARCC ²⁾	8,658	8,523
Patricia Heidtman	Vice Chair, NC, CC ³⁾	785	650
Dr. René Cotting	Chair ARCC	2,535	2,400
David Dean	Representative of registered A shares, Chair CC	1,285	1,150
Petra Maria Ehmann ⁴⁾	NC, ARCC	135	-
Marcel Keller ⁴⁾	CC	135	-
Martin Kühn	ARCC	1,447	1,312
Prof. Dr. Stefan Michel	NC, CC	1,189	1,054
Total		16,169	15,089

1) Nomination committee

2) Audit, risk & compliance committee

3) Compensation committee

4) Election to the board of directors in April 2021

		2022	2021
Executive committee			
Dr. Daniel Bossard	CEO, CEO Central Europe ad interim	7,205	5,363
Stephan Zehnder	CFO	11,710	10,349
Dr. Frank Hilgers	CEO Northern & Eastern Europe, CCO	2,562	2,301
David Jones ¹⁾	CEO America	300	-
Robert Ang	CEO Asia	13,054	12,793
Rolf Ritter ²⁾	CSO	210	-
Total		35,041	30,806

1) Takeover as CEO America in February 2021

2) Appointment as CSO as of May 1, 2021

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

		2022 ³⁾	2021
Dr. Daniel Bossard	CEO, CEO Central Europe ad interim	1,185	1,243
Stephan Zehnder	CFO	662	765
Dr. Frank Hilgers	CEO Northern & Eastern Europe, CCO	662	765
David Jones ¹⁾	CEO America	145	-
Robert Ang	CEO Asia	662	765
Rolf Ritter ²⁾	CSO	189	94
Total		3,505	3,632

1) Takeover as CEO America in February 2021

2) Appointment as CSO as of May 1, 2021

3) RSUs which will be granted in the second quarter of 2023 for the financial year 2022 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 (2021: 56.3 percent) of total voting rights or 27.8 percent (2021: 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	2022	Interest rates in %	2021	Interest rates in %
Deposits in the personnel savings accounts	8,720	0.8	9,322	0.8
Short-term loans from related parties	5,400	0.6–0.8	6,650	0.6–0.8
Long-term loans from related parties	28,500	0.5	22,000	0.5

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.

In 2021, transactions took place during the year with Bossard Unternehmensstiftung, Zug, Bossard Personalstiftung, Zug, and Bossard Finanzierungsstiftung, Zug, with an interest expense of CHF 134,453.

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
2022	1,259	655	284	79	7	2,284
2021	1,105	688	289	68	5	2,155

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
2022	8,547	5,826	4,088	3,798	6,882	29,141
2021	8,019	6,686	5,279	4,104	12,944	37,032

25. Assets pledged or otherwise restricted

in CHF 1,000	2022	2021
Property, plant and equipment	3,147	4,404
Total	3,147	4,404

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, 2022 there were no contingent liabilities (2021: none).

27. Events occurring after balance sheet date

Between December 31, 2022 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 2022.

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
England	bigHead Fasteners Ltd	Verwood	GBP	1,847	42
Germany	Bossard-KVT Beteiligungs GmbH	Illerrieden	EUR	25	100
USA	Bossard U.S. Holdings, Inc.	Phoenix, AZ	USD	40,000	100
Europe					
Switzerland	Bossard AG	Zug	CHF	12,000	100
	3d-prototyp GmbH in Liquidation	Dietikon	CHF	20	100
	Interfast AG	Zug	CHF	50	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
England	bigHead Bonding Fasteners Ltd	Verwood	GBP	1.8	42
France	Bossard France SAS	Souffelweyersheim	EUR	17,600	100
Germany	Bossard Deutschland GmbH	Illerrieden	EUR	100	100
	Bossard Deutschland GmbH	Velbert	EUR	110	100
	Boysen GmbH	Munich	EUR	1,050	100
Hungary	KVT-Fastening Kft.	Budapest	HUF	3,000	100
Ireland	Arnold Industries Cork DAC	Cork	EUR	0.2	95
Italy	Bossard Italia S.r.l.	Legnano	EUR	100	100
Netherlands	Jeveka B.V.	Almere	EUR	46	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

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Companies and branches		Registered office	Currency	Capital in 1,000	Shareholding
Slovakia	KVT-Fastening spol. s.r.o.	Bratislava	EUR	5	100
Slovenia	KVT-Fastening d.o.o.	Ljubljana	EUR	8.3	100
South Africa	Bossard South Africa (Pty) Ltd	Kempton Park	ZAR	-	100
Spain	Bossard Spain SA	Sant Cugat del Vallès	EUR	745	100
Sweden	Bossard Sweden AB	Malmö	SEK	400	100
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, Inc.	Cedar Falls, IA	USD	2,255	100
	Bossard Aerospace, Inc.	Phoenix, AZ	USD	4.9	100
	Bossard, LLC	Stoughton, MA	USD	-	100
	Boysen Aerospace U.S., Inc.	Irving, TX	USD	25	100
Asia/Oceania					
Australia	Bossard Australia Pty. Ltd	Melbourne	AUD	500	100
China	Bossard Industrial Fasteners Int. Trading (Shanghai) Co. Ltd	Shanghai	RMB	25,676	100
	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
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
Austria	PDigital GmbH	Fernitz-Mellach	EUR	35	30

As per December 31, 2022

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 to 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:

	31.12.2022 Year-end exchange rate	01.01.2022– 31.12.2022 Average exchange rate	31.12.2021 Year-end exchange rate	01.01.2021– 31.12.2021 Average exchange rate
1 EUR	0.99	1.01	1.04	1.08
1 USD	0.93	0.95	0.91	0.91
100 DKK	13.28	13.51	13.93	14.54
100 RMB	13.32	14.20	14.30	14.17
100 INR	1.12	1.22	1.23	1.24

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 computer 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. Computer 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.

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 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 of the last trading day of the financial year. No dilution effect results because no additional shares have been issued.

Pension benefit obligations

Bossard operates a number of pension plans in accordance with the legal requirements in the individual countries. 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 actual 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, losses on receivables and exchange rate differences. Revenue is recognized when the goods and services have been supplied or provided.

Income taxes

All taxes 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, members of the key management personnel 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 re-financing. 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 2022, 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 116 to 142) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 6,780,000

We concluded full scope audit work at eleven reporting units in six countries. Our audit scope addressed over 68 % 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 6,780,000
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 & Compliance Committee that we would report to them misstatements above CHF 678,000 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 442.3 million (after deduction of a value adjustment of CHF 48.2 million) as of December 31, 2022 and are thus the largest asset category, representing around 49% 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 121 (3 Inventories) and page 138 (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 and tested periodically selected internal controls in that process cycle.
- 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 noted 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 writedowns.
- 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 have addressed the risk of an incorrect valuation of the inventories. We have no findings to report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the note 5 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 the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Thomas Wallmer

Licensed audit expert
Auditor in charge

Remo Waldispühl

Licensed audit expert

Zurich, February 24, 2023

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BOSSARD HOLDING AG

Balance sheet

in CHF	Notes	31.12.2022	31.12.2021
Assets			
Current assets			
Cash and cash equivalents		1,367,289	1,801,600
Other receivables	1	941,899	1,637,867
Prepaid expenses		54,548	44,060
		2,363,736	3,483,527
Non-current assets			
Financial assets	2	30,866,800	36,342,668
Investments	3	118,023,215	118,023,215
		148,890,015	154,365,883
Total assets		151,253,751	157,849,410

in CHF	Notes	31.12.2022	31.12.2021
Liabilities and shareholders' equity			
Current liabilities			
Other current liabilities to third parties		130,930	84,114
Accrued expenses		284,761	437,192
		415,691	521,306
Total liabilities		415,691	521,306
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		14,442,755	24,054,438
Profit for the current year		32,376,142	29,652,462
Treasury shares	4	-3,843,877	-4,241,836
Total shareholders' equity		150,838,060	157,328,104
Total liabilities and shareholders' equity		151,253,751	157,849,410

BOSSARD HOLDING AG

Income statement

in CHF	Notes	2022	2021
Income			
Dividend income		35,000,000	30,000,000
Other operating income		300,000	300,000
Expenses			
Personnel expenses	8	-1,634,223	-1,577,649
Other operating expenses		-718,694	-531,604
Other financial income		268,101	1,687,948
Financial expenses		-839,042	-69,784
Income before taxes		32,376,142	29,808,911
Taxes		-	-156,449
Net income		32,376,142	29,652,462

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).

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 at the time of recognition. Investments are valued individually if they are material and are not usually grouped together because of their similarity for the valuation.

Treasury shares

Treasury shares are measured at cost at the time of recognition 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:

	31.12.2022 Year-end exchange rate	31.12.2021 Year-end exchange rate
EUR	0.99	1.04

[Information and explanations relating to items in the balance sheet and in the income statement](#)

1. Other receivables

in CHF	2022	2021
From subsidiaries	941,899	1,637,867
Total	941,899	1,637,867

2. Financial assets

in CHF	2022	2021
From subsidiaries	30,866,800	36,342,668
Total	30,866,800	36,342,668

3. Investments

Name, legal form, registered office	2022		2021	
	Capital	Votes	Capital	Votes
Direct investment				
Bossard Finance AG, Zug	100 %	100 %	100 %	100 %
Indirect investments				
bigHead Fasteners Ltd, Verwood	42 %	42 %	42 %	42 %
Bossard-KVT Beteiligungs GmbH, Illerrieden	100 %	100 %	100 %	100 %
Boysen Verwaltungs GmbH, Munich (merger with Bossard-KVT Beteiligungs GmbH, Illerrieden)	-	-	100 %	100 %
Normscrews Beheer B.V., Almere (merger with Jeveka B.V., Almere)	-	-	100 %	100 %
Bossard U.S. Holdings, Inc., Phoenix	100 %	100 %	100 %	100 %
Bossard AG, Zug	100 %	100 %	100 %	100 %
3d-prototyp GmbH in Liquidation, Dietikon	100 %	100 %	100 %	100 %
Interfast AG, Zug	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 %
bigHead Bonding Fasteners Ltd, Verwood	42 %	42 %	42 %	42 %
Bossard France SAS, Souffelweyersheim	100 %	100 %	100 %	100 %
Bossard Deutschland GmbH, Illerrieden	100 %	100 %	100 %	100 %
Bossard Deutschland GmbH, Velbert	100 %	100 %	100 %	100 %
Boysen GmbH, Munich	100 %	100 %	100 %	100 %
KVT-Fastening GmbH, Illerrieden (merger with Bossard Deutschland GmbH, Illerrieden)	-	-	100 %	100 %
KVT-Fastening Kft., Budapest	100 %	100 %	100 %	100 %
Arnold Industries Cork DAC, Cork	95 %	95 %	95 %	95 %
Bossard Italia S.r.l., Legnano	100 %	100 %	100 %	100 %
Jeveka B.V., Almere	100 %	100 %	100 %	100 %
Bossard Norway AS, Oslo	100 %	100 %	100 %	100 %

Name, legal form, registered office	2022		2021	
	Capital	Votes	Capital	Votes
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-Fastening d.o.o., Ljubljana	100 %	100 %	100 %	100 %
Bossard South Africa (Pty) Ltd, Kempton Park	100 %	100 %	100 %	100 %
Bossard Spain SA, Sant Cugat del Vallès	100 %	100 %	100 %	100 %
Bossard Sweden AB, Malmö	100 %	100 %	100 %	100 %
Bossard Canada, Inc., Montreal	100 %	100 %	100 %	100 %
Bossard Ontario Inc., Toronto	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, Inc., Cedar Falls	100 %	100 %	100 %	100 %
Bossard, LLC, Stoughton	100 %	100 %	100 %	100 %
Boysen Aerospace U.S., Inc., Irving	100 %	100 %	100 %	100 %
Bossard Australia Pty. Ltd, Melbourne	100 %	100 %	100 %	100 %
Bossard Industrial Fasteners Int. Trading (Shanghai) Co. Ltd, Shanghai	100 %	100 %	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 (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 %
PDi Digital GmbH, Fernitz-Mellach	30 %	30 %	30 %	30 %

4. Treasury shares, incl. shares held by subsidiaries

in CHF	2022		2021	
	Number	Value	Number	Value
Balance at January 1	300,904	4,241,836	308,691	3,170,816
Additions	114,577	24,768,347	93,408	24,382,760
Use of treasury stock	-	-	-	1,901,090
Disposals	-111,922	-25,166,306	-101,195	-25,212,830
Balance at December 31	303,559	3,843,877	300,904	4,241,836

Group companies do not hold any registered A shares. In 2022, 8,676 registered A shares were used for the share option programs. In 2021, 8,561 registered A shares were used for the share option programs, thereof 6,295 treasury stocks.

5. Collateral to third parties

in CHF	2022	2021
Guarantees	530,665,694	423,814,775
Thereof used	294,106,568	197,571,914

The Bossard Group concentrates its main credit facilities in Bossard Holding AG. Bossard subsidiaries can draw on the credit lines, for which right Bossard Holding AG has undertaken 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 663c can be found in the notes to the consolidated financial statements (note 22 page 132).

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 (2021: 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	2022	2021
Retained earnings at the beginning of the year	53,706,900	57,920,680
Net income	32,376,142	29,652,462
Appropriation of available profit determined by the annual general meeting of shareholders		
Dividends for 2021 and 2020 respectively	-39,264,145	-33,866,242
Retained earnings at the end of the year	46,818,897	53,706,900

Statement of changes in capital contribution reserve

in CHF	2022	2021
Capital contribution reserve at the beginning of the year	15,701,654	13,819,386
Deposits on the use of treasury shares	-	1,882,268
Capital contribution reserve at the end of the year ¹⁾	15,701,654	15,701,654

1) Subject to adjustments by the Swiss tax authorities

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

in CHF	2022
Available retained earnings before distribution	46,818,897
Dividend of 110 percent on the share capital of max. CHF 38,482,205 eligible for dividends ²⁾	-42,330,425
To be carried forward	4,488,472

2) The figure is based on the issued share capital as of December 31, 2022 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 2022, 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 147 to 151) 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 1,500,000
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 150,000 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 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 the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Thomas Wallmer

Licensed audit expert
Auditor in charge

Remo Waldispühl

Licensed audit expert

Zurich, February 24, 2023

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INVESTOR INFORMATION

	2022	2021	2020	2019	2018
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	6,346,441	6,349,096	6,341,309	6,345,360	6,272,567
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	7,696,441	7,699,096	7,691,309	7,695,360	7,622,567
Market price					
Ticker symbol (BOSN)					
Volume traded (daily average)	15,065	13,466	20,805	19,036	17,113
Closing price at Dec. 31 in CHF	199.8	328.5	178.4	174.7	139.8
Registered A share high in CHF	331.5	362.0	179.4	180.8	252.0
Registered A share low in CHF	157.8	172.6	90.0	123.9	132.1
Dividend per share					
Registered A share in CHF	5.50 ¹⁾	5.10	4.40	2.00	4.50
Registered B share in CHF	1.10 ¹⁾	1.02	0.88	0.40	0.90
in % of share capital	110.0	102.0	88.0	40.0	90.0
Dividend yield in %					
(Basis: price at Dec. 31)	2.8	1.6	2.5	1.1	3.2
Earnings per share ^{2) 5)}					
Registered A share in CHF	13.38	12.53	8.73	9.73	10.95
Registered B share in CHF	2.68	2.51	1.75	1.95	2.19

	2022	2021	2020	2019	2018
Cash flow per share ^{2) 4)}					
Registered A share in CHF	16.80	15.68	11.36	12.30	13.32
Registered B share in CHF	3.36	3.14	2.27	2.46	2.66
Price/Earnings ratio (Basis: price at Dec. 31)					
	14.9	26.2	20.4	18.0	12.8
Net worth per share ³⁾					
Registered A share in CHF	49.3	45.4	41.9	39.6	40.6
Registered B share in CHF	9.9	9.1	8.4	7.9	8.1
Market capitalization					
(Basis: price at Dec. 31)					
in CHF million ³⁾	1,537.7	2,529.2	1,372.1	1,344.4	1,065.6
in % of shareholders' equity	405.1	723.6	425.7	441.5	344.1

- 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	2022	2021	2020	2019	2018
Economic value added analysis					
Net sales	1,153.8	995.1	812.8	876.2	871.1
Earnings before interest and taxes (EBIT)	141.5	123.3	86.4	95.7	108.8
Effective tax rate in %	22.2	19.2	17.6	18.3	18.1
Net operating profit after tax (NOPAT)	110.1	99.6	71.2	78.2	89.2
Equity	379.6	349.5	322.3	304.5	309.7
Gross financial debt	354.8	251.3	196.4	220.4	162.8
Less cash and cash equivalents	35.8	34.1	40.7	32.7	32.6
Capital employed (year-end)	698.6	566.7	478.0	492.2	439.9
Average annual capital employed (A)	632.7	522.4	485.1	466.1	414.0
Return on average capital employed in % (ROCE)	17.4	19.1	14.7	16.8	21.5

	2022	2021	2020	2019	2018
Cost of financial debt in %					
Average cost of financial debt	1.1	1.1	1.1	1.2	1.2
Less effective tax	22.2	19.2	17.6	18.3	18.1
Cost of financial debt after tax	0.9	0.9	0.9	1.0	1.0
Cost of equity in %					
Risk free rate					
(Basis: yearly average of yield					
Swiss government bond)	0.8	-0.2	-0.5	-0.5	0.0
Risk premium	5.5	5.5	5.5	5.5	5.5
Cost of equity	6.3	5.3	5.0	5.0	5.5
Equity ratio	41.7	45.2	50.3	46.7	51.3
Weighted average cost of capital in % (WACC)	3.2	2.9	3.0	2.9	3.3
Economic profit in % (ROCE - WACC) (B)	14.2	16.2	11.7	13.9	18.2
Economic profit in CHF million (A) * (B)	89.8	84.6	57.0	65.0	75.3

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

in CHF million	2022	2021	2020	2019	2018
Economic book value (EBV)					
Market value added (economic profit/WACC)	2,781.9	2,933.8	1,928.9	2,271.8	2,271.9
Capital employed	698.6	566.7	478.0	492.2	439.9
Implied enterprise value (EVA®)	3,480.5	3,500.5	2,406.9	2,764.0	2,711.8
Less gross financial debt	354.8	251.3	196.4	220.4	162.8
Plus cash and cash equivalents	35.8	34.1	40.7	32.7	32.6
Economic book value at Dec. 31	3,161.5	3,283.3	2,251.2	2,576.3	2,581.6
Market valuation and key ratios					
Share price at Dec. 31 in CHF	199.8	328.5	178.4	174.7	139.8
Market capitalization	1,537.7	2,529.2	1,372.1	1,344.4	1,065.6
Net financial debt	319.0	217.2	155.7	187.7	130.2
Enterprise value (EV)	1,856.7	2,746.4	1,527.8	1,532.1	1,195.8
EV in % of net sales	160.9	276.0	188.0	174.9	137.3
EV/EBITDA	11.2	18.9	14.4	13.5	9.6
EV/EBIT	13.1	22.4	17.7	16.0	11.0
EV/NOPAT	16.9	27.6	21.5	19.6	13.4
Price/book value per share	4.1	7.2	4.3	4.4	3.4
Return on equity in %	29.0	29.2	21.6	24.7	29.8

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 2018–2022

Valor: 23862714, ISIN CH0238627142/BOSN



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This Annual Report 2022 is also available in German.

The German Annual Report 2022 is binding.

Dieser Jahresbericht 2022 ist auch in deutscher Sprache erhältlich.

Der deutsche Jahresbericht 2022 ist massgebend.

Meeting for financial analysts & media conference

March 1, 2023

Publication of Annual Report 2022

March 1, 2023

Annual general meeting of shareholders

April 17, 2023

Publication of sales results, 1st quarter 2023

April 17, 2023

Publication of Semi-Annual Report 2023

July 20, 2023

Publication of sales results, 3rd quarter 2023

October 12, 2023

Publication of sales results 2023

January 12, 2024