THE TECHNOLOGY PROVIDER

Annual Report 2022

NEXT LEVEL

5-YEAR-OVERVIEW

	2022	2021	2020	2019	2018
CONSOLIDATED INCOME STATEMENT (IN € MILLION)					
Net sales before PvA	12 562.7	12 394.4	11 898.4	10 692.7	9 175.7
Thereof Supply	8 100.3	8 551.8	8 423.3	7 533.5	7 199.6
Thereof Solutions	3 544.4	3 200.6	2 975.7	2 732.7	1 623.5
Thereof Service	918.0	642.0	499.4	426.5	352.6
Gross profit	713.4	683.4	639.4	601.2	542.7
EBITDA	280.0	257.2	227.5	196.7	152.7
EBIT	236.8	217.6	185.3	157.9	136.7
Profit before taxes (EBT)	207.9	201.1	167.7	134.8	117.3
Net profit Group	152.4	154.2	130.0	100.3	81.2

	12.31.2022	12.31.2021	12.31.2020	12.31.2019	12.31.2018
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN € MILLION)					
Cash and cash equivalents	478.7	617.2	483.2	349.5	240.4
Other current assets	2 226.3	2 074.4	1 992.4	2 058.7	1 875.0
Non-current assets	448.5	392.9	406.5	415.4	266.9
Total assets	**3 153.5**	**3 084.5**	**2 882.1**	**2 823.6**	**2 382.3**
Current liabilities	1 831.1	1 854.2	1 688.4	1 643.0	1 395.3
Non-current liabilities	282.0	280.8	372.4	448.3	311.3
Equity	1 040.4	949.5	821.3	732.3	675.7
Total liabilities	**3 153.5**	**3 084.5**	**2 882.1**	**2 823.6**	**2 382.3**
Equity ratio	33.0%	30.8%	28.5%	25.9%	28.4%

5-YEAR-OVERVIEW (CONTINUED)

	2022	2021	2020	2019	2018
CONSOLIDATED STATEMENT OF CASH FLOWS (IN € MILLION)					
Free cash flow	79.3	242.6	226.6	239.5	57.9
Cash flow before changes working capital	173.6	197.7	163.2	139.2	104.1
Investments in property, plant and equipment	7.5	5.5	6.8	7.6	10.2
KEY FIGURES					
Gross margin as % of net sales	5.7%	5.5%	5.4%	5.6%	5.9%
Net profit Group as % of net sales	1.2%	1.2%	1.1%	0.9%	0.9%
Return on Capital Employed (ROCE)	22.4%	26.3%	21.0%	15.5%	11.8%
Net financial debt/EBITDA	−0.56	−0.88	−0.17	0.75	1.07
Average headcount during the year[1]	4 233	4 082	4 081	3 952	3 708
EBITDA per employee in € 1 000	66.1	63.0	55.7	49.8	41.2
SHARES OF ALSO HOLDING AG					
Number of registered shares, nominal value CHF 1.00 per share	12 848 962	12 848 962	12 848 962	12 848 962	12 848 962
Dividend per registered share (in CHF)	4.60[2]	4.30	3.75	3.25	3.00
Earnings per share EPS (in CHF)	11.97	12.99	10.86	8.68	7.31
Equity per registered share (in CHF)	79.73	76.34	69.05	61.86	59.26
Market capitalization at December 31 (in Mio CHF)	2 174.0	3 854.7	3 250.8	2 099.5	1 431.4
Price-earnings ratio (P/E ratio)	14.1	23.1	23.3	18.8	15.2

1 Basis: full-time equivalent positions excluding temporary employees
2 Proposal of the Board of Directors

CONTENTS

STATUS REPORT

LETTER TO THE SHAREHOLDERS

Dear Shareholders

The pandemic, political and economic situation remains volatile. Developments in China might again exacerbate supply chain problems. Russia's war against Ukraine and the resulting energy crisis have created a "virus" of its own: inflation, which is very high in the EU.

The markets have clearly felt the effects during this year. One example is start-ups, where some trends can be seen very early on: the number of investments has fallen by around 50 percent, more than 100 000 employees were laid off in this sector. Large IT companies are also flexibilising their costs, among other things through immediate and drastic staff reductions.

The good thing about the IT industry is that it is driven by constant innovation. New technologies, better performance, lower energy consumption — if you don't invest today, you will have to do so tomorrow at the latest. ALSO has an excellent basis for growing with these developments.

In 2022, we were able to continue the successful track record of the past 12 years, with an increase in EBITDA to € 280 million and a ROCE of 22.4 percent. Both values are within the guidance given in 2022. The Board of Directors will propose a distribution of 4.60 Swiss francs per share for approval by the upcoming Annual General Meeting on 17 March 2023.

The basis for these results was the incessant work on the following topics:

- Operational excellence
- Acceleration of growth
- Buy & Build

The share buyback programme of € 100 million, which was decided on in August, shows our conviction in the future. Companies and private individuals will continue to invest in IT.

With our Supply, Solutions and Service business models as well as our digital platforms for cybersecurity, virtualisation, AI and IoT, we are excellently positioned to be a competent partner for our resellers in every area. Above all, however, we have the right employees for it.

In 2023 and beyond, ALSO will continue to work on the above-mentioned programmes and initiatives. We will also increase our flexibility, simplify and streamline structures, and focus on the levers of customers, vendors, and product categories.

The frequency and amplitude of changes are constantly on the rise. This is reflected in the range increase of our forecast. The target for 2023 is an EBITDA of between € 265 and 305 million and a ROCE of over 20 percent. The guidance for the medium-term targets, for which we see a timescale of 3 to 5 years, is an EBITDA of between € 330 and 420 million and a ROCE of over 20 percent.

My thanks go to all stakeholders who have remained loyal to us this year. To the vendors who continue to inspire us with their innovations as well as to the resellers who count on our competence and experience. Special thanks go to our countries' teams. But above all, we thank you, our shareholders. Trust to perform — perform to trust: we will do everything in our power to confirm your trust in us by delivering top performance throughout the coming year.

Yours

Gustavo Möller-Hergt
CEO and Chairman of the Board of Directors of ALSO Holding AG

ALSO SHARE AND SHAREHOLDER STRUCTURE

Share price development 2012 to 2022

The Swiss capital market declined, with the SPI falling by –19 percent. The performance of the Swiss Small- and Mid-Caps (SMIM) was significantly weaker than in the previous year with –28 percent and the technology index SWX ID TECH was down by –39 percent, too.

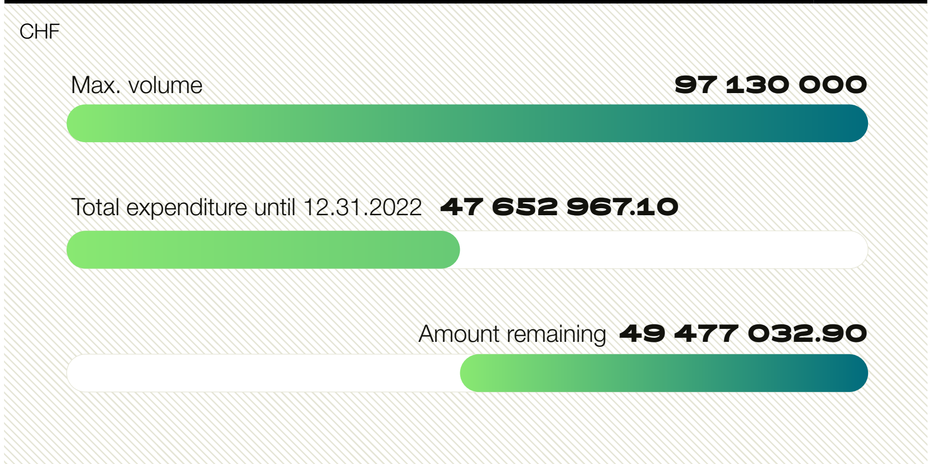
The ALSO share closed at CHF 169.20 on December 31, 2022. This development reflects the performance of the market as a whole.

As of December 31, 2022, the company's market capitalisation was CHF 2 174 million (previous year: CHF 3 855 million).

On 9 August, ALSO Holding AG announced a share buyback programme, which has been carried out at market prices on the first trading line since August 10, 2022. The programme has a maximum volume of € 100 million (approx. 5 percent of market capitalisation as of December 31, 2022). The repurchased shares will be used for own purposes, including financing possible acquisitions, increasing liquidity and long-term incentives for the company's management. By December 31, 2022, 294 622 shares worth a total of CHF 47.7 million had been repurchased. This corresponds to a total holding of 2.51 percent of the share capital and voting rights. see Fig. 02

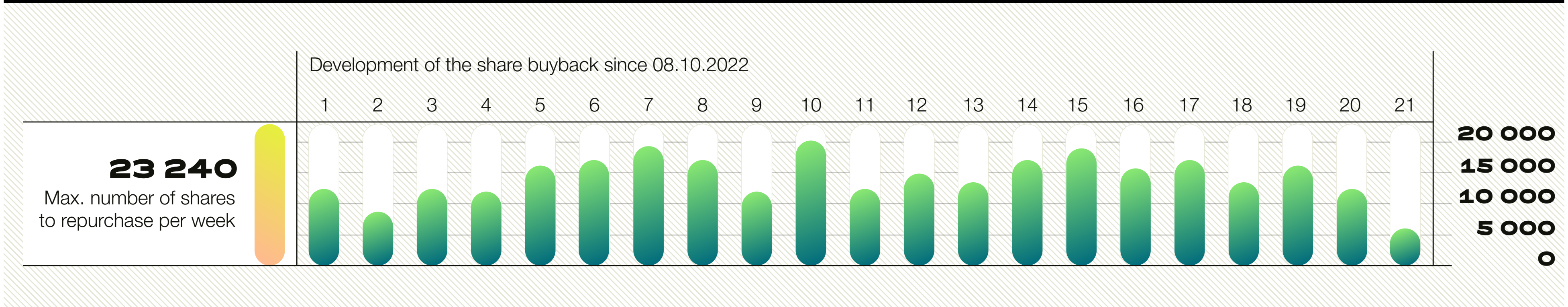
Status of the share buyback programme as of December 31, 2022

Fig. 01



Share buyback per week

Fig. 02



Key figures of the ALSO share

	2022	2021	2020	2019	2018
Number of registered shares with a nominal value of CHF 1.00 per share	12 848 962	12 848 962	12 848 962	12 848 962	12 848 962
Dividend per share (in CHF)	4.60[1]	4.30	3.75	3.25	3.00
Earnings per share (in CHF)	11.97	12.99	10.86	8.68	7.31
Equity per share (in CHF)	79.73	76.34	69.05	61.86	59.26
Highest price (in CHF)	308.00	304.00	263.00	167.40	145.60
Lowest price (in CHF)	137.80	236.50	123.00	106.00	103.00
Market capitalisation as of December 31 (in CHF million)	2 174	3 855	3 251	2 100	1 431

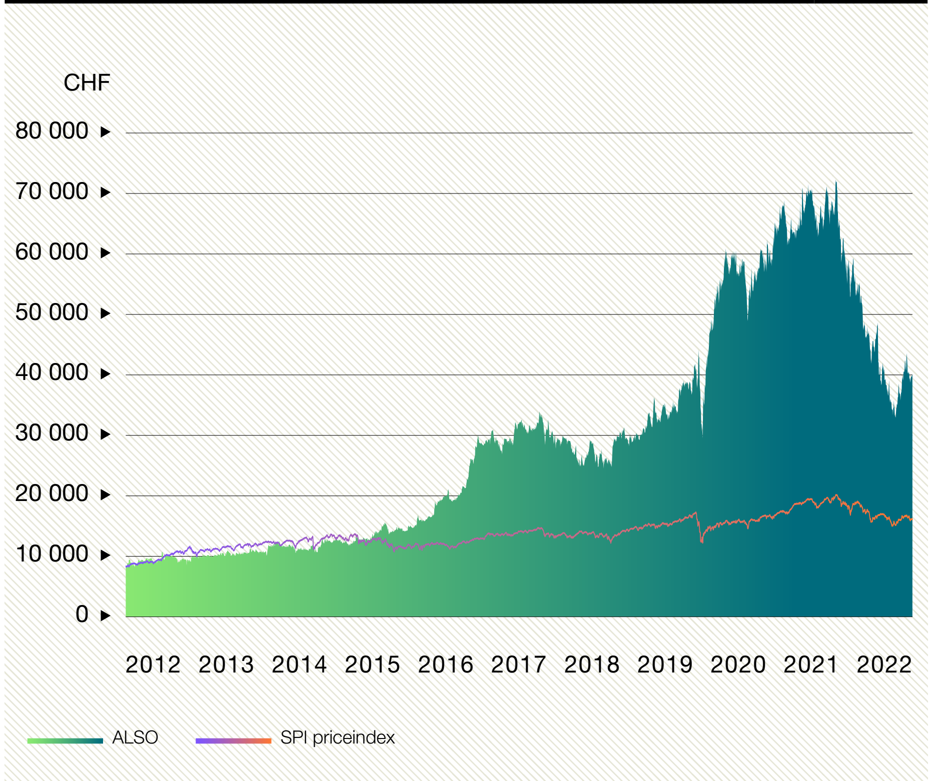
1 Proposal of the Board of Directors

1 FN

The following chart shows the long-term performance of the ALSO share compared to the SPI (2012–2022).

Comparison of performance ALSO share and SPI (initial capital CHF 10 000)

Fig. 03



Listing

The shares of ALSO Holding AG have been listed on the SIX Swiss Exchange since 1986 (symbol: ALSN, security: 2 459 027, ISIN: CH0024590272) and are included in the following indices, among others: SPI, SPI Extra, SWX ID TECH, SPI ESG and UBS 100.

Dividend policy

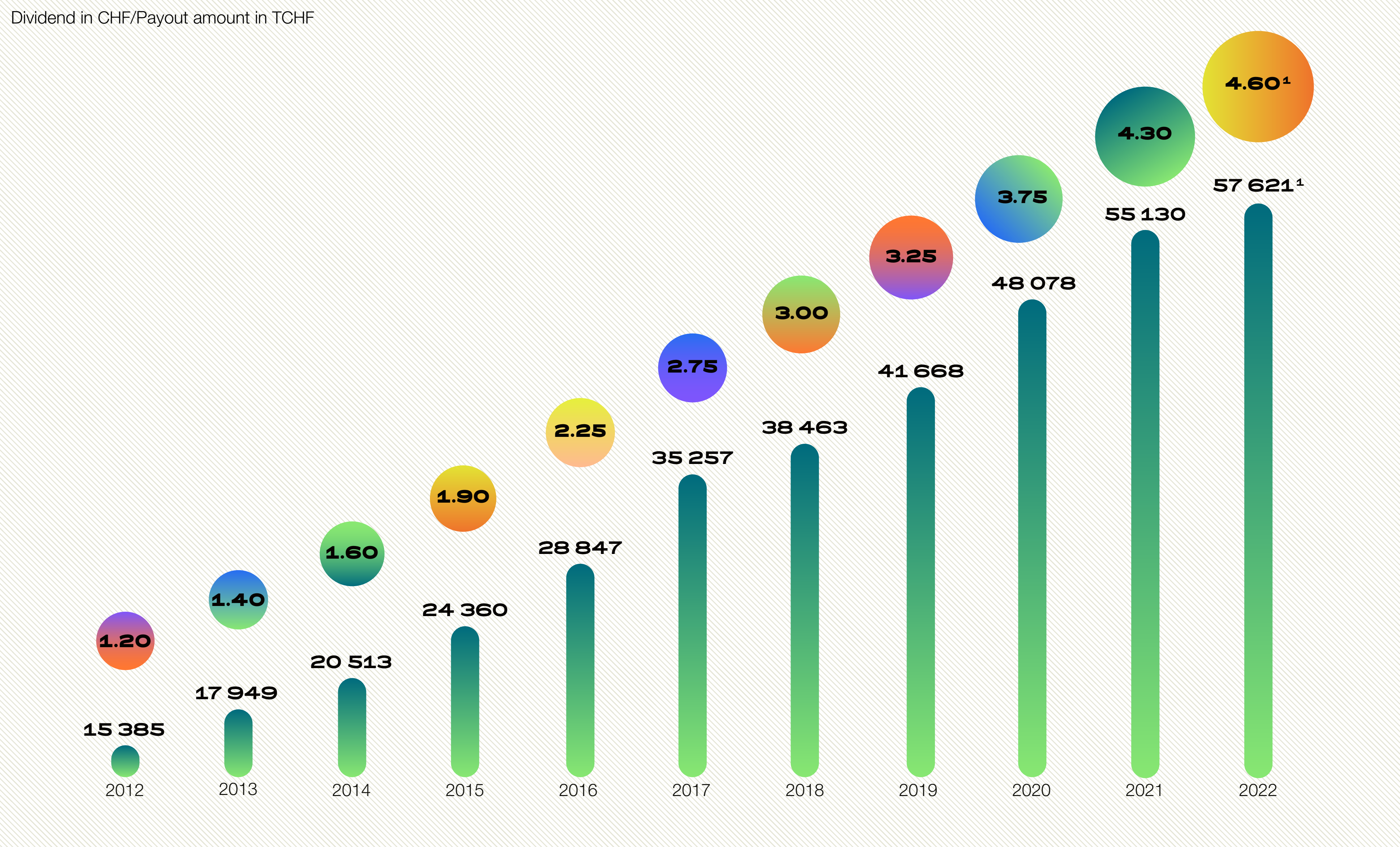
ALSO Holding AG paid a dividend of CHF 4.30 per share in March 2022. The Board of Directors pursues a consistent dividend policy and aims for a payout ratio of 25 to 35 percent. see Fig. 04

The current earnings, financial position, and corresponding outlook are taken into account when determining the dividend each year. For 2023, the Board of Directors proposes to the shareholders a dividend of CHF 4.60 per share. This corresponds to a total dividend of CHF 57.6 million[1], or 38.4 percent of the net profit generated (converted at the closing rate as at December 31, 2022 €/CHF of 0.9847). The proposal will be submitted to the shareholders for approval at the Annual General Meeting on March 17, 2023.

1 As of December 31, 2022, 12 526 251 shares are entitled to dividends

Dividend per share and cumulative amount of payout

Fig. 04



1 Proposal of the Board of Directors   Diameter of the circles represent the respective amount of the dividend

The number of shares entitled to dividends changes if the number of shares held by ALSO Holding AG changes. The Board of Directors may therefore adjust the total amount of the proposed dividend to the number of shares entitled to dividend at the Annual General Meeting.

If the proposal is approved by the shareholders, the dividend, in the ratio of the reserves from foreign capital contributions to the total dividend, will be tax-free for shareholders resident in Switzerland, if the shares are held as private assets. Otherwise, the dividend is subject to withholding tax. The dividend will be paid to the shareholders on March 23, 2023, subject to approval by the Annual General Meeting.

Share capital and shareholder structure

As of December 31, 2022, the share capital of ALSO Holding AG amounted to CHF 12 848 962, consisting of 12 848 962 fully paid-in shares with a nominal value of CHF 1.00 each. There is only one class of shares, in which each share has the same voting rights and grants the same entitlement to dividends. ALSO has a broadly diversified, international and long-term oriented shareholder base with clear majority interests.

The majority shareholder with 51.30 percent is Special Distribution Holding GmbH, a company of the Droege Group AG based in Düsseldorf (Germany). The Droege Group is an independent consultancy and investment company and a specialist in tailor-made transformation programmes aimed at increasing corporate value. As an industrial holding company, the Droege Group forms a diversified portfolio and develops its business platforms in line with long-term megatrends.

In total, ALSO had 5 131 shareholders from 42 countries, the free float at the end of December 2022 was 48.7 percent, with the majority held by institutional shareholders (80 percent of the total shares outstanding). They are predominantly based in Switzerland, followed by Germany and the United Kingdom.

Recommendation of the analysts

The management of the ALSO Group informs interested analysts on an ongoing basis about the development of the Group within the framework of the legal requirements. ALSO Holding AG is monitored and regularly evaluated by the following banks and financial institutions:

- Baader Bank
- Bank Vontobel AG
- Mirabaud securities
- Research Partner
- M.M. Warburg & CO

At the end of December 2022, all analysts covering ALSO recommended the share as a buy.

Investor Relations

The company informs its shareholders and the capital market in a transparent, comprehensive and timely manner about important events and developments. It ensures that all stakeholders are treated equally in terms of timing and content in the periodic and ongoing reporting.

In addition to the detailed Annual Report, the Half-Year Report, and the ESG Report, ALSO keeps shareholders and market participants informed on an ongoing basis with media releases and events such as roadshows and investor days. The members of the Group Management Board and other management representatives are also available to shareholders in person during the year at these events, the Annual Media Conference and the Annual General Meeting, as well as within the framework of legal requirements (e.g. quiet periods).

Information about the company is available at www.also-holding.com. Current and previous reports, press releases and investor presentations can be found there. It is also possible to subscribe to press releases via this link. Investors and analysts can reach the company at any time via the central e-mail investor-relations@also.com.

Financial calendar

Annual General Meeting	March 17, 2023
Publication half-year report	July 26, 2023

Contact Investor Relations

Beate Flamm
Tel. +49 151 61 26 60 47
E-Mail: investor-relations@also.com

EQUITY STORY

Attractive market

The ICT industry is one of the fastest-growing sectors worldwide. Today, digital infrastructure and workplaces are indispensable not only for companies, but for consumers, too, who use IT every day, whether it is for learning, gaming or working. The market is driven by innovations; renewal, expansion or replacement of elements are a constant necessity.

ALSO is one of the leading technology providers for this industry. We currently sell hardware, software and services in 30 European countries, and IT solution and as-a-service offerings are available worldwide via the ALSO Cloud Marketplace.

Comprehensive ecosystem

ALSO's ecosystem ensures access to the most important manufacturers and encompasses a broad base of resellers in the market. Over 700 vendors, including all global market leaders, trust our expertise; their goods are distributed in about 1 500 product categories. Products and services are delivered to more than 500 million end customers through potentially around 120 000 resellers in ALSO countries, ranging from retailers and etailers to corporate and value-add resellers as well as small and medium-sized IT companies.

Strategy for sustainable profitable growth

The MORE corporate strategy, which was developed over ten years ago, defines four key activities for ALSO. In addition to maintaining the leading position in established markets (Maintain), the focus is on continuous optimisation, increasing operational excellence (Optimise), establishing and expanding innovative, solution- and cloud-oriented business models (Reinvent) as well as further strengthening of the company through acquisitions (Enhance). Since 2012, a total of 27 acquisitions have been made and successfully integrated with the help of the "Transformative Integration" programme.

Growth drivers

In the Supply division, the main focus is on the transactional provisioning of hardware and software. There are growth opportunities in markets where ALSO is not yet dominant; but growth can also be achieved in countries where the company is established by increasing operational excellence and introducing new business models. Solutions focuses on marketing IT solutions for companies through our resellers. This business model is being expanded primarily in those countries where ALSO is already dominant. The Service/Cloud area comprises the subscription-based as-a-service business. The development and marketing of new digital platforms (cybersecurity, IoT, virtualisation, AI) offers additional growth opportunities.

The three business models are closely linked and promote each other. At the same time, they ensure a balance of possible fluctuations within the models.

Successful track record

For 12 years now, ALSO has achieved its primary goal of sustainable profitable growth. This is evidenced by three KPIs: EBITDA as an operating indicator ensures the profitable growth of the company. The definition of ROCE as a target figure ensures capital efficiency. The third indicator is the Sustainable Growth Rate (SGR), which serves to ensure sustainable profitable growth.

ALSO's medium-term targets are an EBITDA of € 330 to 420 million and a ROCE of over 20 percent. The Sustainable Growth Rate is in a target corridor of between 8 and 10 percent.

FOUNDATION

ICT MARKET

With a turnover of € 1 500 billion and a share of more than 8 percent of European economic output, the technology sector is a major economic factor for the region. It is expected to grow by more than 5 percent annually until the end of the decade.

This is driven by innovation, digital platforms such as artificial intelligence (AI), new products for the Internet of Things (IoT), and additional as-a-service business models. Even geopolitical tensions, including the war between Russia and Ukraine, are not expected to significantly slow down growth in the long term.

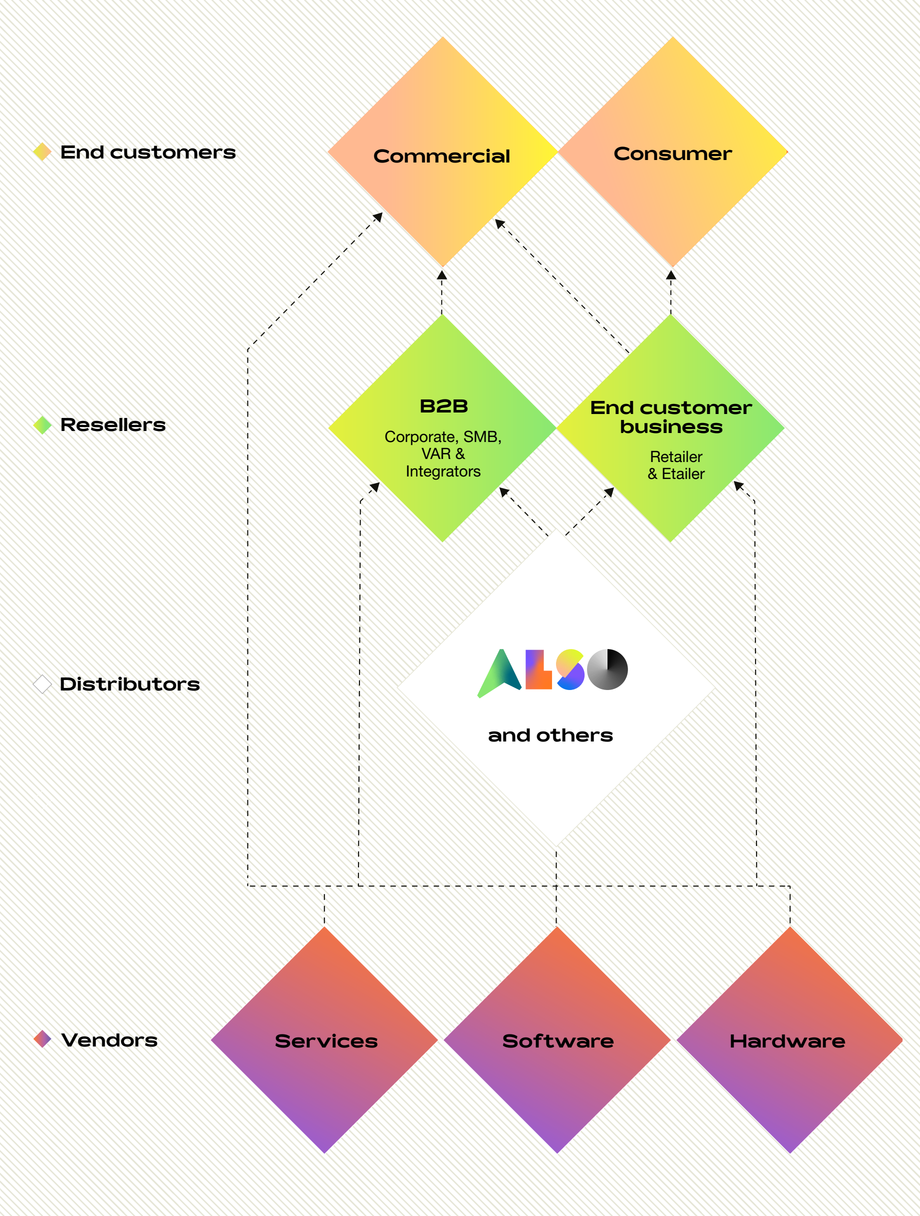
From an end-user's point of view, there are four fields of application for IT:

- The digital workplace
- Infrastructure in companies
- The gaming place
- Infrastructure in the private sector

Each of these four fields consists of a combination of numerous product categories (hardware, software and services) that need to be continuously aligned with each other in order to function. This means that every change in one component leads to the need for adjustments or changes in the other components.

The ICT market model

Fig. 05



Marketing in the ICT industry largely takes place in three stages. Stage one sees the manufacturers (vendors) supplying the distributors, who in turn supply the IT companies (resellers), who in the third stage serve the end customers. Small and medium-sized businesses (SMBs) are not always served directly by the vendors due to a lack of economies of scale. See Fig. 05

ALSO

As a technology provider, ALSO is the link between vendors and the market. The company offers hardware and software, solutions for IT applications and systems, cloud-based as-a-service offerings and applications from digital platforms, for example for IoT, AI or cybersecurity.

In addition to physical or digital delivery, the company takes on a variety of other tasks, for example payment transactions, fine logistics or credit controlling. For the providers of IT components, the assumption of these tasks results in a reduction of complexity and easier access to the various channels and regions. The Group has a portfolio of over 700 vendors, including all global market leaders, for the IT product categories.

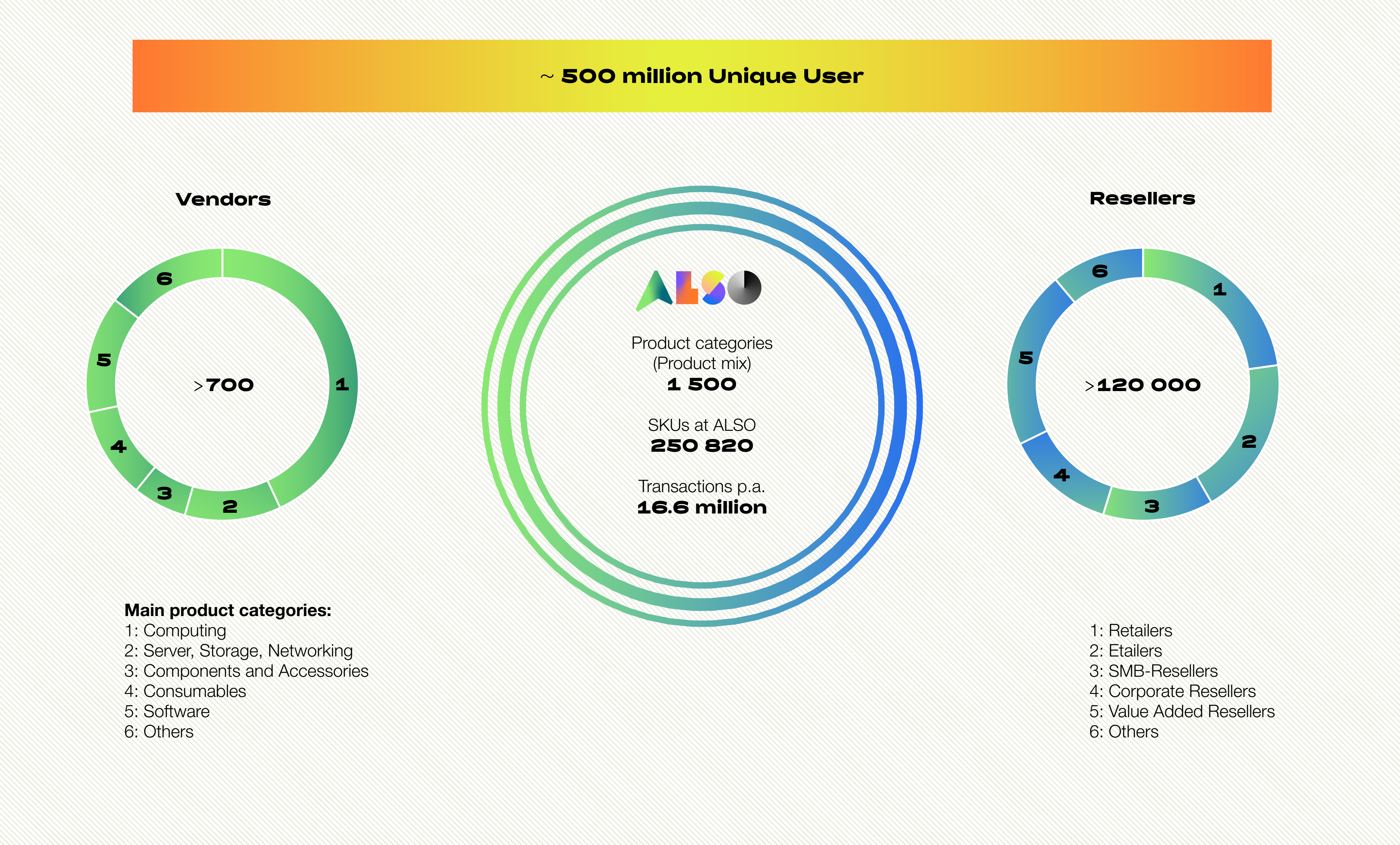
For resellers, especially SMB partners, the comprehensive offerings enable them to continuously expand the portfolio and services offered to their customers. To this end, they can access a functional webshop, a wide range of solution offerings for IT services, and the ALSO Cloud Marketplace as a platform for their as-a-service business. Retailers and etailers appreciate ALSO's speed and flexibility, from electronic connectivity options to logistics services such as warehousing options or delivery on behalf of third parties. In 2022, active business relationships were maintained with around 64 000 resellers.

Over the last 12 years, ALSO has built and expanded a robust and flexible ecosystem. The company is currently present in 30 European countries and potentially 114 more countries worldwide through Platform-as-a-Service partners. See Fig. 06

The variety of customers within the ecosystem, both on the vendor and reseller side, their different technological focuses and specific industry knowledge, as well as the breadth and depth of the product categories are key to the company's success. At the same time, this enhances the company's stability: potential critical developments in a single segment can be compensated by new and further developments in other areas and by their scaling.

The ALSO Ecosystem

Fig. 06



All numbers are approximate

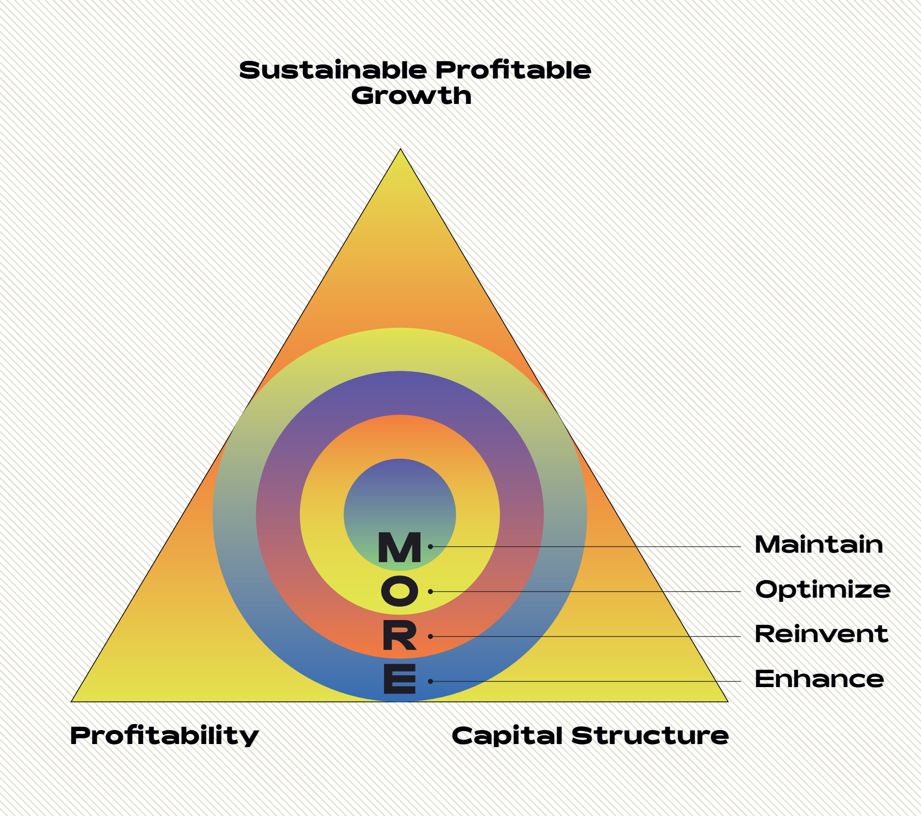
Strategy: MORE

ALSO introduced the MORE strategy in 2011. The company's primary goal is to increase the value of the company and thus to generate the most sustainable returns possible for its shareholders. The decisive factor here is a balanced relationship between growth, capital structure, and profitability. ALSO stands for growth that is repeatable, scalable and profitable, as well as ethical and responsible towards current and future stakeholders.

ALSO continues to drive the company's growth with four key activities:

- **Maintain** stands for securing what has already been achieved, further expansion of the ecosystem or, in developed markets, maintaining the dominant position.
- **Optimize** aims to continuously optimise business models and processes to increase ALSO's operational excellence and financial success.
- With **Reinvent**, the development of new platforms and business models, ALSO will significantly increase the share of solution and service-oriented business models in sales.
- **Enhance** means strengthening through acquisitions, be it by creating presences in new countries, reinforcing the position in already existing markets or through acquisitions in the area of new technologies. ALSO has developed its own programme, "Transformative Integration", to integrate acquired companies quickly, effectively and efficiently into the existing ecosystem and to roll out existing best practices from acquired businesses within the ALSO Group.

ALSO's MORE strategy Fig. 07

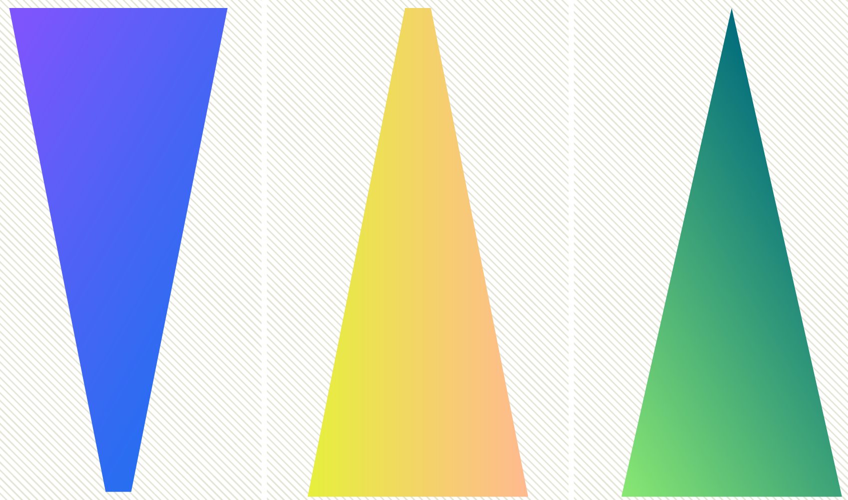


With the three business models Supply, Solutions and Service, ALSO serves the ICT industry in two sales channels: transactional, through the sale of IT components, and subscription-based (consumptional) with cloud-based as-a-service offerings, including possible hybrid solutions. See Fig. 08

Our business models: 3S

Fig. 08

BUSINESS MODEL	Route to market	Revenue	EBITDA-Margin	Customer loyalty
Supply	Mainly transactional			
Solutions	Hybrid			
Service	Mainly consumptional (subscription-based)			



Supply: Sales in this business model include the wholesale of equipment and applications for the IT, consumer electronics and telecommunications industries. Sales are mainly transactional. The ALSO webshop is becoming increasingly important. The business model is characterised by millions of transactions, high sales, high scalability, high working capital requirements, low customer loyalty and low margins. The market entry threshold is accordingly high.

Solutions: ALSO primarily supports small and medium-sized businesses with IT architecture and IT design issues, translates requirements into concrete configurations at short notice and monitors the status of projects. This business model is characterised by competent support and practical assistance as well as the sale and provision of the required IT components. Furthermore, it includes the marketing of solutions for specific industries (verticals). The work of the Solutions teams also increases revenue in the other two business models. Turnover is mainly realised transactionally through the sale of hardware and software, but increasingly also consumptively (subscription-based).

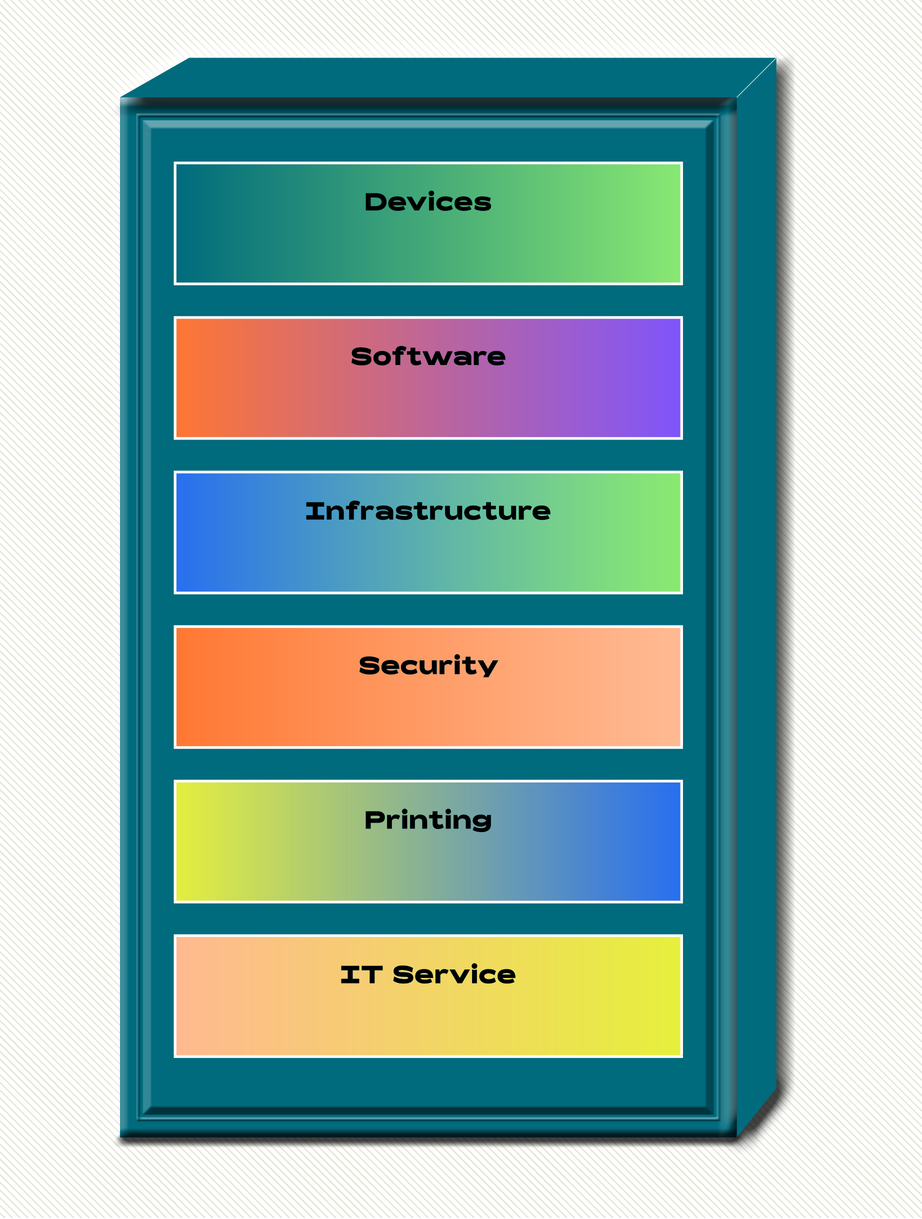
Service/Cloud: This business model comprises the "as-a-service" distribution of all technological components that are necessary for a digital workplace ("unique user"), as well as the digital platforms. In addition, ALSO offers services for logistics and marketing:

- **Logistics services** includes supply chain solutions along the entire value chain.
- **Marketing services** provides sales and marketing activities for the vendors. ALSO as well offers resellers, especially SMB customers, a wide range of support in marketing products.

The billable unique user represents the digital workplace of a user including all components, from devices to applications and services. It is managed via the ALSO Cloud Marketplace (ACMP). In addition, services such as financing, maintenance, dimensioning or procurement and replacement of devices are provided.

The ALSO Cloud Marketplace enables users to manage their entire subscription-based as-a-service business. This ranges from the creation of offers to configuration, installation, monitoring, security, and invoicing of services. It is also possible to analyse the usage of each individual workstation as a basis for further monetisation. Sales are mainly subscription-based.

Unique User Fig. 09

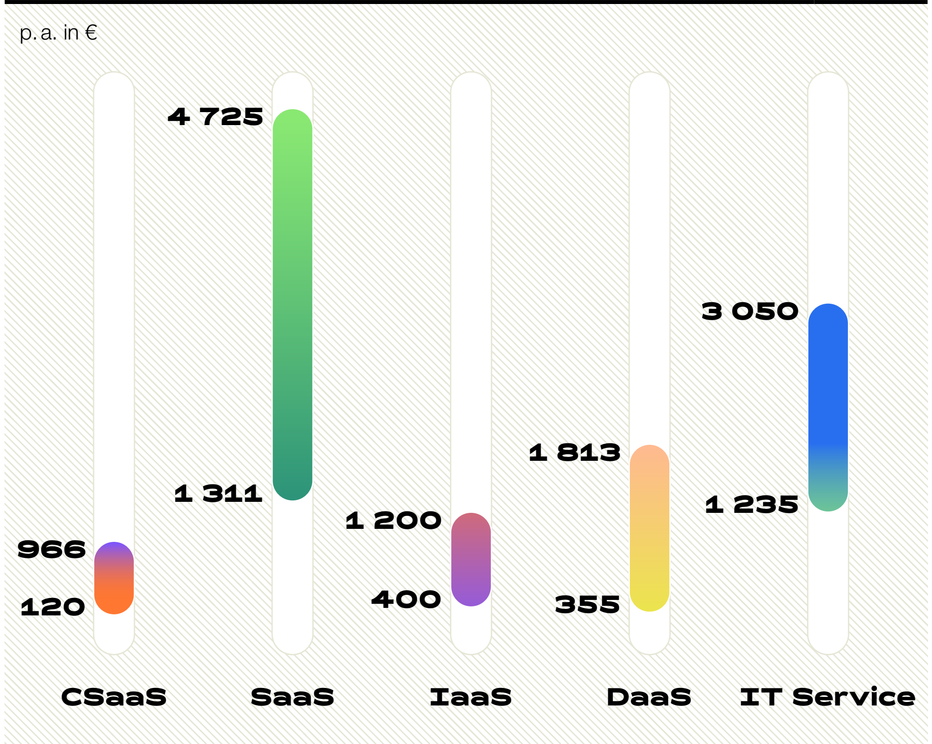


There are also hybrid forms in which, for example, software and security are purchased on a subscription basis, but devices and infrastructure are bought by the end customers (transactional business).

The cost per digital workplace varies greatly depending on the industry, region, and size of the company. For an SMB workplace in Western Europe, the annual costs are around € 5 000. The addressable potential for ALSO is around € 1 200.

Monetisation potential for aaS revenues per unique user

Fig. 10



Minimum and maximum turnover per unique user

The as-a-service offer for resellers includes the following areas:

- Cybersecurity as a Service (CSaaS)
- Software as a Service (SaaS)
- Infrastructure as a Service (IaaS)
- Device as a Service (DaaS)
- IT service

Outside the countries in which ALSO is active locally, the ACMP is marketed worldwide via partners (Platform as a Service). Here, ALSO participates in the growth of the partners beyond the basic licence through a dynamic service fee with a defined upper limit.

In addition to ACMP as a subscription-based distribution channel, the cloud offers another important opportunity for ALSO and its partners: as a tool for acquiring and monetising data.

Parallel to the continuous expansion of the ACMP, the company is developing further digital platforms in order to expand its own portfolio in a future-oriented manner. These currently include:

- Cybersecurity
- IoT
- Artificial intelligence
- Virtualisation and gaming

The three business models complement each other; all three areas benefit from the shift towards the service sector. IT as a Service generates recurring revenues with higher margins than the Supply business, at the same time it is very scalable and benefits from a lock-in effect. The benefits for Supply are the growing customer base and the device-based as-a-service offerings, while the Solutions business is strengthened by the necessary consulting services for the optimal setup and the use of digital platforms, for example for IoT applications.

In contrast to the project-based supply business, where there is little to no knowledge of the end customer's further setup and IT architecture, the resellers in the as-a-service business can obtain more comprehensive information about the elements used as well as the cybersecurity level of their customers. This results in new business opportunities.

5 levers

The following levers are available to the company to continuously increase earnings:

- **Reseller mix:** We supply value-add resellers, corporate resellers, retailers and etailers, SMB resellers, and other customer groups. The balanced composition of the customer structure contributes to the stabilisation and development of ALSO's earning power as well as the optimisation of the capital employed.
- **Vendor mix:** By securing and developing the vendor portfolio, ALSO can constantly introduce new technologies, equipment and applications. That is why the company prefers to work with vendors with a particularly high proportion of research and development.
- **Product category mix:** The most important component of the company's sustainable development is a constant review of the product portfolio and its relevance for resellers as well as the establishment of own business units for new technologies.
- **Business model mix:** By developing the three business models, ALSO can improve profitability, increase customer loyalty, and stabilise the business. ALSO uses digitalisation to optimise its existing business models and to continuously develop new approaches.
- **Operational excellence:** The continuous optimisation of structures and processes to reduce operating expenses is an indispensable part of actively managing the company's performance.

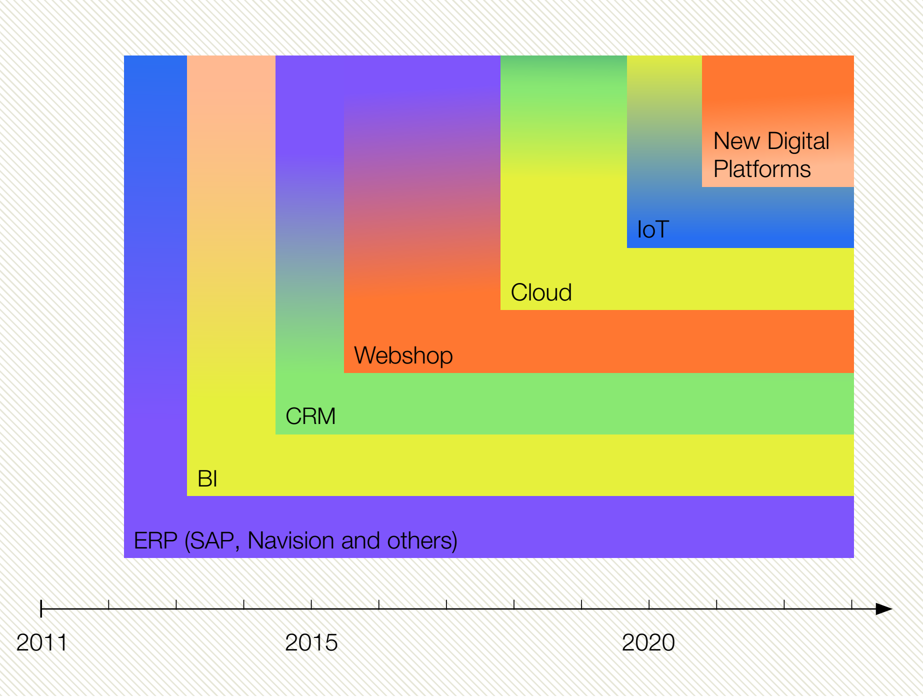
Management of the ecosystem

The use of harmonised ERP systems across all country organisations is the basis for utilising the company's digital management systems, from warehouse management systems to business intelligence (BI), customer relationship management (CRM), and digital platforms. With the help of these systems, the analytical skills of our employees, and the work of the company's data scientists, ALSO is constantly improving its performance.

The permanent expansion and adaptation of the ecosystem, the interlocking of all elements of the complex supply chain and the constant analysis and use of the insights gained in day-to-day business — without the development of all of these factors over more than a decade, it would not be possible to operate profitably in the long term. This is a competitive disadvantage for existing market participants and a very high barrier of entry for potential new competitors.

Digital management systems at ALSO

Fig. 11



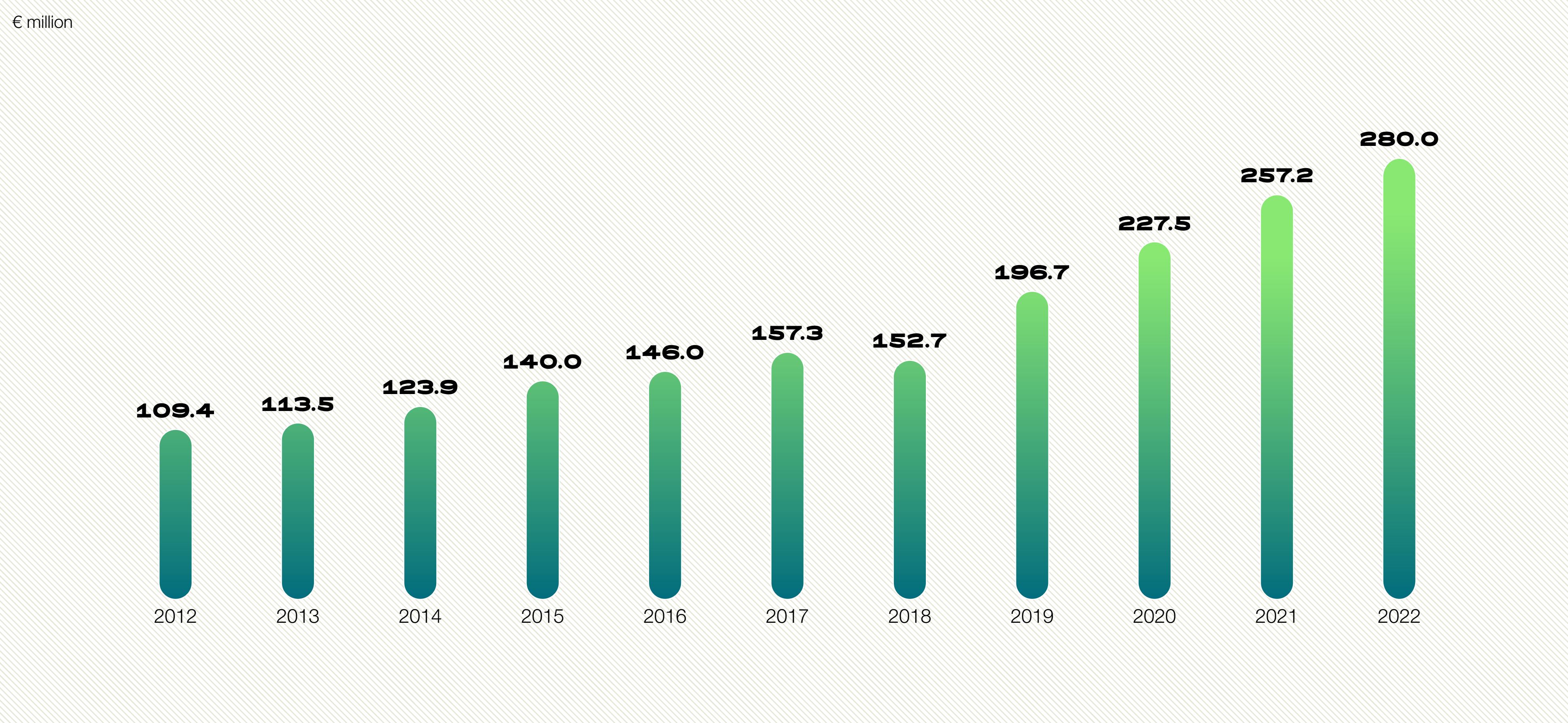
TRACK RECORD

ALSO has three key figures for the management of the company:

EBITDA: The generated liquidity is an important control parameter for ALSO, as it is decisive for the payment of dividends and for the financing of acquisitions and organic growth. In contrast to free cash flow, EBITDA is not influenced by changes in net working capital at the reporting date.

Development EBITDA

Fig. 12

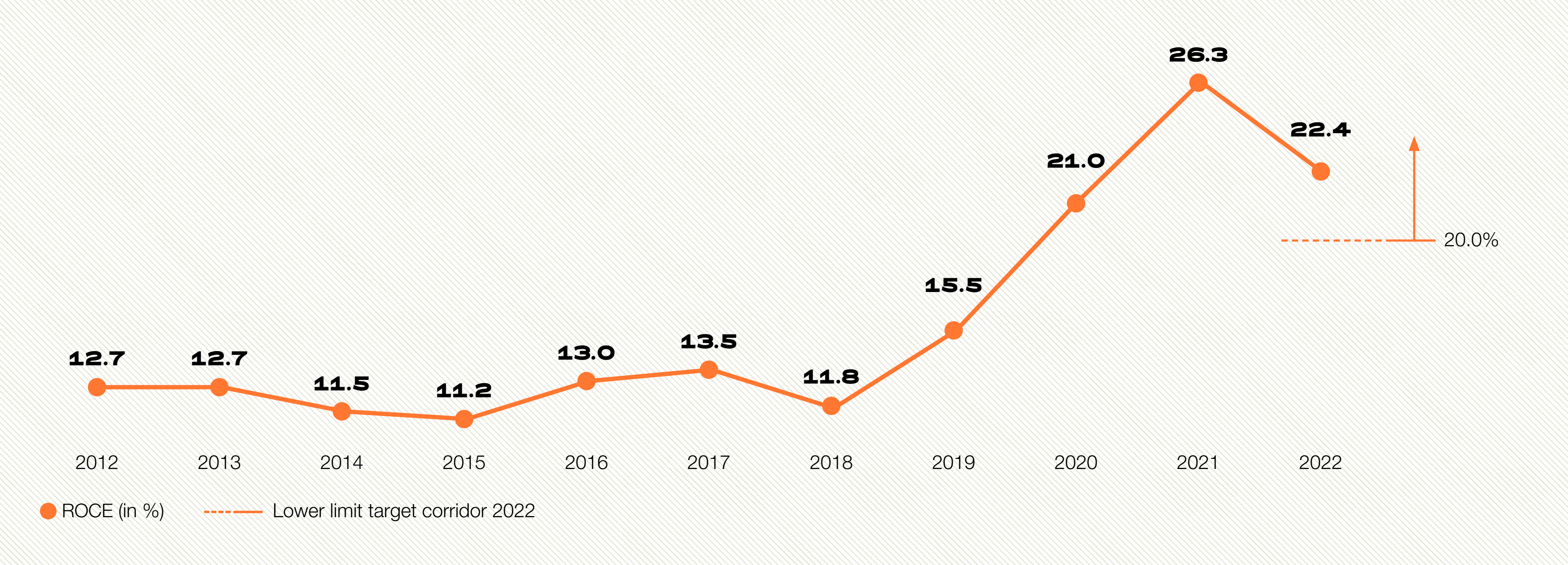


Return On Capital Employed (ROCE): The Group's objective is not to generate profit or growth at the expense of changes in the capital structure. ROCE was introduced because it allows performance to be measured independently of the cost of capital and therefore enables greater comparability. With the help of ROCE, ALSO measures the success in managing net working capital in relation to the result achieved.

The two key figures EBITDA and ROCE are like two sides of one page: the earning power and profitability of the company show the level of operational excellence on the one hand and the quality of management on the other.

Development ROCE

Fig. 13



The company's goal is sustainable profitable growth. This is monitored and controlled using the **Sustainable Growth Rate** (SGR).

Development SGR

Fig. 14

2022

ICT MARKET

2022 was marked by an increase in the intensity and speed of change. Although the pandemic situation in Europe eased, in China the abandonment of the zero-COVID policy led to renewed tension in the availability of goods. Supply chains remain unstable.

The ICT market declined overall. Inflationary pressure, an expected recession and the war in Ukraine dampened demand, especially for devices in the consumer sector. Turnover in telecoms declined, too.

Development IT industry EMEA

	Growth in %
Data centres	1.8
Software	–0.1
Devices	–13.1
IT services	–0.9
Telecommunications services	–3.6
IT total	–3.8

According to Gartner

Nevertheless, companies invested primarily in automation projects to optimise processes and minimise interruptions in production. The ongoing digital transformation, the need to protect against cyber-attacks and investments in cloud-first solutions have also had a positive impact on sales. In addition, there was strong investment in technology and IT services to reduce pressure on existing staff and replace missing resources with automated processes.

ALSO

Within the company, the focus in 2022 was on three fields of work:

- Operational excellence
- Acceleration of growth
- Buy & Build

Operational excellence

The structural optimisations already started in 2018 were continued in the reporting year.

On top of that, at the beginning of March 2022, ALSO began rolling out a comprehensive contingency plan. The aim of all measures taken was and is to put the company in an optimal position to cope with the effects of the war in Ukraine. The planning period extends over two years. It covers not only all functional areas (Purchasing and Claiming, Finance, HR and Marketing), but also the sales organisation. At the end of the business year, almost half of the two-year targets had been achieved.

The measures taken led to a further increase in the productivity of the ALSO Group:

Development of overall productivity

	2018	2019	2020	2021	**2022**
Turnover/FTEs	2 475	2 706	2 916	3 036	2 968
EBITDA/FTEs	41.2	49.8	55.7	63.0	66.1

Acceleration of growth

Supply: To be successful in this segment, a high degree of automation is necessary. This is the only way to operate profitably. For this reason, the “Move to Web” for processing orders, especially for the large SMB customer group, was further advanced. Sales via the web shop increased by 1.3 percent compared to the previous year; the features for e-commerce customers were also expanded and optimised. Special customer development programmes give resellers with growth potential incentives to step by step increase their sales in the web shop.

Solutions: The precise knowledge of the needs of small and medium-sized businesses is a particular strength of ALSO. Equally important is the modular solution competence to support these companies precisely where they themselves do not have sufficient resources. Here, too, the range of services has been continuously developed and expanded. With the solutions stack, SMBs can receive support for complex IT projects, from project management to design and configuration, financing concepts, migration support, refurbishment and remarketing.

Service/Cloud: Numerous cross-vendor solutions based on the new platforms have been developed for resellers and their customers. These include, for example, Workplace+, an IoT application that, in addition to measuring air quality and workplace occupancy, can also be used to monitor and control energy consumption and reduce emissions. In the areas of education and healthcare, SMB partners have a comprehensive portfolio at their disposal, with which they can access competent support from IT security to the implementation of specialised software applications and AI projects.

Cloud-based work has become the basis of every digital workplace. Therefore, the number of unique users continued to increase in 2022.
See Fig. 19

With the help of an integrated business intelligence tool, partners have the opportunity to precisely analyse the usage structure of their customers and, based on this, develop customised offers for further monetisation.

The cybersecurity concept of the ACMP is the industry benchmark and is continuously analysed and developed. For IaaS services in the cloud, in 2022 ALSO installed the automated fraud protection system, a multi-layered approach to protect reseller partners and end customers.

Buy & Build

In 2022, the company made new acquisitions and integrated additional companies.

- **Hungary:** With a total addressable market of € 4.5 billion and around 2 500 resellers, Hungary is one of the largest ICT markets in Eastern Europe. Following the company's market entry in 2019 and the successful expansion of its ecosystem and infrastructure, the acquisition of Ramiris has significantly increased its reach and consolidated ALSO's commitment in the country.
- **Portugal:** JP Sá Couto is one of the dominant players in Portugal with its comprehensive ecosystem and currently around 3 500 reseller customers. The country's total addressable market is € 1.5 billion. Combined with ALSO's digital management tools and operational excellence, this provides an excellent basis for further profitable growth. In addition, due to the acquisition, the expertise and portfolio in the area of education has expanded.
- **Czech Republic:** With Czech DAQUAS, one of the best and most experienced cloud solution providers for Microsoft, was acquired in 2021. The integration of the company into ALSO Czech Republic began in the reporting year. With a potential of around 3 million unique users, the Czech Republic is one of the larger Eastern European markets. In addition, the entire ALSO Group benefits from the knowledge that DAQUAS has in the areas of software asset management, IT asset management and the transformation of software licences into the cloud.

The comprehensive and long-term planned investments in all business areas have contributed to the result achieved in 2022.

Investing in new growth areas and increasing efficiency

The engagement covered a total of six fields of activity:

Capital investment:
- Share buyback programme for ALSO shares

Staff:
- Recruitment of experts for the areas of Solutions and Cloud
- Training of Business Development Managers for new business areas
- Onboarding of staff taken over with the acquisition of new companies
- Qualification and training of all employees

IT:
- Renewal of the ERP landscape
- Rollout of new warehouse management system in logistics
- Implementation of payroll system
- Hybrid data centre developed with a strong cloud component

Logistics:
- Moves to new, larger warehouses in Poland, Slovenia and Croatia
- Consolidation of the Warsaw and Szczecin locations

Automation/RPA:
- Deeper integration of automatic orders (EDI) into the ERP systems of ALSO
- Further migration of SMB customers to the webshop
- Optimisation of automated payment settlements, expansion of automated execution of bookings

Credit Controlling:

- Further expansion of customer segmentation
- Design and deployment of "predictive customer development" with forecasts on customer development

A smaller part of these investments is visible in the expenses of the profit and loss statement, the larger part in the balance sheet. Both parts serve to increase growth and efficiency.

CORPORATE RESULTS

Since the introduction of the two performance indicators EBITDA and ROCE, the result, efficiency, and profitability of the company have improved significantly.

Development EBITDA

EBITDA is a good indicator of the liquidity gained. Unlike free cash flow, it is not influenced by disclosing date-driven changes in net working capital at the reporting date. Therefore, this is one of the three central key figures of the company.

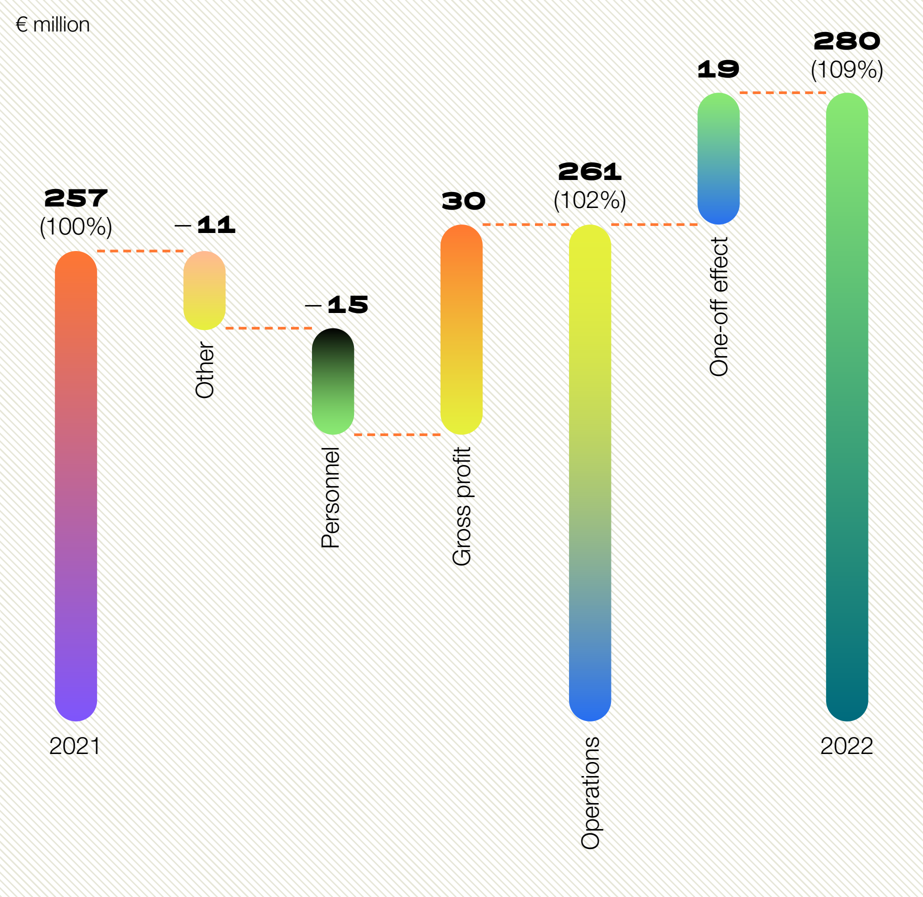
ALSO achieved an EBITDA of € 280 million in financial year 2022, taking into account one-off effects and promising investments in new growth areas and efficiency improvements. With the increase of around € 22.8 million compared to the previous year, the company achieved its target corridor.

Even without the one-off effect from the sale of a property, the EBITDA could be increased while simultaneously investing into the company development.

EBITDA

Bridge 2021 – 2022

Fig. 15



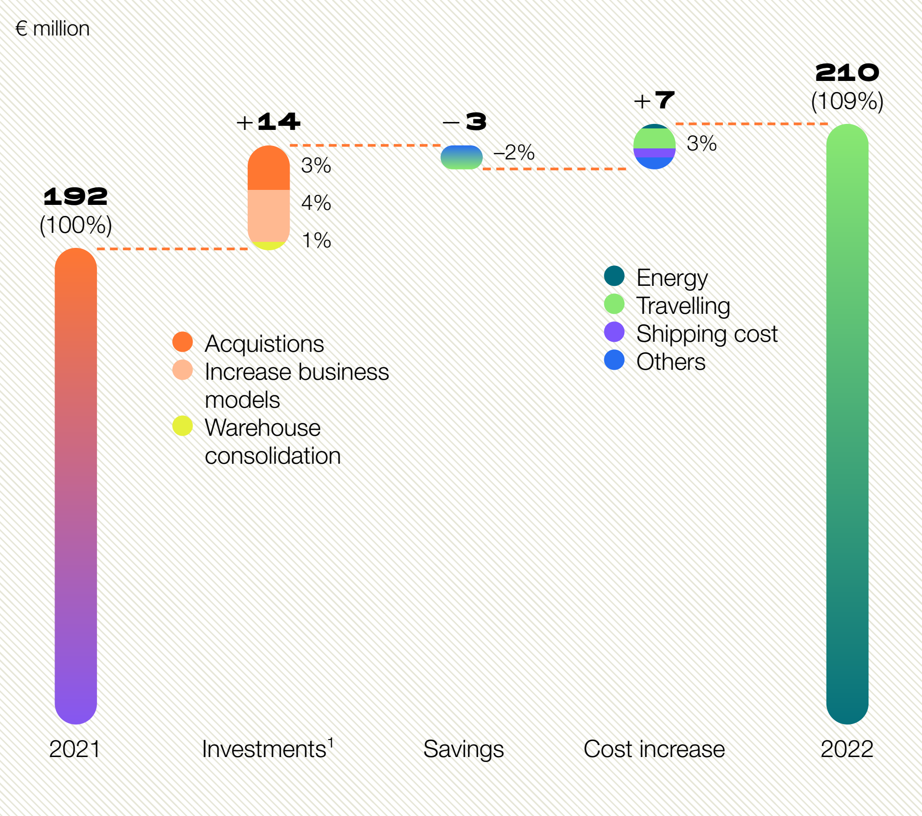
Looking at the non-personnel costs, it becomes clear that, in addition to the investments, rising energy prices also had a visible effect on the EBITDA.

The increase in personnel costs was to some extent due to the additional employees, who were brought into the company partly through new hires and partly through acquisitions.

Another contributing factor was a one-off compensation payment made by ALSO to eligible employees in November in response to the sharp rise in the cost of living in a number of countries. With the structural optimisation programme and the consistent implementation of the contingency plan, the company actively countered these rising costs.

EBITDA
Bridge Non-personnel costs 2021 – 2022

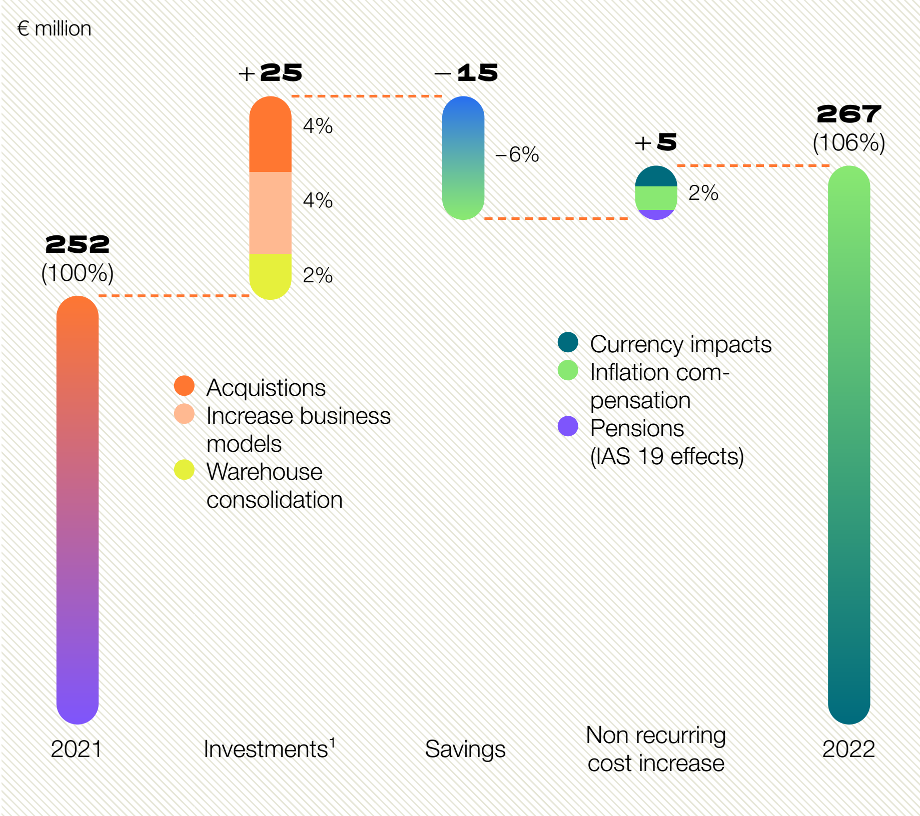
Fig. 16



1 New growth areas and efficiency increase

EBITDA
Bridge Personnel costs 2021 – 2022

Fig. 17



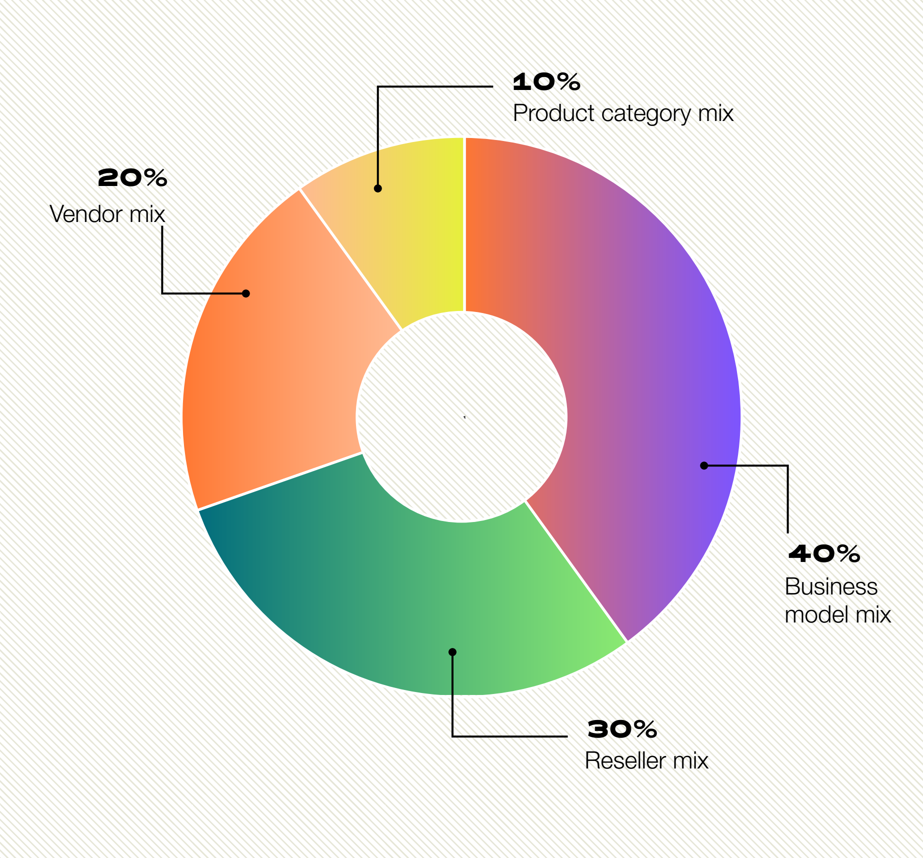
1 New growth areas and efficiency increase

ALSO performed excellently, taking into consideration the overall development of the market. The increase in gross profit from € 683 to 713 million is proof of this success.

This was due to the interaction of the levers that the company is continuously working to optimise. The business model mix (Supply, Solutions, Service) makes the greatest contribution to the sustainable profitable growth of the company. Through this mix and the breadth of the reseller base, possible fluctuations in the market can be balanced, different levels of profitability realised, and new growth generated. Convincing the relevant vendors for these customer groups of ALSO is in turn an important factor in putting together the right product category mix for the market.

EBITDA
Increase gross profit from € 683 to 713 million (+€ 30 million)

Fig. 18

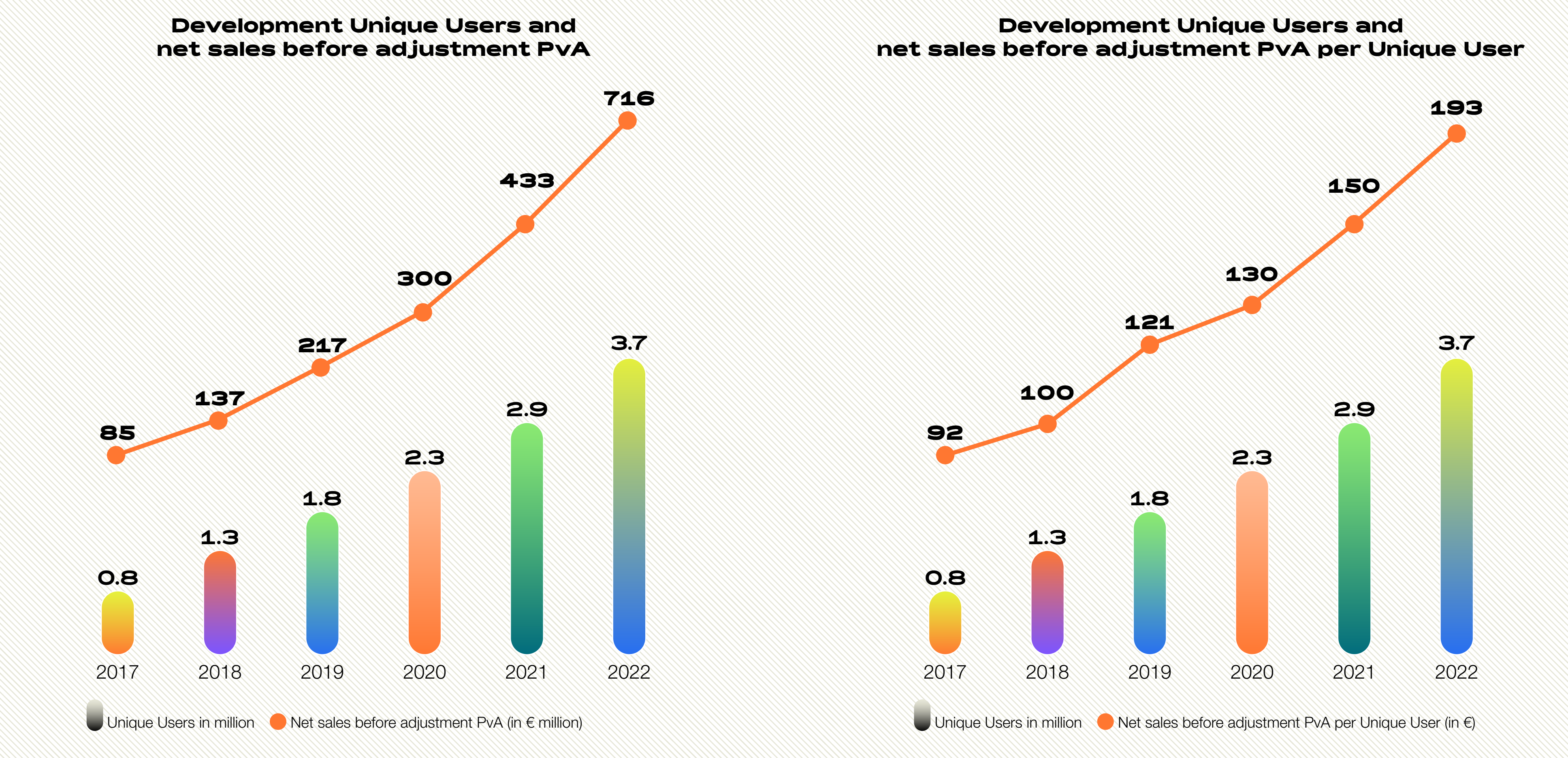


In 2022, a further shift within the business model mix towards Service/ Cloud took place, with an increase of almost 28 percent of ALSO's unique users. Monetisation was driven forward by almost 30 percent, too.

EBITDA

Businessmodel mix cloud

Fig. 19



The figures from 2017 to 2019 refer to Seats, the need for a "Unique User" concept only came up when the number of test and free licences significantly increased from 2020 onwards.

Overall, cloud business grew by almost 66 percent. Particularly noteworthy is the increase of 74 percent in cybersecurity applications and 73 percent in IaaS solutions.

The customer mix also contributes to the stability of the results. ALSO's focus on the SMB customer group is justified by the breadth of the potential customer base and their profitability for the company. At the same time, they offer excellent opportunities for the expansion of all three business models.

In addition, the SMB customer segment is less susceptible to interest rate increases due to the lower amount of required net working capital. This was particularly noticeable in the second half of the year, when the interest rate policies of both the US Federal Reserve and the European Central Bank continually changed.

ROCE development

Managing capital efficiently and profitably is one of the central tasks of the ALSO management. The corresponding key financial figure is ROCE, which combines two sides, the result and the capital employed. With a value of 22.4 percent, it remained within the company's target range in 2022.

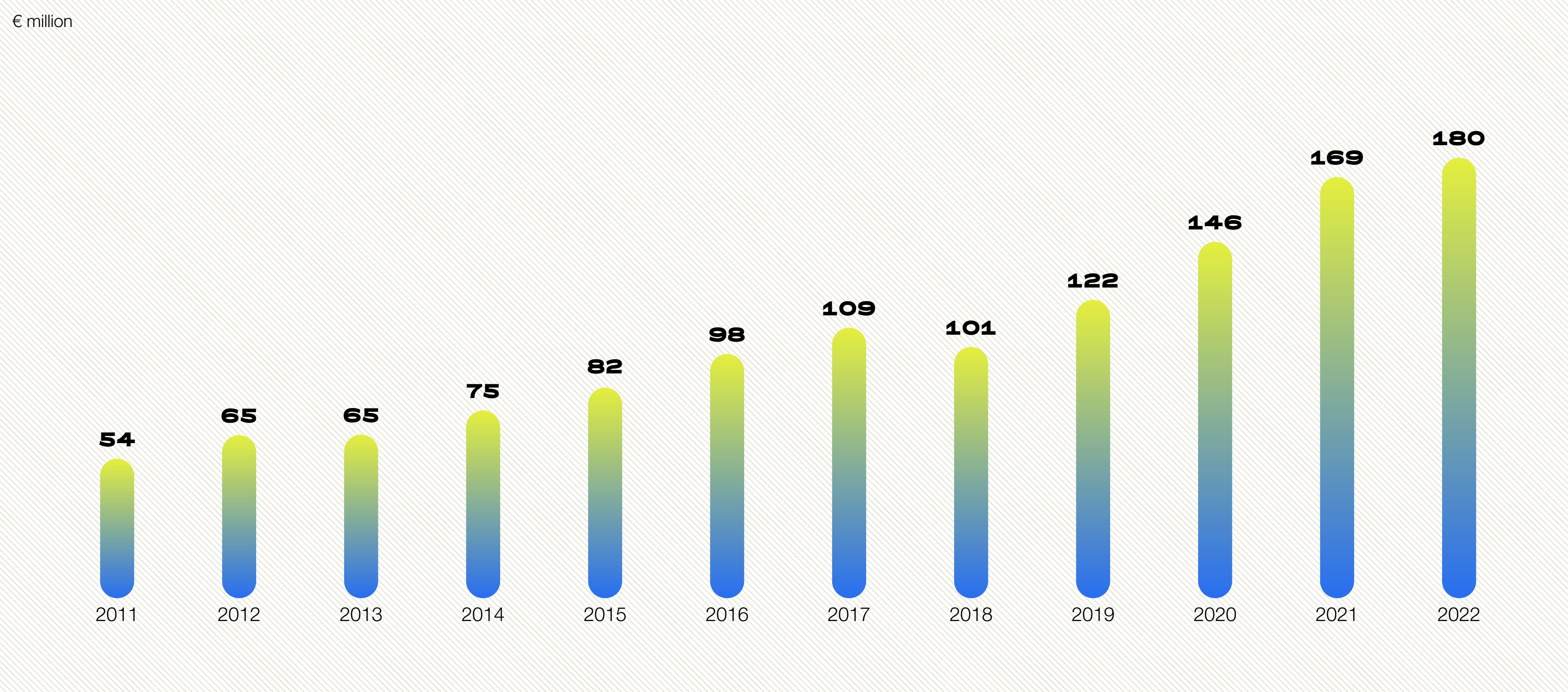
$$\text{ROCE} = \frac{\text{NOPAT}}{\text{Capital employed}} = \frac{\text{EBIT – Tax}}{\text{Capital employed}}$$

The first component of ROCE is NOPAT (Net Operating Profit After Income Taxes). This is calculated from EBIT (Earnings Before Interest and Taxes) minus income taxes. In high-tax countries, ROCE will therefore be correspondingly lower than in countries with a lower tax burden. In addition to increasing the operating result through Operational Excellence, accelerating growth and Buy & Build, ALSO is therefore also working on the continuous optimisation of the tax burden. See Fig. 20

ROCE

Development NOPAT

Fig. 20

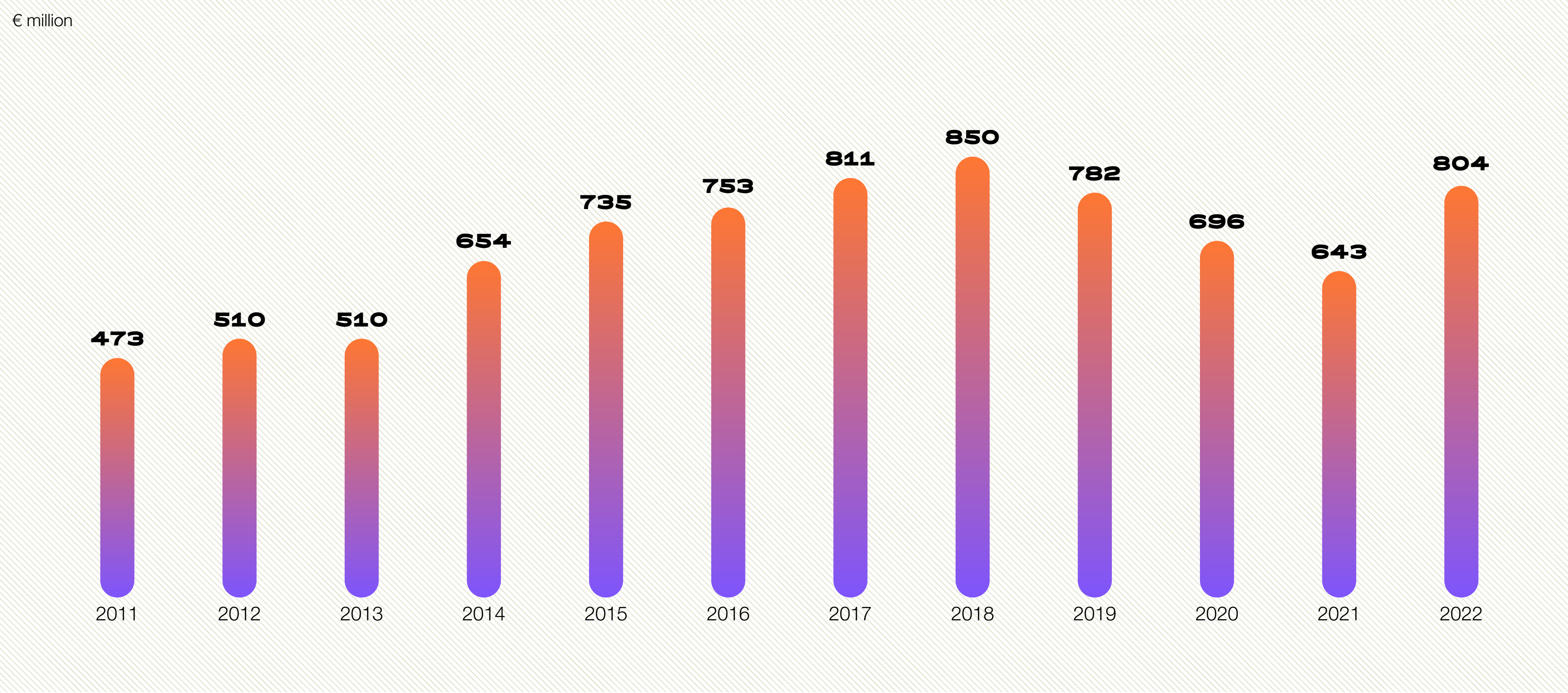


The second component of ROCE is capital employed (CE). It shows the equity capital plus debt capital employed, i.e. the total capital employed according to the balance sheet.

ROCE

Development Capital Employed

Fig. 21



At ALSO, the amount of external funds required is mainly influenced by the change in Net Working Capital (NWC). The higher the requirement, the more external capital is needed. In order to optimise capital employed, we therefore work intensively on optimising NWC. The possibilities for improving the required capital are, of course, influenced by market conditions, for example the availability of goods, and by EBITDA.

The most important lever for controlling the NWC at ALSO is the stock level. The company succeeded in maintaining good product availability in the first half of the year against the background of uncertain supply chains. This was achieved by increasing safety stocks and creating alternatives for unavailable products within the broad ALSO ecosystem. This, however, led to an increased need for capital employed.

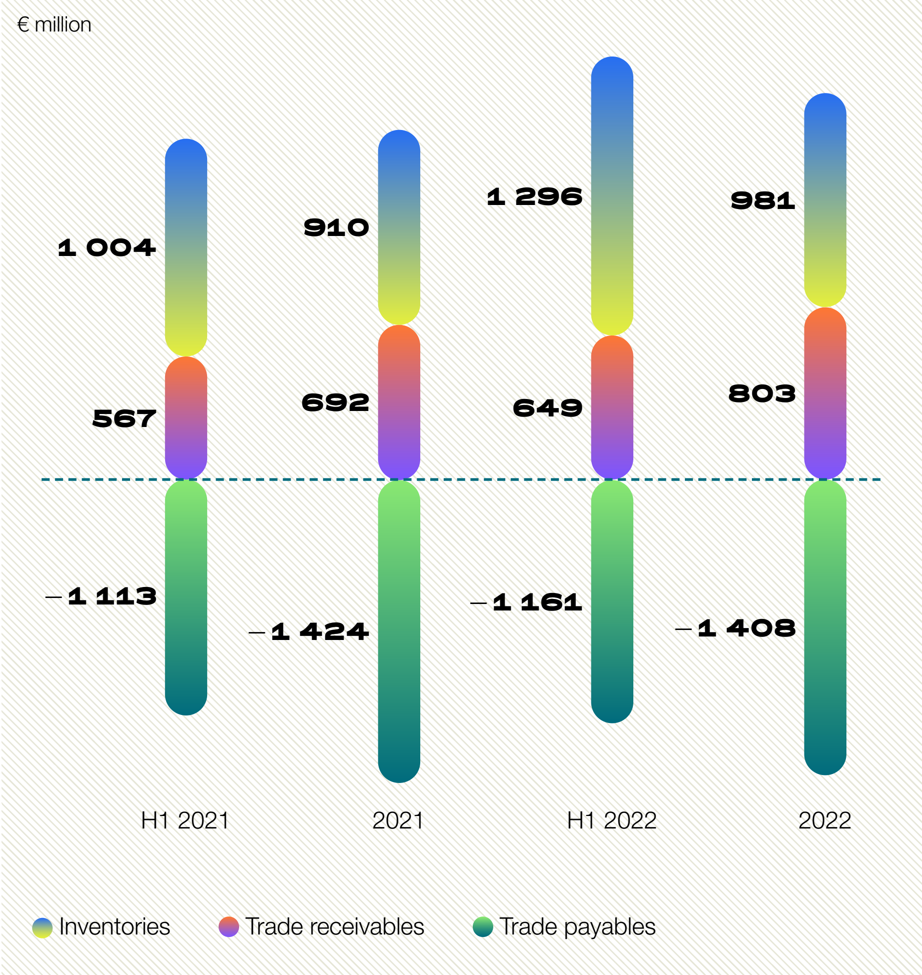
In the second half of 2022, ALSO succeeded in significantly reducing inventories by more than € 300 million after reaching a peak at mid-year, thus remaining at the level of the very good values of 2021.

In the year under review, ALSO was able to achieve a cash balance of around € 479 million, and this despite the fact that just under € 49 million was used to buy back own shares. The net financial debt affected by this is therefore at a comparable level to the previous year.

ROCE

Net working capital

Fig. 22



Development Sustainable Growth Rate

The SGR is calculated using the following four financial ratios: Profit rate[1], asset utilization rate[2], retention rate[3] total asset to equity ratio[4]. It is 9.6 percent and thus within the defined target corridor.

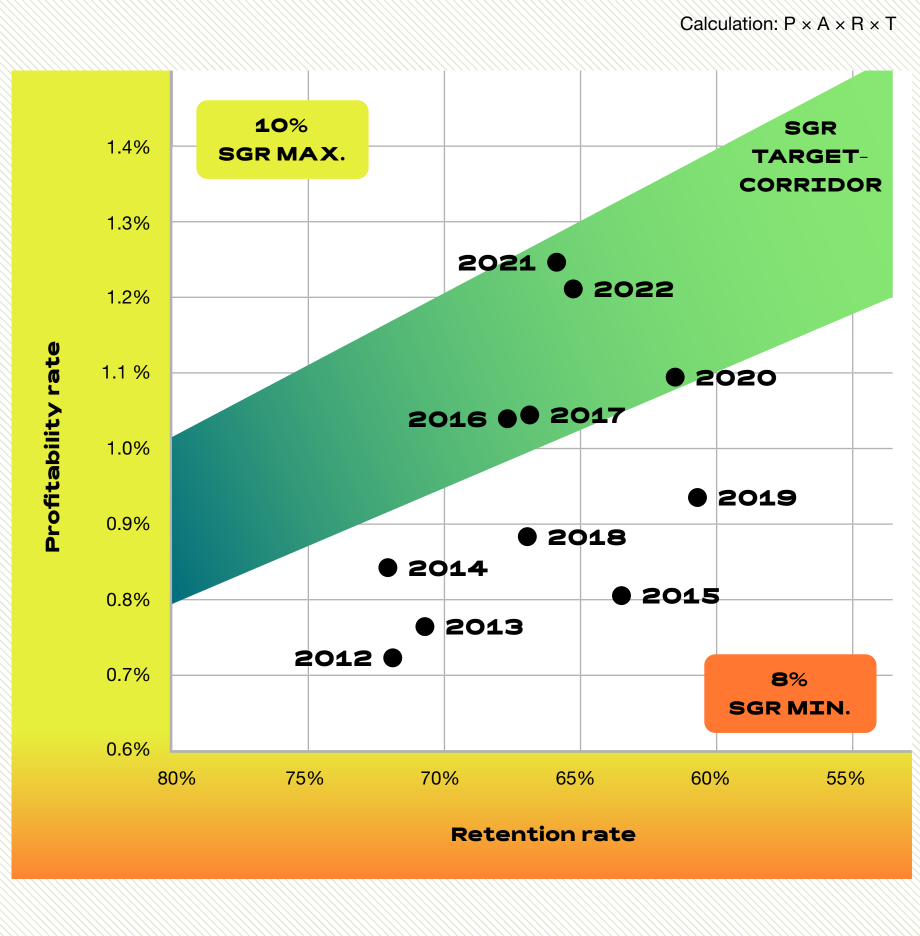
The Sustainable Growth Rate is ultimately the MORE corporate strategy in financial figures. The SGR indicates the maximum growth in net sales that is possible without a deterioration in the capital structure. To calculate the SGR, the profit rate, asset utilization rate, retention rate, amd total asset to equity ratio are multiplied. Figure 23 illustrates the dependence between the two key figures retention rate and profitability rate at a constant asset utilization rate and total asset to equity ratio. If a target value for the sustainable growth rate is set for a stable capital structure, all possible values for retention rate and profitability rate in this constellation lie approximately on a straight line. In the graph, the range between the target values 8 to 10 percent SGR is marked in green. All combinations in this range enable growth of 8 to 10 percent with a stable capital structure in 2022.

The figure shows that with a stable capital structure, higher profitability also enables a higher payout ratio. When the capital structure improves, the target corridor moves successively upwards. When developing new business areas or in the case of acquisitions, the effect on this Group key figure is taken into account.

For investors, this means that while the dividend yield remains constant there is no capital dilution, and they can additionally benefit from the increase in value from the targeted growth.

1 Profit margin: net profit/turnover
2 1 minus payout ratio
3 Turnover/total assets
4 Total assets/equity

Sustainable Growth Rate Fig. 23



Capital turnover ratio and equity ratio are set as constants.
Representative presentation

2023++

ICT MARKET

All market research companies are forecasting growth in the ICT sector for 2023. However, the forecasts from the various sources differ by more than 50 percent as to how strong this growth will be and in which areas. The statement already made by ALSO in 2020 that the frequency and amplitude of changes will increase is correct. There is, however, agreement that the strongest growth is expected in the areas of software and IT services, but that the restraint in consumer business will continue.

The acceleration of the growth of digital platforms will continue as well: successful digitisation is not possible without streaming and cybersecurity, IoT and artificial intelligence are contributing to a significant acceleration of process optimisation and automation projects.

In addition to the subscription-based Infrastructure-as-a-Service business, increasing staff shortages and the acceleration of digital projects continue to drive growth in the industry. Strategic consulting will be in increasing demand from channel partners, as will IT implementation, staff training and managed infrastructure services (external management of the entire IT).

ALSO

The comprehensive ecosystem with vendors ranging from global market leaders to start-ups and a customer breadth that extends from volume business with retailers and etailers to specialised value-add resellers for different industries to thousands of SMB partners is the basis for future growth. The digital sales platforms, the webshop and the ALSO Cloud Marketplace are scalable and powerful marketplaces for handling millions of individual transactions. With the ERP systems, WMS, BI and CRM, the company not only has the tools to react in real time to any change, it can also identify areas of future needs thanks to the analytical capabilities it has developed and with the support of its own data scientists.

In order to work the growth markets of the present, to finance investments in the future and to increase earnings, ALSO is focusing on the continuous optimisation of operational excellence, measures to further accelerate growth and the implementation of its Buy & Build plans.

Operational Excellence

- Structural optimisations
  - Further increase in flexibility in fixed costs (office hubs; warehouses)
  - Simplification of corporate management (further expansion of reporting)
  - Savings in non-personnel costs
  - Harmonisation of HR processes, further outsourcing of administrative HR tasks
  - Identifying talent with the help of AI
  - Implementation of the long-term plan for the renewal of the IT architecture

- Optimisation of capital employed
  - Focusing of product categories
  - Attention on working capital/ROCE (balance of availability vs. capital commitment)
  - Cross-border sales/goods deliveries
  - Increase in EBT

Acceleration of growth

- Business models
  - Expansion of the 3 business models in all markets
  - Scaling of Solutions and Cloud business, further rollout in countries integrated in recent years
  - Advise and support clients in the Solutions area to meet the increased demand for IT service support
  - New functionalities in the ACMP and webshop as well as measures for customer retention
  - Further harmonisation of webshop and ACMP
  - Onboarding of new product categories
  - Migration of existing vendors to subscription-based distribution
  - Rollout of reseller services

- Customer mix
  - Further strengthening the client-centred approach
  - Expanding the reseller customer base
  - Expansion of cooperation with existing vendors to further regions
  - Onboarding of vendors in growth-oriented product categories

Buy & Build

- Entry into new markets through acquisition or greenfield
- Onboarding of new PaaS partners
- Further rollout of CoC structures (IT, regional clusters)
- Transformative integration of ALSO Italia, ALSO Ramiris and ALSO Portugal

In addition to these measures, we are continuing to drive the contingency plan, which we started in March 2022, to compensate for strong fluctuations in the market.

GUIDANCE

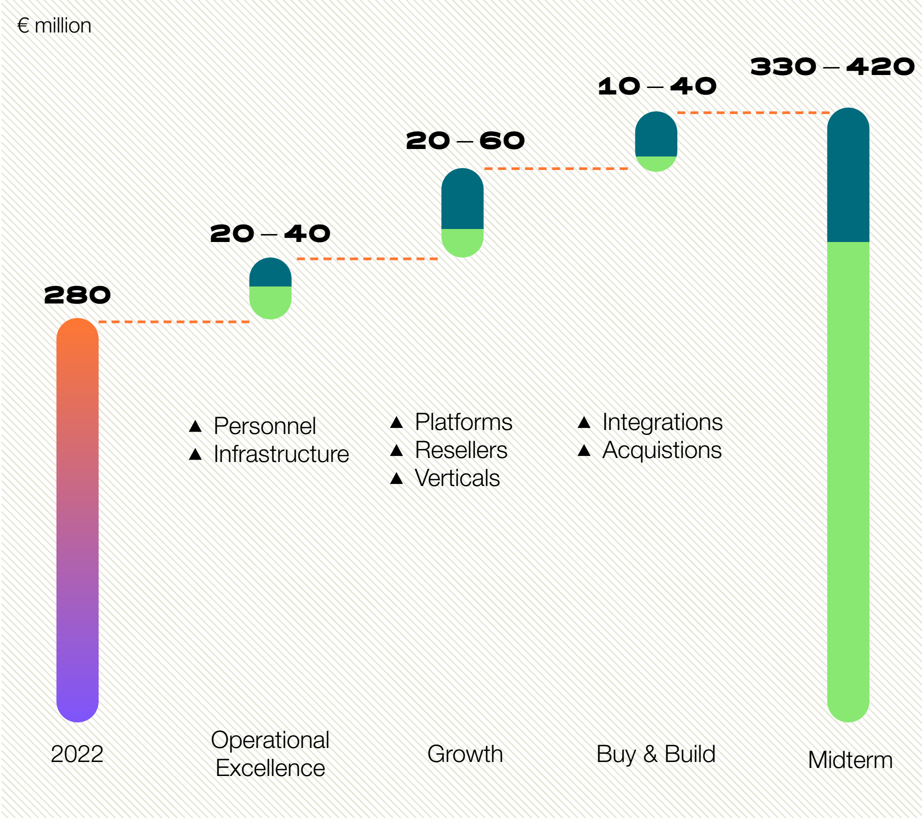
The assumption has been confirmed that the frequency and amplitude of changes are increasing ever more frequently, which results in a broadening of ALSO's forecast range. For 2023, the company expects an EBITDA of between € 265 and 305 million with a ROCE of over 20 percent. In times of rising or fluctuating interest rates, ALSO is considering the future introduction of an additional performance indicator, which takes the cost of capital into account.

Constant innovations in the IT industry mean that the functionality of the application areas can only be maintained through continuous replacement or expansion of the various components. Investments are inevitable, only the timing of the investment is variable, within a limited framework. In conjunction with the expertise, responsiveness and implementation skills of its employees, the company therefore continues to see excellent opportunities for growth.

Taking into account possible acquisitions, the ALSO Group therefore confirms a target corridor for the medium-term EBITDA of € 330 to 420 million. The expectation for ROCE is above 20 percent.

Guidance :
2023: EBITDA €265 – 305 million, ROCE > 20%
Midterm: EBITDA €330 – 420 million, ROCE > 20%

Fig. 24



RISK REPORT

The Board of Directors appoints an Audit Committee consisting of three non-executive members of the Board of Directors. It conducts and reviews the internal and external audits and assesses the identified risks as well as the risk management measures taken.

The organisation of risk management at ALSO is the responsibility of Internal Audit. The principles of risk management are laid down in the risk management manual of the ALSO Group. Risks are identified on the basis of analytical investigations or through reporting.

A defined group of risk officers (e.g. Group Management, Senior Vice Presidents, Chief Customer Officers, Center of Competence Heads, employees with functional responsibility) identifies and assesses risks and reports them to the internal audit department. Employees can also report identified risks to the department.

Internal Audit uses modern technology-based tools for analytical investigations to identify risks, which increase objectivity, effectiveness and efficiency:

- **Data analyses/data analytics:** Data analyses both in individual internal audit audits and as part of the continuous auditing activity. The data analyses are specifically programmed by the internal audit department to address the risk-related issues. In this process, the internal audit department benefits greatly from the uniform ERP system, through which Group-wide analyses and observations are implemented.
- **Process Mining:** Identification and analysis of the actual processes on the basis of digital data. A standard tool is used for this.
- **Robotic Process Automation:** Automation of audit operations and support for repetitive tasks.

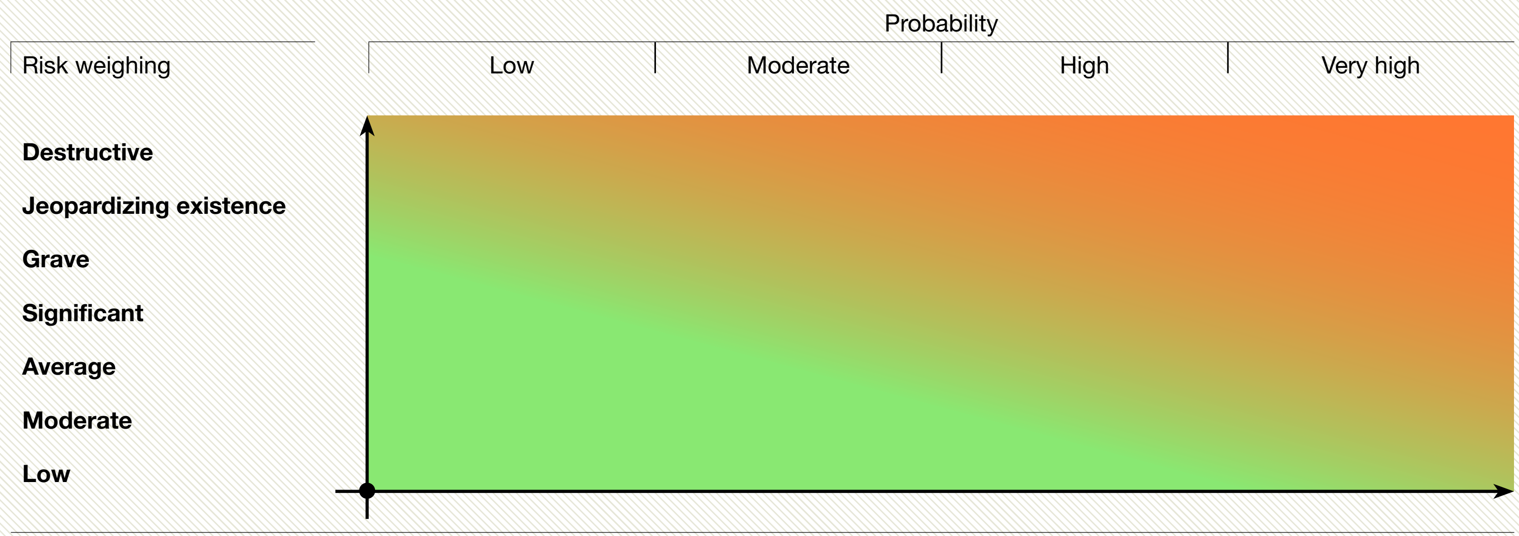
The internal audit department prepares an annual risk report for the Audit Committee, which contains a summary of the individual risks and provides information at short notice if necessary. The Board of Directors is also informed annually about the risk structure.

The individual risks are assessed in terms of their possible effect on results or liquidity (low to destructive) and their probability of occurrence (low to very high). The classification of the possible effect is determined depending on the consolidated net profit of the ALSO Group, and the need to adjust the classification is reviewed annually. Based on the possible effect as well as the probability of occurrence, the risks are divided into the categories Low, Medium, High and Very High. **See Fig. 25**

The management process for business opportunities is based on the MORE strategy regarding the management, the Mergers&Acquisitions activities and the operational business units. Potential market opportunities are analysed and evaluated. Investment opportunities are examined and prioritised with regard to their potential value contribution. If the identified opportunities are deemed likely to occur, they are included in the business plans and short-term forecasts. Additional trends or events that could lead to a positive business development are presented below as opportunities.

Exemplary representation of the risk assessment method

Fig. 25



EXTERNAL RISKS AND OPPORTUNITIES

Global crises and conflicts

The outbreak of globally noticeable pandemics, trade wars or armed conflicts, such as the Russian invasion of Ukraine, can affect ALSO at various points along the value chain. On the vendor side, the availability of hardware may be temporarily affected if major manufacturers have to reduce their production capacities or if the transport of goods to ALSO countries is impossible or delayed. In addition, increased protectionist and nationalistic tendencies could lead to tensions in business relationships with individual vendors. In recent years, ALSO has selectively expanded its vendor portfolio and is able to offer resellers alternative products in the event of bottlenecks as part of its “vendor mix” leverage. In addition, ALSO is able to identify potential stock shortages in good time on the basis of responsive analytics systems and thus react by placing advance orders with the relevant vendors at an early stage. The customs conflicts between the USA and China resulting from nationalistic developments can also represent an opportunity for European IT companies.

On the reseller side, there may be a decline in demand in individual customer and product categories. This decline can be national, regional or even global, depending on the scope of the crisis. Thanks to its diversified ecosystem, ALSO is in a position to compensate for shifts in some customer and product categories with positive developments in others. Currently there are no significant negative effects on ALSO caused by the Ukraine conflict, the Covid-19 pandemic, or the UK's exit from the EU.

ALSO's operational processes can be afffected by the loss of a large number of employees, thus jeopardising ALSO's ability to deliver. In order to maintain its business operations, ALSO continues to invest in its infrastructure in order to continuously expand the degree of hybrid and mobile working, as well as in the Group-wide standardisation of processes. On the one hand, this makes it possible to work independently of location, which reduces the risk of employee absences. On the other hand, staff absences can be compensated for by deploying teams to other locations. In the event of a pandemic, there are also centrally controlled and locally implemented protection concepts. These include measures such as additional hygiene precautions, shift systems in the warehouses, remote work, and support from external specialists.

In recent years, global crises and conflicts have led to major changes in society. The resulting digitalisation push will have a lasting impact on the IT industry and thus on ALSO as a technology provider. The cloud is the basis for hybrid and mobile work. This opens up opportunities for ALSO both to expand the number of digital workplaces that are available via the ACMP, as well as their deeper monetisation through, for example, cybersecurity or IT-as-a-service offerings. Digitisation and automation of processes, supported by the IoT and further advanced by AI, are other areas where opportunities are increasingly coming into focus.

Cyberattacks

Cyberattacks are malicious attacks on computers, servers, mobile devices, electronic systems, networks and data. The consequences of targeted attacks (espionage, sabotage, phishing) and attacks on critical infrastructure could be serious for ALSO. The Cybersecurity department therefore carries out regular IT risk analyses and penetration tests of the business-critical IT systems and processes and reports to the Board of Directors on this on a monthly basis. Risks are systematically limited through the controls and appropriate practices defined in ISO standards 27001 and 27002. The use of new technologies further increases protection. For business-critical IT systems, there are backup and recovery plans with targets for recovery times and recovery points.

The increasing number of attacks on companies, often involving the encryption of data and sometimes very high ransom demands, has led to a significant increase in awareness of the importance of cybersecurity. This creates opportunities for ALSO in the marketing of the cybersecurity platform and related services such as comprehensive cyber risk analysis and the development of mitigation plans.

Risks related to deposits

ALSO is exposed to default risk from its financing activities. In the financing area, ALSO manages the resulting risk position by diversifying the financial institutions and by checking the financial strength of each counterparty on the basis of publicly available ratings and publicly accessible ad hoc reports from the financial institutions. As a result, ALSO is generally able to keep credit risks to a minimum. Some larger receivables from financial institutions arise in particular in the factoring area. No losses on receivables have occurred during the long-standing business relationships with the factoring companies. The risk of loss on receivables from factoring partners is not insured with credit insurances. The default risk of loss is minimized by ALSO through regular evaluation of the factoring partners.

Interest rate risks

ALSO's interest rate risks relate mainly to current financial liabilities with variable interest rates. Interest rate fluctuations cause changes in the interest income and expense of the interestbearing assets and liabilities. ALSO is particularly exposed to interest rate risks in euros, Swiss francs, Danish kroner and Polish zloty. The interest rate management is handled centrally. Shortterm interest rate risks are partially hedged, a material part of interest bearing-liabilities hence remaining exposed to interest rate fluctuations. Taking into account the existing and planned debt structure, interest derivatives are used if necessary to meet the bandwidths recommended by central Group treasury and prescribed by management. Since ALSO uses fixed as well as variable interest-bearing instruments, interest risks may result from an increase as well as a decrease in market interest rates.

Exchange rate risks

A material part of the cash flows of the operational companies occurs in currencies which are not the functional currencies of those subsidiaries. ALSO is therefore exposed to foreign currency risks. ALSO aims to keep the impact of exchange rate fluctuations on its earnings neutral through the process of buying and selling items. Foreign currency risks are only hedged if they affect the cash flow of the Group. Exchange rate risks that arise in the consolidated financial statements through the translation of income statement and statements of financial position of subsidiaries are not hedged. In the purchasing area at foreign subsidiaries, a certain amount is conducted in foreign currencies, especially euros (where it is not the functional currency) and in US dollars. To hedge this exchange rate risk, Central Treasury hedges the purchasing volumes of the operating companies outside their functional currency. Group-internal loans between subsidiaries with different functional currencies give rise to foreign currency risks. ALSO hedges most of these risks. Speculative borrowing or lending in foreign currencies is not permitted. Transaction-related foreign currency risks are also monitored and the corresponding net exposures in the various currencies are calculated. By regular use of forward contracts, ALSO constantly reduces the exchange rate risk.

Environmental, climate and security risks

As an international technology provider, we are subject to risks from potential damage to people, goods and our reputation. This includes physical risks caused by natural disasters. The goals based on our sustainability strategy LESS and training on environmental protection, occupational health and safety are designed to minimise these risks to people and the environment. We evaluate them directly at our own sites as well as indirectly through enquiries with vendors to secure the supply chain. We comply with all rules of conduct and legal requirements in environmental protection, occupational health and safety. We monitor regulatory risks that could arise from the requirements to reduce emissions. In the medium and long term, these risks arise in particular from the pricing of CO_2 through emissions trading systems, taxes or changes in energy legislation. We actively counterbalance these risks through measures within the framework of our energy and CO_2 management. We classify the risks as high, as critical negative effects on the financial situation cannot be ruled out.

INTERNAL RISKS

Vendors

In the Supply business segment in particular, ALSO works with the main vendors of hardware and software. This gives rise to cluster risks and dependencies. The company counters this with active market share management within the framework of the “vendor mix” lever. In the ICT market, product innovations are continuously monitored in order to become involved in areas with high potential at an early stage.

Due to various programmes to support sales (such as marketing programmes, bonuses, sales discounts, price protection), large receivables from vendors regularly arise. In order to enforce these claims, complete documentation of the basis for the claim is required at all times. ALSO counters this risk through sustainable and efficient process organisation of the corresponding business transactions.

Resellers

On the reseller side, risks can arise from dependence on a few large customers. By exercising continuous measures in the SMB customer area, diversification increases the number of customers and thus reduces the risks.

ALSO is exposed to default risks on customer receivables from its operating business. In order to limit the risk of losses on receivables, a credit check is performed on the customer as early as the quotation phase. Default risks are also limited by active receivables management. Active customer monitoring, balance sheet analyses, disclosures, insurance rating and factoring programmes are among the important measures. A significant share of the receivables is hedged by commercial credit insurance.

Information Technology

Information security, IT availability and performance are essential prerequisites for successful entrepreneurial activity. IT systems are constantly monitored and optimised. The hybrid cloud architecture enables rapid provision of IT capacities to meet new requirements.

Logistics and warehouse

ALSO's business model is highly dependent on the availability of efficient in-house logistics structures, the security of inventories, and high-performance and cost-effective external logistics partners. The logistics structures are subject to classic failure risks such as fire, flooding or theft, as well as price change risks for warehouse rent and transport. In addition, there are risks in the competitiveness of our logistics structures.

Due to the relatively short product life cycles of IT products, ALSO's inventories are subject to depreciation risks. ALSO counters this risk through dedicated demand-oriented disposition of inventories with the aim of high availability at reasonable inventory turnover times, as well as through corresponding rights in the agreements with vendors (price protection, stock protection or stock rotation). Through monthly reports and BI reports available online at any time, the persons in charge have detailed transparency on the age structure and value of the stock for each product category, each vendor and each SKU (Stock Keeping Unit).

Staff

The further development of ALSO depends to a large extent on the knowledge and dedication of its employees. ALSO deals with personnel risks and works with systematic personnel planning and qualification in order to deploy, promote and retain employees according to their abilities. In addition, employee satisfaction is actively monitored. Our personnel and management development is an important prerequisite for the forward-looking and reliable safeguarding of our human resources. Despite all efforts, the shortage of skilled workers will remain a challenge. Internal development opportunities will therefore be further strengthened in order to qualify our own staff in the best possible way in the medium to long term and thus counteract the shortage of skilled workers. Particularly in the Group companies with a focus on the Solutions business segment, there are bottlenecks in the recruitment of appropriately certified employees. In order to address a wide range of new potential employees, specialised recruiters search the international labour market for suitable talents for ALSO's growth areas on the basis of uniform catalogues of requirements. Recruitment is also carried out with the help of social media tools and the use of AI.

Law

As an internationally active Group, ALSO must comply with numerous legal, tax, competition, and patent regulations. The large number and increasing complexity of the relevant regulations at local and international level increase the risk that ALSO may be exposed to significant legal and economic risks in the event of non-compliance, such as fines or claims for damages. Identified legal risks are reported as part of risk management.

Existing and impending legal disputes are continuously recorded, analysed and assessed in terms of their legal and financial impact and taken into account accordingly in the ongoing risk management process.

Compliance

The legally and ethically impeccable conduct of employees in their day-to-day business is ensured by a compliance management system. This sets out binding compliance rules for the entire ALSO Group, prevents infringements, checks compliance and sanctions infringements.

The central document is the Code of Conduct, which is binding for all employees and managers at all levels of the Group. For the highest-risk compliance issues, Group guidelines apply on the basis of the Code of Conduct, which regulate the issue in detail and in relation to typical circumstances in the business of the ALSO Group as a technology provider. This includes, in particular, topics such as antitrust and competition law, the handling of gifts and invitations, and the avoidance of conflicts of interest.

The compliance organisation is led by the Group Compliance Officer, who reports directly to the Audit Committee. The Group Officer is assisted by four regional Compliance Officers, who in turn coordinate the work of the Local Compliance Officers in each country organisation. In addition, a Compliance Ombudsman is available to employees and third parties as an independent external contact for information on violations of the ALSO Code of Conduct, in particular criminal offences or agreements that restrict competition. The ombudsman also carries out random compliance audits in the ALSO national companies. As an attorney-at-law, the ombudsman is bound to professional secrecy and, if requested, will follow up on information without naming names. In the case of acquisitions, the ombudsman checks the compliance-compliant behaviour of the respective company before the takeover.

The compliance management programme includes a comprehensive training programme for all employees. It begins with a uniform Group-wide basic training course for all new employees joining ALSO. This training is geared to the typical business needs of ALSO and is available in the national languages of all ALSO companies. It is compulsory for all employees, with the exception of logistics and temporary employees, and must be successfully completed within four weeks of joining the company. This basic training is supplemented by two further compulsory training courses, which are of a refreshing and in-depth nature. In the process, what has been learned is reviewed through the use of an e- learning platform. A follow-up training is also conducted at regular intervals.

Group executives are asked once every six months to submit a declaration of commitment, which reminds them of their existing compliance obligations and includes a statement on potential compliance-relevant issues from the previous six months.

Data protection

To ensure compliance with the applicable data protection regulations, in particular the European General Data Protection Regulation (GDPR) and the respective national data protection laws, ALSO has created a data protection organisation consisting of a Chief Data Protection Officer at Group level and Local Data Protection Officers in all national companies. On the basis of a Group Data Protection Guideline, ALSO’s business processes in all business units are geared towards principles such as fairness and legality, purpose limitation, transparency and data economy, and are reviewed by means of regular internal data protection audits. Data protection training with subsequent testing is mandatory for all employees once a year.

Liquidity risks

ALSO's central tasks include ensuring the Group's solvency at all times by making sufficient funds available when needed, and safeguarding profitability by managing financial risks. Central liquidity risk management ensures that the Group is always in a position to meet its payment obligations in a timely manner. ALSO monitors liquidity by means of short-term cash flow planning on a daily basis. In addition, far-reaching planning ensures that sufficient financial resources are also available in the medium and long term. In the area of financing, ALSO diversifies its financial institutions in order to reduce dependencies on individual financial institutions. In the financial year 2022, ALSO was always in a position to meet all its financial obligations.

Tax risks

ALSO's operations are heavily networked and carried out across different locations. The associated service relationships entail the risk that the underlying transfer prices may not be recognised for tax purposes. In order to limit this risk, ALSO has designed the transfer pricing concept with specialised tax advisors and has the underlying transfer pricing documentation regularly audited. ALSO has some tax losses carried forward. There is a risk that these loss carryforwards may expire unused due to time or other restrictions.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

This Corporate Governance Report contains the information that is stipulated by the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and follows its structure. Unless expressly stated otherwise, this report presents the circumstances and legal position as of the balance sheet date (December 31, 2022). References to legal provisions are therefore references to the law applicable as of the balance sheet date. As of January 1, 2023, the revision of the Company Law will come into force, which will have an impact on some of the legal provisions and descriptions of the law cited in this report. Among other changes, the Ordinance Against Excessive Compensation in Listed Companies (VegüV) will be repealed as of January 1, 2023, and its provisions will be transferred to the Swiss Code of Obligations with certain amendments. Articles of association and regulations that do not comply with the revised provisions must be adapted to the amended provisions within a transitional period of two years from the entry into force of the revision of the Company Law, i.e. by January 1, 2025 at the latest.

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1. Group structure

ALSO Holding AG is the parent company of the ALSO Group, which directly or indirectly holds all other Group companies and associates. The shares of ALSO Holding AG have been listed on SIX Swiss Exchange since 1986 (symbol: ALSN, valor symbol: 2 459 027, ISIN: CH0024590272). The market capitalization of the ALSO Group amounted to CHF 2 174 million as of December 31, 2022.

Please see **page 155** of the annual report for the list of the Group's subsidiaries and equity investments.

The ALSO Group has streamlined and efficient management structures at all levels. The operational Group structure as of December 31, 2022 is as follows: The Board of Directors of ALSO Holding AG is responsible for the highest level of management; **see also section 3 of this report**. It defines the strategic, organizational, and financial goals of the Group. There are also three committees (Compensation and Nomination Committee, Board Committee, and Audit Committee; **see also section 3.4.2 of this report**).

In addition to the Board of Directors, there is a five-person Group Management consisting of the CEO, CFO, Senior Vice President Legal and HR, and Chief Technology Officer and Senior Vice President Sustainable Change; **see also section 4** of this report. The Board of Directors has delegated the management of the day-to-day business of the company to Group Management under the direction of the CEO of the Group. The Board Committee advises and supervises Group Management.

Group Management defines the focal points of operating activities and manages business development on this basis. It pursues the strategic goals, observes other specifications and guidelines issued by the Board of Directors, and in doing so safeguards the interests of the entire ALSO Group as a link to the Extended Group Management.

The Extended Group Management consists of the Chief Customer Officers (defined managing directors of the countries or regions), Senior Vice Presidents (responsible for various functions such as IT, Webshop, Vendor Management, etc.) as well as those responsible for support (e.g. Customer Relationship Management or Business Intelligence).

1.2. Significant shareholders

Significant shareholders

	12.31.2022	12.31.2021
Special Distribution Holding GmbH, Dusseldorf (Germany) [1]	51.30%	51.30%
Credit Suisse Funds AG, Zürich (Switzerland)	[2]	3.06%
J. Safra Sarasin Investmentfonds AG, Basel (Switzerland)	3.01%	[2]

Share register as of December 31 (without nominees)

1 Controlling shareholder: Walter P.J. Droege through Droege Group AG

2 Percentage of the voting rights is below disclosure threshold

Notifications made during the fiscal year in accordance with Art. 120 et seqq. Financial Market Infrastructure Act (FMIA) can be viewed on the website of SIX Exchange Regulation using the following Link.

As regards the value of the percentage voting rights shown, it should be noted that any changes in the percentage voting rights between the notifiable threshold values are not subject to disclosure requirements.

1.3. Cross-shareholdings

ALSO Holding AG has no cross-shareholdings exceeding 5 percent.

2. CAPITAL STRUCTURE

2.1. Ordinary share capital

The ordinary share capital amounts to CHF 12 848 962 as of December 31, 2022. It consists of 12 848 962 fully paid-up registered shares with a nominal value of CHF 1.00 per share. Subject to Art. 5 of the Articles of Incorporation, each registered share entitles the shareholder to one vote as well as to a proportionate share of the available earnings and liquidation proceeds.

The company has issued neither participation certificates nor shares with preferential rights.

The company has not issued any profit-sharing certificates.

2.2. Authorized and conditional share capital

The company has authorized share capital and conditional share capital of CHF 2 500 000 each as of December 31, 2022. Capital increases from authorized and conditional share capital are mutually restrictive, i.e. the total number of new shares resulting from the authorized and conditional share capital together in accordance with Art. 2a and 2b of the Articles of Incorporation may not exceed 2 500 000 shares. The proportion of new shares assigned to each of the two categories is stipulated by the Board of Directors. The amount of CHF 2 500 000 corresponds to roughly 19% of the existing share capital. The newly issued shares are subject to the restrictions set out in Art. 5 of the Articles of Incorporation.

The Articles of Incorporation containing the precise wording of the texts relating to authorized and conditional share capital issue in accordance with Art. 2a and 2b of the Articles of Incorporation, specifically details regarding the beneficiaries and the duration of the authorization as well as the conditions and forms of, can be downloaded as a .pdf document at the Articles of Incorporation.

2.3. Changes in capital during the last three years

There were no changes in share capital in the last three years.

2.4. Limitations of transferability and nominee registrations

The Board of Directors may refuse to register an acquirer of shares as a full shareholder (i.e. as a shareholder with voting rights) unless the acquirer expressly declares that they have acquired the shares in their own name and on their own account.

There are no specific rules regarding the registration of nominees in the share register.

Changes to the provisions relating to limitations on the transferability of shares require a resolution by the Annual General Meeting with two-thirds of the votes cast and an absolute majority of the nominal value of the share capital represented.

2.5. Convertible bonds and options

ALSO Holding AG had not issued any convertible bonds or options as of December 31, 2022.

3. BOARD OF DIRECTORS

3.1. Members of the Board of Directors, activities, and vested interests

The Board of Directors, which may have a maximum of eight members, currently has six members. Except for Gustavo Möller-Hergt, who has been a member of Group Management since 2011, and a member and Chairman of the Board of Directors since March 13, 2014, the Board of Directors is composed of non-executive members. Thomas Fürer joined the Board of Directors as an independent member on March 18, 2022, replacing Rudolf Marty who resigned from the Board on the same date.

Members of the Board of Directors

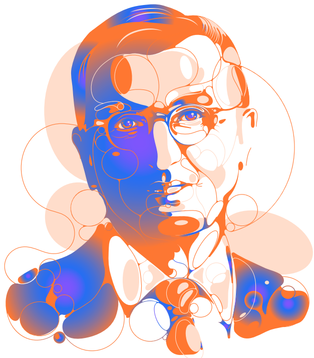
Name	Nationality	Position	Since
Gustavo Möller-Hergt	DE	Chairman	2014
Walter P. J. Droege	DE	Vice Chairman	2011
Frank Tanski	DE	Member	2011
Peter Athanas	CH	Member	2014
Ernest-W. Droege	DE	Member	2016
Thomas Fürer	CH	Mitglied	2022

As of December 31, 2022

None of the members of the Board of Directors, with the exception of Gustavo Möller-Hergt, has been a member of the Group Management of ALSO Holding AG or a subsidiary of the ALSO Group in the three fiscal years preceding the year under review.

MEMBERS OF THE BOARD OF DIRECTORS

ACTIVITIES AND VESTED INTERESTS



Walter P. J. Droege

Member and Vice Chairman of the Board of Directors of ALSO Holding AG since 2011 and Chairman of the Board Committee.

Career milestones

Position/Function	Period
Founder and Director of Droege Group AG, Dusseldorf, Germany, which is wholly owned by the Walter P. J. Droege family	1987 until today

Education

Diploma in Business Management

Other activities and vested interests

Member of the Supervisory Boards or member of the Advisory Boards of various subsidiaries within the Droege Group AG, Dusseldorf, Germany; Member of the Supervisory Board of Trenkwalder Group AG and of Trenkwalder Beteiligungs GmbH, both in Vienna, Austria; Member of the Advisory Board of Weltbild D2C Group GmbH, Augsburg, German; Member of the Advisory Board of Coroplast Fritz Müller GmbH & Co.KG, Wuppertal, Germany.

Peter Athanas

Member of the Board of Directors of ALSO Holding AG since 2014 and Chairman of the Compensation and Nomination Committee.

Career milestones

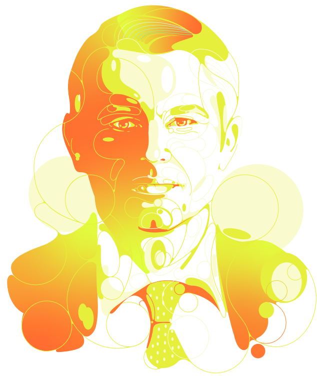
Position/Function	Period
CEO of pa impact GmbH, Baden, Switzerland	2009 until today
Senior Executive Vice President Corporate Development of Schindler Holding AG	2013 until 2014
Member of the Board of Directors and of the Executive Committee of the Board of the Schindler Group	2010 until 2013
Chairman of the Board of Directors and CEO of Ernst & Young Switzerland	2002 until 2008
Member of the Global Executive Board and member of the Global Management Group of Ernst & Young Switzerland	2005 until 2008
CEO of Arthur Andersen Switzerland, and member of the Global Board	2001 until 2002
Partner in the Arthur Andersen organization	1990 until 2002

Education

Master's degree in Law and Economics and PhD in Economics from the University of St. Gallen, Switzerland

Other activities and vested interests

Member of the Board of Directors of KONTIVIA AG, Zurich, Switzerland; Council member of the Werner Siemens Foundation, Zug, Switzerland. Emeritus of National and International Tax Law at the University of St. Gallen, Switzerland. Member of the Foundation Board of the Swiss Study Foundation, Zurich, Switzerland. Protector of Brunneria Foundation, Vaduz, Liechtenstein.



Ernest-W. Droege

Member of the Board of Directors of ALSO Holding AG since 2016.

Career milestones

Position/Function	Period
CEO of Droege Group AG (since 2018), prior in various positions with the Droege Group, Dusseldorf, Germany	2014 until today
Scientific assistant at RWTH Aachen, Germany	2012 until 2014
Investment Banking at Goldman Sachs AG, Frankfurt, Germany	2010 until 2012

Education

Studied business engineering in Karlsruhe and Zurich, doctorate in economics at RWTH Aachen

Other activities and vested interests

CEO or member of the supervisory board of various subsidiaries within the Droege Group AG, including among others Managing Director of Droege Group Unternehmer-Beratung GmbH, Dusseldorf, Germany; Vice Chairman of the Supervisory Board of Trenkwalder Group AG and Trenkwalder Beteiligungs GmbH, both in Vienna, Austria; Chairman of the Supervisory Board of Weltbild D2C Group GmbH, Augsburg, Germany.

Thomas Fürer

Member of the Board of Directors of ALSO Holding AG since 2022, Chairman of the Audit Committee and the ESG Committee.

Career milestones

Position/Function	Period
Group Senior Vice President and Group Head of Tax of ABB Ltd	2009 until today
Group Vice President and Head of International Tax and Tax Accounting & Reporting of ABB Ltd	2001 until 2008
Various consulting roles within EY including Senior Audit Manager	1992 until 2001

Education

Swiss Certified Tax Expert and Swiss Certified Fiduciary Expert, Harvard PMD

Other activities and vested interests

Member of the Supervisory Board of various subsidiaries within the ABB Group

Gustavo Möller-Hergt

Member of the Board of Directors of ALSO Holding AG and Chairman since 2014. Chief Executive Officer of the ALSO Group and since 2011 a member of the Group Management.

Career milestones

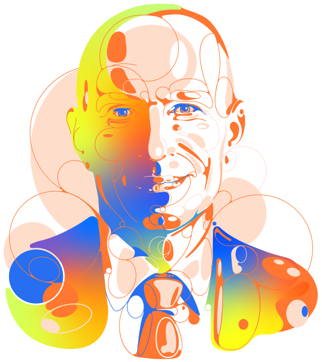
Position/Function	Period
Chief Operating Officer ALSO Group	2011 until 2012
Chief Representative of the Droege Group	2008 until 2011
CEO and Chief Representative and previously in various positions with the Warsteiner Group	1992 until 2007
Member of the Supervisory Board of SIAC in Douala, Cameroon	1998 until 2007
Chairman of the Supervisory Board of CASA Isenbeck in Buenos Aires, Argentina	1993 until 2007

Education

Diploma in Engineering from the Technical University, Munich, Germany, and graduate of Harvard Business School, Boston, USA. Doctorate from the Technical University, Berlin, Germany, where he lectures on technical management

Other activities and vested interests

Member of the Advisory Board of Deutsche Bank, Düsseldorf, Germany, and of the Board of Trustees of the Bamberg Symphony Orchestra, Bamberg, Germany.



Frank Tanski

Member of the Board of Directors of ALSO Holding AG since 2011.

Career milestones

Position/Function	Period
Managing Director of Droege Capital GmbH, Germany	2008 until today
Employee of a major bank in Germany, most recently as Head of Division	1992 until 2008

Education

Diploma in Business Management

Walter P.J. Droege is the majority shareholder of Droege Group AG (the Droege Group). Please see section 6.5 of the financial report for details of the business relationships between the ALSO Group and the Droege Group. There are no other material business relationships between the members of the Board of Directors and ALSO Holding AG.

3.2. Number of permissible activities

A member of the Board of Directors may exercise a maximum of ten additional activities as a member of the highest management or directorial body of other legal entities that are entered in the Commercial Register, or required by Art. 12 of VegüV to be so entered, and are not controlled by the company. The Board of Directors shall ensure that such activities do not conflict with the exercise of duties to the ALSO Group. Functions in various legal entities that are under joint control, or in entities in which this legal entity has a material (unconsolidated) interest, are counted as one function.

3.3. Election and term of office

The members of the Board of Directors are elected individually by the Annual General Meeting for a term of office of one year and can be re-elected. The Chairman of the Board of Directors is also elected by the Annual General Meeting for a period of office of one year. There is no limit on the term in office.

The Board of Directors has decided that, as a rule, members should retire at the Annual General Meeting held to approve the Annual Report for the fiscal year in which they reach the age of 70. In exceptional cases, the Board of Directors may decide to waive this rule.

For information on the first election of the members, please refer to section 3.1.

3.4. Internal organization

3.4.1. Division of roles within the Board of Directors and working methods

The Board of Directors represents ALSO Holding AG towards third parties. It can delegate the representation powers to one or more of its members or to third parties. The Chairman convenes meetings of the Board of Directors as often as the Group's business requires, but at least four times a year. The Chairman prepares the meetings, chairs them, and draws up their agenda. The Vice Chairman deputies for the Chairman in case the President is prevented from attending. Any member of the Board can ask for a meeting to be convened and for the inclusion of an item on the agenda.

For information on the Lead Director, please refer to section 3.7.

3.4.2. Committees

The Board of Directors may delegate the preparation and execution of its decisions to committees or to its individual members. The Board of Directors has appointed three standing committees: the Board Committee (BC), the Audit Committee, and the Compensation and Nomination Committee.

For each of the committees, the Board of Directors elects a Chairman from the members of the Board of Directors. The period of office of all committee members is one year. The Board of Directors can dismiss any member of a committee at any time, except for the members of the Compensation and Nomination Committee, whose election and dismissal lie within the competence of the Annual General Meeting.

3.4.2.1. Board Committee (BC)

The Board of Directors appoints a standing BC from among its members. Normally, the BC consists of three members of the Board of Directors who have solid knowledge and extensive experience in the wholesale, financial, corporate governance, and risk control areas.

The BC assists and supports the Board of Directors in the management of the ALSO Group at senior level and in the supervision of the individuals entrusted with running these companies.

The BC reports to the Board of Directors. The Chairman of the BC informs the Board of Directors about the BC's work and decisions at each ordinary board meeting. Exceptional events of major significance are communicated immediately to all members of the Board of Directors.

The BC has the following duties and responsibilities:

- Monitoring implementation of the Group strategy by Group Management
- Consultation regarding the definition and changes to the organizational structure (management organization chart) of the Group Management, country responsibilities and functional areas within the Group
- Consultation regarding the definition of the structure of the accounting system and the regulation and management of risk management
- Preparation and monitoring of Board of Directors decisions regarding investments, mergers and acquisitions, and other significant projects and transactions carried out by the ALSO Group
- Ensuring supervision of the individuals entrusted with the executive management where this function is not performed by the Audit Committee
- Assessments and proposals to the Board of Directors regarding potential capital increases or decreases and the issue of bonds by the company
- Assessments and proposals to the Board of Directors regarding notification of the legal authorities in the event of over-indebtedness
- Decisions on granting significant guarantees, sureties, collateral, and other letters of comfort for the benefit of persons or companies outside the Group
- Consultation regarding the assumption of additional external board memberships and important political positions by the members of the Group Management
- Consultation regarding contracts with major shareholders or members of the Board of Directors and Group Management and/or companies or persons closely associated with them
- Decisions regarding significant legal disputes
- Reaching decisions on the necessity and the scope of financial restructuring of ALSO companies
- Reaching decisions on significant increases or decreases in the share capital of ALSO companies (except for ALSO Holding AG)
- Decisions on measures relating to the change of legal form of ALSO companies and the conclusion of profit and loss transfer and similar agreements
- Consultation regarding the approval of the budget as well as the annual and half-year financial statements of ALSO Group as well as decisions regarding significant deviations from budget
- Decisions regarding measures involving all or a substantial number of employees of ALSO companies or concerning consultations with the works council of individual ALSO companies with regard to such measures

The BC is entitled to delegate certain responsibilities to one of its members, to Group Management, to employees of the ALSO Group who hold an important line and/or staff position, or to third parties.

Composition of the Board Committee

Name	Function
Walter P. J. Droege	Chairman
Frank Tanski	Member
Peter Athanas	Member

As of December 31, 2022

3.4.2.2. Audit Committee

The Board of Directors appoints an Audit Committee. The Audit Committee generally consists of three members who possess the necessary financial, legal, and technical expertise.

The Audit Committee reports to the Board of Directors. The Chairman of the Audit Committee informs the Board of Directors about the Audit Committee's work and decisions at each ordinary board meeting. The Head of Internal Audit and the Chief Compliance Officer have the duty to inform the Chairman of the Audit Committee at any time about situations that are relevant to auditing or compliance. Exceptional events of major significance are communicated immediately to all members of the Board of Directors.

The Audit Committee has the following responsibilities:

- Monitoring and evaluation of the suitability and effectiveness of internal financial controls; monitoring of adjustments following significant changes in the risk profile
- Evaluation of the audit strategy adopted by the statutory auditor and verification that shortcomings are corrected and recommendations are implemented
- Approval of the annual planning of Internal Audit and discussion of the ensuing reporting with the head of Internal Audit
- Evaluation of the performance and remuneration of statutory auditor and its independence
- Evaluation of the collaboration between statutory auditor and Internal Audit
- Evaluation of measures taken by Group Management to ensure appropriate risk management
- Consultation on the adoption or amendment of the Code of Conduct including the associated guidelines
- Evaluation of the measures taken to ensure adherence to legal requirements and internal regulations (compliance) as well as of the associated supervisory measures
- Analysis of financial reporting, evaluation of the accounting principles, and assessment of the most important items
- Discussion of the year-end closing and annual financial statements with the responsible bodies and submission of a recommendation to the Board of Directors
- Consultation when concluding consultancy contracts with the auditors for important auditing activities

In the fulfillment of its tasks, the Audit Committee may delegate assignments to other parties, in particular to Group Management, Internal Audit, the Group Compliance Officer, and the statutory auditor.

Composition of the Audit Committee

Name	Function
Thomas Fürer	Chairman
Frank Tanski	Member
Peter Athanas	Member

As of December 31, 2022

3.4.2.3. Compensation and Nomination Committee

The members of the Compensation and Nomination Committee are elected individual annually by the Annual General Meeting. The Board of Directors appoints the Chairman.

The Compensation and Nomination Committee prepares all relevant decisions of the Board of Directors relating to the compensation of the members of the Board of Directors and Group Management, and submits proposals to the Board of Directors regarding the type and amount of the annual compensation of the members of the Board of Directors and Group Management, as well as their fringe benefits and the stipulations of their employment contracts. The Board of Directors has also delegated the following other duties to the Compensation and Nomination Committee:

- Preparation of decisions of the Board of Directors regarding nomination of the Vice Chairman of the Board of Directors and pre-selection of potential candidates for the Board of Directors
- Preparation of decisions of the Board of Directors regarding nomination, promotion, and dismissal of the members of Group Management and Country Managing Directors of the ALSO Group
- Preparation of decisions of the Board of Directors regarding the introduction and amendment of employee participation plans
- Review of the succession planning and leadership qualifications of the members of the Board of Directors and Group Management, the Country Managing Directors, and other individuals in the ALSO Group who exercise central line and/or staff functions

The Board of Directors may delegate further tasks concerning compensation, human resources, and related areas to the Compensation and Nomination Committee.

Composition of the Compensation and Nomination Committee

Name	Function
Peter Athanas	Chairman
Walter P.J. Droege	Member
Frank Tanski	Member

As of December 31, 2022

3.4.3. Frequency of meetings of the Board of Directors and its Committees

The Board of Directors meets around every two months on average for half-day to full-day meetings, and usually meets with Group management once a year for a joint strategy meeting. The task at these meetings is to analyze the positioning of the ALSO Group in the light of current macro-economic and company-specific circumstances and to review, and if necessary to redefine, the strategic orientation. The CFO and the Senior Vice President Legal and HR usually attend the meetings of the Board of Directors as guests and other members of the Group Management attend specific topics. In the reporting year, no external consultants were called in. The representatives of the company's auditor attended one meeting in the reporting year.

The Board of Directors met for a total of nine meetings, including one strategy meeting in 2022.

The BC meets as often as its business requires, normally every two months. In the year under review, the meetings were held together with the Board of Directors due to the extraordinary situation with regard to Covid-19.

The Audit Committee meets as often as its business requires. The Audit Committee held two meetings with an average duration of three hours relating the year under review. The CFO, the Senior Vice President Legal and HR, Internal Audit, the compliance officers, and the auditors are usually present as guests at the meetings of the Audit Committee.

The Compensation and Nomination Committee meets as often as its business requires. The Compensation and Nomination Committee held two meetings with a duration of one hour relating to the year under review.

The agendas for the meetings are defined by their respective chairman. Minutes of the meetings and decisions are recorded. Members of Group Management or other individuals may attend meetings of the Board of Directors or its committees at the invitation of the respective chairman.

3.5. Areas of responsibility

According to the law, the Board of Directors is responsible for the ultimate management and supervision of the Group. It has the inalienable and non-transferable responsibilities in accordance with Art. 716a, Paragraph 1, of the Swiss Code of Obligations. It can also take decisions on all matters that are not allocated to the Annual General Meeting by law or by the Articles of Incorporation.

In particular, the Board of Directors is required to approve, or make decisions, concerning:

- The Group's objectives and strategy
- The list of measures designed to prevent or mitigate potential loss or damage associated with the main risks
- Appointing the members of Group Management
- Defining the organization and appointing those persons entrusted with the task of representing ALSO Holding AG
- The proposals to the Annual General Meeting regarding the compensation of the Board of Directors and Group Management
- The drafting of the retirement benefit plan for the members of Group Management
- The Group's budget, plan, and forecast
- The consolidated annual and interim financial statements of the Group and the annual financial statements of ALSO Holding AG
- The Group's investment budget
- Transactions that exceed certain financial amounts
- Important mergers and acquisitions, joint ventures, and similar transactions
- The annual report and the compensation report

In addition, the Board of Directors has delegated operational management of the company to Group Management. Operational management comprises the obligation to implement all necessary measures, particularly with regard to personnel- and product-related issues, market orientation, monitoring the competition, and planning for the future.

Group Management is responsible for ensuring that the Group achieves the targets set by the Board of Directors. In addition to its overall responsibility for operational management, Group Management has the following main tasks in particular:

- Definition and changes to the organizational structure (management organization chart) at the level of country responsibility and functional areas of the ALSO Group
- The pursuit of strategic objectives and enforcement of these objectives using action plans
- Defining HR and compensation policy below Group Management level
- Defining the product mix as well as the marketing and sales policy
- Concluding and canceling agreements with manufacturers at Group level
- Defining sourcing policy
- Defining basic principles of transfer pricing
- Defining logistical concepts and structures
- Approving the budgets, financial results, and investments of the Group companies
- Exercise of voting rights in subsidiaries and associated companies in the ALSO group
- Defining the operational information and reporting systems
- Defining communication policy and outward appearance
- Regulating and performing risk management
- Financial competence outside the budget or for Group investments, provided they do not fall within the competence of the Board of Directors or its committees

The CEO manages the ALSO Group with the members of Group Management reporting to him. He chairs Group Management meetings and supervises the implementation of their decisions. He evaluates the performance and results of the Central Europe and Northern/Eastern Europe market segments. Based on his evaluation, he decides which resources — particularly financial and personnel — should be allocated to the individual business segments. The CEO is responsible for ensuring that the company develops consistently, in accordance with its defined business practices and strategies.

3.6. Information and control instruments vis-à-vis Group Management

The Board of Directors and its committees periodically receive information in the form of Group reports relevant to their needs. These reports are also discussed in depth at regular meetings that take place with the committees involved.

The Board of Directors supervises Group Management and uses reporting and controlling processes to monitor its operating methods. The ALSO Group has available a comprehensive electronic management information system (MIS). As part of the MIS, the Board of Directors receives a monthly report discussing net sales, net profit, the consolidated statement of cash flows, net working capital, the financing structure, and exchange rate risks, among other things. This information is broken down by segment and compared with the approved budget and the prior-year figures.

At each of its meetings, the Board of Directors is informed by the CEO, or by another member of Group Management, of the current business and significant events. At these meetings, members of the Board of Directors may ask other members of the Board of Directors or the CEO to provide information about the ALSO Group that they require in order to carry out their duties. All members of the Board of Directors are notified immediately of any exceptional occurrences.

The Internal Audit, compliance officers, and auditing bodies assist the Board of Directors in carrying out its controlling and supervisory duties. In addition, the BC and the Audit Committee monitor the performance of Group Management within the scope of their duties pursuant to section 3.4.2.1 and 3.4.2.2 of this report. The scope of this remit is agreed with the Board of Directors of ALSO Holding AG.

ALSO pursues a coordinated and systematic approach to risk management and controlling in order to identify and evaluate risks affecting the Group as a whole and individual Group companies. Operational risks, market risks, financial risks, tax risks, and other risks are recorded separately and classified in terms of their probability of occurrence and potential impact. Based on the resulting risk matrix, Group Management develops a catalog of suitable measures for preventing and/or mitigating potential losses. The risk matrix is regularly presented to the Audit Committee and subsequently to the Board of Directors for assessment and approval, and the implementation of the measures is monitored by the Audit Committee.

In addition, the Board of Directors and the Audit Committee is supported by the ALSO Group Internal Audit. The Internal Audit has an unrestricted right to demand information and examine the records of all Group companies and departments. In addition, after consultation with the Audit Committee, Group Management may ask the Internal Audit to carry out special investigations above and beyond its usual remit. The annual plan for internal audit is approved by the Audit Committee. The Head of Internal Audit submits a report to the Audit Committee at half-yearly intervals. The Audit Committee discusses this with the Head of Internal Audit and takes any necessary measures or proposes them to the Board of Directors for approval. The head of Internal Audit attended two Audit Committee meetings in the year under review.

3.7. Measures in accordance with the Swiss Code of Best Practice for Corporate Governance

At ALSO, the positions of Chairman of the Board of Directors and CEO are held conjointly. The balance of influence between the Board of Directors and Group Management is safeguarded by three committees that have been established, of which the Chairman of the Board of Directors is not a member, and the membership of representatives of the main shareholder. In 2015, the Lead Director concept was introduced as part of an amendment of the Organizational Regulations. In particular, the Lead Director is responsible for heading the meetings of the Board of Directors — possibly only for single items of the agenda — in the event that the Chairman experiences a conflict of interests. He can convene meetings independently. The Vice Chairman of the Board of Directors, Walter P.J. Droege, serves as the Lead Director. This not only ensures a balance of influence between the Board of Directors and the Executive Committee, but also ensures the interests of the shareholders.

Currently most members of the Board of Directors as well as the Group Management (refer to section 4.1) are men. Should vacancies occur, the Board of Directors will consider filling them with female members, not least in view of future legal guidelines for the gender representation in the Board of Directors and Group Management. Nevertheless, diversity in the ALSO Group is not limited to gender. We have members of the Board of Directors and Group Management with different cultural and socioeconomic backgrounds, different religions, generations, educations, and value systems.

The Board of Directors conducts regularly a self-evaluation of its working methods and efficiency.

4. GROUP MANAGEMENT

4.1. Members of Group Management, activities and vested interests

The members of the Group Management of ALSO Holding AG are as follows.

Members of Group Management

Name	Nationality	Function
Gustavo Möller-Hergt	DE	Chief Executive Officer (CEO)
Ralf Retzko	DE	Chief Financial Officer (CFO)
Thomas Meyerhans	DE	Senior Vice President Legal and HR
Jan Bogdanovich	LV	Chief Technology Officer
Beate Flamm	DE	Senior Vice President Sustainable Change

As of December 31, 2022

4.2. Number of permissible activities

A member of Group Management may exercise a maximum of ten additional activities as a member of the highest management or directorial body of other legal entities that are entered in the Commercial Register according to Art. 12 of VegüV, or would be required to be so entered, and are not controlled by the company. The Board of Directors shall ensure that such activities do not conflict with the exercise of duties to the company. Functions in various legal entities that are under joint control, or in entities in which this legal entity has a material interest, are counted as one function.

4.3. Management agreements

ALSO Holding AG has not entered into any management contracts with persons outside the Group for the delegation of executive management.

MEMBERS OF GROUP MANAGEMENT

ACTIVITIES AND VESTED INTERESTS

Gustavo Möller-Hergt

Member of the Board of Directors of ALSO Holding AG and Chairman since 2014. Chief Executive Officer of the ALSO Group and since 2011 a member of the Group Management.

Career milestones

Position/Function	Period
Chief Operating Officer ALSO Group	2011 until 2012
Chief Representative of the Droege Group	2008 until 2011
CEO and Chief Representative and previously in various positions with the Warsteiner Group	1992 until 2007
Member of the Supervisory Board of SIAC in Douala, Cameroon	1998 until 2007
Chairman of the Supervisory Board of CASA Isenbeck in Buenos Aires, Argentina	1993 until 2007

Education

Diploma in Engineering from the Technical University, Munich, Germany, and graduate of Harvard Business School, Boston, USA. Doctorate from the Technical University, Berlin, Germany, where he lectures on technical management

Other activities and vested interests

Member of the Advisory Board of Deutsche Bank, Düsseldorf, Germany, and of the Board of Trustees of the Bamberg Symphony Orchestra, Bamberg, Germany.

Ralf Retzko

Chief Financial Officer of the ALSO Group and since 2011 a member of the Group Management.

Career milestones

Position/Function	Period
Head of Controlling, Commercial Manager and Chief Financial Officer of the Actebis Group	1998 until 2011
Central Controlling of Karstadt AG, Essen, Germany	1996 until 1998
following his studies, Scientific Assistant at the Institute of Business Information Technology, Göttingen University, Germany	1993 until 1995

Education

Studied business management, mathematics, and information technology for business in Göttingen, Germany. Subsequently took a doctorate in business management

Thomas Meyerhans

Senior Vice President Legal
and Senior Vice President Human Resources
and since 2020 a member of the Group Management.

Career milestones

Position/Function	Period
Senior Vice President Legal and Senior Vice President Human Resources (since 2019) of ALSO Group	2017 until today
Attorney at Law at Baker & McKenzie in Munich, Germany, San Francisco and Palo Alto, USA	2014 until 2017
Attorney at Law at Watson, Farley & Williams in Munich and Hamburg, Germany	2011 until 2014
Attorney at Law at Clifford Chance in Frankfurt am Main, Germany and New York, USA	2008 until 2010

Education

Studies of Law at University Heidelberg and Mainz, Germany and University Lausanne, Switzerland. Legal Traineeship at Higher State Court Frankfurt am Main, Germany with stages in Canberra, Australia and New York, USA

Jan Bogdanovich

Chief Technology Officer and since 2020
a member of the Group Management.

Career milestones

Position/Function	Period
Chief Technology Officer (since 2022) and previously in various positions within the ALSO Group	2014 until today
Responsible for the R&D center in Riga for Nervogrid, Hel-siniki, Finland	2011 until 2014
Responsible for business transformation at Hortus Digital, Riga, Latvia	2004 until 2011

Education

Studied computer science in Latvia

Other activities and vested interests

Member of Information Security Audit and Control Association (ISACA)

Beate Flamm

Senior Vice President Sustainable Change of the ALSO Group and since 2021 a member of the Group Management.

Career milestones

Position/Function	Period
Senior Vice President Communications of ALSO Group	2020 until 2021
Establishment and head of the Berlin office of Strichpunkt GmbH	2012 until 2020
Advising listed companies on their financial and sustainability reporting as a member of the management of Strichpunkt	2006 until 2020

Education

Studied English and political science in Tübingen and Bochum, Germany.
Trained as a typographer.

5. COMPENSATION, SHARE-HOLDINGS, AND LOANS

For information on the compensation and shareholdings of members of the Board of Directors and Group Management, and loans to the same, please see the Compensation Report.

6. SHAREHOLDERS' RIGHTS OF PARTICIPATION

6.1. Restrictions on voting rights and representation

Each share that is entered in the share register entitles the shareholder to one vote. The introduction or amendment of provisions in the Articles of Incorporation relating to the limitation of voting rights requires a resolution of the General Meeting of Shareholders representing at least two thirds of the votes and an absolute majority of the nominal value of the shares represented.

The rights of shareholders to participate in Annual General Meetings comply with legal requirements and the **Articles of Incorporation**. Every shareholder may personally participate in the Annual General Meeting and cast his/her vote(s), or be represented by a proxy appointed in writing, which proxy need not be a shareholder, or be represented by the Independent Proxy. However, at the Annual General Meeting on 18 March 2022, the right to attend in person was excluded due to the precautionary measures on events as a result of the COVID-19 pandemic based on the provisions of Ordinance 3 on Measures to Combat the Coronavirus (COVID-19).

Instead of attending in person or being represented by a third party, shareholders may issue their power of attorney and instructions to the Independent Proxy by post or electronically. The Independent Proxy is obliged to exercise the voting rights that are delegated to him by shareholders according to their instructions. Should he have received no instructions, he shall abstain from voting. Due to the above-mentioned exclusion of personal participation, shareholders were able to exercise their rights at the Annual General Meeting on 18 March 2022 exclusively through the Independent Proxy.

On an annual basis, the Annual General Meeting elects the Independent Proxy with the right of substitution. His term of office terminates at the conclusion of the next Annual General Meeting. Re-election is possible. Should the company have no Independent Proxy, the Board of Directors shall appoint an Independent Proxy for the next Annual General Meeting.

6.2. Statutory quorum requirements

Unless a qualified majority is stipulated by law, the Annual General Meeting makes its decisions on the basis of the relative majority of valid votes cast, regardless of the number of shareholders present or shares represented. Abstentions and blank votes do not count as votes. In the case of elections, the first round of voting is decided by the absolute majority and the second round by the relative majority. The Chairman has the casting vote in the event of a tie.

6.3. Convening the Annual General Meeting

Annual General Meetings are convened by the Board of Directors or, if necessary, by the auditors or other bodies in accordance with Art. 699 and Art. 700 of the Swiss Code of Obligations. Shareholders who collectively represent at least 10 percent of the share capital may convene an Annual General Meeting. When doing so, they must indicate the matters to be discussed and the corresponding proposals.

Annual General Meetings are convened by publication in the Swiss Official Gazette of Commerce at least 20 days prior to the date of the meeting. The shareholders may also be informed in writing (by unregistered letter) or by electronic means.

6.4. Definition of the agenda

The Board of Directors is responsible for specifying the agenda. Shareholders who together own at least five percent of the share capital may request that specific proposals be put on the agenda. The request, including the agenda item and the proposals, must be submitted in writing at least 60 days prior to the date of the Annual General Meeting.

6.5. Registration in the share register

Only shareholders who are registered in the share register as shareholders with voting rights at the closing date are entitled to attend an Annual General Meeting and to exercise their voting rights. The Board of Directors ensures that the closing date is set as close as possible to the date of the Annual General Meeting, i.e. not more than five to ten days prior to it. The closing date is published together with the invitation to the Annual General Meeting in the Swiss Official Gazette of Commerce. There are no exceptions to the rule regarding the closing date.

7. CHANGE OF CONTROL AND DEFENSE MEASURES

7.1. Duty to make an offer

The obligation to submit a public take-over offer pursuant to Art. 125 paragraph 3 and paragraph 4 FMIA (formerly Art. 32 and Art. 52 of the Swiss Stock Exchanges and Securities Trading Act “SESTA”) has been waived (“opting out”).

7.2. Change of ownership clauses

There are no change-of-control provisions in favor of any member of the Board of Directors, Group Management and/or other management personnel.

8. AUDITORS

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

The auditors are elected annually at the Annual General Meeting for one year upon proposal of the Board of Directors. When selecting the auditors, the Board of Directors takes various criteria into account, in particular the independence, quality, reputation and costs of the auditors. Ernst & Young AG (EY) have been the statutory auditors of ALSO Holding AG since 2020. The auditor in charge has been responsible for auditing the individual financial statements of ALSO Holding AG as well as the consolidated financial statements of the ALSO Group since fiscal year 2020. The auditor in charge is changed every seven years at the latest as required by law.

8.2. Fees

The fees charged by EY as the auditors of ALSO Holding AG and of the Group companies audited by them, and their fees for additional services, are as follows.

Fees

in CHF 1 000	**2022**	2021
Audit	1 188	1 303
Audit related services	74	60
Tax and other services	110	611
Total	**1 372**	**1 974**

8.3. Instruments providing information on the activities of the auditor

The Audit Committee and the auditors determine the content and scope of the audit each year. Any special duties of the Board of Directors are incorporated into the audit program. The results of the audit are recorded in a comprehensive report supplied to the Board of Directors.

Representatives for the auditor take part in individual meetings or individual agenda items of meetings of the Audit Committee, where they explain their activities and respond to questions. Representatives of the auditor attended two meetings of the Audit Committee in the reporting year. There is also regular contact between the auditors and the members of the Board of Directors, Group management and the Audit Committee of ALSO Holding AG outside meetings.

Each year, the Audit Committee assesses the auditor's performance, fee and independence in addition to the audit strategy. It bases this assessment on key criteria, including in particular technical competence, objectivity, the adequacy of the resources used, the appropriateness of prioritization and the definition of the audit focus, the ability to communicate and coordinate with the Internal Audit department, Group management and the Audit Committee, and the quality of the recommendations and reports submitted. The Audit Committee subsequently reports to the Board of Directors on its assessment.

On the basis of the Audit Committee's assessment, the Board of Directors discusses and reviews the scope and quality of audits. Based on this, it resolves any adjustments or improvements. The Board of Directors held one meeting with the auditors on the subject of the annual financial statements for fiscal year 2022.

Additional service or consulting assignments are delegated to the auditors only if they are permitted by the auditors' code of independence.

9. INFORMATION POLICY

Detailed financial statements are published in the form of the half-year and annual reports. The published accounts comply with the requirements of Swiss company law, the listing rules of SIX Swiss Exchange, and the International Financial Reporting Standards (IFRS).

The ALSO Group also presents its financial statements at its annual results media conference and its Annual General Meeting.

The ALSO Group reports in accordance with the disclosure requirements of Art.124 FMIA and the ad-hoc publication requirements of Art. 53 of the listing rules of SIX Swiss Exchange. At **https://also.com/goto/subscribe**, interested parties can register for the free ALSO Holding AG e-mail distribution list in order to receive direct, up-to-date information that may be relevant to the share price (ad-hoc announcements). Ad-hoc announcements may be viewed at **https://also.com/goto/mediareleases** at the same time as notification to SIX Swiss Exchange and for two years thereafter.

In addition, media releases, presentations, and brochures are published as necessary. These documents are available to all electronically at **https://also.com**.

Announcements to the shareholders are made by way of unregistered letters or publication in the Swiss Official Gazette of Commerce (SHAB), unless otherwise stipulated in mandatory legal provisions or in the company's Articles of Incorporation. The invitation to the Annual General Meeting may also be sent by electronic means.

Financial calendar

Annual General Meeting	March 17, 2023
Publication half-year report	July 26, 2023

ALSO Holding AG
Meierhofstrasse 5
CH-6032 Emmen
Switzerland
Tel. +41 41 266 18 00
Email: info@also.com

10. TRADING BLACKOUT PERIODS

In the ALSO Group, the following general trading blackout periods apply twice a year:

- from January 1 until the close of the next trading day on SIX following the publication of ALSO's annual financial statements,
- from July 1 until the close of the next trading day on SIX following the publication of ALSO's half-year financial statements.

During the trading blackout periods, no trading may take place in securities of ALSO Holding AG or in securities relating to ALSO Holding AG. Furthermore, no quantitative information on the course of the financial year may be provided during these periods. Likewise, no forward-looking statements may be made, such as forecasts regarding the further course of business or economic developments. In addition, no press activities with business media may take place during the trading blackout periods.

The trading blackout periods apply to members of the Board of Directors, members of Group Management, Chief Customer Officers, Senior Vice Presidents, those responsible for support, and employees who, by virtue of their activities, gain an in-depth insight into the financial situation of ALSO (i.e. Group Reporting, Group Legal Department, Group Internal Audit, Group Treasury, Group Credit Controlling, International Accounting, Group Communications etc.).

In the year under review, the following trading blackout periods were applied:

- January 1 to and including February 23, 2022
- July 1 up to and including July 21, 2022

In the year under review, no exceptions were granted within the trading blackout periods.

11. IMPORTANT CHANGES OCCURRING AFTER THE BALANCE SHEET DATE

No material changes have occurred since the end of the reporting period.

COMPENSATION REPORT

COMPENSATION REPORT

This Compensation Report contains information on the compensation of the members of the Board of Directors and Group Management. The report was prepared in accordance with the provisions of the Ordinance Against Excessive Compensation in Listed Companies (VegüV). It satisfies the requirements of SIX Swiss Exchange for information on corporate governance and the standards stipulated in the “Swiss Code of Best Practice for Corporate Governance” of economiesuisse.

On January 1, 2023, the revision of the company law will come into force. Among other changes, the Ordinance Against Excessive Compensation in Listed Companies (VegüV) will be repealed and its provisions will be transferred to the Swiss Code of Obligations with certain amendments.

This Compensation Report will be presented to the next Annual General Meeting of ALSO Holding AG, which will be held on March 17, 2023, for a consultative vote.

1. PRINCIPLES

The success of the ALSO Group depends largely on the qualifications and commitment of its employees. The purpose of the Group’s compensation policy is to attract, motivate, and retain qualified personnel. It is also intended to bring management interests in line with those of ALSO and its shareholders.

The compensation system is designed so that the compensation is performance-based and market-driven, and so that entreprenial thinking and action are encouraged. Compensation decisions should be fair, transparent and therefore understandable for the persons concerned.

2. CHANGES IN THE REPORTING YEAR

Thomas Fürer was elected to the Board of Directors of ALSO Holding AG by the Annual General Meeting on March 18, 2022. Rudolf Marty did not stand for re-election and resigned from the

Board of Directors on the date of the Annual General Meeting.

3. COMPENSATION SYSTEM

3.1. Board of Directors

The members of the Board of Directors receive a fixed fee for their activities and no performance-related payment.

The chairmen and members of committees of the Board of Directors receive an additional fixed fee for these functions.

3.2. Group Management

The members of Group Management receive compensation consisting of fixed and performance-related (variable) components. Statutory rules regarding the principles of the performance-related (variable) components can be found in Art. 23 Paragraph 3 of the **Articles of Association**.

The fixed components consist of a monthly salary and, in some cases, a flat-rate vehicle allowance, a company car, or flat-rate representation expenses. Certain fringe benefits may also be paid.

The variable compensation depends on the business success and is paid in the form of a cash bonus. Variable compensation includes a short-term and a long-term component and breaks down as follows:

- **Short-term, variable compensation:** For the CEO and CFO, short-term, variable compensation (bonus) depends entirely on the combined target values of EBT and EBITDA that are defined by the Board of Directors. If the targets are attained, the bonus is calculated according to a progressively increasing percentage of the attained EBT, which is defined in advance by the Board of Directors.
  For a member of the Group Management, the short-term variable compensation depends entirely to predefined combined target values from Group and area EBT. If the targets are attained, the bonus is calculated according to a predefined, fixed percentage of the achieved area EBT.
  For two other members of the Group Management, the bonus is dependent on the achievement of target values from Group EBT and predefined qualitative targets. If the targets are attained, the bonus is calculated according to a predefined, fixed percentage of the achieved Group EBT.
- **Long-term, variable compensation:** In 2011 a long-term incentive was agreed with the members of the then Group Management, which includes the CEO and CFO. It was designed in such a way that a one-time special premium is paid if long-term financial targets that are defined by the Board of Directors are attained in two successive years. These conditions were met as of December 31, 2021. The special premium was disclosed in the Compensation Report for the fiscal year 2021. Payment was made in the fiscal year 2022.
  A new long-term incentive is expected to be agreed with members of the Group Management in the course of 2023. This was originally planned to be introduced in 2022.

In the case of exceptional non-recurring events (e.g. acquisitions) that are not the responsibility of Group Management, the Board of Directors may, at its own discretion, adjust the parameters on which the calculation of variable compensation is based.

For exceptional performance, in addition to the target bonus, the Board of Directors may, at its own discretion, award a special bonus, which is reported under “Cash bonus (gross)” in the Compensation Report.

3.3. Capital participation plan

In accordance with Art. 25 Paragraph 1 of the **Articles of Association**, no participations, conversion rights or options are granted to members of the Board of Directors or Group Management.

4. RESPONSIBILITIES AND PROCEDURES FOR APPROVING AND SETTING COMPENSATION

Responsibilities for compensation-related decisions are governed by the Articles of Association, the Organizational Regulations and the Regulations of the Compensation and Nomination Committee of ALSO Holding AG.

4.1. Compensation and Nomination Committee

The Compensation and Nomination Committee prepares all relevant decisions of the Board of Directors relating to the compensation of the members of the Board of Directors and Group Management, and submits proposals to the Board of Directors regarding the type and amount of the annual compensation of the members of the Board of Directors and Group Management, as well as their fringe benefits and the stipulations of their employment contracts.

The Compensation and Nomination Committee can also make proposals to the Board of Directors for amendments to the compensation system.

4.2. Board of Directors

Under and subject to the approval of the Annual General Meeting, the definitive compensation is determined by the Board of Directors. As a rule, the effective bonus is determined at the proposal of the Compensation and Nomination Committee in the first quarter of the following year. The executive members of the Board of Directors are excluded from voting rights when their compensation is determined. In the reporting year, no external consultants were called in.

4.3. General Meeting

The Annual General Meeting each year approves the following compensation amounts for the respective ongoing fiscal year with binding effect:

- Maximum amount for fixed compensation for members of the Board of Directors
- Maximum amount for fixed compensation for members of the Group Management
- Maximum amount for variable compensation for members of the Group Management

The Annual General Meeting can subsequently increase the compensation already approved at any time.

If the Annual General Meeting refuses its approval, the Board of Directors can submit new proposals at the same general meeting or a new general meeting yet to be convened.

The additional amount for the hiring of new members of Group Management after approval by the Annual General Meeting is 30 percent of the total compensation approved for the respective period per new member. Approval of this additional compensation by the Annual General Meeting is not required.

5. COMPENSATION FOR THE REPORTING YEAR

5.1. General

The disclosed compensation of the members of the Board of Directors and Group Management includes all compensation paid for the entire reporting year, subject to the following amplifications and restrictions:

- The disclosed variable compensation elements comprise the accrued variable compensation elements attributable to the completed fiscal year.
- The compensation paid to new members of the Board of Directors and Group Management is reckoned from the date on which they take over the respective function.
- If a member resigns from the Board of Directors or Group Management, the compensation up to the resignation date, plus any compensation in the reporting year in connection with these activities, are reported together.
- In individual cases, members of Group Management may be entitled to a company car. Such benefits are reported under "Non-cash benefits".
- Members of Group Management may receive certain fringe benefits in the form of discounts. Provided that such benefits do not exceed the value of CHF 500 per case, and the total of such benefits does not exceed an aggregate value of CHF 20 000 per fiscal year, they are not reported.
- Any contributions to post-employment benefit plans, executive insurance plans, or private insurances are reported as "Pension expenses".
- The compensation of the members of Group Management was in some cases borne directly by ALSO Holding AG and in other cases indirectly by subsidiaries through intercompany charging.

5.2. Aggregate compensation – Board of Directors

At the Annual General Meeting on March 18, 2022, shareholders approved maximum fixed total compensation of CHF 0.9 million for fiscal year 2022.

The members of the Board of Directors do not receive any variable compensation for their activities.

CHF 1 000	Fixed, cash (gross)	Pension expenses	Total 2022
Gustavo Möller-Hergt, Chairman/executive member	–	–	–
Walter P. J. Droege, [1,3,4] Vice Chairman	140		140
Rudolf Marty [2,5,7]	23	1	24
Frank Tanski [1,2,3,9]	295		295
Peter Athanas [1,2,3,6]	100	4	104
Ernest-W. Droege	80		80
Thomas Fürer [2,5,8]	68	4	72
Total compensation	**706**	**9**	**715**
Approved at the Annual General Meeting			**900**

Gustavo Möller-Hergt has been a member of Group Management since 2011 and a member and Chairman of the Board of Directors since March 13, 2014. For his compensation, please refer to the section on compensation of the members of Group Management. All other members of the Board of Directors are non-executive members.

1 Member of the Board Committee
2 Member of the Audit Committee
3 Member of the Compensation and Nomination Committee
4 Including compensation as Chairman of the Board Committee
5 Including compensation as Chairman of the Audit Committee
6 Including compensation as Chairman of the Compensation and Nomination Committee
7 Rudolf Marty resigned at the date of the Annual General Meeting held on March 18, 2022. Compensation until the 2022 Annual General Meeting
8 Thomas Fürer was elected to the Board of Directors at the Annual General Meeting held on March 18, 2022. Compensation from the 2022 Annual General Meeting
9 Including an additional fixed amount of CHF 200 000 as compensation for additional expenses due to extraordinary activities beyond the Board of Directors mandate

5.3. Aggregate compensation – Group Management

At the Annual General Meeting on March 18, 2022, shareholders approved maximum fixed total compensation of € 2.1 million and maximum variable total compensation of € 6.3 million for fiscal year 2022.

	Fixed compensation				Variable compensation	
CHF 1 000	Cash (gross)	Non-cash benefits/ miscellaneous	Pension expenses	Fixed total compensation	Cash bonus (gross)	Total 2022
Group Management						
Total	1 453	42	549	2 044	5 653	**7 697**
Highest individual compensation						
Gustavo Möller-Hergt, CEO	502	15	274	791	3 014	**3 805**

Translated into CHF using average exchange rates 2022 (€/CHF 1.0047)

In the reporting period, cash bonus (including one-time special premium) for Gustavo Möller-Hergt was 79 percent (previous year: 86 percent) of his total compensation. For the members of Group Management, the average cash bonus was 73 percent (previous year: 84 percent). The decrease in total compensation compared to the previous year is mainly due to the fulfillment in 2021 of the conditions of the long-term incentive agreed in 2011 (**see also section 3.2 of this report**) as well as to the increased EBT.

The Annual General Meeting approves the compensation of the members of Group Management in euros, since the compensation is paid out mostly in this currency. This allows for deviations between approved and effective compensation as a result of exchange rate changes to be avoided. For this reason, ALSO presents the compensation in CHF as well as in €.

€ 1 000	Fixed compensation: Cash (gross)	Fixed compensation: Non-cash benefits/ miscellaneous	Fixed compensation: Pension expenses	Fixed total compensation	Variable compensation: Cash bonus (gross)	Total 2022
Group Management						
Total	1 446	42	546	2 034	5 627	**7 661**
Approved at the Annual General Meeting						
Highest individual compensation						
Gustavo Möller-Hergt, CEO	500	15	273	788	3 000	**3 788**

6. COMPENSATION FOR THE PRIOR YEAR

6.1. General

The disclosed compensation of the members of the Board of Directors and Group Management includes all compensation paid for the entire fiscal year of 2021. The additions and restrictions in 5.1 also apply to compensation for the previous year.

6.2. Aggregate compensation – Board of Directors

At the Annual General Meeting on March 17, 2021, shareholders approved maximum fixed total compensation of CHF 0.9 million for fiscal year 2021.

The members of the Board of Directors do not receive any variable compensation for their activities.

CHF 1 000	Fixed, cash (gross)	Pension expenses	**Total 2021**
Gustavo Möller-Hergt, Chairman/executive member	–	–	**–**
Walter P. J. Droege, [1,3,4] Vice Chairman	140		**140**
Rudolf Marty [2,5]	90	4	**94**
Frank Tanski [1,2,3,7]	279		**279**
Peter Athanas [1,2,3,6]	100	4	**104**
Ernest-W. Droege	80		**80**
Total compensation	689	8	**697**
Approved at the Annual General Meeting			**900**

Gustavo Möller-Hergt has been a member of Group Management since 2011 and a member and Chairman of the Board of Directors since March 13, 2014. For his compensation, please refer to the section on compensation of the members of Group Management. All other members of the Board of Directors are non-executive members.

1 Member of the Board Committee
2 Member of the Audit Committee
3 Member of the Compensation and Nomination Committee
4 Including compensation as Chairman of the Board Committee
5 Including compensation as Chairman of the Audit Committee
6 Including compensation as Chairman of the Compensation and Nomination Committee
7 Including an additional fixed amount of CHF 184 000 as compensation for additional expenses due to extraordinary activities beyond the Board of Directors mandate

6.3. Aggregate compensation – Group Management

At the Annual General Meeting on March 17, 2021, shareholders approved maximum fixed total compensation of € 1.9 million and maximum variable total compensation of € 9.5 million for fiscal year 2021.

CHF 1 000	Fixed compensation				Variable compensation	
	Cash (gross)	Non-cash benefits/ miscellaneous	Pension expenses	Fixed total compensation	Cash bonus (gross)	**Total 2021**
Group Management						
Total	1 359	46	481	1 886	9 811	**11 697**
Highest individual compensation						
Gustavo Möller-Hergt, CEO	541	16	294	851	5 189	**6 040**

Translated into CHF using average exchange rates 2021 (€/CHF 1.0811)

€ 1 000	Fixed compensation				Variable compensation	
	Cash (gross)	Non-cash benefits/ miscellaneous	Pension expenses	Fixed total compensation	Cash bonus (gross)	**Total 2021**
Group Management						
Total	1 257	43	445	1 745	9 075	**10 820**
Approved at the Annual General Meeting				1 900	9 500	**11 400**
Highest individual compensation						
Gustavo Möller-Hergt, CEO	500	15	272	787	4 800	**5 587**

7. COMPENSATION PAID TO FORMER MEMBERS OF GOVERNING BODIES

In the reporting year, no compensation was paid to former members of the Board of Directors. An agreed benefit payment of CHF 73 874 was made to one former member of Group Management.

A benefit payment of CHF 79 491 was made to a former member of Group Management in the previous year.

8. COMPENSATION PAID TO RELATED PARTIES

Neither in the reporting year, nor in the prior year, was any compensation paid by ALSO Holding AG, or any other Group company, to any related parties of present or former members of the governing bodies.

9. LOANS AND BORROWING FACILITIES

9.1. Current and former members of the governing bodies

In accordance with Art. 25 Paragraph 2 of the Articles of Association the company does not grant loans or credits to members of the Board of Directors or Group Management. Neither in the reporting year, nor in the prior year, were any loans or credits granted by ALSO Holding AG, or any other Group company, to any present or former members of the governing bodies, nor were any such loans or credits outstanding at December 31, 2022.

9.2. Related parties

Neither in the reporting year, nor in the prior year, were any loans or credits granted by ALSO Holding AG, or any other Group company, to any related parties of present or former members of the governing bodies, nor were any such loans or credits outstanding at December 31, 2022.

EY

To the General Meeting of
ALSO Holding AG, Emmen

Zurich, February 16, 2023

REPORT OF THE STATUTORY AUDITOR ON THE AUDIT OF THE COMPENSATION REPORT

Opinion

We have audited the compensation report of ALSO Holding AG (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14–16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) contained in paragraphs 5 to 9 on pages 77 to 83 of the compensation report.

In our opinion, the information on remuneration, loans and advances in the compensation report (pages 77 to 83) complies with Swiss law and Art. 14–16 VegüV.

Basis for opinion

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

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the information contained in paragraphs 5 to 9 on pages 77 to 83 of the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the compensation report

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

Auditor's responsibilities for the audit of the compensation report

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

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

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

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Simon Zogg
Licensed audit expert
(Auditor in charge)

Christian Schibler
Licensed audit expert

FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

€ 1 000	Note	2022		2021	
Total net sales	4.1	**11 552 876**	**100.0%**	**11 594 814** [1]	**100.0%**
Cost of goods sold and services provided		–10 839 468		–10 911 388 [1]	
Gross profit		**713 408**	**6.2%**	**683 426**	**5.9%**
Personnel expenses	4.2	–267 230		–251 676	
Other operating expenses	4.4	–210 482		–192 142	
Other operating income	4.4	44 312		17 629	
EBITDA		**280 008**	**2.4%**	**257 237**	**2.2%**
Depreciation and amortization	5.5/5.6	–43 177		–39 677	
Operating profit (EBIT)		**236 831**	**2.0%**	**217 560**	**1.9%**
Financial income	4.5	4 032		5 341	
Financial expenses	4.5	–32 922		–21 811	
Profit before tax (EBT)		**207 941**	**1.8%**	**201 090**	**1.7%**
Income taxes	4.6	–55 574		–46 893	
Net profit Group		**152 367**	**1.3%**	**154 197**	**1.3%**
Attributable to shareholders of ALSO Holding AG		152 051		154 004	
Attributable to non-controlling interests		316		193	
Earnings per share in € [2]					
Basic/diluted earnings per share	5.13	11.91		12.01	

1 Prior year figure adjusted, see note 2.2 significant changes in the accounting and measurement principles
2 Attributable to the shareholders of ALSO Holding AG

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ 1 000	Note	2022	2021
Profit for the year recognized in the consolidated income statement		**152 367**	**154 197**
ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS			
Remeasurement of defined benefit plans		157	11 437
Tax effects thereof	4.6	–256	–1 368
Subtotal		**–99**	**10 069**
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS			
Exchange differences		–1 362	3 455
Fair value adjustments on cash flow hedges		53 282	5 422
Tax effects thereof	4.6	–10 557	–1 391
Subtotal		**41 363**	**7 486**
Other comprehensive income		**41 264**	**17 555**
Total comprehensive income		**193 631**	**171 752**
Attributable to shareholders of ALSO Holding AG		193 315	171 559
Attributable to non-controlling interests		316	193

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

€ 1 000	Note	**12.31.2022**		12.31.2021	
CURRENT ASSETS					
Cash and cash equivalents	5.1	478 718		617 245	
Trade receivables	5.2	803 251		691 874	
Inventories	5.3	981 396		910 018	
Prepaid expenses, accrued income and other receivables	5.4	441 455		461 046	
Derivative financial instruments	6.1	222		59	
Assets held for sale	5.15	0		11 360	
Total current assets		**2 705 042**	**85.8%**	**2 691 602**	**87.3%**
NON-CURRENT ASSETS					
Property, plant and equipment	5.5	139 325		144 206	
Intangible assets	5.6	226 175		207 180	
Financial assets	6.1	13 630		14 438	
Derivative financial instruments	6.1	49 668		1 007	
Deferred tax assets	4.6	18 420		22 838	
Employee benefits	4.3	345		3 231	
Prepaid expenses, accrued income and other receivables	5.4	912		0	
Total non-current assets		**448 475**	**14.2%**	**392 900**	**12.7%**
Total assets		**3 153 517**	**100.0%**	**3 084 502**	**100.0%**

The accompanying notes form an integral part of the consolidated financial statements.

Liabilities and equity

€ 1 000	Note	12.31.2022		12.31.2021	
CURRENT LIABILITIES					
Financial liabilities	5.8	80 504		146 549	
Trade payables		1 407 804		1 423 567	
Accrued expenses, deferred income and other payables	5.9	313 536		260 510	
Derivative financial instruments	6.1	1 129		829	
Tax liabilities		20 639		15 547	
Provisions	5.10	7 518		7 159	
Total current liabilities		**1 831 130**	**58.1%**	**1 854 161**	**60.1%**
NON-CURRENT LIABILITIES					
Financial liabilities	5.8	240 742		243 965	
Provisions	5.10	9 180		9 526	
Derivative financial instruments	6.1	943		6 652	
Deferred tax liabilities	4.6	18 766		9 138	
Employee benefits	4.3	1 242		4 335	
Accrued expenses, deferred income and other payables	5.9	11 101		7 226	
Total non-current liabilities		**281 974**	**8.9%**	**280 842**	**9.1%**
Total liabilities		**2 113 104**	**67.0%**	**2 135 003**	**69.2%**
EQUITY					
Share capital		9 960		9 960	
Treasury shares	5.11	–50 776		–1 822	
Cash flow hedge reserve		38 398		–4 255	
Exchange differences		2 923		4 213	
Remeasurement of defined benefit plans		–452		–353	
Retained earnings		1 039 525		941 228	
Equity attributable to ALSO shareholders		**1 039 578**	**33.0%**	**948 971**	**30.8%**
Non-controlling interests		835		528	
Total equity		**1 040 413**	**33.0%**	**949 499**	**30.8%**
Total liabilities and equity		**3 153 517**	**100.0%**	**3 084 502**	**100.0%**

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ 1 000	Note	Share capital	Capital reserves	Treasury shares	Other reserves[1]	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total
January 1, 2022		**9 960**	**0**	**–1 822**	**–395**	**941 228**	**948 971**	**528**	**949 499**
Net profit Group		0	0	0	0	152 051	152 051	316	152 367
Other comprehensive income		0	0	0	41 264	0	41 264	0	41 264
Total comprehensive income		**0**	**0**	**0**	**41 264**	**152 051**	**193 315**	**316**	**193 631**
Distributions to shareholders	5.13	0	0	0	0	–53 763	–53 763	0	–53 763
Changes in the scope of consolidation	2.5	0	0	0	0	9	9	–9	0
Acquisition of treasury shares	5.11	0	0	–48 954	0	0	–48 954	0	–48 954
December 31, 2022		**9 960**	**0**	**–50 776**	**40 869**	**1 039 525**	**1 039 578**	**835**	**1 040 413**
January 1, 2021		**9 960**	**30 605**	**–1 822**	**–17 950**	**800 190**	**820 983**	**342**	**821 325**
Net profit Group		0	0	0	0	154 004	154 004	193	154 197
Other comprehensive income		0	0	0	17 555	0	17 555	0	17 555
Total comprehensive income		**0**	**0**	**0**	**17 555**	**154 004**	**171 559**	**193**	**171 752**
Distributions to shareholders[2]	5.13	0	–30 605	0	0	–12 966	–43 571	0	–43 571
Remeasurement of put options on shares of non-controlling interests	2.5	0	0	0	0	0	0	–7	–7
December 31, 2021		**9 960**	**0**	**–1 822**	**–395**	**941 228**	**948 971**	**528**	**949 499**

1 See Note 5.12

2 As last year's distribution to shareholders in 2021 repaid the capital reserves resulting from the reverse acquisition in 2011, the remaining distribution to shareholders was made from retained earnings. The foreign capital contribution reserve of ALSO Holding AG differs from the capital reserve of the consolidated equity.

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

€ 1 000	2022	2021
Net profit Group	**152 367**	**154 197**
Depreciation and amortization	43 177	39 677
Change of provisions and employee benefits	–2 970	1 824
Gains/losses from the sale of non-current assets	–19 339	299
Other non-cash items	251	1 747
Subtotal	**173 486**	**197 744**
Change in trade receivables	–92 055	180 596
Change in receivables from factoring	91 729	–569
Change in inventories	–48 703	–175 371
Change in prepaid expenses, accrued income and other receivables	–649	–19 220
Change in trade payables	–39 617	96 844
Change in accrued expenses, deferred income and other payables	3 917	10 555
Cash flow from operating activities	**88 108**	**290 579**
Net cash flow from acquisitions of subsidiaries (see Note 3)	–24 942	–33 096
Payment of contingent consideration from acquisitions of subsidiaries (see Note 3)	–263	–2 730
Net cash flow from the disposal of subsidiaries (see Note 2.5)	0	1 827
Additions to property, plant and equipment	–7 494	–5 544
Additions to intangible assets	–7 457	–5 222
Additions to financial assets	–4 052	–3 741
Disposals of property, plant and equipment	393	394
Disposals of intangible assets	266	135
Disposals of financial assets	3 691	10
Disposals of asset held for sale	31 069	0
Cash flow from investing activities	**–8 789**	**–47 967**

€ 1 000	2022	2021
Acquisition of treasury shares	–48 954	0
Distributions to shareholders	–53 763	–43 571
Repayments of financial liabilities	–106 503	–88 281
Proceeds/repayment from factoring liabilities	–15 967	13 563
Cash flow from financing activities	**–225 187**	**–118 289**
Exchange differences from cash and cash equivalents	7 341	9 760
Change in cash and cash equivalents	**–138 527**	**134 083**
Cash and cash equivalents at January 1	617 245	483 162
Cash and cash equivalents at December 31	**478 718**	**617 245**

INCLUDED IN CASH FLOW FROM OPERATING ACTIVITIES

Income taxes paid	53 382	50 575
Interest paid	28 070	16 914
Interest received	1 616	601

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

ALSO was founded in 1984 and has evolved into one of the leading technology providers in Europe over the last twelve years. In the process, the business models have been systematically expanded from a traditional ICT distributor to an end-to-end service provider, with a broad portfolio of hard- and software as well as offerings for IT solutions, cloud, IoT, and other digital platforms. The Group has a portfolio of over 700 vendors, including all major global market leaders, in the product categories of hardware, software and IT services. ALSO offers vendors access to a large number of resellers, who, can access a wide range of other services, in addition to the traditional ICT wholesale offerings, including cloud and as-a-service, logistics, finance and IT services on a tailored basis. From the development of complex IT landscapes and the provision and maintenance of hard- and software to the return, recycling, and remarketing of IT hardware in the spirit of the circular economy, ALSO offers all services from a single source. With its three business models Supply, Solutions, and Service, ALSO serves the ICT industry in two marketing channels: transactional, via the purchase of hard- and software, and subscription-based (consumptional) with cloud-based as-a-service offerings, including possible hybrid solutions.

2. ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The ALSO Group's consolidated financial statements are prepared in accordance with the requirements of the Swiss Code of Obligations and the International Financial Reporting Standards (IFRS), as well as the accounting and measurement principles described below. The consolidated financial statements are prepared on the assumption of a going concern. The consolidated financial statements are prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value. The financial statements are available in German and English, of which the German version is binding.

These consolidated financial statements for the fiscal year 2022 of ALSO Holding AG, Meierhofstrasse 5, CH-6032 Emmen inclusive all of its directly or indirectly controlled subsidiaries are presented in € (reporting currency), since the majority of revenues are generated in the euro area. For clarity, all values are presented in thousands of euros (T€). The functional currency of the parent company is CHF.

2.2. SIGNIFICANT CHANGES IN THE ACCOUNTING AND MEASUREMENT PRINCIPLES

The accounting policies adopted are consistent with those of the previous fiscal year except for those new and amended standards and interpretations effective from January 1, 2022, which are listed below. A description of the changes and their impact on the consolidated financial statements is provided below if they materially affect the financial position, performance, or cash flow situation of ALSO:

- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018-2020
- Reference to the Framework (Amendments to IFRS 3)

Changes in accounting – Significant effects principal versus agent: Software resellers (IFRS 15 Revenue from contracts with customers)

ALSO's sales include the sale of software licenses to wholesalers and resellers. The presentation of this revenue depends on whether ALSO acts as principal and obtains control over the promised service before it is transferred, or as agent and accordingly does not obtain control over the service. In case of the principal, the sales and the cost of materials are to be presented gross. In the case of the agent, a netting is performed, and the net amount is recognized as sales. The assessment of whether ALSO is a principal or an agent is based on the specific circumstances and may involve significant judgment.

In May 2022, the IFRS Interpretations Committee published an agenda decision on principal versus agent for resellers of software licenses. In the agenda decision, the IFRS Interpretations Committee sets out how a reseller might apply the requirements of IFRS 15 on principal versus agent to the specific circumstances. In particular, it clarifies that consulting services provided by the reseller before the contract is entered, do not constitute an implied performance promise. According to the agenda decision, whether the reseller controls the software license prior to the transfer is to be assessed in the specific facts on the license alone and not on a combined performance promise of consulting services and license.

In its previous assessment, ALSO included the consulting services as a significant performance obligation and has thus concluded to be the principal for any software license sales. Based on the agenda decision, ALSO has analyzed its software licenses sales to determine whether ALSO obtains control over the promised good prior to its transfer, despite the omission of the consulting services as a significant performance obligation, and is therefore the principal or agent if control is not obtained. In this context, ALSO has come to the conclusion that in the case of a software license sale, control over the promised performance is predominantly not obtained prior to its transfer and ALSO therefore acts as agent in these transactions. ALSO continues to act as principal in individual cases of software license sales, if the software license is sold in combination with hardware as a distinct bundle or if the software license is physically delivered to the customer.

As an agent, ALSO recognizes the net sales as the net amount of the transaction at the time of transfer of the performance obligation. The performance obligation from ALSO's perspective as agent is the arrangement of the provision of the electronic software licenses by the other party acting as principal. Since 2022, ALSO has been concluding multi-year contracts for which the net amount, which is charged over the entire term of the contract, is already recognized as revenue when the contract is signed.

The change in accounting policy has been recognized retrospectively and net sales have been adjusted accordingly. The net assets, financial position and results of operations or cash flows are not affected.

€ 1000	2021 Adjusted	Adjustment	2021 Reported
Total net sales	**11 594 814**	**–799 574**	**12 394 388**
Cost of goods sold and services prodvided	–10 911 388	799 574	–11 710 962
Gross profit	683 426		683 426
EBITDA	257 237		257 237
Operating profit (EBIT)	217 560		217 560
Net profit Group	154 197		154 197
Basic/diluted earnings per share	12.01		12.01

Application of other changes

None of the other changes have any material effect on the financial position, performance, or cash flow situation of ALSO.

2.3. PUBLISHED STANDARDS, INTERPRETATIONS, AND AMENDMENTS NOT YET APPLIED

The following standards, interpretations, and amendments which have been issued but not yet applied by ALSO are being constantly analyzed by ALSO for their impact on the consolidated financial statements:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) — effective January 1, 2023
- Definition of Accounting Estimate (Amendments to IAS 8) — effective January 1, 2023
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12 Income Taxes) — effective January 1, 2023
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) — effective January 1, 2024
- Classification of liabilities as current or non-current (Amendments to IAS 1) — effective January 1, 2024

From today's perspective, the application of these changes will not have any material effects on the financial position, performance, or cash flow situation of ALSO. ALSO applies the changes for the first time as from the fiscal year following the date stated in the standard.

2.4. KEY ASSUMPTIONS AND ESTIMATES

Preparation of the financial statements in accordance with IFRS requires management to make certain assumptions and estimates which influence the figures presented in this report. The necessary analyses and assessments are continuously reviewed and modified if necessary. However, the actual results may differ from these estimates. The main items whose amount and presentation materially depend on assumptions and estimates are as follows:

Vendor bonuses

The accruals of vendor receivables for bonuses contain estimates which are based on various factors such as sales volumes, quantities, stock levels, and other qualitative and quantitative targets. The amount recognized for the bonuses depends mainly on the attainment of the agreed targets. The bonus models vary between the vendors (see Note 5.4).

Impairment of goodwill

ALSO tests the capitalized goodwill at least once per year for impairment. This requires an assessment of the value in use of an underlying cash-generating unit or group of cash-generating units. The estimates of factors such as volumes, sales prices, sales growth, gross margin, operating expenses and investments, market conditions, balance sheet structure, and other economic factors, as well as parameters (e.g. discount rates) derived from external data, are based on assumptions that management considers reasonable (see Note 5.7).

Deferred tax assets

Deferred tax assets are determined on the basis of estimates. The forecasts that are made for this purpose cover a timeframe of several years and include interpretations of existing tax laws and ordinances as well as changes in tax rates (see Note 4.6).

Sale of trade receivables

In various countries, ALSO sells trade receivables to independent factoring companies. The assessment of whether the contractual arrangements of the factoring programs result in a significant transfer of risk, and the associated derecognition of the receivables, has a significant influence on the balance sheet of ALSO (see Note 6.7).

Employee benefits

In various countries there are defined benefit plans. The defined benefit liability is based partly on long-term actuarial assumptions which may differ from actual future developments. Determination of the discount rate, the future development of salaries and pensions, and life expectancy are important components of the actuarial measurement (see Note 4.3).

2.5. SCOPE OF CONSOLIDATION

These consolidated financial statements include the annual financial statements as of December 31, 2022, of ALSO Holding AG and of the companies over which ALSO has control. ALSO controls a subsidiary when ALSO is exposed to the risks of the entity, has rights to variable returns from its involvement in the entity, and can affect these returns through exercise of its power over the entity. With the opening of insolvency proceedings under self-administration, ALSO lost control of ALSO Logistics Services GmbH in 2015. Nevertheless, as a member of the Creditor Committee, ALSO exercises significant influence on ALSO Logistics Services GmbH. Furthermore, ALSO owns 9.9% of the voting rights of ALSO Financial Services GmbH. ALSO exercises significant influence on the entity and accounts for ALSO Financial Services GmbH using the equity method.

Until March 31, 2021, ALSO controlled SINAS Beteiligungs GmbH & Co. Vermietungs KG although less than half of the voting rights in the company were held. SINAS, which owned a warehouse building, was controlled through its lease with ALSO. As of March 31, 2021, ALSO lost control over SINAS as the lease was terminated and the building was sold. In previous year this has resulted in a disposal of a warehouse building T€ 1 957 and related financial liability T€ 2 251. As consideration ALSO received T€ 1 827 and no cash outflow resulted from the transaction.

In 2022, the remaining shares in Pestinger GmbH were acquired and ALSO now controls the company without minority interests.

Subsidiaries are fully consolidated from the date on which control is transferred to ALSO and deconsolidated from the date that control ceases. Group companies are listed in Note 6.4.

Changes in 2022

The following companies were acquired by the ALSO Group in 2022 and were included in the scope of consolidation:

Country	Domicile	Company name	Voting interest
Portugal	Porto	ALSO Portugal Unipessoal Lda.	100.00%
Portugal	Lisbon	Integrated Inspiring Solutions Lda.	100.00%
Hungary	Budapest	ALSO Ramiris Kft.	100.00%

Changes in 2021

The following company was acquired by the ALSO Group in 2021 and was included in the scope of consolidation:

Country	Domicile	Company name	Voting interest
Czech Republic	Prague	Daquas spol. S r.o.	100.00%
Serbia	Novi Sad	ALSO Serbia d.o.o. (previous year: PIN Computers d.o.o.)	100.00%
Bosnia and Herzegovina	Banja Luka	ALSO BH d.o.o. (previous year: PIN Computers d.o.o.)	100.00%
Montenegro	Podgorica	ALSO Montenegro d.o.o. (previous year: PIN Montenegro d.o.o.)	100.00%
Spain	Madrid	IREO Soluciones y Servicios S.L.	100.00%
Cape Verde	Praia	IREO LDA	100.00%
Italy	Lecco	ALSO Italia S.r.l. (previous year: Executive S.p.A.)	100.00%
Italy	Lecco	Exero S.r.l.	100.00%

2.6. CONSOLIDATION METHOD

The consolidated financial statements are based on the financial statements of the individual Group companies, which are prepared using consistent accounting and measurement policies throughout the Group.

Assets and liabilities, as well as income and expenses, are included at their full amounts, and non-controlling interests in equity and net profit are shown separately.

All intragroup transactions (expenses, income, assets, and liabilities), as well as material unrealized gains from intragroup sales of assets which have not yet been sold to third parties, are eliminated.

2.7. ACQUISITIONS

Acquisitions are accounted for using the acquisition method. If the consideration transferred for the acquisition of an entity exceeds the underlying fair value of the identifiable net assets that are acquired, the excess represents goodwill. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units that are expected to benefit, or generate future cash flows, from the combination. The goodwill is recognized in the cash-generating unit's functional currency.

Acquisition costs are recognized as expense and reported as other operating expenses.

For each business combination, the acquirer measures the non-controlling interests in the acquired entity either at fair value or in proportion to the identifiable net assets of the acquired entity.

Contingent liabilities that are acquired through the acquisition, and whose fair value can be reliably determined, are recognized in the acquisition balance sheet as liabilities at their fair value.

The results of the acquired companies are recognized from the date on which the Group obtains control. When an entity leaves the scope of the consolidation, the difference between the consideration received and the net assets plus accumulated foreign exchange differences at the date on which the Group loses control of the entity is recognized in the financial result.

If a business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at each acquisition date and a resulting gain or loss relating to the previously held equity interest is recognized through profit or loss.

If the Group undertakes a business combination with put options that are held by shareholders of non-controlling interests and does not thereby obtain ownership, the non-controlling interests continue to be allocated a share in the profits. At the end of each reporting period, the allocation is recognized as a financial liability as if the acquisition had taken place at this date. Any excess over the reclassified amount, and all changes in the present value of the financial liability, are recognized in retained earnings.

A change in the ownership interest in a subsidiary without loss of control is recognized as an equity transaction.

2.8. INVESTMENTS IN ASSOCIATES

Entities over which ALSO has significant influence, but not control, are accounted for by the equity method. ALSO is generally considered to have significant influence if it holds an interest of between 20 percent and 50 percent in an entity. Under the equity method, the investment is initially recognized at cost. In subsequent measurements, the carrying amount is increased by the share in profits of the entity and reduced by its share in losses and by dividend payments received from the entity. If the share in losses of the entity equal or exceed its carrying amount, ALSO ceases to recognize its share in losses. Provisions are recognized for any further share in losses if ALSO has a legal or constructive obligation.

The book value of investments in associates consists of the share in net assets and goodwill.

At each reporting date, ALSO tests for objective indications of impairment. Any impairment loss is recognized through profit or loss.

2.9. TRANSLATION OF FOREIGN CURRENCY

Each entity of the Group determines its own functional currency. The functional currency of the Group companies is the normal currency of their local economic environment. Transactions in foreign currencies are translated into the respective functional currency at the spot rate that applies at the date of the transaction. All exchange gains and losses arising on transactions in foreign currencies, or on translation of monetary assets, are recognized in profit or loss.

Exchange gains on certain loans with equity-like nature are recognized in other comprehensive income provided that repayment of the loan is not planned or intended in the near future. Such exchange gains are recognized in other comprehensive income and only reclassified to the financial result upon loss of control of the entity.

The annual financial statements of the foreign operations that have a functional currency different from the Group reporting currency are translated into the Group reporting currency (€) as follows:

- statement of financial position at year-end rates;
- income statement and statement of comprehensive income at average annual rates;
- statement of cash flows at average annual rates.

Exchange differences arising on the translation of financial statements of entities whose functional currency is not the euro are recognized in other comprehensive income and on eventual loss of control of the subsidiary are reclassified to the financial result.

Exchange rates

		Year-end rate		Average rate	
to €		**2022**	2021	**2022**	2021
USA	USD	1.0666	1.1326	1.0530	1.1827
Switzerland	CHF	0.9847	1.0331	1.0047	1.0811
Norway	NOK	10.5138	9.9888	10.1026	10.1633
Denmark	DKK	7.4365	7.4364	7.4396	7.4370
Sweden	SEK	11.1218	10.2503	10.6296	10.1465
Poland	PLN	4.6808	4.5969	4.6861	4.5652

2.10. TOTAL NET SALES

Total net sales comprise invoiced deliveries of goods and services (net or gross) and other sales-related revenue.

The presentation of net sales depends on whether ALSO acts as principal and obtains control over the promised good before it is transferred or as agent and accordingly does not obtain control over the good. In the case of the principal, net sales and the cost of materials are to be presented gross. In the case of the agent, a netting is performed and the net amount is recognized as net sales. The assessment of whether ALSO is the principal or the agent is based on the specific circumstances and may involve significant judgment.

In principle, ALSO acts as principal in its transactions, except for those explained below. ALSO acts as an agent for software license sales, unless these are sold in combination with hardware as a distinct bundle or are physically delivered to the customer.

Sales are recognized at a point of time when the control of the products or services has transferred to the customer and the performance obligation is fulfilled. The probability that the economic benefits associated with the transaction will flow to ALSO is taken into account. A customer has taken over control if he has the ability to direct the use of the product or service and obtains substantially all of the remaining benefits. An important indication of this is the transfer of risk and reward to the customer.

Both for the traditional transactional business models and for trading business with products that form part of comprehensive solutions, there is only a short interval between concluding the contract and performing the service/recognizing net sales. Services performed for customers on the basis of service contracts are of a transactional nature or are provided over short periods that form the basis for billing to customers. Thus, net sales are recognized at a specific date and not over a period.

In the subscription-based (consumptional) business model, net sales are recognized at the time the service is provided. If the software licenses are multy-year contracts, the net amount that will be charged over the entire term is therefore already recognized as sales when the contract is concluded. This results in contract assets. A portfolio approach is used to determine the consideration for amounts invoiced in the future. The transaction price agreed in the contracts includes a variable consideration for which an expected value is determined that includes estimates of future cash flows.

Accruals for discounts and allowances granted to customers are recognized as a reduction in revenue at the time the related revenue is recognized. They are calculated on the basis of the specific terms of the individual agreements and the underlying revenues.

2.11. PERSONNEL EXPENSES/ EMPLOYEE BENEFIT PLANS

In addition to the actual remuneration for services rendered (wages, salaries, and bonuses), personnel expenses also include ancillary personnel costs and social security contributions. Awards for years of service are also recognized as personnel expenses over the underlying period of service and accrued accordingly.

The companies of the ALSO Group operate various employee benefit plans according to the local conditions and practices in the respective countries.

Defined contribution plans are post-employment plans under which the Group pays fixed contributions into a separate fund and is neither legally nor de facto obliged to pay further contributions.

For defined benefit pension plans, the costs of providing benefits as well as the required provisions are defined actuarily using the projected unit credit method. In the case of plans that provide higher benefit growth in later years (backloading), the benefits that can be acquired are assigned on the basis of the net liability excluding future employee-funded benefit components. The liabilities are to some extend backed with assets which are managed by autonomous separately funded benefit plans.

A surplus in a defined benefit plan is only recognized to the amount of the future economic benefits that are available in the form of reductions in contributions or repayments, taking into account the upper limit for the asset (asset ceiling). A defined benefit obligation is fully recognized as a provision.

Pension costs are composed of three elements:

- Service costs, which are part of personnel expenses, and consist of current service costs, past service costs, and gains/losses from plan settlements;
- Net interest, which is recorded in the financial result, and is determined by applying the discount rate to the net defined benefit liability, or net defined benefit asset, that exists at the beginning of the year;
- Gains and losses resulting from actuarial remeasurement, which are immediately recognized in other comprehensive income as remeasurements of employee benefits. Remeasurements of employee benefits are not recycled through the income statement at any later point in time.

2.12. FINANCIAL ASSETS

Financial assets mainly comprise cash and cash equivalents, trade receivables, prepaid expenses, accrued income (refer to Note 5.4), and other receivables as well as financial assets.

Financial assets are categorized as follows:

- “Amortized costs”: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.
- “At fair value through other comprehensive income”: Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest.
- All other financial assets are recorded “at fair value through profit or loss”. In addition, certain financial instruments may also be voluntarily allocated to this category if the relevant conditions are met.

The classification depends on the purpose for which the respective financial assets were acquired and on the contractual cash flows. Management determines the classification of financial assets at their initial recognition and reassesses the classification at each reporting date. Financial assets are initially recognized at fair value plus transaction costs. Financial assets in the category “fair value through profit or loss” are recognized exclusively at fair value. Trade receivables are recognized at transaction price. All purchases and sales are recognized on the trade date.

After their initial recognition, financial assets are measured depending on their category as follows:

- "Amortized costs": At amortized cost using the effective interest method (equal distribution of cashflows during the term resulting in a zero difference of net present value).
- "At fair value through other comprehensive income": At fair value. Any unrealized changes in value are recognized in other comprehensive income, except for interest that was calculated using the effective interest method, impairments and exchange rate fluctuations on borrowing instruments. In the case of sale, or other disposal, the cumulative gains and losses that are recognized in equity are reclassified into the net financial result (financial income, financial expense) of the current reporting period.
- "At fair value through profit or loss": At fair value. If the fair value is not readily available, it must be calculated using a recognized valuation model. Any changes in fair value are recognized in the income statement under net financial result (financial income or financial expense) or cost of goods sold for the respective reporting period.

In accordance with IFRS 9, ALSO recognizes impairment losses on financial assets based on expected losses. The application to "trade receivables" is described in Note 2.15.

Default risks on Prepaid expenses, accrued income and other receivables as well as on financial assets are estimated at a low level. In this case, IFRS 9 requires the recognition of those losses that are expected to occur within the next 12 months.

2.13. HEDGE ACCOUNTING

To hedge its interest and currency risks that result from its operating activities, financial transactions and investments, ALSO uses derivative financial instruments. The method used to recognize the resulting gain or loss on derivative financial instruments depends on whether the instrument is designed to hedge a specific risk and whether the hedge qualifies for hedge accounting.

ALSO uses derivative financial instruments to hedge foreseen transactions or fixed obligations. If the derivative financial instrument that is used qualifies as a cash flow hedge when the contract is entered into, changes in value of the effective component of this derivative are recognized in income statement. The ineffective component is recognized in profit or loss. At the date of initial recognition of the hedged asset or liability, or expense or income, the changes in value that were recognized in other comprehensive income are included in the respective hedged item.

The purpose of hedge accounting is to offset the changes in the hedged item and the hedging instrument in the statement of comprehensive income. To qualify as hedge accounting, the hedging relationship must meet the requirements regarding eligibility of the hedged item and hedging instrument, formal designation and documentation and effectiveness of the hedging relationship. Both at hedge inception and throughout the lifetime of the hedge, ALSO therefore documents its assessment of whether the hedge is highly effective in offsetting the risks of changes in fair values or cash flows resulting from changes in fair value of the hedging instrument.

Hedge accounting is especially not used for forward contracts, which represent effective hedges both economically and within the Group strategy. Depending on the economic background, changes in the market values of these derivative financial instruments are recognized in the income statement either in the gross margin (currency hedging) or the financial result (interest rate hedging).

2.14. CASH AND CASH EQUIVALENTS

In addition to cash on hand and current account balances, cash equivalents also include time deposits with an original term of up to three months.

2.15. TRADE RECEIVABLES

Trade receivables are recognized at transaction price less provision for impairment. The Expected Credit Loss model is used for this purpose. Default rates based on historical experience, adjusted to forward looking information, are offset against the contractually foreseen payment streams.

ALSO applies the simplified Expected Credit Loss model for its trade receivables, which provides for expected losses over all the remaining lifetime from the recognition date of the receivables.

The impairment of trade receivables takes place indirectly through a separate impairment account. The impairment charged to the income statement in the reporting period is reported under other operating expenses. Should a trade receivable no longer be collectable, the receivable, along with any impairment that has already been charged, is derecognized. Should a payment subsequently be received, it is credited to other operating income.

2.16. INVENTORIES

Inventories are recognized at the lower of purchase cost and net realizable value. The purchase costs contain all purchase and overhead costs incurred in bringing each product to its present location and condition. The inventories are valued using the weighted-average purchase price method. Value adjustments are made for slow-moving inventories or inventories with purchase cost higher than market value. Unsaleable inventories are written off in full.

2.17. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is valued at acquisition cost minus economically necessary depreciation. Borrowing costs of qualified assets (which means project duration greater than 12 months) are capitalized. Maintenance and repair costs with no added value are not capitalized. Significant investments are broken down into their constituent parts if the estimated useful lives of the separate components differ.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Impairments are recognized under depreciation and shown separately in the assets analysis. The depreciation method as well as the estimated residual values and useful lives are reviewed annually.

Land	Not depreciated
Buildings	Useful life 25 years
Equipment	Useful life 2–15 years
Other property, plant and equipment	Useful life 4–10 years

2.18. LEASES

Right-of-use assets and lease liabilities are recognized at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. Right-of-use assets are presented in property, plant and equipment.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, ALSO's incremental borrowing rate. The lease term includes the non-cancellable period for which the asset is used, and extension/termination options are considered if ALSO is reasonably certain to exercise it. Lease liabilities are presented in short-/long-term financial liabilities.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful live is determined on the same basis as those of property, plant and equipment.

ALSO uses the recognition exemptions for lease contracts that have a lease term of 12 months or less and lease contracts for which the underlying asset is of low value.

2.19. INTANGIBLE ASSETS

Intangible assets comprise goodwill and internally created software, as well as licenses, patents and similar rights, customer lists, brand names, and software, that are acquired from third parties. The amortization of all intangible assets with finite useful lives is calculated by the straight-line method over the expected useful life. Impairment losses are recognized under amortization and disclosed separately in the assets analysis.

Goodwill is not normally amortized but tests for impairment are performed annually as well as whenever there is an indication that the goodwill may be impaired. Material borrowing costs relating to qualifying assets (project duration greater than 12 months) are additionally capitalized.

With the exception of goodwill, no intangible assets with indefinite useful lives are capitalized.

Software	Useful life 3–7 years
Customer lists	Useful life 3–5 years
Other intangible assets	Useful life 3 years

2.20. IMPAIRMENT

Goodwill is tested for impairment each year (see Note 5.7). Impairment is determined by assessing the recoverable amount of the cash-generating unit (CGU or group of CGUs) to which the goodwill relates. The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use. To determine the value in use, the cash flows for the next three years are estimated based on detailed budgets; beyond that period, a long-term growth rate is determined to forecast the future cash flows. The cash flows are then discounted at an appropriate discount rate. If the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. An impairment loss that is recognized against goodwill cannot be reversed in subsequent reporting periods.

Other non-current assets are tested for impairment whenever events or changed circumstances indicate a potential impairment. If there are indications of impairment, the recoverable amount of the asset is calculated. The recoverable amount of the non-current asset or CGU is the higher of its fair value less costs of disposal and its value in use. If the carrying amount exceeds the recoverable amount, the asset is written down to that amount. This special write-down (impairment) is reported separately in the assets analysis. An impairment reversal is possible if, at a later date, an impairment test shows that the loss in value no longer exists.

2.21. FACTORING

The ALSO Group has sold or assigned some of its trade receivables to finance companies (factors). The receivables are only derecognized when substantially all of the risks contained in the receivables have been transferred to the purchaser of the receivables. Based on current legal agreements relating to factoring, all or significant portions of the customer default risk are transferred to the receivables purchaser. The interest risk remains with the ALSO Group until the date at which the receivables are received by the purchaser of the receivables or until the contractually agreed latest date. Securitization reserves are reported under other receivables.

The credit risk of factoring partners is assessed using ratings from Standard & Poor’s, Moody’s or Fitch (see Note 6.6). As the risks are considered to be low, those losses are recorded that are expected to occur in the next 12 months. Receivables from factoring partners and dilution reserves are reported in the category “amortized costs”.

Remaining bad debt, interest, and currency risks are recognized as continuing involvement in trade accounts receivable. This continuing involvement is offset by a corresponding liability, which also takes into account the risk of its utilization.

Payment of the purchase price by the factoring company takes place either when the payment is received by the factoring company or with interest at the request of ALSO. The still outstanding part of the purchase price receivable is reported under other receivables.

Interest expense and administration fees resulting from the sale of receivables are recognized in the financial result.

ALSO participates in reverse factoring programs implemented by certain vendors. Amounts owed for the purchase of goods or services but related to reverse factoring are presented within “trade payables” because the nature and function of the financial liability is not different from other trade payables.

2.22. FINANCIAL LIABILITIES

Financial liabilities particularly include trade payables, liabilities to banks, other liabilities, liabilities from leases, and derivative financial liabilities.

Financial liabilities are separated into two categories. They are classified either as “at fair value through profit or loss”, or as “amortized costs”:

- “At fair value through profit or loss”: At their initial recognition and subsequently, these financial liabilities are measured at fair value. The transaction costs directly identifiable to the purchase of these liabilities are expensed. Derivatives with a negative replacement value are by definition assigned to this category.
- “Amortized costs”: This category serves as the residual category and mainly comprises financial debt. Financial liabilities are measured at amortized cost using the effective interest method. In addition to actual interest payments, interest expense also includes annual compound interest and pro rata transaction costs.

2.23. PROVISIONS

Provisions are liabilities of uncertain timing or amount. They are recognized if the ALSO Group has a legal or de facto present obligation from a past event, which will lead to a probable outflow of resources, and a reliable estimate can be made of the amount of the obligation.

Warranties in respect of products supplied or services rendered by ALSO give rise to legal or de facto obligations. Provisions for warranty-related costs are recognized at the date when the respective product is sold or service rendered. The amount of the necessary provision is based on historical experience and expected probabilities of future occurrence. The resulting expenses are normally limited to logistical processes for returning the defective products to the vendor. The cost of repair or replacement is borne by the vendor.

Restructuring provisions are only recognized when a detailed restructuring plan is available and its main features have been announced to all those affected by it.

If the effect of the time-value of money is material, non-current provisions are discounted.

2.24. TAXES

Taxes on income are accrued in the same periods as the revenue and expenses to which they relate, and are reported as tax liabilities. Deferred taxes include the income tax effects of temporary differences between the Group's internal measurement criteria and the local tax measurement guidelines for assets and liabilities (comprehensive liability method). With this method, deferred taxes are created for temporary taxable differences. Deferred taxes are adjusted annually for any changes in local tax legislation. Tax-loss carry-forwards and deductible temporary differences are reported as deferred tax assets if it is sufficiently probable that future taxable profits will be adequate to utilize the respective deferred tax assets (see Note 4.6).

Taxes that would have to be paid in the event of a payout of retained earnings in the subsidiaries are not accrued unless this type of payout is expected to be made in the near future.

2.25. EQUITY

Equity is composed of share capital, capital reserves, treasury shares, cash flow hedge reserves, exchange differences, remeasurement of defined benefit plans, retained earnings, and non-controlling interests.

The share capital represents the nominal capital of ALSO Holding AG. The capital reserves consist of all contributions to shareholders' equity received from outside the company other than share capital. The cash flow hedge reserve contains changes in the fair value of cash flow hedges. Under remeasurement of defined benefit plans, all actuarial gains and losses on the measurement of defined benefit plans are recognized. Under exchange differences, all exchange differences are recognized that result from translation of the financial statements of those Group companies whose functional currency is not the same as the reporting currency. Retained earnings comprise the gains/losses resulting from the decisions of the consolidated entities regarding the application of earnings that are carried forward to the new account and also includes the effects of the first-time adoption of new IFRS standards. Gains or losses resulting from the sale of treasury shares are also recognized in the retained earnings.

The share capital and the capital reserves are translated at historical exchange rates, dividends and other distributions at transactional exchange rates.

Dividends and other distributions to shareholders are charged to equity in the period in which they are declared.

Treasury shares are recognized at cost as a negative position in equity at the time of acquisition. Sales of treasury shares are valued using the weighted average cost method.

3. BUSINESS COMBINATIONS

Business combinations 2022

Acquisition Portugal

On July 4, 2022, the ALSO Group acquired through its subsidiary ALSO Portugal, Unipessoal Lda, the assets and liabilities of the IT division of JP Sá Couto, in Porto, Portugal, in order to enter the Portuguese market.

The consideration transferred for the assets and liabilities amounted to T€ 15 236. Thereof T€ 13 236 was paid out and the remaining amount is due in 2023. In the purchase price allocation, a fair value of the net assets of T€ 5 556 was identified. Goodwill of T€ 9 680 was recognized. The goodwill mainly reflects the expected synergy effects from expanding the market position. The reported goodwill is not tax-deductible.

No cash and cash equivalents were acquired. The fair value of trade receivables amounts to T€ 24 735.

On July 4, 2022, further ALSO Holding AG acquired 100 percent of the partners' shares in Integrated Inspiring Solutions, Lda., in Lisbon, Portugal.

The consideration transferred for 100 percent of the partners' shares amounted to T€ 5 000. Thereof T€ 4 000 was paid out and the remaining amount is due in 2024. In the purchase price allocation, a fair value of the net assets of T€ 824 was identified. Goodwill of T€ 4 176 was recognized. The goodwill mainly reflects the expected synergy effects from expanding the market position. The reported goodwill is not tax-deductible.

Cash and cash equivalents amounting to T€ 193 were acquired. The fair value of trade receivables amounts to T€ 3 309.

Acquisition IT-Division Ramiris

On July 4, 2022, the ALSO Group acquired through its subsidiary ALSO Ramiris Kft. the assets and liabilities of the IT division of Ramiris Europe Kft., in Budapest, Hungary, in order to further expand its presence in the Hungarian market.

The consideration transferred for the assets and liabilities amounted to T€ 8 699. Thereof T€ 7 899 was paid out and the remaining amount is due in 2023. In the purchase price allocation, a fair value of the net assets of T€ 6 350 was identified. Goodwill of T€ 2 356 was recognized. The goodwill mainly reflects the expected synergy effects from expanding the market position. The reported goodwill is tax-deductible.

No cash and cash equivalents were acquired.

Since information is still outstanding, the purchase price allocations that were performed and revised at the reporting date are provisional.

Consequences of the acquisitions

If the acquisition had taken place at the beginning of the year, the net sales of ALSO for the period would have been T€ 11 559 618 and the net profit T€ 152 298. This information is provided for illustrative purposes only and is not necessarily indicative for the future results of the Group.

Purchase price payment AllThingsTalk NV

In 2022, a purchase price payment of T€ 263 was due for the acquisition of AllThingsTalk. The purchase price liability for 2022 was measured at fair value of T€ 417 as of December 31, 2021. The purchase price payment due in 2020 amounted to T€ 200 and in 2021 to T€ 730. These amounts had already been taken into account in the purchase price allocation as of December 31, 2019. (refer to Note 5.8).

Assets and liabilities from business combinations 2022

€ 1 000	Fair values at the date of acquisition: ALSO Portugal Unipessoal Lda.[1]	Integrated Inspiring Solutions Lda.[1]	ALSO Ramiris Kft.[1]	Total
CURRENT ASSETS				
Cash and cash equivalents	–	193	–	193
Trade receivables	24 735	3 309	–	28 044
Inventories	23 674	1 305	5 234	30 213
Prepaid expenses, accrued income and other receivables	–	909	–	909
Total current assets	**48 409**	**5 716**	**5 234**	**59 359**
NON-CURRENT ASSETS				
Property, plant and equipment	17	267	241	525
Intangible assets	1 813	611	1 114	3 538
Financial assets	–	63	–	63
Deferred tax assets	–	31	6	37
Total non-current assets	**1 830**	**972**	**1 361**	**4 163**
Total assets	**50 239**	**6 688**	**6 595**	**63 522**
CURRENT LIABILITIES				
Financial liabilities	24 468	737	81	25 286
Trade payables	19 841	4 623	–	24 464
Accrued expenses, deferred income and other payables	374	290	–	664
Total current liabilities	**44 683**	**5 650**	**81**	**50 414**
NON-CURRENT LIABILITIES				
Financial liabilities	–	86	158	244
Deferred tax liabilities	–	128	6	134
Total non-current liabilities	**–**	**214**	**164**	**378**
Total liabilities	**44 683**	**5 864**	**245**	**50 792**

Assets and liabilities from business combinations 2022

€ 1 000	Fair values at the date of acquisition			
	ALSO Portugal Unipessoal Lda.[1]	Integrated Inspiring Solutions Lda.[1]	ALSO Ramiris Kft.[1]	Total
Total net assets	5 556	824	6 350	12 730
Net assets attributable to ALSO	**5 556**	**824**	**6 350**	**12 730**
Goodwill	9 680	4 176	2 356	16 212
Consideration transferred	**15 236**	**5 000**	**8 699**	**28 935**
thereof purchase price paid	13 236	4 000	7 899	25 135
thereof retention amount	2 000	1 000	800	3 800
ANALYSIS OF CASH FLOWS FROM THE ACQUISITIONS				
Cash acquired	–	193	–	193
Cash paid	–13 236	–4 000	–7 899	–25 135
Net cash outflow	**–13 236**	**–3 807**	**–7 899**	**–24 942**

1 Provisional amounts

Business combinations 2021

Acquisition of PIN Computers Group

On August 12, 2021, the ALSO Group acquired 100 percent of the partners' shares of the PIN Computers Group (consisting of PIN Computers d.o.o. Novi Sad and its subsidiaries Pin Computers d.o.o. Banja Luka and PIN Montenegro d.o.o.). PIN Computers d.o.o. Novi Sad, based in Novi Sad, Serbia, is an unlisted company. Together with its two subsidiaries, PIN Computers Group is a leading IT provider with locations in Serbia, Montenegro, and Bosnia-Herzegovina. This acquisition is part of ALSO's successful growth strategy in this region.

The provisional purchase price allocation was completed in 2022. There was no change in the measurement of the acquired net assets.

Acquisition of IREO

On October 26, 2021, the ALSO Group acquired 100 percent of the partners' shares of IREO Soluciones y Servicios S.L. IREO Soluciones y Servicios, based in Madrid, Spain, is an unlisted company and a Value Add Distributor with SMB-Focus. Through the acquisition, ALSO will expand the successfully started cloud business in Spain even faster.

The provisional purchase price allocation was completed in 2022. There was no change in the measurement of the acquired net assets.

Acquisition of Executive

On December 21, 2021, the ALSO Group acquired 100 percent of the partners' shares of Executive S.p.A. Executive S.p.A., based in Lecco, Italy, is an unlisted company and a Value Add Distributor with Retail-Focus.

The provisional purchase price allocation was completed in 2022. There was no change in the measurement of the acquired net assets.

Purchase price payment Solytron Bulgaria EOOD

In 2021, a purchase price payment of T€ 2 000 for the acquisition of Solytron from 2019 was due. This amount had already been taken into account in the purchase price allocation as of December 31, 2019. (refer to Note 5.8).

Assets and liabilities from business combinations 2021

€ 1 000	Fair values at the date of acquisition				
	Daquas spol S r.o.	PIN Computers	IREO	Executive	**Total**
CURRENT ASSETS					
Cash and cash equivalents	2 692	1 592	1 577	2 943	8 804
Trade receivables	1 634	9 654	2 629	23 669	37 586
Inventories	–	4 537	46	3 220	7 803
Prepaid expenses, accrued income and other receivables	148	3 383	113	419	4 063
Total current assets	**4 474**	**19 166**	**4 365**	**30 251**	**58 256**
NON-CURRENT ASSETS					
Property, plant and equipment	437	1 226	16	1 423	3 102
Intangible assets	622	798	791	949	3 160
Financial assets	–	–	–	101	101
Deferred tax assets	–	22	7	23	52
Total non-current assets	**1 059**	**2 046**	**814**	**2 496**	**6 415**
Total assets	**5 533**	**21 212**	**5 179**	**32 747**	**64 671**
CURRENT LIABILITIES					
Financial liabilities	–	6 035	–	4 932	10 967
Trade payables	2 166	5 376	1 570	796	9 908
Accrued expenses, deferred income and other payables	292	102	81	468	943
Tax liabilities	36	240	521	490	1 287
Total current liabilities	**2 494**	**11 753**	**2 172**	**6 686**	**23 105**
NON-CURRENT LIABILITIES					
Financial liabilities	–	2 339	–	2 568	4 907
Employee benefits	–	–	–	735	735
Deferred tax liabilities	128	121	215	370	834
Total non-current liabilities	**128**	**2 460**	**215**	**3 673**	**6 476**
Total liabilities	**2 622**	**14 213**	**2 387**	**10 359**	**29 581**

Assets and liabilities from business combinations 2021

	Fair values at the date of acquisition				
€ 1 000	Daquas spol S r.o.	PIN Computers	IREO	Executive	**Total**
Total net assets	2 911	6 999	2 792	22 388	35 090
Net assets attributable to ALSO	**2 911**	**6 999**	**2 792**	**22 388**	**35 090**
Goodwill	1 589	2 001	2 608	1 612	7 810
Consideration transferred	**4 500**	**9 000**	**5 400**	**24 000**	**42 900**
thereof purchase price paid	3 500	9 000	5 400	24 000	41 900
thereof retention amount	1 000	–	–	–	1 000
ANALYSIS OF CASH FLOWS FROM THE ACQUISITIONS					
Cash acquired	2 692	1 592	1 577	2 943	8 804
Cash paid	–3 500	–9 000	–5 400	–24 000	–41 900
Net cash outflow	**–808**	**–7 408**	**–3 823**	**–21 057**	**–33 096**

4. NOTES TO THE INCOME STATEMENT

4.1. Segment information

	Central Europe		Northern/Eastern Europe		Adjustments		Group	
€ 1 000	**2022**	2021[1]	**2022**	2021[1]	**2022**	2021	**2022**	2021[1]
Net sales to third parties	5 387 142	5 429 616	6 030 588	6 026 603	–	–	11 417 730	11 456 219
Net sales from services to third parties	111 494	100 126	17 508	31 868	231	231	129 233	132 225
Net sales from leases to third parties	5 226	5 754	687	616	–	–	5 913	6 370
Net sales to other segments	195 864	214 185	209 952	199 786	–405 816	–413 971	–	–
Total net sales	**5 699 726**	**5 749 681**	**6 258 735**	**6 258 873**	**–405 585**	**–413 740**	**11 552 876**	**11 594 814**
EBITDA	**164 695**	**134 454**	**117 610**	**122 577**	**–2 297**	**206**	**280 008**	**257 237**
As % of total net sales	*2.9%*	*2.3%*	*1.9%*	*2.0%*	–	–	*2.4%*	*2.2%*
Depreciation and amortization	–24 839	–21 276	–16 016	–15 946	–2 322	–2 455	–43 177	–39 677
Operating profit (EBIT)	**139 856**	**113 178**	**101 594**	**106 631**	**–4 619**	**–2 249**	**236 831**	**217 560**
As % of total net sales	*2.5%*	*2.0%*	*1.6%*	*1.7%*	–	–	*2.0%*	*1.9%*
Net financial income/expense	–11 849	–8 462	–26 934	–13 668	9 893	5 660	–28 890	–16 470
Profit before tax (EBT)	**128 007**	**104 716**	**74 660**	**92 963**	**5 274**	**3 411**	**207 941**	**201 090**
As % of total net sales	*2.2%*	*1.8%*	*1.2%*	*1.5%*	–	–	*1.8%*	*1.7%*
Segment assets	**1 818 999**	**1 713 558**	**1 546 345**	**1 503 157**	**–211 827**	**–132 213**	**3 153 517**	**3 084 502**
Segment liabilities	**1 381 799**	**1 316 370**	**1 167 880**	**1 141 755**	**–436 575**	**–323 122**	**2 113 104**	**2 135 003**
INVESTMENTS								
in property, plant and equipment	7 268	9 574	22 699	7 123	388	271	30 355	16 968
in intangible assets	4 235	3 252	1 034	155	2 188	1 815	7 457	5 222
Average headcount	2 107	1 996	1 990	1 953	136	133	4 233	4 082
Headcount at year-end	2 127	2 055	1 942	2 020	135	136	4 204	4 211

1 Prior year figure adjusted, see note 2.2 significant changes in the accounting and measurement principles

Headcount deviation

	Central Europe	Northern/ Eastern Europe	Adjust-ments	Group
Headcount at year-end 2021	2 055	2 020	136	4 211
Reduction/increase in headcount	–80	–115	–1	–196
Increase in headcount due to acquisitions	152	37	–	189
Headcount at year-end 2022	**2 127**	**1 942**	**135**	**4 204**

The following definitions of headcount apply:

- Average headcount: average number of full-time equivalent positions excluding temporary employees
- Headcount at year end: number of full-time equivalent positions excluding temporary employees

The segment reporting is based on the management approach. The results of the operating segments are regularly reviewed by the Chief Operating Decision Maker (CODM), Gustavo Möller-Hergt, CEO, in order to allocate the resources to the segments.

The reconciliation (Adjustments) of the segment results to the consolidated results contains centralized activities of the holding companies in Switzerland, Finland, and Germany (headquarter activities) which are not allocated to the segments. The allocation of the net sales is determined by the place where invoicing occurs. Furthermore, revenues are recognized at a point in time. Revenues, as well as assets and liabilities (mainly trade receivables and payables), between the segments are eliminated in the "Adjustments" column. The assets and liabilities contain all balance sheet items that are directly attributable to the segments.

Profit before tax (EBT) contains all income and expenses that are directly attributable to the respective operating segments. It also includes direct allocations of centrally occurring expenses. EBT is the main performance indicator in the ALSO Group.

A reconciliation of the management reporting to the segment reporting is not required, since internal and external reporting are based on the same accounting principles.

Details of the column "Adjustments" in the segment information

€ 1 000	2022	2021
Costs for shareholders/mark-up for management fees/other centralized costs	–2 297	206
Total at EBITDA level	**–2 297**	**206**
Depreciation and amortization	–2 322	–2 455
Net financial result	9 893	5 660
Total at EBT level	**5 274**	**3 411**

The financial result in the "Adjustments" column in 2022 and 2021 arose from the difference between external financing costs and internal loan conditions.

Disaggregated net sales

€ 1 000	2022	2021 [1]
Supply	8 081 208	8 523 629
Service	256 377	243 839
Solutions	3 215 291	2 827 346
Total net sales	**11 552 876**	**11 594 814**

1 Prior year figure adjusted, see note 2.2 significant changes in the accounting and measurement principles

Geographical information

The geographical allocation of the net sales is based on the country where the invoice is issued. The allocation of non-current assets is based on the location of the company which has the ownership.

Geografische Informationen

	Total net sales	Non-current assets[1]
Switzerland		
2022	975 553	88 410
2021	888 095[2]	89 536
Germany		
2022	3 689 784	127 079
2021	3 975 820[2]	134 369
Netherlands		
2022	1 401 659	10 180
2021	1 419 221[2]	11 905
Poland		
2022	1 773 480	23 521
2021	1 700 755[2]	16 596
Others		
2022	3 712 400	116 310
2021	3 610 923[2]	98 980
Group		
2022	11 552 876	365 500
2021	11 594 814[2]	351 386

1 Without deferred tax assets, employee benefits, derivative financial instruments and financial assets
2 Prior year figure adjusted, see note 2.2 significant changes in the accounting and measurement principles

Customers accounting for more than 10 percent of Group net sales

In the current year, as in the previous year, the ALSO Group did not achieve sales with any customer exceeding 10 percent of Group sales.

Contract assets and liabilities

Certain business activities may give rise to contract balances. For 2022, significant contract assets and liabilities arose, which can be found in **Note 5.4** and **Note 5.9**. For 2021, no material amounts have arisen as can be seen in **Note 5.9**.

4.2. Personnel expenses

€ 1 000	**2022**	2021
Salaries and wages	–223 597	–211 755
Social and pension costs	–43 633	–39 921
Total personnel expenses	**–267 230**	**–251 676**

Personnel expenses include restructuring expenses of € 3.8 million (previous year: € 2.3 million).

4.3. Employee benefits

The employee post-employment benefit plans of the ALSO Group comply with the legal requirements of the respective countries. There are defined benefit plans in Germany, Netherlands, Italy, Austria, Slovenia and Switzerland. The defined benefit plan in Switzerland (ALSO pension fund) covers 85.5 percent (previous year: 85.2 percent) of plan assets and 83.6 percent (previous year: 80.3 percent) of the present value of the expected obligations of the ALSO Group.

Defined benefit plan

€ 1 000	ALSO pension fund 2022	Other defined benefit plans 2022	Total 2022	ALSO pension fund 2021	Other defined benefit plans 2021	Total 2021
Fair value of plan assets	64 739	11 022	75 761	71 300	12 360	83 660
Present value of defined benefit obligations	–57 171	–11 193	–68 364	–68 069	–16 695	–84 764
of which financed by funds	–57 171	–10 167	–67 338	–68 069	–15 564	–83 633
of which financed by provisions	0	–1 026	–1 026	0	–1 131	–1 131
Surplus/Deficit	**7 568**	**–171**	**7 397**	**3 231**	**–4 335**	**–1 104**
Effect of change in asset ceiling	–7 568	–726	–8 294			
Total net carrying amount	**0**	**–897**	**–897**			
Reported in the statement of financial position as:						
Employee benefit assets	0	345	345	3 231	0	3 231
Employee benefit liabilities	0	–1 242	–1 242	0	–4 335	–4 335

Defined benefit plan Switzerland

Post-employment benefit plans in Switzerland are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that post-employment benefit plans must be managed by independent, legally autonomous bodies. Post-employment benefit plans are overseen by a regulator as well as by a state supervisory body. The ultimate governing body of a post-employment benefit plan (Board of Trustees) is composed of equal numbers of employee and employer representatives.

Plan participants are insured against the financial consequences of old age, disability, and death. The various benefits are defined in regulations, with the BVG specifying the minimum benefits that are to be provided. The employer and the employee pay contributions to the post-employment benefit plan. In case of an underfunding, various measures can be taken, such as adjusting the pension commitment by altering the conversion rates or increasing current contributions. Under certain conditions the employer is obliged to make additional restructuring contributions. The BVG prescribes how the employees and the employer jointly fund any restructuring measures.

The Swiss post-employment benefit plan, the ALSO Pension Fund, has the legal form of a foundation. All actuarial risks are borne by the foundation. These risks consist of demographic risks (primarily life expectancy) and financial risks (primarily the discount rate and the return on the plan assets), which are regularly assessed by the Board of Trustees. In addition, a report is prepared annually in accordance with IFRS requirements as well as an actuarial report prepared in accordance with the requirements of the BVG.

The Board of Trustees is responsible for the investment of the assets. It defines the investment strategy as often as necessary — especially in the case of significant market developments or changes to the structure of the plan participants — and at least once annually. When defining the investment strategy, the Board of Trustees takes account of the foundation's objectives, benefit obligations, and risk capacity. The investment strategy is defined in the form of a long-term target asset structure (investment policy).

The Board of Trustees delegates implementation of the investment strategy and management of the plan assets to an external asset manager. The Board of Trustees monitors compliance with the investment strategy and development of the plan assets several times a year.

Net post-employment benefit expenses for defined benefit plans

€ 1 000	2022 ALSO pension fund	2022 Other defined benefit plans	2022 Total	2021 ALSO pension fund	2021 Other defined benefit plans	2021 Total
Current service cost	–2 789	–532	–3 321	–3 361	–585	–3 946
Past service cost	241	122	363	2 231	0	2 231
Net interest employee benefit	114	–39	75	1	–43	–42
Net post-employment benefit expenses	**–2 434**	**–449**	**–2 883**	**–1 129**	**–628**	**–1 757**

In 2022 and 2021, the number of employees insured at the ALSO pension fund in accordance with the BVG was significantly reduced. This resulted in negative past service cost of T€ 241 (previous year: T€ 2 231).

Remeasurement of defined benefit plans

€ 1 000	2022 ALSO pension fund	2022 Other defined benefit plans	2022 Total	2021 ALSO pension fund	2021 Other defined benefit plans	2021 Total
Actuarial gains/losses:						
Changes in demographic assumptions	0	42	42	3 649	184	3 833
Changes in financial assumptions	14 627	5 873	20 500	1 604	177	1 781
Changes in experience assumptions	–812	138	–674	–1 267	105	–1 162
Return on plan assets (excluding interest income)	–9 421	–1 996	–11 417	7 003	–18	6 985
Effect of change in asset ceiling	–7 568	–726	–8 294	0	0	0
Total remeasurement recognized in other comprehensive income	**–3 174**	**3 331**	**157**	**10 989**	**448**	**11 437**

In 2022, the changes in financial assumptions have increased as a result of the significant increase of the interest rate level. In 2021, the BVG 2020 mortality table was applied to the ALSO pension fund for the first time. The conversion has an impact on the demographic assumptions, in particular an increase in life expectancy and a decrease in the disability risk.

Change in fair value of plan assets

€ 1 000	ALSO pension fund 2022	Other defined benefit plans 2022	Total 2022	ALSO pension fund 2021	Other defined benefit plans 2021	Total 2021
January 1	**71 300**	**12 360**	**83 660**	**60 869**	**11 381**	**72 250**
Interest income	745	135	880	150	114	264
Return on plan assets (excluding interest income)	–9 421	–1 996	–11 417	7 003	–18	6 985
Employee contributions	1 655	176	1 831	1 676	178	1 854
Employer contributions	2 286	681	2 967	2 316	702	3 018
Net benefits (paid) received	–4 980	–466	–5 446	–3 829	–122	–3 951
Exchange differences	3 154	132	3 286	3 115	125	3 240
December 31	**64 739**	**11 022**	**75 761**	**71 300**	**12 360**	**83 660**

The expected employer contributions for defined benefit plans for next year is T€ 3 170 (previous year: T€ 2 928).

Change in the present value of defined benefit obligations

€ 1 000	2022 ALSO pension fund	2022 Other defined benefit plans	2022 Total	2021 ALSO pension fund	2021 Other defined benefit plans	2021 Total
January 1	**68 069**	**16 695**	**84 764**	**69 964**	**15 471**	**85 435**
Effect of acquisitions	0	0	0	0	735	735
Service cost	2 789	532	3 321	3 361	585	3 946
Past service cost	–241	–122	–363	–2 231	0	–2 231
Interest cost	631	174	805	149	157	306
Actuarial gain/loss	–13 815	–6 053	–19 868	–3 986	–466	–4 452
Employee contributions	1 655	176	1 831	1 676	178	1 854
Net benefits (paid) received	–4 980	–466	–5 446	–3 829	–123	–3 952
Exchange differences	3 063	257	3 320	2 965	158	3 123
December 31	**57 171**	**11 193**	**68 364**	**68 069**	**16 695**	**84 764**

The weighted average duration of the defined benefit obligation is 14 years (previous year: 17 years).

Investment structure of plan assets

€ 1 000	2022 ALSO pension fund	2022 Other defined benefit plans	2022 Total	2021 ALSO pension fund	2021 Other defined benefit plans	2021 Total
Cash and cash equivalents	4.8%	0.0%	4.1%	3.9%	0.0%	3.3%
Equity instruments	32.2%	0.0%	27.5%	35.0%	0.0%	29.9%
Bonds	28.2%	0.0%	24.1%	29.8%	0.0%	25.4%
Real estate	18.5%	0.0%	15.8%	15.8%	0.0%	13.5%
Other investments	16.3%	100.0%	28.5%	15.5%	100.0%	27.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The ALSO benefit plans do not hold any investments in financial instruments or real estate that are owned or used by the ALSO Group.

Cash and cash equivalents are invested with financial institutions that possess at least an “A” rating.

Equity instruments are investments in mutual funds for which there is a quoted market price (Level 1 of the fair value hierarchy). No direct investments are made. The assets also do not contain any shares of ALSO Holding AG.

Investments in bonds are undertaken solely via funds for which there is a quoted market price (Level 1 of the fair value hierarchy). There are no direct investments.

Investments in real estate are undertaken solely via real estate funds. There are no direct holdings of real estate. The valuation of real estate funds is based on market parameters (Level 2 of the fair value hierarchy).

Other investments mainly comprise investments in hedge funds and private equity as well as reinsurances.

Main actuarial assumptions

€ 1 000	2022 ALSO pension fund	2022 Other defined benefit plans[1]	2022 Total	2021 ALSO pension fund	2021 Other defined benefit plans[1]	2021 Total
Discount rate	2.2%	3.6%	2.4%	0.4%	1.1%	0.5%
Future salary increases	1.5%	1.0%	1.0%	1.0%	0.7%	0.9%
Future pension increases	0.0%	0.5%	0.1%	0.0%	0.6%	0.1%
Mortality table	BVG 2020	n/a		BVG 2020	n/a	

1 Weighted values

The present value of the defined benefit obligation (DBO) is determined annually by independent actuaries using the projected unit credit method. Actuarial assumptions are required for this purpose.

Sensitivities of the main actuarial assumptions

The main actuarial assumptions were identified to be the discount rate and the future development of salaries and wages. The following effects on the DBO can be expected:

- An increase/decrease of 0.25 percentage points in the discount rate would result in a decrease/increase in the DBO of 4 percent respectively 3 percent (previous year: 4 percent each).
- An increase/decrease of 0.25 percentage points in the expected development of salaries and wages would result in an increase/decrease in the DBO of 0.5 percent respectively 0.4 percent (previous year: 1 percent each).

The sensitivity analysis is based on realistically possible changes as of the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

Net pension cost for defined contribution plans

€ 1 000	2022	2021
Employer contributions	**2 376**	**2 262**

4.4. Other operating expenses/income

Other operating expenses

€ 1 000	2022	2021
Leasing expenses	–4 220	–4 652
Maintenance and repair expenses	–17 433	–15 395
Marketing and administrative expenses	–122 488	–109 699
Insurance, consulting and other operating expenses	–66 341	–62 396
Total other operating expenses	**–210 482**	**–192 142**

Other operating income

€ 1 000	2022	2021
Gains on sales of asset held for sale	19 710	0
Other operating income	24 602	17 629
Total other operating income	**44 312**	**17 629**

Other operating income mainly comprises contributions from suppliers, insurance payments, and company-produced assets.

4.5. Net financial income/expense

Financial income

€ 1 000	2022	2021
Interest income	1 446	611
Exchange gains, net	0	40
Fair value adjustments of contingent considerations	2 067	1 803
Income from disposal of subsidiary (Note 2.5)	0	2 129
Other financial income	519	758
Total financial income	**4 032**	**5 341**

The fair value adjustments of contingent considerations relate to one transaction in 2022 and 2021.

In 2021 the deconsolidation of SINAS Beteiligungs GmbH & Co. Vermietungs KG resulted in financial income of T€ 2 129.

Financial expenses

€ 1 000	2022	2021
Interest expenses from financing	–27 420	–16 208
Interest for lease liabilities	–1 058	–1 351
Factoring fees	–2 637	–2 612
Net interest employee benefits	75	–42
Fair value adjustments of contingent considerations	–54	0
Other financial expenses	–1 828	–1 598
Total financial expenses	**–32 922**	**–21 811**
Financial result	**–28 890**	**–16 470**

Currency gains/losses

€ 1 000	2022	2021
Currency gains/losses on financial result	–54	40
Currency gains/losses on cost of goods sold and services provided	–19 673	–11 676
Total currency gains/losses	**–19 727**	**–11 636**

4.6. Income taxes

The main elements contributing to the difference between the expected tax rate for the Group and the effective tax rate are:

Income tax expenses

€ 1 000	2022	2021
Income taxes in the reporting period	–51 635	–43 184
Income taxes in prior periods	–1 380	327
Total current income tax	**–53 015**	**–42 857**
Changes in deferred tax rate	–54	–974
Changes in temporary differences	–2 505	–3 062
Total deferred tax	–2 559	–4 036
Total income tax expense	**–55 574**	**–46 893**

Analysis of tax expense

€ 1 000	2022	2021
Profit before tax (EBT)	**207 941**	**201 090**
Expected tax rate (weighted)	**24.2%**	**23.1%**
Expected income tax expense	–50 222	–46 524
Utilization of previously unrecognized tax losses	178	6 188
Income tax losses not recognized	–3 044	–2 274
Income not subject to tax	1 380	1 237
Non-deductible expenses	–3 370	–3 585
Changes in deferred tax rate	–54	–974
Tax effect from prior periods	–528	–1 098
Withholding tax on Group dividends	0	–2
Other factors	86	139
Effective income tax expense	**–55 574**	**–46 893**
Effective income tax rate	**26.7%**	**23.3%**

The weighted tax rate is calculated from the income tax rates that are expected to apply for the Group companies in the respective tax jurisdictions. The increase in the effective tax rate from 23.2 percent in 2021 to 26.7 percent in 2022 is mainly due to unrecognized tax loss carryforwards used in 2021.

In 2022, in the tax jurisdictions that are relevant for ALSO, there were no material changes in the applicable income tax rates.

Tax effects in other comprehensive income

€ 1 000	2022	2021
TAX EFFECTS ON ITEMS THAT WILL NOT SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS		
Remeasurement of defined benefit plans	–256	–1 368
Subtotal	**–256**	**–1 368**
TAX EFFECTS ON ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS		
Exchange differences	71	0
Fair value adjustment on cash flow hedges	–10 628	–1 391
Subtotal	**–10 557**	**–1 391**
Total tax effects in other comprehensive income	**–10 813**	**–2 759**

Deferred taxes

	Statement of financial position				Recognized in income taxes	
	Deferred tax assets		Deferred tax liabilities			
€ 1 000	**2022**	2021	**2022**	2021	**2022**	2021
TEMPORARY DIFFERENCES						
Current assets[1]	4 286	3 674	19 793	6 786	–12 344	–3 159
Property, plant and equipment	277	316	4 959	3 465	–1 458	–828
Intangible assets	1 257	186	3 356	3 164	1 030	466
Recognized tax loss carry-forwards	3 079	6 299	0	0	–3 091	539
Provisions and employee benefits	2 017	2 627	125	447	2	–336
Liabilities	17 934	16 322	963	1 726	13 168	–612
Other temporary differences	0	0	0	136	135	–106
Total	**28 850**	**29 424**	**29 196**	**15 724**	**–2 558**	**–4 036**
Offsetting	–10 430	–6 586	–10 430	–6 586	0	0
Total deferred taxes	**18 420**	**22 838**	**18 766**	**9 138**	**–2 558**	**–4 036**

1 incl. derivative financial instruments

Changes in deferred taxes (net)

€ 1 000	**2022**	2021
January 1	**13 700**	**21 667**
Effect of acquisitions	–97	–782
Changes in temporary differences	–13 367	–6 795
Exchange differences	–582	–390
December 31	**–346**	**13 700**

Tax loss carry-forwards

€ 1 000	2022	2021
Total tax loss carry-forwards	**51 916**	**54 946**
Of which recognized as deferred tax assets	–12 322	–26 110
Total tax loss carry-forwards not recognized	**39 594**	**28 836**
Tax effect on unrecognized tax loss carry-forwards	8 886	6 564
TOTAL UNRECOGNIZED TAX LOSS CARRY-FORWARDS EXPIRING:		
In one year (weighted tax rate 2022: 14.9%; previous year: 8.2 %)	801	261
In two to five years (weighted tax rate 2022: 14.1%; previous year: 12.9%)	11 370	7 471
In six to ten years (weighted tax rate 2022: 17.1%; previous year: 19.2%)	4 740	2 099
No expiry (weighted tax rate 2022: 28.0%; previous year: 27.2%)	22 683	19 005

In 2022, ALSO capitalized new deferred taxes in the amount of T€ 449. In 2021, ALSO did capitalize new deferred taxes in the amount of T€ 2 463.

The loss carry-forwards existing at December 31, 2022 derive mainly from Germany, Belgium, Hungary and Poland (previous year from Sweden, Germany and the Netherlands).

For tax loss carry-forwards in the amount of T€ 39 594 (previous year: T€ 28 836), no deferred tax assets are recognized since they cannot be offset against other Group profits and it is unlikely that the entities carrying the tax losses forward will have future taxable profits against which to offset the related tax benefit.

As of December 31, 2022, there were no deferred tax liabilities for retained earnings amounting to T€ 16 473 (previous year: T€ 14 478) in subsidiaries which are liable to tax in the event of a dividend payment. There are no plans for dividend payment in the foreseeable future from those retained earnings.

5. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31

5.1. Cash and cash equivalents

Cash and cash equivalents in the amount of T€ 478 718 (previous year: T€ 617 245) consist of cash at banks and on hand.

5.2. Trade receivables

€ 1 000	2022	2021
Trade receivables (gross)	809 306	698 688
Provision for bad debts	–6 055	–6 814
Total trade receivables	**803 251**	**691 874**

ALSO has sold or assigned trade receivables to independent factoring partners. Please refer to Note 6.7.

€ 1 000	2022	2021
Status of bad debt provision as at January 1	**6 814**	**7 750**
Exchange differences	–25	–1
Creation	1 199	1 312
Release	–1 192	–1 432
Utilization	–741	–815
Status of bad debt provision as at December 31	**6 055**	**6 814**
Trade receivables write-offs	–2 896	–1 698
Income from payments for trade receivables previously written-off	54	240

5.3. Inventories

€ 1 000	2022	2021
Inventories	1 000 526	912 525
Downpayments to suppliers	6 610	17 490
Inventory provision	–25 740	–19 997
Total inventories	**981 396**	**910 018**

For most inventories, there are limited-duration price-protection guarantees from the vendors/manufacturers. The ALSO companies usually purchase goods in local currency. A recognizable loss of value due to low inventory turnover, ageing, etc. is taken into account through inventory provisions.

In the reporting period, inventory for the amount of T€ 10 774 246 (previous year: T€ 10 850 192)[1] was recognized as cost of goods sold in the consolidated income statement. This includes changes in inventory provisions totaling T€ 7 334 recognized as expense. In the previous year, T€ 4 372 was recognized as income.

1 Prior year figure adjusted, see note 2.2 significant changes in the accounting and measurement principles

5.4. Prepaid expenses, accrued income and other receivables

€ 1 000	2022	2021
Miscellaneous tax receivables	16 881	18 874
Receivables from factors	232 861	327 799
Other receivables	111 674	102 641
Contract assets short-term	70 926	0
Other receivables	**432 342**	449 314
Prepaid expenses and accrued income short-term	9 113	11 732
Total prepaid expenses, accrued income and other receivables short-term	**441 455**	**461 046**
Contract assets long-term	912	0
Total prepaid expenses, accrued income and other receivables long-term	**912**	**0**

Receivables from factors (see Note 6.7) consist of dilution reserves of T€ 140 065 (previous year: T€ 134 447) from ongoing sales of receivables and within the scope of credit lines callable claims of T€ 92 796 (previous year: T€ 193 352).

Provisions on receivables from factors amount to T€ 122 (previous year: T€ 187).

The increase in contract assets is mainly due to deferred revenue resulting from non-cancelable multi-year contracts (Note 2.10).

Other receivables consist mainly of receivables from vendors.

5.5. Property, plant and equipment

Acquired Property, plant and equipment

€ 1 000	Land and buildings	Equipment	Other property, plant and equipment	Total
January 1, 2022	**41 216**	**8 588**	**14 117**	**63 921**
Additions	221	1 812	5 461	7 494
Effect of acquisitions	0	33	111	144
Disposals	–188	–16	–676	–880
Depreciation	–1 333	–1 881	–5 767	–8 981
Exchange differences	1 418	148	173	1 739
December 31, 2022	**41 334**	**8 684**	**13 419**	**63 437**
OVERVIEW AS AT DECEMBER 31, 2022				
Acquisition costs	63 220	39 688	53 609	156 517
Accumulated depreciation/impairment	–21 886	–31 004	–40 190	–93 080
December 31, 2022	**41 334**	**8 684**	**13 419**	**63 437**

Land and buildings comprises land and buildings used for operational purposes.

In 2022 and 2021, additions are mainly a result of investments in equipment and other property, plant and equipment and in “Infrastructure-as-a-Service”, as well as lease extensions and capture of deconstruction costs for land and buildings.

Losses from the sale of property, plant, and equipment are recognized in other operating expenses and amount to T€ –371 (previous year: T€ –299).

Right-of-use assets

€ 1 000	Land and buildings	Equipment	Other property, plant and equipment	Total
January 1, 2022	**75 452**	**537**	**4 296**	**80 285**
Additions	19 569	99	3 193	22 861
Effect of acquisitions	381	0	0	381
Disposals	–2 824	–76	–56	–2 956
Depreciation	–22 739	–184	–2 730	–25 653
Exchange differences	981	–2	–9	970
December 31, 2022	**70 820**	**374**	**4 694**	**75 888**
OVERVIEW AS AT DECEMBER 31, 2022				
Gross right-of-use assets	143 423	1 149	10 162	154 734
Accumulated depreciation/impairment	–72 603	–775	–5 468	–78 846
December 31, 2022	**70 820**	**374**	**4 694**	**75 888**
Total Property, plant and equipment	**112 154**	**9 058**	**18 113**	**139 325**

Acquired Property, plant and equipment

€ 1 000	Land and buildings	Equipment	Other property, plant and equipment	Total
January 1, 2021	**54 038**	**10 278**	**14 744**	**79 060**
Additions	238	863	4 443	5 544
Effect of acquisitions	373	16	557	946
Disposals	–29	–105	–667	–801
Effect of deconsolidation	–1 913	0	0	–1 913
Assets held for sale (Note 5.15)	–10 934	–409	0	–11 343
Reclassifications	–15	–285	300	0
Depreciation	–1 834	–1 899	–5 487	–9 220
Exchange differences	1 292	129	227	1 648
December 31, 2021	**41 216**	**8 588**	**14 117**	**63 921**
OVERVIEW AS AT DECEMBER 31, 2021				
Acquisition costs	61 285	37 153	51 545	149 983
Accumulated depreciation/impairment	–20 069	–28 565	–37 428	–86 062
December 31, 2021	**41 216**	**8 588**	**14 117**	**63 921**

Right-of-use assets

€ 1 000	Land and buildings	Equipment	Other property, plant and equipment	Total
January 1, 2021	**85 375**	**668**	**4 463**	**90 506**
Additions	8 509	101	2 814	11 424
Disposals	2 156	0	0	2 156
Depreciation	–1 942	–28	–150	–2 120
Exchange differences	–19 632	–203	–2 830	–22 665
December 31, 2021	986	–1	–1	984
Overview as at December 31, 2021	**75 452**	**537**	**4 296**	**80 285**
GROSS RIGHT-OF-USE ASSETS				
Accumulated depreciation/impairment	132 529	1 292	11 483	145 304
December 31, 2021	–57 077	–755	–7 187	–65 019
	75 452	**537**	**4 296**	**80 285**
Total Property, plant and equipment				
Total Sachanlagen	**116 668**	**9 125**	**18 413**	**144 206**

5.6. Intangible assets

€ 1 000	Goodwill	Customer lists	Other intangible assets	Total
January 1, 2022	**187 903**	**4 883**	**14 394**	**207 180**
Additions	0	0	7 457	7 457
Effect of acquisitions	16 212	3 466	72	19 750
Disposals	0	0	–453	–453
Amortization	0	–2 344	–6 199	–8 543
Exchange differences	768	–10	26	784
December 31, 2022	**204 883**	**5 995**	**15 297**	**226 175**
OVERVIEW AS AT DECEMBER 31, 2022				
Acquisition costs	204 883	9 489	61 447	275 819
Accumulated amortization/impairment	0	–3 494	–46 150	–49 644
December 31, 2022	**204 883**	**5 995**	**15 297**	**226 175**
January 1, 2021	**178 409**	**3 516**	**15 273**	**197 198**
Additions	0	0	5 222	5 222
Effect of acquisitions	7 810	3 146	14	10 970
Disposals	0	0	–135	–135
Assets held for sale (Note 5.15)	0	0	–17	–17
Amortization	0	–1 800	–5 992	–7 792
Exchange differences	1 684	21	29	1 734
December 31, 2021	**187 903**	**4 883**	**14 394**	**207 180**
OVERVIEW AS AT DECEMBER 31, 2021				
Acquisition costs	187 903	8 832	54 290	251 025
Accumulated amortization/impairment	0	–3 949	–39 896	–43 845
December 31, 2021	**187 903**	**4 883**	**14 394**	**207 180**

The addition of goodwill in 2022 and 2021 is due to various business combinations. Further information is disclosed in Note 3.

With the exception of goodwill, no intangible assets with indefinite useful lives are capitalized. The average residual amortization period for the customer lists is three years. Other intangible assets consist mainly of software and licenses.

5.7. Impairment Test

€ 1 000	2022	2021
Carrying amount goodwill Central Europe	171 251	156 007
Carrying amount goodwill Northern/Eastern Europe	33 632	31 896
Total goodwill	**204 883**	**187 903**
Discount rate (post tax) goodwill Central Europe	8.05%	7.48%
Discount rate (post tax) goodwill Northern/Eastern Europe	9.67%	7.53%
Discount rate (pre tax) goodwill Central Europe	11.00%	10.15%
Discout rate (pre tax) goodwill Northern/Eastern Euorpe	12.40%	9.57%
Growth rate sales revenue for residual value Central Europe	1.00%	1.00%
Growth rate sales revenue for residual value Northern/Eastern Europe	1.00%	1.00%
Expected average EBITDA margin Central Europe (residual value)	2.70%	2.20%
Expected average EBITDA margin Northern/Eastern Europe (residual value)	1.90%	1.90%

Goodwill is monitored and tested for impairment by means of value-in-use calculations of two groups of cash-generating units. The value in use is the present value of the discounted cash flows. It is based on planning assumptions over a three-year period, plus residual values which have been approved by Management. The discount rates applied, and the average growth rate in net sales, are set out in the above table.

The value-in-use calculation for the group of cash-generating units is sensitive to assumptions relating to the balance sheet structure, gross margin, and cost structure. The balance sheet structure and gross margin are derived from historical values as well as from strategic and economic changes. The cost structure is adapted to the expected gross margin.

The value in use is substantially higher than the reported net assets. Even a material change in the base data, e.g. a sustained deterioration in the gross margin, or a change in the balance sheet and cost structure, would not cause an impairment of the goodwill.

5.8. Current and non-current financial liabilities

€ 1 000	2022 Carrying amount	2022 Interest rate	2021 Carrying amount	2021 Interest rate
CURRENT FINANCIAL LIABILITIES				
Bank loans	17 236	0.1 to 5.7%	16 980	0.1 to 1.7%
Bonded loans	0		76 965	1.1 to 1.2%
Lease liabilities	24 586	0.2 to 3.8%	26 549	0.2 to 3.8%
Liabilities from factoring	34 874	2.8 to 8.1%	25 638	0.6 to 1.8%
Contingent consideration from acquisitions of subsidiaries	3 808		417	
Third-party loans	**80 504**		**146 549**	
TOTAL CURRENT FINANCIAL LIABILITIES				
Bank loans	40 775	0.1 to 2.7%	40 458	0.1 to 1.3%
Bonded loans	137 431	0.9 to 2.3%	137 396	0.9 to 2.3%
Lease liabilities	61 085	0.2 to 2.7%	62 632	0.2 to 3.1%
Contingent consideration from acquisitions of subsidiaries	1 250		3 177	
Third-party loans	201		302	
Total non-current financial liabilities	**240 742**		**243 965**	
Total financial liabilities	**321 246**		**390 514**	

Covenants

Certain financial liabilities are subject to covenant clauses, under which stipulated financial key figures must be attained. As of December 31, 2022, all covenants were met.

Reconciliation of financial liabilities

Current financial liabilities

€ 1 000	Bank loans	Bonded loans	Lease liabilities	Subtotal financial liablities	Liabilities from factoring	Contingent consideration from acquisitions of subsidiaries	Total
January 1, 2022	**16 980**	**76 965**	**26 549**	**120 494**	**25 638**	**417**	**146 549**
Net cash flow	–1 101	–77 000	–28 402	**–106 503**	–15 967	–263	**–122 733**
Effect of acquisitions	0	0	139	**139**	25 148	2 551	**27 838**
Value adjustments	0	0	0	**0**	0	–2 067	**–2 067**
Other non-cash adjustments	875	35	26 224	**27 134**	0	3 177	**30 311**
Exchange differences	482	0	76	**558**	55	–7	**606**
December 31, 2022	**17 236**	**0**	**24 586**	**41 822**	**34 874**	**3 808**	**80 504**

Non-current financial liabilities

€ 1 000	Bank loans	Bonded loans	Lease liabilities	Third-party loans	Subtotal financial liablities	Contingent consideration from acquisitions of subsidiaries	Total
January 1, 2022	**40 458**	**137 396**	**62 632**	**302**	**240 788**	**3 177**	**243 965**
Effect of acquisitions	0	0	244	0	**244**	250	**494**
Other non-cash adjustments	–876	0	–2 758	–100	**–3 734**	–2 180	**–5 914**
Exchange differences	1 193	35	967	–1	**2 194**	3	**2 197**
December 31, 2022	**40 775**	**137 431**	**61 085**	**201**	**239 492**	**1 250**	**240 742**

The changes in other non-cash adjustments in lease liabilities of T€ 26 224 and T€ –2 758 respectively, relate to a reclassification from non-current financial liabilities due to repayments due in 2023 and new liabilities due to leasing contracts which commenced in 2022. The total cash outflows from leases for which ALSO is the lessee are T€ 33 680, of which T€ 5 278 is included in cash flow from operating activities and T€ 28 402 is included in cash flow from financing activities.

Current financial liabilities

€ 1 000	Bank loans	Bonded loans	Lease liabilities	Third-party loans	Subtotal financial liablities	Liabilities from factoring	Contingent consideration from acquisitions of subsidiaries	Total
January 1, 2021	**17 343**	**49 986**	**26 160**	**19**	**93 508**	**11 985**	**2 730**	**108 223**
Net cash flow	–12 309	–50 000	–25 953	–19	**–88 281**	13 563	–2 730	**–77 448**
Effect of acquisitions	10 351	0	616	0	**10 967**	0	0	**10 967**
Effect of deconsolidation	–344	0	0	0	**–344**	0	0	**–344**
Other non-cash adjustments	0	0	0	0	**0**	0	–1 803	**–1 803**
Exchange differences	1 527	76 979	25 610	0	**104 116**	0	2 223	**106 339**
December 31, 2021	412	0	116	0	**528**	90	–3	**615**
31. Dezember 2021	**16 980**	**76 965**	**26 549**	**0**	**120 494**	**25 638**	**417**	**146 549**

Non-current financial liabilities

€ 1 000	Bank loans	Bonded loans	Lease liabilities	Third-party loans	Subtotal financial liablities	Contingent consideration from acquisitions of subsidiaries	Total
January 1, 2021	**38 926**	**214 258**	**79 139**	**349**	**332 672**	**4 398**	**337 070**
Effect of acquisitions	3 315	0	1 592	0	**4 907**	0	**4 907**
Effect of deconsolidation	–1 322	0	0	0	**–1 322**	0	**–1 322**
Other non-cash adjustments	–1 527	–76 862	–19 031	–47	**–97 467**	–1 265	**–98 732**
Exchange differences	1 066	0	932	0	**1 998**	44	**2 042**
December 31, 2021	**40 458**	**137 396**	**62 632**	**302**	**240 788**	**3 177**	**243 965**

The changes in other non-cash adjustments in bonded loans of T€ 76 979 and T€ 76 862 respectively, relate to a reclassification from non-current financial liabilities due to repayments due in 2022. In 2021, ALSO repaid bonded loans in the amount of € 50 000.

The changes in other non-cash adjustments in lease liabilities of T€ 25 610 and T€ 19 031 respectively, relate to a reclassification from non-current financial liabilities due to repayments due in 2022 and new liabilities due to leasing contracts which commenced in 2021. The total cash outflows from leases for which ALSO is the lessee are T€ 31 956, of which T€ 6 003 is included in cash flow from operating activities and T€ 25 953 is included in cash flow from financing activities.

5.9. Accrued expenses, deferred income and other payables

€ 1 000	2022	2021
Miscellaneous tax payables	139 032	145 086
Liabilities from factoring (continuing involvement) (see Note 6.7)	30 836	36 188
Accrued interest from factoring	1 854	1 062
Contract liabilities	6 858	2 486
Other payables to third parties	11 126	12 005
Other payables to related parties (see Note 6.5)	383	353
Other short-term payables	**190 089**	**197 180**
Accrued expenses and deferred income short-term	123 447	63 330
Total accrued expenses, deferred income and other payables short-term	**313 536**	**260 510**
Contract liabilities	10 224	7 226
Other long-term payables	**10 224**	**7 226**
Accrued expenses and deferred income long-term	877	0
Total accrued expenses, deferred income and other payables long-term	**11 101**	**7 226**
Total accrued expenses, deferred income and other payables	**324 637**	**267 736**

Accrued expenses, deferred income, and other payables are recognized in the statement of financial position at nominal value. They comprise short-term expense accruals and deferred income relating to revenue for subsequent accounting periods already received, as well as accruals for services not yet invoiced. The increase in accrued expenses and deferred income is mainly due to deferred sales resulting from non-cancelable multi-year contracts (**Note 2.10**). Tax payables include value added and other tax liabilities.

5.10. Provisions

€ 1 000	Guarantees, returned goods, complaints	Litigations	Restructuring	Deconstruction costs	Other provisions	Total
January 1, 2022	**5 360**	**954**	**0**	**5 419**	**4 952**	**16 685**
Creation	4 492	38	0	0	1 709	6 239
Utilization	–4 713	–66	0	0	–572	–5 351
Release	–100	–689	0	0	–68	–857
Exchange differences	–11	0	0	0	–7	–18
December 31, 2022	**5 028**	**237**	**0**	**5 419**	**6 014**	**16 698**
Current provisions	4 964	237	0	261	2 056	7 518
Non-current provisions	64	0	0	5 158	3 958	9 180
Total 2022	**5 028**	**237**	**0**	**5 419**	**6 014**	**16 698**
January 1, 2021	**4 772**	**1 113**	**17**	**0**	**5 305**	**11 207**
Creation	4 712	180	0	5 419	77	10 388
Utilization	–4 117	–172	–17	0	–176	–4 482
Release	–4	–167	0	0	–253	–424
Exchange differences	–3	0	0	0	–1	–4
December 31, 2021	**5 360**	**954**	**0**	**5 419**	**4 952**	**16 685**
Current provisions	4 713	954	0	185	1 307	7 159
Non-current provisions	647	0	0	5 234	3 645	9 526
Total 2021	**5 360**	**954**	**0**	**5 419**	**4 952**	**16 685**

There is an existing guarantee provision for the amount of T€ 5 028 for the risk of expenses that have not yet occurred but which are expected to occur before the end of the guarantee period that was granted. It is expected that the greater part of the provision will be utilized in the next fiscal year, or at the latest within two years.

The provisions for litigation contain claims for damages as well as legal costs for various pending court cases. For significant parts of the litigation, a settlement is expected in the next fiscal year.

Provisions for deconstruction costs include costs for the dismantling of building installations in rental properties.

Other provisions contain long-service benefits, other employee allowances, and provisions for various risks. Utilization normally takes place within five years.

5.11. Equity

As of December 31, 2022, the number of registered shares each with a nominal value of CHF 1.00 per share totaled 12 848 962. The share capital is unchanged compared to 2021.

Authorized and conditional share capital comprises 2 500 000 shares with a nominal value of CHF 1.00 per share.

Treasury shares

	Number	Value € 1 000	Average price in CHF	Lowest price in CHF	Highest price in CHF
January 1, 2022	**28 089**	**1 822**			
Additions August 2022	37 540	6 709	169.69	161.50	178.34
Additions September 2022	73 313	11 676	153.26	142.93	164.54
Additions October 2022	60 229	9 259	150.75	140.64	164.29
Additions November 2022	68 446	11 638	166.81	152.76	179.28
Additions December 2022	55 094	9 672	171.85	166.17	185.03
Disposals	0	0			
December 31, 2022	**322 711**	**50 776**			
January 1, 2021	**28 089**	**1 822**			
Additions	0	0			
Disposals	0	0			
December 31, 2021	**28 089**	**1 822**			

Treasury shares

In August 2022, the Board of Directors of ALSO Holding AG decided to implement a share buyback program. Under this program, shares with a value of € 100.0 million are to be repurchased over a maximum period of 2 years (end date August 9, 2024). By December 31, 2022, 294 622 shares had been acquired for an amount of CHF 47.7 million (€ 49.0 million).

Major shareholders

	31.12.2022	31.12.2021
Special Distribution Holding GmbH, Dusseldorf (Germany) [1]	51.30%	51.30%
Credit Suisse Funds AG, Zürich (Switzerland)	[2]	3.06%
J. Safra Sarasin Investmentfonds AG, Basel (Switzerland)	3.01%	[2]

Share register as of December 31 (without nominees)
1 Controlling shareholder: Walter P.J. Droege through Droege Group AG
2 Percentage of the voting rights is below disclosure threshold

Regulations regarding the restricted transferability of shares

In accordance with Art. 5 of the Articles of Association, the Board of Directors may refuse to register an acquirer of shares as a full shareholder (i.e. as a shareholder with voting rights) unless the acquirer expressly declares that they have acquired the shares in their own name and on their own account.

Retained earnings

The distribution of retained earnings is subject to restrictions:

- Special reserves of ALSO Holding AG can only be distributed after a corresponding resolution by the Annual General Meeting.
- The reserves of subsidiaries are first distributed to the parent company in accordance with local tax regulations and legislation.

Opting-out

The obligation to submit a public take-over offer pursuant to Art. 125 paragraph 3 and paragraph 4 FMIA has been waived ("opting out").

5.12. Other reserves

€ 1 000	Cash flow hedge reserve	Exchange differences	Remeasurement of defined benefit plans	Total other reserves
January 1, 2022	**–4 255**	**4 213**	**–353**	**–395**
Net profit Group	0	0	0	0
Other comprehensive income	42 654	–1 291	–99	41 264
Total comprehensive income	**42 654**	**–1 291**	**–99**	**41 264**
Distributions to shareholders	0	0	0	0
Acquisition of treasury shares	0	0	0	0
December 31, 2022	**38 399**	**2 922**	**–452**	**40 869**
January 1, 2021	**–8 287**	**759**	**–10 422**	**–17 950**
Net profit Group	0	0	0	0
Other comprehensive income	4 031	3 455	10 069	17 555
Total comprehensive income	**4 031**	**3 455**	**10 069**	**17 555**
Distributions to shareholders	0	0	0	0
Changes in the scope of consolidation	0	0	0	0
December 31, 2021	**–4 255**	**4 213**	**–353**	**–395**

5.13. Earnings per share/dividend per share

		2022	2021
Net profit Group	**€**	**152 051 000**	**154 004 000**
Shares issued (weighted)	Number of shares	12 848 962	12 848 962
Less treasury shares (weighted)	Number of shares	–86 749	–28 089
Available shares (weighted) for calculation	Number of shares	12 762 213	12 820 873
Earnings per share (basic/diluted)	**€**	**11.91**	**12.01**

The company has 322 711 treasury shares in its portfolio. In the table above, these treasury shares, weighted by share repurchases during the year, are deducted from the total number of shares outstanding.

The Board of Directors will propose to the Annual General Meeting on March 17, 2023, that a distribution to shareholders in the amount of TCHF 57 621 (CHF 4.60 per share) will be paid for the financial year 2022. The number of shares with dividend rights will change if the number of shares held by ALSO Holding AG changes. The Board of Directors may therefore adapt the total amount of the proposed dividend to the number of shares with dividend rights at the General Meeting. In the prior year, a distribution to shareholders was made for the amount of TCHF 55 130 (CHF 4.30 per share).

5.14. Investments in associates

The investment in ALSO Financial Services GmbH is reported under financial assets and was impaired in 2019.

5.15. Assets held for sale

In 2021, the Board of Directors of ALSO Holding AG decided to sell the land and building of ALSO Mobility Service GmbH. There has been already an interested party, and the probability of a sale was very likely, but the transaction had not yet been completed as of the balance sheet date. The assets held for sale was included in the total assets of the Central Europe segment in **Note 4.1** in previous year.

In 2022, the land and building of ALSO Mobility Service GmbH, which was recognized as an asset held for sale as of December 31, 2021, was sold with a gain of T€ 19 710. This other operating income is allocated to the Central Europe segment.

6. FURTHER INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

6.1. Financial instruments

Hedging transactions

€ 1 000	Contract value	Replacement value		Risk	Hedging instruments
		Positive	Negative		
Cash Flow Hedge	463 622	43 439	–	Interest	Interest rate swaps
Cash Flow Hedge	75 000	6 229	1 274	Interest	Interest rate options
Total December 31, 2022	**538 622**	**49 668**	**1 274**		
Cash Flow Hedge	178 000	–	5 406	Interest	Interest rate swaps
Cash Flow Hedge	75 000	1 007	1 577	Interest	Interest rate options
Total December 31, 2021	**253 000**	**1 007**	**6 983**		

For further information about hedging transactions please see Note 6.6.

Classes of financial instruments 2022

€ 1 000	At fair value through profit or loss	At fair value through OCI	Amortized cost	Hedge accounting	Non-financial instruments	Carrying amount 12.31.2022
FINANCIAL ASSETS						
Cash and cash equivalents			478 718			**478 718**
Trade receivables (Note 5.2)		629 883	173 368			**803 251**
Prepaid expenses, accrued income and other receivables (Note 5.4)			344 535		97 832	**442 367**
Financial assets			13 630			**13 630**
Current derivative financial instruments	222					**222**
Non-current derivative financial instruments				49 668		**49 668**
FINANCIAL LIABILITIES						
Financial liabilities (Note 5.8)	263		320 983			**321 246**
Trade payables			1 407 804			**1 407 804**
Accrued expenses, deferred income and other payables (Note 5.9)			44 199		280 438	**324 637**
Current derivative financial instruments	798			331		**1 129**
Non-current derivative financial instruments				943		**943**

In 2022, the net gain from financial instruments measured at fair value through profit or loss (mainly forward exchange contracts and contingent considerations from acquisitions) amounted to T€ 1 576.

The carrying amount of the financial instruments is essentially the fair value.

Classes of financial instruments 2021

€ 1 000	At fair value through profit or loss	At fair value through OCI	Amortized cost	Hedge accounting	Non-financial instruments	**Carrying amount 12.31.2021**
FINANCIAL ASSETS						
Cash and cash equivalents			617 245			**617 245**
Trade receivables (Note 5.2)		519 195	172 679			**691 874**
Prepaid expenses, accrued income and other receivables (Note 5.4)			430 440		30 606	**461 046**
Financial assets			14 438			**14 438**
Current derivative financial instruments	59					**59**
Non-current derivative financial instruments				1 007		**1 007**
FINANCIAL LIABILITIES						
Financial liabilities (Note 5.8)	2 594		387 920			**390 514**
Trade payables			1 423 567			**1 423 567**
Accrued expenses, deferred income and other payables (Note 5.9)			49 608		218 128	**267 736**
Current derivative financial instruments	498			331		**829**
Non-current derivative financial instruments				6 652		**6 652**

In 2021, the net loss from financial instruments measured at fair value through profit or loss (mainly forward exchange contracts, options and contingent considerations from acquisitions) amounted to T€ 1 175.

The carrying amount of the financial instruments is essentially the fair value.

Fair value hierarchy

ALSO applies the following measurement hierarchy to determine the fair value of financial instruments:

Level 1: Listed, unchanged market price in active markets.

Level 2: Measurement methods in which all assumptions that have a material impact on the fair value are indirectly or directly available.

Level 3: Measurement methods with assumptions that have a material impact on the fair value which are not publicly available.

Fair value of the financial instruments 2022

€ 1 000	Level 1	Level 2	Level 3	Fair value 12.31.2022
FINANCIAL ASSETS				
Current derivative financial instruments		222		222
Forward exchange contracts		*222*		*222*
Non-current derivative financial instruments		49 668		49 668
Interest rate swaps		*43 439*		*43 439*
Interest rate options		*6 229*		*6 229*
FINANCIAL LIABILITIES				
Contingent consideration from acquisitions of subsidiaries (Note 5.8)			–263	–263
Current derivative financial instruments		–1 129		–1 129
Forward exchange contracts		*–798*		*–798*
Interest rate options		*–331*		*–331*
Non-current derivative financial instruments		–943		–943
Interest rate options		*–943*		*–943*
Total financial liabilities Level 3			**–263**	

Fair value of the financial instruments 2021

€ 1 000	Level 1	Level 2	Level 3	Fair value 12.31.2021
FINANCIAL ASSETS				
Current derivative financial instruments		59		59
Forward exchange contracts		*59*		*59*
Non-current derivative financial instruments		1 007		1 007
Interest rate options		*1 007*		*1 007*
FINANCIAL LIABILITIES				
Contingent consideration from acquisitions of subsidiaries (Note 5.8)			–2 594	–2 594
Current derivative financial instruments		–829		–829
Forward exchange contracts		*–498*		*–498*
Interest rate options		*–331*		*–331*
Interest rate options		–6 652		–6 652
Interest rate swaps		*–5 406*		*–5 406*
Interest rate options		*–1 246*		*–1 246*
Total financial liabilities Level 3			**–2 594**	

Reconciliation of financial instruments within Level 3

€ 1 000	**2022**	2021
January 1	**–2 594**	**–5 127**
Fair value adjustments of contingent consideration from the acquisition of subsidiaries recognized in financial result	2 068	1 803
Payment of contingent consideration from acquisitions of subsidiaries	263	730
December 31	**–263**	**–2 594**

In 2022 and 2021 respectively, there were no transfers of financial instruments between Level 1 and Level 2. There were also no transfers into or out of Level 3.

Measurement techniques of financial instruments within Level 2

Forward exchange contracts are measured based on observable forward rates and spot rates and are recognized at their positive or negative replacement value. Interest rate swaps and interest rate options are measured based on the net present value of observable forward rates and recognized in the statement of financial position at their positive or negative replacement value respectively.

Measurement techniques of financial instruments within Level 3

The fair value of contingent considerations from the acquisition of subsidiaries, put options on shares of non-controlling interests and call options is calculated based on contractually agreed measurement methods. These calculations are based on the expected future operating profits of subsidiaries and, therefore, depend on assumptions that are neither directly nor indirectly observable in the market. The expected future operating profits are based on medium-term plans which cover a period of three years. Those plans are reviewed by the management of ALSO.

A change in the underlying expected future profits would have the following effect on the fair value:

Sensitivity of financial instruments within Level 3

€ 1 000	**2022**	2021
5% increase in the expected future results	0	0
5% reduction in the expected future results	0	1 790

6.2. Pledged or assigned assets serving as collateral for own liabilities

€ 1 000	**2022**	2021
Inventories	24 436	24 436
Property, plant and equipment	19 421	19 228
Total assets pledged	**43 857**	**43 664**

The property, plant, and equipment shown above has been pledged as collateral against existing mortgages in Switzerland and Austria. The inventories have been pledged as collateral against trade payables in Finland and Bulgaria.

6.3. Rental and leasing commitments

Cash receipts as lessor

€ 1 000	**2022**	2021
Due in 1st year	6 039	7 290
Due in 2nd to 5th year	5 611	8 791
Due from the 6th year onwards	43	87

Cash receipts as lessor mainly comprise printers in Germany and Switzerland. Additionally, there is infrastructure-as-a-service business where ALSO acts as lessor. Depending upon the term of the agreement, the contract may result in either a finance lease or an operating lease.

6.4. Subsidiaries

Country	Head office	Company	Participation 1) 12.31.2022	Participation 1) 12.31.2021	Share capital in 1 000	Currency	Code
Switzerland	Emmen	ALSO Holding AG			12 849	CHF	S
	Emmen	ALSO Schweiz AG	100%	100%	100	CHF	D
	Uetendorf	Corvice AG	100%	100%	100	CHF	S
	Emmen	Quatec AG	100%	100%	100	CHF	S
Belgium	Mechelen	ALSO Belgium BVBA	100%	100%	8 331	€	D
	Mechelen	AllThingsTalk NV	100%	100%	8 765	€	S
Bosnia and Herzegovina	Banja Luka	ALSO BH d.o.o. (Previous year: PIN Computers d.o.o.)	100%	100%	782	BAM	D
Bulgaria	Sofia	ALSO Bulgaria EOOD	100%	100%	5	BGN	D
Denmark	Tåstrup	ALSO A/S	100%	100%	39 000	DKK	D

Country	Head office	Company	Participation [1] 12.31.2022	Participation [1] 12.31.2021	Share capital in 1 000	Currency	Code
Germany	Soest	ALSO Deutschland GmbH	100%	100%	20 000	€	D
	Osnabrück	SEAMCOM GmbH & Co. KG	100%	100%	203	€	D
	Osnabrück	SEAMCOM Verwaltungs GmbH	100%	100%	26	€	S
	Straubing	ALSO MPS GmbH	100%	100%	100	€	S
	Berlin	druckerfachmann.de GmbH & Co. KG	100%	100%	200	€	S
	Berlin	LumIT GmbH	100%	100%	25	€	S
	Soest	ALSO International Services GmbH	100%	100%	100	€	S
	Soest	ALSO IH GmbH	100%	100%	25	€	S
	Soest	Impaso Online Services GmbH	100%	100%	25	€	S
	Soest	MEDIUM GmbH	[2]	100%	50	€	D
	Frankfurt am Main	Pestinger GmbH	100%	74.8%	26	€	D
	Stuttgart	Beamer & more GmbH	51%	51%	25	€	D
	Berlin	ALSO Enterprise Services GmbH	100%	100%	100	€	S
	Berlin	druckerfachmann Verwaltungs GmbH	100%	100%	25	€	S
	Berlin	Webinstore AG	99.99%	99.99%	500	€	S
	Soest	ALSO Mobility Services GmbH	[3]	100%	25	€	S
	Soest	ALSO Logistics Services GmbH i. L.	100%	100%	25	€	S
	Seevetal	ALSO Financial Services GmbH	9.9%	9.9%	50	€	S
Estonia	Tallinn	ALSO Eesti OÛ	100%	100%	192	€	D
Finland	Tampere	ALSO Nordic Holding Oy	100%	100%	10 000	€	S
	Tampere	ALSO Finland Oy	100%	100%	841	€	D
	Helsinki	ALSO Cloud Oy	100%	100%	11	€	S
	Helsinki	ALSO Cloud Solutions Oy	100%	100%	3	€	S
France	Gennevilliers	ALSO France S.A.S.	100%	100%	14 500	€	D
	Gennevilliers	LAFI Logiciels Application Formation Information S.A.S	100%	100%	400	€	S
	Paris	BeIP S.A.S.	[4]	100%	147	€	D
Great britain	London	ALSO Cloud UK Limited	100%	0%	0.001	GBP	D
Italy	Lecco	ALSO Italia S.r.l. (Previous Year: Executive S.p.A.)	100%	100%	208	€	D
	Lecco	Exero S.r.l.	100%	100%	10	€	D

Country	Head office	Company	Participation [1] 12.31.2022	Participation [1] 12.31.2021	Share capital in 1 000	Currency	Code
Cape Verde	Praia	IREO LDA	100%	100%	100	CVE	D
Croatia	Zagreb	ALSO Croatia d.o.o.	100%	100%	20 000	HRK	D
Latvia	Mārupe	SIA „ALSO Latvia“	100%	100%	1 210	€	D
	Riga	ALSO Cloud Latvia SIA	100%	100%	100	€	S
Lithuania	Kaunas	UAB „ALSO Lietuva“	100%	100%	1 883	€	D
	Kaunas	UAB „Sophela“	100%	100%	3	€	S
	Kaunas	UAB „ABC Data Lietuva"	100%	100%	75	€	D
Morocco	Casablanca	BelP International	100%	100%	50	MAD	D
Montenegro	Podgorica	ALSO Montenegro d.o.o. (Previous year: PIN Montenegro d.o.o.)	100%	100%	25	€	D
Netherlands	Nijmegen	ALSO Nederland B.V.	[5]	100%	1 000	€	D
	Nijmegen	ALSO Nederland B.V. (Previous year: ALSO International B.V.)	100%	100%	18	€	D
Norway	Stokke	ALSO AS	100%	100%	11 063	NOK	D
Austria	Gross- Enzersdorf	ALSO Austria GmbH	100%	100%	100	€	D
Poland	Warsaw	ALSO Polska sp. z o.o.	100%	100%	133 300	PLN	D
	Warsaw	iSource S.A.	100%	100%	16 327	PLN	D
	Warsaw	S4E S.A.	81.3%	81.3%	1 737	PLN	D
	Goleniow	MLS sp. z o.o. in liquidation	100%	100%	5 000	PLN	D
	Szczecin	iTerra sp. z o.o.	100%	100%	3 250	PLN	S
Portugal	Porto	ALSO Portugal Unipessoal Lda.	100%	0%	0.2	€	D
	Lisbon	Integrated Inspiring Solutions Lda.	100%	0%	500	€	D
Romania	Bucharest	ALSO Technology SRL	100%	100%	13 505	RON	D
Sweden	Kista	ALSO Sweden AB	100%	100%	1 000	SEK	D
Serbia	Belgrade	ALSO Platform Development d.o.o.	100%	100%	0.1	RSD	S
	Novi Sad	ALSO Serbia d.o.o. (Previous year: PIN Computers d.o.o.)	100%	100%	291	RSD	D
Slovakia	Bratislava	ALSO Slovakia s.r.o.	100%	100%	947	€	D
Slovenia	Ljubljana	ALSO Technology Ljubljana d.o.o.	100%	100%	1 710	€	D
	Ljubljana	VAD d.o.o.	100%	100%	50	€	D
Spain	Barcelona	ALSO Cloud Spain S.L.U.	100%	100%	3	€	D
	Madrid	IREO Soluciones y Servicios S.L.	100%	100%	80	€	D

Country	Head office	Company	Participation 1) 12.31.2022	Participation 1) 12.31.2021	Share capital in 1 000	Currency	Code
Czech Republic	Prague	ALSO Czech Republic s.r.o.	100%	100%	13 010	CZK	D
	Prague	Daquas spol. s.r.o.	100%	100%	100	CZK	D
Ukraine	Kiew	TOB Sophela	100%	100%	96	UAH	S
Hungary	Budapest	ALSO Hungary Kft.	100%	100%	1 098	HUF	D
	Budapest	ALSO Ramiris Kft.	100%	0%	3 000	HUF	D
Belarus	Minsk	Sophela OOO	100%	100%	7	BYN	S

Codes: D = Distribution; S = Service/Holding company
1) Participation equals ALSO Holding AG's direct or indirect voting interest in the company
2) In 2022, MEDIUM GmbH was merged with ALSO Deutschland GmbH.
3) In 2022, Mobility Services GmbH was merged with ALSO Deutschland GmbH.
4) In 2022, BelP S.A.S. was merged with ALSO France S.A.S.
5) In 2022, ALSO Nederland B.V. was merged with ALSO International B.V. (renaming in ALSO Nederland B.V.).

6.5. Transactions with related parties

Existing receivables and payables at the reporting date are unsecured. In 2022 and 2021 respectively, no impairments of receivables were necessary. There are no guarantees, pledges, or other contingent liabilities in favor of related parties. The following transactions and volumes took place with related parties:

Transactions with principal shareholders

€ 1 000	**2022**	2021
Net sales to Droege Group	332	228
Net sales to ALSO Financial Services GmbH	1 757	1 662
Operating expenses Droege Group	–2 935	–3 271
Interest income ALSO Financial Services	100	100
Trade receivables Droege Group	64	141
Trade receivables ALSO Financial Services GmbH	499	411
Loan to ALSO Financial Services GmbH	5 000	5 000
Other payables to related parties Droege Group (Note 5.9)	–383	–353
Sale of land and building to Droege Group	31 069	0

The distributions of T€ 27 643 to Droege that were decided at the General Meeting of March 18, 2022 were paid on March 23, 2022 (previous year: T€ 22 351).

Liabilities to ALSO pension fund

ALSO Holding AG has no outstanding liabilities to the ALSO pension fund (previous year: T€ 0).

Transactions with key management

€ 1 000	2022	2021
Salaries [1]	7 943	11 034
Contributions to pension plans	336	337
Anniversary bonuses or other special payments	0	0
Retirement bonuses	0	0
Employee shares/options	0	0
Total compensation	**8 279**	**11 371**

1 Fixed compensation (salaries and flat-rate expenses), bonuses, Board of Directors' fees, employer contributions for social security, and other non-monetary benefits/reductions

The decrease in total compensation compared to the previous year is mainly due to the fulfillment of the conditions of the long-term incentive agreed in 2011 and the increased EBT, which was paid out in previous year.

6.6. Financial risk management

Principles of risk management

In relation to its financial assets and liabilities, ALSO is exposed to special risks arising from changes in exchange rates and interest rates. In addition to these market risks, there are also liquidity and credit risks. The objective of financial risk management is to control and limit these market risks by ongoing operational and financial activities. For this purpose, and depending on the estimated risk, selected hedging instruments are used. Derivative financial instruments are used exclusively as hedging instruments, i.e. they are not used for trading or speculative purposes. To minimize the default risk, the material hedging transactions are only entered into with leading financial institutions.

At regular intervals, the appropriateness of the risk management and the internal control system is reviewed by the Board of Directors and modified if necessary. This ensures that the Board of Directors and the Group Management are completely and promptly informed of material risks. In addition, monthly internal reports on the financial position of the company allow any risks arising from the ongoing business to be recognized as early as possible, and corresponding countermeasures to be initiated. For this purpose, Accounting and Controlling constantly adapt their reporting systems to changing conditions.

For optimal cash management, the management of liquidity not required for ongoing operations and the long-term financing of the Group is centralized. The treasury function also records, monitors, and controls financial risks based on information provided by the Board of Directors and Group Management.

Credit risk

Credit risk is the risk of economic loss resulting from a counterparty being unable or unwilling to fulfil its contractual payment obligations. Credit risk thus includes not only the immediate default risk, but also the risk of a worse credit rating along with the risk of concentration of individual risks.

In its operational business, as well as in some of its financing activities, ALSO is exposed to a default risk. In the financial area, ALSO manages the resulting risk position by the diversification of financial institutions and by verification of the financial strength of each counterparty based on publicly available ratings, as well as on publicly available ad-hoc information about the financial institutions.

Credit quality

Credit quality December 31, 2022

€ 1 000	Standard & Poor's	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	No rating	**Total**
	Moody's	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3		
	Fitch	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-		
Cash and cash equivalents (Note 5.1)		1 329	15 057	70 635	37 459	267 748	2 199	63 559	8 527	4 318	6 085	1 802	478 718
Receivables from factoring (Note 5.4)		0	0	0	11 365	167 534	0	44 945	0	9 017	0	0	232 861
		0.2%	2.1%	9.9%	6.9%	61.2%	0.3%	15.2%	1.2%	1.9%	0.9%	0.2%	100.0%

Credit quality December 31, 2021

€ 1 000	Standard & Poor's	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	No rating	**Total**
	Moody's	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3		
	Fitch	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-		
Cash and cash equivalents (Note 5.1)		19 845	69 562	12 185	344 790	2 620	148 263	9 374	8 478	804	1 324	617 245
Receivables from factoring (Note 5.4)		0	0	9 249	252 603	0	39 274	0	26 673	0	0	327 799
		2.1%	7.4%	2.3%	63.2%	0.3%	19.8%	1.0%	3.7%	0.1%	0.1%	100.0%

The credit quality of financial institutions is displayed based on public ratings by Standard & Poor's, Moody's or Fitch. The rating code is a letter code that indicates the default risk of a debtor (country, company) and hence allows easy assessment of its creditworthiness. An independent, statistically determinable and validatable probability of default can be assigned to each rating code.

AAA/Aaa	Risk of default is virtually zero.
AA/Aa	Safe investment, with slight risk of default.
A	The investment is safe provided that no unforeseen eventualities impair the overall economy or the industry.
BBB/Baa	The investment is sufficient save but more dependent on economic developments than the above categories
<BBB/Baa	Mainly investments for which no public rating exists.

Ratings may be modified by the addition of a plus (+) or minus (–) sign or by the number 1 to 3 to move the rating up or down within the rating group.

In the operational area, ALSO limits the default risk by constantly monitoring customers' credit ratings and setting credit limits based thereon. The operational companies of the Group have largely insured their open trade receivables by means of credit insurances. The credit insurances generally cover defaults for 85 to 95 percent of the insured amounts. The residual credit default risk on trade receivables is therefore considered by ALSO to be limited, particularly since it is further minimized by the large number of customers and their wide geographical distribution. In addition, to further reduce default risks, certain receivables were completely sold.

Resulting from this sale are receivables from factors amounting to T€ 232 861 (previous year: T€ 327 799) (see Note 5.4), which are spread over several factoring partners. The largest receivable from a single factoring partner is for T€ 84 682 (previous year: T€ 164 949). During the long-standing business relationships with the factoring companies, no losses on receivables have occurred. The risk of loss on receivables from factoring partners is not insured with credit insurances. The default risk of loss is minimized by ALSO through regular evaluation of the factoring partners.

Receivables which have not been sold, are impaired in general and if necessary by individual amounts. Experience from the past indicates that this risk can be considered to be low (see also Note 5.2). The maximum credit risk (including derivative financial instruments with a positive market value) is represented by the carrying amounts of the financial assets. ALSO has not issued any financial guarantees in favor of third parties.

Liquidity risks

The central liquidity risk management system ensures that the Group is always in a position to fulfil its payment obligations promptly. ALSO continuously monitors its liquidity with a detailed cash flow plan on a daily basis. Extensive planning ensures furthermore that sufficient liquidity is available in the medium and long term.

ALSO's objective is to obtain liquidity corresponding to the necessary timing. Since the main requirement for finance is to cover the operational business activities, which are subject to large seasonal fluctuations, over the year as a whole most of the sources of funds are short-term. The necessary funds are mainly obtained by selling existing receivables to factoring companies and supplemented by bank lines of credit that are available at short notice. At the reporting date, the unutilized available credit lines with banks amounted to € 721 million (previous year: € 746 million).

The following table shows the financial liabilities of the Group by expiration date. The information is based on contractually agreed undiscounted interest and amortization payments. Forward purchases and sales of foreign currencies are not included in the financial derivatives. Since the forward transactions do not cause any net negative cash flow, they do not present a liquidity risk to ALSO.

Financial liabilities by expiration date 2022

€ 1 000	Carrying amount 12.31.2022	Total cash flow	Up to 1 year	1 to 5 years	More than 5 years
Trade payables	1 407 804	1 407 804	1 407 804	0	0
Other liabilities	44 199	44 199	44 199	0	0
Loans from banks and third parties and bonded loans	195 643	203 580	20 155	183 425	0
Liabilities from factoring	34 874	34 933	34 933	0	0
Contingent consideration from the acquisition of subsidiaries	5 058	5 058	3 808	1 250	0
Lease liabilities	85 671	89 382	25 582	52 801	10 999
Total	**1 773 249**	**1 784 956**	**1 536 481**	**237 476**	**10 999**
DERIVATIVE FINANCIAL INSTRUMENTS					
Interest rate swaps (net)	–43 439	–18 710	–1 492	–9 324	–7 894
Interest rate options (net)	–4 955	1 327	331	996	0

Financial liabilities by expiration date 2021

€ 1 000	Carrying amount 12.31.2021	Total cash flow	Up to 1 year	1 to 5 years	More than 5 years
Trade payables	1 423 567	1 423 567	1 423 567	0	0
Other liabilities	49 608	49 513	49 513	0	0
Loans from banks and third parties and bonded loans	272 101	272 185	94 384	161 301	16 500
Liabilities from factoring	25 638	25 657	25 657	0	0
Contingent consideration from the acquisition of subsidiaries	3 594	3 594	417	3 177	0
Lease liabilities	89 181	91 923	27 408	52 155	12 360
Total	**1 863 689**	**1 866 439**	**1 620 946**	**216 633**	**28 860**
DERIVATIVE FINANCIAL INSTRUMENTS					
Interest rate swaps (net)	5 406	8 971	1 803	5 959	1 209
Interest rate options (net)	570	1 658	331	1 327	0

The table includes all instruments held on December 31, 2022 and 2021 respectively, for which payments had already been contractually agreed. Plan figures for future new liabilities are not included. Foreign currency amounts were translated at the year-end exchange rate. The variable interest payments from the financial instruments were calculated using the interest rates fixed at December 31, 2022 and 2021, respectively. Financial liabilities that can be repaid at any time are always assigned to the earliest maturity date, irrespective of the fact that the greater part of these financial liabilities is revolving.

Interest rate risks

ALSO's interest rate risks relate mainly to current financial liabilities with variable interest rates. Interest rate fluctuations cause changes in the interest income and expense of the interest-bearing assets and liabilities. ALSO is particularly exposed to interest rate risks in €, CHF, PLN and DKK.

The interest rate management is handled centrally. Short-term interest rate risks are only partially hedged, a material part of interest bearing-liabilities hence remaining exposed to interest rate fluctuations. **Also see Note 6.1**.

Taking into account the existing and planned debt structure, interest derivatives are used if necessary to meet the bandwidths recommended by central Group treasury and prescribed by management. Since ALSO uses fixed as well as variable interest-bearing instruments, interest risks may result from an increase as well as a decrease in market interest rates.

ALSO is closely monitoring developments related to the conversion of reference interest rates. It will contact the counterparties in due course to implement the switch in individual contracts.

Sensitivity analysis

Interest rate risks are evaluated by means of sensitivity analyses. These sensitivity analyses demonstrate the effects of changes in market interest rates on unsecured variable interest expense and income, as well as on equity, when all other variables remain constant.

The change in the market interest rates affects the value and the effectiveness of the hedging instruments and therefore affects equity and the financial result. If the market interest rate on December 31, 2022 and 2021 respectively, had been 100 base points higher/lower, the effect would have been as follows:

Sensitivity of interest rates

€ 1 000	Effect on the financial result		Effect on the equity	
	2022	2021	**2022**	2021
Market interest rates +100 bps	–6 371	–6 186	26 131	4 028
Market interest rates –100 bps	6 833	1 746	–24 559	–3 274

The market interest rate level has risen into a positive range in 2022 and was in 2021 still slightly negative. As some financing partners did not pass on negative interest rates to ALSO, the financing costs in previous year would not be affected to the same extent by a 100 bps decrease as they would be by a 100 bps increase. Due to the rising interest rate level, ALSO adjusted its hedging strategy in spring 2022 and concluded further hedging instruments in addition to the existing interest rate hedges in order to achieve a higher coverage of the portfolio against the risk of rising interest rates. ALSO already concluded hedging instruments in 2017 and in 2019 that took account of the negative interest rate environment at that time so as to rule out additional negative effects on the financial result. Amongst others, ALSO uses interest rate options to protect itself against increasing interest rates in the mid-term. However, those instruments do not have an impact on the financial result in the above disclosed sensitivity of interest rates. The measurement of hedging instruments is purely a valuation effect that does not result in any outflow of cash for ALSO.

This analysis is based on the assumption that the amount at the respective reporting date corresponds closely to the average amount utilized during the year.

Exchange rate risks

A material part of the cash flows of the operational companies occurs in currencies which are not the functional currencies of those subsidiaries. ALSO is therefore exposed to foreign currency risks. Foreign currency risks are only hedged if they affect the cash flow of the Group. Exchange rate risks that arise in the consolidated financial statements through the translation of income statement and statements of financial position of subsidiaries are not hedged.

In the purchasing area, a certain amount is conducted in foreign currencies, especially € (where it is not the functional currency) and in USD. To hedge this exchange rate risk, Central Treasury hedges the purchasing volumes of the operating companies outside their functional currency.

Certain group-internal loans between subsidiaries with different functional currencies give rise to foreign currency risks. ALSO hedges most of these risks. Speculative borrowing or lending in foreign currencies is not permitted.

Transaction-related foreign currency risks are also monitored and the corresponding net exposures in the various currencies are calculated.

By regular use of forward contracts, ALSO constantly reduces the exchange rate risk so that there is no material exchange rate risk to the Group. The table below shows the main unsecured net exposures of the Group at the end of 2022 and 2021 respectively. These usually reflect the open risks over the year.

Unhedged net exposure

€ 1 000	€/USD	€/CHF	€/PLN	€/CZK	€/DKK	€/NOK	€/HRK	€/RON	€/HUF
December 31, 2022	54 606	29 224	51 945	3 486	15 486	381	13 481	227	5 830
December 31, 2021	62 023	15 844	38 336	5 877	60 560	10 446	717	6 082	454

Sensitivity analysis

If, on December 31, 2022 and 2021 respectively, the € had been 10 percent stronger/weaker relative to the reporting date balances in those currencies, and all other variables had remained unchanged, the income statement and shareholders' equity (net, after tax) would have been T€ 7 847 higher/lower (previous year: T€ 13 408). The disclosed net exposures are mainly offset by inventories which are held in foreign currencies. Those inventories will be sold within a short period of time and would therefore largely compensate the effects explained above on the income statement.

Exchange differences resulting from the translation of entities whose functional currency is not the Euro are not included in the sensitivity analysis.

Capital management

The overriding objective of capital management at ALSO is to maintain an appropriate equity base in order to preserve the trust of investors, customers, and the market, and to support future developments in the core business. The internal target value for the ratio of equity to total assets has been defined as 25 to 35 percent.

The capital management serves to maintain an optimal Groupwide capital structure which not only gives ALSO sufficient financial flexibility, but also maintains a high credit rating.

The equity structure can be maintained or modified by means of the dividend policy, capital repayments, and, if necessary, capital increases.

The capital structure is monitored on the basis of the net financial debt and reported equity. Net financial debt comprises interest-bearing financial liabilities less cash and cash equivalents.

€ 1 000	**12.31.2022**		12.31.2021	
Current financial liabilities	80 504		146 549	
Non-current financial liabilities	240 742		243 965	
Total financial liabilities (Note 5.8)	**321 246**		**390 514**	
./. Cash and cash equivalents (Note 5.1)	–478 718		–617 245	
Net financial debt	**–157 472**	**–5.0%**	**–226 731**	**–7.0%**
Reported equity	1 040 413	33.0%	949 499	31.0%
Equity and net financial debt	882 941	28.0%	722 768	23.0%
Total liabilities and equity	**3 153 517**	**100.0%**	**3 084 502**	**100.0%**

6.7. Factoring

ALSO has sold or assigned trade receivables to independent factoring companies. To the extent that a significant transfer of risk takes place, these transactions reduce the total receivables of the Group.

Receivables fully derecognized in the statement of financial position

If the sale of trade receivables transfers all material rewards and risks to the factoring company, under IFRS 9 these receivables are fully derecognized and a corresponding receivable from the factoring company is recognized (see Note 5.4).

Due to the contractual terms of the factoring program, ALSO is exposed to certain residual risks even after the trade receivables are sold. For the time period between maturity and payment of the sold receivables, ALSO is obliged to pay interest to the factoring company (interest risk for late payments).

Residual risks of fully derecognized receivables

€ 1 000	Carrying amount/fair value of loss risk	Theoretical maximum loss risk
Interest risk for late payment	310	3 337
Total December 31, 2022	**310**	**3 337**
Interest risk for late payment	177	1 495
Total December 31, 2021	**177**	**1 495**

Taking into account ongoing creditworthiness checks, the large number of customers, and their historical payment behavior, as well as the known time period between maturity and payment of the sold receivables, ALSO expects that interest of T€ 310 (previous year: T€ 177) for late payments will be due on sold receivables at December 31, 2022. Corresponding accruals for these amounts were therefore made at December 31, 2022 and 2021, respectively.

Should the theoretical case occur of default on payment of all receivables that have been sold, ALSO would have to pay interest to the factors for the time period between maturity of the sold receivables and a contractually agreed latest date. As of at December 31, 2022, the theoretical maximum value at risk from this loss was estimated at T€ 3 336 (previous year: T€ 1 495).

Receivables not fully derecognized in the statement of financial position

In some agreements, neither complete transfer nor complete retention of the rewards and risks of the receivables can be assumed. Under these agreements, the trade receivables are not fully derecognized, and a residual amount remains recognized in the statement of financial position. Under IFRS 9, this residual amount represents a so-called "continuing involvement".

The trade receivables of T€ 803 251 (previous year: T€ 691 874, **see Note 5.2**) therefore contain a continuing involvement for the amount of T€ 30 365 (previous year: T€ 35 870).This is composed of the residual interest risk for late payments of T€ 2 081 (previous year: T€ 1 181), the residual credit risk of T€ 28 222 (previous year: T€ 33 184), and the residual exchange rate risk of T€ 62 (previous year: T€ 1 505).

Due to the continuing involvement, there is a corresponding obligation for the amount of T€ 30 365 (previous year: T€ 35 870), which is recognized in accrued expenses, deferred income and other payables. In addition, there is an accrual for the amount of T€ 161 (previous year: T€ 141) for the fair value of the residual risk of the continuing involvement. Only the change in the true uncollectibility and interest risk is recognized through profit or loss.

Net obligation 2022

€ 1 000	Carrying amount/fair value
Asset from continuing involvement	30 365
Obligation from continuing involvement	30 526
Net obligation at December 31, 2022	**–161**

Net obligation 2021

€ 1 000	Carrying amount/fair value
Asset from continuing involvement	35 870
Obligation from continuing involvement	36 011
Net obligation at December 31, 2021	**–141**

At the reporting date, the gross amount of these sold receivables with continuing involvement was T€ 372 676 (previous year: T€ 396 289).

Liability from factoring 2022

€ 1 000	Fair value of the remaining risk	Obligation from continuing involvement	Total liability from factoring
Receivables fully derecognized	310	0	310
Receivables not fully derecognized	161	30 365	30 526
December 31, 2022 (Note 5.9)	**471**	**30 365**	**30 836**

Liability from factoring 2021

€ 1 000	Fair value of the remaining risk	Obligation from continuing involvement	Total liability from factoring
Receivables fully derecognized	177	0	177
Receivables not fully derecognized	141	35 870	36 011
December 31, 2021 (Note 5.9)	**318**	**35 870**	**36 188**

6.8. Events after the reporting period

No material events occurred after the reporting period.

6.9. Approval of the ALSO Group consolidated financial statements

These consolidated financial statements were released for publication by the Board of Directors of ALSO Holding AG on February 16, 2023, and will be submitted to the Annual General Meeting of March 17, 2023, for approval.

To the General Meeting of
ALSO Holding AG, Emmen

Zurich, February 16, 2023

REPORT OF THE STATUTORY AUDITOR

Opinion

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

In our opinion, the consolidated financial statements (pages 88 to 169) give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) 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, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Valuation of goodwill

Area of focus

Goodwill represents 6% of ALSO's total assets and 20% of the Group's total equity as at December 31, 2022. As stated in Note 2.4 and 2.20 to the consolidated financial statements, the carrying value of goodwill is tested at least annually for impairment. The Group's annual impairment test determined that there was no impairment. Key assumptions concerning the impairment test are disclosed in Note 5.7 to the consolidated financial statements. In determining the fair value of Cash Generating Units as defined by Management, the Group must apply judgment in estimating—amongst other factors—cash flow projections based on the financial plan as well as the discount rate. Due to the significance of the carrying values for goodwill and the judgment involved in performing the impairment tests, this matter was considered significant to our audit.

Our audit response

We assessed the design of the Group's internal controls over its annual impairment tests and key assumptions applied and evaluated Management's definition of Cash Generating Units. We involved valuation specialists to assist in examining the Group's valuation model and analyzing the underlying key assumptions, including long-term growth and discount rates. We assessed future revenues and margins, the historical accuracy of the Group's financial budget and considered its ability to produce accurate long-term forecasts. We evaluated the sensitivity in the valuation resulting from changes to the key assumptions applied and compared these assumptions to corroborating information, including expected inflation rates and market growth. Our audit procedures did not lead to any reservations concerning the valuation of goodwill.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, 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 IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Ernst & Young Ltd

Simon Zogg	**Christian Schibler**
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

PROFIT OR LOSS STATEMENT OF ALSO HOLDING AG

CHF 1 000	**2022**	2021
Service revenue	36 028	35 822
Investment revenue	41 261	81 489
Service expenses	–24 671	–22 310
Personnel expenses	–6 877	–7 226
Other operating expenses	–8 852	–10 153
Financial income	12 666	10 298
Financial expenses	–17 318	–10 911
Direct tax expenses	–45	–61
Net profit	**32 192**	**76 948**

BALANCE SHEET OF ALSO HOLDING AG

Assets

CHF 1 000	12.31.2022	12.31.2021
Cash	50 956	154 095
Other current receivables		
from Group companies	24 342	37 247
Prepaid expenses and accrued income	153	384
Total current assets	**75 451**	**191 726**
Loans to Group companies	173 539	139 293
Investments	597 485	629 142
Prepaid expenses and accrued income	656	967
Total non-current assets	**771 680**	**769 402**
Total assets	**847 131**	**961 128**

Liabilities and equity

CHF 1 000	12.31.2022	12.31.2021
Liabilities to banks (interest-bearing)	0	79 550
Other current payables		
to third parties	2 083	1 733
to Group companies (interest-bearing)	46 869	4 406
Accrued expenses and deferred income	8 321	14 856
Total current liabilities	**57 273**	**100 545**
Liabilities to banks (interest-bearing)	155 494	155 490
Total non-current liabilities	**155 494**	**155 490**
Total liabilities	**212 767**	**256 035**
Share capital	12 849	12 849
Legal capital reserves		
foreign capital contribution reserve	11 782	66 912
share-premium reserve	8 618	8 618
Legal reserves		
general reserve	1 100	1 100
Special reserve	90 000	90 000
Retained earnings		
balance brought forward	527 154	450 206
net profit	32 192	76 948
Treasury shares	–49 331	–1 540
Total shareholders’ equity	**634 364**	**705 093**
Total liabilities and equity	**847 131**	**961 128**

NOTES TO THE FINANCIAL STATEMENTS OF ALSO HOLDING AG

GENERAL

The financial statements of ALSO Holding AG, with registered office in Emmen, Switzerland, comply with the requirements of the Swiss Code of Obligations (SCO).

BASIS OF PREPARATION

Assets are valued at no higher than acquisition cost. All changes in value are recognized in the profit or loss statement. Investments are tested for impairment once a year. Intangible assets are amortized over five years. Gains and losses from disposals of treasury shares, including transaction costs, are recognized directly in legal reserves. Liabilities are valued at nominal value.

All current assets and liabilities denominated in foreign currencies are translated according to the exchange rates applicable on the balance sheet date. For non-current assets and liabilities the imparity principle is applied. Income and expenses denominated in foreign currencies and all foreign exchange transactions are translated using the exchange rates as of the transaction dates. Resulting foreign exchange differences are recognized in the profit or loss statement.

Derivatives with positive replacement values are recognized at their acquisition cost. Derivatives with negative replacement values are recognized at their fair values.

Capital

	Total CHF 12.31.2022	Number of shares	Nominal value per share in CHF
Subscribed capital	12 848 962	12 848 962	1.00
Authorized capital increase (unclaimed)	2 500 000	2 500 000	1.00
Conditional capital increase (unclaimed)	2 500 000	2 500 000	1.00

Capital is unchanged compared to previous year.

Treasury shares

	Number	Value in TCHF	Average Price in CHF	Lowest price in CHF	Highest price in CHF
January 1, 2021	**28 089**	**1 540**			
Additions	–				
Disposals	–				
December 31, 2021	**28 089**	**1 540**			
Additions August 2022	37 540	6 385	169.69	161.50	178.34
Additions September 2022	73 313	11 251	153.26	142.93	164.54
Additions October 2022	60 229	9 064	150.75	140.64	164.29
Additions November 2022	68 446	11 449	166.81	152.76	179.28
Additions December 2022	55 094	9 542	171.85	166.17	185.03
Disposals	–				
December 31, 2022	**322 711**	**49 231**			

Treasury shares are measured at their historic cost.

In August 2022, the Board of Directors of ALSO Holding AG decided to implement a share buyback program. Under this program, shares with a value of € 100.0 million are to be repurchased over a maximum period of 2 years (end date August 9, 2024). By December 31, 2022, 294 622 shares had been acquired for an amount of CHF 47.7 million (€ 49.0 million).

Major shareholders

	12.31.2022	12.31.2021
Special Distribution Holding GmbH, Dusseldorf (Germany) 1)	51.30%	51.30%
Credit Suisse Funds AG, Zürich (Switzerland)	2)	3.06%
J. Safra Sarasin Investmentfonds, Basel (Switzerland)	3.01%	2)

Share register as of December 31 (without nominees)

1) Controlling shareholder: Walter P.J. Droege through Droege Group AG

2) Percentage of the voting rights is below disclosure threshold

Contingent liabilities

CHF 1 000	**12.31.2022**	12.31.2021
Conditional liabilities towards third parties	1 176 171	1 093 843
Letters of comfort	p.m.	p.m.
Total	**1 176 171**	**1 093 843**

The contingent liabilities of ALSO Holding AG cover the conditional liabilities for bank guarantees, borrowing arrangements and delivery commitments of the Group companies.

Liabilities to defined benefit plans

€ 1 000	**12.31.2022**	12.31.2021
ALSO pension fund	–	–
Total	**–**	**–**

NUMBER OF FULL-TIME EQUIVALENT POSITIONS

In 2022, the average number of full-time equivalent positions was 7 (previous year: 6)

INFORMATION ABOUT DIRECTLY OR INDIRECTLY CONTROLLED INVESTMENTS

Country	Head office	Company	Participation 1) 12.31.2022	Participation 1) 12.31.2021	Share capital in 1 000	Currency	Code
Switzerland	Emmen	ALSO Schweiz AG	100%	100%	100	CHF	D
	Uetendorf	Corvice AG	100%	100%	100	CHF	S
	Emmen	Quatec AG	100%	100%	100	CHF	S
Belgium	Mechelen	ALSO Belgium BVBA	100%	100%	8 331	€	D
	Mechelen	AllThingsTalk NV	100%	100%	8 765	€	S
Bosnia and Herzegovina	Banja Luka	ALSO BH d.o.o. (Previous year: PIN Computers d.o.o.)	100%	100%	782	BAM	D
Bulgaria	Sofia	ALSO Bulgaria EOOD	100%	100%	5	BGN	D
Denmark	Tåstrup	ALSO A/S	100%	100%	39 000	DKK	D
Germany	Soest	ALSO Deutschland GmbH	100%	100%	20 000	€	D
	Osnabrück	SEAMCOM GmbH & Co. KG	100%	100%	203	€	D
	Osnabrück	SEAMCOM Verwaltungs GmbH	100%	100%	26	€	S
	Straubing	ALSO MPS GmbH	100%	100%	100	€	S
	Berlin	druckerfachmann.de GmbH & Co. KG	100%	100%	200	€	S
	Berlin	LumIT GmbH	100%	100%	25	€	S
	Soest	ALSO International Services GmbH	100%	100%	100	€	S
	Soest	ALSO IH GmbH	100%	100%	25	€	S
	Soest	Impaso Online Services GmbH	100%	100%	25	€	S
	Soest	MEDIUM GmbH	2)	100%	50	€	D
	Frankfurt am Main	Pestinger GmbH	100%	74.8%	26	€	D
	Stuttgart	Beamer & more GmbH	51%	51%	25	€	D
	Berlin	ALSO Enterprise Services GmbH	100%	100%	100	€	S
	Berlin	druckerfachmann Verwaltungs GmbH	100%	100%	25	€	S
	Berlin	Webinstore AG	99.99%	99.99%	500	€	S
	Soest	ALSO Mobility Services GmbH	3)	100%	25	€	S
	Soest	ALSO Logistics Services GmbH i. L.	100%	100%	25	€	S
	Seevetal	ALSO Financial Services GmbH	9.9%	9.9%	50	€	S
Estonia	Tallinn	ALSO Eesti OÛ	100%	100%	192	€	D

Country	Head office	Company	Participation [1] 12.31.2022	Participation [1] 12.31.2021	Share capital in 1 000	Currency	Code
Finland	Tampere	ALSO Nordic Holding Oy	100%	100%	10 000	€	S
	Tampere	ALSO Finland Oy	100%	100%	841	€	D
	Helsinki	ALSO Cloud Oy	100%	100%	11	€	S
	Helsinki	ALSO Cloud Solutions Oy	100%	100%	3	€	S
France	Gennevilliers	ALSO France S.A.S.	100%	100%	14 500	€	D
	Gennevilliers	LAFI Logiciels Application Formation Information S.A.S	100%	100%	400	€	S
	Paris	BeIP S.A.S.	4)	100%	147	€	D
Great britain	London	ALSO Cloud UK Limited	100%	0%	0.001	GBP	D
Italy	Lecco	ALSO Italia S.r.l. (Previous Year: Executive S.p.A.)	100%	100%	208	€	D
	Lecco	Exero S.r.l.	100%	100%	10	€	D
Cape Verde	Praia	IREO LDA	100%	100%	100	CVE	D
Croatia	Zagreb	ALSO Croatia d.o.o.	100%	100%	20 000	HRK	D
Latvia	Mārupe	SIA „ALSO Latvia“	100%	100%	1 210	€	D
	Riga	ALSO Cloud Latvia SIA	100%	100%	100	€	S
Lithuania	Kaunas	UAB „ALSO Lietuva“	100%	100%	1 883	€	D
	Kaunas	UAB „Sophela“	100%	100%	3	€	S
	Kaunas	UAB „ABC Data Lietuva"	100%	100%	75	€	D
Morocco	Casablanca	BeIP International	100%	100%	50	MAD	D
Montenegro	Podgorica	ALSO Montenegro d.o.o. (Previous year: PIN Montenegro d.o.o.)	100%	100%	25	€	D
Netherlands	Nijmegen	ALSO Nederland B.V.	5)	100%	1 000	€	D
	Nijmegen	ALSO Nederland B.V. (Previous year: ALSO International B.V.)	100%	100%	18	€	D
Norway	Stokke	ALSO AS	100%	100%	11 063	NOK	D
Austria	Gross- Enzersdorf	ALSO Austria GmbH	100%	100%	100	€	D
Poland	Warsaw	ALSO Polska sp. z o.o.	100%	100%	133 300	PLN	D
	Warsaw	iSource S.A.	100%	100%	16 327	PLN	D
	Warsaw	S4E S.A.	81.3%	81.3%	1 737	PLN	D
	Goleniow	MLS sp. z o.o. in liquidation	100%	100%	5 000	PLN	D
	Szczecin	iTerra sp. z o.o.	100%	100%	3 250	PLN	S
Portugal	Porto	ALSO Portugal Unipessoal Lda.	100%	0%	0.2	€	D
	Lisbon	Integrated Inspiring Solutions Lda.	100%	0%	500	€	D

Country	Head office	Company	Participation [1] 12.31.2022	Participation [1] 12.31.2021	Share capital in 1 000	Currency	Code
Romania	Bucharest	ALSO Technology SRL	100%	100%	13 505	RON	D
Sweden	Kista	ALSO Sweden AB	100%	100%	1 000	SEK	D
Serbia	Belgrade	ALSO Platform Development d.o.o.	100%	100%	0.1	RSD	S
	Novi Sad	ALSO Serbia d.o.o. (Previous year: PIN Computers d.o.o.)	100%	100%	291	RSD	D
Slovakia	Bratislava	ALSO Slovakia s.r.o.	100%	100%	947	€	D
Slovenia	Ljubljana	ALSO Technology Ljubljana d.o.o.	100%	100%	1 710	€	D
	Ljubljana	VAD d.o.o.	100%	100%	50	€	D
Spain	Barcelona	ALSO Cloud Spain S.L.U.	100%	100%	3	€	D
	Madrid	IREO Soluciones y Servicios S.L.	100%	100%	80	€	D
Czech Republic	Prague	ALSO Czech Republic s.r.o.	100%	100%	13 010	CZK	D
	Prague	Daquas spol. s.r.o.	100%	100%	100	CZK	D
Ukraine	Kiew	TOB Sophela	100%	100%	96	UAH	S
Hungary	Budapest	ALSO Hungary Kft.	100%	100%	1 098	HUF	D
	Budapest	ALSO Ramiris Kft.	100%	0%	3 000	HUF	D
Belarus	Minsk	Sophela OOO	100%	100%	7	BYN	S

Codes: D = Distribution; S = Service/Holding company

1) Participation equals ALSO Holding AG's direct or indirect voting interest in the company
2) In 2022, MEDIUM GmbH was merged with ALSO Deutschland GmbH.
3) In 2022, Mobility Services GmbH was merged with ALSO Deutschland GmbH.
4) In 2022, BelP S.A.S. was merged with ALSO France S.A.S.
5) In 2022, ALSO Nederland B.V. was merged with ALSO International B.V. (renaming in ALSO Nederland B.V.).

PARTICIPATIONS, CONVERSION RIGHTS AND OPTIONS

In accordance with Art. 25 of the Articles of Association, no participations, conversion rights or options are granted to members of the Board of Directors or Group Management.

The existing participations, conversion rights, and options of the members of the Board of Directors and Group Management and their related parties are as follows:

Board of Directors

	Number of shares		Number of options	
	12.31.2022	12.31.2021	**12.31.2022**	12.31.2021
Gustavo Möller-Hergt Chairman/Executive Member	–	–	–	–
Walter P. J. Droege Vice-Chairman	6 592 032	6 592 032	–	–
Rudolf Marty 1)	–	10	–	–
Frank Tanski	–	–	–	–
Peter Athanas	–	–	–	–
Ernest-W. Droege	–	–	–	–
Thomas Fürer 2)	–	–	–	–
Total	**6 592 042**	**6 592 042**	**–**	**–**

Gustavo Möller-Hergt has been a member of Group Management since 2011 and a member and Chairman of the Board of Directors since March 13, 2014. All other members of the Board of Directors are non-executive members.

1) Rudolf Marty resigned as of the date of the Annual General Meeting of March 18, 2022.

2) Thomas Fürer was elected to the Board of Directors at the Annual General Meeting on March 18, 2022.

GROUP MANAGEMENT

Neither in the reporting year nor in the prior year did the members of Group Management receive participations, conversion rights, or options.

ADDITIONAL DISCLOSURES, STATEMENT OF CASH FLOWS AND STATUS REPORT

In accordance with Art. 961d, Paragraph 1, of the Swiss Code of Obligations, additional disclosures, the statement of cash flows and the status report are dispensed with, as the ALSO Holding AG prepares the consolidated financial statements in accordance with a generally accepted financial reporting standard.

EVENTS AFTER THE REPORTING PERIOD

These financial statements were released for publication by the Board of Directors of ALSO Holding AG on February 16, 2023, and will be submitted to the Annual General Meeting of March 17, 2023, for approval.

No material events occurred after the reporting period.

There are no further matters requiring disclosure according to the Swiss Code of Obligations (SCO) Art. 959c.

PROPOSAL OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF MARCH 17, 2023

Proposal of the Board of Directors to the Annual General Meeting

CHF 1 000	**2022**	2021
Brought forward, January 1	527 154	450 206
Net profit	32 192	76 948
Dissolution of foreign capital contribution reserve	11 074	55 130
Total available earnings	**570 420**	**582 284**
Disbursement of foreign capital contribution reserve	–11 074	–55 130
Disbursement of balance brought forward	–46 547	0
Total Disbursement[1]	**–57 621**	**–55 130**
Balance to be carried forward	512 799	527 154

1 Distribution of an ordinary dividend of CHF 4.60 per registered share (as of December 31, 2022, 12 526 251 shares are entitled to dividend)

If the proposal is accepted by the shareholders, the dividend, in the ratio of the foreign capital contribution reserve to the total dividend, is tax-free for private shareholders resident in Switzerland, provided that the shares are privately held. Otherwise, the dividend is subject to withholding tax.

The number of shares with dividend rights will change if the number of shares held by ALSO Holding AG changes. The Board of Directors may therefore adapt the total amount of the proposed dividend to the number of shares with dividend rights at the General Meeting.

To the General Meeting of
ALSO Holding AG, Emmen

Zurich, February 16, 2023

REPORT OF THE STATUTORY AUDITOR

Opinion

We have audited the financial statements of ALSO Holding AG (the Company), which comprise the balance sheet as at December 31, 2022, the profit or loss 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 174 to 183) 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of investments

Area of focus
Investments represent 71% of ALSO Holding AG's total assets and 94% of the Company's total equity as at December 31, 2022. Corresponding disclosure can be found in Notes "Basis of preparation" and "Information about directly or indirectly controlled investments" to the financial statements. The Company performed an annual impairment test of all significant investments as per year-end 2022. In determining the recoverability of the investments, the Company must apply judgment in estimating—amongst other factors—cash flow projections based on the budget as well as the discount rate. Due to the significance of the carrying values for investments and the judgment involved in performing the impairment tests, this matter was considered significant to our audit.

Our audit response
We involved valuation specialists to assist in examining the Company's valuation models. We assessed, amongst others, underlying key assumptions, including long-term growth, discount rates, future revenues and margins as well as the historical accuracy of the Company's financial budget and considered its ability to produce accurate long-term forecasts. In addition, we assessed the investments for impairment and the presentation and disclosure requirements. Our audit procedures did not lead to any reservations concerning the valuation of investments..

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and 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 at: **https://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 Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings and the proposed repayment of foreign capital contribution reserve comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young AG

Simon Zogg
Licensed audit expert
(Auditor in charge)

Christian Schibler
Licensed audit expert

ALTERNATIVE PERFORMANCE MEASURES

This report contains certain Alternative Performance Measures which are not accounting measures as defined by IFRS. These measures should not be used instead of the IFRS-based consolidated financial statements, but as a supplement.

NET REVENUE BEFORE PVA (PRINCIPAL VERSUS AGENT)

Net revenue before PvA is a new alternative performance indicator introduced by ALSO due to the change in the recognition of net sales, see Note 2.2 Changes in accounting principles – Significant effects Principal versus Agent: Software Resellers (IFRS 15 Revenue from Contracts with Customers). Net revenue before PvA describes the gross view of the net sales without the adjustment due to the change in the recognition of revenue from software licenses.

in million €	**2022**	2021	Deviation
Total net sales before PvA	12 562.7	12 394.4	1.4%
thereof Supply	8 100.3	8 551.8	–5.3%
thereof Solutions	3 544.4	3 200.6	10.7%
thereof Service	918.0	642.0	43.0%

ORGANIC GROWTH

The organic growth results from the change in the total net sales of all Group companies that were part of the ALSO Group at the beginning of the comparative period. The change in total net sales of companies acquired in the fiscal year or in the previous year is added to the inorganic growth.

In million €	
Total net sales before PvA 2021	12 394.4
Organic growth	–59.2
Inorganic growth	227.5
Total net sales before PvA 2022	12 562.7
Total net sales before PvA 2012	6 297.0
Organic growth	2 996.5
Inorganic growth	3 269.2
Total net sales before PvA 2022	12 562.7

SUPPLY, SOLUTIONS AND SERVICE NET SALES

In million €	**2022**	2021	Deviation
Total net sales	11 552.9	11 594.8	–0.4%
thereof Supply	8 081.2	8 523.6	–5.2%
thereof Solutions	3 215.3	2 827.3	13.7%
thereof Service	256.4	243.9	5.1%

SUSTAINABLE GROWTH RATE (SGR)

$$\text{SGR} = \left(\frac{\text{Net profit Group}}{\text{Total net sales}}\right) \times \left(\frac{\text{Total net sales}}{\text{Total net sales}}\right) \times \left(\frac{\text{Net profit Group previous year} - \text{Dividend}}{\text{Net profit Group previous year}}\right) \times \left(\frac{\text{Total assets}}{\text{Equity}}\right)$$

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
SGR	9.6%	10.7%	9.8%	8.3%	8.0%	10.1%	10.0%	8.1%	9.7%	8.4%	8.4%

FOREIGN CURRENCY EFFECT

The foreign currency effect results from the following circumstances:

- The foreign currency effect on total net sales: The sales price is calculated on the basis of the moving average of the inventories valued in a foreign currency calculated at the spot price. The difference between the moving average translated at the spot price on the reporting date and the moving average in the local currency is assessed as foreign currency impact in total net sales.
- The foreign currency effect on cost of goods sold and services provided: The currency effects relate to currency valuations from open foreign currency liabilities, realized foreign currency effects with supplier payments, valuation of open forward exchange contracts and realized foreign currency effects from forward exchange contracts.

In million €	2022	2021
Foreign currency effect on total net sales	13.8	10.9
Foreign currency effect on cost of goods sold and services provided	–19.7	–11.7
Foreign currency effect	**–5.9**	**–0.8**

EBITDA WITHOUT EFFECT DUE TO IFRS 16 LEASES

EBITDA is impacted by the adoption of IFRS 16. Since January 1, 2019, ALSO recognizes assets and liabilities for virtually all leases. As a result, leasing expenses are no longer reported as part of operating expenses, but as depreciation and financial expense below EBITDA. For that purpose depreciation of right-of-use assets and the interest expenses on lease liabilities were deducted from the reported EBITDA.

In million €	2022	2021
EBITDA as reported	280.0	257.2
IFRS 16 effect	– 26.7	– 24.0
EBITDA (without IFRS 16 effect)	**253.3**	**233.2**

NET FINANCIAL DEBT WITHOUT EFFECT DUE TO IFRS 16 LEASES

NFD = current financial liabilities
+ non current financial liabilities
– cash and cash equivalents

The net financial debt is corrected for lease liabilities:

In million €	2022	2021
Current financial liabilities	80.5	146.5
Non-current financial liabilities	240.7	244.0
Total financial liabilities	**321.2**	**390.5**
./. Cash and cash equivalents	–478.7	–617.2
Net financial debt as reported	**–157.5**	**–226.7**
IFRS 16 effect	–85.7	–89.2
Net financial debt (without IFRS 16 effect)	**–243.2**	**–315.9**

FREE CASH FLOW (FCF)

In million €	2022	2021	2020	2019	2018
Cash flow from operating activities	88.1	290.6	246.2	312.1	88.1
Cash flow from investing activities	–8.8	–48.0	–19.6	–72.6	–30.2
Free cash flow (FCF)	**79.3**	**242.6**	**226.6**	**239.5**	**57.9**

RETURN ON CAPITAL EMPLOYED (ROCE)

$$\text{ROCE} = \frac{\text{NOPAT}}{\text{Capital Employed}}$$

$$\text{ROCE} = \frac{\text{Net profit Group} + \text{Financial expense} - \text{Financial income}}{(\text{Equity} + \text{Provisions for employee benefits} + \text{Current and non} - \text{current financial liabilities} - \text{Cash and cash equivalents})}$$

ROCE is and will be adjusted for the effects of IFRS 16 in the components financial expenses and financial liabilities.

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
ROCE	22.4%	26.3%	21.0%	15.5%	11.8%	13.5%	13.0%	11.2%	11.5%	12.7%	12.7%

DAYS INVENTORY OUTSTANDING (DIO), DAYS SALES OUTSTANDING (DSO) AND DAYS PAYABLES OUTSTANDING (DPO)

$$\text{DIO, DSO resp. DPO} = \frac{\text{Inventories resp.trade receivables resp. trade payables as at 12.31}}{\text{Net sales of December}} \times 30$$

The performance measures DIO, DSO and DPO are calculated based on the net sales in December, since a calculation with all-year values would be diluted by the seasonality.

	2022	2021
DIO	25	21
DSO	20	16
DPO	36	33
Cash days (DIO + DSO - DPO)	**9**	**4**

EARNINGS PER SHARE EPS (IN CHF)

$$\text{EPS (in CHF)} = \text{EPS (in €)} \times \text{€/CHF average rate}$$

	2022	2021
Earnings per share EPS (in €)	11.91	12.01
EUR/CHF average rate	1.0047	1.0811
Earnings per share EPS (in CHF)	11.97	12.99

EQUITY PER REGISTERED SHARE (IN CHF)

$$\text{Equity per registered share (in CHF)} = \frac{\text{Equity in €} \times \text{€/CHF rate as at 12.31.}}{\text{Numbers of registered shares}}$$

	2022	2021
Equity (in million €)	1 040.4	949.5
EUR/CHF rate as at 12.31.	0.9847	1.0331
Equity (in million CHF)	1 024.48	980.93
Amount of registered shares	12 848 962	12 848 962
Equity per registered share in CHF	79.73	76.34

PRICE-EARNINGS RATIO (P/E RATIO)

$$\text{P/E ratio} = \frac{\text{Share price at year-end}}{\text{EPS in CHF}}$$

	2022	2021	2020	2019	2018	2017
Price-earnings ratio (P/E ratio)	14.1	23.1	23.3	18.8	15.2	16.7

INFORMATION

IMPRINT

For further information please contact
ALSO Holding AG
Meierhofstrasse 5
CH-6032 Emmen
Tel. +41 41 266 18 00
WWW.ALSO.COM

The original German language version is binding.

Editing/Concept and Text
ALSO Holding AG, Emmen, Switzerland

FINANCIAL CALENDAR

Financial calendar

Annual General Meeting	March 17, 2023
Publication half-year report	July 26, 2023

ALSO Holding AG
Meierhofstrasse 5
CH-6032 Emmen
Tel.: +41 41 266 18 00

For further information:
www.also.com