



**ANNUAL  
REPORT  
2021**

# **TRANS FORM 2 PER FORM**

# 5-YEAR-OVERVIEW

	2021	2020	2019	2018	2017
<b>CONSOLIDATED INCOME STATEMENT</b> (in € million)					
Net sales	12 394.4	11 898.4	10 692.7	9 175.7	8 890.7
Thereof Supply	8 551.9	8 423.3	7 533.5	7 199.6	6 963.8
Thereof Solutions	3 200.5	2 975.7	2 732.7	1 623.5	1 602.4
Thereof Service	642.0	499.4	426.5	352.6	324.5
Gross profit	683.4	639.4	601.2	542.7	544.3
EBITDA	257.2	227.5	196.7	152.7	157.3
EBIT	217.6	185.3	157.9	136.7	141.0
Profit before taxes (EBT)	201.1	167.7	134.8	117.3	124.2
Net profit Group	154.2	130.0	100.3	81.2	92.5
	12.31.2021	12.31.2020	12.31.2019	12.31.2018	12.31.2017
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b> (in € million)					
Cash and cash equivalents	617.2	483.2	349.5	240.4	235.6
Other current assets	2 074.4	1 992.4	2 058.7	1 875.0	1 662.7
Non-current assets	392.9	406.5	415.4	266.9	260.2
<b>Total assets</b>	<b>3 084.5</b>	<b>2 882.1</b>	<b>2 823.6</b>	<b>2 382.3</b>	<b>2 158.5</b>
Current liabilities	1 854.2	1 681.8	1 643.0	1 395.3	1 179.3
Non-current liabilities	280.8	379.0	448.3	311.3	355.9
Equity	949.5	821.3	732.3	675.7	623.3
<b>Total liabilities</b>	<b>3 084.5</b>	<b>2 882.1</b>	<b>2 823.6</b>	<b>2 382.3</b>	<b>2 158.5</b>
Equity ratio	30.8 %	28.5 %	25.9 %	28.4 %	28.9 %

	2021	2020	2019	2018	2017
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b> (in € million)					
Free cash flow	242.6	226.6	239.5	57.9	67.3
Cash flow before changes working capital	197.7	163.2	139.2	104.1	97.7
Investments in property, plant and equipment	5.5	6.8	7.6	10.2	11.0
<b>KEY FIGURES</b>					
Gross margin as % of net sales	5.5 %	5.4 %	5.6 %	5.9 %	6.1 %
Net profit Group as % of net sales	1.2 %	1.1 %	0.9 %	0.9 %	1.0 %
Return on Capital Employed (ROCE)	26.3 %	21.0 %	15.5 %	11.8 %	13.5 %
Net financial debt/EBITDA	−0.88	−0.17	0.75	1.07	1.10
Average headcount during the year <sup>1)</sup>	4 082	4 081	3 952	3 708	3 790
EBITDA per employee in € 1 000	63.0	55.7	49.8	41.2	41.5
<b>SHARES OF ALSO HOLDING AG</b>					
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)	4.30 <sup>2)</sup>	3.75	3.25	3.00	2.75
Earnings per share EPS (in CHF)	12.99	10.86	8.68	7.31	8.03
Equity per registered share (in CHF)	76.34	69.05	61.86	59.26	56.77
Market capitalization at December 31 (in Mio CHF)	3 854.7	3 250.8	2 099.5	1 431.4	1 721.8
Price-earnings ratio (P/E ratio)	23.1	23.3	18.8	15.2	16.7

1) Basis: full-time equivalent positions excluding temporary employees

2) Proposal of the Board of Directors

# KEY PERFORMANCE INDICATORS

To view the key performance indicators in augmented reality, download the “Discover ALSO” app onto your smartphone, available in the [App Store](#) and the [Google Play Store](#).

1

↓  
**REVENUE AND  
NET PROFIT**

2

↓  
**EARNINGS BEFORE  
INTEREST  
AND TAXES**  
(EBIT)

3

↓  
**RETURN ON  
INVESTED  
CAPITAL**  
(ROIC)

4

↓  
**EBITDA**

5

↓  
**EQUITY AND RETURN  
ON EQUITY**  
(ROE)

6

↓  
**RETURN ON CAPITAL  
EMPLOYED**  
(ROCE)

7

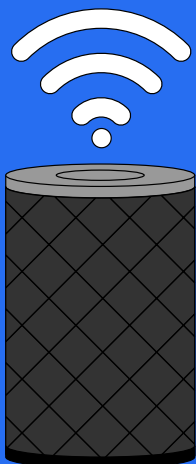
↓  
**SUSTAINABLE  
GROWTH RATE**  
(SGR)

8

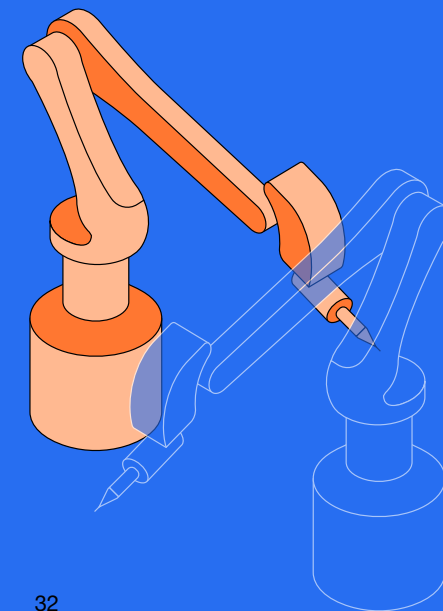
↓  
**NET WORKING  
CAPITAL**  
(NWC)

# CONTENTS

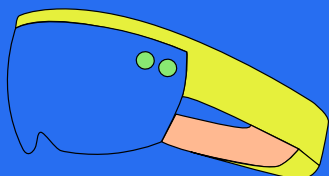
<b>5-Year-Overview</b>	2	<b>Corporate Governance</b>	50	<b>Financial Report</b>	75
<b>Key Performance Indicators</b>	3	<b>Corporate Governance</b>	51	<b>Consolidated income statement</b>	76
<b>Status Report</b>	5	Group structure and shareholders	51	<b>Consolidated statement of comprehensive income</b>	77
<b>Letter to the shareholders</b>	6	Capital structure	51	<b>Consolidated statement of financial position</b>	78
<b>ALSO share and shareholder structure</b>	10	Board of Directors	52	<b>Consolidated statement of changes in equity</b>	80
Share price performance from 2012 to 2021	10	Activities and vested interests	53	<b>Consolidated statement of cash flows</b>	81
Listing	11	Group Management	59	<b>Notes to the consolidated financial statements</b>	82
Dividend policy	11	Activities and vested interests	60	Corporate information	82
Shareholders	12	Compensation, shareholdings, and loans	62	Accounting Policies	82
Investor relations	13	Shareholders' rights of participation	62	Business combinations	92
<b>ALSO</b>	14	Change of control and defense measures	63	Notes to the income statement	97
Equity Story	14	Auditors	63	Notes to the consolidated statement of	
Ecosystem	15	Information policy	64	financial position as of December 31	109
Strategy	16	Trading blackout periods	65	Further information on the consolidated	
<b>New Normal 2021</b>	32	Important changes occurring after the		financial statements	124
Economic environment	32	balance sheet date	65	Statutory auditor's report on the audit of the	
ICT Market	32	<b>Compensation Report</b>	66	consolidated financial statements	141
ALSO	32	<b>Compensation Report</b>	67	<b>Profit or loss statement of ALSO Holding AG</b>	144
Earnings	39	Principles	67	<b>Balance sheet of ALSO Holding AG</b>	145
<b>Next Normal 2022++</b>	41	Changes in the reporting year	67	<b>Notes to the financial statements of ALSO Holding AG</b>	146
Economic environment	41	Compensation system	67	Report of the statutory auditor on the	
IT Market	41	Responsibilities and procedures for approving and	67	financial statements	152
ALSO	42	setting compensation	68	<b>Alternative Performance Measures</b>	154
Guidance	43	Compensation for the reporting year	69	<b>Information</b>	158
<b>Risk management</b>	44	Compensation for the prior year	71	<b>Imprint</b>	159
External risks and opportunities	45	Compensation paid to former members of		<b>Financial Calendar</b>	160
Internal risks	47	governing bodies	72		
		Compensation paid to related parties	72		
		Loans and borrowing facilities	73		
		Report of the statutory auditor on the			
		compensation report	74		



# STATUS REPORT



<b>Letter to the shareholders</b>	6	<b>New Normal 2021</b>	32
		Economic environment	32
<b>ALSO share and shareholder structure</b>	10	ICT Market	32
Share price performance from 2012 to 2021	10	ALSO	32
Listing	11	Earnings	39
Dividend policy	11		
Shareholders	12	<b>Next Normal 2022++</b>	41
Investor relations	13	Economic environment	41
		IT Market	41
<b>ALSO</b>	14	ALSO	42
Equity Story	14	Guidance	43
Ecosystem	15		
Strategy	16	<b>Risk management</b>	44
		External risks and opportunities	45
		Internal risks	47



# LETTER TO THE SHAREHOLDERS

## Dear Shareholders



The past year has clearly shown the resilience of the foundation we have laid at ALSO over the past decade.

We were well equipped for the ever changing situation with an ecosystem that is as stable as it is flexible and that allows us to balance fluctuations in supply and demand and swiftly carry out structural optimizations. With a strategy that provides guidance and guardrails through its four components Maintain, Optimize, Reinvent and Enhance (MORE). With our digital management systems that provide the ability to quickly analyze every smallest change and to react accordingly. With the swift, transformative integration of our acquisitions. And with employees who shape ALSO's success story through their expertise and their commitment.

The economy in the European Union grew faster than expected, primarily in the first half of the year. However, the various industries performed very differently. There were numerous factors, especially in the second half of the year, which resulted in the economic performance failing to reach its potential overall – from disruptions in supply chains, through high energy prices and rising inflation, to constant new waves of corona variants and subsequent infections. At the same time, remote work led among many employees to far-reaching psychological problems, which have not been overcome. These challenges are also likely to accompany us in the first few months of 2022.

The current performance on the stock markets at the start of 2022 reflects this situation. After the generally very positive performance on the stock markets at the end of the year, the assessment at the beginning of the new year has become considerably gloomier. This development becomes clearer when we bear in mind the overall situation: against the background of the factors mentioned above (energy prices, inflation, supply chains) as well as the situation on the labor market, the US Federal Reserve expects with consistently high inflation rates, there are signals of a series of interest rate hikes. At the same time, a slowdown in growth momentum can be seen. Omicron threatens to push health systems to their limits again around the world. And in Europe the threat of war in Ukraine appears to be becoming stronger. All this is prompting investors to pull back especially from growth stocks such as technology companies and to prefer shares that also performed reliably before when interest rates were on the rise.

ALSO has shown in the past year: we are able to work efficiently and successfully on a remote basis. The ALSO Group's EBITDA increased to 257.2 million euros (previous year 227.5 million euros), while its ROCE climbed to 26.3 from 21.0 percent. These earnings, generated almost exclusively through organic growth, confirm how sound our guidance has been. As shareholders, often of long standing, you are of course meant to participate in our success. The Board of Directors will therefore propose a distribution of 4.30 Swiss francs per share for approval at the upcoming Annual General Meeting on March 18, 2022.

With our New Working Style, with its clear codes of conduct and new communication channels, we have developed the necessary framework for this. Within the "New Normal", we have identified and developed tools that will be important for the successful design of the future "Next Normal".

"Transform to perform" is the guiding principle of our work, it is ALSO's old, new, and next normal. We see IT technology as a key factor and enabler of the next normal. New devices and software will be needed to cope with the constant changes in the economic field and to give the free and open spaces created in the private sphere new focus and quality. Companies with a robust ecosystem and solid foundations will be able to offer society support here and at the same time to develop their economic strength. At ALSO, we have developed these foundations over the last few years:

*Purpose:* Our corporate purpose is to improve everyone's quality of life through IT. We play our part in a development of digital technologies that is geared toward people and ethically justifiable.

*Sustainability:* Sustainable profitable growth has been our ultimate objective for over ten years. During this time, we have introduced measurement systems in order to continually optimize the results we have achieved.

*Cloud:* The future is hybrid, on-premise and off-premise IT architectures will co-exist. The transfer of data and business processes to the cloud is inescapable for this. ALSO already invested in this technology back in 2012 through a cloud company that was later taken over.

*Speed:* In the past several years, ALSO has developed solutions for a variety of technologies, from the Cloud to the Internet of Things (IoT). The combination of these technologies, for example of IoT and Artificial Intelligence (AI), will play an important role in the future.

*Talent:* The ability to identify, attract, and retain highly qualified employees will be critical in shaping the necessary transformation.

COVID-19 will be a decisive factor in the Next Normal, too; that become clear most recently with the emergence of the Omicron variant. The virus will not disappear, it is here to stay, and it will constantly change. Social distancing, vaccinations, wearing masks, and sustained hygiene precautions will also be necessary in the future, the changes in the “3es” (economy, emotion, and ecology) will continue. In the next few years, we will transition from a perpetual state of emergency to a constant alert mode. Governments, organizations, and individuals have recognized that there is no time after, only a time with corona. A higher intensity and speed of changes in the economic field as well as a deceleration in the personal sphere are the hallmarks of decisions today.

The New Normal has without a doubt brought big changes, but the pandemic is not driving the IT industry. The digitization of society as a whole, the automation of processes, and the development and spread of new technologies – these are the growth drivers of our industry. Your company, ALSO, is very well positioned to continue its successful track record in the coming year. Across all business models, we have defined three activities for this purpose:

#### **Accelerating growth**

- ▶ Digital platforms (e-commerce, cloud, IoT, virtualization, cybersecurity, and AI)
- ▶ Solutions
- ▶ as-a-Service (unique user, monetization)

#### **Mergers and acquisitions**

- ▶ Transformative integration of the newly acquired companies
- ▶ in existing as well as in new markets
- ▶ sustainable profitable growth

#### **Further development of operational excellence**

- ▶ Structural optimization
- ▶ Net working capital optimization
- ▶ Infrastructure optimizations (logistics, IT)



Implementing these measures will result in a further increase in earnings and profitability. For 2022, we therefore expect to improve our reported EBITDA to between 275 and 295 million euros with a ROCE above 20 percent.

Taking possible acquisitions into consideration, the target corridor for the EBITDA envisaged in the medium term ranges from 330 to 420 million euros. The expectation for ROCE is above 20 percent.

My thanks go to all our stakeholders that have not only kept faith in us this year but have strengthened their commitment and the cooperation significantly in some cases. A special thank you goes to our employees. Above all, however, we thank you, our shareholders. We will do everything we can to justify your trust in us in the year ahead, too.

Yours,



► **Gustavo Möller-Hergt**

CEO AND CHAIRMAN OF THE BOARD OF DIRECTORS OF ALSO HOLDING AG

# ALSO SHARE AND SHAREHOLDER STRUCTURE

## Share price performance from 2012 to 2021

2021 was a successful year on the capital markets. Rising steadily from the start of the year, share prices reached all-time highs. There were primarily two drivers that contributed to this trend: on the one hand, the global economy recovered from the first waves of the pandemic while, on the other, the central banks' monetary policies provided the financial markets with an abundance of cash.

The Swiss stock market also benefited from these general conditions. The Swiss Performance Index (SPI) rose by 20.2 percent year on year. The prices of technology stocks were able to benefit from this trend only to a limited extent in Switzerland. For example, the SWX ID TECH index fell by 6.4 percent year on year.

The ALSO share performed better than average in 2021, however. Opening at 253.00 Swiss francs on January 1, 2021, the share price closed the year at 300.00 Swiss francs, representing a gain of 18.6 percent since the start of the year. Moreover, ALSO distributed a dividend of 3.75 Swiss francs per share in March 2021. The total shareholder return in 2021 (TSR) therefore amounted to 20.1 percent.

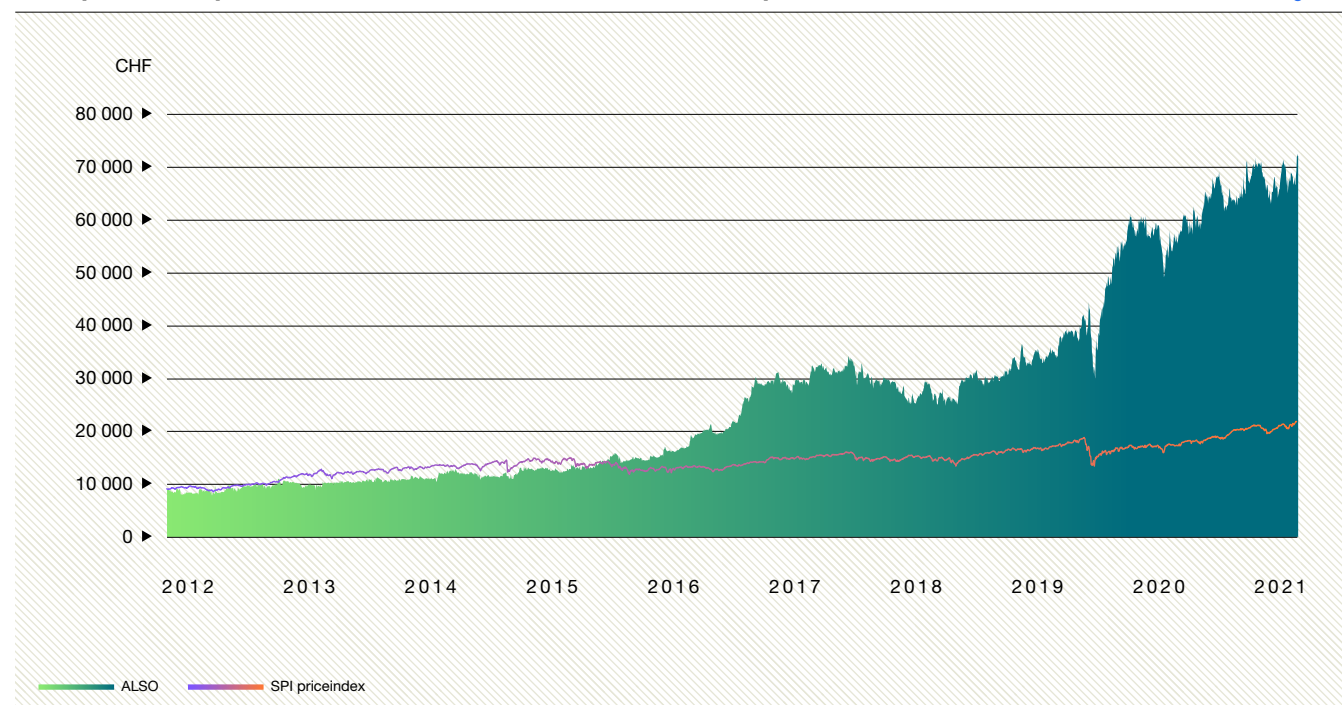
As of December 31, 2021, the market capitalization of ALSO was 3 855 million Swiss francs (previous year: 3 251 million Swiss francs).

With the consistent implementation of the MORE strategy introduced in 2011, the share price has improved steadily, despite a temporary correction in the share price due to the development of global stock markets in 2018 and the COVID-19 pandemic in the spring of 2020. The share price reached an all-time high in 2021. On July 1, 2012, the share traded at just 39.65 Swiss francs. It peaked at 304.00 Swiss francs on December 29, 2021, before closing the year at 300.00 Swiss francs on December 31, 2021.

The net capital gain resulting from the positive performance of the share price and the dividend thus amounts to 710 percent for the period from July 2012 to December 2021. See Fig. 01. The ALSO share thus performed by an order of magnitude better than the SPI leading index.

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


Fig. 01



## Listing

ALSO Holding AG's shares have been listed on the SIX Swiss Exchange since 1986 (symbol: ALSN, security no.: 2 459 027, ISIN: CH0024590272) and are listed in various indices, including: SPI, SPI Extra, SWX ID TECH and UBS 100.

## Dividend policy

The Board of Directors of ALSO Holding AG pursues a consistent dividend policy and aims for a payout ratio of 25 to 35 percent. The current earnings, financial position, and corresponding outlook are all considered when deciding on the size of the dividend each year. For 2022, the Board of Directors proposes a distribution to the shareholders from the foreign capital contribution reserve of 4.30 Swiss francs per share. This represents a total dividend payment of 55.1 million Swiss francs, or 34.6 percent of the net profit generated\*. The proposal will be submitted to the shareholders for approval at the Annual General Meeting of March 18, 2022.  [See Fig. 02](#)

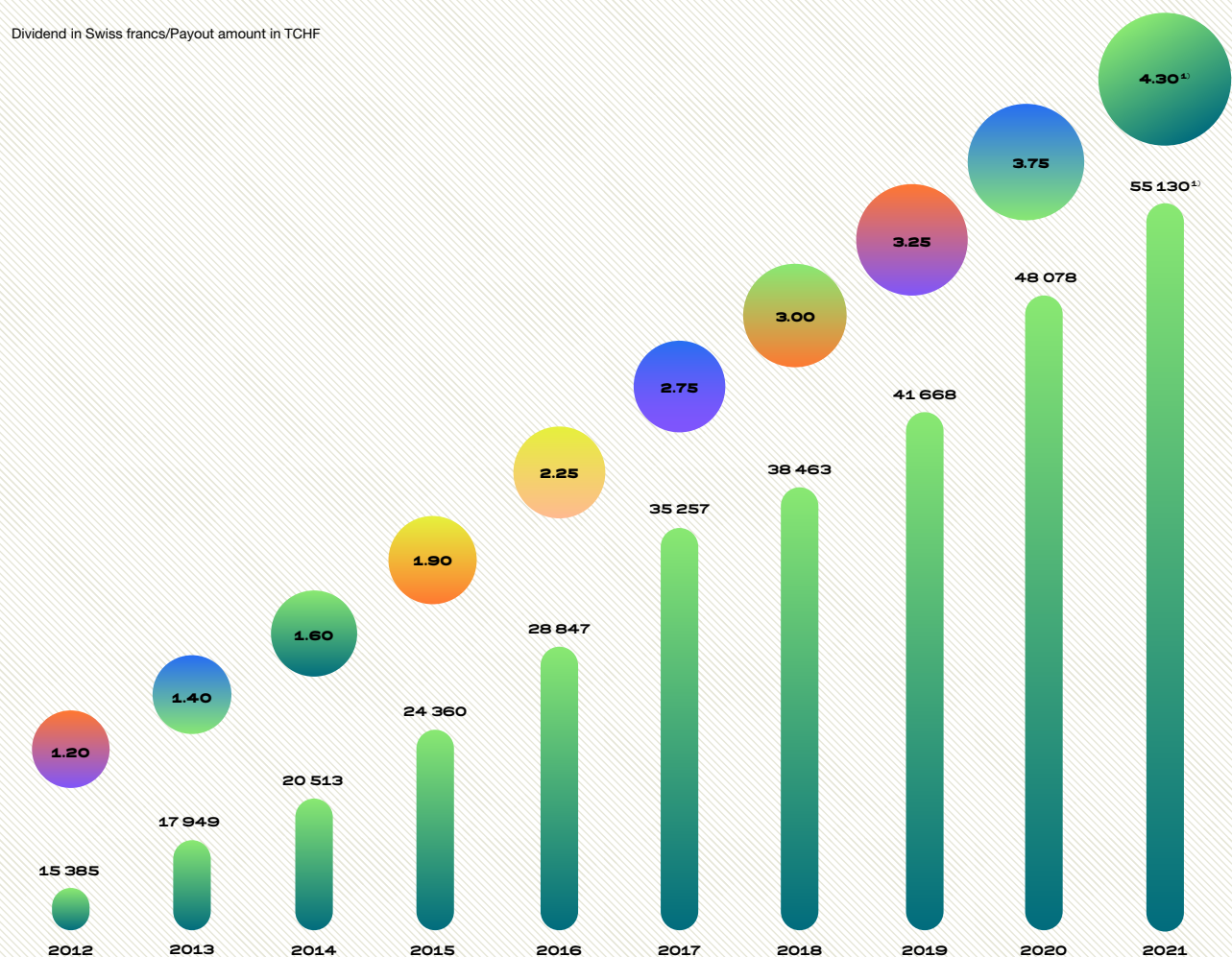
The dividend will be paid from foreign capital contribution reserves. Therefore, if the proposal is approved by the shareholders, it will be tax-free for shareholders resident in Switzerland if the shares are held as private assets.

\* Translated at the €/CHFspot price of 1.0331

### Dividend per share and cumulative amount of payout

Fig. 02

Dividend in Swiss francs/Payout amount in TCHF



1) Proposal of the Board of Directors

Diameter of the circles represent the respective amount of the dividend

## Key figures of the ALSO share

	2021	2020	2019	2018	2017
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)	4.30 <sup>1)</sup>	3.75	3.25	3.00	2.75
Earnings per share (in CHF)	12.99	10.86	8.68	7.31	8.03
Equity per share (in CHF)	76.34	69.05	61.86	59.26	56.77
Highest price (in CHF)	304.00	263.00	167.40	145.60	140.00
Lowest price (in CHF)	236.50	123.00	106.00	103.00	90.15
Market capitalization as of December 31 (in CHF million)	3 855	3 251	2 100	1 431	1 722

1) Proposal of the Board of Directors

in buy-and-build transactions. The company combines its family business structure with a strong capital base to create a family equity business model. As an industrial holding company, the Droege Group forms a diversified portfolio and develops its business platforms in line with long-term megatrends.

The free float comes to 48.70 percent. As of the balance sheet date, Credit Suisse held 3.06 percent of the shares in ALSO. Institutional and small investors' interest in the ALSO share was also reflected in the number of shareholders, which increased almost sevenfold from 855 in 2015 to 5 782 in 2021.  See Fig. 03 and 04

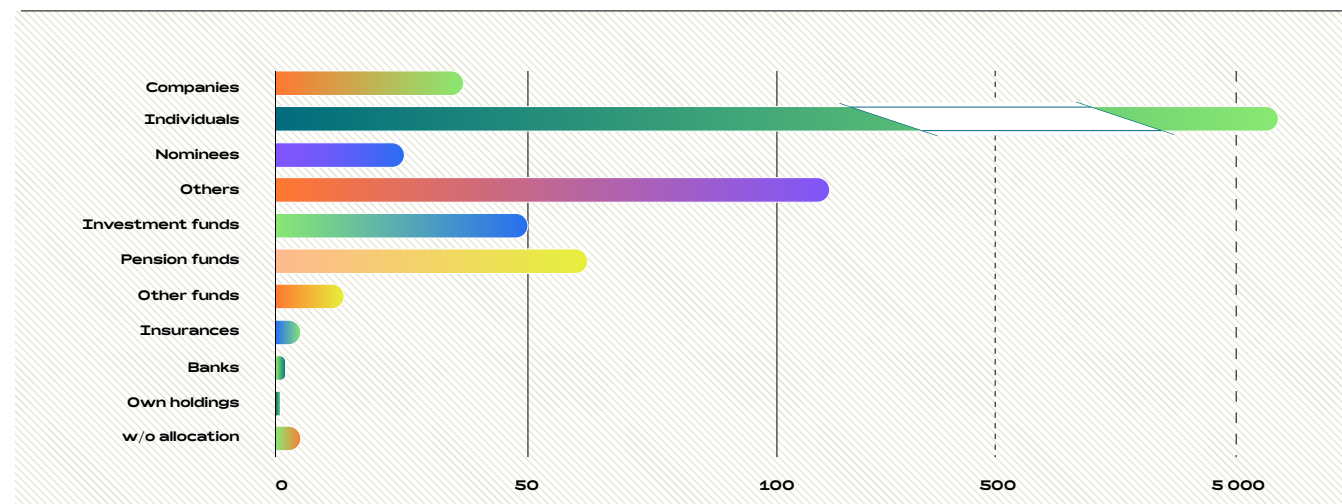
## Shareholders

ALSO has a broadly diversified, international and long-term shareholder base with a clear majority situation. The majority shareholder is Special Distribution Holding GmbH (51.30 percent).

Special Distribution Holding GmbH, with its registered office in Düsseldorf (Germany), is a company of Droege Group AG. The Droege Group is an independent consultancy and investment company and a specialist in tailored transformation programs with the aim of increasing enterprise value. The Droege Group invests equity in "special opportunities" with a focus on medium-sized companies and spin-offs and also makes strategic investments

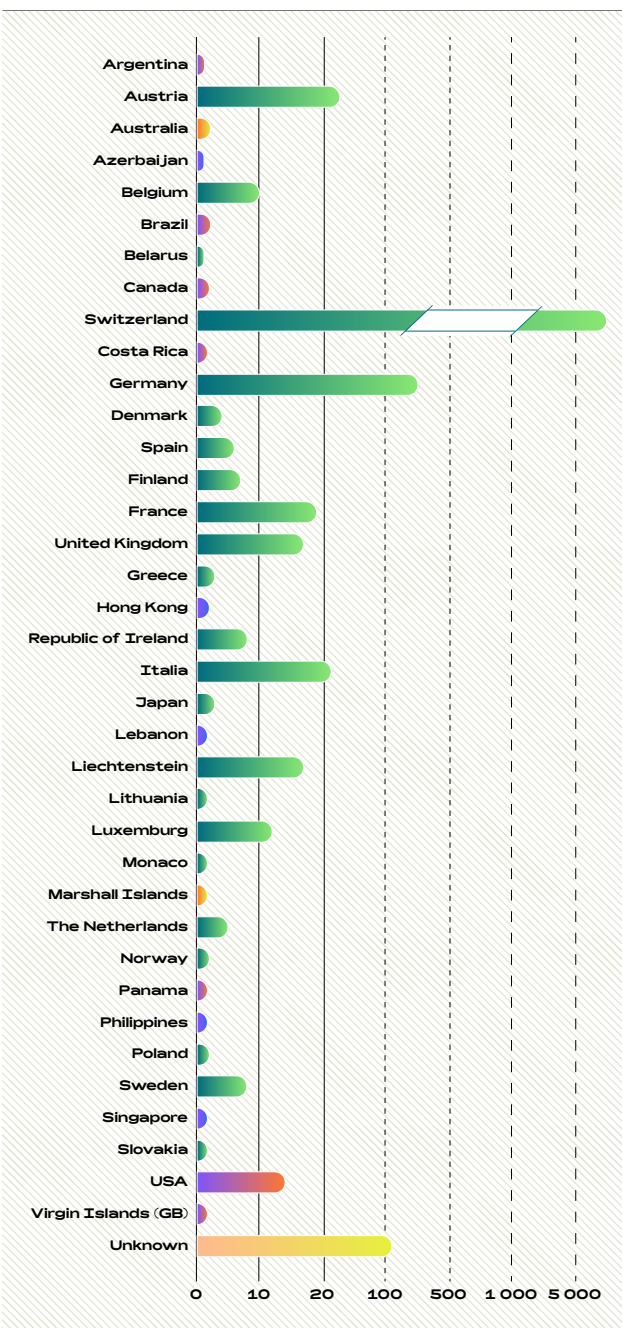
### Investor structure

Fig. 03



## Investors by nationality

Fig. 04



## Investor relations

ALSO informs its shareholders and the capital market openly, comprehensively and promptly about major events and developments. It ensures all stakeholder groups are treated equally in terms of time and content in its periodic and ongoing reporting.

In addition to the detailed annual report, the half-year report, and the sustainability report, ALSO also continuously informs shareholders and market participants by way of press releases and events such as roadshows and investor days. The members of the Group Management and other representatives of the management are available during the year to the shareholders at these events, the annual results media conference and the Annual General Meeting as well as at personal meetings, subject to the statutory regulations (trading blackout periods). In December 2021, a Capital Markets Day was held with about 50 participants, at which the company gave interested parties an insight into the strategic development of its business models and answered questions.

Extensive information about the company is available at [www.also.com](http://www.also.com) in the "Investor Relations" section. Current and previous reports, press releases, and investor presentations can also be found here. It is also possible to subscribe to the [press releases](#) via this link. The company can be contacted by investors and analysts at any time using the central e-mail address [investor-relations@also.com](mailto:investor-relations@also.com).

ALSO is observed and regularly evaluated by various banking institutions and analysts. The management of the ALSO Group keeps interested analysts up to date on the Group's performance within the legal framework.

ALSO is analyzed by the following banks and financial institutions:

- Baader Bank
- Bank Vontobel AG
- Mirabaud Securities
- Research Partners
- M.M. Warburg & CO

## Financial Calendar

Annual General Meeting  
Publication Half-Year Report

March 18, 2022  
July 20, 2022

## Investor Relations contact

Alexandre Müller  
Dynamics Group  
+41 43 268 3232  
[investor-relations@also.com](mailto:investor-relations@also.com)

# ALSO

## Equity Story

### Substantial Growth Potential

IT has become one of the key enablers for economic growth. Spending has grown worldwide over the past decade (2011 to 2021) by over 20 percent to USD 4.239 billion. With its three business models of Supply, Solutions, and Service, ALSO is one of the leading technology providers for this sector. Hardware and software are sold through the ALSO ecosystem in currently 28 European countries, solutions and service offers can be downloaded around the world through ALSO's proprietary Cloud Marketplace. This set-up produces a high level of scalability and substantial growth potential for the company.

### Extensive Ecosystem

The ecosystem of ALSO secures access to the most important vendors and encompasses a board base of resellers on the market. The number of vendors has increased from around 300 in 2011 to 700 now, while goods in around 1 450 product categories are distributed. Through the approximately 120 000 resellers at the moment in the ALSO countries, the goods and services make their way to more than 500 million end customers, including both companies and private hardware and software users. The ability of the vendors to innovate is at the same time the basis for the constant development of the market. [See Section Ecosystem](#)

### Strategy for Sustainable and Profitable Growth

With its MORE corporate strategy, which was developed over ten years ago, ALSO focuses on four key activities as it processes this market. In addition to maintaining the company's leading market position on established markets, the strategy involves continually improving our operational excellence, expanding the share of solution and service-based business models in the total net sales, and further strengthening the company through acquisitions [See Section MORE](#).

### Three Future-proof Business Models

The Supply division primarily involves the transactional marketing of hardware and software. Solutions concentrates on providing support for the resellers in the design and realization of complex IT landscapes as well as on marketing offers for verticals and IT solutions that originate from the ALSO digital platforms. Service comprises the consumptional, subscription-based business as well as the development and marketing of the digital platforms (cybersecurity, IoT, visualization, AI). The three business models are closely interlinked and strengthen and promote each other. At the same time, the stable cash flow guarantees that possible fluctuations within the areas can be smoothed out. [See Section MORE](#)

### Transformative Integration

ALSO grows both organically and inorganically. Over the course of the last ten years, a total of 27 acquisitions have been carried out and all the companies acquired have been successfully integrated. This rapid, systematic harmonization and continued

development of the acquired companies and the now very high scalability is only possible thanks to the knowledge that has been gathered and the integration experience that has been gained over the last ten years. ALSO has developed its own program, which we call "transformative integration", that covers all areas of the company thanks to its five main drivers: processes, IT, new business models, KPIs, and HR. [See Section Execution](#)

### Successful Track Record


Two KPIs are crucial for managing the company: as a key operating performance indicator, EBITDA ensures the company's profitable growth. The definition of ROCE as a target figure ensures capital efficiency. ALSO's medium-term targets are an EBITDA of € 330 million to € 420 million and a ROCE of >20 percent. ALSO has a verifiable successful track record in all relevant key performance indicators. [See 5-Year-Overview](#)

### Sustainably Successful for more than Ten Years

For ALSO, responsible corporate management means growing sustainably and profitably and acting ethically, all with the aim of improving people's quality of life through technology. The company pursues these values through its LESS sustainability strategy. ALSO is a member of the UN Global Compact and works actively on the development of the circular economy in IT. A testament to our commitment can be found in the positive assessment from Sustainalytics, one of the most renowned rating agencies in the world. [See Section LESS](#)

Founded in 1984, ALSO has developed in the last ten years into one of the leading technology providers in Europe. During this time, the company has systematically expanded its business models from role of the traditional ICT distributor to the role of the end-to-end service provider, with a broad portfolio of hardware and software as well as offers for IT solutions, the cloud, IoT, and other digital platforms. The goal is to ensure the company's sustainable and profitable growth by increasing the competitiveness of its customers and further developing their business sustainably and profitably.

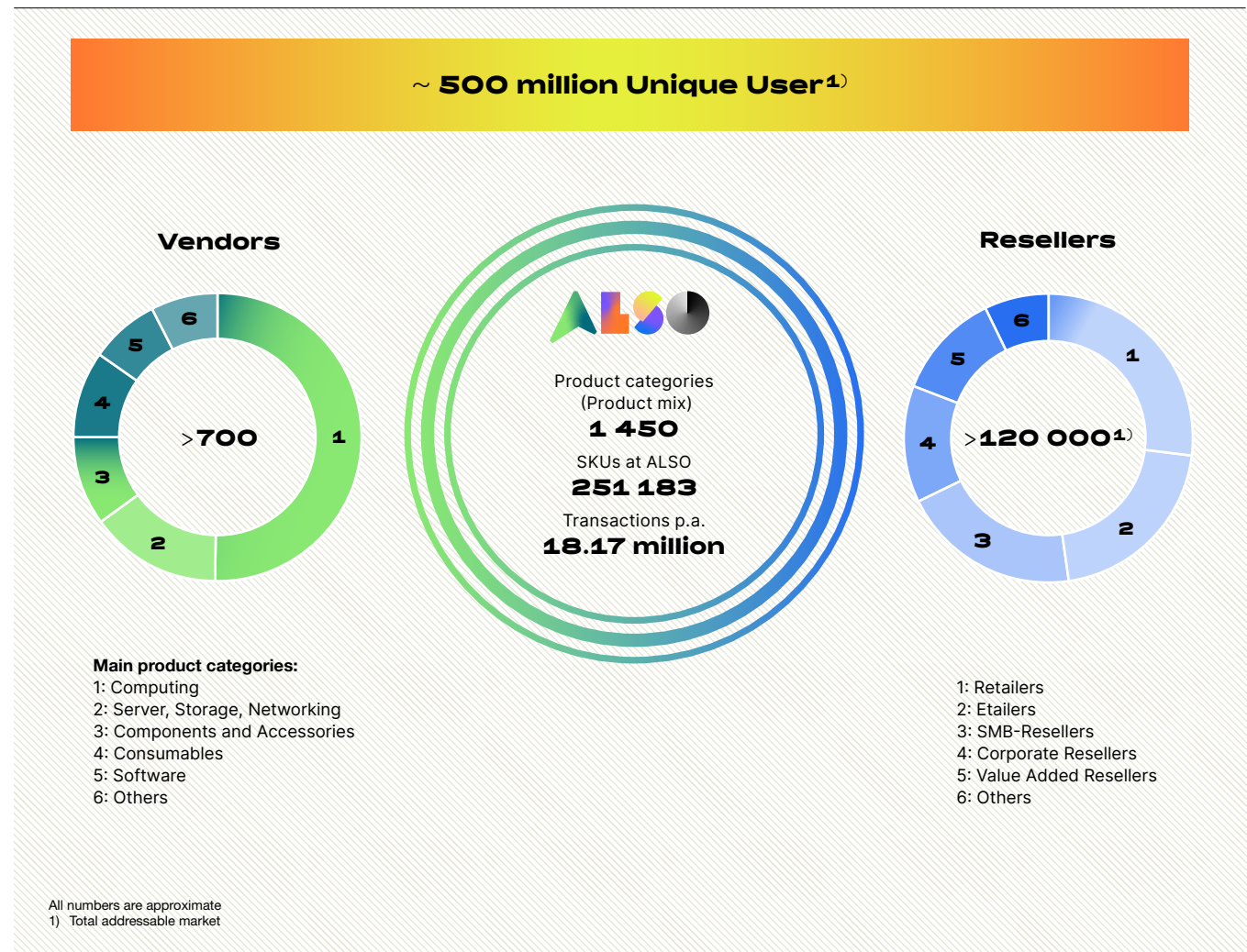
## Ecosystem

The robust and flexible ecosystem that ALSO has systematically established and developed consists of the two customer groups vendors (manufacturers of IT products and services) and resellers (retailers, etailers, SMB resellers, corporate resellers, and value-added resellers).  See Fig. 05

The Group has a portfolio of more than 700 vendors, including all major global market leaders, in the product categories of hardware, software, and IT services. ALSO offer the vendors access to more than 120 000 resellers, who can call up a wide range of other customized services in the cloud and as-a-Service, logistics, finance, and IT services sectors, as well as traditional wholesale services. From developing complex IT landscapes, to providing and updating hardware and software, to taking back, reprocessing, and remarketing IT hardware, in the sense of a circular economy, ALSO offers all services from a single source. The company currently has a presence in 28 European countries and also potentially in 115 other countries worldwide. In 2021, active business relationships were maintained with a total of

### The ALSO Ecosystem

Fig. 05






66 000 resellers and over 8 million invoices for goods and services were issued in the process.

The breadth and depth of product categories, as well as the variety of customers, their different technological focus and specific industry knowledge, are key to the success of the ALSO ecosystem. At the same time, this makes it very robust, as potential critical developments in one individual segment are compensated by new developments and enhancements in other areas as well as their scaling. At the same time, the three business models of Supply, Solutions, and Service play their part in the company's stability. The flexibility and resilience of the ecosystem was also confirmed in the course of 2021.

By way of innovations, the vendors provide continuous new impetus. The resulting products and services form the basis for the further business development that ALSO actively drives. The resellers provide access to a large number of unique users and represent an essential part of the ecosystem with their sales power, vertical competence, and local services.

## Strategy

### MORE – The Corporate Strategy

ALSO introduced the MORE strategy in 2011  see Fig. 06. The company's primary goal is to increase its enterprise value and thus generate income for its shareholders in the most sustainable way possible. A balanced relationship between growth, profitability, and the capital structure is crucial here. ALSO stands for growth that is reproducible, scalable and profitable, as well as ethical

and responsible toward current and future stakeholders. The sustainable growth rate is calculated using the following four key operating figures: profit rate × asset utilization rate × retention rate × total asset to equity ratio.

**M** for **Maintain** stands for securing what has already been achieved, further expanding the ecosystem, and, in developed markets, maintaining the dominant position.

**O** for **Optimize** refers to the continuous optimization of business models and processes to increase ALSO's operational excellence and financial success.

**R** stands for **Reinvent**. ALSO aims to significantly increase the share of net sales generated with solution and service-oriented business models.

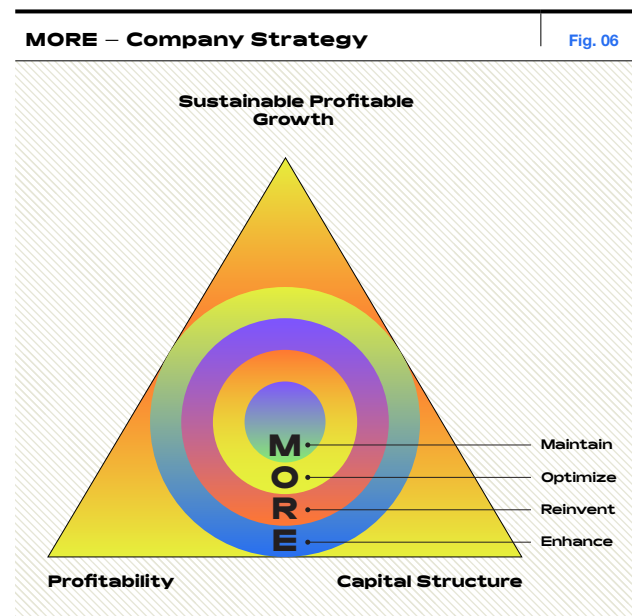
Finally, **E** means **Enhance**, strengthening through acquisitions.

With these four key activities, ALSO continues to drive the growth of the company.

### Maintain: Operational Excellence

The ability to respond quickly to changes, to adapt the company and its processes, is a prerequisite for continuing to work successfully. The basis for a targeted change is the use of digital management systems that enable trends to be identified early and supported by data. Over the past ten years, ALSO has established a comprehensive monitoring and management system that covers all essential areas of the ecosystem, the management of the supply chain as well as the development of business, sustainability, and customer relationships.

The knowledge gained from this has provided the basis for the structural optimizations of the past few years. The optimization of the capital employed, the standardization and automation of processes, the cloud-based IT environment – these are just some of the measures that have played a part in further increasing the efficiency of the company.





Another important and integral element in the continual improvement of the operational excellence is the swift integration of newly acquired companies, which has been conducted exclusively virtually since 2020, the optimization of the logistics in the interests of a consistent reduction in delivery times as well in the ecological footprint.

### Optimize: Business Models

With the three business models of Supply, Solutions, and Service, ALSO serves the ICT industry in two marketing channels: transactionally through the purchase of hardware and software, and on a subscription basis (consumptional) with cloud-based as-a-Service offers, including possible hybrid solutions.

see Fig. 07

#### Supply

Net sales in the traditional **Supply** business model include the wholesale business in equipment and software for the IT, consumer electronics, and telecommunication sectors. Marketing is mostly transactional, i.e. it takes place through the sale of products and supplementary services. The e-commerce area is increasingly gaining in importance here. The business model is characterized by a high number and frequency of transactions, high net sales, high scalability, high working capital requirements, low retention rates, and low margins. The entry threshold is accordingly high.

#### Solutions

The **Solutions** business model is divided into five growth areas, which are then targeted by ALSO's activities:

- ▶ Working place
- ▶ Infrastructure at companies
- ▶ Gaming place
- ▶ Infrastructure at home
- ▶ IoT

Within these fields, the company develops **ready-to-use solutions** for marketing, for example in the areas of IoT and gaming. ALSO acts as a technology provider and offers support primarily to small and medium-sized businesses (SMBs) on questions of IT architecture and design, rapidly translates

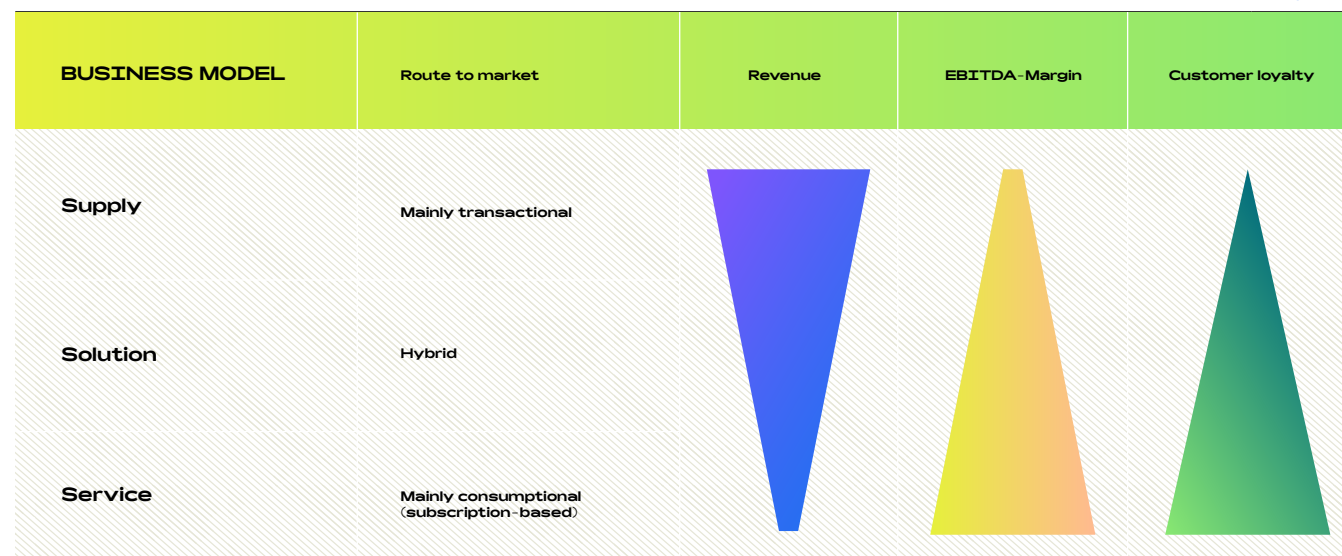
requirements into specific configurations, and monitors the status of projects. This business model is characterized by practical help across all project phases and **the sale and provision** of the required hardware and software. It thus also boosts the net sales in the other two business models and is implemented mainly on a transactional basis through the sale of hardware and software, but increasingly also on a consumptional basis (subscription-based).

#### Service

In the **Service** area, ALSO acts as a service provider for logistics, sales, and IT services.

Our business models: 3S

Fig. 07



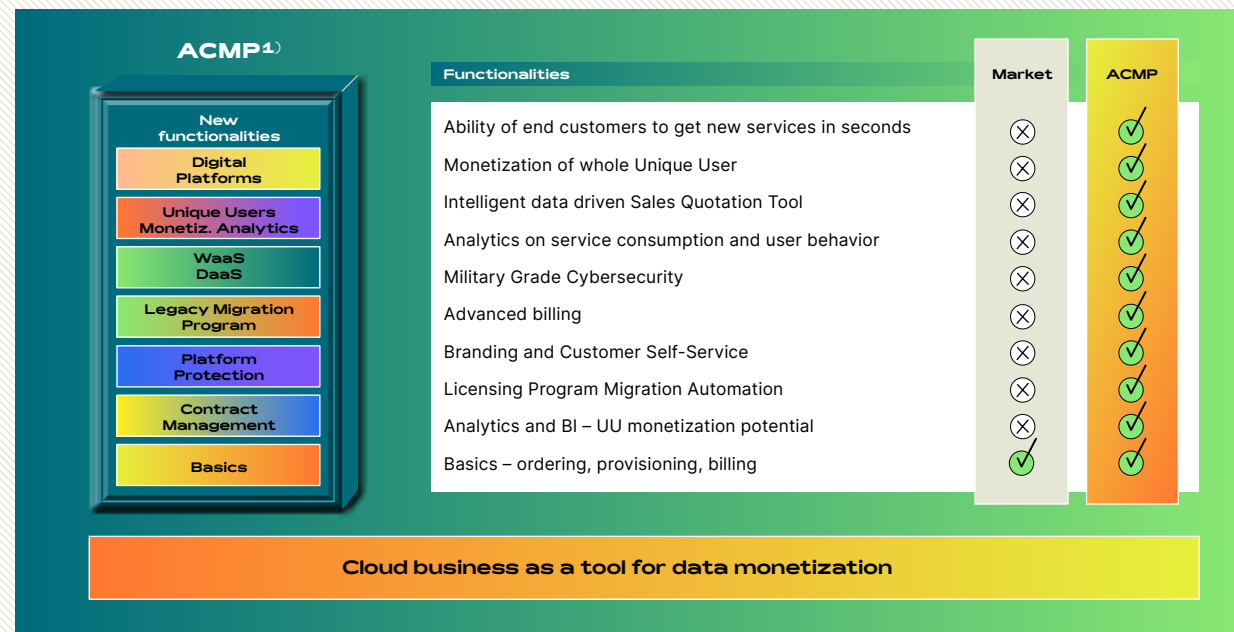
IT services comprise the “as-a-Service” sales of all technological components that a digital workstation (unique user) requires. All software components are used via the cloud. In addition, services such as financing, maintenance, dimensioning, and replacement are provided for use. The central hub for all of these services is the **ALSO Cloud Marketplace (ACMP)**. This proprietary platform enables its users to process all stages of their subscription-based as-a-Service transactions from the offer, through configuration, installation, monitoring, security, and invoicing of services, to the analysis of the usage as a basis for the further monetization of the unique user. Marketing is primarily **consumptional**, meaning subscription-based.

Offers include diverse as-a-Service services from Software-as-a-Service, for example for Microsoft365 or Adobe Creative Cloud Suite applications. In addition to the software, Workplace-as-a-Service also includes the hardware that allows end users a lower capital commitment and greater flexibility. Platform-as-a-Service includes the ALSO Cloud Marketplace as the central platform for the distribution of our subscription-based consumptional offers as well as the platforms for cybersecurity, IoT, virtualization and AI. The platform makes available the tools for developing, testing and revising software and for providing the product to the users. Infrastructure-as-a-Service (IaaS) offers computing, storage, and network resources on a subscription-based, demand-driven basis, either as a completely cloud-based model or in a hybrid set-up that covers the entire IT infrastructure requirement of a company.

In addition to the ACMP as a subscription-based sale channel (consumptional business), the cloud offers ALSO another important opportunity: as a tool for acquiring and monetizing

## Monetization platform ACMP

Fig. 08



1) Selected functionalities

data. In a project-based order in the transactional business it is possible at best to make assumptions about what system environment is in place and what other hardware and software components are employed. In cloud-based work however, there is very extensive transparency about what software is used on what device, in what stage of the lifecycle these devices are, how the

set-up and protection of the network is established, etc. All this knowledge can be used to advise, together with the resellers, the end customers on how to implement the optimal set-up for their applications purposes and thus also to increase the monetization.


See Fig. 08

The ACMP is also offered to partners outside the countries where ALSO operates for the worldwide distribution of subscription-based services. In addition to the basic license, ALSO participates in its partners' growth here by way of a dynamic service fee with a defined upper limit.

Other services in the Service business include:

**Logistics service:** Supply chain solutions along the complete value chain for vendors and resellers.

**Sales and Marketing Service:** Sales activities as well as traditional and digital marketing for vendors in order to widen their customer base, and marketing of telecommunication contracts.

The three business models complement one another, with all three areas benefiting from the shift toward the Service area. IT-as-a-Service generates recurring net sales with higher margins than the Supply business, while it is highly scalable and benefits from a lock-in effect at the same time. The benefit for Supply consists in the growing customer base and the hardware-based as-a-Service offers, while the Solutions business is strengthened by the necessary consultancy services for the optimal setup as well as the use of the digital platforms, for IoT offers for example. In contrast to the project-related Supply business, where there is little to no knowledge of the advanced set-up and the IT architecture of the end customer, the resellers in the Service business can receive more extensive information about the devices, network and storage as well as the cybersecurity level that their customers use. This produces new business opportunities.  See Fig. 9, 10 and 11.

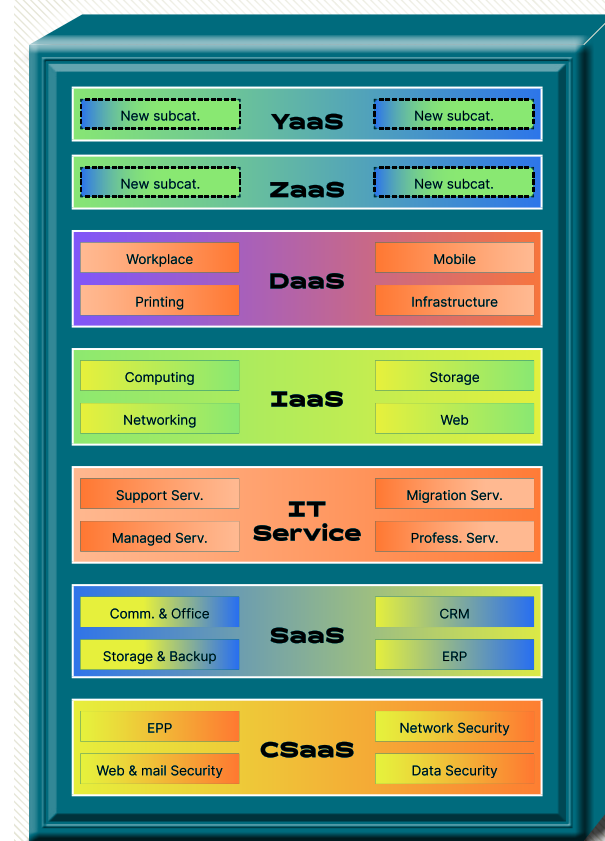
### Reinvent: Other Digital Platforms

In parallel with the continual upgrading of the ACMP, the company is developing new digital platforms in order to expand its own portfolio with a view to the future. All platforms must meet the following monetization criteria:

- ▶ Manufacturer and application-agnostic (in order to work independently with a variety of manufacturers and in a variety of applications)
- ▶ Scalability (in order to expand the range of the ecosystem at low cost)
- ▶ Disintermediation aversion (in order to avoid a situation where partners bypass the platform after successful integration)
- ▶ Avoidance of multi-homing (in order to avoid the parallel use of several platforms by partners)
- ▶ Simple integration of third-party providers (in order to integrate other providers of equipment, communication, applications, services, and security in the ecosystem at low cost)
- ▶ Network effect (in order to use a value proposition that extends beyond the platform's narrower functional value added)
- ▶ Multi-network capability (in order to use various types and protocols)

### Opportunities for monetization of a digital workplace (Unique User)

Fig. 09




## Value proposition of the 3S – invoice Supply and Solutions

Fig. 10

### BEFORE INVOICING

Sourcing  
Training  
Certification  
Purchasing  
Logistics  
Stock management  
Sales process  
Pricing  
Credit management  
Webshop





**Rechnung**

Nummer 962175451  
Datum 23.11.2021  
Kunden Nr.  
UID

Seite 1/2

MatNr.	Bezeichnung	Menge/Einh.	Einzelpreis	Gesamt
<b>Lieferschein Nr.</b> 6070741468 / 23.11.2021				
<b>Lieferung an:</b>				
<b>Auftrag Nr.</b> 7044769129 / 05.11.2021	<b>Kommission</b>			
<b>Bestell Nr.</b>				
J9281D	1m Direct Attach Copper Cable	2	45,39	90,78
300 2969632				
<b>Serialnr.</b>				
JW125A	AC power cord 220V/10A 1.8m C13 to SEV 1011	1	2,77	2,77
400 2667295				
JW735A	HPE Aruba 7205 (RW) 2-port 10GBASE-X (SFP+) Controller	1	4.516,98	4.516,98
600 2651711				
<b>Serialnr.</b>				
Q9G71A	Mount bracket kit 10-pack type D solid surface Campus AP	2	72,29	144,58
700 3313762				
R2H28A	RW Unified AP	19	235,55	4.475,45
800 3553786				
<b>Serialnr.</b>				
				9.230,56
<hr/>				
<hr/>				
<hr/>				
<hr/>				

ALSO Schweiz AG  
Marschhofstrasse 5 · CH-6032 Emmen · Telefon +41 41 266 11 11 · Telefax +41 41 266 11 22 · www.also.ch

### AFTER INVOICING

Logistics  
Reverse logistics  
Accounting  
Aftersales  
Analytics ► **Next sales**



## Value proposition of the 3S – invoice Solutions and Service

Fig. 11

### BEFORE INVOICING

Providing digital platform  
Sales process  
Onboarding  
Migration of customers  
Integration reseller's services  
Credit management  
Sourcing and provisioning  
Certification  
Usage collection



<div> <div>ALSO</div> <div> <b>Rechnung</b>            Nummer 961894099            Datum 31.10.2021            Kunden Nr. UID            Seite 2/3         </div> </div>				
MatNr.	Bezeichnung	Menge/Einh.	Einzelpreis	Gesamt
1000 2392013				
6180	1100 2392014 Software Business Basic	1	321,27	321,27
6183	1200 2392015 Software Business Standard	1	2.480,08	2.480,08
6186	1300 2392016 Enterprise E1 Monthly	1	44,40	44,40
6189	1400 2392017 Enterprise E3 Monthly	1	4.594,93	4.594,93
6192	1500 2392018 F3	1	286,58	286,58
6195	1600 2392020 Apps for enterprise	1	444,48	444,48
7255	1700 2508164 Phone System	1	776,29	776,29
6219	1800 2392028 Visio Pro for Office 365 Monthly	1	110,88	110,88
16983	1900 2966077 Mailbox DC Global Subscription Fee	1	523,20	523,20
47785	2000 3059424 Cloud Managed Printing Service HP MFP A3 48 Monate Mini per unit	1	255,65	255,65
<b>Netto Betrag</b>				12.246,14

AF\_8110\_000010\_00000

ALSO Schweiz AG  
Marschhofstrasse 5 · CH-6032 Emmen · Telefon +41 41 266 11 11 · Telefax +41 41 266 11 22 · www.also.ch

### AFTER INVOICING

24/7 support  
Accounting  
Continuous sales  
Implementation adoption  
Analytics ► **Ongoing monetization**



Four digital platforms are currently offered within the ALSO ecosystem:

### CYBERSECURITY

Rapid digitalization in the course of the pandemic triggered a surge in cybercrime around the globe. The most comprehensive protection possible against cyberattacks includes a series of product categories, from vulnerability analysis, through endpoint, network, web and e-mail as well as data protection, to identity-based access control systems. Marketing is both transactional and consumptional. The foundations for the expansion of the portfolio were laid at an early stage with the Cybersecurity Center of Competence, which was established in 2020. A number of new vendors were incorporated into the portfolio and the sales regions of existing vendors were significantly enlarged in 2021.

Protection concerns not only the systems of end customers and resellers, however, but also the security of the business processes of the company itself. One of the numerous measures that ALSO is continually optimizing in order both to secure its own shops and systems and to protect customer data was the introduction of multifactor authentication (MFA). In light of the fact the e-mails are the largest gateway for phishing attacks, employees are also receiving comprehensive awareness and related training to accompany the further enhancement of the software protection.

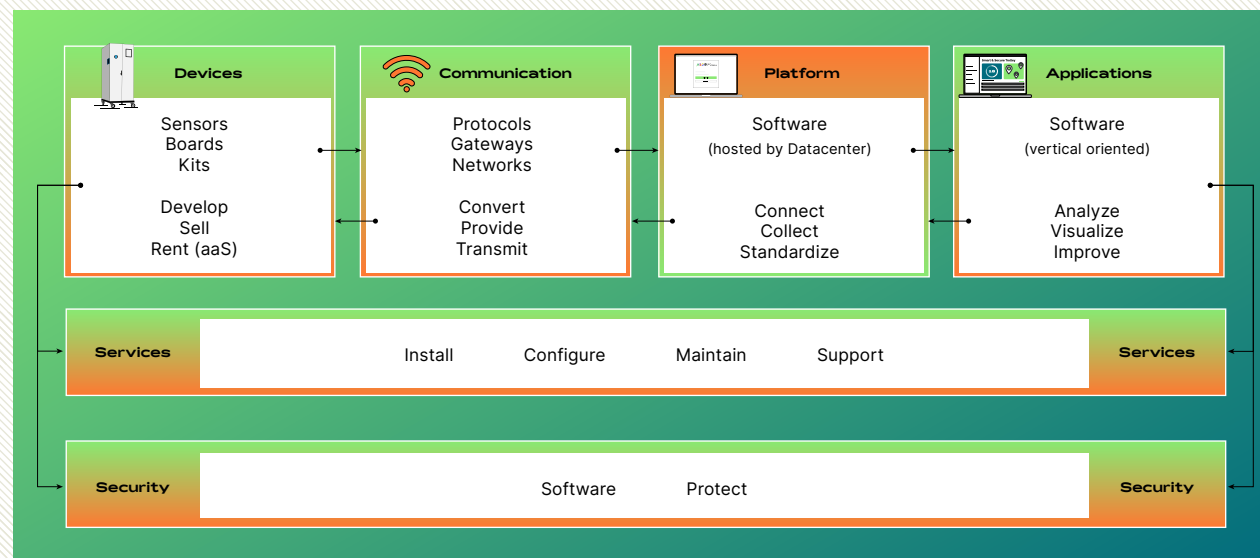
### IoT

The Internet of Things is an ecosystem of interconnected product and service categories. These can be divided into six groups.

- ▶ Devices
- ▶ Communication
- ▶ Platform
- ▶ Applications
- ▶ Services
- ▶ Security

**IoT-Platform**

Fig. 12



The central component is the IoT platform, which connects all the devices via a communication network and reads the data in order to make it available for use in various applications. Installation, configuration, operation and maintenance are carried out via defined services. Security software ensures the protection of the systems  See Fig. 12.

The Internet of Things thus encompasses not only the development, sale, or leasing of devices, it also includes the conversion and transmission of device information via specific protocols to the IoT platform, which standardizes this information for analysis and provides visualization applications.

ALSO's AllThingsTalk platform is an example of a Platform-as-a-Service product. It comprises two areas: "Maker", for rapid prototyping, and "Spaces", the IoT product platform. Maker enables developers to collect and visualize data and to use them to develop their own applications. IoT applications of companies run on Spaces for varied areas as facility management and automated access control.

## ARTIFICIAL INTELLIGENCE

In 2021, ALSO conducted a large customer survey to identify needs in the ICT industry. This provided the basis for the development of initial AI applications, such as an AI-supported software program that translates texts into 103 languages and continually improves the quality of the translated texts in the process. As the translation covers Word, PowerPoint, and PDF documents, the application is extremely well suited for example of translating technical manuals. The development of simple chatbots makes it easier in particular for small and medium-sized IT enterprises to provide their support services, as questions are sometimes answered directly and sometimes on a prequalified basis. Thus both the satisfaction of the customers with the service is increased and the expenses required on the provider's side are reduced.

## VIRTUALIZATION

The technology developed with LudiumLab, the partner and expert in interactive streaming services, enables seamless streaming of all interactive software. One of the first applications is SoraStream, the Gaming-as-a-Service platform that currently has around 200 games that can be accessed from a mobile phone, a tablet, or a computer. SoraStream serves as a blueprint and driver for the online entertainment field of Internet service providers in various countries in Europe. A strategic cooperation project with a leading supplier for the automotive industry is also in place for implementing cloud-based in-car entertainment solutions.

With its cloud first strategy, the virtualization platform offers a well thought-out solution for the attractive area of cloud gaming, which is forecast to grow over 300 percent in the next three years. At the same time, the value of the platform extends far beyond pure gaming and points the way to other commercial applications such as virtual desktops, 3D/4D printing, and digital twins.

Planning is already under way to establish and develop other platforms.

## Enhance: Acquisitions

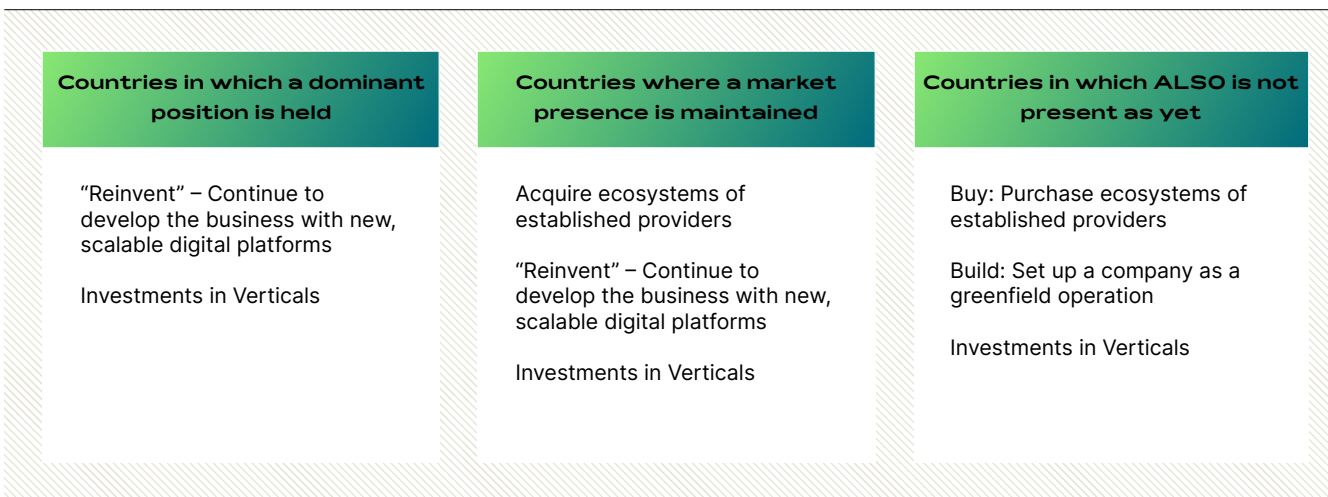
Since 2011 the company has carried out a total of 27 acquisitions in 24 European countries, the most recent of which (Portugal and Hungary) are still subject to the approval of the relevant authorities. The other 25 companies that have been acquired have already been successfully integrated. In countries where ALSO had a strong or dominant market position, the focus was on supplementing the portfolio in the Solutions and Service business areas. In the service area, it was mainly on digital platforms that can be scaled and developed within the ecosystem. In countries where the company did not have a dominant position or was not represented at all yet, it concentrated on acquiring ecosystems

☐ See Fig. 13. A comprehensive due diligence check is carried out before every acquisition. Factors that are examined in this process include:

- ▶ The stability of the country in which the company is located
- ▶ The legal situation and the country's commercial law
- ▶ Market potential
- ▶ Market share and the fields in which the target company operates
- ▶ Technologies and applications that may be of benefit for the ALSO Group
- ▶ Possibilities for optimization in the event of an acquisition

### ALSO's acquisition strategy


Fig. 13





## LESS – The Sustainability Strategy

For ALSO, responsible corporate management means growing sustainably and profitably, acting ethically, and improving people's quality of life through technology. This encompasses environmental issues such as CO<sub>2</sub> emissions and waste avoidance, as well as social issues such as data security and the relaying of digital expertise across all generations.

ALSO has defined four activities that together form its LESS sustainability strategy.  See Fig. 14

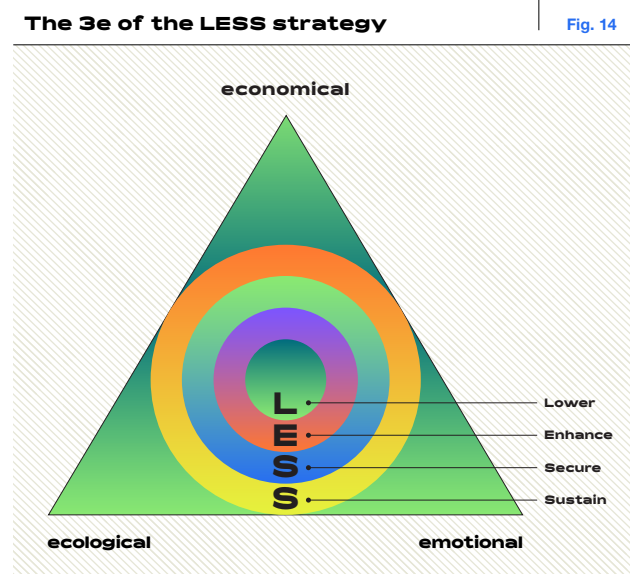
**LOWER:** The aim is to reduce the CO<sub>2</sub> footprint using measures such as lowering energy consumption and heating costs, switching to electricity from sustainable energy sources, and targeted waste management.

**ENHANCE:** To encourage responsible use of resources in the company and further reduce the environmental footprint, the sustainability reporting will continue to be systematically developed.


**SECURE:** Cybersecurity is one of the biggest challenges of increasing digitalization. The security of business (risk management and compliance) in the interests of sustainable corporate development and the resulting security for employees and customers are also important elements in this area.

**SUSTAIN:** ALSO plays an active role in making skills and knowledge about the use of digital technologies available to civil society, especially to children and young people.

Sustainability is incorporated directly in the Group Management at ALSO. Overall responsibility for sustainability lies with the CEO and Chairman of the Board of Directors, the officer responsible for sustainable change is also a member of the Group Management.



## Sustainability

For over ten years, ALSO has worked on generating sustainable, profitable growth. Profit, purpose, planet, people – these are the four areas in which the company works to achieve this goal. The enterprise value has risen by 657 percent in this period, dividend has increased continually. Measures such as the digital platform for handling digital media for children and parents, which went online in 2022 and generated a keen interest, or the support of a meteorological project in Belgium are examples of the pursuit of the corporate purpose. The goals defined in the sustainability strategy range from reducing emissions and energy consumption to the active protection of data and privacy. The ALSO Code of Conduct, the surveying of vendors' sustainable performance, the independent ombudsman, who can be contacted at any time through the ALSO website, all of these are just some examples of the company's performance in the area of governance. More on the company's sustainability commitment  [ESG Report](#).

## Transparency

An important milestone in ALSO's commitment was marked when it joined the UN Global Compact. The aim of this pact launched by the UN is to shape globalization from a more social and ecological perspective. By signing up to it, ALSO has undertaken to comply with minimum social and ecological standards. Focal points include respecting human rights, protecting workers' rights, promoting environmental awareness, and combating corruption.

In order to monitor the goals set for the ecological and social commitment, to ensure they are achieved, and to document the results transparently, a series of measurement systems have been introduced and, because of their scope, the results they produce are published in a separate ESG report. [ESG Report](#)

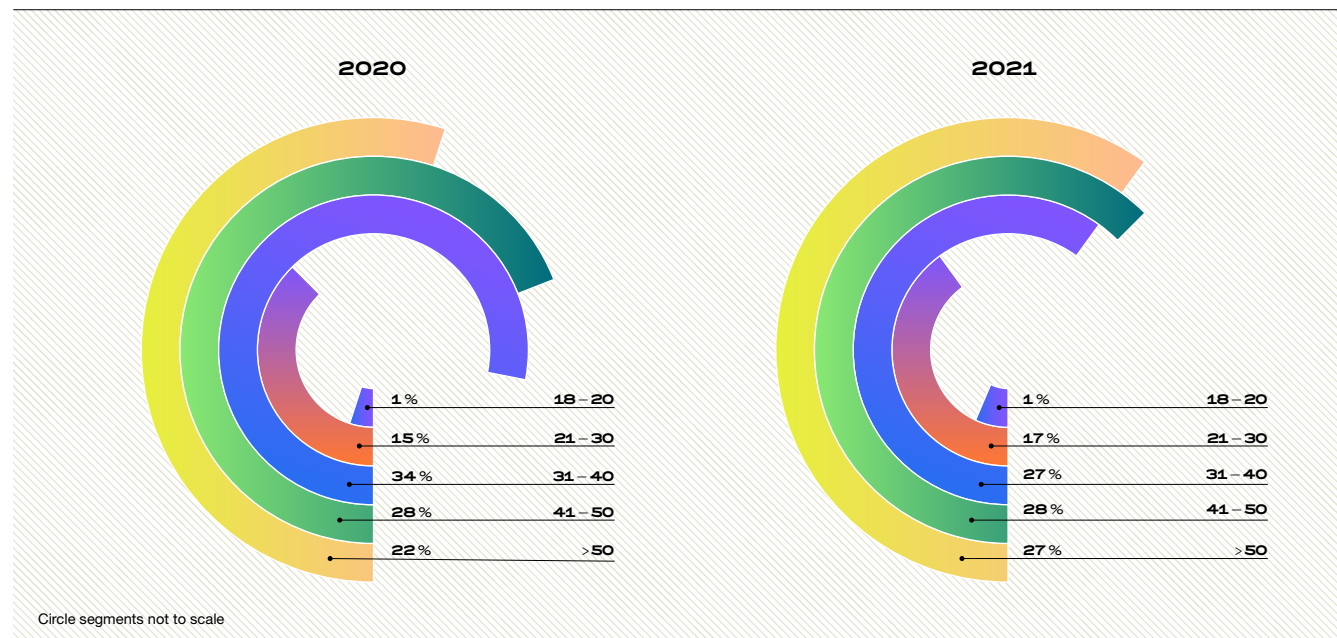
## Talent

Ultimately it is the employees, with their knowledge, commitment, efficiency and adaptability, who make the company successful. The ability to identify, attract, and retain highly qualified staff will be critical in order to shape the necessary transformation. Continuous coaching and indirect training for managers means that they can motivate talented employees, which enables us to create a flexible, dynamic organization that reacts in a rapid and agile way to the requirements of the constantly changing market. In 2021, ALSO employed a total of 4 082 people in full-time positions (2020: 4 081) on average through the year, while 108 apprentices were undergoing training throughout the Group.

At the start of the pandemic, the company introduced a "New Working Style" in order to take account of the changes in the working situation and to provide employees with support in

## Age structure

Fig. 15




designing of their day-to-day remote life. Virtual onboarding has now become just as much a routine as the further training offered by the ALSO Academy, which supports the digital transfer of knowledge in the modules Training, Knowledge, and Exchange provided by a range of technologies from the e-learning platform, through process wikis, to live events and webinars. In addition to recruiting additional talent, the company has focused on the employees' continuous development. The promotion of and financial support for external training measures or the existing cooperation with the Augsburg University of Applied Sciences

for the course of studies in IT project and process management form parts of these offers, as does the group-wide introduction of "Individual Development Plans", in the course of which employees are provided with continuous encouragement and development.

**Full-time equivalents (FTEs)**

	2021	2020
Ø FTE	4 082	4 081
FTE at end of year	4 211	4 002

The age structure of ALSO's employees is balanced and displays a good mixture between highly qualified employees, internationally experienced managers, and young talents  See Fig. 15.

**Purpose**

ALSO's work serves the goal of enhancing everyone's quality of life through IT. As a technology provider, the company supplies hardware and software both to the many retailers of electronic equipment for end consumers and to IT specialists who plan, implement, and manage the IT architecture for and with firms of a wide variety of sizes. Many of the sensor-based IoT applications can be used to reduce energy consumption or to increase the security of people and goods. By using the ALSO Cloud Marketplace, even smaller software companies, known as ISVs (independent software vendors) can gain access to international markets. The development of AI-supported software, for example

for translations or the development of chatbots, serves to improve communication and customer service. For many people, quality of life also means entertainment. For this, they can use SoraStream, the cloud-based games platform which gives them access to over 200 games. Here, too, ALSO pursues the long-term objective of using the knowledge gained through online gaming for the virtualization of complex processes, for example in medicine, in order to develop new procedures in this area in combination with 3D/4D printing. The business activity thus plays its part in the development of digital technologies that is focused on people and ethically justifiable.

**Execution****Five drivers**

The following levers are available to the company for continually increasing income:

▶ **Vendor mix**

By securing and developing the vendor portfolio, ALSO can offer new technologies for new applications and so maintain the attractiveness of the company. This is why the company also identifies and targets vendors that feature a particularly high share of research and development.

▶ **Reseller mix**

Balanced composition of the various customer groups to stabilize and develop ALSO's earning power as well as optimization of the capital employed.

▶ **Product category mix**

The most important element of the company's sustainable development is the constant review of the product portfolio and its importance for the resellers as well as the formation of ALSO's own business units for new technologies.


▶ **Business model mix**

By developing the three business models, the company can improve profitability, increase customer loyalty, and stabilize the business. ALSO uses digitalization in order to optimize the existing business models and to continually develop new ones.

▶ **Operational excellence**

Constant optimization of the structures and processes in order to reduce operating expenses.

## Digital management systems

The digital management systems are key to ALSO's performance. That is why the go-live of the ERP systems in Slovenia, Croatia, Spain, and the Czech Republic were important milestones for the internal IT. Support for the ERP implementation in all four countries was provided by purely virtual teams, an enormous achievement in light of the complexity of the processes to be mapped. From the migration of the customer and product data through to the pricing and the logistics – all elements had to be fully integrated and dovetail smoothly. ALSO developed its own mentoring system for the integration, which enabled the introduction to be accelerated significantly. The expanded use of the ERP and inventory management systems has also led to an increased demand for server capacity. A hardware change in Q3 made the IT architecture fit for the future and allowed the performance to be significantly enhanced.  See Fig. 16

The launch of these systems provides the basis for the use of the Power BI, which enables us to continually monitor all business models and KPIs. The knowledge gained with the help of business intelligence (BI) is key for the further development of the five drivers that ALSO uses to steer the business. One of the things the BI team has developed in the past year is a unique user framework for assessing the trends within the consumptional business, which has become the benchmark within the industry. Operational excellence in all areas has been boosted by data-supported automated solutions; hand in hand with the CRM system, successful sales campaigns for relevant product categories and customers groups were conducted.

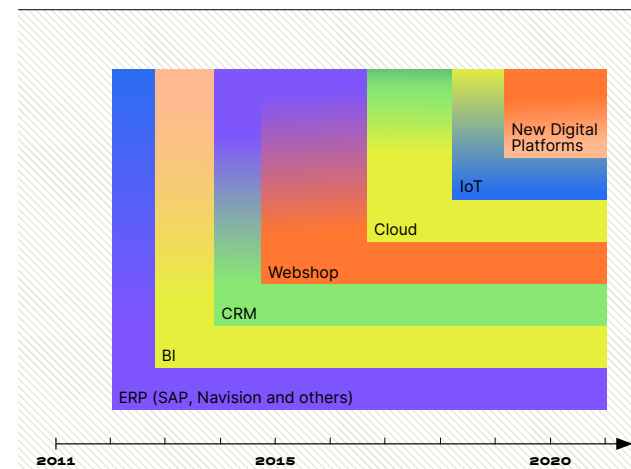
The use of the customer relationship management tool plays a valuable role in the structured development of customers. ALSO constantly monitors the Net Promoter Score as part of its efforts to drive customer satisfaction and also asks questions focusing on topics like the satisfaction with the order process or the perception of particular areas of the company. Moreover, the CRM tool is used primarily for approaching customers in a targeted way. A differentiated segmentation supports the sales staff here in preparing the right offer for each customer.

## Monitoring


ALSO aims to maintain a balanced relationship between growth, profitability, and the capital structure with the aim of generating income for the company's shareholders as sustainably as possible and increasing enterprise value. The harmonized Group-wide systems introduced in the past few years, such as ERP, business intelligence, digital customer relationship management (CRM), and the webshop and ACMP digital sales platforms, allow for continuous online monitoring of all relevant parameters. Using ALSO's IT systems, the management can track the development of the different product and customer categories, call up resulting key financial figures, and take necessary measures quickly where necessary.


Digital management systems at ALSO


Fig. 16



## Financial Management

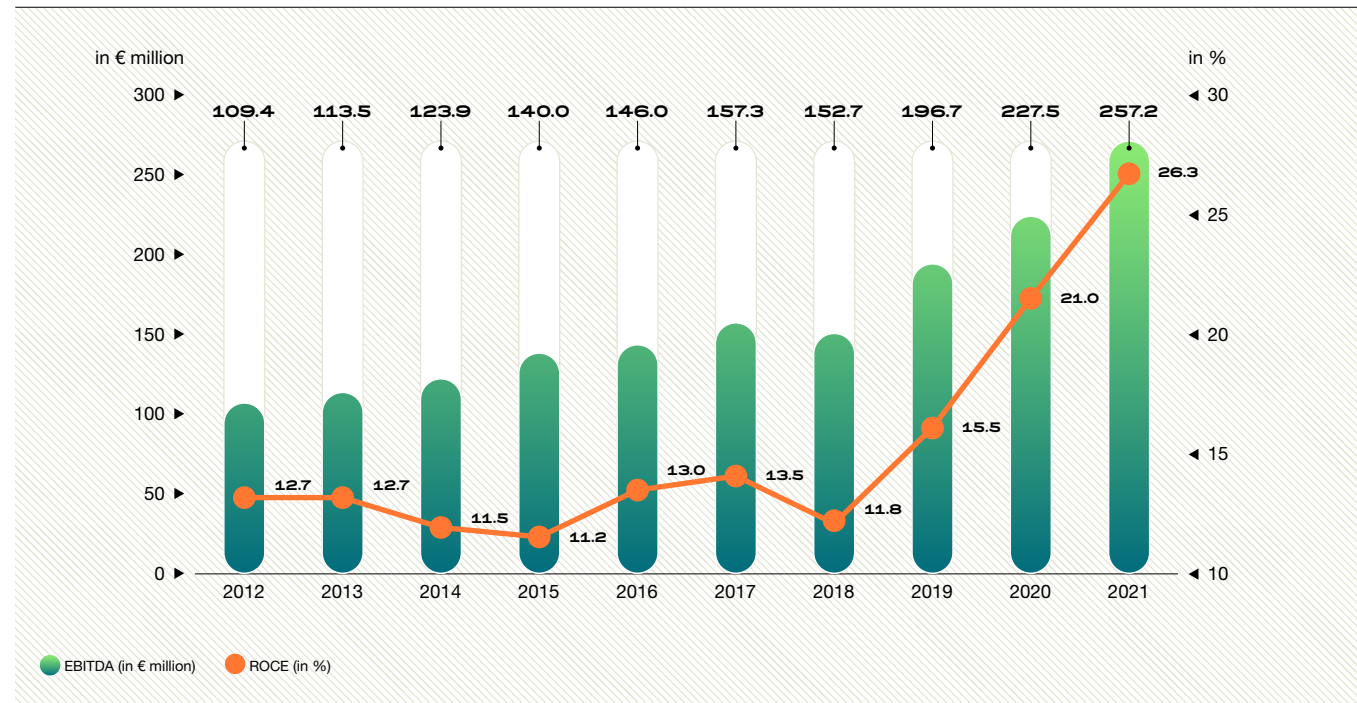
**EBITDA:** EBITDA is a good indicator of the liquidity generated. Unlike free cash flow, EBITDA is not influenced by changes in net working capital relating to the reporting date. The liquidity generated is an important performance indicator for ALSO, as it is a decisive factor for paying out dividends and financing acquisitions and organic growth.  [See Fig. 17](#)


**Return on capital employed (ROCE):** The Group aims to ensure that it does not generate profit or growth at the expense of changes in the capital structure. Using the ROCE, ALSO measures the success of the management of net working capital in relation to generated earnings.  [See Fig. 17](#)

**Sustainable growth:** ALSO aims to generate sustainable growth. This is monitored and managed on the basis of the sustainable growth rate (SGR). It is calculated by four key operating figures: profit rate (P) × asset utilization rate (A) × retention rate (R) × total asset to equity ratio (T).  [Fig. 18](#) 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 (2021 values in each case). 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 2021. The figure shows that, given a stable capital structure, higher profitability enables a larger payout

Development EBITDA and ROCE

Fig. 17

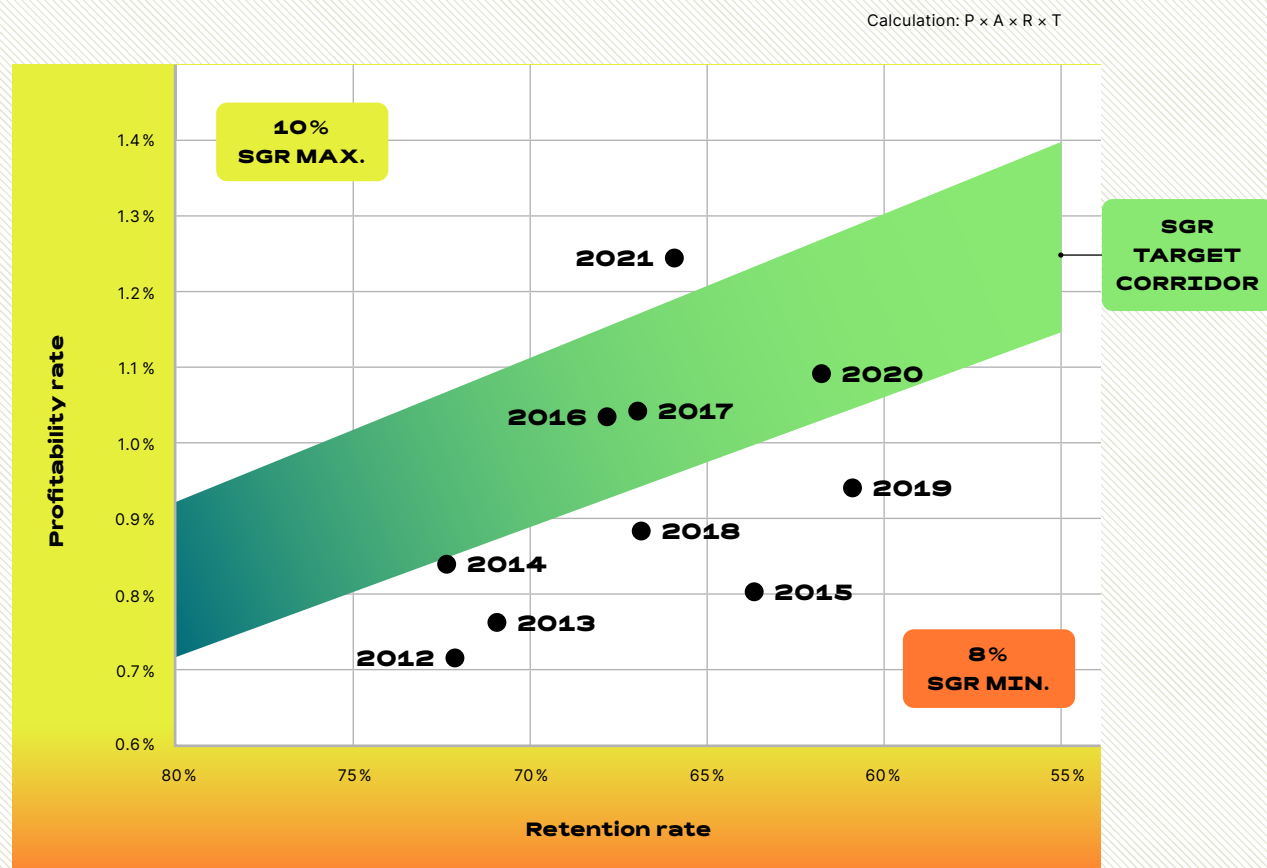


ratio. The combinations of the past are added for illustration purposes despite the deviating historical capital structure.  [see Alternative Performance Measures](#). As the capital structure improves, the target corridor gradually moves up.

When developing new business areas or acquisitions, the impact on this Group key figure is considered. 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.

## Sustainable Growth Rate

Fig. 18



Asset utilization rate and Total asset to equity ratio are set as constants  
Representative visualization

## NON-FINANCIAL KPIs


**Customer satisfaction:** Scientific studies show that there is a strong correlation between corporate success and the Net Promoter Score (NPS). The NPS measures customer loyalty and helps identify areas where action is needed to improve customer satisfaction and loyalty. ALSO uses this key figure because the financial targets set can be achieved only with a loyal and satisfied customer base. The NPS for customers has been measured online continuously since mid-2016. If a customer reports a problem, they are contacted immediately. The Chief Customer Officer (comparable to a Managing Director) of the respective country or region manages this process.

**Emissions:** Many of the products and solutions that are sold are still delivered in physical form, especially hardware. Monitoring and initiating measures to reduce emissions is therefore an important part of the commitment to sustainability. One example of this is the function in the webshop that allows customers to group together all orders made before a specific time. This not only saves time and packaging materials; it also helps reduce the emissions caused by transporting goods. However, as an IT service company and technology provider, ALSO itself generates emissions only to a limited extent, and the company does not maintain a logistics fleet to supply its customers.

Remote working and virtual communication have become the norm since the start of 2020. This working practice was adhered to throughout the whole course of 2021, as a result of which the emissions caused by commuter traffic were also reduced.

In addition to CO<sub>2</sub> emissions, ALSO also endeavors to continually reduce the need for resources in the fields of energy, water, and packaging and to cut down on waste. You will find a detailed presentation on ESG commitment in the current [ESG Report](#).

### Transformative integration

After the acquisition in question is closed, the companies are integrated quickly, effectively, and efficiently in the existing ecosystem, while best practices from the businesses that have been taken over are rolled out within the ALSO Group. ALSO has developed an integration program, which is called “transformative integration”, that covers all areas of the company thanks to its five main drivers: processes, IT, new business models, KPIs, and HR.  See Fig. 19

The required harmonization of the **processes** between new acquisitions and ALSO affects all areas. It includes the use of centers of competence, for example for supplier management, purchasing, complaints, accounting or HR, as well as the digital transformation of the company through the restructuring of processes, such as the order management system, contract management, and others. In the course of this harmonization, a comparison is always carried out between ALSO's organization and the organization of the newly acquired companies in order to identify best practices and subsequently to apply these throughout the ALSO Group.

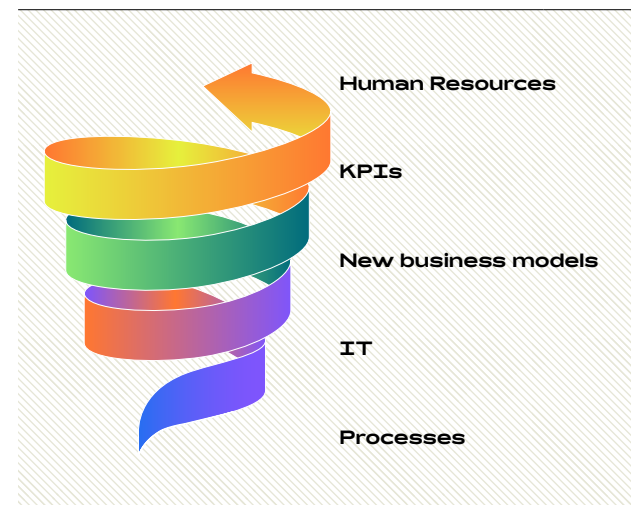
IT refers to the use of ALSO IT tools such as ERP (enterprise resource planning), WMS (warehouse management system), BI (business intelligence), CRM (customer relationship management), the webshop, and the ALSO Cloud Marketplace. The use of standardized tools is necessary in order to harmonize the processes, unify the master data throughout the Group, ensure the full comparison and the transparency of all data, and, not least, to reduce costs. The standardization of processes and IT components of the integration program forms part of the Optimize aspect of the MORE strategy.

Thanks to the B2B platforms of the ALSO Group, newly acquired companies can concentrate on their strengths and, in parallel with that, developed **new business models**, transactional or consumptional (subscription-based) market access, as well as expand their portfolio of suppliers and product categories. This aspect follows the Reinvent aspect of MORE and accompanies the use of solutions for verticals and other offers from ALSO's Solutions area. This allows the newly integrated companies to offer solutions for applications on new platforms such as IoT (Internet of Things), cybersecurity and virtualization and to drive innovations in local markets.

With a harmonized organization, ALSO can apply its Group **KPIs** and support the acquired company in generating sustainable and profitable growth along these key figures in a way that is fully consistent with the ALSO strategy.

### Transformative Integration

Fig. 19



**HR** is another important pillar of the ALSO integration program. ALSO's strategy consists in keeping and then developing the teams of the newly acquired companies. For this reason, ALSO pays particular attention to the assessment of the energy, the empathy, and the discipline of each individual employee and conducts extensive training programs that cover processes, IT tools, technical skills, and compliance. The ultimate objective of the integration consists in enlarging and increasing the value and benefits for suppliers and customers. It is therefore crucial that new colleagues understand the processes, the culture, and the values of the ALSO Group. As a result of the HR integration, many employees of the companies that have been taken over have been promoted to key functions at the Group level.



# NEW NORMAL 2021

## Economic environment

2021 was characterized by a higher frequency and amplitude of events. The EU economy recovered from the slowdown triggered by the pandemic more quickly than expected. At almost 14 percent, the GDP growth rate in the EU in the second quarter of 2021 was higher than ever before and turned out to be just as strong as that of the decline that was recorded in the same period the previous year during the first wave of the pandemic. In the third quarter of 2021, the EU got back to the overall economic performance it recorded before the pandemic. However, the growth momentum was already encountering new headwinds in the fourth quarter. Bottlenecks and disruptions in global supply chains are putting a strain on economic activity. Moreover, energy prices have risen at breakneck speed and are now significantly higher than pre-pandemic levels. After several years of low inflation, the powerful restart of economic activity in the EU has been accompanied by an increase in inflation that has even exceeded the forecast rates.

Experts report that vaccination rates in many countries in Europe remain far from satisfactory. The resulting volatility in the situation became evident in the fourth quarter in the exponential increase in infection rates, which triggered lockdowns in several European countries even before the highly transmissible Omicron and other variants emerged. All these factors led to a slowdown in consumption and investments in the fourth quarter.

ALSO adhered consistently throughout the entire year to the principles of remote work or shift work in the areas where it was necessary for employees to be on site. The developments in the fourth quarter confirmed that this approach was the correct one. An external virologist advised the company throughout the whole year. They were also always available to individual countries and the entire workforce to answer questions when required.

## ICT Market

The market for information and telecommunication technologies (ICT) in EMEA grew by a considerable 6.3 percent to 1.22 trillion USD in total in 2021, despite the occasional shortages of semiconductors and problems in the supply chain. Rises in transport costs and inflation additionally had a negative impact.

Remote working, collaboration, and online media consumption are now firmly established as part of everyday life, meaning that connectivity is becoming every more important both for private customers and for companies. Associated with that are both the development of hybrid, cloud-based IT landscapes and sustained strong demand for notebooks and related peripherals. In particular, sales of hardware grew by 13.7 percent year on year from 2020.

Companies that had already set up their own cloud marketplaces early on benefited from these trends, as did those that were able to manage and allocate product flows with greater flexibility thanks to internationally networked ERP and logistics systems.

## ALSO

### Operational Excellence

#### Structural optimization

The continual analysis and improvement of processes and digital tools is one of the most important principles in the Group. It has proved possible to generate a significant increase in productivity over the years as a result. In 2021, ALSO employed 4,082 full-time equivalents on average throughout the year. The ALSO Group's productivity thus increased further during 2021.

#### Productivity

€ 1 000	2021	2020	2019	2018	2017
Net sales/FTEs	3 036	2 916	2 706	2 475	2 346
EBITDA/FTEs	63.0	55.7	49.8	41.2	41.5

Work to optimize space was carried out at some locations. For example, the Dutch company moved into new premises where the focus is on the interaction and meeting rooms in line with the New Working Style concept: a sufficient number of individual workstations are available, but these are no longer the defining element. This allowed space to be reduced and communication to be enhanced at the same time. At the Emmen location, space that is no longer needed has been rented out.



In addition to the introduction of SAP in numerous countries, progress was also made in 2021 in the optimization of the technical set-up primarily in the areas of business intelligence and CRM. For example, the BI team developed a framework of parameters for measuring and further developing the as-a-Service business, instruments for benchmarking and investigating the company's own competitiveness, and sales-support analyses that have culminated in CRM-aided sales campaigns. In total, well over 600 campaigns and, as a result of these, almost 46 500 talks with customers were carried out in the year under review. The total number of customer calls documented in the CRM systems ran to just under 77 500.

The constant monitoring of the Net Promoter Score has resulted in a further improvement in customer satisfaction. A series of measures within the company played a part here. For example, KPIs were developed for the Sales Operations area (Inside Sales) in order to increase performance and reaction speed and to guarantee that telephone calls are answered within 30 seconds. ALSO will keep working on further measures to improve productivity on an ongoing basis in the future, too.

#### Optimization of capital employed

One focus of activities again in 2021 was the optimization of capital employed. ALSO's business model requires only limited employment of fixed assets. Capital employed is therefore dominated by current net working capital (NWC) and this is what optimization measures focus on. NWC is driven firstly by the efficiency of capital employed with regard to receivables, liabilities, and inventories, and secondly by growth in net sales. Growth in the Supply and Solutions business models generally leads to an increased need for NWC.

To measure capital employed from NWC, ALSO uses the key figures of days inventory outstanding (DIO), days sales outstanding (DSO) and days payables outstanding (DPO) as well as cash days to be financed by ALSO, which is the net amount of DIO+DSO-DPO. On the basis of the BI system, key figures for each vendor, reseller, and product category can be called up online at any time to manage the NWC. Capital employed is analyzed in each case in relation to the EBITDA generated. This provides a good indicator of the ROCE, and enables any need for action to be derived.

ALSO's potential to optimize NWC varies depending on the key figure. The payment terms agreed with vendors and resellers are an important factor. These are generally fixed on a longer-term basis. Improvements have to be achieved by negotiating the framework conditions or on a short-term basis for individual projects. For inventories, the challenge lies in finding the right mix of availability and minimized coverage. The mix of vendors and resellers and the optimization of scheduling are key drivers in this process. Measures to optimize NWC should always be evaluated in the context of the value proposition that ALSO makes for resellers and vendors. For vendors, full availability of the products in the regional markets must always be ensured.

The ICT market was characterized in 2021 by uncertainties in supply chains and shortages of products. Under these general conditions, ALSO successfully managed to maintain good availability overall. It achieved this by increasing the safety stock and creating alternatives to missing products based on the broad ALSO ecosystem. Availability problems therefore emerged only in isolated cases and did not have a significant impact on the business. Resellers need support with financing their NWC. In the B2B segment in particular, resellers must grant payment terms.

Support is provided through appropriate payment terms for the resellers. The process implemented in 2020 to provide financial support through appropriate payment terms were continued in 2021. ALSO maintains a close dialog with the resellers and supports them in a variety of ways.

In total, the NWC improved by around € 70 million or 28 percent as of the reporting date. This includes higher inventories compared with the previous year. In addition to the growth in sales, another factor here is the fact that in December ALSO received deliveries of previously unavailable items from orders that had been outstanding for a relatively long time. This measure is counterbalanced in the trade payables, as the share of unpaid inventories is also higher in December on account of the larger number of incoming goods. This can be seen in the better DPO.

In 2021, the inventory management was also essentially characterized during the year by the management of availability. For example, ALSO was able to use situations where the company enjoyed better availability in comparison with the competition to generate higher margins. There was a clear improvement in trade receivables. For this purpose, the volume of factoring transactions was increased. The company was therefore able to sell more receivables in comparison with the previous year and reduced total receivables overall. Overall, the reported cash days have improved from six to four days. Combined with the cash flow generated in 2021, net financial debt thus improved on a like-for-like basis, i.e. before the effects of IFRS 16, from € -143 million to € -316 million.

## Accelerating growth

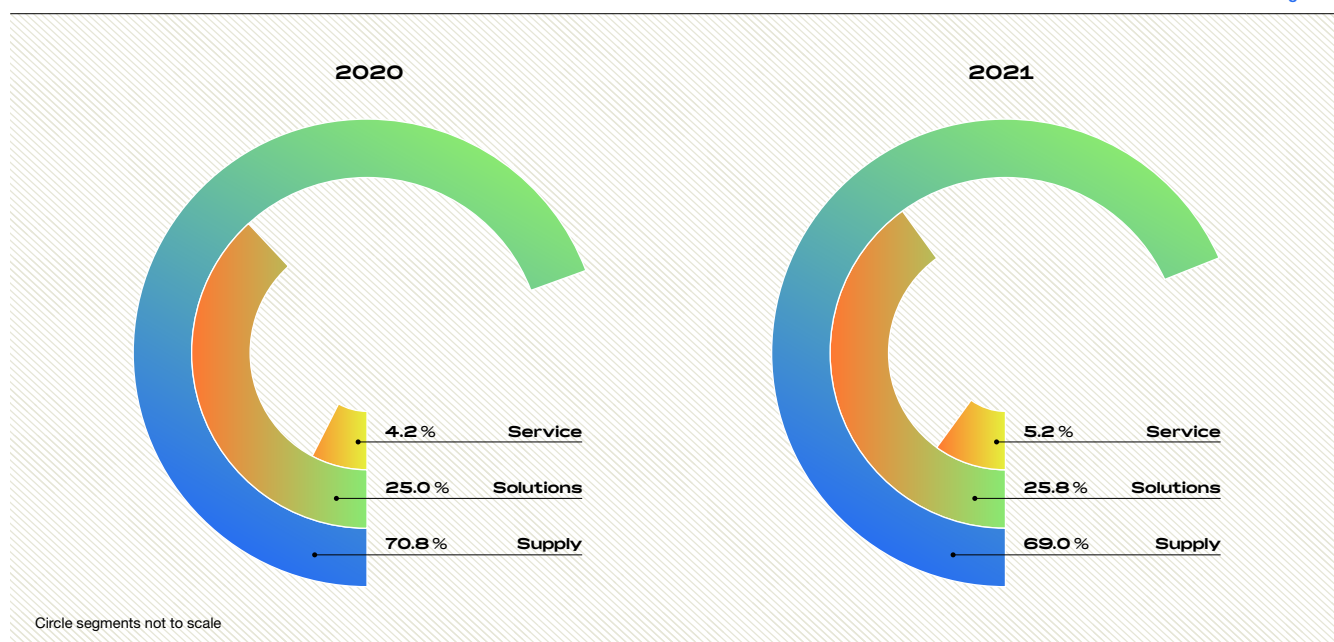
### Supply

In the Supply area, net sales were up 1.5 percent at € 8.6 billion. All Eastern European countries were able to increase their net sales significantly, where they also benefited from the introduction of ERP in 2020/2021. Also successful were countries such as the Netherlands and Belgium, which recorded very strong growth in the SMB sector and were able to recruit outstanding new employees. The webshop and the ability to attract new customers also made a strong contribution to the growth. Another factor was the cooperation with new vendors and the high relevance of the product categories.

Since the end of the year, in Hungary HP and ALSO have offered their joint customers, the local resellers, a completely new professional channel for marketing their services: an IT marketplace where they can professionally present and sell HP's market-leading products together with the related services. The HP marketplace operated by ALSO is the platform that connects the ecosystem of end customers, resellers, technology providers, and manufacturers. Thanks to the combination of ALSO's e-commerce expertise and the know-how of HP solution offers, the marketplace is an attractive proposition for end customers and resellers alike. Small and medium-sized enterprises can order comprehensive solution packages with hardware, software and, if required, IT support simply online. They are here free to choose between various providers, products, and services. The successful launch of the new sales model provides a blueprint for further marketplaces of this kind.

Share of the business models in the total net sales in %

Fig. 20



Sales through the webshop increased by 9.7 percent year on year. With Bulgaria, Croatia and Slovenia, new countries and new webshops were launched and performed superbly. The features for e-commerce customers were also expanded and optimized: with the Flex Offer Quote, for example, resellers have the option of configuring flexible bundles with exactly the right products that need for their respective project, while there are new e-payment options, and the order tracking was improved.

Moreover, the security of the webshops was further enhanced with the introduction of multifactor authentication, new password requirements, and additional measures in the back end. The ALSO Bonus Club was rolled out in every country.

In addition to the increase in sales through the webshop, the ongoing structural optimizations also contributed to the increase in earnings.

## Solutions

The growth areas defined for Solutions, the organizational structure that is consistently geared toward them, and the resources additionally gained for this purpose have made the business model hugely effective. On the basis of the four sales fields of working place, IT infrastructure at companies, gaming place, and IT infrastructure at home, ALSO has developed numerous cross-vendor solutions for resellers and their customers. This includes workplace security, for example, a concept with which workplaces and networks are protected against cyberattacks and critical company data and business processes are safeguarded. In the “Education” vertical, ALSO has developed a concept that provides the partners with a comprehensive and scalable solution for digitalizing schools. Gaming place on the one hand involves subscription-based software use in the B2B area (consumptional business), for example as a value added offer for network services, hotels, or travel companies. But it also involves the marketing of appropriate hardware. In a project encompassing four countries and in cooperation with ambitious young gamers, ALSO developed hardware and software packages that are tailored to the high demands of this customer group. The first of the vendor-agnostic gaming bundles resulting from this were successfully rolled out in 2021, and others are set to follow. The successful pilot projects in the fields of gaming place and IoT will be used as a blueprint for the other areas in the future.


In addition to these growth fields, it also proved to increase sales in the verticals, especially in the area of education, while work was started in 2021 to develop a solution offer for the medical field.

Both in the Supply area and in the case of the digital platforms, ALSO has been able to attract a number of new vendors and expand existing business relationships. Bose Professional, CrowdStrike, oculavis, Peel3d, Pixminds, and Teltonika are some of the new vendors in the portfolio. Cooperation with Adobe, Cisco, Citrix, and Dell was expanded, to name just a few. The cooperation with a large number of vendors has also allowed the delivery capacity to be maintained across all product categories.

In addition to the volume business with retailers, etailers, and corporate reseller, having a precise knowledge of the needs of small and medium-sized businesses (SMBs) is a particular strength of ALSO. To be successful in this segment requires a high degree of automation in order to work profitably as well as modular solution skills in order to provide these companies with tailored support exactly where they do not have sufficient resources themselves. ALSO has constantly established and expanded the offer for this market segment. At the same time, specialized knowledge about certain customer groups is brought into the company, sometimes also through acquisitions, such as the purchase of Executive s.p.a. of Italy in relation to retail.

## Service

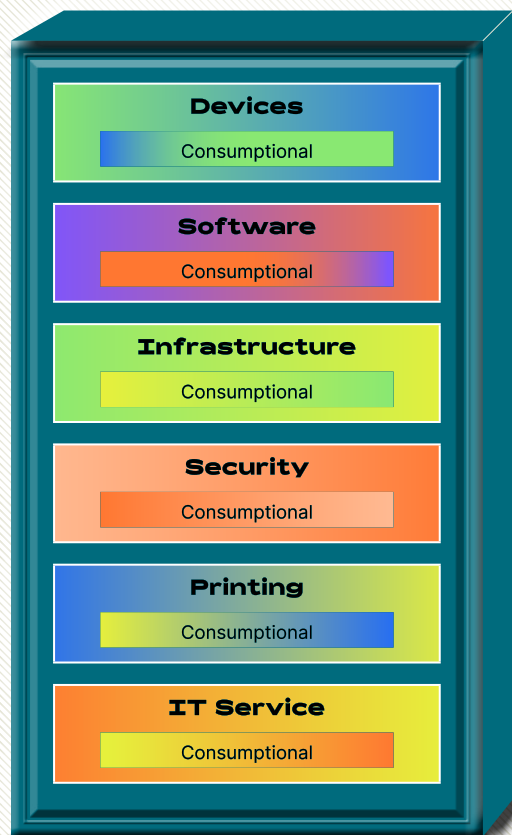
In the Service business, too, numerous measures have been implemented both as far as the expansion of the platform is concerned and in the support provided to the resellers for attracting new and monetizing existing customers. In contrast to the project business that used to be common, companies that operate in the as-a-Service business not only enjoy recurring net sales and therefore a more stable planning horizon, but at the same time they gain an in-depth insight into the IT architecture, equipment, and usage structure of companies’ digital workplaces. On the one hand, this enables them to expand their own portfolio in the direction of a managed service provider that is responsible for the complete IT of their customers, for the hardware, through the software, to the IT infrastructure, backup and storage. At the same time, it opens up possibilities for monetization, the expanded utilization of each unique user. Where entry is made in many cases using standard Office software, a concept can be developed for equipping every digital workstation that encompasses everything from digital document signing, through cybersecurity protection, to voice-over IP. For ALSO, too, this means an expansion of the business through the subscription-based (consumptional) provision of hardware, from mobile phones and laptops to servers, as well as flexible support for resellers, both through modular offers supplementing the reseller’s skills and through financing and marketing services.

The billable “Unique User” (UU)  See Fig. 21 represents the workstation of a user that includes one or more paid cloud services, software, hardware, and IT service subscriptions and is administered by the ALSO Cloud Marketplace (ACMP). It is

determined by comparing information on the licenses purchased, activated and used against the allocated subscriptions booked on the platform.

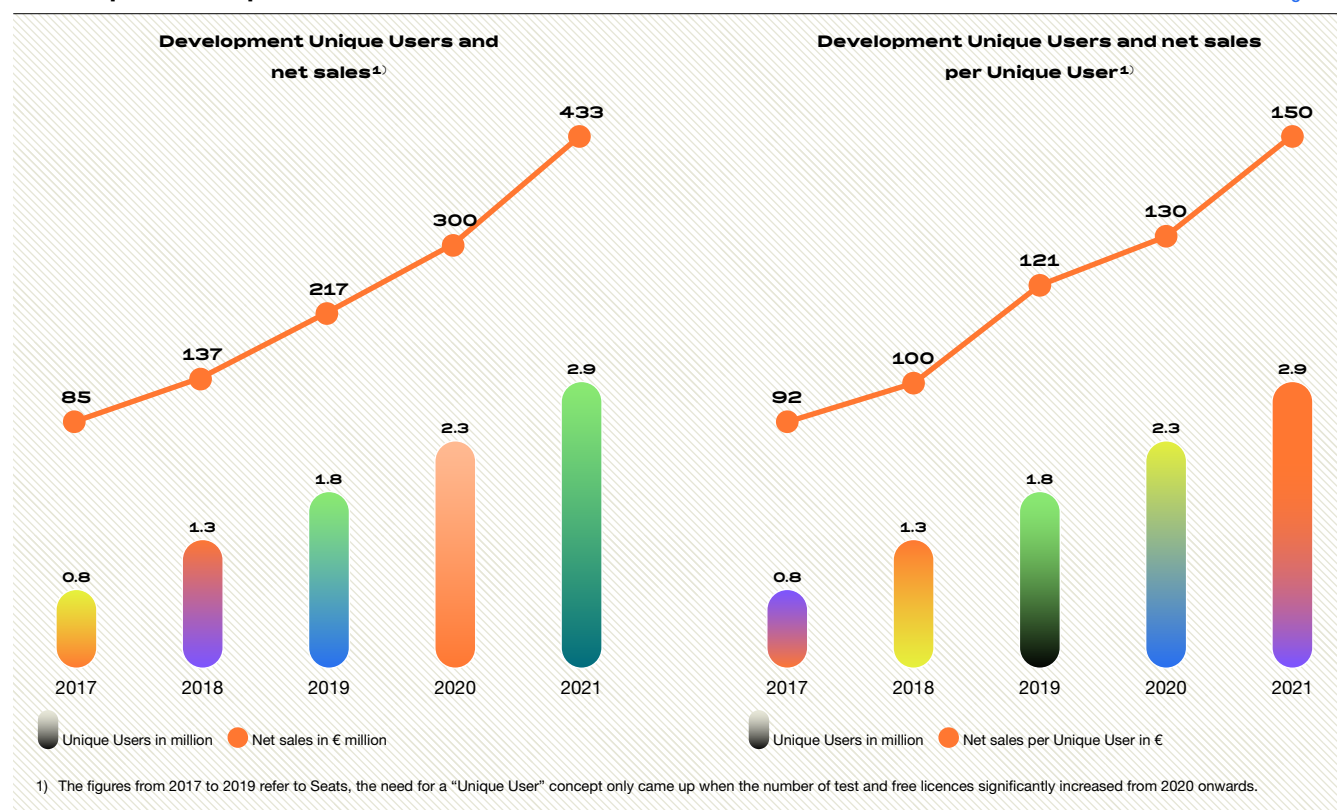
Unique User

Fig. 21



Development Unique Users

Fig. 22




Cloud-based work is a prerequisite both for remote work, collaborations and hybrid forms of work and for the swift development and dynamic roll-out of ever more complex software applications. Agile work with the initial roll-out of a product that meets the minimum requirements (minimum viable product) and

the subsequent sprint-based, continual development would be inconceivable without the cloud. All these reasons resulted in the number of unique users also increasing sharply in 2021.

See Fig. 22

Overall, the company expects the market volume for IT workstations in the B2B segment in the countries where ALSO operates to come to around € 300 billion in 2025. The potential for unique users is estimated at around 235 million (around 135 million B2B/workers and around 100 million private users, especially school pupils and students).

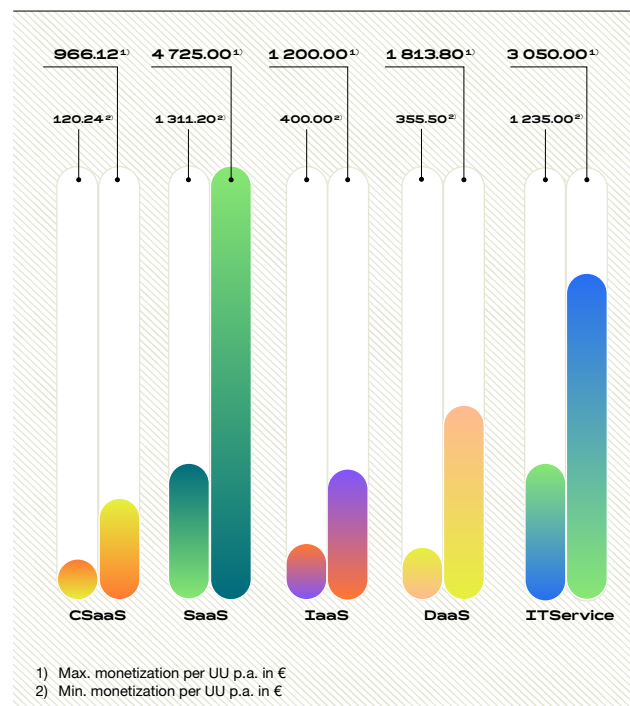
Costs per workstation vary significantly depending on the sector, region, and size of the company. For example, the annual costs for a Western European SMB workstation come to approximately 5 000 euros for software, hardware, services, and internal costs. The associated addressable potential for ALSO comes to around € 1 200.  See Fig. 23

The ALSO Cloud Marketplace is the central platform for the marketing of the as-a-Service business. Using the “OPEN2CSP” tool, resellers are able to import existing licenses to the ACMP and to transition simply to a subscription-based (consumptional) business model. Partners now have the possibility of analyzing the service usage structure of their customers precisely with the help of a business intelligence tool and, building on that, developing customized offers for the further expansion and optimization of the services. The cybersecurity concept of the ACMP is an industry benchmark that is continually analyzed and improved.

The sales organization has been further improved and tailored to the needs of the customers with the division into the two areas of new customer acquisition and development of the existing business.

**Potential of monetization per Unique User**

Fig. 23



## Marketing

In the Marketing area, comprehensive roll-outs of a central project management tool and the involvement of central production played their part in further increasing the efficiency of the marketing organization. The centralization of claiming and accounting that has been started will contribute to a simplification of the processes and thus enable the marketing managers to better focus on their customers. In line with the restructuring of the sales organization in Solutions and Service, a separate marketing area was set up for these business models at the end of the year. The international Channel Trends+Visions event, which attracted over 10,000 visitors and featured numerous localized webinars and campaigns, contributed to the sales promotion efforts.

## Logistics

The establishment and expansion of three local warehouses in Romania, Hungary, the Czech Republic and Slovakia guarantees swift and in some cases same-day delivery to customers as well as reductions in logistics costs and emissions; a lease for a new, expanded warehouse in Slovenia was signed. Numerous measures were also commenced in the logistics IT, where the blueprint phase for the introduction of a new warehouse management system was launched, for example. ALSO's consistent approach to compliance with the corona measures provided the basis that ensured the health of employees continued to be protected through the whole of the year in 2021 even in the logistics area, where remote work is virtually impossible. At the same time, the company successfully managed to guarantee smooth operations at all times.

## Vendors

Both in the Supply area and in the case of the digital platforms, ALSO has been able to attract a number of new vendors and expand existing business relationships. Bose Professional, CrowdStrike, oculavis, Peel3d, Pixminds, and Teltonika are some of the new vendors in the portfolio. Cooperation with Adobe, Cisco, Citrix, and Dell was expanded, to name just a few. The cooperation with a large number of vendors has also allowed the delivery capacity to be maintained across all product categories.

## Acquisitions and integrations

The funds used for acquisitions amounted to around € 33.1 million in 2021 (previous year: € 2.3 million). ALSO successfully concluded a total of four acquisitions, all in the focus regions of Eastern and Southern Europe. The purchase of the IT sector of Ramiris in Hungary as well as the majority of JP Sa Couto in Portugal is still subject to the approval of the relevant authorities.

*Investment in technological competence in a country where the market position is weak:* One of the best and most experienced cloud solution provider for Microsoft was acquired in the form of **DAQUAS** in the Czech Republic. With a potential of around 3 million unique users, the Czech Republic is one the larger markets in Eastern Europe. Moreover, the entire ALSO Group will benefit from the knowledge that DAQUAS has in the areas of software asset management, IT asset management, and the transformation of software licenses to the cloud.

*Acquisition of an ecosystem in order to expand the presence in a new country:* The acquisition of the Serbian IT provider **PIN Computers** with locations in Serbia, Montenegro, and Bosnia-Herzegovina and a large base of active customers further strengthened the ecosystem and presence in Eastern Europe.

*Expansion of the competence in the business models in a country where the market position is weak:* The Spanish value-added specialist **IREO** opens up the possibility of expanding even more quickly there with the cloud business that has already been successfully launched. At the same time, the deep-rooted expertise in the areas of managed services and security will help ALSO to continue to grow there.

*Acquisition of an ecosystem in order to build up the presence in a new country:* The last acquisition that was completed in 2021 was also in Southern Europe with the purchase of **Executive**, an Italian company with great competence in the retail area. The acquisition means that all three business models can be developed and scaled in Italy; the next generation of the founding family will play an active part in the expansion of ALSO Cloud Italy. ALSO will put its own processes to the test using Executive's retail channel management tool and enlarge the ecosystem still further in parallel with that.

The use of digital management tools such as enterprise resource planning (ERP), customer relationship management (CRM), or business intelligence (BI) is essential for continuing to develop operational excellence. This is why the rapid integration of newly acquired companies is one of ALSO's primary goals. These systems were introduced in some Eastern European countries such as Croatia, Slovenia, or the Czech Republic in 2021 using completely virtual teams, while the strengths of these tools were reflected in the past year in countries in which the integration had already been carried out, such as Poland or Bulgaria, in the outstanding results.

Overall, ALSO increased its revenue by € 6.1 billion from € 6.3 billion in 2012 to € 12.4 billion in 2021, with acquisitions contributing € 3.0 billion (about 50 percent) to this increase.




## Earnings

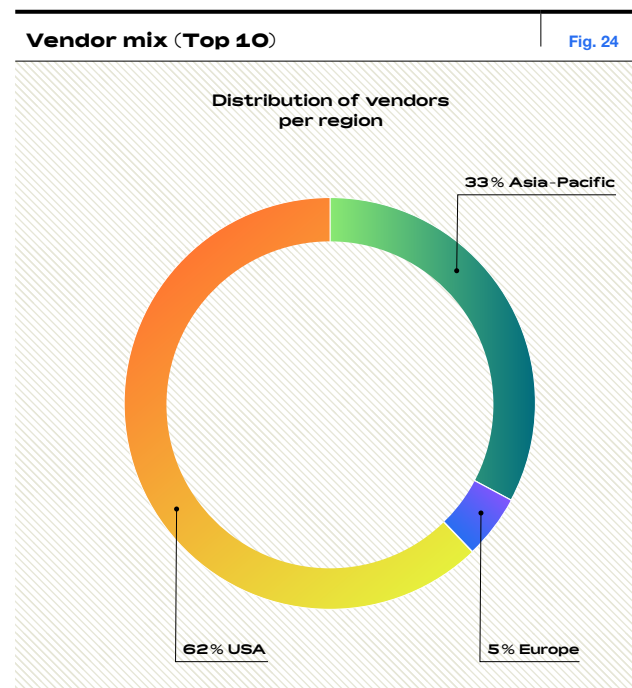
ALSO generated EBITDA of € 257.2 million in the 2021 fiscal year. This represents an increase of around € 29.7 million (+ 13.1 percent) year-on-year. ALSO thus exceeded the targets set for 2021.


ROCE was 26 percent (previous year 21 percent) and within the envisaged target corridor.

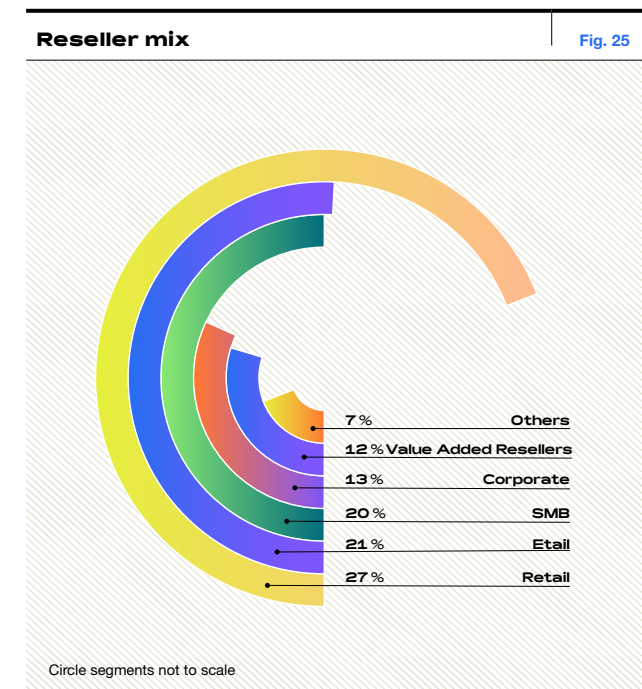
ALSO's third key financial indicator is the sustainable growth rate (SGR). It is calculated using four key operating figures: profit rate × asset utilization rate × retention rate × total asset to equity ratio. The current SGR is 10.7 percent. This value is slightly above the target corridor. However, in the case of acquisitions, the possible values for growth will be somewhat reduced by the effects of the capital structure.

With growth of 4.2 percent to € 12.4 billion in net sales, ALSO once again outgrew the market in the countries represented (+2.7 percent).

**Vendor mix:** Both in the Supply area and in the case of the digital platforms, ALSO has been able to attract a number of new vendors and expand existing business relationships. The ALSO ecosystem and the cooperation with a large number of vendors has also allowed the delivery capacity to be maintained across all product categories.  See Fig. 24



**Reseller mix:** In addition to the volume business with retailers,etailers, and corporate reseller, having a precise knowledge of the needs of small and medium-sized businesses (SMBs) is a particular strength of ALSO. ALSO has constantly established and expanded the offer for this market segment. At the same time, specialized knowledge about certain customer groups was brought into the company, sometimes also through acquisitions, such as the purchase of Executive s.p.a. of Italy in relation to retail.  See Fig. 25

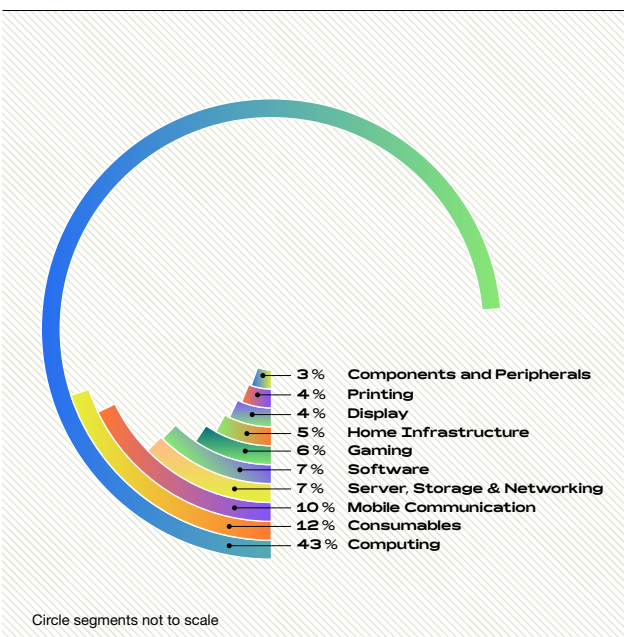


**Product categories mix:** The goal is not to have the widest portfolio, but the most relevant, with the largest demand, the highest stock turnover speed, and the highest growth potential. That is why ALSO is continually optimizing its approximately 1 450 product categories. This includes the consistent expansion of the offer in the area of 3D/4D printing, the offer of VR and AR-supported products for providing on-site customer service example, the asset tracking portfolio, as well as the development of AI products that are ready for resellers to use immediately.

▣ [See Fig. 26](#)

Product categories mix (Top 10)

Fig. 26



**Business model mix:** Important progress was made in all three business models in 2021. Sales through the webshop grew by 9.7 percent year on year in the Supply area. Net sales in the Solutions area grew by 7.6 percent, and the focus of the sales organization on the four areas of working place, IT infrastructure at work, gaming place, and IT infrastructure at home has paved the way for further growth. In the Service business model, the number of unique users was increased by 26 percent and the monetization was further developed. A number of new employees were also recruited here.

**Operational excellence (OPEX):** The use of digital management tools such as enterprise resource planning (ERP), customer relationship management (CRM), or business intelligence (BI) is essential for continuing to develop operational excellence. These systems were introduced in some Eastern European countries such as Croatia, Slovenia, or the Czech Republic in 2021 using completely virtual teams, while the strengths of these tools were reflected in the past year in countries in which the integration had already been carried out, such as Poland or Bulgaria, in the outstanding results. Efficiency continued to be driven forward in all countries where the ALSO Group operates, which can be seen both in the operating profits and in the capital efficiency that has been achieved.



# NEXT NORMAL 2022++

## Economic environment

If the EU Commission still assumed in its fall 2021 forecast that the economy would transition from recovery to expansion, expectations had already been dampened by the end of the year. Although economic activity was less disrupted by the pandemic than the year before, the COVID-19 virus has not been vanquished. This became evident in the light of the surge in the number of new infections in combination with restrictions, including lockdowns in some European countries, at the end of 2021. Economic risks also result from the continuing supply problems and shortages, which could have longer-term impacts. If the supply shortages persist for longer, energy prices continue to rise, and wage increases spill over to consumer prices, inflation could also remain relatively high.

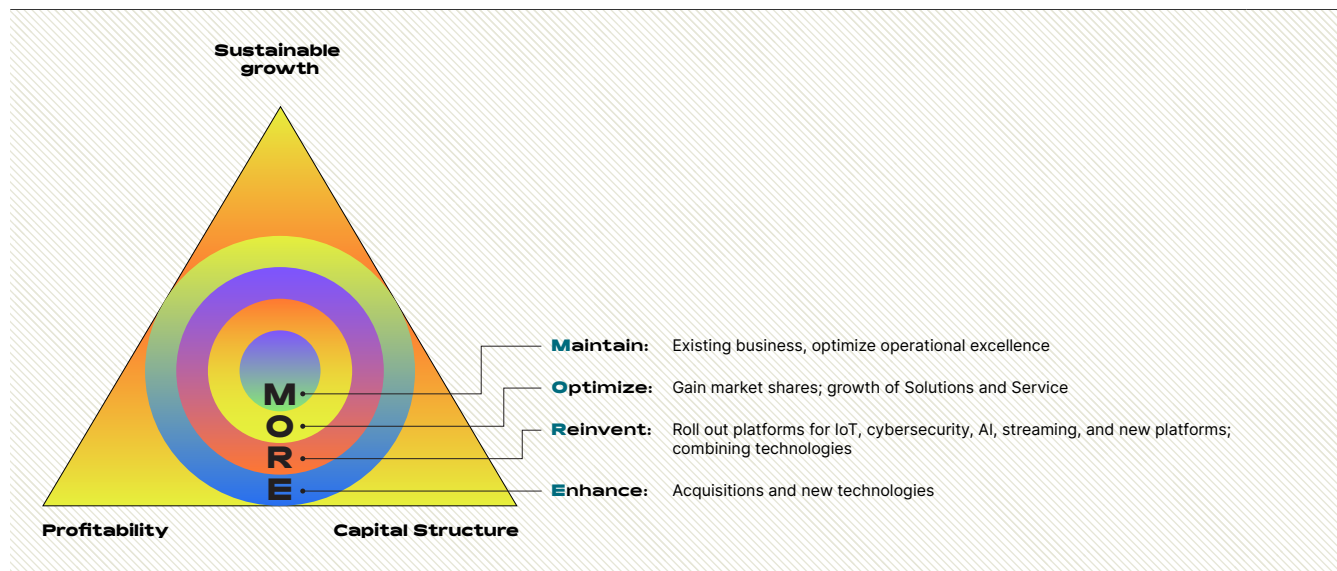
## IT Market

For the IT sector, Gartner expects growth of 4.7 percent in the EMEA region, which is slower than 2021. The company assumed growth of 6.3 percent for this year. The greatest increase will be in the software area, driven primarily by the ongoing trend to move to the cloud. Companies will invest in particular in the infrastructure and Desktop-as-a-Service segments in 2022. After still recording two-digit growth in 2021, the Devices area is expected to experience a sharp slowdown in demand to just 0.7 percent.

The statement in the previous annual report that virtual communication and collaboration, ecosystems and digital platforms will characterize the new normal, has proved to be

### MORE strategy 2022++

Fig. 27




accurate. Investments in hybrid work environments as well as more digitalized and automated processes will continue to have a positive impact on the development of the ICT industry. The trends within the “3e” are directly linked to this:

**Economical:** Not only are digital platforms in the areas of the Internet of Things, virtualization, and artificial intelligence gaining considerably in importance, there is great potential in the combination of the technologies, which will lead to a further increase in efficiency and automation and make new business models possible.

**Emotional:** Remote work has come to stay. That not only opens up for companies the possibility of attracting talent from regions where this would not have been possible in a culture based on being physically present in the office. It also promotes responsible interaction with employees and the social commitment of the companies.

**Ecological:** It is clear that the ecological actions and changes that need to be taken can be achieved only in a concerted effort of all forces. Through the virtualization of meetings, digitalization and higher efficiency of work processes, the IT industry can play its part in significantly reducing CO<sup>2</sup> emissions.

## ALSO

In accordance with the MORE strategy, ALSO will focus primarily on three areas: the continual optimization of operational excellence, the further acceleration of growth, and additional acquisitions.  [See Fig. 27](#)

## Activities

### Operational excellence

**Integration:** Virtual integration of the organizations in Serbia, Spain, Italy, and Portugal into the uniform Group-wide platforms for ERP, BI, CRM, webshop and cloud, as well as into the Centers of Competence.

**Logistics:** Development of a new, European network of warehouses

**Offices:** Introduction of new office concepts as meeting and communication centers

**IT:** Further development of the digital management tools as well as of the protection against cyberattacks.

**Structural optimizations:** Further digitalization through the schedule expansion and replacement of software and development of the digital platforms. Roll-out of state-of-the-art HR methods as well as realization of synergies that arise in the course of the integration of companies that are acquired

### Accelerating growth

Further expansion of the share in the sales attributed to the webshop. The functions of the shops will also be significantly expanded in this context.

Establishment of the vendor-agnostic Solutions portfolio. Consultancy involving and sale of solutions that are specially tailored to the four growth areas and IoT solutions. Continued development of the sales organization in the Service area and establishment of the portfolio for the monetization of the unique users. In addition to expanding the software portfolio and attracting additional independent software providers, this also includes developing offers in areas such as workplace, network, infrastructure, or Collaboration-as-a-Service.

As a technology provider, ALSO has excellent knowledge of the market, the necessary expertise, and the right ecosystem to bring applications in the field of new platforms onto the market through the resellers. One example of this is cybersecurity, where several well-known vendors such as Crowdstrike and Sophos have been onboarded.

ALSO's virtualization platform will play an increasingly important role in the relocation of business processes to the cloud. With its requirements for processing highly complex, interactive processes in real time, gaming is an excellent testing ground for developing the virtualization of data for example for digital twins, for remote maintenance, or even for 3D/4D printing. Further progress will be made here in 2022.

The trend toward prefabricated bundles for a wide range of applications that ALSO forecast for the Internet of Things continues to gain ground. One focal point will be the development of ready-to-use solutions for resellers, both for verticals and for the remote control and the management of processes.

In the field of artificial intelligence, ALSO will continue to work on a partner program for system vendors and resellers. The first concrete products are an AI-based translation tool for business correspondence, manuals, and other applications. Not only pure text, but also file formats such as Word, PowerPoint, and even PDFs can be processed. A second tool that is very useful especially for smaller firms is a chatbot that enables general questions as well as initial contact to be set up on the service hotline in a resource-efficient, customer-friendly way.

The scalability of these business sectors is opening doors to more new areas for the resellers and thus also driving the growth of ALSO's business models.

## Acquisitions and integrations

In countries in which the company does not have a dominant position, it continues to drive the expansion of the market shares of the traditional business. Success in countries such as Belgium and Poland will serve as a blueprint for additional countries. One focus also continues to be Eastern Europe, where ALSO's presence, portfolio, and market share are being increased by new acquisitions in Serbia and the Czech Republic. At the same time, the growth created in the past few years has to be continued in countries such as Poland, Bulgaria, and Romania. Another focus will be the development of the market position and the business models in the Southern European countries. Acquisitions are financed with own funds as far as possible. In addition to continuous NWC optimization, the revolving credit facility, among other things, still gives the company leeway for opportunities that arise.

## Guidance

Based on the implemented structural optimization, further optimization of net working capital, and the integration of the acquisitions already implemented and of any additional acquisitions, ALSO expects an improvement in EBITDA to between € 275 million and € 295 million in 2022, with a ROCE above 20 percent.

New technologies constantly offer new opportunities for the business. In combination with the velocity of response and strength of implementation of the employees the company sees excellent potential for growth. Taking into account possible acquisitions, the ALSO Group has therefore defined a target range of € 330 million to € 420 million for EBITDA in the medium term. The expectation for ROCE is above 20 percent.

# RISK MANAGEMENT

The Board of Directors appoints an Audit Committee that is generally made up of three non-executive members of the Board of Directors. It manages and reviews internal and external auditing and assesses the risks identified and the measures taken for risk management purposes.

At ALSO, the organization of the risk management is the responsibility of Internal Audit. The principles of the risk management system are defined in the risk management manual of the ALSO Group. Risks are identified on the basis of analytical studies or by way of reports.

A defined group of risk officers (e.g. Group Management, Senior Vice Presidents, Chief Customer Officers, Center of Competence Heads, employees with functional responsibility) identify and assess risks and report them to Internal Audit. Employees can also report identified risks to Internal Audit.

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

▶ **Data analytics:** Data analytics in individual internal audits and also in the context of continuous auditing activity. The data analyses are programmed by the Internal Audit department itself, specifically in relation to high-risk issues. Here, Internal Audit greatly benefits from a harmonized ERP system with which Group-wide analyses and examinations are implemented.

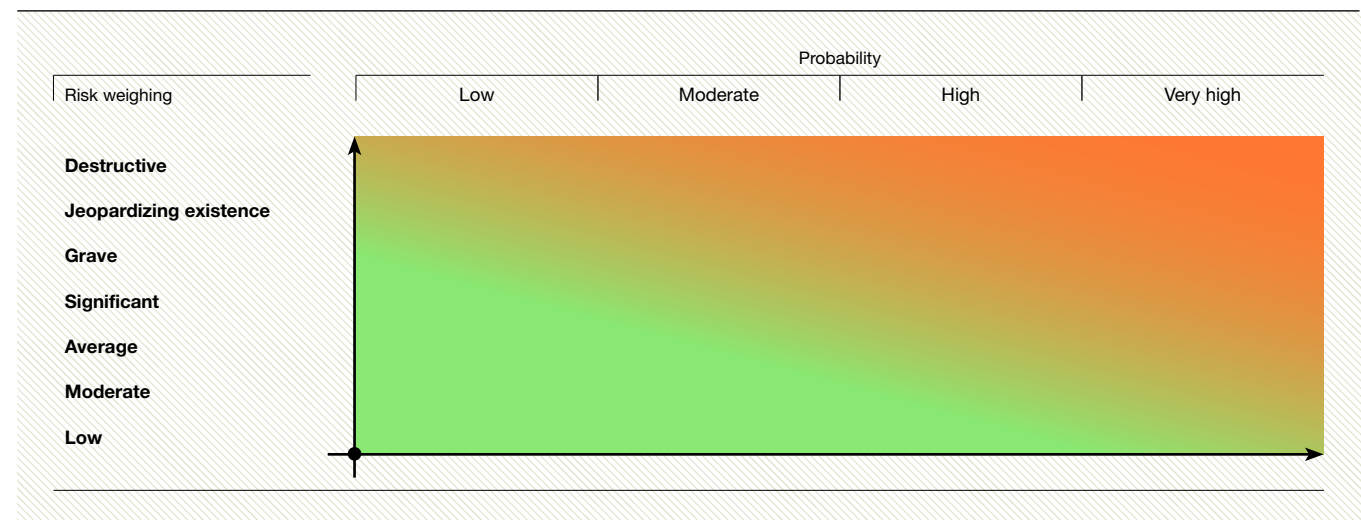
▶ **Process mining:** Identification and analysis of actual processes on the basis of digital data. A standard tool is used for this.


▶ **Robotic process automation:** Automation of audit activities and support with repetitive tasks.

Internal Audit prepares an annual report for the Audit Committee that contains a summary of the individual risks, and also provides information at short notice when necessary. The Board of Directors is also informed about the risk structure on an annual basis.

Exemplary representation of the risk assessment method

Fig. 28



The individual risks are assessed in terms of their possible effect on profits or liquidity (low to destructive) and their probability of occurrence (low to very high). The classification of the possible effect is determined as a function of the consolidated net profit of the ALSO Group, and an annual review is carried out to assess whether it is necessary to revise the classification. Based on the possible effect as well as the probability of occurrence, the risks are broken down into the categories of low, medium, high, and very high.  See Fig. 28

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

## 1. External risks and opportunities

### 1.1 Pandemic

The outbreak of a global pandemic may affect ALSO at various points along the value chain. On the vendor side, the availability of hardware may be temporarily impaired if key manufacturers have to reduce their production capacity or if the transportation of goods to ALSO countries is made impossible or delayed. On the basis of responsive analytics systems, ALSO can identify potential inventory shortages in good time and thus react by placing advance orders with the respective manufacturers at an early stage. ALSO is also able to offer resellers alternative products in the event of bottlenecks as part of the vendor mix key driver.

On the reseller side, there may be a decline in demand in individual customer and product categories, caused by a slowdown of the global economy or by individual measures taken by certain countries. Thanks to its diversified ecosystem, ALSO is able to compensate for pandemic-related shifts in some customer and product categories with positive developments in others.

ALSO's operating processes could also be jeopardized by the absence of a large number of employees, which could impact ALSO's delivery capacity. To enable it to maintain operational business activities, ALSO implements centrally managed and locally implemented protection concepts. These include measures to combat the pandemic such as additional hygiene precautions, shift systems in the warehouses, working from home, and support from external specialists.

However, the pandemic has also led to an acceleration of digitalisation that will have lasting effects on the IT industry and thus on us as technology providers. The cloud is the foundation for hybrid and mobile work. This opens up ongoing opportunities for us to both expand the number of digital workplaces managed through the ACMP and to monetise them more deeply through, for example, cybersecurity or ITaaS offerings. The digitalisation and automation of processes, supported by the IoT and further driven by AI, are other areas whose opportunities are coming more and more into focus.

### 1.2 Trade wars

Political developments in recent years have resulted in potential risks in relationships with vendors. Increased protectionist and nationalist tendencies could lead to tensions in business relationships with them. In recent years, ALSO has selectively expanded its portfolio of vendors in order to reduce such risks. The tariff disputes between the USA and China resulting from nationalist developments could also be an opportunity for European IT companies.

The long-term relationship between the United Kingdom and the EU was regulated by way of a general agreement on a trade and cooperation deal that was signed just before the end of the transition period. However, the consequences of Brexit both for the capital market and the future development of London as a stock exchange center and also for the strength of the euro and the euro area are difficult to predict. In any event, the United Kingdom will remain an important market.

### 1.3 Cyberattacks

Cyberattacks are malicious attacks on computers, servers, mobile devices, electronic systems, networks, and data. Targeted attacks (espionage, sabotage, phishing) or attacks on critical infrastructure could have serious consequences for ALSO. The Cybersecurity department therefore conducts regular information security risks assessments and penetration tests of the business-critical IT systems and processes and also reports on these to the Board of Directors on a monthly basis. The risks are systematically mitigated using controls and code of practices defined in ISO 27001/ISO 27002 standards. New technologies deployed to increase protection level. Business critical IT systems have backup and recovery plan in place with recovery time and recovery point objectives.

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 its cybersecurity platform and related services such as comprehensive cyber risk analysis and the development of mitigation plans.

### 1.4 Risk related to deposits

ALSO is exposed to a default risk arising from its financing activities. 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 from the financial institutions. As a result, ALSO is generally able to keep the 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.

### 1.5 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 euros, Swiss francs, Danish kroner and Polish zloty. The interest rate management is handled centrally. Short-term 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.

### 1.6 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.

## 1.7 Environmental, climate and safety 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, as well as 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 codes 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. These arise in the medium and long term, particularly through the pricing of CO<sub>2</sub> through emissions trading systems, taxes or changes in energy legislation. We actively counteract these risks through measures within the framework of our energy and CO<sub>2</sub> management. We classify the risks as high, because critical negative effects on the financial position cannot be ruled out.

In the reporting year, ALSO defined concrete goals in the areas of using sustainable energy sources, reducing emissions, sustainability reporting, cybersecurity, and promoting digital education, especially for children and young people. Furthermore, the company has joined the UN Global Compact. In this way, ALSO is contributing to the fulfilment of the Sustainable Development Goals of the United Nations.

We see opportunities in the development of solutions that aim to minimise environmental impact, for example sensor-based IoT applications that can measure air quality, heat or brightness and regulate them accordingly.

## 2. Internal risks

### 2.1 Vendors

ALSO works with the major vendors of hardware and software especially in the Supply business field. This results in concentration risks and dependencies. The company counters these with active market share management as part of the provider mix key driver. On the ICT market, product innovations are constantly monitored so that the company can get involved in fields with high potential at an early stage.

Large receivables from vendors regularly arise as a result of various programs designed to support sales promotion activities (including marketing programs, bonuses, sales discounts, price protection, for example). Complete documentation of the basis of claim is required at all times in order to enforce these claims. ALSO counters the risk with a permanent and efficient process organization for the relevant business transactions.

### 2.2 Resellers

On the buyer side, risks can arise from the dependence on several large customers. In 2021, net sales with the largest individual customer totaled 1 371 million euros. By carrying out measures continuously in the area of SMB customers, diversification increases the number of customers and thus reduces the risks.

In its operating business, ALSO is exposed to default risks in customer receivables. A credit check is performed on the customer as early as the quotation phase in order to limit the risk of losses on receivables. Default risks are additionally limited by active receivables management. Active customer monitoring, balance sheet analyses, disclosures, insurance rating, and factoring programs are some of the important measures carried out here. A considerable proportion of the receivables are hedged by commercial credit insurance.

### 2.3 Information technology

Information security, IT availability and performance are key prerequisites for successful entrepreneurial activity. IT systems are constantly being monitored and optimized. Hybrid Cloud IT architecture enables fast provisioning of IT capacity to meet new demands.



## 2.4 Logistics and storage

The business model of ALSO depends to a high degree on the availability of efficient, discrete logistics structures, the security of the stock on hand, and high-performance and cost-effective external logistics partners. The logistics structures are vulnerable to traditional risks of failure, such as fire, flood and theft, as well as risks that prices for transport and the rent for warehouse facilities will change. There are also risks associated with the competitiveness of our logistics structures.

The inventory held by ALSO is subject to depreciation risks as a result of the relatively short product lifecycles of IT products. ALSO counters this risk through dedicated, demand-based scheduling of the inventory with the aim of generating higher availability and corresponding inventory turnover times as well as through appropriate rights contained in the agreements with vendors (price protection, stock protection, or stock rotation). With monthly reports and BI reports available online at all times, those involved have transparent and detailed information on the age structure and value of inventories for each product category, manufacturer, and SKU (stock-keeping unit).

## 2.5 Personnel

The further development of ALSO depends materially on the knowledge and dedication of its employees. ALSO concerns itself with personnel risks and works with systematic staff planning and qualification in order to deploy, promote and retain employees in line with their abilities. Furthermore, active monitoring of

employee satisfaction is carried out. The development of our personnel and managers is an important condition for proactively and reliably ensuring our human resources capacities. Despite all our efforts, a shortage of specialists remains a challenge. The in-house possibilities for professional development will therefore continue to be strengthened in order to train our own personnel optimally in the medium and long term and thus counteract the skills shortage. Bottlenecks in the recruitment of appropriately certified employees exist in particular in the Group companies focusing on the Solutions business field. To reach a wide range of new potential employees, specialized recruiters seek out suitable talented candidates for ALSO's growth areas on the international job market based on uniform sets of requirements. Social media instruments are also used for recruitment purposes.

## 2.6 Legal

As a Group with international operations, ALSO has to comply with numerous legal and fiscal regulations as well as regulations under antitrust and patent law. The large number of relevant provisions at the local and international levels and their increasing complexity increase the risk that ALSO may incur significant legal and economic risks, such as fines and claims for compensation, in the event that it fails to comply with them. Identified legal risks are reported in the context of risk management.

Current and impending legal disputes are continuously identified, analyzed, and evaluated in terms of their legal and financial effects and taken into appropriate consideration in the ongoing risk management process.

## 2.7 Compliance

Legal and ethical conduct of the employees in day-to-day business is ensured by way of a compliance management system. This establishes binding compliance regulations for the entire ALSO Group, helps prevent violations, monitors compliance, and sanctions violations.

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, there are Group guidelines based on the Code of Conduct that specifically regulate the issue in detail and in relation to typical matters in the ALSO Group's business as a technology provider. This particularly includes topics such as antitrust and competition law, dealing with gifts and invitations, and avoiding conflicts of interest.

The Compliance organization is headed by the Group Compliance Officer, who reports directly to the Audit Committee. He is assisted by four Regional Compliance Officers, who in turn coordinate the work of the Local Compliance Officers in each national organization. A Compliance Ombudsman is also available as an independent external contact for employees and third parties to report violations of the ALSO Code of Conduct, particularly criminal offenses or anticompetitive agreements. The Ombudsman also carries out spot checks of compliance at ALSO's national companies. As a lawyer, the Ombudsman has a professional duty of confidentiality and follows up tip-offs anonymously if desired. Before an acquisition, the Ombudsman checks that the respective company's conduct is compliant.



The compliance management program includes comprehensive training for all employees. It starts with uniform basic training throughout the Group for all new employees who join ALSO. This training is based on ALSO's typical business requirements and is held in the local languages of all ALSO companies. It is mandatory for all employees except logistics and temporary employees and must be successfully completed within four weeks of joining the company. This basic training is supplemented by another two mandatory training courses to refresh and build on the first one. The information learned is tested using an e-learning platform. Refresher training is also provided at regular intervals.

The Group's managers are required to submit a declaration of commitment once a quarter that reminds them of the existing compliance obligations and includes a statement on potential compliance-related issues from the past quarter.

## 2.8 Data protection

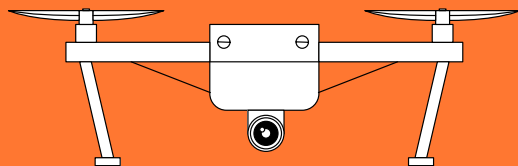
To ensure compliance with the applicable data protection regulations, particularly the European General Data Protection Regulation (GDPR) and the related national data protection laws, ALSO has created a data protection organization consisting of a Chief Data Protection Officer at Group level and Local Data Protection Officers at all national companies. Based on a Group data protection guideline, ALSO's business processes in all business areas are geared toward principles such as fairness, lawfulness, purpose limitation, transparency, and data economy, and are reviewed in regular internal data protection audits. Mandatory data protection training followed by a test is provided to all employees once a year.

## 2.9 Liquidity risks

One of the central tasks of ALSO is to guarantee the Group's solvency at all times by providing sufficient funds when necessary as well as by ensuring the profitability through management of the financial risks. The central liquidity risk management system ensures that the Group is always in a position to fulfill 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. In the area of financing, ALSO uses a wide variety of financial institutions in order to reduce any dependency on individual banks. ALSO was once again able to fulfill all financial obligations at all times in fiscal year 2021.

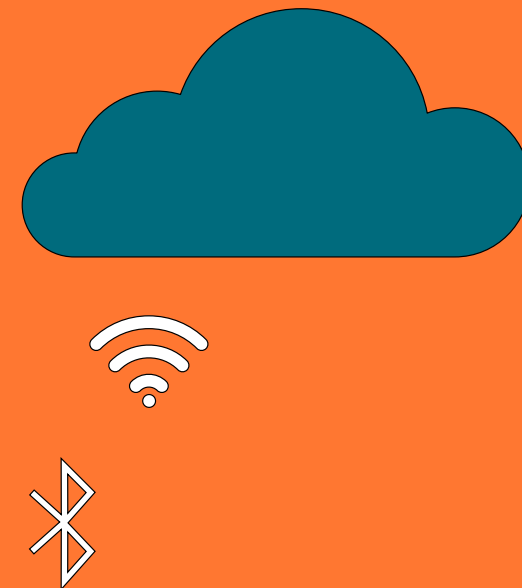
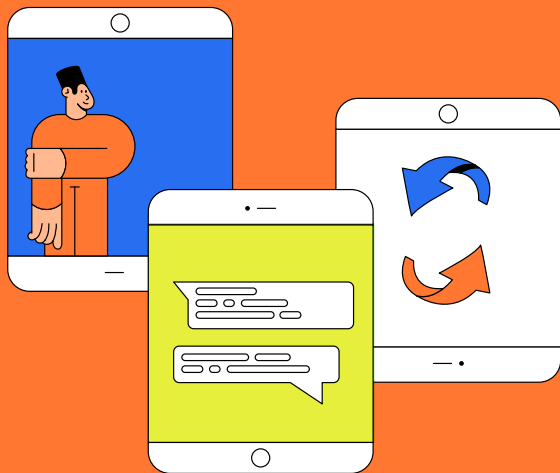
## 2.10 Tax risks

ALSO's operations are heavily networked and carried out across different locations. The accompanying service relationships contain the risk that the underlying transfer prices will not be recognized for tax purposes. In order to limit this risk, ALSO has worked with specialist tax consultants to design the transfer pricing concept and has the underlying transfer pricing documentation audited at regular intervals. ALSO has some tax loss carry-forwards. There is a risk that these loss carry-forwards will not be used and will lapse as a result of time or other restrictions.



# CORPORATE GOVERNANCE

Group structure and shareholders	51
Capital structure	51
Board of Directors	52
Activities and vested interests	53
Group Management	59
Activities and vested interests	60
Compensation, shareholdings, and loans	62
Shareholders' rights of participation	62
Change of control and defense measures	63
Auditors	63
Information policy	64
Trading blackout periods	65
Important changes occurring after the balance sheet date	65



# 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.

## 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 3 855 million as of December 31, 2021.

Please see [page 130](#) 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, 2021 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, Senior Vice President Consumptional Business 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

	12.31.2021	12.31.2020
Special Distribution Holding GmbH, Dusseldorf (Germany) <sup>1)</sup>	51.30 %	51.30 %
Credit Suisse Funds AG, Zürich (Switzerland)	3.06 %	<sup>2)</sup>

Source: 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.

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, 2021. 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, 2021. 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 percent 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](#).

## 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, 2021.

## 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.

### Members of the Board of Directors

Name	Nationality	Position	Since
Gustavo Möller-Hergt	DE	Chairman	2014
Walter P. J. Droege	DE	Vice Chairman	2011
Rudolf Marty	CH	Member	1993
Frank Tanski	DE	Member	2011
Peter Athanas	CH	Member	2014
Ernest-W. Droege	DE	Member	2016

As of December 31, 2021

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.

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.

# 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, Germany; 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; Member of the Board of the Institute of Public Finance and Fiscal Law of the University of St. Gallen, Switzerland; Council member of the Foundation for the Promotion of Studies for the Master's Degree in Law and Economics of the University of St. Gallen, Switzerland, and 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 2019), 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.



## Rudolf Marty

Member of the Board of Directors of ALSO Holding AG since 1993 and Chairman of the Audit Committee.

### Career Milestones

Position/Function	Period
Chairman of the Gebert Rüf Foundation, Zurich, Schweiz	2005 until 2018
Chairman and majority shareholder of Advexo AG, Lucerne, Switzerland	2008 until 2018
Managing Partner of itopia AG – corporate information technology, Zurich, Switzerland	1995 until 2007
Head of the IT Research Laboratory and Applications Development of Union Bank of Switzerland SBG, Zurich, Switzerland	1989 until 1995
Professor for IT at University of Zurich	1982 until 1992

### Education

MBA and doctorate in Information Technology, Zurich University, Switzerland.



## 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.

## 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 deputizes 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

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

As of December 31, 2021

#### 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

Rudolf Marty	Chairman
Frank Tanski	Member
Peter Athanas	Member

As of December 31, 2021

### 3.4.2.3 Compensation and Nomination Committee

The members of the Compensation and Nomination Committee are elected 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

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

As of December 31, 2021

### 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 seven meetings, including one strategy meeting in 2021.

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 to 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 one meeting 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 [section 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 jointly. 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.

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.

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

A new function was added to the Group Management in the year under review, namely Senior Vice Sustainable Change. The members of the Group Management of ALSO Holding AG are as follows.

#### Members of Group Management

Name	Nationality	Position
Gustavo Möller-Hergt	DE	Chief Executive Officer (CEO)
Ralf Retzko	DE	Chief Financial Officer (CFO)
Thomas Meyerhans	DE	General Counsel and Senior Vice President HR
Jan Bogdanovich	LV	Senior Vice President Consumptional Business
Beate Flamm	DE	Senior Vice President Sustainable Change

As of December 31, 2021

# 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 2021 a member of the Group Management.

### Career Milestones

Position/Function	Period
Senior Vice President Legal and Senior Vice President Human Resources (since 2020) of ALSO Group	2018 until today
Attorney at Law at Baker & McKenzie in Munich, Germany, San Francisco and Palo Alto, USA	2014 until 2018
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

Senior Vice President Consumptional Business of the ALSO Group and since 2021 a member of the Group Management.

### Career Milestones

Position/Function	Period
SVP Consumptional Business (since 2021) and previously in various positions within the ALSO Group	2014 until today
Responsible for the R&D center in Riga for Nervogrid, Helsinki, 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.


## 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. According to Art. 6 of VegÜV, delegation of the executive management to legal entities is not permitted.


## 5. Compensation, shareholdings, 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 17 March 2021, the right to attend in person was excluded due to the ban on events as a result of the COVID-19 pandemic based on the provisions of Ordinance 2 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 17 March 2021 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	2021	2020
Audit	1 303	1 070
Audit related services	60	0
Tax and other services	611	408
<b>Total</b>	<b>1 974</b>	<b>1 478</b>



### 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 2020.

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.

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 18, 2022
Publication half-year report	July 20, 2022

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

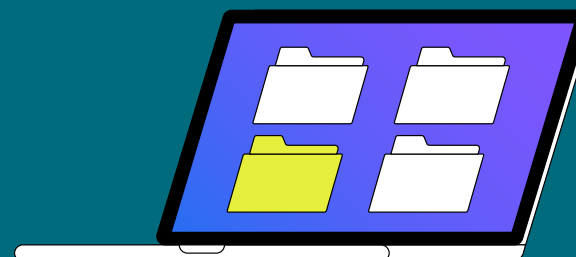
In the year under review, the following trading blackout periods were applied:

- January 1 to and including February 24, 2021
- July 1 up to and including July 21, 2021

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

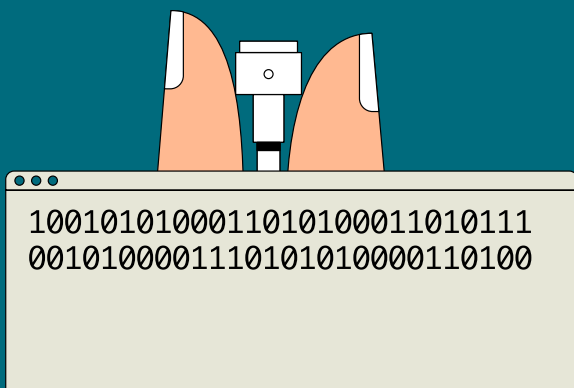
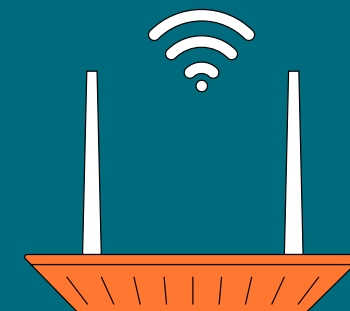
## 11. Important changes occurring after the balance sheet date

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



# COMPENSATION REPORT

Principles	67
Changes in the reporting year	67
Compensation system	67
Responsibilities and procedures for approving and setting compensation	68
Compensation for the reporting year	69
Compensation for the prior year	71
Compensation paid to former members of governing bodies	72
Compensation paid to related parties	72
Loans and borrowing facilities	73
Report of the statutory auditor on the compensation report	74



# 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*.

This Compensation Report will be presented to the next Annual General Meeting of ALSO Holding AG, which will be held on March 18, 2022, 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 entrepreneurial thinking and action are encouraged. Compensation decisions should be fair, transparent and therefore understandable for the persons concerned.

## 2. Changes in the reporting year

Beate Flamm, Senior Vice President Sustainable Change, was appointed to the Group Management in December 2021.

## 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 Incorporation](#).

The fixed components consist of a monthly salary and, from case-by-case, 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 is 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 have been met as of December 31, 2021. A payment of the special premium will be made in fiscal year 2022 on condition that the recipient is actually employed by the ALSO Group on the date when the payment is made.

In 2022 a new long-term incentive has been decided with the members of the current Group Management, which aims to encourage a contribution by the members of the Group Management to the long-term development of the Group. It is 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. The payment is only made on condition that the recipient is actually employed by the ALSO Group on the date when the payment is made.

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 Incorporation](#) 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 Incorporation](#), 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 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.

#### Aggregate compensation – Board of Directors

In CHF 1 000	Fixed, cash (gross)	Pension expenses	Total 2021
Gustavo Möller-Hergt Chairman/executive member	–	–	–
Walter P. J. Droege <sup>1), 3), 4)</sup> Vice Chairman	140		140
Rudolf Marty <sup>2), 5)</sup>	90	4	94
Frank Tanski <sup>1), 2), 3), 7)</sup>	279		279
Peter Athanas <sup>1), 2), 3), 6)</sup>	100	4	104
Ernest-W. Droege	80		80
<b>Total compensation</b>	<b>689</b>	<b>8</b>	<b>697</b>
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

### 5.3 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.

In the reporting period, cash bonus (including one-time special premium) for Gustavo Möller-Hergt was 86 percent (previous year: 82 percent) of his total compensation. For the members of Group Management, the average cash bonus was 84 percent (previous year: 78 percent). The increase 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 (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 €.

#### Aggregate compensation – Group Management in CHF

In CHF 1 000	Fixed compensation			Fixed total compensation	Variable compensation	Total 2021
	Cash (gross)	Non-cash benefits/ miscellaneous	Pension expenses		Cash bonus (gross)	
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)

#### Aggregate compensation – Group Management in €

In € 1 000	Fixed compensation			Fixed total compensation	Variable compensation	Total 2021
	Cash (gross)	Non-cash benefits/ miscellaneous	Pension expenses		Cash bonus (gross)	
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

## 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 2020. 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 24, 2020, shareholders approved maximum fixed total compensation of CHF 0.8 million for fiscal year 2020.

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

#### Aggregate compensation – Board of Directors

In CHF 1 000	Fixed, cash (gross)	Pension expenses	Total 2020
Gustavo Möller-Hergt Chairman/executive member	–	–	–
Walter P. J. Droege <sup>1), 3), 4)</sup> Vice Chairman	140		140
Rudolf Marty <sup>2), 5)</sup>	90	4	94
Frank Tanski <sup>1), 2), 3), 7)</sup>	331		331
Peter Athanas <sup>1), 2), 3), 6)</sup>	100	4	104
Ernest-W. Droege	80		80
<b>Total compensation</b>	<b>741</b>	<b>8</b>	<b>749</b>
Approved at the Annual General Meeting			800

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 236 000 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 24, 2020, shareholders approved maximum fixed total compensation of € 1.5 million and maximum variable total compensation of € 4.5 million for fiscal year 2020.

## 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 79 491 was made to one former member of Group Management.

A benefit payment of CHF 78 712 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.

### Aggregate compensation – Group Management in CHF

In CHF 1 000	Fixed compensation			Fixed total compensation	Variable compensation	Total 2020
	Cash (gross)	Non-cash benefits/ miscellaneous	Pension expenses		Cash bonus (gross)	
Group Management						
Total	837	34	474	1 345	4 810	6 155
Highest individual compensation						
Gustavo Möller-Hergt, CEO	332	16	291	639	2 880	3 519

Translated into CHF using average exchange rates 2020 (€/CHF 1.0705)

### Aggregate compensation – Group Management in €

In € 1 000	Fixed compensation			Fixed total compensation	Variable compensation	Total 2020
	Cash (gross)	Non-cash benefits/ miscellaneous	Pension expenses		Cash bonus (gross)	
Group Management						
Total	782	32	443	1 257	4 493	5 750
Approved at the Annual General Meeting				1 500	4 500	6 000
Highest individual compensation						
Gustavo Möller-Hergt, CEO	310	15	272	597	2 690	3 287



## 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 Incorporation 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, 2021.

### 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, 2021.



# Report of the statutory auditor on the compensation report

To the General Meeting of  
ALSO Holding AG, Emmen

Zurich, February 17, 2022

We have audited the compensation report of ALSO Holding AG for the year ended December 31, 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in paragraphs 5 to 9 on pages 69 to 73 of the compensation report.



## Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.



## Auditor's responsibility

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

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

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



## Opinion

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

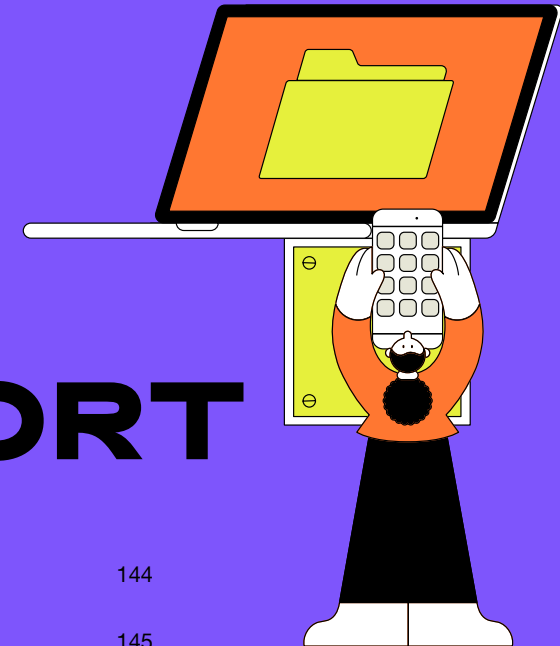
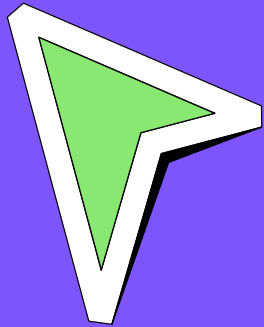
Ernst & Young Ltd

### Simon Zogg

Licensed audit expert  
(Auditor in charge)

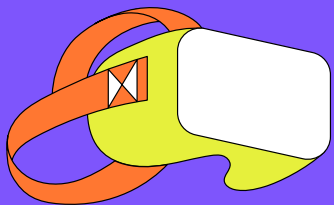
### Christian Schibler

Licensed audit expert



# FINANCIAL REPORT

<b>Consolidated income statement</b>	76	<b>Profit or loss statement of ALSO Holding AG</b>	144
<b>Consolidated statement of comprehensive income</b>	77	<b>Balance sheet of ALSO Holding AG</b>	145
<b>Consolidated statement of financial position</b>	78	<b>Notes to the financial statements of ALSO Holding AG</b>	146
<b>Consolidated statement of changes in equity</b>	80	Report of the statutory auditor on the financial statements	152
<b>Consolidated statement of cash flows</b>	81	<b>Alternative Performance Measures</b>	154
<b>Notes to the consolidated financial statements</b>	82		
Corporate information	82		
Accounting Policies	82		
Business combinations	92		
Notes to the income statement	97		
Notes to the consolidated statement of financial position as of December 31	109		
Further information on the consolidated financial statements	124		
Statutory auditor's report on the audit of the consolidated financial statements	141		



# CONSOLIDATED INCOME STATEMENT

In € 1 000	Note	2021		2020	
<b>Total net sales</b>	4.1	<b>12 394 388</b>	100.0 %	<b>11 898 367</b>	100.0 %
Cost of goods sold and services provided		-11 710 962		-11 258 967	
<b>Gross profit</b>		<b>683 426</b>	5.5 %	<b>639 400</b>	5.4 %
Personnel expenses	4.2	-251 676		-238 972	
Other operating expenses	4.4	-192 142		-194 535	
Other operating income	4.4	17 629		21 643	
<b>EBITDA</b>		<b>257 237</b>	2.1 %	<b>227 536</b>	1.9 %
Depreciation and amortization	5.5/5.6	-39 677		-42 200	
<b>Operating profit (EBIT)</b>		<b>217 560</b>	1.8 %	<b>185 336</b>	1.6 %
Financial income	4.5	5 341		5 813	
Financial expenses	4.5	-21 811		-23 432	
<b>Profit before tax (EBT)</b>		<b>201 090</b>	1.6 %	<b>167 717</b>	1.4 %
Income taxes	4.6	-46 893		-37 746	
<b>Net profit Group</b>		<b>154 197</b>	1.2 %	<b>129 971</b>	1.1 %
Attributable to shareholders of ALSO Holding AG		154 004		130 060	
Attributable to non-controlling interests		193		-89	
<b>Earnings per share in €<sup>1)</sup></b>					
Basic/diluted earnings per share	5.13	12.01		10.14	

1) 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

In € 1 000	Note	2021	2020
<b>Profit for the year recognized in the consolidated income statement</b>		<b>154 197</b>	<b>129 971</b>
<b>ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS</b>			
Remeasurement of defined benefit plans		11 437	2 718
Tax effects thereof	4.6	-1 368	-343
<b>Subtotal</b>		<b>10 069</b>	<b>2 375</b>
<b>ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS</b>			
Exchange differences		3 455	-3 296
Fair value adjustments on cash flow hedges		5 422	-903
Tax effects thereof	4.6	-1 391	447
<b>Subtotal</b>		<b>7 486</b>	<b>-3 752</b>
<b>Other comprehensive income</b>		<b>17 555</b>	<b>-1 377</b>
<b>Total comprehensive income</b>		<b>171 752</b>	<b>128 594</b>
Attributable to shareholders of ALSO Holding AG		171 559	128 683
Attributable to non-controlling interests		193	-89

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Assets

In € 1 000	Note	12.31.2021	12.31.2020
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5.1	617 245	483 162
Trade receivables	5.2	691 874	827 991
Inventories	5.3	910 018	729 422
Prepaid expenses, accrued income and other receivables	5.4	461 046	434 417
Derivative financial instruments	6.1	59	599
Assets held for sale	5.15	11 360	0
<b>Total current assets</b>		<b>2 691 602</b> 87.3 %	<b>2 475 591</b> 85.9 %
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5.5	144 206	169 566
Intangible assets	5.6	207 180	197 198
Financial assets	6.1	14 438	11 137
Derivative financial instruments	6.1	1 007	197
Deferred tax assets	4.6	22 838	28 409
Employee benefits	4.3	3 231	0
<b>Total non-current assets</b>		<b>392 900</b> 12.7 %	<b>406 507</b> 14.1 %
<b>Total assets</b>		<b>3 084 502</b> 100.0 %	<b>2 882 098</b> 100.0 %

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

**Liabilities and equity**

In € 1 000	Note	12.31.2021	12.31.2020
<b>CURRENT LIABILITIES</b>			
Financial liabilities	5.8	146 549	108 223
Trade payables		1 423 567	1 310 642
Accrued expenses, deferred income and other payables	5.9	260 510	241 842
Derivative financial instruments	6.1	829	683
Tax liabilities		15 547	13 686
Provisions	5.10	7 159	6 655
<b>Total current liabilities</b>		<b>1 854 161</b> 60.1 %	<b>1 681 731</b> 58.3 %
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	5.8	243 965	337 070
Provisions	5.10	9 526	4 552
Derivative financial instruments	6.1	6 652	10 879
Deferred tax liabilities	4.6	9 138	6 742
Employee benefits	4.3	4 335	13 185
Other payables	5.9	7 226	6 614
<b>Total non-current liabilities</b>		<b>280 842</b> 9.1 %	<b>379 042</b> 13.2 %
<b>Total liabilities</b>		<b>2 135 003</b> 69.2 %	<b>2 060 773</b> 71.5 %
<b>EQUITY</b>			
Share capital		9 960	9 960
Capital reserves		0	30 605
Treasury shares	5.11	-1 822	-1 822
Cash flow hedge reserve		-4 255	-8 287
Exchange differences		4 213	759
Remeasurement of defined benefit plans		-353	-10 422
Retained earnings		941 228	800 190
<b>Equity attributable to ALSO shareholders</b>		<b>948 971</b> 30.8 %	<b>820 983</b> 28.5 %
Non-controlling interests		528	342
<b>Total equity</b>		<b>949 499</b> 30.8 %	<b>821 325</b> 28.5 %
<b>Total liabilities and equity</b>		<b>3 084 502</b> 100.0 %	<b>2 882 098</b> 100.0 %

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € 1 000									
	Note	Share capital	Capital reserves	Treasury shares	Other reserves <sup>1)</sup>	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total
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 <sup>2)</sup>	5.13	0	-30 605	0	0	- 12 966	-43 571	0	-43 571
Changes in the scope of consolidation	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
January 1, 2020		9 960	69 943	- 1 822	- 16 573	670 372	731 880	383	732 263
Net profit Group		0	0	0	0	130 060	130 060	-89	129 971
Other comprehensive income		0	0	0	- 1 377	0	- 1 377	0	- 1 377
Total comprehensive income		0	0	0	- 1 377	130 060	128 683	-89	128 594
Distributions to shareholders	5.13	0	-39 338	0	0	0	-39 338	0	-39 338
Remeasurement of put options on shares of non-controlling interests	2.7	0	0	0	0	-242	-242	48	- 194
December 31, 2020		9 960	30 605	- 1 822	- 17 950	800 190	820 983	342	821 325

1) See Note 5.12

2) As this year's distribution to shareholders repaid the capital reserves resulting from the reverse acquisition in 2011, the remaining distribution to shareholders will be 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

In € 1 000	2021	2020
<b>Net profit Group</b>	<b>154 197</b>	<b>129 971</b>
Depreciation and amortization	39 677	42 200
Change of provisions and employee benefits	1 824	-2 031
Losses from the sale of non-current assets	299	274
Other non-cash items	1 747	-7 194
<b>Subtotal</b>	<b>197 744</b>	<b>163 220</b>
Change in trade receivables	180 596	-117 898
Change in receivables from factoring	-569	-23 981
Change in inventories	-175 371	174 714
Change in prepaid expenses, accrued income and other receivables	-19 220	-16 217
Change in trade payables	96 844	47 738
Change in accrued expenses, deferred income and other payables	10 555	18 579
<b>Cash flow from operating activities</b>	<b>290 579</b>	<b>246 155</b>
Net cash flow from acquisitions of subsidiaries (see Note 3)	-33 096	-2 293
Payment of contingent consideration from acquisitions of subsidiaries (see Note 3)	-2 730	-5 922
Net cash flow from disposal of subsidiaries (see Note 2.5)	1 827	0
Additions to property, plant and equipment	-5 544	-6 804
Additions to intangible assets	-5 222	-4 878
Additions to financial assets	-3 741	0
Disposals of property, plant and equipment	394	297
Disposals of intangible assets	135	0
Disposals of financial assets	10	1
<b>Cash flow from investing activities</b>	<b>-47 967</b>	<b>-19 599</b>

In € 1 000	2021	2020
Distributions to shareholders	-43 571	-39 338
Net cash flow from acquisitions of non-controlling interests (see Note 3)	0	-1 855
Repayments of financial liabilities	-88 281	-40 002
Proceeds/repayment from factoring liabilities	13 563	-9 204
<b>Cash flow from financing activities</b>	<b>-118 289</b>	<b>-90 399</b>
Exchange differences from cash and cash equivalents	9 760	-2 459
<b>Change in cash and cash equivalents</b>	<b>134 083</b>	<b>133 698</b>
Cash and cash equivalents at January 1	483 162	349 464
<b>Cash and cash equivalents at December 31</b>	<b>617 245</b>	<b>483 162</b>
<b>INCLUDED IN CASH FLOW FROM OPERATING ACTIVITIES</b>		
Income taxes paid	50 575	34 674
Interest paid	16 914	18 923
Interest received	601	739

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 decade. 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 2021 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, 2021, 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:

- ▶ Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- ▶ COVID-19-Related Rent Concessions (Amendment to IFRS 16)

None of the 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:

- ▶ Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) – effective January 1, 2022
- ▶ Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) – effective January 1, 2022
- ▶ Annual Improvements to IFRS Standards 2018–2020 – effective January 1, 2022
- ▶ Classification of liabilities as current or non-current (Amendments to IAS 1) – effective January 1, 2023

- ▶ 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
- ▶ Principal versus Agent: Software-Reseller (IFRS 15 Revenue from Contracts with Customers) – tentative Agenda decision

#### **Significant Effects Principal versus Agent: Software-Reseller (IFRS 15 Revenue from Contracts with Customers)**

ALSO's net sales include the sale of software licenses to wholesale and resellers. The presentation of these revenues 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 net sales and the cost of materials are to be presented gross. In case of the agent, a netting is performed and the net amount is recognized as net sales. The assessment of whether ALSO is a principal or an agent is based on the specific circumstances and may involve significant judgment.

The IFRS Interpretations Committee published a tentative agenda decision ("TAD") on principal versus agent for resellers of software licenses in December 2021. In the TAD, 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 TAD, whether the reseller controls the software license prior to the transfer is to be assessed in the specific facts on the license and not on a combined performance promise of consulting services and license.

Since the publication of the preliminary agenda decision, ALSO has been analyzing the exact effect on the presentation of revenues. The completion of the calculations is expected as of the beginning of Q2 2022. Based on a preliminary assessment, the net sales correction in 2021 amounts to approximately € 770 million (previous year € 660 million). Net sales in 2021 would therefore have been € 11 624 million (previous year € 11 238 million). The net assets, financial position, results of operations, and cash flows are not affected. ALSO expects a final agenda decision in 2022, at which point ALSO will retroactively adjust its net sales recognition based on completed analyses.


#### **Application of other changes**

From today's perspective, the application of other 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, 2021, 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 percent 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. 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.

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 2021

The following companies were acquired by the ALSO Group in 2021 and were 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	PIN Computers d.o.o.	100.00 %
Bosnia and Herzegovina	Banja Luka	PIN Computers d.o.o.	100.00 %
Montenegro	Podgorica	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	Executive S.p.A.	100.00 %
Italy	Lecco	Exero S.r.l.	100.00 %

## Changes in 2020

The following company was acquired by the ALSO Group in 2020 and was included in the scope of consolidation:

Country	Domicile	Company name	Voting interest
Austria	Gun-trams-dorf	dicom Computer-Vertriebsges.m.b.H.	100.0 %

## 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

In €		Year-end rate		Average rate	
		2021	2020	2021	2020
USA	USD	1.1326	1.2271	1.1827	1.1422
Switzerland	CHF	1.0331	1.0802	1.0811	1.0705
Norway	NOK	9.9888	10.4703	10.1633	10.7228
Denmark	DKK	7.4364	7.4409	7.4370	7.4542
Sweden	SEK	10.2503	10.0343	10.1465	10.4848
Poland	PLN	4.5969	4.5597	4.5652	4.4430

## 2.10 TOTAL NET SALES

Total net sales comprise invoiced deliveries of goods and services and other sales-related revenue.

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.

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.

ALSO does not have any material, unsatisfied performance obligations.

## 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 actuarially 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 extent 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 life 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.

### 3. Business combinations

#### Acquisition of Daquas spol. S r.o.

On March 1, 2021, the ALSO Group acquired 100 percent of the partners' shares in Daquas spol. S r.o. Daquas spol. S r.o., based in Prague, Czech Republic, is an unlisted company and is a Value Add Distributor and one of the top Cloud Solution Providers (CSP) for Microsoft. The acquisition of Czech Microsoft expert DAQUAS, adds valuable expertise in this area to the Group. At the same time, it spurs on the growth trajectory in Eastern Europe.

The consideration transferred for 100 percent of the partners' shares amounted to T€ 4 500. In the purchase price allocation, a fair value of the net assets of T€ 2 911 was identified. Goodwill of T€ 1 589 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€ 2 692 were acquired. The fair value of trade receivables amounts to T€ 1 634.

Since information is still outstanding, the purchase price allocation that was performed and revised at the reporting date is provisional.

Daquas has contributed T€ 11 837 to the net sales and T€ 355 to the net profit of ALSO since the date of acquisition.

Of the purchase price of T€ 4 500, T€ 3 500 was paid out by December 31, 2021. The remaining purchase price is due in 2023.

#### 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 consideration transferred for 100 percent of the partners' shares was T€ 9 000. In the purchase price allocation, a fair value of the net assets of T€ 6 999 was identified. Goodwill of T€ 2 001 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€ 1 592 were acquired. The fair value of the trade receivables amounts to T€ 9 654.

Since information is still outstanding, the purchase price allocation that was performed and revised at the reporting date is provisional.

Since the date of acquisition, PIN Computers has contributed T€ 22 685 to the net sales and T€ 371 to the net profit of ALSO.

The purchase price of T€ 9 000 was paid in full by December 31, 2021.

#### 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 consideration transferred for 100 percent of the partners' shares was T€ 5 400. In the purchase price allocation, a fair value of the net assets of T€ 2 792 was identified. Goodwill of T€ 2 608 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€ 1 577 were acquired. The fair value of the trade receivables amounts to T€ 2 629.

Since information is still outstanding, the purchase price allocation that was performed and revised at the reporting date is provisional.

Since the date of acquisition, IREO has contributed T€ 4 509 to the net sales and T€ 377 to the net profit of ALSO.

The purchase price of T€ 5 400 was paid in full by December 31, 2021.

#### 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 consideration transferred for 100 percent of Executives' shares was T€ 24 000. In the purchase price allocation, a fair value of the net assets of T€ 22 388 was identified. Goodwill of T€ 1 612 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€ 2 943 were acquired. The fair value of the trade receivables amounts to T€ 23 669.


Since information is still outstanding, the purchase price allocation that was performed and revised at the reporting date is provisional.

The purchase price of T€ 24 000 was paid in full by December 31, 2021.


#### 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€ 12 522 507 and the net profit T€ 156 857. 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 2021, a purchase price payment of T€ 730 was due for the acquisition of AllThingsTalk. The purchase price payment due in 2020 amounted to T€ 200. These amounts had already been taken into account in the purchase price allocation as of December 31, 2019  [refer to Note 5.8](#).

#### 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**

In € 1 000	Fair values at the date of acquisition				
	Daquas spol S r.o. <sup>1)</sup>	PIN Computers <sup>1)</sup>	IREQ <sup>1)</sup>	Executive <sup>1)</sup>	Total
<b>CURRENT ASSETS</b>					
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
<b>Total current assets</b>	<b>4 474</b>	<b>19 166</b>	<b>4 365</b>	<b>30 251</b>	<b>58 256</b>
<b>NON-CURRENT ASSETS</b>					
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
<b>Total non-current assets</b>	<b>1 059</b>	<b>2 046</b>	<b>814</b>	<b>2 496</b>	<b>6 415</b>
<b>Total assets</b>	<b>5 533</b>	<b>21 212</b>	<b>5 179</b>	<b>32 747</b>	<b>64 671</b>
<b>CURRENT LIABILITIES</b>					
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
<b>Total current liabilities</b>	<b>2 494</b>	<b>11 753</b>	<b>2 172</b>	<b>6 686</b>	<b>23 105</b>
<b>NON-CURRENT LIABILITIES</b>					
Financial liabilities	–	2 339	–	2 568	4 907
Employee benefits	–	–	–	735	735
Deferred tax liabilities	128	121	215	370	834
<b>Total non-current liabilities</b>	<b>128</b>	<b>2 460</b>	<b>215</b>	<b>3 673</b>	<b>6 476</b>
<b>Total liabilities</b>	<b>2 622</b>	<b>14 213</b>	<b>2 387</b>	<b>10 359</b>	<b>29 581</b>

**Assets and liabilities from business combinations 2021**

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


1) Provisional amounts

**Business combinations 2020****Acquisition of dicom****Computer-Vertriebsges.m.b.H.**

On October 7, 2020, the ALSO Group acquired 100 percent of the partners' shares of dicom Computer-Vertriebsges.m.b.H. Dicom, an unlisted company and value added distributor with registered office in Guntramsdorf, Austria, is specialized in the solutions and service business for B2B and public sector. The objective of the acquisition is to further develop the solutions and service business and the addition of product categories and vendor portfolios.

The provisional purchase price allocation was completed in 2021. There was no change in the measurement of the acquired net assets.

**Purchase price payment All 4 U B.V.**

In 2020, a purchase price in the amount of T€ 3 436 for the acquisition of the All 4 U Group from 2017 was due. This amount had already been taken into account in the purchase price allocation as of December 31, 2017  refer to Note 5.8.

**Earn-out and acquisition of non-controlling interest in BeIP S.A.S.**

In 2020 earn-out in the amount of T€ 400 was paid for BeIP that was acquired in 2017. This purchase price had already been taken into account in the purchase price allocation as of December 31, 2017. Under the purchase agreement, ALSO has the option to purchase, and the counterparty the option to sell, the remaining voting shares. In 2020, the liability for the put options was increased by T€ 194 in equity to the purchase price of T€ 1 855 and subsequently settled.

**Assets and liabilities from business combinations 2020**

In € 1 000	Fair values at the date of acquisition	
	dicom Computer-Vertriebsges.m.b.H.	
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		2 276
Trade receivables		2 831
Inventories		714
Prepaid expenses, accrued income and other receivables		130
<b>Total current assets</b>		<b>5 951</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment		41
Intangible assets		463
<b>Total non-current assets</b>		<b>504</b>
<b>Total assets</b>		<b>6 455</b>
<b>CURRENT LIABILITIES</b>		
Trade payables		2 450
Accrued expenses, deferred income and other payables		241
Tax liabilities		479
Provisions		15
<b>Total current liabilities</b>		<b>3 185</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions		50
Deferred tax liabilities		116
<b>Total non-current liabilities</b>		<b>166</b>
<b>Total liabilities</b>		<b>3 351</b>

**Assets and liabilities from business combinations 2020**

In € 1 000	Fair values at the date of acquisition	
	dicom Computer-Vertriebsges.m.b.H.	
Total net assets		3 104
<b>Net assets attributable to ALSO</b>		<b>3 104</b>
Goodwill		1 465
<b>Consideration transferred</b>		<b>4 569</b>
<b>ANALYSIS OF CASH FLOWS FROM THE ACQUISITIONS</b>		
Cash acquired		2 276
Cash paid		-4 569
<b>Net cash outflow</b>		<b>-2 293</b>



## 4. Notes to the income statement

### 4.1 Segment information

In € 1 000	Central Europe		Northern/Eastern Europe		Adjustments		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales to third parties	5 931 204	6 253 939	6 324 589	5 498 563	–	–	12 255 793	11 752 502
Net sales from services to third parties	100 126	106 185	31 868	32 661	231	232	132 225	139 078
Net sales from leases to third parties	5 754	6 055	616	732	–	–	6 370	6 787
Net sales to other segments	214 185	151 752	199 786	225 783	–413 971	–377 535	–	–
<b>Total net sales</b>	<b>6 251 269</b>	<b>6 517 931</b>	<b>6 556 859</b>	<b>5 757 739</b>	<b>–413 740</b>	<b>–377 303</b>	<b>12 394 388</b>	<b>11 898 367</b>
<b>EBITDA</b>	<b>134 454</b>	<b>132 966</b>	<b>122 577</b>	<b>94 558</b>	<b>206</b>	<b>12</b>	<b>257 237</b>	<b>227 536</b>
<i>As % of total net sales</i>	2.2 %	2.0 %	1.9 %	1.6 %	–	–	2.1 %	1.9 %
Depreciation and amortization	–21 276	–22 544	–15 946	–17 019	–2 455	–2 637	–39 677	–42 200
<b>Operating profit (EBIT)</b>	<b>113 178</b>	<b>110 422</b>	<b>106 631</b>	<b>77 539</b>	<b>–2 249</b>	<b>–2 625</b>	<b>217 560</b>	<b>185 336</b>
<i>As % of total net sales</i>	1.8 %	1.7 %	1.6 %	1.3 %	–	–	1.8 %	1.6 %
Net financial income/expense	–8 462	–12 416	–13 668	–13 726	5 660	8 523	–16 470	–17 619
<b>Profit before tax (EBT)</b>	<b>104 716</b>	<b>98 006</b>	<b>92 963</b>	<b>63 813</b>	<b>3 411</b>	<b>5 898</b>	<b>201 090</b>	<b>167 717</b>
<i>As % of total net sales</i>	1.7 %	1.5 %	1.4 %	1.1 %	–	–	1.6 %	1.4 %
<b>Segment assets</b>	<b>1 713 558</b>	<b>1 614 367</b>	<b>1 503 157</b>	<b>1 332 460</b>	<b>–132 213</b>	<b>–64 729</b>	<b>3 084 502</b>	<b>2 882 098</b>
<b>Segment liabilities</b>	<b>1 316 370</b>	<b>1 265 080</b>	<b>1 141 755</b>	<b>1 034 031</b>	<b>–323 122</b>	<b>–238 338</b>	<b>2 135 003</b>	<b>2 060 773</b>
<b>INVESTMENTS</b>								
in property, plant and equipment	9 574	9 821	7 123	6 315	271	235	16 968	16 371
in intangible assets	3 252	2 885	155	1	1 815	1 992	5 222	4 878
Average headcount	1 996	1 967	1 953	1 991	133	123	4 082	4 081
Headcount at year-end	2 055	1 993	2 020	1 883	136	126	4 211	4 002

**Headcount deviation**

	Central Europe	Northern/ Eastern Europe	Adjustments	Group
Headcount at year-end 2020	1 993	1 883	126	4 002
Reduction/increase in headcount	–8	53	10	55
Increase in headcount due to acquisitions	70	84	–	154
<b>Headcount at year-end 2021</b>	<b>2 055</b>	<b>2 020</b>	<b>136</b>	<b>4 211</b>

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**

In € 1 000	2021	2020
Costs for shareholders/mark-up for management fees/other centralized costs	206	12
<b>Total at EBITDA level</b>	<b>206</b>	<b>12</b>
Depreciation and amortization	–2 455	–2 637
Net financial result	5 660	8 523
<b>Total at EBT level</b>	<b>3 411</b>	<b>5 898</b>

The financial result in the “Adjustments” column in 2021 and 2020 arose from the difference between external financing costs and internal loan conditions.

**Disaggregated net sales**

In € 1 000	2021	2020
Supply	8 551 851	8 423 199
Service	641 958	499 426
Solutions	3 200 579	2 975 742
<b>Total net sales</b>	<b>12 394 388</b>	<b>11 898 367</b>

**Geographical information**

In € 1 000	Total net sales	Non-current assets <sup>1)</sup>
Switzerland		
<b>2021</b>	<b>1 045 469</b>	<b>89 536</b>
2020	1 075 008	89 302
Germany		
<b>2021</b>	<b>4 219 046</b>	<b>134 369</b>
2020	4 397 122	151 498
Netherlands		
<b>2021</b>	<b>1 461 487</b>	<b>11 905</b>
2020	1 401 134	14 513
Poland		
<b>2021</b>	<b>1 717 507</b>	<b>16 596</b>
2020	1 517 399	19 105
Others		
<b>2021</b>	<b>3 950 879</b>	<b>98 980</b>
2020	3 507 704	92 346
Group		
<b>2021</b>	<b>12 394 388</b>	<b>351 386</b>
2020	11 898 367	366 764

1) Without deferred tax assets and financial assets

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.

**Customers accounting for more than 10% of Group net sales**

In 2021, ALSO Group did not generate more than 10 percent of Group net sales with a single customer. In 2020, ALSO Group generated net sales of € 1 371 million with one customer, which were included in both segments.

**Contract assets and liabilities**

Certain business activities may give rise to contract balances. There were no significant amounts for 2021 and 2020 as disclosed in [Note 5.9](#).

**4.2 Personnel expenses**

In € 1 000	2021	2020
Salaries and wages	-211 755	-200 921
Social and pension costs	-39 921	-38 051
<b>Total personnel expenses</b>	<b>-251 676</b>	<b>-238 972</b>

Personnel expenses include restructuring expenses of € 2.3 million (previous year: € 4.0 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 85.2 percent (previous year: 84.2 percent) of plan assets and 80.3 percent (previous year: 81.9 percent) of the present value of the expected obligations of the ALSO Group.

**Defined benefit plan**

In € 1 000	2021			2020		
	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Fair value of plan assets	71 300	12 360	83 660	60 869	11 381	72 250
Present value of defined benefit obligations	–68 069	–16 695	–84 764	–69 964	–15 471	–85 435
of which financed by funds	–68 069	–15 564	–83 633	–69 964	–15 069	–85 033
of which financed by provisions	0	–1 131	–1 131	0	–402	–402
<b>Surplus/Deficit</b>	<b>3 231</b>	<b>–4 335</b>	<b>–1 104</b>	<b>–9 095</b>	<b>–4 090</b>	<b>–13 185</b>
Reported in the statement of financial position as:						
Employee benefit assets	3 231	0	3 231	0	0	0
Employee benefit liabilities	0	–4 335	–4 335	–9 095	–4 090	–13 185

**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**

In € 1 000	2021			2020		
	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Current service cost	-3 361	-585	-3 946	-3 482	-571	-4 053
Past service cost	2 231	0	2 231	1 812	0	1 812
Net interest employee benefit	1	-43	-42	-6	-42	-48
<b>Net post-employment benefit expenses</b>	<b>-1 129</b>	<b>-628</b>	<b>-1 757</b>	<b>-1 676</b>	<b>-613</b>	<b>-2 289</b>

In 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€ 2 231.

In 2020, the ALSO pension fund reduced its conversion rate. This resulted in negative past service cost of T€ 1 812.

**Remeasurement of defined benefit plans**

In € 1 000	2021			2020		
	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Actuarial gains/losses:						
Changes in demographic assumptions	3 649	184	3 833	-1 414	-93	-1 507
Changes in financial assumptions	1 604	177	1 781	966	214	1 180
Changes in experience assumptions	-1 267	105	-1 162	1 367	-52	1 315
Return on plan assets (excluding interest income)	7 003	-18	6 985	1 754	-24	1 730
<b>Total remeasurement recognized in other comprehensive income</b>	<b>10 989</b>	<b>448</b>	<b>11 437</b>	<b>2 673</b>	<b>45</b>	<b>2 718</b>

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.

In 2020, the annuity take-up rate of the ALSO pension fund was reassessed. This resulted in a change in demographic assumptions in the amount of T€ –1 414.

#### Change in fair value of plan assets

In € 1 000	2021			2020		
	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
<b>January 1</b>	<b>60 869</b>	<b>11 381</b>	<b>72 250</b>	<b>57 693</b>	<b>10 918</b>	<b>68 611</b>
Interest income	150	114	264	29	98	127
Return on plan assets (excluding interest income)	7 003	–18	6 985	1 754	–24	1 730
Employee contributions	1 676	178	1 854	1 494	189	1 683
Employer contributions	2 316	702	3 018	2 768	713	3 481
Net benefits (paid) received	–3 829	–122	–3 951	–3 120	–529	–3 649
Exchange differences	3 115	125	3 240	251	16	267
<b>December 31</b>	<b>71 300</b>	<b>12 360</b>	<b>83 660</b>	<b>60 869</b>	<b>11 381</b>	<b>72 250</b>

The expected employer contributions for defined benefit plans for next year is T€ 2 928.

**Change in the present value of defined benefit obligations**

In € 1 000	2021			2020		
	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
<b>January 1</b>	<b>69 964</b>	<b>15 471</b>	<b>85 435</b>	<b>70 457</b>	<b>14 952</b>	<b>85 409</b>
Effect of acquisitions	0	735	735	0	0	0
Service cost	3 361	585	3 946	3 482	571	4 053
Past service cost	-2 231	0	-2 231	-1 812	0	-1 812
Interest cost	149	157	306	35	140	175
Actuarial gain/loss	-3 986	-466	-4 452	-919	-69	-988
Employee contributions	1 676	178	1 854	1 494	189	1 683
Net benefits (paid) received	-3 829	-123	-3 952	-3 120	-529	-3 649
Exchange differences	2 965	158	3 123	347	217	564
<b>December 31</b>	<b>68 069</b>	<b>16 695</b>	<b>84 764</b>	<b>69 964</b>	<b>15 471</b>	<b>85 435</b>

The weighted average duration of the defined benefit obligation is 17 years (previous year: 19 years).

**Investment structure of plan assets**

	2021			2020		
	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Cash and cash equivalents	3.9 %	0.0 %	3.3 %	4.6 %	0.0 %	3.9 %
Equity instruments	35.0 %	0.0 %	29.9 %	35.6 %	0.0 %	30.0 %
Bonds	29.8 %	0.0 %	25.4 %	29.6 %	0.0 %	24.9 %
Real estate	15.8 %	0.0 %	13.5 %	14.5 %	0.0 %	12.2 %
Other investments	15.5 %	100.0 %	27.9 %	15.7 %	100.0 %	29.0 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

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

In € 1 000	2021			2020		
	ALSO pension fund	Other defined benefit plans <sup>1)</sup>	Total <sup>1)</sup>	ALSO pension fund	Other defined benefit plans <sup>1)</sup>	Total <sup>1)</sup>
Discount rate	0.4 %	1.1 %	0.5 %	0.2 %	1.1 %	0.3 %
Future salary increases	1.0 %	0.7 %	0.9 %	1.0 %	0.7 %	1.0 %
Future pension increases	0.0 %	0.6 %	0.1 %	0.0 %	0.5 %	0.1 %
Mortality table	BVG 2020	n/a	BVG 2020	BVG 2015	n/a	BVG 2015

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 (previous year: 5 percent).

- 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 1 percent respectively (previous year: 1 percent).



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

In € 1 000	2021	2020
<b>Employer contributions</b>	<b>2 262</b>	<b>2 150</b>

## 4.4 Other operating expenses/income

#### Other operating expenses

In € 1 000	2021	2020
Leasing expenses	-4 652	-4 179
Maintenance and repair expenses	-15 395	-15 452
Marketing and administrative expenses	-109 699	-112 905
Insurance, consulting and other operating expenses	-62 396	-61 999
<b>Total other operating expenses</b>	<b>-192 142</b>	<b>-194 535</b>

#### Other operating income

In € 1 000	2021	2020
Other operating income	17 629	21 643
<b>Total other operating income</b>	<b>17 629</b>	<b>21 643</b>

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

## 4.5 Net financial income/expense

#### Financial income

In € 1 000	2021	2020
Interest income	611	699
Exchange gains, net	40	0
Fair value adjustments of contingent considerations	1 803	4 572
Income from disposal of subsidiary (Note 2.5)	2 129	0
Other financial income	758	542
<b>Total financial income</b>	<b>5 341</b>	<b>5 813</b>

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

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

#### Financial expenses

In € 1 000	2021	2020
Interest expenses from financing	-16 208	-16 420
Interest for lease liabilities	-1 351	-1 742
Factoring fees	-2 612	-3 312
Net interest employee benefits	-42	-48
Exchange losses, net	0	-194
Fair value adjustments of contingent considerations	0	-201
Other financial expenses	-1 598	-1 515
<b>Total financial expenses</b>	<b>-21 811</b>	<b>-23 432</b>
<b>Financial result</b>	<b>-16 470</b>	<b>-17 619</b>

**Currency effects**

In € 1 000	2021	2020
Currency effects on financial result	40	-194
Currency effects on cost of goods sold and services provided	-11 676	2 850
<b>Total currency effects</b>	<b>-11 636</b>	<b>2 656</b>

**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**

In € 1 000	2021	2020
Income taxes in the reporting period	-43 184	-50 999
Income taxes in prior periods	327	-58
<b>Total current income tax</b>	<b>-42 857</b>	<b>-51 057</b>
Changes in deferred tax rate	-974	31
Changes in temporary differences	-3 062	13 280
<b>Total deferred tax</b>	<b>-4 036</b>	<b>13 311</b>
<b>Total income tax expense</b>	<b>-46 893</b>	<b>-37 746</b>

**Analysis of tax expense**

In € 1 000	2021	2020
<b>Profit before tax (EBT)</b>	<b>201 090</b>	<b>167 717</b>
<i>Expected tax rate (weighted)</i>	<i>23.1 %</i>	<i>24.0 %</i>
Expected income tax expense	-46 524	-40 265
Utilization of previously unrecognized tax losses	6 188	6 320
Income tax losses not recognized	-2 274	-1 965
Income not subject to tax	1 237	1 888
Non-deductible expenses	-3 585	-3 716
Changes in deferred tax rate	-974	31
Tax effect from prior periods	-1 098	-43
Withholding tax on Group dividends	-2	-2
Other factors	139	6
<b>Effective income tax expense</b>	<b>-46 893</b>	<b>-37 746</b>
<i>Effective income tax rate</i>	<i>23.3 %</i>	<i>22.5 %</i>

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 22.5 percent in 2020 to 23.3 percent in 2021 is mainly due to tax effects from prior periods.

In 2021, 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**

In € 1 000	2021	2020
<b>TAX EFFECTS ON ITEMS THAT WILL NOT SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS</b>		
Remeasurement of defined benefit plans	-1 368	-343
<b>Subtotal</b>	<b>-1 368</b>	<b>-343</b>
<b>TAX EFFECTS ON ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS</b>		
Exchange differences	0	43
Fair value adjustment on cash flow hedges	-1 391	404
<b>Subtotal</b>	<b>-1 391</b>	<b>447</b>
<b>Total tax effects in other comprehensive income</b>	<b>-2 759</b>	<b>104</b>

**Deferred taxes**

In € 1 000	Statement of financial position				Recognized in income taxes	
	Deferred tax assets		Deferred tax liabilities		2021	2020
	2021	2020	2021	2020		

**TEMPORARY DIFFERENCES**

Current assets	3 674	3 817	6 786	3 515	–3 159	3 554
Property, plant and equipment	316	256	3 465	2 516	–828	77
Intangible assets	186	178	3 164	2 962	466	–493
Recognized tax loss carry-forwards	6 299	5 809	0	0	539	3 423
Provisions and employee benefits	2 627	3 934	447	37	–336	–2 668
Liabilities	16 322	18 873	1 726	2 138	–612	9 415
Other temporary differences	0	0	136	32	–106	3
<b>Total</b>	<b>29 424</b>	<b>32 867</b>	<b>15 724</b>	<b>11 200</b>	<b>–4 036</b>	<b>13 311</b>
Offsetting	–6 586	–4 458	–6 586	–4 458	0	0
<b>Total deferred taxes</b>	<b>22 838</b>	<b>28 409</b>	<b>9 138</b>	<b>6 742</b>	<b>–4 036</b>	<b>13 311</b>

**Changes in deferred taxes (net)**

In € 1 000	2021	2020
<b>January 1</b>	<b>21 667</b>	<b>8 979</b>
Effect of acquisitions	–782	–116
Changes in temporary differences	–6 795	13 415
Exchange differences	–390	–611
<b>December 31</b>	<b>13 700</b>	<b>21 667</b>

**Tax loss carry-forwards**

In € 1 000	2021	2020
<b>Total tax loss carry-forwards</b>	<b>54 946</b>	<b>73 519</b>
Of which recognized as deferred tax assets	-26 110	-27 030
<b>Total tax loss carry-forwards not recognized</b>	<b>28 836</b>	<b>46 489</b>
Tax effect on unrecognized tax loss carry-forwards	6 564	10 696
<b>TOTAL UNRECOGNIZED TAX LOSS CARRY-FORWARDS EXPIRING:</b>		
In one year (weighted tax rate 2021: 8.2 %)	261	0
In two to five years (weighted tax rate 2021: 12.9 %; previous year: 20.2 %)	7 471	14 706
In six to ten years (weighted tax rate 2021: 19.2 %; previous year: 12.0 %)	2 099	826
No expiry (weighted tax rate 2021: 27.2 %; previous year: 24.6 %)	19 005	30 957

In 2021, ALSO capitalized new deferred taxes in the amount of T€ 2 463. In 2020, ALSO did capitalize new deferred taxes in the amount of T€ 3 423.

The loss carry-forwards existing at December 31, 2021 derive mainly from Sweden, Poland, Belgium, Germany and Hungary.

For tax loss carry-forwards in the amount of T€ 28 836 (previous year: T€ 46 489), 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, 2021, there were no deferred tax liabilities for retained earnings amounting to T€ 14 478 (previous year: T€ 12 959) 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€ 617 245 (previous year: T€ 483 162) consist of cash at banks and on hand.

### 5.2 Trade receivables

In € 1 000	2021	2020
Trade receivables (gross)	698 688	835 741
Provision for bad debts	– 6 814	– 7 750
<b>Total trade receivables</b>	<b>691 874</b>	<b>827 991</b>

ALSO has sold or assigned trade receivables to independent factoring partners. Please [refer to Note 6.7](#).

In € 1 000	2021	2020
<b>Status of bad debt provision as at January 1</b>	<b>7 750</b>	<b>6 548</b>
Exchange differences	– 1	– 202
Creation	1 312	2 664
Release	– 1 432	– 1 039
Utilization	– 815	– 221
<b>Status of bad debt provision as at December 31</b>	<b>6 814</b>	<b>7 750</b>
Trade receivables write-offs	– 1 698	– 2 693
Income from payments for trade receivables previously written-off	240	170

### 5.3 Inventories

In € 1 000	2021	2020
Inventories	912 525	738 968
Downpayments to suppliers	17 490	5 793
Inventory provision	– 19 997	– 15 339
<b>Total inventories</b>	<b>910 018</b>	<b>729 422</b>

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€ 11 649 766 (previous year: T€ 11 194 992) was recognized as cost of goods sold in the consolidated income statement. This includes changes in inventory provisions totaling T€ 4 372 recognized as expense. In the previous year, T€ 2 355 was recognized as income.

### 5.4 Prepaid expenses, accrued income and other receivables

In € 1 000	2021	2020
Miscellaneous tax receivables	18 874	23 785
Receivables from factors	327 799	326 965
Other receivables	102 641	73 780
<b>Other receivables</b>	<b>449 314</b>	<b>424 530</b>
Prepaid expenses and accrued income	11 732	9 887
<b>Total prepaid expenses, accrued income and other receivables</b>	<b>461 046</b>	<b>434 417</b>

Receivables from factors [see Note 6.7](#) consist of dilution reserves of T€ 134 447 (previous year: T€ 106 743) from ongoing sales of receivables and within the scope of credit lines callable claims of T€ 193 352 (previous year: T€ 220 222).

Provisions on receivables from factors amount to T€ 187 (previous year: T€ 139).

Other receivables consist mainly of receivables from vendors.

## 5.5 Property, plant and equipment

### Acquired Property, plant and equipment

In € 1 000	Land and buildings	Equipment	Other property, plant and equipment	Total
<b>January 1, 2021</b>	<b>54 038</b>	<b>10 278</b>	<b>14 744</b>	<b>79 060</b>
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
<b>December 31, 2021</b>	<b>41 216</b>	<b>8 588</b>	<b>14 117</b>	<b>63 921</b>
<b>OVERVIEW AS AT DECEMBER 31, 2021</b>				
Acquisition costs	61 285	37 153	51 545	149 983
Accumulated depreciation/impairment	-20 069	-28 565	-37 428	-86 062
<b>December 31, 2021</b>	<b>41 216</b>	<b>8 588</b>	<b>14 117</b>	<b>63 921</b>

**Right-of-use assets**

In € 1 000	Land and buildings	Equipment	Other property, plant and equipment	Total
<b>January 1, 2021</b>	<b>85 375</b>	<b>668</b>	<b>4 463</b>	<b>90 506</b>
Additions	8 509	101	2 814	11 424
Effect of acquisitions	2 156	0	0	2 156
Disposals	-1 942	-28	-150	-2 120
Depreciation	-19 632	-203	-2 830	-22 665
Exchange differences	986	-1	-1	984
<b>December 31, 2021</b>	<b>75 452</b>	<b>537</b>	<b>4 296</b>	<b>80 285</b>
<b>OVERVIEW AS AT DECEMBER 31, 2021</b>				
Gross right-of-use assets	132 529	1 292	11 483	145 304
Accumulated depreciation/impairment	-57 077	-755	-7 187	-65 019
<b>December 31, 2021</b>	<b>75 452</b>	<b>537</b>	<b>4 296</b>	<b>80 285</b>
<b>Total Property, plant and equipment</b>	<b>116 668</b>	<b>9 125</b>	<b>18 413</b>	<b>144 206</b>

**Acquired Property, plant and equipment**

In € 1 000	Land and buildings	Equipment	Other property, plant and equipment	Total
<b>January 1, 2020</b>	<b>55 581</b>	<b>11 702</b>	<b>16 448</b>	<b>83 731</b>
Additions	552	694	5 558	6 804
Effect of acquisitions	2	0	39	41
Disposals	0	–54	–582	–636
Reclassifications	0	87	–87	0
Depreciation	–2 163	–2 112	–6 481	–10 756
Exchange differences	66	–39	–151	–124
<b>December 31, 2020</b>	<b>54 038</b>	<b>10 278</b>	<b>14 744</b>	<b>79 060</b>
<b>OVERVIEW AS AT DECEMBER 31, 2020</b>				
Acquisition costs	76 923	38 512	51 498	166 933
Accumulated depreciation/impairment	–22 885	–28 234	–36 754	–87 873
<b>December 31, 2020</b>	<b>54 038</b>	<b>10 278</b>	<b>14 744</b>	<b>79 060</b>



**Right-of-use assets**

In € 1 000	Land and buildings	Equipment	Other property, plant and equipment	Total
<b>January 1, 2020</b>	<b>98 463</b>	<b>898</b>	<b>5 387</b>	<b>104 748</b>
Additions	7 043	0	2 524	9 567
Disposals	0	0	– 162	– 162
Depreciation	– 20 027	– 216	– 3 283	– 23 526
Exchange differences	– 104	– 14	– 3	– 121
<b>December 31, 2020</b>	<b>85 375</b>	<b>668</b>	<b>4 463</b>	<b>90 506</b>
<b>OVERVIEW AS AT DECEMBER 31, 2020</b>				
Gross right-of-use assets	122 881	1 256	11 005	135 142
Accumulated depreciation/impairment	– 37 506	– 588	– 6 542	– 44 636
<b>December 31, 2020</b>	<b>85 375</b>	<b>668</b>	<b>4 463</b>	<b>90 506</b>
<b>Total Property, plant and equipment</b>	<b>139 413</b>	<b>10 946</b>	<b>19 207</b>	<b>169 566</b>

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

In 2021 and 2020, 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€ –299 (previous year: T€ –274).

## 5.6 Intangible assets

In € 1 000	Goodwill	Customer lists	Other intangible assets	Total
<b>January 1, 2021</b>	<b>178 409</b>	<b>3 516</b>	<b>15 273</b>	<b>197 198</b>
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
<b>December 31, 2021</b>	<b>187 903</b>	<b>4 883</b>	<b>14 394</b>	<b>207 180</b>
<b>OVERVIEW AS AT DECEMBER 31, 2021</b>				
Acquisition costs	187 903	8 832	54 290	251 025
Accumulated amortization/impairment	0	– 3 949	– 39 896	– 43 845
<b>December 31, 2021</b>	<b>187 903</b>	<b>4 883</b>	<b>14 394</b>	<b>207 180</b>
<b>January 1, 2020</b>	<b>177 989</b>	<b>4 849</b>	<b>16 818</b>	<b>199 656</b>
Additions	0	0	4 878	4 878
Effect of acquisitions	1 465	463	0	1 928
Disposals	0	0	– 10	– 10
Amortization	0	– 1 661	– 6 257	– 7 918
Exchange differences	– 1 045	– 135	– 156	– 1 336
<b>December 31, 2020</b>	<b>178 409</b>	<b>3 516</b>	<b>15 273</b>	<b>197 198</b>
<b>OVERVIEW AS AT DECEMBER 31, 2020</b>				
Acquisition costs	178 409	7 421	51 339	237 169
Accumulated amortization/impairment	0	– 3 905	– 36 066	– 39 971
<b>December 31, 2020</b>	<b>178 409</b>	<b>3 516</b>	<b>15 273</b>	<b>197 198</b>

The addition of goodwill in 2021 and 2020 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

In € 1 000	2021	2020
Carrying amount goodwill Central Europe	156 007	150 556
Carrying amount goodwill Northern/Eastern Europe	31 896	27 853
<b>Total goodwill</b>	<b>187 903</b>	<b>178 409</b>
Discount rate (post tax) goodwill Central Europe	7.48 %	7.01 %
Discount rate (post tax) goodwill Northern/Eastern Europe	7.53 %	7.04 %
Discount rate (pre tax) goodwill Central Europe	10.15 %	9.43 %
Discount rate (pre tax) goodwill Northern/Eastern Europe	9.57 %	9.00 %
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)	2.20 %	2.10 %
Expected average EBITDA margin Northern/Eastern Europe (residual value)	1.90 %	1.30 %

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

In € 1 000	2021		2020	
	Carrying amount	Interest rate	Carrying amount	Interest rate
<b>CURRENT FINANCIAL LIABILITIES</b>				
Bank loans	16 980	0.1 to 1.7 %	17 343	0.7 to 3.3 %
Bonded loans	76 965	1.1 to 1.2 %	49 986	0.7 to 2.8 %
Lease liabilities	26 549	0.2 to 3.8 %	26 160	0.2 to 3.8 %
Liabilities from factoring	25 638	0.6 to 1.8 %	11 985	0.3 to 1.8 %
Contingent consideration from acquisitions of subsidiaries	417		2 730	
Third-party loans	0		19	
<b>Total current financial liabilities</b>	<b>146 549</b>		<b>108 223</b>	
<b>NON-CURRENT FINANCIAL LIABILITIES</b>				
Bank loans	40 458	0.1 to 1.3 %	38 926	0.7 to 1.3 %
Bonded loans	137 396	0.9 to 2.3 %	214 258	0.9 to 2.3 %
Lease liabilities	62 632	0.2 to 3.1 %	79 139	0.2 to 3.8 %
Contingent consideration from acquisitions of subsidiaries	3 177		4 398	
Third-party loans	302		349	
<b>Total non-current financial liabilities</b>	<b>243 965</b>		<b>337 070</b>	
<b>Total financial liabilities</b>	<b>390 514</b>		<b>445 293</b>	

### Covenants

Certain financial liabilities are subject to covenant clauses, under which stipulated financial key figures must be attained. As of December 31, 2021, all covenants were met.

**Reconciliation of financial liabilities****Current financial liabilities**

In € 1 000	Bank loans	Bonded loans	Lease liabilities	Liabilities from factoring	Contingent consideration from acquisitions of subsidiaries	Third-party loans	Total
<b>January 1, 2021</b>	<b>17 343</b>	<b>49 986</b>	<b>26 160</b>	<b>11 985</b>	<b>2 730</b>	<b>19</b>	<b>108 223</b>
Net cash flow	-12 309	-50 000	-25 953	13 563	-2 730	-19	-77 448
Effect of acquisitions	10 351	0	616	0	0	0	10 967
Effect of deconsolidation	-344	0	0	0	0	0	-344
Value adjustments	0	0	0	0	-1 803	0	-1 803
Other non-cash adjustments	1 527	76 979	25 610	0	2 223	0	106 339
Exchange differences	412	0	116	90	-3	0	615
<b>December 31, 2021</b>	<b>16 980</b>	<b>76 965</b>	<b>26 549</b>	<b>25 638</b>	<b>417</b>	<b>0</b>	<b>146 549</b>

**Non-current financial liabilities**

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

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 T€ 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.

### Current financial liabilities

In € 1 000	Bank loans	Bonded loans	Lease liabilities	Liabilities from factoring	Contingent consideration from acquisitions of subsidiaries	Third-party loans	Total
<b>January 1, 2020</b>	<b>21 705</b>	<b>13 000</b>	<b>26 170</b>	<b>21 643</b>	<b>6 074</b>	<b>0</b>	<b>88 592</b>
Net cash flow	-3 145	-13 000	-23 782	-9 204	-5 922	-75	-55 128
Value adjustments	0	0	0	0	-4 371	0	-4 371
Other non-cash adjustments	339	49 986	24 007	0	6 984	94	81 410
Exchange differences	-1 556	0	-235	-454	-35	0	-2 280
<b>December 31, 2020</b>	<b>17 343</b>	<b>49 986</b>	<b>26 160</b>	<b>11 985</b>	<b>2 730</b>	<b>19</b>	<b>108 223</b>

### Non-current financial liabilities

In € 1 000	Bank loans	Bonded loans	Lease liabilities	Contingent consideration from acquisitions of subsidiaries	Third-party loans	Total
<b>January 1, 2020</b>	<b>38 928</b>	<b>264 068</b>	<b>93 777</b>	<b>11 354</b>	<b>554</b>	<b>408 681</b>
Other non-cash adjustments	-339	-49 810	-14 579	-6 984	-206	-71 918
Exchange differences	337	0	-59	28	1	307
<b>December 31, 2020</b>	<b>38 926</b>	<b>214 258</b>	<b>79 139</b>	<b>4 398</b>	<b>349</b>	<b>337 070</b>

The changes in other non-cash adjustments in bonded loans of T€ 49 986 and T€ 49 810 respectively, relate to a reclassification from non-current financial liabilities due to repayments due in 2021. In 2020, ALSO repaid bonded loans in the amount of T€ 13 000.

The changes in other non-cash adjustments in lease liabilities of T€ 24 007 and T€ 14 579 respectively, relate to a reclassification from non-current financial liabilities due to repayments due in 2021 and new liabilities due to leasing contracts which commenced in 2020. The total cash outflows from leases for which ALSO is the lessee are T€ 29 703, of which T€ 5 921 is included in cash flow from operating activities and T€ 23 782 is included in cash flow from financing activities.

## 5.9 Accrued expenses, deferred income and other payables

In € 1 000	2021	2020
<b>Accrued expenses and deferred income</b>	<b>63 330</b>	<b>59 371</b>
Miscellaneous tax payables	145 086	140 002
Liabilities from factoring (continuing involvement) (see Note 6.7)	36 188	28 820
Accrued interest from factoring	1 062	314
Contract liabilities	2 486	1 647
Other payables to third parties	12 005	11 150
Other payables to related parties (see Note 6.5)	353	538
<b>Other short-term payables</b>	<b>197 180</b>	<b>182 471</b>
Contract liabilities	7 226	6 614
<b>Other long-term payables</b>	<b>7 226</b>	<b>6 614</b>
<b>Total accrued expenses, deferred income and other payables</b>	<b>267 736</b>	<b>248 456</b>

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 not yet invoiced. Tax payables include value added and other tax liabilities.

## 5.10 Provisions

In € 1 000	Guarantees, returned goods, complaints	Litigations	Restructuring	Deconstruction costs	Other provisions	Total
<b>January 1, 2021</b>	<b>4 772</b>	<b>1 113</b>	<b>17</b>	<b>0</b>	<b>5 305</b>	<b>11 207</b>
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
<b>December 31, 2021</b>	<b>5 360</b>	<b>954</b>	<b>0</b>	<b>5 419</b>	<b>4 952</b>	<b>16 685</b>
Current provisions	4 713	954	0	185	1 307	7 159
Non-current provisions	647	0	0	5 234	3 645	9 526
<b>Total 2021</b>	<b>5 360</b>	<b>954</b>	<b>0</b>	<b>5 419</b>	<b>4 952</b>	<b>16 685</b>
<b>January 1, 2020</b>	<b>4 640</b>	<b>1 327</b>	<b>350</b>	<b>0</b>	<b>5 989</b>	<b>12 306</b>
Creation	4 222	216	17	0	916	5 371
Effect of acquisitions	0	0	0	0	65	65
Utilization	-3 990	-21	-350	0	-229	-4 590
Release	-57	-409	0	0	-1 341	-1 807
Exchange differences	-43	0	0	0	-95	-138
<b>December 31, 2020</b>	<b>4 772</b>	<b>1 113</b>	<b>17</b>	<b>0</b>	<b>5 305</b>	<b>11 207</b>
Current provisions	4 117	1 113	17	0	1 408	6 655
Non-current provisions	655	0	0	0	3 897	4 552
<b>Total 2020</b>	<b>4 772</b>	<b>1 113</b>	<b>17</b>	<b>0</b>	<b>5 305</b>	<b>11 207</b>



There is an existing guarantee provision for the amount of T€ 5 360 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, 2021, 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 2020.

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
<b>January 1, 2021</b>	<b>28 089</b>	<b>1 822</b>
Additions	0	0
Disposals	0	0
<b>December 31, 2021</b>	<b>28 089</b>	<b>1 822</b>
<b>January 1, 2020</b>	<b>28 089</b>	<b>1 822</b>
Additions	0	0
Disposals	0	0
<b>December 31, 2020</b>	<b>28 089</b>	<b>1 822</b>

#### Major shareholders

	12.31.2021	12.31.2020
Special Distribution Holding GmbH, Düsseldorf (Germany) <sup>1)</sup>	51.30 %	51.30 %
Credit Suisse Funds AG, Zürich (Switzerland)	3.06 %	<sup>2)</sup>

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 Incorporation, 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

In € 1 000	Cash flow hedge reserve	Exchange differences	Remeasurement of defined benefit plans	Total other reserves
<b>January 1, 2021</b>	<b>-8 287</b>	<b>759</b>	<b>-10 422</b>	<b>-17 950</b>
Net profit Group	0	0	0	0
Other comprehensive income	4 031	3 455	10 069	17 555
<b>Total comprehensive income</b>	<b>4 031</b>	<b>3 455</b>	<b>10 069</b>	<b>17 555</b>
Distributions to shareholders	0	0	0	0
Changes in the scope of consolidation	0	0	0	0
<b>December 31, 2021</b>	<b>-4 255</b>	<b>4 213</b>	<b>-353</b>	<b>-395</b>
<b>January 1, 2020</b>	<b>-7 788</b>	<b>4 012</b>	<b>-12 797</b>	<b>-16 573</b>
Net profit Group	0	0	0	0
Other comprehensive income	-499	-3 253	2 375	-1 377
<b>Total comprehensive income</b>	<b>-499</b>	<b>-3 253</b>	<b>2 375</b>	<b>-1 377</b>
Distributions to shareholders	0	0	0	0
Remeasurement of put options on shares of non-controlling interests	0	0	0	0
<b>December 31, 2020</b>	<b>-8 287</b>	<b>759</b>	<b>-10 422</b>	<b>-17 950</b>

### 5.13 Earnings per share/dividend per share

		2021	2020
<b>Net profit Group</b>	€	<b>154 004 000</b>	<b>130 060 000</b>
Shares issued (weighted)	Number of shares	12 848 962	12 848 962
Less treasury shares (weighted)	Number of shares	–28 089	–28 089
Available shares (weighted) for calculation	Number of shares	12 820 873	12 820 873
<b>Earnings per share (basic/ diluted)</b>	€	<b>12.01</b>	<b>10.14</b>

The company has 28 089 treasury shares in its portfolio. In the above table, these treasury shares are deducted from the total number of shares outstanding. Since the expiry of the option program in 2019 basic earnings per share equal diluted earnings per share.

The Board of Directors will propose to the Annual General Meeting on March 18, 2022, that a distribution to shareholders for the amount of TCHF 55 130 (CHF 4.30 per share) be paid for the financial year 2021. In the prior year, a distribution to shareholders was made for the amount of TCHF 48 078 (CHF 3.75 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 € 1 000	2021	2020
Land and buildings	10 934	0
Equipment	409	0
Other intangible assets	17	0
<b>31. December</b>	<b>11 360</b>	<b>0</b>

In 2021, the Board of Directors of ALSO Holding AG decided to sell the land and building of ALSO Mobility Service GmbH. There is already an interested party, and the probability of a sale is very likely, but the transaction has not yet been completed as of the balance sheet date. Closing is expected in the beginning of 2022. The assets held for sale are included in the total assets of the Central Europe segment in [Note 4.1](#).

## 6. Further information on the consolidated financial statements

### 6.1 Financial instruments

#### Hedging transactions

In € 1 000	Contract value	Replacement value		Risk	Hedging instruments
		Positive	Negative		
Cash Flow Hedge	178 000	–	5 406	Interest	Interest rate swaps
Cash Flow Hedge	75 000	1 007	1 577	Interest	Interest rate options
<b>Total December 31, 2021</b>	<b>253 000</b>	<b>1 007</b>	<b>6 983</b>		
Cash Flow Hedge	228 000	–	9 534	Interest	Interest rate swaps
Cash Flow Hedge	75 000	197	1 874	Interest	Interest rate options
<b>Total December 31, 2020</b>	<b>303 000</b>	<b>197</b>	<b>11 408</b>		

Various cash flow hedges (interest rate swaps) became ineffective or had to be restructured in 2016 and in 2015 due to negative interest rates. As a result of this ineffectiveness or restructuring, measurement changes have therefore been recognized directly in financial result since these cash flow hedges became ineffective or were restructured. In 2021 this resulted in financial income of T€ 212 (previous year: T€ 354). Furthermore, these hedging transactions were reclassified from equity to financial expenses in the amount of T€ 363 (previous year: T€ 336).

For further information about hedging transactions please [see](#)

**Note 6.6.**

**Classes of financial instruments 2021**

In € 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
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			617 245			<b>617 245</b>
Trade receivables (Note 5.2)		519 195	172 679			<b>691 874</b>
Prepaid expenses, accrued income and other receivables (Note 5.4)			430 440		30 606	<b>461 046</b>
Financial assets			14 438			<b>14 438</b>
Current derivative financial instruments	59					<b>59</b>
Non-current derivative financial instruments				1 007		<b>1 007</b>
<b>FINANCIAL LIABILITIES</b>						
Financial liabilities (Note 5.8)	2 594		387 920			<b>390 514</b>
Trade payables			1 423 567			<b>1 423 567</b>
Accrued expenses, deferred income and other payables (Note 5.9)			49 608		218 128	<b>267 736</b>
Current derivative financial instruments	498			331		<b>829</b>
Non-current derivative financial instruments				6 652		<b>6 652</b>

In 2021, the net gain 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.

**Classes of financial instruments 2020**

In € 1 000	At fair value through profit or loss	At fair value through OCI	Amortized cost	Hedge accounting	Non-financial instruments	Carrying amount 12.31.2020
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			483 162			<b>483 162</b>
Trade receivables (Note 5.2)		707 780	120 211			<b>827 991</b>
Prepaid expenses, accrued income and other receivables (Note 5.4)			400 745		33 672	<b>434 417</b>
Financial assets			11 137			<b>11 137</b>
Current derivative financial instruments	599					<b>599</b>
Non-current derivative financial instruments				197		<b>197</b>
<b>FINANCIAL LIABILITIES</b>						
Financial liabilities (Note 5.8)	5 127		440 166			<b>445 293</b>
Trade payables			1 310 642			<b>1 310 642</b>
Accrued expenses, deferred income and other payables (Note 5.9)			40 822		207 634	<b>248 456</b>
Current derivative financial instruments	154			529		<b>683</b>
Non-current derivative financial instruments				10 879		<b>10 879</b>

In 2020, 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€ 4 565.

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 2021**

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

**Fair value of the financial instruments 2020**

In € 1 000	Level 1	Level 2	Level 3	Fair value 12.31.2020
<b>FINANCIAL ASSETS</b>				
Current derivative financial instruments		599		599
<i>Forward exchange contracts</i>		599		599
Non-current derivative financial instruments		197		197
<i>Interest rate options</i>		197		197
<b>FINANCIAL LIABILITIES</b>				
Contingent consideration from acquisitions of subsidiaries (Note 5.8)			-5 127	-5 127
Current derivative financial instruments		-683		-683
<i>Forward exchange contracts</i>		-154		-154
<i>Interest rate swaps</i>		-198		-198
<i>Interest rate options</i>		-331		-331
Non-current derivative financial instruments		-10 879		-10 879
<i>Interest rate swaps</i>		-9 336		-9 336
<i>Interest rate options</i>		-1 543		-1 543
<b>Total financial liabilities Level 3</b>			<b>-5 127</b>	

**Reconciliation of financial instruments within Level 3**

In € 1 000	2021	2020
<b>January 1</b>	<b>-5 127</b>	<b>-12 865</b>
Fair value adjustments of contingent consideration from the acquisition of subsidiaries recognized in financial result	1 803	3 827
Exercise of put options	0	1 855
Fair value adjustments of put options recognized in equity	0	-194
Payment of contingent consideration from acquisitions of subsidiaries	730	2 250
<b>December 31</b>	<b>-2 594</b>	<b>-5 127</b>



In 2021 and 2020 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

In € 1 000	2021	2020
5 % increase in the expected future results	0	0
5 % reduction in the expected future results	1 790	1 790

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

In € 1 000	2021	2020
Inventories	24 436	23 786
Property, plant and equipment	19 228	19 306
<b>Total assets pledged</b>	<b>43 664</b>	<b>43 092</b>

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

In € 1 000	2021	2020
Due in 1st year	7 290	6 894
Due in 2nd to 5th year	8 791	10 279
Due from the 6th year onwards	87	69

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 <sup>1)</sup> 12.31.2021	Participation <sup>1)</sup> 12.31.2020	Share capital in 1 000	Currency	Code
Schweiz	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 %	8 015	€	S
Bosnia and Herzegovina	Banja Luka	PIN Computers d.o.o.	100 %	0 %	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
	Pullach i. Isartal	SINAS Beteiligungs GmbH & Co. Vermietungs-KG	2)	0 %	9	€	S
	Soest	MEDIUM GmbH	100 %	100 %	50	€	D
	Frankfurt am Main	Pestinger GmbH	74.8 %	74.8 %	26	€	D
	Stuttgart	Beamer & more GmbH	51 %	51 %	25	€	D
	Berlin	ALSO Enterprise Services GmbH	100 %	100 %	100	€	S

Country	Head office	Company	Participation <sup>1)</sup> 12.31.2021	Participation <sup>1)</sup> 12.31.2020	Share capital in 1 000	Currency	Code
	Berlin	druckerfachmann Verwaltungs GmbH	100 %	100 %	25	€	S
	Berlin	Webinstore AG	99.99 %	99.99 %	500	€	S
	Soest	ALSO Mobility Services GmbH	100 %	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 OÜ	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.	100 %	100 %	147	€	D
Italy	Lecco	Executive S.p.A.	100 %	0 %	208	€	D
	Lecco	Exero S.r.l.	100 %	0 %	10	€	D
Cape Verde	Praia	IREO LDA	100 %	0 %	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	PIN Montenegro d.o.o.	100 %	0 %	25	€	D
Netherlands	Nijmegen	ALSO Nederland B.V.	100 %	100 %	1 000	€	D
	Nijmegen	ALSO International B.V.	100 %	100 %	18	€	D
Norway	Stokke	ALSO AS	100 %	100 %	11 063	NOK	D

Country	Head office	Company	Participation <sup>1)</sup> 12.31.2021	Participation <sup>1)</sup> 12.31.2020	Share capital in 1 000	Currency	Code
Austria	Gross- Enzersdorf	ALSO Austria GmbH	100 %	100 %	100	€	D
	Guntramsdorf	dicom Computer-Vertriebsges.m.b.H.	<sup>3)</sup>	100 %	218	€	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
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	PIN Computers d.o.o.	100 %	0 %	291	RSD	D
Slovakia	Bratislava	ALSO Slovakia s.r.o.	100 %	100 %	947	€	D
Slovenia	Ljubljana	ALSO d.o.o.	<sup>4)</sup>	100 %	8	€	D
	Ljubljana	ALSO Technology Ljubljana d.o.o.	100 %	100 %	1 710	€	D
	Ljubljana	VAD d.o.o.	100 %	100 %	50	€	D
	Ljubljana	Marmis d.o.o.	<sup>5)</sup>	100 %	9	€	D
Spain	Barcelona	ALSO Cloud Spain S.L.U.	100 %	0 %	3	€	D
	Madrid	IREO Soluciones y Servicios S.L.	100 %	0 %	80	€	D
Czech Republic	Prague	ALSO Czech Republic s.r.o.	100 %	0 %	13 010	CZK	D
	Prague	Daquas spol. s.r.o.	100 %	0 %	100	CZK	D
Ukraine	Kiew	TOB Sophela	100 %	100 %	96	UAH	S
Hungary	Budapest	ALSO Hungary Kft.	100 %	100 %	35	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 2021, ALSO lost control over SINAS Beteiligungs GmbH &amp; Co. Vermietungs-KG.

3) In 2021, dicom Computer-Vertriebsges.m.b.H. was merged with ALSO Austria GmbH.

4) In 2021, ALSO d.o.o. was merged with ALSO Technology Ljubljana d.o.o.

5) In 2021, Marmis d.o.o. was merged with ALSO Technology Ljubljana d.o.o.

## 6.5 Transactions with related parties

Existing receivables and payables at the reporting date are unsecured. In 2021 and 2020 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

In € 1 000	2021	2020
Net sales to Droege Group	228	280
Net sales to ALSO Financial Services GmbH	1 662	1 301
Operating expenses Droege Group	–3 271	–3 291
Interest income ALSO Financial Services	100	100
Trade receivables Droege Group	141	268
Trade receivables ALSO Financial Services GmbH	411	19
Loan to ALSO Financial Services GmbH	5 000	5 000
Other payables to related parties Droege Group (Note 5.9)	–353	–405
Other payables to related parties ALSO Financial Services (Note 5.9)	0	–133

The distributions of T€ 22 351 to Droege that were decided at the General Meeting of March 17, 2021 were paid on March 23, 2021 (previous year: T€ 20 226).

### 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

In € 1 000	2021	2020
Salaries <sup>1)</sup>	11 034	6 020
Contributions to pension plans	337	343
Anniversary bonuses or other special payments	0	0
Retirement bonuses	0	0
Employee shares/options	0	0
<b>Total compensation</b>	<b>11 371</b>	<b>6 363</b>

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

The increase 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.

## 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 December 31, 2021**

In € 1 000	Standard & Poor's	AA+	AA	AA-	A+	A	A-	BBB+	BBB	No rating	Total
	Moody's	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2		
	Fitch	AA+	AA	AA-	A+	A	A-	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	2 128	617 245
Receivables from factoring (Note 5.4)		0	0	9 249	252 603	0	39 274	0	26 673	0	327 799
		2.1 %	7.4 %	2.3 %	63.2 %	0.3 %	19.8 %	1.0 %	3.7 %	0.2 %	100.0 %

**Credit quality December 31, 2020**

In € 1 000	Standard & Poor's	AA+	AA	AA-	A+	A	A-	BBB+	BBB	No rating	Total
	Moody's	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2		
	Fitch	AA+	AA	AA-	A+	A	A-	BBB+	BBB		
Cash and cash equivalents (Note 5.1)		16 087	66 209	21 565	193 140	119 258	52 760	7 161	6 149	833	483 162
Receivables from factoring (Note 5.4)		0	0	34 219	176 191	81 718	21 377	0	13 460	0	326 965
		2.0 %	8.2 %	6.9 %	45.7 %	24.8 %	9.2 %	0.8 %	2.4 %	0.0 %	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€ 327 799 (previous year: T€ 326 965) [see Note 5.4](#), which are spread over several factoring partners. The largest receivable from a single factoring partner is for T€ 164 949 (previous year: T€ 127 039). 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 € 746 million (previous year: € 735 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 2021**

In € 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
<b>Total</b>	<b>1 863 689</b>	<b>1 866 439</b>	<b>1 620 946</b>	<b>216 633</b>	<b>28 860</b>

**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

**Financial liabilities by expiration date 2020**

In € 1 000	Carrying amount 12.31.2020	Total cash flow	Up to 1 year	1 to 5 years	More than 5 years
Trade payables	1 310 642	1 310 642	1 310 642	0	0
Other liabilities	40 822	40 822	40 822	0	0
Loans from banks and third parties and bonded loans	320 881	323 019	67 826	228 693	26 500
Liabilities from factoring	11 985	11 995	11 995	0	0
Contingent consideration from the acquisition of subsidiaries	7 128	7 420	2 730	4 690	0
Lease liabilities	105 299	109 540	27 557	64 727	17 256
<b>Total</b>	<b>1 796 757</b>	<b>1 803 438</b>	<b>1 461 572</b>	<b>298 110</b>	<b>43 756</b>

**DERIVATIVE FINANCIAL INSTRUMENTS**

Interest rate swaps (net)	9 534	9 818	1 921	6 707	1 190
Interest rate options (net)	1 677	1 989	331	1 416	242



The table includes all instruments held on December 31, 2021 and 2020 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, 2021 and 2020, 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, 2021 and 2020 respectively, had been 100 base points higher/lower, the effect would have been as follows:

### Sensitivity of interest rates 2021

In € 1 000	Effect on the financial result	Effect on the equity
Market interest rates + 100 bps	-6 186	4 028
Market interest rates - 100 bps	1 746	-3 274

### Sensitivity of interest rates 2020

In € 1 000	Effect on the financial result	Effect on the equity
Market interest rates + 100 bps	-4 061	5 150
Market interest rates - 100 bps	1 098	-4 047

Market interest rates were slightly negative in 2021 and 2020. Because some financing partners do not pass on negative interest rates to ALSO, the financing costs would not be affected to the same extent by a 100 bps decrease as they would be by a 100 bps increase. ALSO concluded hedging instruments in 2017 and in 2019 that take account of the negative interest rate environment 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 2021 and 2020 respectively. These usually reflect the open risks over the year.

## Unhedged net exposure

In € 1 000	€/USD	€/CHF	€/PLN	€/CZK	€/DKK	€/NOK	€/SEK	€/HRK	€/RON
<b>December 31, 2021</b>	<b>62 023</b>	<b>15 844</b>	<b>38 336</b>	<b>5 877</b>	<b>60 560</b>	<b>10 446</b>	<b>3 967</b>	<b>717</b>	<b>6 082</b>
December 31, 2020	35 913	4 036	24 781	220	9 846	334	3 791	8 873	23

## Sensitivity analysis

If, on December 31, 2021 and 2020 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€ 13 408 higher/lower (previous year: T€ 6 788). 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.

In € 1 000	12.31.2021	12.31.2020	
Current financial liabilities	146 549	108 223	
Non-current financial liabilities	243 965	337 070	
<b>Total financial liabilities (Note 5.8)</b>	<b>390 514</b>	<b>445 293</b>	
./. Cash and cash equivalents (Note 5.1)	-617 245	-483 162	
<b>Net financial debt</b>	<b>-226 731</b>	<b>-37 869</b>	<b>-1.3 %</b>
Reported equity	949 499	821 325	28.5 %
Equity and net financial debt	722 768	783 456	27.2 %
<b>Total liabilities and equity</b>	<b>3 084 502</b>	<b>2 882 098</b>	<b>100.0 %</b>

## 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

In € 1 000	Carrying amount/fair value of loss risk	Theoretical maximum loss risk
Interest risk for late payment	177	1 495
<b>Total December 31, 2021</b>	<b>177</b>	<b>1 495</b>
Interest risk for late payment	78	631
<b>Total December 31, 2020</b>	<b>78</b>	<b>631</b>

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€ 177

(previous year: T€ 78) for late payments will be due on sold receivables at December 31, 2021. Corresponding accruals for these amounts were therefore made at December 31, 2021 and 2020, 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, 2021, the theoretical maximum value at risk from this loss was estimated at T€ 1 495 (previous year: T€ 631).

### 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€ 691 874 (previous year: T€ 827 991, [see Note 5.2](#) therefore contain a continuing involvement for the amount of T€ 35 870 (previous year: T€ 28 641). This is composed of the residual interest risk for late payments of T€ 1 181 (previous year: T€ 825), the residual credit risk of T€ 33 184 (previous year: T€ 26 409), and the residual exchange rate risk of T€ 1 505 (previous year: T€ 1 407).

Due to the continuing involvement, there is a corresponding obligation for the amount of T€ 35 870 (previous year: T€ 28 641), which is recognized in accrued expenses, deferred income and other payables. In addition, there is an accrual for the amount of T€ 141 (previous year: T€ 101) 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 2021

In € 1 000	Carrying amount/fair value
Asset from continuing involvement	35 870
Obligation from continuing involvement	36 011
<b>Net obligation at December 31, 2021</b>	<b>- 141</b>

#### Net obligation 2020

In € 1 000	Carrying amount/fair value
Asset from continuing involvement	28 641
Obligation from continuing involvement	28 742
<b>Net obligation at December 31, 2020</b>	<b>- 101</b>

At the reporting date, the gross amount of these sold receivables with continuing involvement was T€ 396 289 (previous year: T€ 297 055).

#### Liability from factoring 2021

In € 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
<b>December 31, 2021 (Note 5.9)</b>	<b>318</b>	<b>35 870</b>	<b>36 188</b>

#### Liability from factoring 2020

In € 1 000	Fair value of the remaining risk	Obligation from continuing involvement	Total liability from factoring
Receivables fully derecognized	78	0	78
Receivables not fully derecognized	101	28 641	28 742
<b>December 31, 20 (Note 5.9)</b>	<b>179</b>	<b>28 641</b>	<b>28 820</b>

#### 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 17, 2022, and will be submitted to the Annual General Meeting of March 18, 2022, for approval.



# Statutory auditor's report on the audit of the consolidated financial statements

To the General Meeting of  
ALSO Holding AG, Emmen

Zurich, February 17, 2022



## Opinion

We have audited the consolidated financial statements of ALSO Holding AG and its subsidiaries (the Group), which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position as at December 31, 2021, consolidated statement of changes in equity, 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 76 to 140) give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and 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 (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



## 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, 2021. 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 Company'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 Group Management, the Company 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 Company's internal controls over its annual impairment tests and key assumptions applied and evaluated Group Management's definition of Cash Generating Units. We involved valuation specialists to assist in examining the Company'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 Company'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 in the annual report

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Responsibility of the Board of Directors for the consolidated financial statements

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

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



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

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

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



### Report on other legal and regulatory requirements

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

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

Ernst & Young Ltd

#### Simon Zogg

Licensed audit expert  
(Auditor in charge)

#### Christian Schibler

Licensed audit expert

# PROFIT OR LOSS STATEMENT OF ALSO HOLDING AG

In CHF 1 000	2021	2020
Service revenue	35 822	28 682
Investment revenue	81 489	41 860
Service expenses	-22 310	-18 206
Personnel expenses	-7 226	-7 281
Other operating expenses	-10 153	-9 123
Financial income	10 298	15 168
Financial expenses	-10 911	-7 558
Direct tax expenses	-61	-509
<b>Net profit</b>	<b>76 948</b>	<b>43 033</b>



# BALANCE SHEET OF ALSO HOLDING AG

## Assets

In CHF 1 000	12.31.2021	12.31.2020
Cash	154 095	95 260
Other current receivables		
from Group companies	37 247	166 502
Prepaid expenses and accrued income	384	249
<b>Total current assets</b>	<b>191 726</b>	<b>262 011</b>
Loans to Group companies	139 293	147 080
Investments	629 142	583 152
Prepaid expenses and accrued income	967	1 391
<b>Total non-current assets</b>	<b>769 402</b>	<b>731 623</b>
<b>Total assets</b>	<b>961 128</b>	<b>993 634</b>

## Liabilities and equity

In CHF 1 000	12.31.2021	12.31.2020
Liabilities to banks (interest-bearing)	79 550	54 010
Other current payables		
to third parties	1 733	2 444
to Group companies (interest-bearing)	4 406	718
Accrued expenses and deferred income	14 856	16 620
<b>Total current liabilities</b>	<b>100 545</b>	<b>73 792</b>
Liabilities to banks (interest-bearing)	155 490	243 619
<b>Total non-current liabilities</b>	<b>155 490</b>	<b>243 619</b>
<b>Total liabilities</b>	<b>256 035</b>	<b>317 411</b>
Share capital	12 849	12 849
Legal capital reserves		
foreign capital contribution reserve	66 912	114 990
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	450 206	407 173
net profit	76 948	43 033
Treasury shares	-1 540	-1 540
<b>Total shareholders' equity</b>	<b>705 093</b>	<b>676 223</b>
<b>Total liabilities and equity</b>	<b>961 128</b>	<b>993 634</b>

# 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 in CHF 12.31.2021	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	Price in CHF
<b>January 1, 2020</b>	<b>28 089</b>	<b>1 540</b>	<b>163.40</b>
Additions	–		
Disposals	–		
Revaluation		–	
<b>December 31, 2020</b>	<b>28 089</b>	<b>1 540</b>	<b>253.00</b>
Additions	–		
Disposals	–		
Revaluation		–	
<b>December 31, 2021</b>	<b>28 089</b>	<b>1 540</b>	<b>300.00</b>

Treasury shares are measured at their historic cost.

## Major shareholders

	12.31.2021	12.31.2020
Special Distribution Holding GmbH, Düsseldorf (Germany) <sup>1)</sup>	51.30 %	51.30 %
Credit Suisse Funds AG, Zürich (Switzerland)	3.06 %	<sup>2)</sup>

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

In CHF 1 000	12.31.2021	12.31.2020
Conditional liabilities towards third parties	1 093 843	1 051 596
Letters of comfort	p.m.	p.m.
<b>Total</b>	<b>1 093 843</b>	<b>1 051 596</b>

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

In CHF 1 000	12.31.2021	12.31.2020
ALSO pension fund	–	–
<b>Total</b>	<b>–</b>	<b>–</b>

## Number of full-time equivalent positions

In 2021, the average number of full-time equivalent positions was 6 (previous year: 6).

## Information about directly or indirectly controlled investments

Country	Head office	Company	Participation <sup>1)</sup> 12.31.2021	Participation <sup>1)</sup> 12.31.2020	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 %	8 015	€	S
Bosnia and Herzegovina	Banja Luka	PIN Computers d.o.o.	100 %	0 %	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

Country	Head office	Company	Participation <sup>1)</sup> 12.31.2021	Participation <sup>1)</sup> 12.31.2020	Share capital in 1 000	Currency	Code
	Pullach i. Isartal	SINAS Beteiligungs GmbH & Co. Vermietungs-KG	<sup>2)</sup>	0 %	9	€	S
	Soest	MEDIUM GmbH	100 %	100 %	50	€	D
	Frankfurt am Main	Pestinger GmbH	74.8 %	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	100 %	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 OÜ	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.	100 %	100 %	147	€	D
Italy	Lecco	Executive S.p.A.	100 %	0 %	208	€	D
	Lecco	Exero S.r.l.	100 %	0 %	10	€	D
Cape Verde	Praia	IREO LDA	100 %	0 %	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

Country	Head office	Company	Participation <sup>1)</sup> 12.31.2021	Participation <sup>1)</sup> 12.31.2020	Share capital in 1 000	Currency	Code
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	PIN Montenegro d.o.o.	100 %	0 %	25	€	D
Netherlands	Nijmegen	ALSO Nederland B.V.	100 %	100 %	1 000	€	D
	Nijmegen	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
	Guntramsdorf	dicom Computer-Vertriebsges.m.b.H.	<sup>3)</sup>	100 %	218	€	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
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	PIN Computers d.o.o.	100 %	0 %	291	RSD	D
Slovakia	Bratislava	ALSO Slovakia s.r.o.	100 %	100 %	947	€	D
Slovenia	Ljubljana	ALSO d.o.o.	<sup>4)</sup>	100 %	8	€	D
	Ljubljana	ALSO Technology Ljubljana d.o.o.	100 %	100 %	1 710	€	D
	Ljubljana	VAD d.o.o.	100 %	100 %	50	€	D
	Ljubljana	Marmis d.o.o.	<sup>5)</sup>	100 %	9	€	D

Country	Head office	Company	Participation <sup>1)</sup> 12.31.2021	Participation <sup>1)</sup> 12.31.2020	Share capital in 1 000	Currency	Code
Spain	Barcelona	ALSO Cloud Spain S.L.U.	100 %	0 %	3	€	D
	Madrid	IREO Soluciones y Servicios S.L.	100 %	0 %	80	€	D
Czech Republic	Prague	ALSO Czech Republic s.r.o.	100 %	0 %	13 010	CZK	D
	Prague	Daquas spol. s.r.o.	100 %	0 %	100	CZK	D
Ukraine	Kiew	TOB Sophela	100 %	100 %	96	UAH	S
Hungary	Budapest	ALSO Hungary Kft.	100 %	100 %	35	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 2021, ALSO lost control over SINAS Beteteiligungs GmbH & Co. Vermietungs-KG.  
3) In 2021, dicom Computer-Vertriebsges.m.b.H. was merged with ALSO Austria GmbH.  
4) In 2021, ALSO d.o.o. was merged with ALSO Technology Ljubljana d.o.o.  
5) In 2021, Marmis d.o.o. was merged with ALSO Technology Ljubljana d.o.o.

## Participations, conversion rights and options

In accordance with Art. 25 of the Articles of Incorporation, 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 2021

12.31.2021	Number of shares	Number of options
Gustavo Möller-Hergt Chairman/Executive Member	–	–
Walter P. J. Droege Vice-Chairman	6 592 032	–
Rudolf Marty	10	–
Frank Tanski	–	–
Peter Athanas	–	–
Ernest-W. Droege	–	–
<b>Total</b>	<b>6 592 042</b>	<b>–</b>

### Board of Directors 2020

12.31.2020	Number of shares	Number of options
Gustavo Möller-Hergt Chairman/Executive Member	–	–
Walter P. J. Droege Vice-Chairman	6 592 032	–
Rudolf Marty	10	–
Frank Tanski	–	–
Peter Athanas	–	–
Ernest-W. Droege	–	–
<b>Total</b>	<b>6 592 042</b>	<b>–</b>

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.

## 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 17, 2022, and will be submitted to the Annual General Meeting of March 18, 2022, 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 18, 2022

### Proposal of the Board of Directors to the Annual General Meeting

In CHF 1 000	2021	2020
Brought forward, January 1	450 206	407 173
Net profit	76 948	43 033
Dissolution of foreign capital contribution reserve	55 130	48 078
<b>Total available earnings</b>	<b>582 284</b>	<b>498 284</b>
<b>Disbursement of foreign capital contribution reserve</b>	<b>-55 130</b>	<b>-48 078</b>
Balance to be carried forward	527 154	450 206

If the proposal is accepted by the shareholders, the dividend is tax-free for shareholders resident in Switzerland, provided that the shares are held as private assets, because it is paid from foreign capital contribution reserves.



# Report of the statutory auditor on the financial statements

To the General Meeting of  
ALSO Holding AG, Emmen

Zurich, February 17, 2022

As statutory auditor, we have audited the financial statements of ALSO Holding AG, which comprise the profit or loss statement, balance sheet and notes (pages 144 to 151), for the year ended December 31, 2021.



## Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.



## Opinion

In our opinion, the financial statements for the year ended December 31, 2021 comply with Swiss law and the company's articles of incorporation.



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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 responsibility 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 65 % of ALSO Holding AG's total assets and 89 % of the Company's total equity as at December 31, 2021. 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 2021. 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.



## Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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

Ernst & Young Ltd

### 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.

## 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 2020	11 898.4
Organic growth	437.4
Inorganic growth	58.6
Total net sales 2021	12 394.4

In € million	
Total net sales 2012	6 297.0
Organic growth	3 055.7
Inorganic growth	3 041.7
Total net sales 2021	12 394.4

## Supply, Solutions and Service net sales

In € million	2021	2020	Deviation
Total net sales	12 394.4	11 898.4	4.2 %
thereof Supply	8 551.8	8 423.3	1.5 %
thereof Solutions	3 200.6	2 975.7	7.6 %
thereof Service	642.0	499.4	28.6 %

## Sustainable Growth Rate (SGR)

$$SGR = \left( \frac{\text{Net profit Group}}{\text{Total net sales}} \right) \times \left( \frac{\text{Total net sales}}{\text{Total assets}} \right) \times \left( \frac{\text{Net profit Group previous year} - \text{dividend}}{\text{Net profit Group previous year}} \right) \times \left( \frac{\text{Total assets}}{\text{Equity}} \right)$$

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
SGR	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	2021	2020
Foreign currency effect on total net sales	10.9	-0.7
Foreign currency effect on cost of goods sold and services provided	-11.7	2.9
<b>Foreign currency effect</b>	<b>-0.8</b>	<b>2.2</b>

## 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	2021	2020
EBITDA as reported	257.2	227.5
IFRS 16 effect	24.0	25.3
<b>EBITDA (without IFRS 16 effect)</b>	<b>233.2</b>	<b>202.2</b>

## 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	2021	2020
Current financial liabilities	146.5	108.2
Non-current financial liabilities	244.0	337.1
<b>Total financial liabilities</b>	<b>390.5</b>	<b>445.3</b>
./. Cash and cash equivalents	-617.2	-483.2
<b>Net financial debt as reported</b>	<b>-226.7</b>	<b>-37.9</b>
IFRS 16 effect	-89.2	-105.3
<b>Net financial debt (without IFRS 16 effect)</b>	<b>-315.9</b>	<b>-143.2</b>

## Free cash flow (FCF)

In € million	2021	2020	2019	2018	2017
Cash flow from operating activities	290.6	246.2	312.1	88.1	94.9
Cash flow from investing activities	-48.0	-19.6	-72.6	-30.2	-27.6
<b>Free cash flow (FCF)</b>	<b>242.6</b>	<b>226.6</b>	<b>239.5</b>	<b>57.9</b>	<b>67.3</b>

## Return on capital employed (ROCE)

$$ROCE = \frac{NOPAT}{Capital\ Employed}$$

$$ROCE = \frac{Net\ profit\ Group + Financial\ expense - Financial\ income}{Equity + Provisions\ for\ employee\ benefits + Current\ and\ non-current\ financial\ liabilities - Cash\ and\ cash\ equivalents}$$

ROCE is and will be adjusted for the effects of IFRS 16 in the components financial expenses and financial liabilities.

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
ROCE	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)

$$DIO, DSO \text{ resp. } DPO = \frac{\text{Inventories resp. trade receivables resp. trade payables as at 12.31.}}{\text{Net sales of December}} \times 30$$

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.

	2021	2020
DIO	21	18
DSO	16	20
DPO	33	32
<b>Cashday (DIO + DSO – DPO)</b>	<b>4</b>	<b>6</b>

## Earnings per share EPS (in CHF)

$$EPS \text{ (in CHF)} = EPS \text{ (in €)} \times \text{€/CHF average rate}$$

	2021	2020
Earnings per share EPS (in €)	12.01	10.14
€/CHF average rate	1.0811	1.0705
Earnings per share EPS (in CHF)	12.99	10.86

## Equity per registered share (in CHF)

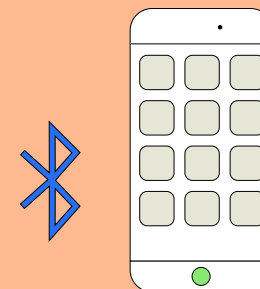
$$\text{Equity per registered share (in CHF)} = \frac{\text{Equity in €} \times \text{€/CHF rate as at 12.31.}}{\text{Numbers of registered shares}}$$

	2021	2020
Equity (in € million)	949.5	821.3
€/CHF rate as at 12.31.	1.0331	1.0802
Equity (in CHF million)	980.93	887.17
Amount of registered shares	12 848 962	12 848 962
Equity per registered share (in CHF)	76.34	69.05

## Price-earnings ratio (P/E ratio)

$$P/E \text{ ratio} = \frac{\text{Share price at year-end}}{EPS \text{ in CHF}}$$

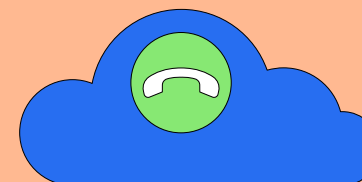
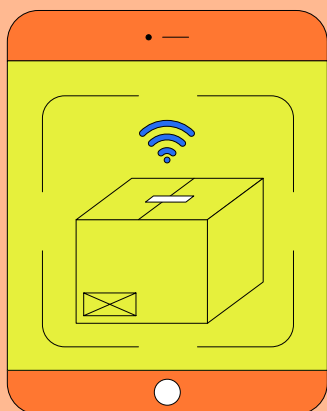
	2021	2020	2019	2018	2017	2016
Price-earnings ratio (P/E ratio)	23.1	23.3	18.8	15.2	16.7	12.7



# INFORMATION

Imprint 159

Financial Calendar 160



# IMPRINT

## For further information please contact

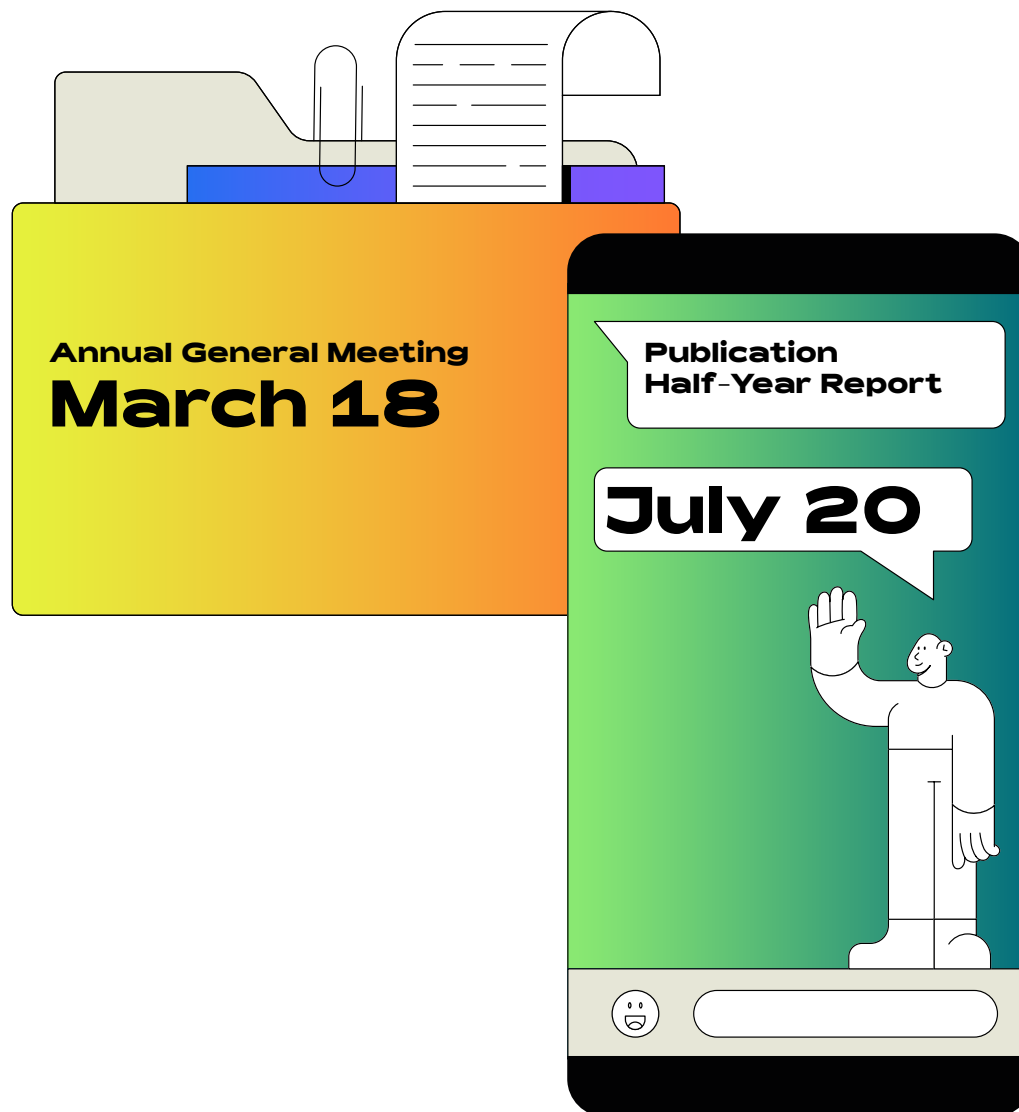
ALSO Holding AG  
Meierhofstrasse 5  
CH-6032 Emmen  
Tel. +41 41 266 18 00  
 [WWW.ALSO.COM](http://WWW.ALSO.COM)

The original German language version is binding.

### Editing/Concept and Text

ALSO Holding AG, Emmen, Switzerland

# FINANCIAL CALENDAR





ALSO Holding AG  
Meierhofstrasse 5  
CH-6032 Emmen  
Tel.: +41 41 266 18 00



**For further information:**  
**[www.also.com](http://www.also.com)**