

TR Example Group (Switzerland)

Generic Company Number XXX XXX XXX

***Annual financial reporting - for the year ended
31 December 2023***

or

Interim financial statements

TR Example Group (Switzerland)

Generic Company Number XXX XXX XXX

***Annual financial reporting - for the year ended
31 December 2023***

or

Interim financial statements

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31 December 2023	
CH.CTY	
CONSOLIDATED BALANCE SHEET	
(Values in million Swiss francs)	

CONSOLIDATED BALANCE SHEET

(At 31 December 2023 and 2022)

	Notes	31 December 2023 CHF	31 December 2022 CHF
ASSETS			
Current assets			
Cash and cash equivalents and current assets with a stock exchange price	2.1	11,090,000.00	10,198,000.00
Trade receivables	2.2	14,020,000.00	15,580,000.00
Other current receivables	2.3	540,000.00	560,000.00
Inventories and non-invoiced services	2.4	6,950,000.00	5,832,000.00
Accrued income and prepaid expenses	2.5	350,000.00	250,000.00
Total current assets		32,950,000.00	32,420,000.00
Non-current assets			
Financial assets	2.6	1,450,000.00	1,500,000.00
Shareholdings	2.7	1,000,000.00	1,000,000.00
Tangible fixed assets	2.8	2,760,000.00	1,720,000.00
Intangible assets	2.9	600,000.00	800,000.00
Other non-current assets	2.10	50,000.00	50,000.00
Non-paid up share capital	2.11	100,000.00	100,000.00
Total non-current assets		5,960,000.00	5,170,000.00
TOTAL ASSETS		38,910,000.00	37,590,000.00
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	2.12	9,450,000.00	9,370,000.00
Current interest-bearing liabilities	2.13	500,000.00	3,240,000.00
Other current liabilities	2.14	1,680,000.00	2,270,000.00
Accrued expenses and deferred income	2.15	3,880,000.00	3,300,000.00
Current provisions	2.16	1,300,000.00	1,100,000.00
Total current liabilities		16,810,000.00	19,280,000.00
Non-current liabilities			
Non-current interest-bearing liabilities	2.17	12,150,000.00	10,050,000.00
Non-current loans subordinated	2.18	150,000.00	150,000.00
Other non-current liabilities	2.19	1,200,000.00	2,000,000.00
Non-current provisions	2.20	2,000,000.00	1,000,000.00

CONSOLIDATED BALANCE SHEET

(At 31 December 2023 and 2022)

	Notes	31 December 2023 CHF	31 December 2022 CHF
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(At 31 December 2023 and 2022)

	Notes	31 December 2023 CHF	31 December 2022 CHF
ASSETS			
Current assets			
Cash and cash equivalents and current assets with a stock exchange price	2.1	11,090,000.00	10,198,000.00
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Other current receivables	2.3	540,000.00	560,000.00
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Accrued income and prepaid expenses	2.5	350,000.00	250,000.00
Total current assets		32,950,000.00	32,420,000.00
Non-current assets			
Financial assets	2.6	1,450,000.00	1,500,000.00
Shareholdings	2.7	1,000,000.00	1,000,000.00
Tangible fixed assets	2.8	2,760,000.00	1,720,000.00
Intangible assets	2.9	600,000.00	800,000.00
Other non-current assets	2.10	50,000.00	50,000.00
Non-paid up share capital	2.11	100,000.00	100,000.00
Total non-current assets		5,960,000.00	5,170,000.00
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Other current liabilities	2.14	1,680,000.00	2,270,000.00
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Total current liabilities		16,810,000.00	19,280,000.00
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Non-current interest-bearing liabilities	2.17	12,150,000.00	10,050,000.00
Non-current loans subordinated	2.18	150,000.00	150,000.00
Other non-current liabilities	2.19	1,200,000.00	2,000,000.00
Non-current provisions	2.20	2,000,000.00	1,000,000.00

CONSOLIDATED BALANCE SHEET

(At 31 December 2023 and 2022)

	Notes	31 December 2023 CHF	31 December 2022 CHF
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Total non-current liabilities		15,500,000.00	13,200,000.00
Total liabilities		32,310,000.00	32,480,000.00
Equity			
Share capital		1,000,000.00	1,000,000.00
Legal capital reserves	2.21	2,500,000.00	2,500,000.00
Legal retained earnings	2.22	900,000.00	400,000.00
Voluntary retained earnings		200,000.00	400,000.00
Treasury shares	2.24	(400,000.00)	(200,000.00)
Results carried forward		710,000.00	510,000.00
Result for the year/period		1,690,000.00	500,000.00
Total equity		6,600,000.00	5,110,000.00
TOTAL LIABILITIES AND EQUITY		38,910,000.00	37,590,000.00

CONSOLIDATED INCOME STATEMENT

(For the years ended 31 December 2023 and 2022)

	Notes	31 December 2023	31 December 2022
		CHF	CHF
Net proceeds from sales of goods and services	2.25	196,900,000.00	195,550,000.00
Purchasing or manufacturing costs of goods and services sold	2.26	(169,430,000.00)	(170,420,000.00)
Gross margin		27,470,000.00	25,130,000.00
Administrative expenses	2.27	(14,150,000.00)	(12,800,000.00)
Distribution costs	2.28	(13,460,000.00)	(12,350,000.00)

Total non-current liabilities		15,500,000.00	13,200,000.00
Total liabilities		32,310,000.00	32,480,000.00
Equity			
Share capital		1,000,000.00	1,000,000.00
Legal capital reserves	2.21	2,500,000.00	2,500,000.00
Legal retained earnings	2.22	900,000.00	400,000.00
Voluntary retained earnings		200,000.00	400,000.00
Treasury shares	2.24	(400,000.00)	(200,000.00)
Results carried forward		710,000.00	510,000.00
Result for the year/period		1,690,000.00	500,000.00
Total equity		6,600,000.00	5,110,000.00
TOTAL LIABILITIES AND EQUITY		38,910,000.00	37,590,000.00

CONSOLIDATED INCOME STATEMENT

(For the years ended 31 December 2023 and 2022)

	Notes	31 December 2023	31 December 2022
		CHF	CHF
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Purchasing or manufacturing costs of goods and services sold	2.26	(169,430,000.00)	(170,420,000.00)
Gross margin		27,470,000.00	25,130,000.00
Administrative expenses	2.27	(14,150,000.00)	(12,800,000.00)
Distribution costs	2.28	(13,460,000.00)	(12,350,000.00)

Earnings before interest and tax (EBIT)		(140,000.00)	(20,000.00)
Financial expenses	2.29	(1,320,000.00)	(1,110,000.00)
Financial income	2.30	820,000.00	820,000.00
Operating result before taxes		(640,000.00)	(310,000.00)
Non-operating expenses	2.31	(50,000.00)	(50,000.00)
Non-operating income	2.32	200,000.00	200,000.00
Extraordinary, non-recurring or prior-period expenses	2.33	(20,000.00)	(2,180,000.00)
Extraordinary, non-recurring or prior-period income	2.34	2,620,000.00	2,760,000.00
Earnings before taxes		2,110,000.00	420,000.00
Direct taxes	2.35	(420,000.00)	80,000.00
Result for the year/period		<u>1,690,000.00</u>	<u>500,000.00</u>

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CONSOLIDATED CASH FLOW STATEMENT

(For the years ended 31 December 2023 and 2022)

	31 December 2023	31 December 2022
	CHF	CHF
Result for the year/period	1,690,000.00	-
Depreciation and valuation adjustments on non-current assets	860,000.00	-
Other non-cash (income)/expenses	(350,000.00)	-
(Gains)/losses arising from disposal of non-current assets	1,560,000.00	-
Changes in current assets with a stock exchange price	(350,000.00)	-
Change in trade receivables	1,560,000.00	-
Change in other short-term receivables	20,000.00	-
Change in inventories and non-invoiced services	(1,118,000.00)	-
Change in accrued income and prepaid expenses	(100,000.00)	-
Change in trade payables	80,000.00	-
Change in other short-term liabilities	(590,000.00)	-
Change in accrued expenses and deferred income	780,000.00	-
Change in long-term provisions	1,000,000.00	-
Cash flow from operating activities	<u>5,042,000.00</u>	-
Investments in tangible fixed assets	(1,700,000.00)	-

Earnings before interest and tax (EBIT)		(140,000.00)	(20,000.00)
Financial expenses	2.29	(1,320,000.00)	(1,110,000.00)
Financial income	2.30	820,000.00	820,000.00
Operating result before taxes		(640,000.00)	(310,000.00)
Non-operating expenses	2.31	(50,000.00)	(50,000.00)
Non-operating income	2.32	200,000.00	200,000.00
Extraordinary, non-recurring or prior-period expenses	2.33	(20,000.00)	(2,180,000.00)
Extraordinary, non-recurring or prior-period income	2.34	2,620,000.00	2,760,000.00
Earnings before taxes		2,110,000.00	420,000.00
Direct taxes	2.35	(420,000.00)	80,000.00
Result for the year/period		<u>1,690,000.00</u>	<u>500,000.00</u>

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CONSOLIDATED CASH FLOW STATEMENT

(For the years ended 31 December 2023 and 2022)

	31 December 2023	31 December 2022
	CHF	CHF
Result for the year/period	1,690,000.00	-
Depreciation and valuation adjustments on non-current assets	860,000.00	-
Other non-cash (income)/expenses	(350,000.00)	-
(Gains)/losses arising from disposal of non-current assets	1,560,000.00	-
Changes in current assets with a stock exchange price	(350,000.00)	-
Change in trade receivables	1,560,000.00	-
Change in other short-term receivables	20,000.00	-
Change in inventories and non-invoiced services	(1,118,000.00)	-
Change in accrued income and prepaid expenses	(100,000.00)	-
Change in trade payables	80,000.00	-
Change in other short-term liabilities	(590,000.00)	-
Change in accrued expenses and deferred income	780,000.00	-
Change in long-term provisions	1,000,000.00	-
Cash flow from operating activities	<u>5,042,000.00</u>	-
Investments in tangible fixed assets	(1,700,000.00)	-

Investments in intangible assets	(150,000.00)	-
Proceeds from sale of intangible assets	200,000.00	-
Cash flow from investing activities	(1,650,000.00)	-
Repayment of current interest-bearing liabilities	(2,740,000.00)	-
Issuance of non-current interest-bearing liabilities	2,100,000.00	-
Change in other long-term liabilities	(800,000.00)	-
Acquisition of treasury shares	(200,000.00)	-
Cash flow from financing activities	(1,640,000.00)	-
Change in cash and cash equivalents	1,752,000.00	-
CHANGE IN CASH AND CASH EQUIVALENTS		
Reconciliation		
As at 1 January	7,698,000.00	-
As at 31 December	8,240,000.00	-
Change in cash and cash equivalents	542,000.00	-
	31 December 2023	31 December 2022
	CHF	CHF
Cash flow from operating activities	-	-

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CONSOLIDATED CASH FLOW STATEMENT		
	31 December 2023	31 December 2022
	CHF	CHF
Investments in tangible fixed assets	(1,700,000.00)	-
Investments in intangible assets	(150,000.00)	-
Disposals of intangible assets	200,000.00	-
Cash flow from investing activities	(1,650,000.00)	-
Change in short-term interest-bearing liabilities	(2,740,000.00)	-
Change in long-term interest-bearing liabilities	2,100,000.00	-
Change in other long-term liabilities	(800,000.00)	-
Acquisition of treasury shares	(200,000.00)	-
Cash flow from financing activities	(1,640,000.00)	-
Change in cash and cash equivalents	(3,290,000.00)	-
CHANGE IN CASH AND CASH EQUIVALENTS		
Reconciliation		
As at 1 January	7,698,000.00	-
As at 31 December	8,240,000.00	-
Change in cash and cash equivalents	542,000.00	-

Investments in intangible assets	(150,000.00)	-
Proceeds from sale of intangible assets	200,000.00	-
Cash flow from investing activities	(1,650,000.00)	-
Repayment of current interest-bearing liabilities	(2,740,000.00)	-
Issuance of non-current interest-bearing liabilities	2,100,000.00	-
Change in other long-term liabilities	(800,000.00)	-
Acquisition of treasury shares	(200,000.00)	-
Cash flow from financing activities	(1,640,000.00)	-
Change in cash and cash equivalents	1,752,000.00	-
CHANGE IN CASH AND CASH EQUIVALENTS		
Reconciliation		
As at 1 January	7,698,000.00	-
As at 31 December	8,240,000.00	-
Change in cash and cash equivalents	542,000.00	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**1 Principles****1.1 Applicable accounting law**

These consolidated financial statements have been prepared in accordance with the provisions on commercial accounting as set out in the Swiss Code of Obligations (art. 957 to 963b CO, effective since 1 January 2021).

Exemption to prepare consolidated accounts

According to Art. 963a par. 1 of the Swiss Code of Obligations, the company is exempted from presenting consolidated accounts as it is fully controlled and included in the group consolidated accounts of the ultimate holding company [company name] (USA), subject to an ordinary audit.

Simplification due to consolidated accounts in accordance with a recognized financial reporting standard

According to Art. 961d par. 1 of the Swiss Code of Obligations, the company is dispensed from disclosing additional information in the notes and from presenting cash flow statements and management reports as the ultimate holding company [company name] (USA) prepares financial statements in accordance with a recognized financial reporting standard.

Interim financial statements:

These Interim financial statements have been prepared in order to distribute an interim dividend.

Further reasons which have materially impacted the economic situation of the entity during the reporting period, e.g. information to seasonality

Principles applied in these financial statements (where these are not specified by law)

Significant consolidated balance sheet and profit and loss statement items are accounted for as follows:

1.2 Deviation from the going-concern principles

The management has decided to stop business in Switzerland and to ordinary liquidate the entity.

1.3 Consistency

The management has decided to disclose leasing contracts following an economic-view approach regarding the usage rights and present leasing contracts within the fixed assets and depreciate them over their useful life. One-time impacts from this change are disclosed as extraordinary item.

Mapping of trade receivables and other current receivables has been adjusted in financial year ending 31 December 2023 compared to prior year. For comparison reasons, the appropriate prior year amounts have been reclassified accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**1 Principles****1.1 Applicable accounting law**

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Simplification due to consolidated accounts in accordance with a recognized financial reporting standard

According to Art. 961d par. 1 of the Swiss Code of Obligations, the company is dispensed from disclosing additional information in the notes and from presenting cash flow statements and management reports as the ultimate holding company [company name] (USA) prepares financial statements in accordance with a recognized financial reporting standard.

Interim financial statements:

These Interim financial statements have been prepared in order to distribute an interim dividend.

Further reasons which have materially impacted the economic situation of the entity during the reporting period, e.g. information to seasonality

Principles applied in these financial statements (where these are not specified by law)

Significant consolidated balance sheet and profit and loss statement items are accounted for as follows:

1.2 Deviation from the going-concern principles

The management has decided to stop business in Switzerland and to ordinary liquidate the entity.

1.3 Consistency

The management has decided to disclose leasing contracts following an economic-view approach regarding the usage rights and present leasing contracts within the fixed assets and depreciate them over their useful life. One-time impacts from this change are disclosed as extraordinary item.

Mapping of trade receivables and other current receivables has been adjusted in financial year ending 31 December 2023 compared to prior year. For comparison reasons, the appropriate prior year amounts have been reclassified accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1 Principles**1.4 Trade receivables**

Trade receivables and other short-term receivables are carried at their nominal value, applying year-end FX-rates. Impairment charges are calculated for these assets on an individual basis; for the remainder, a general allowance of x% has been made.

1.5 Inventories and non-invoiced services

Inventories and non-invoiced services are valued at the lower of cost (acquisition or manufacturing cost) and net realisable value. Cost comprises all directly attributable costs of materials and production, and overheads necessary to bring the inventories to their present location and condition. Acquisition costs are determined using the weighted average method and manufacturing costs using standard costs. Net realisable value is the estimated selling price less the estimated cost to completion and the estimated selling cost. Impairment charges are made for unsellable inventory or inventory with a low turnover.

In addition, a general impairment charge of xx.x% has been recorded.

1.6 Current assets with a stock exchange price and financial assets

Securities with a short-term holding period are valued at their quoted market price as at the balance sheet date. A valuation adjustment reserve has not been accounted for.

Financial assets include securities with a long-term holding period that have no quoted market price or no other observable market price, as well as loans to employees. Financial assets are valued at their acquisition cost adjusted for valuation adjustments.

1.7 Shareholdings

Shareholdings with a long-term holding period that have no quoted market price or no other observable market price are valued at lower of their acquisition cost and the current equity of the shareholding.

1.8 Tangible fixed assets

Tangible fixed assets are valued at acquisition or manufacturing costs less accumulated depreciation and valuation adjustments. With the exception of land, tangible fixed assets are depreciated using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

Assets held under finance leases or with the right-of-use are carried at the lower of the fair value of the asset and the present value of the minimum lease payments. The related outstanding finance lease obligations are presented under liabilities.

Depreciation is calculated on the basis of the following useful lives and in accordance with the following methods:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1 Principles**1.4 Trade receivables**

Trade receivables and other short-term receivables are carried at their nominal value, applying year-end FX-rates. Impairment charges are calculated for these assets on an individual basis; for the remainder, a general allowance of x% has been made.

1.5 Inventories and non-invoiced services

Inventories and non-invoiced services are valued at the lower of cost (acquisition or manufacturing cost) and net realisable value. Cost comprises all directly attributable costs of materials and production, and overheads necessary to bring the inventories to their present location and condition. Acquisition costs are determined using the weighted average method and manufacturing costs using standard costs. Net realisable value is the estimated selling price less the estimated cost to completion and the estimated selling cost. Impairment charges are made for unsellable inventory or inventory with a low turnover.

In addition, a general impairment charge of xx.x% has been recorded.

1.6 Current assets with a stock exchange price and financial assets

Securities with a short-term holding period are valued at their quoted market price as at the balance sheet date. A valuation adjustment reserve has not been accounted for.

Financial assets include securities with a long-term holding period that have no quoted market price or no other observable market price, as well as loans to employees. Financial assets are valued at their acquisition cost adjusted for valuation adjustments.

1.7 Shareholdings

Shareholdings with a long-term holding period that have no quoted market price or no other observable market price are valued at lower of their acquisition cost and the current equity of the shareholding.

1.8 Tangible fixed assets

Tangible fixed assets are valued at acquisition or manufacturing costs less accumulated depreciation and valuation adjustments. With the exception of land, tangible fixed assets are depreciated using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

Assets held under finance leases or with the right-of-use are carried at the lower of the fair value of the asset and the present value of the minimum lease payments. The related outstanding finance lease obligations are presented under liabilities.

Depreciation is calculated on the basis of the following useful lives and in accordance with the following methods:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1 Principles

1.8 Tangible fixed assets

Tangible fixed assets	Useful life	Method
Land	x years	x% degressive
Property	x years	x% linear
Machinery and instruments	x years	x% linear
Furniture and fixtures	x years	x% linear
Office equipment, IT and communication technology	x years	x% linear
Vehicles	x years	x% linear
Right-of-use	Useful life	Method
Rent business premises	x years	x% degressive
Vehicles	x years	x% linear
Rent IT equipment	x years	x% linear

1.9 Intangible assets

Intangible assets generated internally are capitalized if they meet the following conditions cumulatively at the date of recognition:

- the intangible assets generated internally are identifiable and controlled by the entity;
- the intangible assets generated internally will generate a measurable benefit for the entity for more than one year;
- the expenses incurred in the creation of the intangible assets generated internally can be separately recognised and measured;
- it is likely that the resources required to complete and market or use the intangible assets for the entity's own purposes are available or will be made available.

Intangible assets are amortised using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

Amortization is calculated on the basis of the following useful lives and in accordance with the following methods:

Intangible assets	Useful life	Method
Patents, know-how, formulas	x years	x% linear
Trademarks, brands, samples, templates, plans	x years	x% linear
Licences, concessions, usage rights, company rights	x years	x% linear
Copyrights, publishing rights, contractual rights	x years	x% linear
Software	x years	x% linear

1.10 Other non-current assets

The advanced payment will be amortized over the contract duration of six years starting January 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1 Principles

1.11 Leases

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1 Principles

1.8 Tangible fixed assets

Tangible fixed assets	Useful life	Method
Land	x years	x% degressive
Property	x years	x% linear
Machinery and instruments	x years	x% linear
Furniture and fixtures	x years	x% linear
Office equipment, IT and communication technology	x years	x% linear
Vehicles	x years	x% linear
Right-of-use	Useful life	Method
Rent business premises	x years	x% degressive
Vehicles	x years	x% linear
Rent IT equipment	x years	x% linear

1.9 Intangible assets

Intangible assets generated internally are capitalized if they meet the following conditions cumulatively at the date of recognition:

- the intangible assets generated internally are identifiable and controlled by the entity;
- the intangible assets generated internally will generate a measurable benefit for the entity for more than one year;
- the expenses incurred in the creation of the intangible assets generated internally can be separately recognised and measured;
- it is likely that the resources required to complete and market or use the intangible assets for the entity's own purposes are available or will be made available.

Intangible assets are amortised using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

Amortization is calculated on the basis of the following useful lives and in accordance with the following methods:

Intangible assets	Useful life	Method
Patents, know-how, formulas	x years	x% linear
Trademarks, brands, samples, templates, plans	x years	x% linear
Licences, concessions, usage rights, company rights	x years	x% linear
Copyrights, publishing rights, contractual rights	x years	x% linear
Software	x years	x% linear

1.10 Other non-current assets

The advanced payment will be amortized over the contract duration of six years starting January 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1 Principles

1.11 Leases

Leasing and rental contracts are recognised based on legal ownership. Therefore, any leasing or rental expenses are recognised as expenses in the period they are incurred; however, the leased or rented objects themselves are not recognised in the consolidated balance sheet.

1.12 Treasury shares

Treasury shares are recognised at acquisition costs and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognised through the profit and loss statement as financial income or financial expenses.

1.13 Revenue from sale of goods and services

Sales are recognised when risks and rewards are transferred to the client or a service has been provided. Normally, this is the case upon delivery of the goods. In cases where the company is also responsible for the delivery and installation of the goods, revenue recognition only takes place once the installation has been completed.

1.14 Share-based payment

Should treasury shares be used for share-based payment programs, the difference between the acquisition costs and any consideration paid by the employees at a grant date is recognised as personnel expenses. Shares awarded to employees by capital increase are accounted for as follows: the amount paid by the employees for the nominal value of the shares awarded is recorded in share capital, while the paid amount exceeding the nominal value is considered to be a share premium and is recorded in legal capital reserves.

1.15 Foreign exchange rates applied

Year-end rate published by SFTA*	EUR / CHF	X.XXX
Year-end rate published by SFTA*	USD / CHF	X.XXX
Historic rate	EUR / CHF	X.XXX

* SFTA → Swiss Federal Tax Authority

Current assets, current liabilities	Year-end rate
Equity	Historic rate

1.16 Translation of balance sheet and income statement

As permitted by Swiss Law the books are kept in xxx. The xxx consolidated financial statements so arising have been translated into Swiss Francs as follows:

	31 December 2023	31 December 2022
	CHF	CHF
Assets, liabilities (except dividends payable)	Year-end rate	
Equity, dividends payable	Historic rate	
Income and expenses	Average rate	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1 Principles

1.17 Foreign currency items

The currency in which "name and legal form of company" operates is Swiss Francs (CHF). Transactions in foreign currencies are converted into the currency in which the company operates (CHF) at the exchange rate on the day the transaction takes place.

Monetary assets and liabilities in foreign currencies are converted into the currency in which the company operates at the exchange rate on the consolidated balance sheet date. Any profits or losses resulting from the exchange are recorded in the profit and loss account.

Leasing and rental contracts are recognised based on legal ownership. Therefore, any leasing or rental expenses are recognised as expenses in the period they are incurred; however, the leased or rented objects themselves are not recognised in the consolidated balance sheet.

1.12 Treasury shares

Treasury shares are recognised at acquisition costs and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognised through the profit and loss statement as financial income or financial expenses.

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Sales are recognised when risks and rewards are transferred to the client or a service has been provided. Normally, this is the case upon delivery of the goods. In cases where the company is also responsible for the delivery and installation of the goods, revenue recognition only takes place once the installation has been completed.

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Year-end rate published by SFTA*	EUR / CHF	X.XXX
Year-end rate published by SFTA*	USD / CHF	X.XXX
Historic rate	EUR / CHF	X.XXX

* SFTA → Swiss Federal Tax Authority

Current assets, current liabilities	Year-end rate
Equity	Historic rate

1.16 Translation of balance sheet and income statement

As permitted by Swiss Law the books are kept in xxx. The xxx consolidated financial statements so arising have been translated into Swiss Francs as follows:

Assets, liabilities (except dividends payable)	Year-end rate
Equity, dividends payable	Historic rate
Income and expenses	Average rate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1 Principles

1.17 Foreign currency items

The currency in which "name and legal form of company" operates is Swiss Francs (CHF). Transactions in foreign currencies are converted into the currency in which the company operates (CHF) at the exchange rate on the day the transaction takes place.

Monetary assets and liabilities in foreign currencies are converted into the currency in which the company operates at the exchange rate on the consolidated balance sheet date. Any profits or losses resulting from the exchange are recorded in the profit and loss account.

Non-monetary assets and liabilities at historical costs are converted at the foreign exchange rate at the time of the transaction. Any foreign exchange profits are deferred in the consolidated balance sheet as not having an effect on net income. Foreign exchange losses, on the other hand, are recorded in the profit and loss account.

1.18 Related parties

Related parties include subsidiary companies, Managing Officers and "name and legal form of company" shareholders. Transactions with related parties must take place under proper market conditions (dealing at an arm's length).

1.19 Hedge accounting

Derivative instruments are used for hedging future cash flows. Those instruments are not considered in the balance sheet but until realization of the underlying transaction disclosed in the notes. The fair value of the hedge is recorded at the same time with the realization of the underlying transaction. Ineffective parts of a hedge is considered according the imparity principle where losses are recorded in the income statement and gains accrued. All valuation changes of the hedge are recorded at the same time in the income statement as the valuation changes of the underlying transaction.

Number of open hedge contracts: 21

		CHF	CHF
		31.12.2023	31.12.2022
31 December			
Short-term hedge			
Derivative Asset	GBP	CHF436,221.00	CHF391,572.00
Derivative Liability	GBP	(CHF1,449,066.00)	(CHF957,734.00)
Total hedge, net		(CHF1,012,845.00)	(CHF566,162.00)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.1 Cash and cash equivalents and current assets with a stock exchange price

		31 December 2023	31 December 2022
in CHF			
Cash and cash equivalents		8,240,000.00	7,698,000.00
Current assets with a stock exchange price		2,850,000.00	2,500,000.00
Total cash and cash equivalents and current assets with a stock exchange price		11,090,000.00	10,198,000.00

2.2 Trade receivables

		31 December 2023	31 December 2022
in CHF			

Non-monetary assets and liabilities at historical costs are converted at the foreign exchange rate at the time of the transaction. Any foreign exchange profits are deferred in the consolidated balance sheet as not having an effect on net income. Foreign exchange losses, on the other hand, are recorded in the profit and loss account.

1.18 Related parties

Related parties include subsidiary companies, Managing Officers and "name and legal form of company" shareholders. Transactions with related parties must take place under proper market conditions (dealing at an arm's length).

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31 December			
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.1 Cash and cash equivalents and current assets with a stock exchange price

		31 December 2023	31 December 2022
in CHF			
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Current assets with a stock exchange price		2,850,000.00	2,500,000.00
Total cash and cash equivalents and current assets with a stock exchange price		11,090,000.00	10,198,000.00

2.2 Trade receivables

		31 December 2023	31 December 2022
in CHF			

Receivables from third parties	14,250,000.00	15,980,000.00
Valuation adjustments	(1,230,000.00)	(1,400,000.00)
Receivables from direct and indirect participants	1,000,000.00	1,000,000.00
Total trade receivables	14,020,000.00	15,580,000.00

2.3 Other current receivables

	31 December 2023	31 December 2022
in CHF		
Receivables from third parties	520,000.00	560,000.00
Receivables from management bodies	20,000.00	-
Total other current receivables	540,000.00	560,000.00

"Company" has signed a cash-pooling contract with GROUP ENTITY, COUNTRY, at XXX. The balance can either be a debit or a credit position. There is no joint and several liability with other participants.

2.4 Inventories and non-invoiced services

Receivables from third parties	14,250,000.00	15,980,000.00
Valuation adjustments	(1,230,000.00)	(1,400,000.00)
Receivables from direct and indirect participants	1,000,000.00	1,000,000.00
Total trade receivables	14,020,000.00	15,580,000.00

2.3 Other current receivables

	31 December 2023	31 December 2022
in CHF		
Receivables from third parties	520,000.00	560,000.00
Receivables from management bodies	20,000.00	-
Total other current receivables	540,000.00	560,000.00

"Company" has signed a cash-pooling contract with GROUP ENTITY, COUNTRY, at XXX. The balance can either be a debit or a credit position. There is no joint and several liability with other participants.

2.4 Inventories and non-invoiced services

TR Example Group (Switzerland)

CH.CTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.4 Inventories and non-invoiced services

	31 December 2023	31 December 2022
in CHF		
Trading goods	8,310,000.00	7,950,000.00
Non-invoiced services	1,700,000.00	600,000.00
Valuation adjustments	(3,060,000.00)	(2,718,000.00)
Total inventories and non-invoiced services	6,950,000.00	5,832,000.00

Market price of our product A has dropped by xx% so that value adjustments of CHF xxx were required.

2.5 Accrued income and prepaid expenses

	31 December 2023	31 December 2022
in CHF		
Prepaid insurance premiums	350,000.00	250,000.00
Total accrued income and prepaid expenses	350,000.00	250,000.00

2.6 Financial assets

TR Example Group (Switzerland)

31 December 2023

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.4 Inventories and non-invoiced services

	31 December 2023	31 December 2022
in CHF		
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Valuation adjustments	(3,060,000.00)	(2,718,000.00)
Total inventories and non-invoiced services	6,950,000.00	5,832,000.00

Market price of our product A has dropped by xx% so that value adjustments of CHF xxx were required.

2.5 Accrued income and prepaid expenses

	31 December 2023	31 December 2022
in CHF		
Prepaid insurance premiums	350,000.00	250,000.00
Total accrued income and prepaid expenses	350,000.00	250,000.00

2.6 Financial assets

	31 December 2023	31 December 2022
in CHF		
Securities held in financial assets	800,000.00	1,000,000.00
Loans to management bodies	650,000.00	500,000.00
Total financial assets	1,450,000.00	1,500,000.00

2.7 Shareholdings

Company & Legal Form	Registered office	Capital		Share in capital and voting rights in %	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		2023	2022	2023	2022
XXYY AG	XXYY	CHF1,000,000	CHF900,000	100	100
XXYYZZ GmbH	XXYY	CHF	CHF100,000		50

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TR Example Group (Switzerland)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.7 Shareholdings

Company & Legal Form	Share in capital and voting rights in %
	31 December 2021
	2021

XXYY AG
XXYYZZ GmbH

In course of a restructuring, XXYYZZ has been merged into XXYY AG as per 1.1.20xx.

2.8 Tangible fixed assets

Fixed assets owned

	31 December 2023	31 December 2022
in CHF		
Land, costs	200,000.00	100,000.00
Property	2,000,000.00	900,000.00
Furniture and fixtures	360,000.00	420,000.00
Vehicles	200,000.00	300,000.00
Total fixed assets owned	2,760,000.00	1,720,000.00

It is up to the client, whether he want to disclose the right-of-use as a separate subcategory within the tangible fixed assets or not.

	31 December 2023	31 December 2022
in CHF		
Securities held in financial assets	800,000.00	1,000,000.00
Loans to management bodies	650,000.00	500,000.00
Total financial assets	1,450,000.00	1,500,000.00

2.7 Shareholdings

Company & Legal Form	Registered office	Capital		Share in capital and voting rights in %	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		2023	2022	2023	2022
XXYY AG	XXYY	CHF1,000,000	CHF900,000	100	100
XXYYZZ GmbH	XXYY	CHF	CHF100,000		50

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TR Example Group (Switzerland)
31 December 2023

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.7 Shareholdings

Company & Legal Form	Share in capital and voting rights in %
	31 December 2021
	2021

31 December 2023
XXYY AG
XXYYZZ GmbH

In course of a restructuring, XXYYZZ has been merged into XXYY AG as per 1.1.20xx.

2.8 Tangible fixed assets

Fixed assets owned

	31 December 2023	31 December 2022
in CHF	CHF	CHF
Land, costs	200,000.00	100,000.00
Property	2,000,000.00	900,000.00
Furniture and fixtures	360,000.00	420,000.00
Vehicles	200,000.00	300,000.00
Total fixed assets owned	2,760,000.00	1,720,000.00

It is up to the client, whether he want to disclose the right-of-use as a separate subcategory within the

Due to the outsourcing of the finance department to Poland, impairment losses on the office building in the amount of CHF xxxxxx has to be recognized in 2023. The investments into the new site in Poland amounted to CHF x.xm.

2.9 Intangible assets

	31 December 2023	31 December 2022
in CHF		
Trademarks, brands, samples, templates, plans	600,000.00	800,000.00
Total intangible assets	600,000.00	800,000.00

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TR Example Group (Switzerland)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.10 Other non-current assets

	31 December 2023	31 December 2022
in CHF		
Cash deposit at the Swiss Custom Administration	50,000.00	50,000.00
Total other non-current assets	50,000.00	50,000.00

The asset is pledged to secure own liabilities in favour of the Swiss Federal Custom Administration

2.11 Non-paid up share capital

	31 December 2023	31 December 2022
in CHF		
Non-paid up share capital	100,000.00	100,000.00
Total non-paid up share capital	100,000.00	100,000.00

2.12 Trade payables

	31 December 2023	31 December 2022
in CHF		
Payables to third parties	8,910,000.00	8,670,000.00
Payables to other group companies	540,000.00	700,000.00
Total trade payables	9,450,000.00	9,370,000.00

2.13 Current interest-bearing liabilities

	31 December 2023	31 December 2022
in CHF		
Due to third parties	500,000.00	500,000.00
Due to pension fund	-	2,180,000.00
Due to other group companies	-	560,000.00
Total current interest-bearing liabilities	500,000.00	3,240,000.00

it up to the client, whether he wants to disclose the right of use as a separate subcategory, within the tangible fixed assets or not.

Due to the outsourcing of the finance department to Poland, impairment losses on the office building in the amount of CHF xxxxxx has to be recognized in 2023. The investments into the new site in Poland amounted to CHF x.xm.

2.9 Intangible assets

	31 December 2023	31 December 2022
in CHF		
Trademarks, brands, samples, templates, plans	600,000.00	800,000.00
Total intangible assets	600,000.00	800,000.00

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TR Example Group (Switzerland)
31 December 2023

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.10 Other non-current assets

	31 December 2023	31 December 2022
in CHF		
Cash deposit at the Swiss Custom Administration	50,000.00	50,000.00
Total other non-current assets	50,000.00	50,000.00

The asset is pledged to secure own liabilities in favour of the Swiss Federal Custom Administration

2.11 Non-paid up share capital

	31 December 2023	31 December 2022
in CHF		
Non-paid up share capital	100,000.00	100,000.00
Total non-paid up share capital	100,000.00	100,000.00

2.12 Trade payables

	31 December 2023	31 December 2022
in CHF		
Payables to third parties	8,910,000.00	8,670,000.00
Payables to other group companies	540,000.00	700,000.00
Total trade payables	9,450,000.00	9,370,000.00

2.13 Current interest-bearing liabilities

	31 December 2023	31 December 2022
in CHF		
Due to third parties	500,000.00	500,000.00
Due to pension fund	-	2,180,000.00
Due to other group companies	-	560,000.00
Total current interest-bearing liabilities	500,000.00	3,240,000.00

"Company" has signed a cash-pooling contract with GROUP ENTITY, COUNTRY, at XXX. The balance can either be a debit or a credit position. There is no joint and several liability with other participants.

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TR Example Group (Switzerland)

CH.CTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.14 Other current liabilities

	31 December 2023	31 December 2022
in CHF		
Payables to third parties	400,000.00	590,000.00
Payables to direct and indirect shareholders	600,000.00	870,000.00
Payables to direct and indirect participations	630,000.00	750,000.00
Payables to management bodies	50,000.00	60,000.00
Total other current liabilities	1,680,000.00	2,270,000.00

2.15 Accrued expenses and deferred income

	31 December 2023	31 December 2022
in CHF		
Accrual for tax consulting fees	980,000.00	900,000.00
Accrual for research	1,000,000.00	1,000,000.00
Accrual for payroll liabilities	1,900,000.00	1,400,000.00
Total accrued expenses and deferred income	3,880,000.00	3,300,000.00

2.16 Current provisions

	31 December 2023	31 December 2022
in CHF		
Provision for guarantee commitments	800,000.00	800,000.00
Provisions for direct taxes	500,000.00	300,000.00
Total accrued expenses and deferred income	1,300,000.00	1,100,000.00

2.17 Non-current interest-bearing liabilities

	31 December 2023	31 December 2022
in CHF		
Bank loans	2,000,000.00	2,300,000.00
Loans from direct and indirect shareholders	4,000,000.00	3,500,000.00
Loans from direct and indirect participations	-	500,000.00
Loans from other group companies	4,000,000.00	2,500,000.00
Loans from management bodies	2,150,000.00	1,250,000.00
Total non-current interest-bearing liabilities	12,150,000.00	10,050,000.00

"Company" has signed a cash-pooling contract with GROUP ENTITY, COUNTRY, at XXX. The balance can either be a debit or a credit position. There is no joint and several liability with other participants.

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TR Example Group (Switzerland)

31 December 2023

CH.CTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.14 Other current liabilities

	31 December 2023	31 December 2022
in CHF		
Payables to third parties	400,000.00	590,000.00
Payables to direct and indirect shareholders	600,000.00	870,000.00
Payables to direct and indirect participations	630,000.00	750,000.00
Payables to management bodies	50,000.00	60,000.00
Total other current liabilities	1,680,000.00	2,270,000.00

2.15 Accrued expenses and deferred income

	31 December 2023	31 December 2022
in CHF		
Accrual for tax consulting fees	980,000.00	900,000.00
Accrual for research	1,000,000.00	1,000,000.00
Accrual for payroll liabilities	1,900,000.00	1,400,000.00
Total accrued expenses and deferred income	3,880,000.00	3,300,000.00

2.16 Current provisions

	31 December 2023	31 December 2022
in CHF		
Provision for guarantee commitments	800,000.00	800,000.00
Provisions for direct taxes	500,000.00	300,000.00
Total accrued expenses and deferred income	1,300,000.00	1,100,000.00

2.17 Non-current interest-bearing liabilities

	31 December 2023	31 December 2022
in CHF		
Bank loans	2,000,000.00	2,300,000.00
Loans from direct and indirect shareholders	4,000,000.00	3,500,000.00
Loans from direct and indirect participations	-	500,000.00
Loans from other group companies	4,000,000.00	2,500,000.00
Loans from management bodies	2,150,000.00	1,250,000.00
Total non-current interest-bearing liabilities	12,150,000.00	10,050,000.00

TR Example Group (Switzerland)

CH.CTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.18 Non-current loan subordinated

	31 December 2023	31 December 2022
in CHF		
Subordinated loan from third parties	150,000.00	150,000.00
Total non-current loan subordinated	150,000.00	150,000.00

As per 31 December 2019 the company is overindebted according to Art. 725,2 CO. To avoid notification the court, the shareholders have subordinated part of the loan.

2.19 Other non-current liabilities

	31 December 2023	31 December 2022
in CHF		
Payables to other group companies	1,200,000.00	2,000,000.00
Total other non-current liabilities	1,200,000.00	2,000,000.00

2.20 Non-current provisions

	31 December 2023	31 December 2022
in CHF		
Provisions for guarantee commitments	500,000.00	250,000.00
Provisions for purchase commitments	500,000.00	250,000.00
Provisions for bonus	1,000,000.00	500,000.00
Total non-current provisions	2,000,000.00	1,000,000.00

2.21 Legal capital reserves

	31 December 2023	31 December 2022
in CHF		
Reserves from capital contribution	500,000.00	500,000.00
Gain on capital decrease	2,000,000.00	2,000,000.00
Total legal capital reserves	2,500,000.00	2,500,000.00

TR Example Group (Switzerland)
31 December 2023

CH.CTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.18 Non-current loan subordinated

	31 December 2023	31 December 2022
in CHF		
Subordinated loan from third parties	150,000.00	150,000.00
Total non-current loan subordinated	150,000.00	150,000.00

As per 31 December 2019 the company is overindebted according to Art. 725,2 CO. To avoid notification the court, the shareholders have subordinated part of the loan.

2.19 Other non-current liabilities

	31 December 2023	31 December 2022
in CHF		
Payables to other group companies	1,200,000.00	2,000,000.00
Total other non-current liabilities	1,200,000.00	2,000,000.00

2.20 Non-current provisions

	31 December 2023	31 December 2022
in CHF		
Provisions for guarantee commitments	500,000.00	250,000.00
Provisions for purchase commitments	500,000.00	250,000.00
Provisions for bonus	1,000,000.00	500,000.00
Total non-current provisions	2,000,000.00	1,000,000.00

2.21 Legal capital reserves

	31 December 2023	31 December 2022
in CHF		
Reserves from capital contribution	500,000.00	500,000.00
Gain on capital decrease	2,000,000.00	2,000,000.00
Total legal capital reserves	2,500,000.00	2,500,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.22 Legal retained earnings

	31 December 2023	31 December 2022
in CHF		
General legal retained earnings	225,000.00	200,000.00
Reserves for treasury shares		
Reserves for treasury shares held by a subsidiary	(675,000.00)	(200,000.00)
Total legal retained earnings	900,000.00	400,000.00

Own shares held by undertakings
Subsidiary XX in YY

	Number	Value 2023	Number	Value 2022
Carrying amount as of January 1	CHF200.00	CHF200,000.00	CHF0.00	CHF0.00
Acquisitions (details)	CHF475.00	CHF475,000.00	CHF200.00	CHF200,000.00
Carrying amount as of December 31	CHF675.00	CHF675,000.00	CHF200.00	CHF200,000.00

2.23 Voluntary retained earnings

	31 December 2023	31 December 2022
in CHF		
Statutory retained earnings	200,000.00	400,000.00
Results carried forward	710,000.00	510,000.00
Result for the year	1,690,000.00	500,000.00
Total voluntary retained earnings	2,600,000.00	1,410,000.00

2.24 Treasury shares

	Number	Value 2023	Number	Value 2022
Carrying amount as of January 1	CHF200.00	CHF200,000.00	CHF50.00	CHF50,000.00
Acquisitions (details)	CHF310.00	CHF300,000.00	CHF300.00	CHF300,000.00
Sales (details)	(CHF20.00)	(CHF20,000.00)	CHF0.00	CHF0.00
Allocation to board members and employees	(CHF90.00)	(CHF80,000.00)	(CHF150.00)	(CHF150,000.00)
Carrying amount as of December 31	CHF400.00	CHF400,000.00	CHF200.00	CHF200,000.00

In August 20xx xxx treasury shares were acquired at a price of CHF xxxxxx. In November 20xx xx treasury shares were acquired at a price of CHF xxxxx. In December XX shares were sold at a price of CHF xxxxx. In March xx shares were allocated to board members and employees. The market value at that point in time was CHF xxxxx.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.22 Legal retained earnings

	31 December 2023	31 December 2022
in CHF		
General legal retained earnings	225,000.00	200,000.00
Reserves for treasury shares		
Reserves for treasury shares held by a subsidiary	(675,000.00)	(200,000.00)
Total legal retained earnings	900,000.00	400,000.00

Own shares held by undertakings
Subsidiary XX in YY

	Number	Value 2023	Number	Value 2022
31 December 2023				
Carrying amount as of January 1	CHF200.00	CHF200,000.00	CHF0.00	CHF0.00
Acquisitions (details)	CHF475.00	CHF475,000.00	CHF200.00	CHF200,000.00
Carrying amount as of December 31	CHF675.00	CHF675,000.00	CHF200.00	CHF200,000.00

2.23 Voluntary retained earnings

	31 December 2023	31 December 2022
in CHF		
Statutory retained earnings	200,000.00	400,000.00
Results carried forward	710,000.00	510,000.00
Result for the year	1,690,000.00	500,000.00
Total voluntary retained earnings	2,600,000.00	1,410,000.00

2.24 Treasury shares

	Number	2023	Number	2022
31 December 2023				
Carrying amount as of January 1	CHF200.00	CHF200,000.00	CHF50.00	CHF50,000.00
Acquisitions (details)	CHF310.00	CHF300,000.00	CHF300.00	CHF300,000.00
Sales (details)	(CHF20.00)	(CHF20,000.00)	CHF0.00	CHF0.00
Allocation to board members and employees	(CHF90.00)	(CHF80,000.00)	(CHF150.00)	(CHF150,000.00)
Carrying amount as of December 31	CHF400.00	CHF400,000.00	CHF200.00	CHF200,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.25 Net proceeds from sales of goods and services

	31 December 2023	31 December 2022
in CHF		
Net proceeds from sales of goods	146,140,000.00	143,740,000.00
Net proceeds from sales of services	50,760,000.00	51,810,000.00
Total net proceeds from sales of goods and services	196,900,000.00	195,550,000.00

2.26 Purchasing or manufacturing costs of goods and services sold

The raw material prices used for the production of trading good B fell sharply during 2023, resulting in a lower cost of materials.

2.27 Administrative expenses

	31 December 2023	31 December 2022
in CHF		
Staff costs	5,760,000.00	5,470,000.00
Occupancy costs	2,190,000.00	1,880,000.00
Office, IT and general administration expenses	1,880,000.00	1,640,000.00
Outsourcing and consulting fees	3,290,000.00	3,070,000.00
Stationery and postage fees	1,030,000.00	740,000.00
Total administrative expenses	14,150,000.00	12,800,000.00

2.28 Distribution costs

A major marketing campaign to promote the new product ABC resulted in an increase of the distribution costs.

2.29 Financial expenses

	31 December 2023	31 December 2022
in CHF		
Bank charges and interest	40,000.00	40,000.00
Interest expense on loans	630,000.00	570,000.00
Foreign currency exchange loss	650,000.00	500,000.00
Total financial expenses	1,320,000.00	1,110,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.24 Treasury shares

In August 20xx xxx treasury shares were acquired at a price of CHF xxxxxx. In November 20xx xx treasury shares were acquired at a price of CHF xxxxx. In December XX shares were sold at a price of CHF xxxxx. In March xx shares were allocated to board members and employees. The market value at that point in time was CHF xxxxx.

2.25 Net proceeds from sales of goods and services

	31 December 2023	31 December 2022
in CHF	CHF	CHF
Net proceeds from sales of goods	146,140,000.00	143,740,000.00
Net proceeds from sales of services	50,760,000.00	51,810,000.00
Total net proceeds from sales of goods and services	196,900,000.00	195,550,000.00

2.26 Purchasing or manufacturing costs of goods and services sold

The raw material prices used for the production of trading good B fell sharply during 2023, resulting in a lower cost of materials.

2.27 Administrative expenses

	31 December 2023	31 December 2022
in CHF		
Staff costs	5,760,000.00	5,470,000.00
Occupancy costs	2,190,000.00	1,880,000.00
Office, IT and general administration expenses	1,880,000.00	1,640,000.00
Outsourcing and consulting fees	3,290,000.00	3,070,000.00
Stationery and postage fees	1,030,000.00	740,000.00
Total administrative expenses	14,150,000.00	12,800,000.00

2.28 Distribution costs

A major marketing campaign to promote the new product ABC resulted in an increase of the distribution costs.

2.29 Financial expenses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:

2.29 Financial expenses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

2 Information, breakdowns and explanations relating to balance sheet and income statement items:**2.30 Financial income**

	31 December 2023	31 December 2022
in CHF		
Bank interest income	20,000.00	20,000.00
Interest income on loans	30,000.00	30,000.00
Foreign currency exchange gains	770,000.00	770,000.00
Total financial income	820,000.00	820,000.00

2.31 Non-operating expenses

The non-operating expenses of CHF xxx refer to maintenance cost for the non-operating business property.

2.32 Non-operating income

The total amount of CHF xxx for non-operating income refers to rental income from business property.

2.33 Extraordinary, non-recurring or prior period expenses

The extra-ordinary expenses refer to the payment of CHF xxxxxx for a claim arisen in 20xx for which the reserve was CHF xxxxx too low.

Due to the first-time application of the economic view of lease obligations, there was a one-time impact to reflect prior years.

2.34 Extraordinary, non-recurring or prior period income

The extra-ordinary income of CHF xxxxm refers to the release of pension fund employer contribution reserves.

2.35 Direct taxes

The release of overstated prior year taxes resulted in a reduction of the tax expense 2023 by CHF xxxxx.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

3 Other information

	31 December 2023	31 December 2022
Bank charges and interest	40,000.00	40,000.00
Interest expense on loans	630,000.00	570,000.00
Foreign currency exchange loss	650,000.00	500,000.00
Total financial expenses	1,320,000.00	1,110,000.00

2.30 Financial income

	31 December 2023	31 December 2022
in CHF		
Bank interest income	20,000.00	20,000.00
Interest income on loans	30,000.00	30,000.00
Foreign currency exchange gains	770,000.00	770,000.00
Total financial income	820,000.00	820,000.00

2.31 Non-operating expenses

The non-operating expenses of CHF xxx refer to maintenance cost for the non-operating business property.

2.32 Non-operating income

The total amount of CHF xxx for non-operating income refers to rental income from business property.

2.33 Extraordinary, non-recurring or prior period expenses

The extra-ordinary expenses refer to the payment of CHF xxxxxx for a claim arisen in 20xx for which the reserve was CHF xxxxx too low.

Due to the first-time application of the economic view of lease obligations, there was a one-time impact to reflect prior years.

2.34 Extraordinary, non-recurring or prior period income

The extra-ordinary income of CHF xxxxm refers to the release of pension fund employer contribution reserves.

2.35 Direct taxes

The release of overstated prior year taxes resulted in a reduction of the tax expense 2023 by CHF xxxxx.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

3 Other information

3.1 Total amount resulting from the dissolution of replacement reserves and the material dissolution of excess hidden reserves

	31 December 2023	31 December 2022
in CHF		

3.2 Average number of full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year was no more than xx.

The annual average number of full-time equivalents for the reporting year and the previous year exceeded xxx.

3.3 Residual amount of leasing obligations

The maturity of leasing obligations which have a residual term of more than twelve months or which can not be cancelled within the next twelve months is as follows:

	31 December 2023	31 December 2022
in CHF		
Total residual amount of leasing obligations	-	-

These amounts include payments related to rental or leasing contracts up to the end of their (a) contract period or (b) notice period, as applicable.

3.4 Pension liabilities

	31 December 2023	31 December 2022
in CHF		
Total pension liabilities	-	-

On 31 December 2023 the liability to the pension scheme amounted to CHF xxxxx (previous year CHF xxxx)..

3.5 Collateral for third party liabilities

Collateral provided for liabilities of third parties amount to CHF xxxxx (previous year CHF xxxxxx).

These are guarantees issued on behalf of subsidiaries.

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TR Example Group (Switzerland)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

3 Other information

3.6 Assets pledged to secure own liabilities and assets under reservation of ownership

Assets pledged to secure own liabilities amount to CHF xxxxx (previous year CHF xxxxxx).

They are pledged to secure interest-bearing liabilities. None of the assets are under reservation of ownership.

3.7 Contingent liabilities

3.1 Total amount resulting from the dissolution of replacement reserves and the material dissolution of excess hidden reserves

	31 December 2023	31 December 2022
in CHF	CHF	CHF

3.2 Average number of full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year was no more than xx.

The annual average number of full-time equivalents for the reporting year and the previous year exceeded xxx.

3.3 Residual amount of leasing obligations

The maturity of leasing obligations which have a residual term of more than twelve months or which can not be cancelled within the next twelve months is as follows:

	31 December 2023	31 December 2022
in CHF		
Total residual amount of leasing obligations	-	-

These amounts include payments related to rental or leasing contracts up to the end of their (a) contract period or (b) notice period, as applicable.

3.4 Pension liabilities

	31 December 2023	31 December 2022
in CHF	CHF	CHF
Total pension liabilities	-	-

On 31 December 2023 the liability to the pension scheme amounted to CHF xxxxx (previous year CHF xxxx)..

3.5 Collateral for third party liabilities

Collateral provided for liabilities of third parties amount to CHF xxxxx (previous year CHF xxxxxx).

These are guarantees issued on behalf of subsidiaries.

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TR Example Group (Switzerland)
31 December 2023

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

3 Other information

3.6 Assets pledged to secure own liabilities and assets under reservation of ownership

Assets pledged to secure own liabilities amount to CHF xxxxx (previous year CHF xxxxxx).

They are pledged to secure interest-bearing liabilities. None of the assets are under reservation of ownership.

3.7 Contingent liabilities

3.7 Contingent liabilities

A court case against the company was initiated in spring 2023 regarding a product liability incident. Although the final decision of the court can not be predicted at this stage, the company expects the case to be dismissed. A provision to cover the expected costs has been recorded.

3.8 Shares or options on shares held by members of the board and employees

In 2022, no shares or options on shares were allocated to members of the board or to employees.

2023	Shares		Options		Total
	Quantity (In Shares)	Value (In Shares) CHF	Quantity (In Options)	Value (In Options) CHF	Value CHF
Allocated to members of the board	CHF100.00	CHF100,000.00	CHF100.00	CHF10,000.00	CHF110,000.00
Allocated to employees	CHF100.00	CHF100,000.00	CHF100.00	CHF10,000.00	CHF110,000.00
2023	Quantity	Value CHF	Quantity	Value CHF	Total Value CHF
Allocated to members of the board					
Allocated to employees					

3.9 Explanations of extraordinary, non-recurring or prior-period items in the profit and loss statement

The company paid an amount of CHF xxx to the pension fund for employer contribution reserves.

3.10 Significant events after the balance sheet date

In the first quarter our biggest vendor has been acquired and as a result, xx% of our purchases will become intercompany purchases.

3.11 Reasons for premature resignation of the auditor

Due to independence issues audit company xxx had to resign prematurely.

3.12 Bonds issued by the company

	Amount	Interest rate and terms	Maturity
Bond XYZ	CHF		
Bond XXYZZ	CHF		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

3 Other information

3.13 Auditor's fees

	31 December 2023	31 December 2022
in CHF		
Audit services	100,000.00	100,000.00
Non-audit services	40,000.00	50,000.00
Total auditor's fees	140,000.00	150,000.00

3.14 Maturity of long-term interest-bearing liabilities

The maturity of long-term interest-bearing liabilities can be broken down as follows:

3.7 Contingent liabilities

A court case against the company was initiated in spring 2023 regarding a product liability incident. Although the final decision of the court can not be predicted at this stage, the company expects the case to be dismissed. A provision to cover the expected costs has been recorded.

3.8 Shares or options on shares held by members of the board and employees

In 2022, no shares or options on shares were allocated to members of the board or to employees.

2023	Shares		Options		Total
	Quantity (In Shares)	Value (In Shares) CHF	Quantity (In Options)	Value (In Options) CHF	Value CHF
31 December 2023					
Allocated to members of the board	CHF100.00	CHF100,000.00	CHF100.00	CHF10,000.00	CHF110,000.00
Allocated to employees	CHF100.00	CHF100,000.00	CHF100.00	CHF10,000.00	CHF110,000.00
2023	Quantity	Value CHF	Quantity	Value CHF	Total Value CHF
Allocated to members of the board					
Allocated to employees					

3.9 Explanations of extraordinary, non-recurring or prior-period items in the profit and loss statement

The company paid an amount of CHF xxx to the pension fund for employer contribution reserves.

3.10 Significant events after the balance sheet date

In the first quarter our biggest vendor has been acquired and as a result, xx% of our purchases will become intercompany purchases.

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Due to independence issues audit company xxx had to resign prematurely.

3.12 Bonds issued by the company

	Amount	Interest rate and terms	Maturity
Bond XYZ	CHF		
Bond XXYZZ	CHF		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

3 Other information

3.13 Auditor's fees

	31 December 2023	31 December 2022
in CHF	CHF	CHF
Audit services	100,000.00	100,000.00
Non-audit services	40,000.00	50,000.00
Total auditor's fees	140,000.00	150,000.00

3.14 Maturity of long-term interest-bearing liabilities

The maturity of long-term interest-bearing liabilities can be broken down as follows:

	31 December 2023	31 December 2022
in CHF		
Up to 1 year	600,000.00	600,000.00
1 - 5 years	5,650,000.00	5,650,000.00
More than 5 years	3,400,000.00	2,500,000.00
Total interest-bearing long-term liabilities	9,650,000.00	8,750,000.00

3.15 Staff costs

	31 December 2023	31 December 2022
in CHF		
Staff costs	5,760,000.00	5,470,000.00

3.16 Depreciation and valuation adjustments on non-current assets

	31 December 2023	31 December 2022
in CHF		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

TR Example Group (Switzerland)

Proposal of the Board of Directors for appropriation of retained earnings as at 31 December 2023 (in CHF)

Alternative in case of accumulated losses:

Proposal of the Board of Directors for appropriation of accumulated losses as at 31 December 2023 (in CHF)

Movements of the retained earnings

Movements of accumulated losses

	31 December 2023	31 December 2022
	CHF	CHF
Retained earnings (accumulated losses) at the beginning of the period	1,410,000.00	950,000.00
Appropriations of retained earnings resolved by general meeting		
Allocated to legal statutory retained earnings	(25,000.00)	(40,000.00)
Allocated to legal statutory retained earnings for treasury shares held by subsidiaries	(475,000.00)	-
Result for the year/period	1,690,000.00	500,000.00
Retained earnings available to the general meeting Or Accumulated losses	2,600,000.00	1,410,000.00

	31 December 2023	31 December 2022
in CHF		
Up to 1 year	600,000.00	600,000.00
1 - 5 years	5,650,000.00	5,650,000.00
More than 5 years	3,400,000.00	2,500,000.00
Total interest-bearing long-term liabilities	9,650,000.00	8,750,000.00

3.15 Staff costs

	31 December 2023	31 December 2022
in CHF	CHF	CHF
Staff costs	5,760,000.00	5,470,000.00

3.16 Depreciation and valuation adjustments on non-current assets

	31 December 2023	31 December 2022
in CHF	CHF	CHF

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

TR Example Group (Switzerland)

Proposal of the Board of Directors for appropriation of retained earnings as at 31 December 2023 (in CHF)

Alternative in case of accumulated losses:

Proposal of the Board of Directors for appropriation of accumulated losses as at 31 December 2023 (in CHF)

Movements of the retained earnings

Movements of accumulated losses

	31 December 2023	31 December 2022
	CHF	CHF
Retained earnings (accumulated losses) at the beginning of the period	1,410,000.00	950,000.00
Appropriations of retained earnings resolved by general meeting		
Allocated to legal statutory retained earnings	(25,000.00)	(40,000.00)
Allocated to legal statutory retained earnings for treasury shares held by subsidiaries	(475,000.00)	-
Result for the year/period	1,690,000.00	500,000.00
Retained earnings available to the general meeting Or Accumulated losses	2,600,000.00	1,410,000.00

instead of "Retained earnings....." 2,600,000.00 1,410,000.00

Proposal of the board of directors on the allocation of voluntary retained earnings (accumulated losses) (in CHF)

	2023	2023
	Proposal of the board of directors	Resolution of the annual general meeting
Retained earnings (Accumulated losses) available to the general meeting	2,600,000.00	1,410,000.00
Allocated to legal retained earnings	(200,000.00)	(25,000.00)
Allocated to voluntary retained earnings	(200,000.00)	(200,000.00)
To be distributed to shareholders	(2,000,000.00)	-
Results carried forward	200,000.00	1,185,000.00

TR Example Group (Switzerland) CH.CTY

TR Example Group (Switzerland)

Management report on the financial year 2023

General development of business

Overall the company performed as anticipated during the reporting year. Although the economic environment got more competitive, the company successfully defended its market share. In comparison to the previous year sales decreased slightly. However successful price negotiations with a new supplier lead to a significant reduction of costs and resulted in a higher gross margin.

In comparison to prior year, revenue from services decreased by approximately CHF x'xxx'xxx, but were compensated by higher proceeds from sales of trading goods.

The company employed xxx full-time employees in average during the reporting year. This represents an increase of close to xx% (xx additional FTE) in comparison to the previous year.

Risk assessment

The board of directors regularly meets with the management of the company to discuss the various risks the company may face. The following risks were identified to be relevant for the reporting year:

- Short-term commercial and financial risks
- Long-term business risks
- Tighter regulatory requirements

Order situation

The order situation remained stable during the reporting year and is expected to remain at this level for the next year.

A higher demand for services to be rendered should result in positive impact on revenue from services in the coming year.

Research and development

instead of "Retained earnings....." 2,600,000.00 1,410,000.00

Proposal of the board of directors on the allocation of voluntary retained earnings (accumulated losses) (in CHF)

	2023	2023
	Proposal of the board of directors	Resolution of the annual general meeting
Retained earnings (Accumulated losses) available to the general meeting	2,600,000.00	1,410,000.00
Allocated to legal retained earnings	(200,000.00)	(25,000.00)
Allocated to voluntary retained earnings	(200,000.00)	(200,000.00)
To be distributed to shareholders	(2,000,000.00)	-
Results carried forward	200,000.00	1,185,000.00

TR Example Group (Switzerland) 31 December 2023 CH.CTY

TR Example Group (Switzerland)

Management report on the financial year 2023

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The company intends to increase the budget for market research and marketing for the upcoming years, in order to keep ahead of competitors. An innovative new supplier is currently in the final stages of testing a more efficient version of product A.

Extraordinary events

During the reporting year the company signed a substantial contract with a major new client. The respective revenue will be generated over the next x years.

Future prospects

For the upcoming year we expect a continuously competitive market environment. However based on our long-standing client relationships and our efforts to expand our customer base as well as the quality of our products and services, future results are expected to remain stable. In the long-term we aim to increase the turnover in the services division and will therefore implement a more efficient IT system. Our organisation is committed to ensure a steady growth and keep our role as a keyplayer in the market.

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