

Income statement

in CHF thousands	Note	2023	2022
Dividend income		-	4 300
Interest income		8 447	5 157
Other financial income		1	158
Total financial income		8 448	9 615
Service income		5 539	5 418
Other operating income		142	327
Total operating income		14 129	15 360
Personnel expense		-3 714	-3 642
Other operating expense		-2 213	-2 199
Depreciation on tangible fixed assets		-20	-38
Interest expense	3	-1 330	-2 026
Other financial expense		-2 880	-941
Non-operating income	6	-	26 176
Income taxes		-408	-131
Net result		3 564	32 559

Balance sheet

in CHF thousands	Note	31.12.2023	31.12.2022
Assets			
Cash and cash equivalents		31 788	75 672
Other receivables from third parties		6 110	4 095
Other receivables from group companies		1 322	687
Prepayments and accrued income		10	23
Total current assets		39 230	80 477
Tangible fixed assets		-	20
Loans granted to group companies	1	259 016	340 334
Investments	2	88 671	88 671
Total fixed assets		347 687	429 025
Total assets		386 917	509 502
Equity and liabilities			
Interest-bearing liabilities due to third parties	3	-	98 753
Other payables due to third parties		389	345
Accrued liabilities and deferred income		1 163	1 206
Total current liabilities		1 552	100 304
Share capital	4	1 200	1 200
Statutory capital contribution reserves		7	7
Own shares	5	-408	-
Statutory retained earnings		10 016	10 016
Retained earnings		370 986	365 416
Net result of the year		3 564	32 559
Total shareholders' equity		385 365	409 198
Total liabilities and equity		386 917	509 502

Notes to the financial statements

Accounting principles

Presentation

The annual financial statements of CPH Chemie+Papier Holding AG have been compiled in accordance with the provisions on commercial accounting of the Swiss Code of Obligations.

The company provides consolidated financial statements in accordance with Swiss GAAP FER accounting standards. In view of this, the company has elected not to provide expanded notes to these financial statements, a management report and a cash flow statement.

The major balance sheet items have been presented as follows.

Receivables and loans

Receivables are stated at their nominal value less any necessary individual value adjustments. Such value adjustments are determined on the basis of maturity structures and identifiable credit risks.

Investments

Investments are stated at their purchase price less appropriate value adjustments for likely long-term impairments. Investments are valued individually if and insofar as they generate separate cash flows.

Interest-bearing liabilities

Interest-bearing liabilities are stated at their nominal value. Those with a residual term to maturity of up to one year are shown under current liabilities; those with a residual term to maturity of more than one year are shown under non-current liabilities.

Foreign currency translation

Transactions effected in foreign currencies are translated into Swiss francs at the exchange rate valid as at the date of the transaction. Assets and liabilities in foreign currencies are translated into Swiss francs at the exchange rate valid as at the balance sheet date, and applying the imparity principle.

Notes to individual items of the financial statements

1. Loans granted to Group companies

Loans granted to Group companies decreased by CHF 81.3 million in 2023.

2. Investments

	Currency	Capital in thousands	Shareholding
CPH Immobilien AG, Root, Switzerland ¹	CHF	500	100 %
Chemistry			
Zeochem AG, Rüti ZH, Switzerland ¹	CHF	1 000	100 %
Zeochem L.L.C., Louisville, USA	USD	36 547	100 %
Zeochem d.o.o., Zvornik, Bosnia-Herzegovina	BAM	2	100 %
Jiangsu Zeochem Technology Co. Ltd., Lianyungang, China ¹	CNY	82 800 ²	100 % ²
Zeochem Pte. Ltd., Singapore, Singapore	SGD	1	100 %
Paper			
Perlen Papier AG, Root, Switzerland ¹	CHF	81 000	100 %
Perlen Papier Immobilien AG, Root, Switzerland	CHF	1 000	100 %
APS Altpapier Service Switzerland AG, Root, Switzerland	CHF	100	100 %
Perlen Deutschland GmbH, Munich, Germany	EUR	100	100 %
Hotel & Gasthaus Die Perle AG, Root, Switzerland ³	CHF	100	100 %
Packaging			
Perlen Packaging AG, Root, Switzerland ¹	CHF	24 000	100 %
Perlen Packaging L.L.C., Whippany, USA	USD	1 000	100 %
Perlen Packaging GmbH, Müllheim, Germany	EUR	1 300	100 %
Perlen Packaging (Suzhou) Co., Ltd., Suzhou, China	USD	13 000	100 %
Perlen Packaging Anápolis Indústria e Comércio Ltda., Anápolis, Brazil	BRL	2 464	100 %

¹ Directly held by CPH Chemie + Papier Holding AG

² Until 18 September 2023 92 % of CNY 90 million, see note 32 to the consolidated financial statements

³ Founded on 6 September 2023

3. Interest-bearing liabilities

Interest-bearing liabilities for the prior year included the unsecured CHF 100 million 2 % corporate bond maturing on 12 October 2023. The outstanding portion thereof was repaid from the company's own cash on its maturity on 12 October 2023.

The CHF 1.3 million interest paid on this bond is included in interest expense (prior year: CHF 2.0 million).

4. Share capital

The share capital of CHF 1.2 million consists of 6 000 000 registered shares of CHF 0.20 nominal value (unchanged from the prior year).

5. Treasury shares

Number of shares	2023	2022
Treasury shares as at 1 January	-	-
Purchases	6 863	3 345
Share-based remuneration	-2 033	-3 345
Treasury shares as at 31 December	4 830	-

A total of 6 863 (prior year: 3 345) treasury shares were purchased in 2023 at an average purchase price of CHF 85.54 (prior year: CHF 63.62) per share. No such shares were sold in either the year under review or the prior year. A total of 1 016 (prior year: 1 433) shares with a vesting period of three years (with no further performance, profit or other vesting conditions) were definitively awarded in 2023 in the form of share-based remuneration. The resulting personnel expense at a share price on assignment of CHF 88.54 (prior year: CHF 62.78) per share amounted to CHF 0.1 million (prior year: CHF 0.1 million). A further 1 017 (prior year: 1 912) treasury shares at an average transaction price of CHF 88.54 (prior year: CHF 62.78) per share were transferred to Group companies for their share-based remuneration.

6. Non-operating income from asset transfer

To achieve and maintain a clear separation between the operating activities and the real estate business of the CPH Group, non-operating real estate of CPH Chemie + Papier Holding AG with a carrying value of CHF 0.4 million was transferred to a Group company in the 2022 financial year via an asset transfer agreement dated 1 December 2022. The consideration consisted of a receivable from the acquiring Group company. The asset transfer had no impact in personnel terms. The resulting profit from this asset transfer was reported as non-operating income.

7. Number of full-time-equivalent employees

The average number of employees (in full-time equivalents) was below ten in both the year under review and prior year.

8. Off-balance-sheet leasing obligations

As at the balance sheet date and as at the prior-year balance sheet date, there were no off-balance-sheet leasing obligations.

9. Guarantees to third parties

Total guarantees for third parties' obligations amount to CHF 11.8 million (prior year: CHF 30.0 million). As in the prior year, CPH Chemie + Papier Holding AG continues to provide a guarantee of up to CHF 10.0 million for the obligations of Zeochem AG, Rütli (Switzerland) towards Canton Zurich regarding the lake bed clean-up in Uetikon (Switzerland) (see also Note 20, Provisions in the Notes to the consolidated financial statements). Further guarantees totalling CHF 1.8 million exist for Group companies' liabilities (prior year: guarantees totalling CHF 20.0 million for Group companies' bank credit facilities).

10. Contingent liabilities

Under the corresponding group taxation provisions, CPH Chemie + Papier Holding AG is jointly and severally liable for the value-added tax obligations of the CPH Group's Swiss-based member companies.

11. Events after the balance sheet date

No events occurred between the balance sheet date and 9 February 2024, the date of the approval and release for publication of these annual financial statements by the Board of Directors, which would require adjustments to the company's assets, equity and liabilities or would need to be disclosed here. These financial statements are also subject to the approval of the Annual General Meeting of 20 March 2024.

Appropriation of retained earnings

Proposal of the Board of Directors to the Annual General Meeting of 20 March 2024

in CHF thousands	2023	2022
Net result of the year	3 564	32 559
Retained earnings carried forward from prior year	-	-
Retained earnings at the end of the year	3 564	32 559
Allocation from/to reserves from retained earnings	20 436	-5 559
Dividend payment	-24 000	-27 000
Retained earnings to be carried forward to next year	-	-

The Board of Directors will propose to the Annual General Meeting of 20 March 2024 that CHF 20.4 million will be released from reserves from retained earnings and that a dividend of CHF 4.00 per share will be distributed to shareholders.

Report on the audit of the financial statements

Opinion

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

In our opinion, the financial statements (pages 93 to 97) comply with Swiss law and the Company's articles of incorporation.

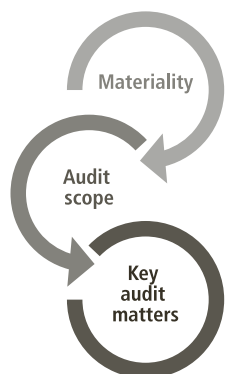
Basis for opinion

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

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

Our audit approach

Overview



Overall materiality: CHF 3.8 million

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

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

Valuation of loans granted to group companies and of investments in group companies.

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality CHF 3.8 million

Benchmark applied Total assets

Rationale for the materiality benchmark applied We chose total assets as the benchmark for determining materiality because it is a generally accepted benchmark for materiality considerations relating to a holding company.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Valuation of loans granted to group companies and of investments in group companies

Key audit matter

We consider the valuation of loans granted to group companies and of investments in group companies as a key audit matter. These items are disclosed on the balance sheet in the amounts of CHF 259.0 million and CHF 88.7 million, respectively.

The valuation of loans granted to group companies and of investments in group companies depends on the financial substance and profitability of the subsidiaries.

Please refer to notes 1 and 2 in the notes to the financial statements.

How our audit addressed the key audit matter

We performed the following audit procedures with regard to the valuation of loans granted to group companies and of investments in group companies:

- For significant investments in group companies and loans granted to group companies, we tested the recoverability based on the net assets valued in accordance with Swiss GAAP FER or, if necessary, on the basis of other Management assessments of net asset or capitalised earnings.

On the basis of our audit results, we consider the approach chosen by Management for assessing the valuation of loans granted to group companies and investments in group companies to be reasonable.

Other information

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

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

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

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

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG



Norbert Kühnis
Licensed audit expert
Auditor in charge



Josef Stadelmann
Licensed audit expert

Zürich, 9 February 2024

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