Andermatt Swiss Alps Group

Consolidated financial statements together with auditor's report for the year ended 31 December 2023

Andermatt Swiss Alps AG

Consolidated statement of comprehensive income for the year ended 31 December 2023

CHF	Notes	2023	2022
CONTINUING OPERATIONS			
Revenue	7/8	255,595,157	180,880,856
Cost of sales		(211,651,187)	(138,452,504)
Gross profit		**43,943,970**	**42,428,352**
Investment income	9	269,067	224,032
Other gains and losses	10	1,081,955	(1,483,318)
Administrative expenses	11	(31,169,076)	(31,123,057)
Finance expenses	12	(9,044,350)	(8,872,024)
Share of (losses)/gains of associates	16	(3,588,001)	(3,324,019)
Profit/(loss) before tax		**1,493,565**	**(2,150,034)**
Income tax (expense)/income	13	(220,270)	177,018
Profit/(loss) for the year from continuing operations		**1,273,295**	**(1,973,016)**
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	6.6	-	36,266,624
Profit for the year		**1,273,295**	**34,293,608**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(1,671,499)	3,429,849
Net (loss) on revaluation of financial assets at FVTOCI		(6,026)	-
Share of other comprehensive income of associates		(279,388)	-
Total other comprehensive income for the year, net of tax		**(1,956,913)**	**3,429,849**
Total comprehensive (loss)/income for the year		**(683,618)**	**37,723,457**
Profit/(loss) attributable to:			
Owners of the Parent Company		3,271,270	34,482,269
Non-controlling interests	25	(1,997,975)	(188,661)
		1,273,295	**34,293,608**
Total comprehensive income attributable to:			
Owners of the Parent Company		1,373,398	37,761,769
Non-controlling interests	25	(2,057,016)	(38,312)
		(683,618)	**37,723,457**

R Krucker

Raphael Krucker
Group CEO

Melina Marty

Melina Marty
Group CFO

Andermatt Swiss Alps AG
Consolidated statement of financial position at 31 December 2023

CHF	Notes	31 December 2023	31 December 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	219,959,206	202,035,930
Investments in associates	16	75,139,638	79,007,025
Deferred tax assets	13.3	9,897,897	9,861,810
Other financial assets	17	18,632	54,658
Total non-current assets		**305,015,373**	**290,959,423**
CURRENT ASSETS			
Inventories	18	150,994,511	161,647,960
Trade and other receivables	19	12,920,221	28,548,197
Current receivables due from related parties	35	3,175,841	787,644
Other current assets	20	7,919,798	31,957,454
Cash and bank balances	21	34,335,594	45,417,587
Total current assets		**209,345,965**	**268,358,842**
Total assets		**514,361,338**	**559,318,265**

CHF	Notes	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Issued capital	22	301,147,000	301,147,000
Reserves	23	(2,841,470)	(2,841,470)
Retained earnings	24	(243,238,812)	(244,612,210)
Equity attributable to owners of the Parent Company		**55,066,718**	**53,693,320**
Non-controlling interests	25	**(10,241,640)**	**(7,743,624)**
Total equity		**44,825,078**	**45,949,696**
NON-CURRENT LIABILITIES			
Shareholder’s loan	26	79,435,653	90,550,043
Borrowings (excluding shareholder’s loan)	27	203,323,337	199,463,011
Retirement benefit obligation	33	6,055,238	4,030,985
Provisions	28	2,780,000	2,780,000
Deferred income from government grants	32	518,855	546,163
Total non-current liabilities		**292,113,083**	**297,370,202**
CURRENT LIABILITIES			
Borrowings	27	60,212,886	56,074,888
Trade and other payables	29	27,571,601	23,453,215
Current payables due to related parties	35	2,312,955	1,794,953
Provisions	28	1,120,400	1,340,400
Deferred revenue	30	52,537,888	106,453,268
Other current liabilities	31	33,667,447	26,881,643
Total current liabilities		**177,423,177**	**215,998,367**
Total liabilities		**469,536,260**	**513,368,569**
Total equity and liabilities		**514,361,338**	**559,318,265**

R Krucker

Raphael Krucker
Group CEO

Melina Marty

Melina Marty
Group CFO

Andermatt Swiss Alps AG
Consolidated statement of changes in equity for the year ended 31 December 2023

CHF	Issued capital	General reserve	Retained earnings	Attributable to owners of the Parent Company	Non-controlling interests	Total
Balance at 1 January 2022	**301,147,000**	**(2,841,470)**	**(282,373,979)**	**15,931,551**	**2,493,718**	**18,425,269**
Profit for the year	-	-	34,482,269	34,482,269	(188,661)	34,293,608
Other comprehensive income for the year, net of income tax	-	-	3,279,500	3,279,500	150,349	3,429,849
Total comprehensive income for the year	**-**	**-**	**37,761,769**	**37,761,769**	**(38,312)**	**37,723,457**
Dividends paid	-	-	-	-	(3,528,000)	(3,528,000)
Loss of control of subsidiary	-	-	-	-	(6,671,030)	(6,671,030)
Balance at 31 December 2022	**301,147,000**	**(2,841,470)**	**(244,612,210)**	**53,693,320**	**(7,743,624)**	**45,949,696**
Balance at 1 January 2023	**301,147,000**	**(2,841,470)**	**(244,612,210)**	**53,693,320**	**(7,743,624)**	**45,949,696**
Profit for the year	-	-	3,271,270	3,271,270	(1,997,975)	1,273,295
Other comprehensive income for the year, net of income tax	-	-	(1,897,872)	(1,897,872)	(59,041)	(1,956,913)
Total comprehensive income for the year	**-**	**-**	**1,373,398**	**1,373,398**	**(2,057,016)**	**(683,618)**
Dividends paid	-	-	-	-	(441,000)	(441,000)
Balance at 31 December 2023	**301,147,000**	**(2,841,470)**	**(243,238,812)**	**55,066,718**	**(10,241,640)**	**44,825,078**

Andermatt Swiss Alps AG
Consolidated cash flow statement for the year ended 31 December 2023

CHF	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		1,273,295	34,293,608
Adjustments for:			
Income tax expense/(income) recognised in profit or loss	13.1	220,270	(177,018)
Finance expenses recognised in profit or loss	12	9,044,350	8,872,024
Investment income recognised in profit or loss	9	(269,067)	(224,032)
Depreciation expenses	14	14,670,434	16,901,188
(Gain) on disposal of subsidiary		-	(32,320,561)
(Gain) on disposal of property, plant and equipment	10	(5,478)	-
Share of losses in associates	16	3,588,001	3,324,019
Income from government grants	32	(27,308)	(271,324)
Change in defined benefit obligation		96,397	532,087
MOVEMENTS IN WORKING CAPITAL			
Decrease/(increase) in trade and other receivables		15,627,976	(14,323,574)
Decrease/(increase) in inventories		10,653,449	(67,216,211)
(Increase) in current receivables due from related parties		(2,388,197)	(853,652)
Decrease in other current assets		24,037,657	433,340
Increase in trade and other payables		4,118,386	4,159,134
(Decrease) in current payables due to related parties		(1,481,998)	(320,379)
(Decrease) in provisions		(220,000)	-
(Decrease)/increase in deferred revenue		(53,915,380)	61,748,640
Increase/(decrease) in other liabilities		6,785,800	(7,361,554)
Cash generated from operations		**31,808,587**	**7,195,735**
Interest paid		(7,800,592)	(7,606,500)
Income tax paid		-	(30,608)
Net cash generated from/(used in) operating activities		**24,007,995**	**(441,373)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	14	(31,288,152)	(15,144,981)
Proceeds from disposal of property, plant and equipment		60,949	573,853
Payments for other financial assets		-	(200)
Proceeds from disposal of financial assets		30,000	-
Proceeds on disposal of majority interest in a subsidiary with loss of control	6.5	-	36,522,883
Interest received		269,067	224,032
Net cash (used in)/generated from investing activities		**(30,928,136)**	**22,175,587**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27.2	(82,131,163)	(48,104,824)
Repayment of lease liabilities	27.2	(1,762,801)	(4,072,582)
Proceeds from borrowings	27.2	80,173,112	37,153,008
Dividends paid to non-controlling interests		(441,000)	(3,528,000)
Net cash (used in) financing activities		**(4,161,852)**	**(18,552,398)**
Net (decrease)/increase in cash and bank balances		(11,081,993)	3,181,816
Cash and bank balances at the beginning of the year		45,417,587	42,235,771
Cash and bank balances at the end of the year	**21**	**34,335,594**	**45,417,587**

Notes to the consolidated financial statements for the year ended 31 December 2023

1 GENERAL INFORMATION

Andermatt Swiss Alps AG (“ASA” or “the Parent Company”) is a limited company incorporated in Andermatt, Switzerland.

The Parent Company and its subsidiaries (the “Group”) are responsible for the development, planning, implementation and operation of the newly integrated holiday resort in the Swiss mountain village of Andermatt which includes hotels, villas and apartments as well as leisure facilities such as ski areas (until July 2022; see note 6 for further details), golf courses and supporting infrastructure.

The address of its registered office and principal place of business is Gotthardstrasse 2 in Andermatt, Switzerland.

2 Application of International Financial Reporting Standards (“IFRSs”)

2.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the current year. These revised Standards have not had an effect on these consolidated financial statements. The details of the revised Standards are as follows:

Amendments to IAS 1 Presentation of Financial Statements
The amendments help preparers in deciding which accounting policies to disclose in their financial statements which led to certain changes in the summary of material accounting policies in note 3.

Amendments to IAS 8
The amendments help entities to distinguish between changes in accounting policies and changes in accounting estimates and correction of errors.

Amendments to IAS 12
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

2.2 Standards and amendments issued but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not adopted the following Standards that have been issued but are not yet effective. They will be effective for annual periods beginning on or after the dates indicated below, with earlier application permitted.

Amendments to IFRS 7 and IAS 7	Supplier finance arrangements	1 January 2024
Amendments to IFRS 16	Lease liability in a sale leaseback	1 January 2024
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 21	Lack of exchangeability of currencies	1 January 2025

For all Standards issued, which are not yet effective, the Group does not expect any material impacts on the consolidated financial statements in the period of initial application.

3 MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortised cost, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and entities (including special purpose entities) controlled by the Parent Company (its subsidiaries). Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- The size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even it this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received or receivable and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at re-valued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Parent Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3.4 Assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When a Group entity acquires a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, it classifies the non-current asset (or disposal group) as held for sale at the acquisition date only if the one-year requirement above is met and it is highly probable that the other criteria above that are not met at that date will be met within a short period following the acquisition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group always acts as principal in such contracts. The Group recognises revenue when it transfers control of a product or service to a customer. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.5.1 Revenue on sale of land

Revenue from sale of land, sale of land right and associated cost is recognised when control of the land has been transferred, being when land is delivered and registered. Management uses its judgment and considers the opinion obtained from the legal advisors in assessing whether the Group's contractual and legal rights and obligations in the agreements are satisfied and therefore control is transferred.

3.5.2 Revenue from agreements for construction of real estate

Management uses its judgment to analyse the Group's agreements for the construction of real estate and any related agreements to conclude whether or not the contractual terms of such agreements indicate that they are, in substance, for the provision of construction services (e.g. villas) or for the delivery of goods (e.g. apartments) that are not complete at the time of entering into the agreement. Such conclusion depends on the terms of the agreement and all the surrounding facts and circumstances and on whether such an agreement meets the definition of a construction contract.

Delivery of goods

As control over the apartments is only fully transferred to the buyer once the unit is registered in the land register, the Group recognises revenue from real estate constructions at point in time. Hence, revenue from construction of real estate is recognised in full once construction is finalised and the real estate unit is registered in the name of the buyer.

Provision of construction services

Control of the land plot I transferred to the buyer upon notarization of the contract and registration in the land register. For the construction of the properties (i.e. villas), the performance obligation to build the property is satisfied over time and revenue is recognised based on percentage of completion of the building. Percentage of completion is assessed using the input method by measuring the cost incurred against the expected cost.

3.5.3 Revenue from the rendering of services

The Group provides services in relation to hotel and ski area operations as well as destination management. Revenue from such services is recognised as a performance obligation satisfied over time. Revenue is recognised for these services using an output method which is based on the stage of completion of the contract. Hence, revenue is recognised in the accounting periods in which the services are rendered.

3.6 Leasing

3.6.1 The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate for such liabilities.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, I the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate

The lease liability is subsequently measured increase the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment on exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the leases payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of use assets are depreciated over the shorter period of lease term and useful lie of the underlying asset. The depreciation starts at the commencement date of the lease.

3.6.2 The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract classifies as a finance lease. All other leases are classified as operating lease. The Group currently only has operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.7 Foreign currencies

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the preparation of the Group's consolidated financial statements, the results and financial position of each subsidiary are translated into Swiss Franc (CHF), which is the Group's presentation currency. Currently, the functional currency of all companies within the group is CHF.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

The exchange rates for the major foreign currencies against CHF relevant to the annual consolidated financial statements were:

Currency table	2023		2022	
	Average	Year end	Average	Year end
1 USD US Dollar	0.8984	0.8432	0.9503	0.9262
1 EUR Euro	0.9713	0.9321	1.0099	0.9901

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessary take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time, as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The amount of borrowing costs that an entity capitalises during the period shall not exceed the amount of borrowing costs it incurred during that period, provided that the carrying amount of the qualifying asset on which eligible borrowing costs have been capitalised does not exceed its recoverable amount (being the higher of fair value less costs to sell or amount in use for that asset).

3.9 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.10 Retirement benefit costs

Employee pension and retirement benefits are based on the regulations and prevailing circumstances of those countries in which the Group is represented. In Switzerland, ordinary pension and retirement benefit plans qualify as defined-benefit plans and are accounted for in conformity with IAS 19 Employee Benefits.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefits liability or asset. Defined benefit costs are categorised as service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements), net interest expense or income and remeasurement. The Group presents the first two components of defined benefit costs in profit or loss in administrative expenses. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the Balance Sheet Liability Method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax liabilities are not recognised if the temporary difference arises from goodwill and no deferred tax assets or liabilities are recognised for temporary differences resulting from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.11.3 Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.12 Property, plant and equipment

Buildings, plant and equipment, furniture and fixtures held for use in the production, supply of goods or services or for administrative purposes are stated in the consolidated statement of financial position at cost less any accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, administrative purposes or for a currently undetermined future use are carried at cost less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy as described in note 3.8. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation of buildings, plant and equipment as well as furniture and fixtures commence when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	20 – 50 years
Plant and equipment	4 – 10 years
Furniture and fixtures	3 – 10 years
Right-of-use assets	3 – 50 years

3.13 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flow that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.14 Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3.15 Inventories

Inventories are stated at the lower of cost and net realizable value.

Costs, including an appropriate portion of fixed and variable production overheads as well as other costs incurred in bringing the inventories to their present location and condition, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average basis. For items acquired on credit and where payment terms of the transaction are extended beyond normal credit terms, the cost of that item is its cash price equivalent at the recognition date with any difference from that price being treated as an interest expense on an effective-yield basis (see note 12).

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Estimates of net realisable value are generally made on an item-by-item basis, except in circumstances, where it is more appropriate to group items of similar or related inventories.

The net realizable value of an item of inventory may fall below its cost for many reasons including, damage, obsolescence, slow moving items, a decline in selling prices, or an increase in the estimate of costs to complete and costs necessary to make the sale. In such cases, the cost of that item is written down to its net realizable value and the difference is recognised immediately in profit or loss.

Properties intended for sale in the ordinary course of business or in the process of construction or development for such a sale are included in inventories. These are stated at the lower of cost and net realizable value. The cost of development properties includes the cost of land and other related expenditure attributable to the construction or development during the period in which activities are in progress that are necessary to get the properties ready for its intended sale.

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.17 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.18 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.18.1 Classification of financial assets

Debt instruments, including trade and other receivables as well as other current assets, that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets, including other non-current financial assets, are subsequently measured at fair value.

3.18.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "investment income" line item.

3.18.3 Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 Revenue. Dividends earned are recognised in profit or loss and are included in the 'investment income' line item.

3.18.4 Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, which is currently the case, the Group measures the loss allowance for this financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets. Currently the Group does not have any significant expected credit losses and has therefore not recognised any loss allowances.

3.18.5 De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is reclassified to retained earnings.

3.19 Financial liabilities and equity instruments

3.19.1 Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met:

a) The instrument includes no contractual obligation:
   i. to deliver cash or another financial asset to another entity; or
   ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

b) If the instrument will or may be settled in the issuer's own equity instruments, it is:
   i. a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
   ii. a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A contract that will be settled by the Group entity receiving or delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or another financial asset is an equity instrument.

Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.19.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

A financial liability is classified as current liability when it satisfies any of the following criteria:

- It is expected to be settled in the entity's normal operating cycle
- It is held primarily for the purposes of trading;
- It is due to be settled within twelve months after the reporting period;
- The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other financial liabilities are classified as non-current.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.20 Related party transactions

A party (a company or individual) is related to an entity if:

a) directly, or indirectly through one or more intermediaries, the party:
    i. controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
    ii. has an interest in the entity that gives it significant influence over the entity; or
    iii. has joint control over the entity;
b) the party is an associate of the entity;
c) the party is a joint venture in which the entity is a venturer);
d) the party is a member of the key management personnel of the entity or its parent;
e) the party is a close member family of any individual referred to in (a) or (d);
f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is related party of the entity.

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see note 4.2 below), that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1.1 Revenue recognition – Real estate sales

The operating cycle of residential construction projects predominantly starts when the Group enters into agreements to sell the real estate units off-plan. The Group treats the sale of real estate units as sale of goods in accordance with IFRS 15 Revenue from Contracts with Customers. Management takes the view that the critical event of revenue recognition depends on the transfer of significant risks and rewards of ownership and control to the buyer. When management makes this assessment, it ensures that the detailed criteria for revenue recognition from the sale of goods as set out in IFRS 15 – including the transfer of control of a product or service to a customer - are satisfied and that recognition of revenue from the sale of real estate is appropriate in the current reporting period.

Given the structure of the real estate sale contracts and the application of IFRS 15 as described above, revenue recognition from residential construction projects can occur over time based on percentage of completion. Such revenue recognition over time would only be applicable for construction projects, where the Group provides construction services only (e.g. villas).

For the current construction projects, where the Group constructs units on their own risk and sells the respective units (e.g. apartments), management has assessed that significant risk and rewards will be transferred to the buyer on completion of construction and the handing over of the properties. Hence, revenue is recognised at point in time.

4.1.2 Cost of sales

Cost of sales in relation to the construction of real estate are capitalised during construction and presented as inventory. On completion of the construction certain construction cost, which cannot be allocated directly to the units (i.e. infrastructure, common parts of the building) have to be allocated to the respective units based on their share of the total size of the respective real estate (m2) or other reasonable allocation keys. In selection of the allocation keys, management has to apply a significant degree of judgement.

4.1.3 Employee benefits expense

Employee benefits expense which is directly related to the sale of goods or rendering of services form part of the operation's cost of sales. Where employee benefit expense is incurred to perform head quarter functions or relate to non-revenue generating entities, such as corporate companies, holding companies and start-up companies, they are allocated to administration expenses.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Impairment of tangible assets and investments in associates

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets and investments in associates to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise, they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Due to the ongoing development of the Andermatt project and the financial risks going along with it, management reconsidered the recoverability of the Group's significant items of property, plant and equipment and investments in associates, which are included in the consolidated statement of financial position at 31 December 2023 at CHF 219,959,206 (31 December 2021: CHF 202,035,930) respectively at CHF 75,139,638 (31 December 2022: CHF 79,007,025).

In 2023 and 2022, the impairment tests did not result in any impairment losses.

Management periodically reconsiders their assumptions in light of the macroeconomic developments regarding future anticipated margins on their products. Management is confident that the carrying amount of the residual assets will be recovered in full. This situation will be closely monitored, and adjustments will be made in future periods if future market activity indicates that such adjustments are appropriate. However, recoverability of the carrying values of the tangible assets and unsold inventory is dependent on the successful completion of the overall Andermatt project and thus subject to material estimation uncertainties.

4.2.2 Deferred income taxes

The measurement of deferred income tax assets and liabilities is based on the judgment of management. Deferred income tax assets are only capitalised if it is probable that they can be used. Whether or not they can be used depends on whether the deductible tax temporary difference can be offset against future taxable gains. In order to assess the probability of their future use, estimates must be made of various factors including future taxable profits. At 31 December 2023, deferred income tax assets amounted to CHF 9,897,897 (31 December 2022: CHF 9,861,810) and have mainly resulted from the tax impact of carry forward tax losses (refer to note 13). Such deferred tax assets are only recorded when the development phase of the project has been started and it becomes evident that future taxable profits are probable. If the actual values differ from the estimates, this can lead to a change in the assessment of recoverability of the deferred tax assets and accounting for such a change, if any, is to be made on a prospective basis in the reporting periods affected by the change.

4.2.3 Retirement benefit obligations

The retirement benefit obligation is calculated on the basis of various financial and actuarial assumptions. The key assumptions for assessing these obligations are the discount rate, future salary and pension increases and the probability of the employee reaching retirement. The obligation was calculated using a discount rate of 1.50% (31 December 2022: 2.20%). The calculations were done by an external expert and the principal assumptions used are summarised in note 33. At 31 December 2023, the underfunding amounted to CHF 6,055,238 (31 December 2022: CHF 4,030,985). Using other basis for the calculations could have led to different results.

4.2.4 Net realizable value of inventory

Inventory mainly includes real estate construction work under progress which is recognised at cost or net realisable value.

Some of the real estate under construction is already sold at market prices which in total are higher than construction cost. In the rare cases where the price of the sold unit was below the cost price, a respective provision has been built. Therefore, the estimation uncertainty only relates to the unsold real estate under construction. In general, the profit margins on these real estate projects are high and management currently does not expect any of these projects to be sold below cost.

In 2023, there was no write-down of inventory required (2022: CHF none).

5 THE GROUP AND MAJOR CHANGES IN GROUP ENTITIES

The Group is comprised of the Parent Company and its subsidiaries which are all operating in Switzerland (for further details on the group structure refer to note 15). There have been no changes in the group structure during 2023 except for the incorporation of the following subsidiaries:

- Drogerie Andermatt AG, domiciled in Andermatt and 100% owned by the Parent Company in March 2023
- Andermatt Alpine Apartments Management AG, domiciled in Andermatt and 100% owned by the Parent Company in July 2023
- Hotel 4c Development AG, domiciled in Andermatt and 100% owned by the Parent Company in December 2023

During 2022, the ski arena companies were reclassified as discontinued operations as a majority interest of these companies was sold in August 2022 (note 6). Furthermore, the Resort Dieni Development AG, domiciled in Tujetsch and 100% owned by the Parent Company was incorporated in June 2022.

The group controls its subsidiaries directly and indirectly.

6 DISPOSAL OF SUBSIDIARIES

6.1 Description of transaction

On 28 March 2022, the Group announced the partial sale of its interest in the Ski Arena companies to Vail Resorts, USA ("Vail Resorts"), the world's largest ski resort operator, which was finalised on 3 August 2022. Due to the reduction of the Group's share in the Ski Arena companies from 89.3% to 39.8%, the transaction resulted in the Group losing control over the Ski Arena companies and the deconsolidation of these companies.

The transaction consisted of three major steps, including the Company converting as shareholder loan of CHF 30.5 million into new shares of Andermatt-Sedrun Sport AG ("ASS"), Vail injecting CHF 110.0 million in cash into ASS and receiving new shares in return as well as the Company selling shares of ASS to Vail for a cash consideration of CHF 39.3 million.

As the Group and Vail agreed to these three steps within a single contract to achieve the overall commercial effect of selling a controlling stake of 55% of the Ski Arena companies to Vail, they were accounted for as a single transaction with the resulting gain of CHF 32.4 million recognised within profit for the year from discontinued operations in the consolidated statement of comprehensive income.

6.2 Consideration received

CHF	3 August 2022
Consideration received in cash and bank balances	39,250,687
CONSIDERATION RECEIVED	**39,250,687**

6.3 Analysis of assets and liabilities over which control was lost

CHF	3 August 2022
Non-current assets	
Property, plant and equipment	156,630,946
Other financial assets	103,776
Current assets	
Inventories	1,085,388
Trade and other receivables	678,941
Receivables due from related parties	66,008
Other current assets	1,499,772
Cash and bank balances	2,727,804
Non-current liabilities	
Borrowings	(49,158,075)
Retirement benefit obligations	(1,135,164)
Provisions	(2,000,000)
Deferred income from government grants	(5,507,765)
Current liabilities	
Borrowings	(4,810,245)
Trade and other payables	(834,649)
Deferred revenue	(2,547,814)
Other current liabilities	(3,153,767)
NET ASSETS DISPOSED OF	**93,645,156**

6.4 Gain on disposal of subsidiaries

CHF	3 August 2022
Fair value of consideration received	39,250,687
Net assets disposed of	(93,645,156)
Non-controlling interests disposed of	6,671,030
Fair value of investment in associates (i)	80,044,000
GAIN ON DISPOSAL OF SUBSIDIARIES	**32,320,561**

(i) The Group continues to hold 39.8% of the shares in the Ski Arena companies, which were valued at CHF 80.0 million upon first recognition based on a valuation of the ski arena. The fair value has been determined based on the underlying transaction price and considering a discount due to lack of control. As the Group continues to have significant influence in the Ski Arena, the residual investment is recognised as investment in associates in the statement of financial position.

6.5 Net cash inflow on disposal of subsidiaries

CHF	3 August 2022
Consideration received in cash and bank balances	39,250,687
Less: cash and bank balances disposed of	(2,727,804)
CONSIDERATION RECEIVED	**36,522,883**

6.6 Analysis of profit for the year from discontinued operations

CHF	2023	2022
Revenue	-	22,316,422
Cost of sales	-	(15,481,564)
Gross profit	**-**	**6,834,858**
Investment income	-	12
Other gains and losses	-	1,889,745
Administrative expenses	-	(3,485,097)
Finance costs	-	(422,873)
Profit before tax	**-**	**4,816,645**
Income tax expenses	-	(870,582)
Profit for the year	**-**	**3,946,063**
Gain from disposal of discontinued operations	-	32,320,561
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	**-**	**36,266,624**

6.7 Cash flows from discontinued operations

CHF	2023	2022
Net cash flows from operating activities	-	4,746,436
Net cash flows from investing activities	-	(1,947,920)
Net cash flows from financing activities	-	(3,688,585)
CASH FLOWS FROM DISCONTINUED OPERATIONS	**-**	**(890,069)**

7 REVENUE

An analysis of the Group's revenue for the year is as follows:

CHF	2023	2022
Revenue from hotel operations	52,772,072	55,669,551
Revenue from real estate, construction and other operations	202,823,085	125,211,305
TOTAL	**255,595,157**	**180,880,856**

Of the total revenue of CHF 255.6 million (2022: CHF 180.9 million), CHF 189.8 million (2022: CHF 104.6 million), which are all included in revenue from real estate, construction and other operations, are recognised at point in time and the residual CHF 65.8 million (2022: CHF 76.3 million) recognised in the two segments are recognised over time.

There is no revenue allocated to (partially) unsatisfied performance obligation in relation to construction of real estate as at 31 December 2023 (2022: none).

8 SEGMENT INFORMATION

Since the disposal of the majority stake of the Ski Arena, the Group currently has two reportable segments which are its business units. The business units offer different products and services and are managed separately because they require different skills or have different customers. For each of the business units, the Head of Segments together with the Group CEO and Group CFO review the internal management reports regularly. The following summary describes the operations in each of the Group's reportable segments:

- Hotels – Includes hotel operating services for The Chedi and the Radisson Blu in Andermatt, which currently are the Group's only operating hotels.
- Real estate, construction and other operations – Includes acquisition of land and addition of substantial value by building residential real estate and other facilities which are sold upon completion. Further, it includes other destination operations like rental of holiday units as well as the operation of the golf course in Andermatt. These various revenue streams are shown as one operating segment as they have similar operating characteristics and risk profiles.

8.1 Segment results

CHF	Hotels		Real estate, construction and other operations		Total	
	2023	2022	2023	2022	2023	2022
Total segment revenue	55,590,029	58,638,922	203,708,179	126,331,802	259,298,208	184,970,724
./. inter-segment revenue	(2,817,957)	(2,969,371)	(885,094)	(1,120,497)	(3,703,051)	(4,089,868)
Revenue external customers	**52,772,072**	**55,669,551**	**202,823,085**	**125,211,305**	**255,595,157**	**180,880,856**
Depreciation expense	(10,130,155)	(10,149,221)	(2,033,057)	(1,728,113)	(12,163,212)	(11,877,334)
Other cost of sales (i)	(49,541,194)	(47,376,993)	(149,946,781)	(79,198,177)	(199,487,975)	(126,575,170)
Gross profit/(loss)	**(6,899,277)**	**(1,856,663)**	**50,843,247**	**44,285,015**	**43,943,970**	**42,428,352**
Segment result	**(11,654,396)**	**(6,749,428)**	**25,511,245**	**16,571,405**	**13,856,849**	**9,821,977**
Share of (losses) of associates					(3,588,001)	(3,324,019)
Investment income					269,067	224,032
Finance costs					(9,044,350)	(8,872,024)
Profit/(loss) before tax					**1,493,565**	**(2,150,034)**
Income tax income/(expense)					(220,270)	177,018
Profit/(loss) for the year from continuing operations					**1,273,295**	**(1,973,016)**

(i) Other cost of sales include employee expenses in the total amount of CHF 25.4 million (2022: CHF 25.7 million).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment result represents the profit before financial result and income taxes. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

In 2023, CHF 23.0 million (2022: CHF 18.2 million) of revenues in the segment real estate, construction and other operations was realised with related parties. For further details refer to note 35.

8.2 Segment assets and liabilities

CHF	31 December 2023	31 December 2022
Hotels	100,327,651	108,436,660
Real estate, construction and other operations	291,466,085	315,752,881
Segment assets	**391,973,736**	**424,189,541**
Unallocated assets	122,567,602	135,128,724
Total consolidated assets	**514,361,338**	**559,318,265**
Hotels	19,485,179	21,375,268
Real estate, construction and other operations	104,766,250	144,110,407
Segment liabilities	**124,251,429**	**165,485,675**
Unallocated liabilities	345,284,831	347,882,894
Total consolidated liabilities	**469,536,260**	**513,368,569**

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than other financial assets, investments in associates, amounts due from related parties, cash and bank balances as well as current and deferred tax assets.
- All liabilities are allocated to reportable segments other than shareholder's loan, borrowings, amounts due to related parties as well as current and deferred tax liabilities.

Additions to non-current assets

CHF	2023	2022
Hotels	1,766,985	3,569,248
Real estate, construction and other operations	30,930,462	13,329,830
Ski Arena	-	323,102
TOTAL	**32,697,447**	**17,222,180**

8.3 Geographical information

All operations of the Group are located in Switzerland. Hence, all revenue of the Group was generated in Switzerland. Further, all non-current assets are located in Switzerland.

9 INVESTMENT INCOME

CHF	2023	2022
Interest income:		
- Bank deposits	41,224	7
- Related party loans	207,297	222,275
- Other loans and receivables	20,546	1,750
TOTAL	**269,067**	**224,032**

All investment income is related to loans and receivables including cash and bank balances.

10 OTHER GAINS AND LOSSES

CHF	2023	2022
VAT gain/(losses) (i)	653,433	(1,713,653)
Income from government grants (note 32)	27,308	54,584
Rental income (ii)	400,660	182,518
Gain on sale of property, plant and equipment	5,478	-
Net foreign exchange losses	(15,451)	(12,289)
Other gains	10,527	5,522
TOTAL	**1,081,955**	**(1,483,318)**

(i) In 2022, due to a VAT audit, the Group had to make late payments for undeclared VAT of prior periods. In 2023, the final settlement was further discussed with the VAT-authorities and resulted in a gain of CHF 653,433.

(ii) The Group is renting several buildings whose units are then rented out to employees for personnel housing. The increase is due to additional available units.

11 ADMINISTRATIVE EXPENSES

CHF	2023	2022
Employee expenses	(12,641,985)	(14,696,860)
Marketing expenses	(9,519,713)	(7,530,197)
Depreciation expenses	(2,507,222)	(2,288,143)
Other administrative expenses	(6,500,156)	(6,607,857)
TOTAL	**(31,169,076)**	**(31,123,057)**

12 FINANCE EXPENSES

CHF	2023	2022
Interest on bank overdrafts and loans	(8,960,949)	(8,692,536)
Interest on lease liabilities	(222,099)	(205,557)
Bank charges	(178,073)	(86,752)
Total interest	**(9,361,121)**	**(8,984,845)**
Less: amounts included in the cost of qualifying assets	316,771	112,821
TOTAL	**(9,044,350)**	**(8,872,024)**

13 INCOME TAXES

13.1 Income tax recognised in profit or loss

CHF	2023	2022
CURRENT TAX		
Current tax expense for the current year	-	47,117
Adjustments recognised in the current year in relation to prior years	-	(413)
	-	**46,704**
DEFERRED TAX		
Deferred tax expense/(income) recognised in the current year	220,270	(223,722)
Adjustments to deferred taxes attributable to changes in tax rates	-	-
	220,270	**(223,722)**
TOTAL INCOME TAX EXPENSE/(INCOME) RECOGNISED IN THE CURRENT YEAR	**220,270**	**(177,018)**

The following table provides reconciliation between income tax expense recognised for the year and the tax calculated by applying the applicable tax rates on accounting profit:

CHF	2023	2022
Profit/(loss) before tax from continuing operations	1,493,564	(2,150,034)
Income tax expense/(income) calculated at 13.67% (2022: 14.20%)	204,102	(305,289)
Effect of adjustments in current taxes in relation to prior periods	-	(411)
Effect from derecognition of tax assets of prior periods	229,406	-
Unrecognised deferred tax assets during the year	1,642,994	1,587,647
Effect of previously unrecognised tax losses	(1,782,608)	(1,342,984)
Effect of income that is exempt from taxation	(79,871)	(145,328)
Effect of expenses that are not deductible in determining taxable profit	712	3,331
Effect of concession (capitalised expense)	5,535	26,016
INCOME TAX EXPENSE/(INCOME) RECOGNISED IN PROFIT OR LOSS	**220,270**	**(177,018)**

The average tax rate of 13.67% (2022: 14.20%) is the applicable tax rate of the individual companies that generate taxable results.

13.2 Income tax recognised in other comprehensive income

CHF	2023	2022
DEFERRED TAX		
Remeasurement of defined benefit obligation	256,357	(565,611)
TOTAL INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME	**256,357**	**(565,611)**

13.3 Deferred tax balances

Deferred tax assets and liabilities arise from the following:

2023 CHF	Opening balance	Charged to income	Recognised in OCI	Closing balance
ASSETS				
Temporary differences				
Tax losses	9,297,578	(249,632)	-	9,047,946
Property, plant and equipment (IFRS 16)	33,712	16,150	-	49,862
Pension plan	530,520	13,212	256,357	800,089
	9,861,810	**(220,270)**	**256,357**	**9,897,897**
LIABILITIES				
Temporary differences				
Property, plant & equipment	-	-	-	-
	-	**-**	**-**	**-**
NET DEFERRED TAX ASSETS	**9,861,810**	**(220,270)**	**256,357**	**9,897,897**

2022 CHF	Opening balance	Charged to income	Recognised in OCI	Derecognised on disposal of subsidiary	Closing balance
ASSETS					
Temporary differences					
Tax losses	10,178,704	(163,891)	-	(717,235)	9,297,578
Property, plant and equipment (IFRS 16)	27,982	20,368	-	(14,638)	33,712
Pension plan	870,397	367,245	(378,029)	(329,093)	530,520
	11,077,083	**223,722**	**(378,029)**	**(1,060,966)**	**9,861,810**
LIABILITIES					
Temporary differences					
Property, plant & equipment	1,265,625	-	-	(1,265,625)	-
	1,265,625	**-**	**-**	**(1,265,625)**	**-**
NET DEFERRED TAX ASSETS	**9,820,458**	**223,722**	**(378,029)**	**204,659**	**9,861,810**

13.4 Unrecognised deferred tax assets

Unused tax losses for which no deferred tax assets have been recognised:

CHF	31 December 2023	31 December 2022
Tax losses (expiry in 2023)	-	31,952,693
Tax losses (expiry in 2024)	15,259,098	16,951,038
Tax losses (expiry in 2025)	14,733,759	15,961,788
Tax losses (expiry in 2026)	11,244,460	7,834,894
Tax losses (expiry in 2027)	7,922,407	8,562,407
Tax losses (expiry in 2028)	3,656,022	301,173
Tax losses (expiry in 2029)	1,921,129	1,413,315
Tax losses (expiry in 2030)	3,856,569	-
Total unused tax losses	**58,593,444**	**82,977,308**

No deferred tax assets have been recognised for the above federal tax losses as the future realization of the tax losses is currently uncertain.

Further, state taxes have only been recognised for the hotel operation business as well as other operations as gains from real estate sales are exempt from this taxation for most of the companies in the real estate and construction segment. Therefore, total tax losses of CHF 58.6 million (31 December 2022: CHF 83.0 million) will not be useable in the future.

The parent company has not recognised deferred tax balances associated with investments in subsidiaries where ASA can control the reversal of the timing differences and where it is not probable that the temporary differences will reverse in the foreseeable future.

14 PROPERTY, PLANT AND EQUIPMENT

CHF	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Prepaid tangible assets	Property under construction	Right-of-use assets	Total
COST								
Balance at 1 January 2022	**16,279,743**	**206,301,492**	**165,267,396**	**27,116,163**	**-**	**17,858,567**	**37,078,473**	**469,901,834**
Additions	-	246,997	559,091	1,459,073	-	10,465,434	4,491,585	17,222,180
Disposals	-	(78,749)	(8,056)	(32)	-	-	(184,410)	(271,247)
Reclassification as held for sale	(995,031)	(59,871,965)	(94,802,954)	(6,627,589)	-	(112,197)	(24,992,202)	(187,401,938)
Transfers within property, plant and equipment	(7,853,908)	55,540	59,691	30,795	7,853,908	(146,026)	-	-
Balance at 31 December 2022	**7,430,804**	**146,653,315**	**71,075,168**	**21,978,410**	**7,853,908**	**28,065,778**	**16,393,446**	**299,450,829**
Additions	-	9,788,876	619,996	665,451	-	20,213,829	1,409,295	32,697,447
Disposals	-	-	(23,550)	(68,321)	-		(480,441)	(572,312)
Transfers within property, plant and equipment	-	470,715	-	1,210,739	-	(1,681,454)	-	-
Balance at 31 December 2023	**7,430,804**	**156,912,906**	**71,671,614**	**23,786,279**	**7,853,908**	**46,598,153**	**17,322,300**	**331,575,964**
ACCUMULATED DEPRECIATION								
Balance at 1 January 2022	**-**	**(32,129,300)**	**(55,821,540)**	**(17,162,834)**	**-**	**(1,203,905)**	**(7,078,905)**	**(113,396,484)**
Disposals	-	-	4,320	-	-	-	184,410	188,730
Reclassification as held for sale	-	9,364,487	14,997,660	3,081,112	-	-	5,250,784	32,694,043
Transfers within property, plant and equipment	-	(460)	-	460	-	-	-	-
Depreciation expenses	-	(4,022,045)	(8,171,567)	(2,389,179)	-	-	(2,318,397)	(16,901,188)
Balance at 31 December 2022	**-**	**(26,787,318)**	**(48,991,127)**	**(16,470,441)**	**-**	**(1,203,905)**	**(3,962,108)**	**(97,414,899)**
Disposals	-	-	12,168	23,746	-	-	432,661	468,575
Depreciation expenses	-	(3,509,431)	(7,035,339)	(2,274,436)	-	-	(1,851,228)	(14,670,434)
Balance at 31 December 2023	**-**	**(30,296,749)**	**(56,014,298)**	**(18,721,131)**	**-**	**(1,203,905)**	**(5,380,675)**	**(111,616,758)**
CARRYING AMOUNT								
At 31 December 2022	7,430,804	119,865,997	22,084,041	5,507,969	7,853,908	26,861,873	12,431,338	202,035,930
At 31 December 2023	**7,430,804**	**126,616,157**	**15,657,316**	**5,065,148**	**7,853,908**	**45,394,248**	**11,941,625**	**219,959,206**

Prepaid tangible assets consist of a land plot in Dieni for which an approval process with the land register inspectorate and commercial register of the canton of Grisons is still ongoing.

In 2023 and 2022, there were no impairment losses.

At 31 December 2023, property, plant and equipment of the Group with a carrying amount of CHF 39.5 million (31 December 2022: CHF 42.9 million) were pledged to secure borrowings of the Group as described in note 27. In addition, the Group's obligations under leases are secured by the lessors' title to the leased assets, which have a carrying amount of CHF 11.5 million (2022: CHF 12.4 million). Refer to note 37 for further details on lease liabilities.

As at 31 December 2023, property under construction mainly consists of unfinished infrastructure work related to the podium in Andermatt. In 2023, the increase is mainly due work on the podium. The increase was partly netted off by reclassification of finalised infrastructure work related to the podium.

See note 37 for further details on the composition of right-of-use assets.

15 SUBSIDIARIES

The Group has control over all the subsidiaries below either directly or indirectly through subsidiaries controlled by the Parent Company. Details of the Group's significant subsidiaries at the end of the reporting period are as follows:

Company name	Domicile	Purpose	Share/paid- in capital		Proportion of ownership interest held by the Group	
					2023	2022
Bellevue Hotel & Appartement Development AG	Andermatt	Hotel and Real Estate	CHF	4,360,000	100.00%	100.00%
Bellevue Hotel & Appartement Management AG	Andermatt	Hotel	CHF	100,000	100.00%	100.00%
Hotel 4B Development AG	Andermatt	Hotel and Real Estate	CHF	100,000	51.00%	51.00%
Hotel 4B Management AG	Andermatt	Hotel	CHF	100,000	51.00%	51.00%
Alpine Development Andermatt AG	Andermatt	Real Estate	CHF	100,000	51.00%	51.00%
Saschi Immobilien AG	Andermatt	Real Estate	CHF	100,000	51.00%	51.00%
SAGA Andermatt Immobilien AG	Andermatt	Real Estate	CHF	100,000	51.00%	51.00%
Andermatt Invest AG	Andermatt	Real Estate	CHF	100,000	100.00%	100.00%
Resort Dieni Development AG	Sedrun	Real Estate	CHF	100,000	100.00%	100.00%
Drogerie Andermatt AG	Andermatt	Real Estate	CHF	100,000	100.00%	-
Andermatt Alpine Apartments Management AG	Andermatt	Real Estate	CHF	100,000	100.00%	-
Hotel 4c Development AG	Andermatt	Hotel and Real Estate	CHF	100,000	100.00%	-

In 2023, the Company incorporated Drogerie Andermatt AG, Andermatt Alpine Apartments Management AG as well as Hotel 4c Development AG, all fully owned subsidiaries of the Parent Company.

In 2022, the Company sold a majority interest of the ski arena companies (Andermatt-Sedrun Sport AG and Andermatt Sedrun Disentis Marketing AG). Hence, these companies were deconsolidated and recognised as investments in associates. For further details refer to notes 6 and 16. Further, the Company incorporated Resort Dieni Development AG in 2022.

16 INVESTMENTS IN ASSOCIATES

Details of the Group's associates at the end of the reporting period are as follows:

Name of associate	Place of incorporation	Proportion of ownership interest and voting power held by the Group	Carrying value (CHF)	
		2023	2023	2022
Andermatt-Sedrun Sport AG (i)	Andermatt	39.82%	72,794,039	76,658,607
Andermatt Central AG	Andermatt	25.00%	2,345,599	2,348,418
TOTAL			**75,139,638**	**79,007,025**

(i) Includes its subsidiary Andermatt Sedrun Disentis Marketing AG

Andermatt-Sedrun Sport AG including its subsidiary Andermatt Sedrun Disentis Marketing AG ("ASS Group")

On 3 August 2022, a majority interest in these companies was sold to Vail Resorts. The residual interest is classified as investment in associates. For further details refer to note 6.

The main operation of the associate is to operate the Ski Arena Andermatt Sedrun.

The Group did not receive any dividends during the current year from ASS Group (2022: none).

Summarised financial information in respect of ASS Group is set out below:

	2023	2022
Non-current assets	154,800,361	156,373,038
Current assets	102,184,345	111,153,189
Non-current liabilities	(51,081,005)	(56,325,859)
Current liabilities	(20,465,050)	(16,056,798)
Net assets	185,438,651	195,143,570
Revenue for the year (2022: 5 months- period since deconsolidation)	30,417,996	7,424,282
(Loss) for the year (2022: 5 months period since deconsolidation)	(9,003,309)	(8,501,850)
Other comprehensive income for the year (2022: 5 months period since deconsolidation)	(701,610)	264
Total comprehensive income for the year (2022: 5 months period since deconsolidation)	(9,704,919)	(8,501,586)
Group's share of comprehensive income for the year 2022: 5 months period since deconsolidation)	(3,864,568)	(3,385,393)

Reconciliation of the above summarised financial information to the carrying amount of the interest in ASS Group recognised in the consolidated financial statements:

	2023	2022
Net assets of the associate	185,438,651	195,143,570
Proportion of the Group's ownership interest in ASS	39.82%	39.82%
The Group's share of ASS' net assets	73,841,602	77,706,170
Negative goodwill due to discount for non-controlling stake	(1,047,563)	(1,047,563)
Carrying amount of the Group's interest in ASS	72,794,039	76,658,607

Andermatt Central AG

The main operation of the associate is to construct and operate the new train station in Andermatt.

The Group did not receive any dividends during the current year from Andermatt Central AG (2022: none).

Summarised financial information in respect of Andermatt Central AG is set out below:

	2023	2022
Non-current assets	31,766,899	32,679,135
Current assets	1,859,931	701,673
Non-current liabilities	(22,000,000)	(23,000,000)
Current liabilities	(2,244,434)	(987,138)
Net assets	9,382,396	9,393,670
Revenue for the year	1,892,655	-
(Loss)/profit for the year	(11,274)	245,495
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(11,274)	245,495
Group's share of comprehensive income for the year	(2,818)	61,374

Reconciliation of the above summarised financial information to the carrying amount of the interest in Andermatt Central AG recognised in the consolidated financial statements:

	2023	2022
Net assets of the associate	9,382,396	9,393,670
Proportion of the Group's ownership interest in ASA	25.00%	25.00%
Carrying amount of the Group's interest in ASA	2,345,599	2,348,418

17 OTHER FINANCIAL ASSETS

Details of the Group's other financial assets are as follows:

CHF	31 December 2023	31 December 2022
Financial assets carried at fair value through other comprehensive income (FVTOCI)		
Green Power Uri AG (i)	-	-
Andermatt-Urserntal Tourismus GmbH	10,000	10,000
Golfplatz Sedrun AG	7,300	7,300
Luzern Tourismus AG (ii)	-	36,000
Others	1,332	1,358
TOTAL	**18,632**	**54,658**

(i) As at 31 December 2013 management decided to revalue its investment in Green Power Uri AG to zero due to uncertainties regarding the future business development of the investment.

(ii) In Mai 2023, the Group sold its investment in Luzern Tourismus AG for CHF 30,000. The resulting loss of CHF 6,000 was recognised through other comprehensive income.

18 INVENTORIES

CHF	31 December 2023	31 December 2022
Construction work in progress (i)	145,785,100	91,717,714
Other inventories (ii)	5,209,411	69,930,246
TOTAL	**150,994,511**	**161,647,960**

(i) These include real estate construction work in progress. The real estate units are sold off plan. The increase is mainly due to ongoing construction of apartments on the podium.

(ii) This amount includes hotels and shop inventory of CHF 2.8 million (2022: CHF 2.7 million) as well as completed but unsold real estate units of CHF 2.4 million (2022: CHF 67.2 million). The decrease is mainly due to previously completed but unsold real estate units on the podium which were sold in 2023.

At 31 December 2023, inventory with a carrying amount of CHF 48.7 million (31 December 2022: CHF 83.9 million) were pledged to secure borrowings of the Group as described in note 27.

In 2023, there were no write-downs of inventory (2022: none).

19 TRADE AND OTHER RECEIVABLES

CHF	31 December 2023	31 December 2022
Current receivables	12,920,221	28,548,197
Expected credit loss allowance	-	-
TOTAL	**12,920,221**	**28,548,197**

Interest is only charged in case of customers' default. In 2023, none of the Group's trade and other receivables is past due (2022: none).

20 OTHER CURRENT ASSETS

CHF	31 December 2023	31 December 2022
Current account shareholder (i) (iv)	-	25,000,000
Other prepaid expenses	3,910,720	3,121,036
Prepaid sales commissions related to uncompleted units (ii)	1,410,858	2,960,938
Loans to third parties (iii) (iv)	1,341,374	404,467
Deposit with others (iv)	545,280	236,876
VAT	473,564	154,447
Withholding tax	10,387	-
Other debtors (iv)	227,615	79,690
TOTAL	**7,919,798**	**31,957,454**

(i) The Group has placed some of its excess cash with Mr. Samih Sawiris as a short-term treasury measure. The objective of this transaction in the past was to avoid being charged negative interest. This short-term treasury measure started in July 2019 and had a variable interest rate of 1.25%. It should be considered in connection with the shareholder's loan of CHF 90.6 million granted by Mr. Samih Sawiris to the Group (refer to note 26 for further details). The cash deposited with Mr. Sawiris was fully called back during 2023.

(ii) These are sales commissions of sold but uncompleted real estate units which have been paid to sales companies. As the revenue for these sold real estate units is only recognised on completion of the respective units, the corresponding prepaid commissions are accrued accordingly.

(iii) This position includes deferred payments granted to buyers of real estate and loans granted to joint venture partner as a result of excess cash within Group companies. None of those loans are past due.

(iv) These assets meet the definition of a financial instrument in accordance with IFRS 9 (refer to note 34.3).

21 CASH AND BANK BALANCES

For the purposes of the consolidated cash flow statement, cash and bank balances include cash on hand, demand deposits and balances at banks. Cash equivalents are short-term, highly liquid investments of maturities of three months or less from the acquisition date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

22 CAPITAL

22.1 Issued capital

CHF	31 December 2023	31 December 2022
Par value per share (in CHF)	1,000	1,000
Number of ordinary shares issued and fully paid	301,147	301,147
Issued capital	**301,147,000**	**301,147,000**

22.2 Significant shareholders

	2023		2022	
CHF	Number of shares	%	Number of shares	%
SOSTNT Luxembourg S.a.r.l. (i)	153,585	51.00	153,585	51.00
Orascom Development Holding AG	147,562	49.00	147,562	49.00
TOTAL	**301,147**	**100.00**	**301,147**	**100.00**

(i) The ultimate beneficial owner is Mr. Samih Sawiris.

23 RESERVES

CHF	31 December 2023	31 December 2022
General reserves	(2,841,470)	(2,841,470)
TOTAL	**(2,841,470)**	**(2,841,470)**

Reserves as at 31 December 2023 did not change compared to 31 December 2022.

24 RETAINED EARNINGS

CHF	2023	2022
Balance at beginning of year	(244,612,210)	(282,373,979)
Profit attributable to owners of the Parent Company	3,271,270	34,482,269
Other comprehensive income attributable to owners of the Parent Company	(1,897,872)	3,279,500
Balance at end of year	**(243,238,812)**	**(244,612,210)**

During 2023 and 2022 no dividends were paid by the Company to its shareholders. In respect of the current year, the Board of Directors will not propose a dividend or a capital reduction to the shareholders at the Annual General Meeting.

25 NON-CONTROLLING INTERESTS

CHF	2023	2022
Balance at beginning of year	(7,743,624)	2,493,718
Share of (loss) for the year	(1,997,975)	(188,661)
Share of other comprehensive income for the year	(59,041)	150,349
Dividends paid by subsidiaries to non-controlling interests	(441,000)	(3,528,000)
Loss of control of subsidiary	-	(6,671,030)
Balance at end of year	**(10,241,640)**	**(7,743,624)**

25.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests. The assessment whether a non-controlling interest is material is based on the carrying amounts of such non-controlling interests.

Name of subsidiary	Proportion of ownership interest and voting power held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Hotel 4b Development AG	49.00%	49.00%	(1,806,917)	(721,567)	(7,179,343)	(5,372,426)
Hotel 4b Management AG	49.00%	49.00%	(166,313)	(33,635)	(3,391,550)	(3,166,195)
Individually immaterial subsidiaries with non-controlling interests					329,253	794,997
TOTAL					**(10,241,640)**	**(7,743,624)**

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	H4bD		H4bM	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Non-current assets	63,966,860	68,346,975	545,540	790,030
Current assets	16,519,326	25,954,478	7,906,376	7,571,817
Non-current liabilities	(44,737,025)	(44,973,025)	(609,551)	(898,889)
Current liabilities	(50,396,529)	(60,292,563)	(14,763,895)	(13,924,581)
Equity attributable to owners	7,472,378	5,591,709	3,529,980	3,295,428
Non-controlling interests	7,179,343	5,372,426	3,391,550	3,166,195
Revenue	10,505,636	16,679,461	15,463,761	15,032,790
Profit/(loss) for the year	**(3,687,586)**	**(1,472,585)**	**(339,415)**	**(68,642)**
attributable to owners	(1,880,669)	(751,018)	(173,102)	(35,007)
attributable to non-controlling interests	(1,806,917)	(721,567)	(166,313)	(33,635)
Other comprehensive income for the year	**-**	**-**	**(120,492)**	**90,981**
attributable to owners	-	-	(61,451)	46,400
attributable to non-controlling interests	-	-	(59,041)	44,581
Total comprehensive income for the year	**(3,687,586)**	**(1,472,585)**	**(459,907)**	**22,339**
attributable to owners	(1,880,669)	(751,018)	(234,553)	11,393
attributable to non-controlling interests	(1,806,917)	(721,567)	(225,354)	10,946
Net cash inflow/(outflow)	**(2,629,876)**	**162,209**	**(22,665)**	**(233,766)**
from operating activities	(2,076,944)	11,232,378	(22,665)	561,579
from investing activities	(434,932)	(26,385)	-	-
from financing activities	(118,000)	(11,043,784)	-	(795,345)

26 SHAREHOLDER'S LOAN

Beside the capital increases, Mr. Samih Sawiris has provided further financing for the resort Andermatt through a shareholder's loan, which amounts to CHF 79.4 million as at 31 December 2023 (31 December 2022: CHF 90.6 million).

The shareholder's loan decreased by CHF 11.1 million due the acquisition of units in The Chedi in the total amount of CHF 10.0 million as well as transfers to the current account of CHF 2.0 million. The decrease was partly netted off by accrued interest of CHF 0.9 million. The loan has currently an interest rate of 1% and is unsecured. As at 31 December 2023, CHF 70 million of the shareholder's loan is subordinated (31 December 2022: CHF 80 million).

In July 2019, the Group invested CHF 35 million of its excess cash with Mr. Samih Sawiris as a short-term treasury measure to avoid negative interest amounts. During 2023, the residual CHF 25 million were drawn down (refer to note 20 for further details).

27 BORROWINGS

	Current		Non-current	
CHF	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Loans from JV Partners (i)	-	-	***42,613,025***	***42,613,025***
Lease liabilities (ii)	***1,775,957***	***1,737,668***	***10,535,287***	***10,943,575***
Bonds (iii)	49,932,500	49,969,220	59,757,275	109,428,151
Bank loans (iv)	8,386,429	4,250,000	88,093,750	34,236,260
Government loans (v)	118,000	118,000	2,324,000	2,242,000
Due to third parties	***58,436,929***	***54,337,220***	***150,175,025***	***145,906,411***
TOTAL	**60,212,886**	**56,074,888**	**203,323,337**	**199,463,011**

(i) Some of the buildings including one hotel and several apartment houses, are developed and financed together with joint venture partners. Whereas the Company contributes the land and additional financing, the joint venture partners provide financing for their share of the project costs. These loans are unsecured and are non-interest bearing.

(ii) Refer to note 37 for details on lease liabilities.

(iii) On 11 December 2020, the Company placed another bond listed on the SIX Swiss Exchange with a nominal value of CHF 60 million. The bond has a term of five years and pays annual interest of 4.375%. At the same date, the Company repaid its first bond listed on the SIX Swiss Exchange with a nominal value of CHF 50 million at par. The bond had a term of five years and paid annual interest of 3.875%.

On 9 July 2019, the Company placed a third bond listed on the SIX Swiss Exchange with a nominal value of CHF 50 million. The bond has a term of five years and pays annual interest of 3.75%. As the bond is due in 2024 it was reclassified as current as at 31 December 2023.

On 6 July 2018, the Company placed a second bond listed on the SIX Swiss Exchange with a nominal value of CHF 50 million. The bond has a term of five years and pays annual interest of 4.00%. This bond was repaid in July 2023.

(iv) In October 2023, the Group has concluded a senior secured revolving credit facility granted by a syndicate of Swiss banks ("Syndicated RCF") in the amount of CHF 125 million. The Syndicated RCF allows the Group to flexibly draw down funds over the next years to repay any existing loan, to finance any working capital needs or to finance investments which are not separately financed. The Syndicated RCF has an initial term of 5 years with extension options and a variable interest rate of SARON plus 1.45%-1.95%. As at 31 December 2023, an amount of CHF 55 million has been withdrawn from the total amount.

Further, the Group has a long-dated credit arrangement with a major Swiss bank for the financing of one of its hotels. The variable interest loan is secured with hotel property (note 14) and has a maximum residual term of 9 years. The Group has further bank loans with various banks. In general, they have variable interest rates including a mark-up.

(v) Refer to note 32 for details on the government loans

All companies across the group have complied with all financial covenants related to their borrowings.

Property, plant and equipment as well as inventory with a total carrying amount of CHF 88.2 million (2022: CHF 137.9 million) have been pledged to secure borrowings (see note 14 and 18).

27.1 Summary of borrowing arrangements

The weighted average contractual effective interest rate for all interest-bearing credit facilities and loans (including shareholder's loan (note 26) is 2.26% (2022: 2.03%). For a breakdown of debt bearing variable and fixed interest see note 34.4.

27.2 Reconciliation of liabilities arising from financing activities

CHF	1 January 2023	Financing Cash Flows	Non-cash changes			31 December 2023
			Accrued Interest	Leases	Transfers	
Shareholder's loan	90,550,043	(10,002,720)	888,330	-	(2,000,000)	79,435,653
Loans from JV Partners	42,613,025	-	-	-	-	42,613,025
Lease liabilities	12,681,243	(1,762,801)	31,773	1,361,029	-	12,311,244
Due to third parties	200,243,631	8,044,669	323,654		-	208,611,954
TOTAL	**346,087,942**	**(3,720,852)**	**1,243,757**	**1,361,029**	**(2,000,000)**	**342,971,876**

CHF	1 January 2022	Financing Cash Flows	Non-cash changes				31 December 2022
			Accrued Interest	Leases	Disposal of subsidiary	Transfers	
Shareholder's loan	111,850,864	-	939,179	-	-	(22,240,000)	90,550,043
Loans from JV Partners	42,613,025	-	-	-	-	-	42,613,025
Lease liabilities	25,479,622	(4,072,582)	3,118	4,491,584	(13,220,499)	-	12,681,243
Due to third parties	251,620,082	(10,951,816)	323,186	-	(40,747,821)	-	200,243,631
TOTAL	**431,563,593**	**(15,024,398)**	**1,265,483**	**4,491,584**	**(53,968,320)**	**(22,240,000)**	**346,087,942**

28 PROVISIONS

CHF	Construction Obligations (i)	Warranties (ii)	Dismantling (iii)	Rectification Work (iv)	Total
Balance at 1 January 2022	**1,270,400**	**2,780,000**	**2,000,000**	**70,000**	**6,120,400**
Reclassified as held for sale	-	-	(2,000,000)	-	(2,000,000)
Balance at 31 December 2022	**1,270,400**	**2,780,000**	**-**	**70,000**	**4,120,400**
Used	(150,000)	-	-	(70,000)	(220,000
Balance at 31 December 2023	**1,120,400**	**2,780,000**	**-**	**-**	**3,900,400**
thereof current	1,120,400	-	-	-	1,120,400
thereof non-current	-	2,780,000	-	-	2,780,000

(i) For certain construction cost the decision is not yet finally taken whether the Group or any third or related party is going to carry the incurred cost. In 2023, most of the discussion points were settled and part of the provision used. The remaining issues are expected to be settled within the next 12 months.

(ii) In relation to the Chedi construction work, the Group is involved in warranty issues with one of the suppliers. The issue is not expected to be settled within the next 12 months.

(iii) Estimated costs of dismantling or removing newly built ski lifts at the end of their useful lives were accrued with the corresponding amount shown as part of the acquisition cost of the ski lift. This provision was related to the Ski Arena and has been derecognised as part of the deconsolidation of the Ski Arena companies.

(iv) The provision for rectification work related to estimated cost of work agreed to be carried out in relation to the construction of a villa. The work was carried out in 2023 for which the provision was used.

29 TRADE AND OTHER PAYABLES

CHF	31 December 2023	31 December 2022
Non-current trade payables	-	-
Current trade and other payables	27,571,601	23,453,215

Trade and other payables are in general interest free. However, when they are overdue, certain penalty interest rates might apply.

30 DEFERRED REVENUE

CHF	31 December 2023	31 December 2022
Deferred revenue from real estate sales (i)	47,923,300	98,973,594
Other deferred revenue	4,614,588	7,479,674
TOTAL	**52,537,888**	**106,453,268**

(i) The deferred revenue from real estate sales includes advances from buyers of real estate units (progress payments) between the time of the initial agreement and contractual completion. The decrease is mainly due to units in multi-family houses on the podium which have been handed over as at 31 December 2023 and revenue has been recognised accordingly.

31 OTHER CURRENT LIABILITIES

CHF	31 December 2023	31 December 2022
Accrued expenses (i) (ii)	26,168,147	19,842,842
Deferred income from government grants (note 32)	5,986,046	5,986,046
Deposits from others (ii)	138,870	71,087
VAT payables	105,265	131,984
Other credit balances (ii)	1,269,119	849,684
TOTAL	**33,667,447**	**26,881,643**

(i) Accrued expenses mainly include operating costs for the operational activities.

(ii) These liabilities meet the definition of a financial instrument in accordance with IFRS 9 (refer to note 34.3).

32 GOVERNMENT GRANTS

In 2019, the Group has received an interest free government grant from the NRP program. In total the Group received CHF 3.0 million of which CHF 2.36 million are repayable within 22 years and the remaining CHF 0.64 million are granted without further obligations (“a-fonds-perdu”).

When the Group purchased the land in Andermatt, part of the land was received for free with the obligation to build a sports centre in Andermatt. This government grant from the municipality of Andermatt is treated as a prepayment for the construction of the sports centre and is recognised as other current liability (note 31).

33 RETIREMENT BENEFIT PLANS

33.1 Defined benefit plans

Swiss pension plans need to be administered by a separate pension fund that is legally separated from the entity. The law prescribes certain minimum benefits.

The pension plan of the employees of the parent entity are carried out by a semi-autonomous collective fund with Asga whereas the pension plans of the subsidiaries are carried by a collective fund of Hotela Vorsorgestiftung. Under the pension plans, the employees are entitled to retirement benefits and risk insurance for death and disability. The boards of the various pension funds are composed of an equal number of representatives from both employers and employees.

Due to the requirements of IAS 19 the above mentioned pension plans are classified as defined benefit plans. The pension plans are described in detail in the corresponding statues and regulations. The contributions of employers and employees in general are defined in percentages of the insured salary. The retirement pension is calculated based on the old-age credit balance on retirement multiplied by the fixed conversion rate. The employee has the option to withdraw the capital at once. The death and disability pensions are defined as percentage of the insured salary. The assets are invested directly with the corresponding pension funds.

The pension funds can change their financing system (contributions and future payments) at any time. Also, when there is a deficit which cannot be eliminated through other measures, the pension funds can oblige the entity to pay a restructuring contribution. For the pension funds of the Group such a deficit currently cannot occur as the plans are fully reinsured. However, the pension funds could cancel the contracts and the entities of the Group would have to join another pension fund.

In the current and comparative period no plan amendments, curtailments or settlements occurred.

The fully reinsured pension funds have concluded insurance contracts to cover the biometric and investment risk. The board of each pension fund is responsible for the investment of assets and the investment strategies are defined in a way that the benefits can be paid out on due date.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on 31 December 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

CHF	2023	2022
Current service cost	1,680,255	2,401,129
Net interest expense	88,636	39,070
Past service cost	-	292,255
Administration cost excl. cost for managing plan assets	11,916	13,771
Expense recognised in profit or loss	**1,780,807**	**2,746,225**

Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

CHF	2023	2022
Remeasurement losses/(gains) on defined benefit obligation (i)	1,795,250	(4,554,081)
Return on plan assets excl. interest income	132,606	589,444
Change in effect of asset ceiling excl. interest expense	-	(30,823)
Expense/(income) recognised in other comprehensive income	**1,927,856**	**(3,995,460)**

(i) In 2023, remeasurement losses arose from changes in financial assumptions of CHF 1,832,977. These losses were partly netted off by gains from experience adjustments of CHF 37,727. In 2022, remeasurement losses arose from changes in financial assumptions of CHF 5,746,239. These gains were partly netted off by losses from changes in demographic assumptions of CHF 26,210 as well as losses arising from experience adjustments of CHF 1,165,948.

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans is as follows:

CHF	31 December 2023	31 December 2022
Present value of funded defined benefit obligation	27,455,551	23,833,232
Fair value of plan assets	(21,400,313)	(19,802,247)
Deficit	**6,055,238**	**4,030,985**
Adjustment to asset ceiling	-	-
Net liability arising from defined benefit obligation	**6,055,238**	**4,030,985**

Movements in the present value of the defined benefit obligation in the current year were as follows:

CHF	2023	2022
Opening defined benefit obligation	23,833,232	32,672,770
Current service cost	1,680,255	2,401,129
Interest expense on defined benefit obligation	538,376	146,305
Contributions from plan participants	1,684,410	1,845,623
Past service cost	-	292,255
Benefits (paid)	(2,087,888)	(573,830)
Remeasurement losses/(gains) on defined benefit obligation	1,795,250	(4,554,081)
Administration cost (excl. cost for managing plan assets)	11,916	13,771
Reclassification as held for sale	-	(8,410,710)
Closing defined benefit obligation	**27,455,551**	**23,833,232**

Movements in the present value of the plan assets in the current period were as follows:

CHF	2023	2022
Opening fair value of plan assets	19,802,247	24,473,409
Interest income on plan assets	449,740	107,235
Return on plan assets excluding interest income	(132,606)	(589,444)
Contributions from the employer	1,684,410	1,845,623
Contributions from plan participants	1,684,410	1,845,623
Benefits (paid)	(2,087,888)	(573,830)
Reclassification as held for sale	-	(7,306,369)
Closing fair value of plan assets	**21,400,313**	**19,802,247**

The respective insurance companies are providing reinsurance of these assets and bear all market risk on these assets.

The actual return on plan assets was CHF 317,134 (2022: CHF (482,209).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2023	2022
Discount rates	1.50%	2.20%
Expected rates of salary increase	1.50%	1.50%
Expected pension increases	0.00%	0.00%
Mortality tables	BVG 2020 GT	BVG 2020 GT

The following sensitivity analyses based on the principal assumptions have been undertaken based on reasonably possible changes to the assumptions occurring at the end of the reporting period:

- If the discount rate would be 25 basis points (0.25 percent) higher (lower), the defined benefit obligation would decrease by CHF 1,114,696 (increase by CHF 1,209,487) if all other assumptions were held constant.
- If the expected salary growth would increase (decrease) by 0.25%, the defined benefit obligation would increase by CHF 225,547 (decrease by CHF 213,062) if all other assumptions were held constant.
- If the life expectancy would increase (decrease) with one year for both men and women, the defined benefit obligation would increase by CHF 401,058 (decrease by CHF 401,402) if all other assumptions were held constant.

The average duration of the defined benefit obligation at the end of the reporting period is 17.2 years (2022: 15.8 years).

The Group expects to make contributions of CHF 1,698,750 to the defined benefit plans during the next financial year.

34 FINANCIAL INSTRUMENTS

34.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings from third parties (note 27), shareholder's loan (note 26), offset by cash and bank balances (note 21) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in notes 22 to 25).

The Group is not subject to any externally imposed capital requirements.

According to the Group's internal policies and procedures, Group Management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

During 2022 and 2023, the Group was refinanced mainly through various credit arrangements with Swiss banks.

In 2023, the net debt to equity ratio increased compared to 2022 mainly due to the decrease in shareholder's loan and the decrease in cash and cash equivalents.

The gearing ratio was as follows:

CHF	31 December 2023	31 December 2022
Shareholder's loan	79,435,653	90,550,043
Loans from JV partners	42,613,025	42,613,025
Loans due to third parties	220,923,198	212,924,874
Total debt (i)	**342,971,876**	**346,087,942**
Less: Cash and bank balances	(34,335,594)	(45,417,587)
Net debt	**308,636,282**	**300,670,355**
Equity (ii)	**44,825,078**	**45,949,696**
Net debt to equity ratio	**688.53%**	**654.3%**

(i) Debt is defined as shareholder's loan as well as long- and short-term borrowings, as detailed in notes 26 and 27.

(ii) Equity includes all capital and reserves of the Group and non- controlling interests that are managed as capital.

34.2 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in 3.18 Financial instruments.

34.3 Categories of financial instruments

CHF	31 December 2023	31 December 2022
Financial assets		
Cash and bank balances	34,335,594	45,417,587
Fair value through other comprehensive income (FVTOCI) (i)	18,632	54,658
Financial assets measured at amortised cost (ii)	18,210,331	55,056,874
Financial liabilities		
At amortised cost (iii)	400,432,568	392,099,723

(i) Refer to note 17 for further details.

(ii) Consists of trade and other receivables (note 19), certain other current assets as disclosed in note 20 as well as current receivables due from related parties (note 35).

(iii) Consists of shareholder's loan (note 26), borrowings (note 27), trade and other payables (note 29), payables due to related parties (note 35) as well as certain other current liabilities as disclosed in note 31.

34.4 Financial risk management

In the course of its business, the Group is exposed to a limited number of financial risks. The Group's activities expose it primarily to the market risks of changes in foreign currency exchange rates (note 34.4.1), interest rates (note 34.4.2) and certain price risk on equity investments (note 34.4.3) as well as credit risk (note 34.4.4) and liquidity risk (note 34.4.5). Most of these risks are minimal which is further described below.

It is and has been throughout 2023 and 2022, the Group's policy not to use derivatives.

34.4.1 Foreign currency risk management

The Group's activities are mainly carried out in CHF and therefore no significant foreign currency risk exists. As at year end there are no foreign currency exposures.

34.4.2 Interest rate risk management

The Group's exposure to interest rate risk is very limited as the main part of the financing is provided by the majority shareholder through loans with fixed interest as well as through the bond which also has a fixed coupon. The residual risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. During 2023, the Group entered into a Syndicated RCF (note 27) with variable interest rates, which increased the interest rate risk significantly. Based on the withdrawn amount of this Syndicated RCF as well as the financing of one of its hotels, a change in the interest rate of 0.50% would lead to an increase in interest expense of CHF 0.4 million per year. In 2022, the interest rate risk was not significant, hence no sensitivity analyses have been prepared.

34.4.3 Other price risks

The Group is exposed to limited equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

34.4.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group credit risk arises from transactions with counterparties, mainly individual customers and corporations. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist mainly of a few customers from sales of real estates. The Group does not have any significant concentration of credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on sales of real estate is limited because the Group controls this risk through the property itself by registering the unit in the name of the customer only after receiving the entire amount due from the customer.

Counterparty risk is also minimised by ensuring that all financial assets are placed with well-known banks in Switzerland.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

34.4.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements.

In the last few years, the Group has demonstrated that the Andermatt project had reached a size and development threshold which makes it attractive for outside investors. This was exemplified with the inaugural bond transactions (total CHF 210 million), the long-dated bank funding arrangements (total CHF 90 million) as well as the development projects for multifamily houses with joint venture partners. This is further evidenced by the government loans received for the development of the ski area.

Management believes that these plans are sufficient to substantially mitigate the liquidity risk.

Liquidity and interest rate risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2023 CHF	Weighted average effective interest rate	Less than 6 months	6 months to one year	1 – 5 years	5 + years	Total
Non-interest bearing	-	57,460,690	118,000	672,000	44,265,025	102,515,715
Variable interest rate instruments	3.26%	1,509,300	9,895,729	73,217,050	23,600,000	108,222,079
Fixed interest rate instruments	2.72%	3,392,210	52,345,599	74,101,113	85,486,981	215,325,903
TOTAL		**62,362,200**	**62,359,328**	**147,990,163**	**153,352,006**	**426,063,697**

2022 CHF	Weighted average effective interest Rate	Less than 6 months	6 months to one year	1 – 5 years	5 + years	Total
Non-interest bearing	-	46,011,781	118,000	1,301,460	44,383,025	91,814,266
Variable interest rate instruments	1.37%	1,222,262	2,965,012	15,365,894	15,743,125	35,296,293
Fixed interest rate instruments	2.09%	4,271,557	53,253,372	122,316,325	102,126,901	281,968,155
TOTAL		**51,505,600**	**56,336,384**	**138,983,679**	**162,253,051**	**409,078,714**

34.5 Fair value of financial instruments

34.5.1 Fair value of financial instruments carried at amortised cost

Management considers that except for the bonds, the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. The total fair value of the bonds is CHF 112.4 million (31 December 2022: 160.8 million) compared to the carrying amount of CHF 109.7 million (31 December 2022: CHF 159.4 million) (note 27).

34.5.2 Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed equity investments classified as at FVTOCI).
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Specifically, significant assumptions used in determining the fair value of the following financial assets and liabilities are set out below.

34.5.3 Fair value measurements recognised in the consolidated statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets at FVTOCI (see note 17 for further details) are grouped into Level 3 as none of them are listed and their values are not based on observable market data. The financial assets at FVTOCI were measured at fair value based on a method that combined the earning and net equity book values of the companies.

Reconciliation of Level 3 fair value measurements of financial assets

	Unquoted equity securities	
CHF	2023	2022
Opening balance	**54,658**	**68,277**
Disposal	(30,000)	
Remeasurement gains/(losses) through other comprehensive income	(6,026)	-
Reclassification as held for sale	-	(13,619)
Closing balance	**18,632**	**54,658**

35 RELATED PARTIES

35.1 Compensation of key management personnel

As to the compensation of the members of Executive Management (CEO and CFO), the base salary as well as the bonuses, if any, is determined in a discretionary decision by the Board of Directors. The annual proposals and decisions concerning the compensation of Executive Management are based on an evaluation of the individual performance of each member, as well as of the performance of the business area for which each member is responsible and the Group's performance overall. Since 2013 there is a compensation plan in place for the three external members of the Board of Directors (2022: 3) which consists of a fixed compensation subject to an annual review.

CHF	2023	2022
Salaries	473,800	575,296
Other short-term employee benefits	355,000	355,000
Other long term incentives	50,400	77,500
Post employment benefits	75,256	69,362
Fixed compensation of Board of Directors	240,000	182,796
TOTAL COMPENSATION OF KEY MANAGEMENT PERSONNEL	**1,194,456**	**1,259,954**

In 2023, a member of the Board of Directors has invoiced additional consulting fees through a company in the total amount of CHF 20,600 (2022: 20,600).

35.2 Related party transactions

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below. The following balances were outstanding at the end of the reporting period:

	Due from related parties		Due to related parties	
CHF	31.12.2023	31.12.2022	31.12.2023	31.12.2022
JV-Partners (i)				
Besix Group SA	-	-	42,613,025	42,613,025
Associated companies				
Andermatt Sedrun Sport AG	583,231	787,644	114,878	254,337
Andermatt Central AG	275,000	-	-	-
Non-controlling shareholders				
Orascom Development Holding AG	-	-	1,796,487	1,430,258
Close family members				
Samih Sawiris(ii)	1,378,898	25,000,000	79,837,243	90,660,401
Naguib Sawiris	938,712	-	-	-
Total	**3,175,841**	**25,787,644**	**124,361,633**	**134,958,021**
Current	3,175,841	25,787,644	2,312,955	1,794,953
Non-current	-	-	122,048,678	133,163,068
Total	**3,175,841**	**25,787,644**	**124,361,633**	**134,958,021**

(i) Loans due to JV-Partners are classified as borrowings and disclosed in note 27.

(ii) Amounts due to Mr. Samih Sawiris (ultimate controlling party) include a loan of CHF 79,435,653 (31 December 2022: CHF 90,550,043) which is classified as shareholder's loan (note 26) as well as a current account of CHF 401,590 (31 December 2022: CHF 110,358) which is classified as current payables due to related parties. In 2023, amount due from Mr. Sawiris are receivables in relation to acquired Chedi units whereas in 2022, amounts due from Mr. Sawiris was excess cash which the Group has placed as short-term treasury measure (note 20).

Further transactions:

Land and property sale

In 2023, Naguib Sawiris and close family members acquired a total of 4 Chedi Residence units as well as an apartment in an apartment house for the total amount of CHF 23.0 million. Of the total purchase amount CHF 10.0 million were settled through a reduction the shareholders' loan (note 26) and the residual CHF 13.0 million were settled in cash. In addition, the Group invoiced fit-out work for Chedi Penthouse and Residence units in the amount of CHF 6.4 million during 2023 to members of the Sawiris family.

In 2022, Mr. Samih Sawiris acquired three plots of land in relation to the future construction of villas for the total amount of CHF 18.2 million. This land purchase was settled through a reduction of the shareholders' loan (note 26). In 2023, planning work for the construction of these villas in the amount of CHF 3.8 million was invoiced to Mr. Samih Sawiris. Thereof CHF 0.7 million is recognised as revenue and the remaining CHF 3.1 million is recognised as deferred revenue in 2023 financial statements.

Mr. Marc Füeg, ASA Sales manager, purchased an apartment from the Group in 2023 for a total amount of CHF 1.8 million for which the revenue is recognised in 2023 financial statements.

Mr. Russell Collins, Head Sales and member of the management of the Group, purchased an apartment from the Group in 2022 for a total amount of CHF 2.2 million for which the revenue was recognised in 2023 financial statements.

Transactions with Ski Arena companies

Since the deconsolidation of the Ski Arena companies on 3 August 2022, various transactions within the ordinary course of business have occurred between Group companies and the Ski Arena companies such as sale of ski tickets, consumption in gastronomy outlets, leases and recharge of centralised services. In 2023, the total amount of services charged from Group companies to the Ski Arena companies amount to CHF 2.5 million (period from 3 August 2022 to 31 December 2022: CHF 1.6 million). The total amount of services charged from the Ski Arena companies to Group companies in the same period amounts to CHF 0.6 million (period from 3 August 2022 to 31 December 2022: CHF 1.0 million).

Acuro Transaction

In 2012, Acuro Immobilien AG ("Acuro") has purchased 73 apartments in The Chedi Andermatt, Switzerland from one of the Swiss subsidiaries of the Group for CHF 122.7 million plus participation in future sales profits on the properties.

Acuro is a real estate investment vehicle that is managed by third parties. Mr. Samih Sawiris, Chairman of the Board of Directors and major shareholder of Orascom Development, and his family are invested in Acuro as important minority shareholder.

As at 31 December 2023 there were no receivables due from Acuro (31 December 2022: none). As the real estate units were completed and in general handed over in 2015, no revenue from sale of real estate (2022: none) was recognised. In 2023, no revenue in relation to resale provisions (2022: CHF 0.5 million) was recognised. In May 2022, one of the Group's subsidiaries repurchased nine units from Acuro that were not sold up to that point for a total consideration of CHF 21.8 million. As at 31 December 2023, there are no residual deferred revenues in relation to the above transaction.

Taurus Transaction

Taurus Andermatt AG ("Taurus") has purchased a total of 25 apartments in multi-family houses on the podium as well as in The Chedi Andermatt from the Group for CHF 50.5 million. The agreed purchase price has been collected at closing of this transaction in 2018.

Taurus is a real estate investment vehicle that is managed by third parties. Mr. Samih Sawiris, Chairman of the Board of Directors and major shareholder of Orascom Development, and his family are invested in Taurus as important minority shareholder.

As the real estate units were completed and handed over by the time of the transaction in 2018, no revenue from sale of real estate (2022: none) was recognised. In 2023, no revenue from sales commissions (2022: CHF 0.2 million) was recognised.

Other transactions

Mr. Samih Sawiris contributed an amount of CHF 1.2 million to the concert operations of Andermatt Music for the period from June 2021 to July 2023. Such contribution was netted off with the current account shown within the current payables due to related parties.

36 NON-CASH TRANSACTIONS

During the current year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flow:

- Sale of apartment units through reduction of shareholder's loan of CHF 10.0 million (note 26)
- Accrued interest on loans of CHF 1.2 million (note 27.2)
- New lease contracts of CHF 1.4 million (note 37.1.1).

37 LEASES

37.1 The Group as lessee

37.1.1 Right-of-use assets

The Group leased offices spaces in Altdorf and Andermatt, certain of its operating equipment in the Ski Arena Andermatt-Sedrun, certain electronic equipment for the Chedi hotel as well as various apartment houses. Further the Group has long-term land leases related to the golf course as well as other easements in relation to land. The lease terms are between 1 and 49 years. For certain operating equipment, the Group has options to purchase the equipment for a nominal amount at the end of the lease terms. The Group's obligations under leases are secured by the lessors' title in the leased assets. The increase in 2021 is mainly due to additional leases for staff houses.

CHF	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Total
COST					
Balance at 1 January 2022	**3,573,707**	**12,572,553**	**20,621,936**	**310,277**	**37,078,473**
Additions	-	4,491,585	-	-	4,491,585
Disposals	-	-	(184,410)	-	(184,410)
Reclassification as held for sale	(1,356,305)	(2,888,094)	(20,437,526)	(310,277)	(24,992,202)
Balance at 31 December 2022	**2,217,402**	**14,176,044**	**-**	**-**	**16,393,446**
Additions	-	1,409,295	-	-	1,409,295
Disposals	-	(480,441)	-	-	(480,441)
Balance at 31 December 2023	**2,217,402**	**15,104,898**	**-**	**-**	**17,322,300**
ACCUMULATED DEPRECIATION					
Balance at 1 January 2022	**(468,919)**	**(2,430,873)**	**(4,137,096)**	**(42,017)**	**(7,078,905)**
Disposals	-	-	184,410	-	184,410
Depreciation expenses	(83,647)	(1,830,472)	(394,583)	(9,695)	(2,318,397)
Reclassification as held for sale	314,856	536,947	4,347,269	51,712	5,250,784
Balance at 31 December 2022	**(237,710)**	**(3,724,398)**	**-**	**-**	**(3,962,108)**
Disposals	-	432,661	-	-	432,661
Depreciation expenses	(59,428)	(1,791,800)	-	-	(1,851,228)
Balance at 31 December 2023	**(297,138)**	**(5,083,537)**	**-**	**-**	**(5,380,675)**
CARRYING AMOUNT					
At 31 December 2022	**1,979,692**	**10,451,646**	**-**	**-**	**12,431,338**
At 31 December 2023	**1,920,264**	**10,021,361**	**-**	**-**	**11,941,625**

37.1.2 Maturity analysis of lease liabilities

CHF	31 December 2023	31 December 2022
Less than 12 months	1,775,957	1,737,668
1-5 years	6,308,484	5,845,021
More than 5 years	4,226,803	5,098,554
Total	**12,311,244**	**12,681,243**

The Group does not face a significant liquidity risk with regards to its lease liabilities.

37.1.3 Amounts recognised in profit or loss

CHF	2023	2022
Depreciation expense on right-of-use assets	1,851,228	2,318,397
Interest expense on lease liabilities	222,099	205,557
Expense relating to short-term lease	114,669	133,755
Expense relating to variable lease payments not included in the measurement of the lease liabilities	81,912	53,163

37.1.4 Further information on leases

At 31 December 2023, the Group is committed to CHF 24,350 (2022: CHF 24,350) for short-term leases

In 2023, the total cash outflow for leases amounts to CHF 2.2 million (2022: CHF 4.6 million).

38 COMMITMENTS FOR EXPENDITURE

The following commitments for expenditure have been made for the future development of the respective projects:

CHF	2023
Andermatt Swiss Alps AG (i)	20,985,000

(i) ASA has obligations towards the canton of Uri and the municipality of Andermatt. ASA is responsible for the construction of certain parts of the tourism resort Andermatt. Within certain periods of time or should the construction work be stopped for whatever reason, ASA has the obligation to rebuild the relevant plots of land to the original state. At 31 December 2019, 19,985 ASA shares with a nominal value of CHF 1,000 each, amounting to a total book value of CHF 19,985,000, have been pledged as a security to the canton and municipality. Additionally, land with a value of CHF 1,000,000 has been pledged under this transaction.

One part of the Group’s business is to acquire land for the development of touristic projects. Out of these business opportunities often no legally binding commitments incur however the Group has unbinding business opportunity commitments in relation to their projects. Such commitments should be considered together with the legally binding commitments for expenditure listed above.

39 LITIGATION

There were no significant litigations in process as at 31 December 2023 and 2022.

40 SUBSEQUENT EVENTS

There were no subsequent events after 31 December 2023.

41 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the directors and authorised for issue on 25 March 2024.

Deloitte.

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Report of the Statutory Auditor

To the General Meeting of
ANDERMATT SWISS ALPS AG, ANDERMATT

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Andermatt Swiss Alps AG (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements (pages F-2 to F-45) give a true and fair view of the consolidated financial position of the Group as at December 31, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

The key audit matter is a matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Valuation of property, plant and equipment related to the hotels "The Chedi" and "Radisson Blu"

Key audit matter	How the scope of our audit responded to the key audit matter
The consolidated financial statements of Andermatt Swiss Alps AG include significant property, plant and equipment related to the hotels ("The Chedi", and "Radisson Blu") amounting to CHF 90 million (prior year: CHF 98 million), which are part of the balance sheet line-item "property, plant and equipment" of CHF 220 million (prior year: CHF 202 million). Management reviews the carrying values of the hotels annually, to assess whether impairment indicators exist. If the recoverable amount is lower than the carrying value, an impairment will be recorded. Management uses the discounted cash flow method to determine the fair value of the recorded assets. The net present value is dependent on Management's forecast of future cash flows as well as the applicable discount and growth rates. The valuation involves the exercise of judgment by Management including the use of assumptions and estimates and hence contains an inherent uncertainty. The valuation methodology is explained in note 4.2.1 *Impairment of tangible assets and investments in associates* to the consolidated financial statements and the capitalized costs are presented in note 14 *Property, plant, and equipment*.	We gained an understanding of the entity and its environment as well as of the controls in place in relation to impairment testing of property, plant and equipment. In addition, we have performed the following to assess the carrying value of "The Chedi" and "Radisson Blu": • corroborating impairment tests by challenging assumptions made by Management • testing the valuation models of the two mentioned hotels, which includes verifying the valuation methodology, the mathematical accuracy of the models, the forecasts, the key assumptions (e.g. occupancy, room rates, WACC, terminal growth rates) as well as a comparison of calculated fair value with the current carrying value of PP&E for the hotels to conclude on any impairment needs • obtaining assistance from internal valuation specialists to evaluate the appropriateness of the valuation models • performing sensitivity analysis on key assumptions (forecasted cash-flows, discount rates and growth rates) • performing retrospective reviews while comparing fiscal year 2023 forecasts made by Management as part of the 2022 year-end valuation to 2023 actual cash-flows • validating the appropriateness and completeness of the related disclosures in the consolidated financial statements Based on the procedures performed as described above, we obtained sufficient audit evidence to address the risk of improper valuation of property, plant and equipment related to the hotels "The Chedi" and "Radisson Blu".

Other Information

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

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

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

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

Board of Directors’ Responsibilities for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse’s website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

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

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

Deloitte AG

Chris Kraemer
Licensed Audit Expert
Auditor in Charge

Adrian Kaeppeli
Licensed Audit Expert

Zurich, March 26, 2024

Andermatt Swiss Alps AG

Statutory standalone financial statements together with auditor's report for the year ended 31 December 2023

Andermatt Swiss Alps AG

Bilanz per 31. Dezember **Balance sheet as of 31 December**	**Anhang** **Notes**	**2023**	**2022**
AKTIVEN ASSETS		CHF	CHF
Umlaufvermögen **Current assets**			
Flüssige Mittel Cash and cash equivalents		25’060’929	27’601’818
Forderungen aus Lieferungen und Leistungen Trade accounts receivable		7’362’861	20’377’271
Übrige kurzfristige Forderungen Other current receivables			
- gegenüber Dritten from third parties		311’344	82’285
- gegenüber Konzerngesellschaften from group companies		4’582’500	4’787’206
- gegenüber Aktionären from shareholders		-	25’000’000
Vorräte Inventories	3.1	149’227’802	138’189’734
Aktive Rechnungsabgrenzungen Prepaid expenses and accrued income			
- gegenüber Dritten from third parties		2’233’314	1’710’765
- gegenüber Aktionären from shareholders		559’164	-
		189’337’914	217’749’079
Anlagevermögen **Non-current assets**			
Übrige langfristige Forderungen Other non-current assets			
- gegenüber Dritten from third parties		280’000	100’000
- gegenüber Konzerngesellschaften from group companies	5.2	178’233’251	176’482’551
Finanzanlagen Financial assets		17’500	53’500
Beteiligungen Shareholdings	3.2 / 5.2	87’608’000	87’308’000
Sachanlagen Tangible fixed assets			
- Mobile Sachanlagen Movable fixed assets		3’556’900	3’786’360
- Immobile Sachanlagen Immovable fixed assets		58’808’643	50’701’335
- Angefangene Bauten Projects under progress		42’719’097	24’345’182
		371’223’391	342’776’928
		560’561’305	560’526’007

Andermatt Swiss Alps AG

Bilanz per 31. Dezember **Balance sheet as of 31 December**	**Anhang** **Notes**	**2023**	**2022**
PASSIVEN LIABILITIES AND SHAREHOLDERS' EQUITY		CHF	CHF
Fremdkapital **Liabilities**			
Kurzfristiges Fremdkapital **Current liabilities**			
Verbindlichkeiten aus Lieferungen und Leistungen Trade accounts payable			
- gegenüber Dritten to third parties		20’419’757	19’842’722
- gegenüber Konzerngesellschaften to group companies		244’504	-
- gegenüber Aktionären to shareholders		43’500	2’538
Abgegrenzter Umsatz (inkl.Vorauszahlungen von Kunden) Deferred revenue (incl. advances from customers)		47’740’539	86’892’602
Kurzfristige verzinsliche Verbindlichkeiten Current interest-bearing liabilities			
- gegenüber Dritten to third parties	3.3	57’386’430	51’750’000
- gegenüber Konzerngesellschaften to group companies		16’722’146	430’163
- gegenüber Aktionären to shareholders		1’752’987	1’430’258
Übrige kurzfristige Verbindlichkeiten Other current liabilities		2’033’712	1’003’717
Passive Rechnungsabgrenzungen Accrued expenses			
- gegenüber Dritten to third parties		20’829’757	11’792’303
- gegenüber Konzerngesellschaften to group companies		167’142	-
Kurzfristige Rückstellungen Current provisions		1’120’400	1’340’400
		168’460’874	174’484’703
Langfristige Verbindlichkeiten **Non-current liabilities**			
Langfristige verzinsliche Verbindlichkeiten Non-current interest-bearing liabilities			
- gegenüber Dritten to third parties	3.3	120’000’000	115’000’000
- gegenüber Konzerngesellschaften to group companies		1’283’174	-
- gegenüber Aktionären to shareholders	3.4	79’435’653	90’550’043
Übrige langfristige Verbindlichkeiten Other non-current liabilities			
- gegenüber Aktionären to shareholders	3.4	401’590	110’358
		201’120’417	205’660’401
Eigenkapital **Shareholders' equity**			
Aktienkapital Share capital		301’147’000	301’147’000
Kumulierte Verluste Accumulated losses			
- Verlustvortrag Loss carried forward		-120’766’097	-130’397’693
- Jahresgewinn Net gain for the year		10’599’111	9’631’596
		190’980’014	180’380’903
		560’561’305	560’526’007

Andermatt Swiss Alps AG

Erfolgsrechnung **Income statement**	**Anhang** **Notes**	**01.01. - 31.12.23**	**01.01. - 31.12.22**
		CHF	CHF
Betriebsertrag Operational income		153’413’928	81’661’195
Dividendenertrag aus Joint Venture Gesellschaften Dividend income from joint venture companies		459’000	3’672’000
Dienstleistungsertrag Revenue from services		5’165’943	4’846’975
Dienstleistungsertrag Konzerngesellschaften Revenue from services to group companies		791’479	2’043’494
Diverse Erträge Other income		1’406’530	442’391
Betrieblicher Gesamtertrag **Total operating income**		161’236’880	92’666’055
Herstellkosten des Verkaufs Cost of sales	4.1 / 4.2	-117’069’672	-43’959’739
Bruttoergebnis **Gross margin**		44’167’208	48’706’316
Verkaufs- und Verwaltungsaufwand Selling, general and administrative expenses	4.1 / 4.2	-26’332’315	-24’827’052
Übriger Betriebsaufwand Other operating expenses		-86’416	-75’922
Betriebsergebnis vor Zinsen und Steuern **Operating result before interests and tax (EBIT)**		17’748’477	23’803’342
Finanzertrag Financial income		418’399	546’866
Finanzaufwand Financial expenses		-8’348’093	-8’133’257
Ordentliches Unternehmungsergebnis (vor Steuern) **Ordinary result before tax**		9’818’783	16’216’951
Nicht betrieblicher Aufwand Non-operating expenses		-6’000	-
Nicht betrieblicher Ertrag Non-operating income	4.3	778’730	615’248
Ausserordentlicher Aufwand Extraordinary expenses	4.4	-2’927	-7’206’125
Ausserordentlicher Ertrag Extraordinary income	4.5	10’525	5’522
Jahresergebnis (vor Steuern) **Result before tax**		10’599’111	9’631’596
Einkommensteuern Income tax		-	-
Jahresgewinn **Net gain for the year**		10’599’111	9’631’596

Andermatt Swiss Alps AG

Anhang der Jahresrechnung
Notes to the Financial Statements

1. Allgemeine Informationen / General information

Grundsatz / Basic principle	Erläuterung / Explanation
Allgemeine Informationen	Die Andermatt Swiss Alps AG (die Gesellschaft) und ihre Tochtergesellschaften sind in der Schweiz tätig. Der Zweck ist insbesondere die Entwicklung eines umfassenden Tourismusprojektes in Andermatt.
General information	Andermatt Swiss Alps AG (the Company) and its subsidiaries are active in Switzerland. The main purpose of the company is to develop a tourism resort in Andermatt.
Rechtsform, Sitz und Stammkapital	Die Gesellschaft wurde am 11. Mai 2007 gegründet und ist in Andermatt, UR domiziliert. Das Grundkapital beträgt CHF 301'147'000 und setzt sich aus 301'147 Namenaktien zu je CHF 1'000 zusammen.
Legal form, registered office and capital	Andermatt Swiss Alps AG was founded on 11 May 2007 and is domiciled in Andermatt, UR. The share capital of the Company amounts to CHF 301'147'000 and consists of 301'147 registered shares with a par value of CHF 1'000.
Angaben zu den Vollzeitstellen im Jahresdurchschnitt	Die Gesellschaft weist im Jahresdurchschnitt weniger als 250 Vollzeitstellen (Vorjahr weniger als 250 Vollzeitstellen) aus.
Information on full-time positions on annual average	The Company has an annual average of less than 250 full-time positions (prior year: less than 250 full-time positions).

2. Wichtige Bilanzierungs- und Bewertungsgrundsätze / Key accounting and valuation principles

Rechnungslegungs-grundsätze	Die vorliegende Jahresrechnung wurde gemäss den Bestimmungen des Schweizer Rechnungslegungsrechtes erstellt. Die wesentlichen angewandten Bilanzierungs- und Bewertungsgrundsätze, die nicht bereits durch das Obligationenrecht vorgeschrieben sind, sind nachfolgend beschrieben.
Principles of financial reporting	The present annual accounts have been prepared in accordance with the regulations of Swiss financial reporting law. The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described as follows.
Schätzungen und Annahmen des Managements	Die Rechnungslegung in Übereinstimmung mit dem Obligationenrecht erfordert gewisse Schätzungen und Annahmen durch das Management. Diese werden laufend vorgenommen und basieren auf Erfahrungswerten und anderen Faktoren. Die später tatsächlich eintreffenden Ergebnisse können von diesen Schätzungen abweichen. Wesentliche Positionen in der Jahresrechnung, die auf Schätzungen und Annahmen des Managements basieren, sind die Abgrenzungen.
Estimates and assumptions made by management	Financial reporting under the Code of Obligations requires certain estimates and assumptions to be made by management. These are made continuously and are based on past experience and other factors. The results subsequently achieved may deviate from these estimates. Actual items in the annual accounts which are based on estimates and assumptions made by management are the accruals.

Grundsatz / Basic principle	**Erläuterung / Explanation**
Fremdwährungs-positionen	Die funktionale Währung der Gesellschaft ist Schweizer Franken (CHF). Transaktionen in fremden Währungen werden zum jeweiligen Tageskurs der Transaktion in die funktionale Währung (CHF) umgerechnet. Monetäre Aktiven und Passiven in Fremdwährungen werden per Bilanzstichtag zum Stichtagskurs in die funktionale Währung umgerechnet. Die sich daraus ergebenden Fremdwährungsdifferenzen werden in der Erfolgsrechnung erfasst. Nicht monetäre langfristige Aktiven und Passiven werden zu historischen Kursen bilanziert. Unrealisierte Gewinne werden in der Bilanz zurückgestellt.
Foreign currency items	The currency in which the 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. At year end close monetary assets and liabilities in foreign currency are converted at closing rate into the functional currency (CHF). The resulting foreign exchange difference is recorded in the income statement. Non-monetary non-current assets and liabilities are recorded at historical rates. Unrealized gains are deferred in the balance sheet.
Konzerngesellschaften	Bei den Konzerngesellschaften handelt es sich um Tochtergesellschaften (siehe Anhang 3.2). Transaktionen erfolgen zu marktgerechten Bedingungen (Dealing at arms' length).
Group companies	Group companies are defined as subsidiaries (see note 3.2). Transactions with group companies take place at proper market conditions (dealing at arm's length).
Flüssige Mittel	Die Position Flüssige Mittel beinhaltet Kassenbestände und Bankguthaben. Sie werden zu Nominalwerten bilanziert.
Cash and cash equivalents	The position Cash and cash equivalents comprises of petty cash and bank balances. They are recorded at nominal value.
Forderungen aus Lieferungen und Leistungen	Forderungen aus Lieferungen und Leistungen werden mit dem ursprünglichen Netto-Rechnungsbetrag erfasst, abzüglich einer Wertberichtigung für spezifische risikobehaftete Forderungen (Delkredere).
Trade accounts receivable	Trade acounts receivable are recorded at their original net invoice amount, less a value adjustment for specific receivables carrying risk (allowance for doubtful receivables).
Vorräte	Vorräte sind grundsätzlich zu Anschaffungs- bzw. Herstellungskosten erfasst. Herstellungskosten umfassen sämtliche direkt zurechenbaren Material- und Fertigungskosten. Liegt der Nettoveräusserungswert am Abschlussstichtag unter den Anschaffungs- oder Herstellungskosten, ist dieser massgebend für die Bewertung.
Inventories	Inventories are generally recorded at acquisition or manufacturing costs. Manufacturing costs cover all the directly attributable materials and production costs. The lower of cost or net realisable value is determining the value at closing date.

Grundsatz / Basic principle	Erläuterung / Explanation
Sachanlagen	Sachanlagen werden entsprechend ihrer erwarteten wirtschaftlichen Nutzungsdauer linear abgeschrieben. Ausnahmen bilden Grundstücke (Land), die nicht abgeschrieben werden. Die Nutzungsdauer ist wie folgt festgelegt: Grundstücke (Land): Keine Abschreibungen Gebäude: 20 bis 50 Jahre Maschinen und Anlagen: 4 bis 10 Jahre Mobile Sachanlagen: 3 bis 10 Jahre Anlagen im Bau: Keine Abschreibungen Anlagen im Leasing: Gemäss Vertragslaufzeit Sofern Anzeichen einer Überbewertung erkennbar werden, werden die Buchwerte überprüft und gegebenenfalls wertberichtigt.
Tangible fixed assets	The straight-line depreciation method is used for tangible fixed assets according to their expected used life. Exceptions are made for land which are not depreciated. Useful life is established as follows: Land: No depreciation Buildings: 20 to 50 years Machines and facilities: 4 to 10 years Furniture, fixtures and equipment: 3 to 10 years Assets under production: No depreciation Leased assets: According to term of contract If there is any evidence of an over-valuation, the accounting values are checked and adjusted where necessary.
Umsatzrealisierung	Die Gesellschaft verbucht die auf den Rechnungen brutto ausgewiesenen Beträge, nach Abzug der Mehrwertsteuer, als Erlöse aus Lieferungen und Leistungen. Die Erlöse aus Verkauf von Immobilien werden verbucht, wenn die massgeblichen Risiken und Chancen auf den Kunden übertragen sind. Der Dienstleistungsumsatz wird erst bei Abschluss des Auftrages erfasst.
Revenue recognition	The Company records the gross invoice amounts, after deduction of value-added tax, as revenues from goods and services. Revenues from real estate are recorded when the significant risks and rewards have transfered to the customer. Revenues from services are recognised when contracts are completed only.
Leasinggeschäfte	Leasing- und Mietverträge werden nach Massgabe des rechtlichen Eigentums bilanziert. Entsprechend werden die Aufwendungen als Leasingnehmerin bzw. als Mieterin periodengerecht im Aufwand erfasst.
Leasing transactions	Leasing and rental contracts are accounted for in accordance with legal ownership. Expenses as a lessee or tenant are recorded correspondingly as expenditure in the relevant period.

Andermatt Swiss Alps AG

Anhang der Jahresrechnung
Notes to the Financial Statements

3. Angaben zu Bilanzpositionen / Information relating to items on balance sheet

3.1 Vorräte / Inventories

	31.12.2023	31.12.2022
Angefangene Bauten / Projects under progress	148’495’558	95’006’856
Fertige nicht verkaufte Einheiten / Completed unsold units	628’396	43’182’879
Warenvorräte / Stock of goods	103’848	-
Total	**149’227’802**	**138’189’734**

3.2 Beteiligungen / Shareholdings

Name, Sitz Name, Registered office	Grundkapital Share capital in CHF 1'000	Kapitalanteile in % Capital shares in % 31.12.2023	31.12.2022	Stimmanteile in % Voting shares in % 31.12.2023	31.12.2022
Direkte Beteiligungen Direct investments					
Bellevue Hotel & Appartment Development AG, Andermatt	4’360	100	100	100	100
Hotel 4b Development AG, Andermatt	100	51	51	51	51
Andermatt-Sedrun Sport AG, Andermatt	221’864	39.82	39.82	39.82	39.82
Alpine Development Andermatt AG, Andermatt	100	51	51	51	51
Saschi Immobilien AG, Andermatt	100	51	51	51	51
SAGA Andermatt Immobilien AG, Andermatt	100	51	51	51	51
Andermatt Invest AG, Andermatt	100	100	100	100	100
Resort Dieni Development AG, Rueras	100	100	100	100	100
Andermatt Central AG, Andermatt	10’000	25	25	25	25
Drogerie Andermatt AG, Andermatt	100	100	-	100	-
Andermatt Alpine Apartments Management AG, Andermatt	100	100	-	100	-
Hotel 4c Development AG, Andermatt	100	100	-	100	-
Signifikante indirekte Beteiligung Significant indirect investment					
Bellevue Hotel & Appartment Management AG, Andermatt	100	100	100	100	100
Hotel 4b Management AG, Andermatt	100	51	51	51	51

3.3 Kurzfristige und langfristige verzinsliche Verbindlichkeiten gegenüber Dritten / Current and non-current interest-bearing liabilities to third parties

	Kurzfristig / current		Langfristig / non-current	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Anleihe / Bond	50’000’000	50’000’000	60’000’000	110’000’000
Hypothek / Mortgage	7’386’430	1’750’000	-	-
Darlehen / Loan	-	-	60’000’000	5’000’000
Total	**57’386’430**	**51’750’000**	**120’000’000**	**115’000’000**

Die Gesellschaft hat zwei an der SIX Swiss Exchange kotierte Schweizer-Franken-Anleihen im Nominalwert von CHF 110'000'000 ausgegeben. Die Anleihen sind mit 3.75% bzw. 4.375% p.a. verzinst und sind zur Rückzahlung fällig am 9. Juli 2024 bzw. 11. Dezember 2025.
Die Gesellschaft hat per 25. Oktober 2023 eine Kreditfazilität über CHF 125'000'000 mit initialer Laufzeit von fünf Jahren mit einem Syndikat von Schweizer Banken abgeschlossen. Per 31. Dezember 2023 wurden CHF 55'000'000 der Kreditfazilität beansprucht.

The Company has issued two SIX Swiss Exchange listed bonds with a nominal value of total CHF 110'000'000. The bonds have coupons of 3.75% resp. 4.375% p.a. and are due on 9 July 2024 resp. 11 December 2025.
The Company has concluded a revolving credit facility in the amount of CHF 125'000'000 with an initial term of five years with a syndicate of Swiss banks on 25 October 2023. As at 31 December 2023, CHF 55'000'000 of the credit facility was used.

3.4 Langfristige Verbindlichkeiten gegenüber Aktionären / Non-current liabilities to shareholders

Samih O. Sawiris hat CHF 70'000'000 seiner langfristigen Forderungen allen anderen bestehenden und zukünftigen Forderungen gegenüber der Gesellschaft im Rang zurückgestellt. (Vorjahr: CHF 80'000'000).

Samih O. Sawiris has subordinated CHF 70’000’000 of his non-current receivables to all other existing and future claims against the Company (prior year: CHF 80'000'000).

	31.12.2023	31.12.2022
Verbindlichkeiten / Liabilities **Samih O. Sawiris**	79’837’243	90’660’401

4. Angaben zu Erfolgsrechnungspositionen / Information relating to items on income statement

	31.12.2023	31.12.2022
4.1 Personalaufwand / Personnel expenses	22’629’926	21’366’879
4.2 Abschreibungen Total / Depreciation total	2’815’437	2’613’736

4.3 Betrieblicher Nebenertrag / Non-operating income

Beim betrieblichen Nebenertrag handelt es sich um Erträge aus Vermietung der Personalhäuser.

The non-operating income includes the profit from renting out the staff houses.

4.4 Ausserordentlicher Aufwand / Extraordinary expenses

Beim ausserordentlichen Aufwand handelt es sich um eine Quellensteuernachrechnung. Im Vorjahr beinhaltete die Position MWST-Aufrechnungen (CHF 214'735) und das Resultat aus der Veräusserung der Mehrheitsbeteiligung an der Andermatt-Sedrun Sport AG (CHF 6'991'390).

The extraordinary expense relates to a withholding tax recalculation. The previous year figure included additional VAT expenses (CHF 214'735) and the result from the sale of the majority share in Andermatt-Sedrun Sport AG (CHF 6'991'390).

4.5 Ausserordentlicher Ertrag / Extraordinary income

Beim ausserordentlichen Ertrag handelt es sich im Wesentlichen um ausgebuchte Verbindlichkeiten und Erlös aus Veräusserung von Anlagevermögen.

The extraordinary income mainly results from the write off of liabilities and from the sale of tangible fixed assets.

5. Weitere Angaben / Further informations

5.1 Restbetrag der Miet- und Leasingverpflichtungen / Residual amount of lease and leasing liabilities

	31.12.2023	31.12.2022
< 1 Jahr / < 1 year	1’509’175	1’447’513
1 - 5 Jahre / 1 - 5 years	5’385’221	5’092’554
> 5 Jahre / > 5 years	6’051’328	7’091’054
Total	**12’945’724**	**13’631’121**

5.2 Gesamtbetrag der zur Sicherung eigener Verbindlichkeiten verwendeten Aktiven sowie der Aktiven unter Eigentumsvorbehalt und Rangrücktritte

Total amount of assets pledged or assigned to secure own liabilities and assets under reservation of ownership and subordination

	31.12.2023	31.12.2022
Rangrücktritt auf Darlehen gegenüber Bellevue Hotel & Appartement Development AG Subordinated loan Bellevue Hotel & Appartement Development AG	121’500’000	121’500’000
Rangrücktritt auf Darlehen gegenüber Hotel 4b Development AG Subordinated loan Hotel 4b Development AG	43’886’850	43’886’850
Rangrücktritt auf Darlehen gegenüber Andermatt Invest AG Subordinated loan Andermatt Invest AG	1’500’000	1’500’000
Rangrücktritt auf Darlehen gegenüber Resort Dieni AG Subordinated loan Resort Dieni AG	1’600’000	0
Grundpfandgesicherte Hypotheken Real security pledged for mortgages	191’000’000	46’900’000
Total	**359’486’850**	**213’786’850**

5.3 Eventualverbindlichkeiten / Contingent liabilities

	31.12.2023	31.12.2022
Die Gesellschaft hat Verpflichtungen gegenüber dem Kanton Uri und der Gemeinde Andermatt. Sie ist verantwortlich für den Bau von bestimmten Teilen des Tourismusresorts Andermatt. Sollten die Bauarbeiten aus einem bestimmten Grund nicht weitergeführt werden, hat die Gesellschaft die Verpflichtung die betreffenden Landteile zurückzubauen zum ursprünglichen Status. Per 31. Dezember 2023 waren 19'985 (2022: 19'985) ASA Aktien, die von der Orascom Development Holding AG gehalten werden, mit einem Nominalwert von CHF 1'000 verpfändet als Sicherheit an den Kanton und die Gemeinde. Zusätzlich wurde im Zusammenhang mit dieser Transaktion Land mit einem Wert von CHF 1'000'000 CHF verpfändet. The Company has obligations towards the canton of Uri and the municipality of Andermatt. It is responsible for the construction of certain parts of the tourism resort Andermatt. Should the construction work be stopped for whatever reason, the Company has the obligation to rebuild the relevant plots of land to the original state. At 31 December 2023, 19'985 (2022: 19'985) ASA shares, owned by Orascom Development Holding AG, with a nominal value of CHF 1'000 each, have been pledged as a security to the canton and municipality. Additionally, land with a value of CHF 1'000'000 has been pledged under this transaction.	20’985’000	20’985’000

5.4 Sicherungsverpflichtung zugunsten Dritter / Joint liability in favour of third parties

Die Andermatt Swiss Alps Gruppe tritt gegenüber der Eidgenössischen Mehrwertsteuerverwaltung als Gruppe auf, was zu einer Solidarhaftung aus Gruppenbesteuerung für die Mehrwertsteuer führt.

Andermatt Swiss Alps Group acts as Group company against federal value-added tax authorities. This leads to a joint liability from Group taxation for value-added tax purposes.

Deloitte.

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Report of the Statutory Auditor

To the General Meeting of
ANDERMATT SWISS ALPS AG, ANDERMATT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Andermatt Swiss Alps AG (the Company), which comprise the statement of financial position as at December 31, 2023, the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

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

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

Board of Directors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

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

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

Deloitte AG

Chris Kraemer	Adrian Kaeppeli
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Zurich, March 26, 2024

Enclosures

- Financial statements (balance sheet, income statement and notes)