Report by the Board of Directors and Group Management

Dear shareholders, customers, employees, and business partners,

Our strategy of focusing more on smaller projects, product sales, and the service business in a challenging macroeconomic environment and amid geopolitical tensions has paid off. As a result, our customer base grew, and sales of products and small solutions increased. Our proactive sales approach in the service business worked in favor of our ambitions with regard to retrofitting, and our newly introduced key account management supported our growth strategy in the airport industry.

2024 was characterized by a particular lack of larger orders in the project business. However, our strategic decision to split our sales team into product and project sales for better focus showed early signs of success. We continuously grew our product business compared to 2023. As a result, our order intake grew by 3.2% in local currency; however, due to the strong Swiss franc, the reported figure remained unchanged.

Both, cost management and pricing, were key to achieving good profitability despite lower sales this year. Our platform strategy and highly flexible production sites, combined with our strong brand and reliable products, helped us to manage our cost and pricing strategy effectively.

2024 was also special as we migrated our entire ERP System (Enterprise Resource Planning) from SAP R3 to SAP S/4Hana without impacting our running business. This global transition was a professional and successful team effort and forms the basis for the next step in our digital strategy.

Good profitability
In 2024, sales decreased to CHF 527.1 million (-5.3% year-on-year, -2.4% in local currencies).

Earnings before interest, taxes, depreciation, and amortization (EBITDA) decreased to CHF 100.4 million (previous year: CHF 106.3 million). The EBITDA margin remained at 19.1% (previous year: 19.1%). Earnings before interest and taxes (EBIT) reached CHF 77.8 million (-7.2% below previous year's figure of CHF 83.9 million). The EBIT margin decreased slightly to 14.8% (previous year: 15.1%).

The result decreased by -5.8% to CHF 62.5 million (previous year: CHF 66.3 million). The result margin remained at 11.9% (previous year: 11.9%).

"Fostering loyalty through great customer experiences."

Ingo Steinkrüger
Chief Executive Officer

Paul Zumbühl
Chairman of the Board of Directors

Solid balance sheet and cash flow development
Total assets amounted to CHF 591.3 million as of December 31, 2024, which was higher compared to December 31, 2023, at CHF 544.0 million. Equity increased to CHF 472.2 million (previous year: CHF 410.8 million); the equity ratio increased to 79.9% (end of 2023: 75.5%). The net financial assets increased by 46.2% to CHF 194.8 million (previous year: CHF 133.2 million).

The operating cash flow decreased by 18.7% to CHF 92.0 million (previous year: CHF 113.2 million).

The gross investment amounted to CHF 20.7 million (previous year: CHF 25.1 million). This includes ongoing renewal investment in our production facilities, and lease capitalization under IFRS 16. Due to delays, some investments planned for 2024 will not take place until 2025/26. As a result of the lower operating cash flow and the lower gross capital expenditures, the free cash flow reached CHF 77.4 million in the reporting year (previous year: CHF 91.1 million).

A dividend of CHF 32.00 per share will be proposed to the Annual General Meeting on June 6, 2025 (previous year: CHF 32.00 per share).

Change in the group management structure
In October 2023, we announced a new group management structure with the introduction of the position of Chief Technology Officer and Chief Operations Officer. We are now operating according to this structure and our new COO Alp Ayhan Demirel joined the company in September 2024. The position of CTO is held by the CEO ad interim, until the new CTO Dr. Johannes van der Beek joins Interroll on April 1, 2025. We have also introduced Global Platform Managers to ensure global consistency and better alignment between the platforms. This is a necessary step to expand our digital product portfolio and service capabilities in the future.

Innovation to create customer value
Our passion for creating customer value drives our innovations. In 2024, we launched our new Small Wheel Vertical Crossbelt Sorter, which is characterized by low noise level, ergonomic heights, and lower energy consumption. This solution is an ideal addition to our sorter platform, as we can now also offer solutions for smaller distribution centers for e-commerce end users. Furthermore, it is another good example of how seriously we take our platform philosophy and our ability to innovate these products.

Speaking of platforms, we have introduced the Final Destination platform for our sorter portfolio. This platform aims for a customization by configuration solution to help our customers find a reliable and proven solution that has a short delivery time.

To enhance our independence and resilience, we have introduced a second MultiControl card with a different chipset while maintaining the same functionalities.

“Growing Together” with our customers
In its tenth year of existence, our customer partnership program Rolling On Interroll (ROI) expanded its footprint to fifty countries around the globe. Our motto “Growing Together” continues to inspire the global ROI Community, which comprises approximately 130 companies, all long-standing customers and primarily small and medium-sized system integrators and OEMs. As one of our Asian partners confirms: “The ‘Growing Together’ motto is something I feel deeply passionate about. It aligns with my values and represents the true spirit of the ROI Community.”

This year, selected ROI partners engaged in Interroll’s new product development projects, such as the High-Performance Conveyor Platform (HPP) or the Special Hygienic Conveyor (SHC), acting as beta test partners and early adopters of our innovative solutions.

We hosted three dedicated ROI Community events, including the first-ever ROI Latam Summit in Buenos Aires, Argentina, where we welcomed ROI partners from across Latin America (from Mexico to Argentina) and discussed market trends and growth opportunities in the region.

Digitalization

After setting up an interdisciplinary team focusing on digitalization to ensure a consistent customer experience, we have now expanded our journey and started to focus on and enable a company wide enterprise architecture. We have simplified the onboarding process for our digital Layouter and integrated further solutions from our product portfolio into the Layouter.

We are continuously working on our digital interface to our customers, through which they can order our products online (customization by configuration) and have improved this process as well as made it available to new customers.

As already mentioned, we implemented SAP S/4Hana on a global scale as a basis for reinforcing our digitalization capabilities.

One major global project is the harmonization and standardization of data. By doing this, we are also promoting global exchange and collaboration under the umbrella of "ONE Interroll", thereby improving our service for customers.

> "We successfully defended our market share and acquired new customers in 2024."

> "Our strategy to focus more on smaller projects, product sales, and the service business in a challenging macroeconomic environment and amid geopolitical tensions has paid off."

Sustainability

In 2024, we further strengthened our focus on embedding structured processes and oversight mechanisms for each of our material topics across the group.

The Sustainability Committee of the Board of Directors met three times to review the ESG strategy and key initiatives planned for the next year. Our production sites have made remarkable progress in their EcoVadis assessments for 2024, building on the previous year's results. Spain was our first sales unit to be assessed by EcoVadis and it achieved the highest award straight away with a platinum medal.

Thanks to outstanding teamwork, all twenty entities participating in the EcoVadis assessments for 2024 earned a medal. We got six platinum, seven gold and seven silver medals. In addition, several of our production sites have obtained ISO9001, ISO14001 and ISO45001 certifications, which will continue over the next few years until all our sites are certified.

Looking ahead to 2025, we will focus on implementing of the European Union Corporate Sustainability Reporting Directive (CSRD) for the sustainability reporting of our German business, creating and publishing the first product carbon footprints and developing our transition plan to net zero. The Sustainability Report 2024 will be published on May 16, 2025.

Outlook

There are clear indications that the downturn has bottomed out, as our product sales have picked up again in 2024. The signals we currently get from our customers and end users are more positive for Warehouse & Distribution with warehouse extensions (green- and brownfield) and Courier, Express & Parcels (CEP), both driven by e-commerce. The airport business was already growing nicely in 2024, and we expect a continuation of investments.

On the other hand, we still see a challenging macroeconomic environment and geopolitical tensions that may have a certain impact on our business development. Despite declining inflation and a lower interest rate environment, we still see hesitation for investments in bigger projects, but we are well prepared once the market rebounds. The need for increased productivity combined with the labor shortage is a clear indication that the demand for our solutions will grow.

Our customer promise of "Quality, Speed and Simplicity" is our motivation and our values, such as passion for our customers, define our culture. This, combined with our platform strategy, our drive for innovation and our global presence, makes Interroll unique and ideally positioned for future growth.

Sant'Antonino, February 2025

Paul Zumbühl
Chairman of the Board of Directors

Ingo Steinkrüger
Chief Executive Officer