



Financial Report 2024

Kineo Finance Group

Dear stakeholders

As we reflect on 2024, we are proud to share the milestones that have shaped Kineo’s journey over the past year. This year highlighted our commitment to innovation and partnership.

Growth and expansion

With an overall top line growth in total interest income of 19.0% (CHF 13.3 million vs CHF 11.1 million) and 26.9% in total portfolio assets (including receivables from leases, loans and factoring as well as equity kickers) from CHF 84.2 million to CHF 106.8 million, 2024 has been a year of expansion and deepened relationships. At the core of our business, venture leasing continues to be a key driver of growth and success.

We have strengthened our presence in key markets, further extending our network across Europe and North America. In particular, our performance in the USA has been outstanding, with an increase in finance lease and other interest income by 70.1%, from CHF 3.0 million to CHF 5.1 million. Additionally, lease receivables grew by 72.2% from CHF 21.3 million to CHF 36.6 million and loans more than tripled from CHF 1.1 million to CHF 3.9 million.

Furthermore, we have seen positive developments in Germany, with loans and factoring receivables reaching CHF 5.8 million. Switzerland has also shown steady growth in loan receivables, increasing from CHF 9.7 million to CHF 10.6 million.

To support this growing demand, we expanded our team to over 25 professionals and widely invested in our financial offerings platform, including asset-based lending and factoring solutions. Furthermore, we opened a new office in London, joining our locations in Basel, Munich and San Francisco. Despite these important strategic investments and a cautious risk provision we achieved an operating result more than CHF 1.0 million (2023: CHF 2.0 million). In 2024, we have laid the foundation for Kineo’s continued success.



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Empowering innovation

Looking ahead, we are closely observing the development of autonomous technologies, a rapidly growing sector encompassing self-driving vehicles, drones, robotics and industrial systems. As this market evolves, we believe our expertise in financing hardware, combined with our strong network, will position us to play a crucial role in supporting scale-ups. Our ability to provide flexible, tailored financing solutions will be essential as we continue to empower companies driving innovation in hardware.

Additionally, AI-driven applications and technologies become an ever-greater focus within the entire deep-tech sector, leaving no vertical untouched. As demand for those innovations grows, we are eager to support the scale-up of those companies which are making effective use of AI.

A brand that reflects our vision

This year, we also unveiled our new brand identity – one that reflects the experienced and innovative company we are. This change is not just visual, it reflects the values that have always driven us: trust, transparency, passion, flexibility and strong partnerships.

We would like to thank our clients, investors and partners for their trust and collaboration. Their success is our success and we look forward to continuing this journey together.

Yours sincerely,

Dr. Gerhard Ries
Chief Executive Officer

Jörg Schmidt
Chief Financial and Operating Officer



Consolidated balance sheet

as of 31 December	Notes	2024	2023
		CHF	CHF
ASSETS			
<i>Current assets</i>			
Cash		2'752'826	20'452'219
Lease receivables, current	13, 15	26'948'380	17'901'894
Loans and other current financial assets	14, 15	15'271'297	4'269'857
Accounts receivable	12, 15	131'684	223'943
Other current assets	16	253'249	405'990
<i>Total current assets</i>		<i>45'357'437</i>	<i>43'253'903</i>
<i>Non-current assets</i>			
Lease receivables, non-current	13, 15	45'136'544	41'495'811
Loans and other non-current financial assets	14, 15	5'204'568	6'590'593
Investments	15	5'274'876	6'255'306
Other financial assets at fair value through profit or loss	15	14'426'666	13'982'477
Property plant and equipment incl. right-of-use assets	18	1'143'711	4'024
Intangible assets	17	181'754	193'495
Deferred tax assets	23	78'240	231'367
<i>Total non-current assets</i>		<i>71'446'359</i>	<i>68'753'073</i>
Total assets		116'803'796	112'006'975

as of 31 December	Notes	2024	2023
		CHF	CHF
LIABILITIES AND SHAREHOLDERS' EQUITY			
<i>Current liabilities</i>			
Accounts payables	15, 19	160'440	42'156
Accrued expenses	19	1'351'230	955'401
Borrowings, current	15	732'454	740'351
Lease liabilities, current	15, 20	119'404	-
Other current liabilities		4'101	7'493
<i>Total current liabilities</i>		<i>2'367'630</i>	<i>1'745'581</i>
<i>Non-current liabilities</i>			
Borrowings, non-current	15	47'709'964	47'357'946
Lease liabilities, non current	15, 20	1'011'116	-
Net pension liabilities	21	645'540	457'632
Deferred tax liabilities	23	3'063'982	2'118'383
<i>Total non-current liabilities</i>		<i>52'430'601</i>	<i>49'933'961</i>
Total liabilities			
<i>Shareholders' equity</i>			
Share capital	24	1'250'395	1'233'068
Capital reserves		47'853'473	47'817'495
Treasury shares		-500'010	-500'010
Other reserves		2'731'951	2'317'124
Retained earnings		13'418'575	14'201'113
Currency translation reserves		-2'748'821	-4'741'356
Total shareholders' equity		62'005'564	60'327'434
Total liabilities and shareholders' equity		116'803'796	112'006'975

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Consolidated income statement

for the years ended 31 December	Notes	2024	2023
		CHF	CHF
Interest from finance leases and similar income	6	13'270'754	11'149'540
Interest expense on refinancing	15	-4'370'489	-3'783'016
Net income from financing business		8'900'265	7'366'524
Other operating income	7	732'782	772'432
Gross profit		9'633'047	8'138'956
Personnel expense	8	-5'178'967	-4'285'110
Other operating expense	9	-3'345'354	-1'701'055
Depreciation and amortisation	17, 18	-84'328	-136'179
Total operating expense		-8'608'649	-6'122'344
Operating result		1'024'398	2'016'612
Gain/(loss) on investments and other financial assets at fair value (net)	10, 15	-783'754	-136'007
Other finance result (net)	11	102'642	370'980
Profit/(loss) before tax		343'286	2'251'585
Income tax (expense)/benefit	23	-918'242	-773'441
Profit/(loss) for the year		-574'956	1'478'144

Consolidated statement of comprehensive income

for the years ended 31 December	Notes	2024	2023
		CHF	CHF
Profit/(loss) for the year		-574'956	1'478'144
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on loans as part of a net investment in foreign operations		2'015'534	-3'031'785
Exchange differences on translation of foreign operations		-23'000	87'197
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		1'992'533	-2944'589
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Remeasurement gain/(loss) on defined benefit plans	21	-207'580	-371'581
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		-207'580	-371'581
Other comprehensive income/(loss) for the year		1'784'953	-3'316'170
Total comprehensive income/loss) for the year		1'209'997	-1'838'026

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Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2024	Notes	Share capital	Capital reserves	Treasury shares	Other reserves	Retained earnings	Currency translation reserves	Total shareholders' equity
		CHF	CHF	CHF	CHF	CHF	CHF	CHF
As of 1 January		1'233'068	47'817'495	-500'010	2'317'124	14'201'113	-4'741'356	60'327'434
Profit/(loss) for the year		-	-	-	-	-574'956	-	-574'956
Other comprehensive income/(loss)		-	-	-	-	-207'580	1'992'533	1'784'953
Total comprehensive income/(loss)		-	-	-	-	-782'536	1'992'533	1'209'997
Issuance of share capital		17'327	36'512	-	-	-	-	53'839
Cost of issuance of share capital		-	-534	-	-	-	-	-534
Share based payments	22		-	-	414'827	-	-	414'827
As of 31 December		1'250'395	47'853'473	-500'010	2'731'951	13'418'575	-2'748'821	62'005'564

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For the year ended 31 December 2023	Notes	Share capital	Capital reserves	Treasury shares	Other reserves	Retained earnings	Currency translation reserves	Total shareholders' equity
		CHF	CHF	CHF	CHF	CHF	CHF	CHF
As of 1 January		1'233'068	47'817'495	-500'010	1'818'123	13'094'550	-1'796'768	61'666'458
Profit/(loss) for the year		-	-	-	-	1'478'144	-	1'478'144
Other comprehensive income/(loss)		-	-	-	-	-371'581	-2'944'589	-3'316'170
Total comprehensive income/(loss)		-	-	-	-	1'106'563	-2'944'589	-1'838'026
Share based payments	22		-	-	499'001	-	-	499'001
As of 31 December		1'233'068	47'817'495	-500'010	2'317'124	14'201'113	-4'741'356	60'327'434

Consolidated statement of cash flows

for the years ended 31 December	Notes	2024	2023
		CHF	CHF
Operating activities			
Profit/(loss) before tax		343'286	2'251'585
Adjustments to reconcile profit before tax to net cash flows:			
Interest income from loans and factoring	6	-2'605'612	-1'699'364
Interest expense on refinancing	15	4'370'489	3'783'016
Depreciation, amortisation and impairment	11, 17, 18	84'328	882'107
Share-based payment expense	22	414'827	499'001
Other interest and foreign exchange valuation result	11	-127'557	-1'196'603
Loss/(gain) on investments and other financial assets at fair value (net)	10, 15	783'754	136'007
Movements in net pension liabilities		-50'809	-77'444
Working capital adjustments:			
Decrease/(increase) in lease receivables without investments in leases		16'312'777	16'491'986
Decrease/(increase) in loans and other financial assets without investments in loans		4'532'573	731'573
Decrease/(increase) in accounts receivables and other current assets		253'732	340'966
Increase/(decrease) in accounts payables, accrued expenses and other current liabilities		506'745	267'383
Interest received from loans and factoring		1'589'592	1'476'054
Other interest received		93'626	133'396
Interest paid on refinancing	15	-4'372'534	-3'439'278
Income tax paid		-139'149	-
Net cash flows from operating activities before investments in leases, loans and factoring		21'990'067	20'580'385

for the years ended 31 December	Notes	2024	2023
		CHF	CHF
Operating activities (continued)			
Investments in leases	13	-26'728'113	-34'099'838
Investments in loans	14	-10'470'527	-1'948'202
Investments in factoring	14	-2'508'239	-
Net cash flows from/(used in) operating activities		-17'716'811	-15'467'656
Investing activities			
Purchase of property, plant and equipment	18	-31'657	-1'483
Purchase of intangible assets	17	-54'715	-61'888
Acquisition of investments	15	-229'455	-779'729
Granting of convertible loans to investees	14	-23'728	-
Net cash flows from/(used in) investing activities		-339'554	-843'101
Financing activities			
Proceeds from issuance of share capital		53'839	-
Cost of issuance of share capital		-534	-
Payment of principal portion of lease liabilities	20	-	-78'224
Proceeds from borrowings	15	-	36'589'608
Repayment of borrowings	15	-	-1'555'152
Net cash flows from/(used in) financing activities		53'305	34'956'233
Net increase/(decrease) in cash		-18'003'060	18'645'477
Net foreign exchange differences		303'667	-1'087'157
Cash as of 1 January		20'452'219	2'893'900
Cash as of 31 December		2'752'826	20'452'219

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Notes to the consolidated financial statements

1. Corporate information

The consolidated financial statements of Kineo Finance AG and its subsidiaries (collectively, the Kineo Finance Group or the Group) for the year ended 31 December 2024 were authorised for issue by the Company's Board of Directors on 31 March 2025 and are subject to approval of the annual general meeting of shareholders. Kineo Finance AG (the Company or the parent) is a Swiss stock corporation ("Aktiengesellschaft") with its registered office at Rittergasse 22, 4051 Basel, Switzerland (CHE-176.996.149). The Company is active in the field of leasing and other forms of asset services of innovative machines and devices and other related equipment used or developed by innovative technology and equipment manufacturers. In addition, the Company is providing management and advisory services to the growth equity fund Kineo Capital I SCSp, Luxembourg. The Company itself subscribed for a non-controlling share in the funds' committed limited partnership capital. Information on the Group's structure is provided in Note 5.

2. Accounting policies

2.1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and debt and equity financial assets that have been measured at fair value. The consolidated financial statements are presented in Swiss francs (CHF) and all values are rounded to the nearest full CHF amount, except when otherwise indicated.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

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Generally, there is a presumption that a majority of voting rights results in control. The Group 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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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.

2.3. Summary of material accounting policies

The following are the material accounting policies applied by the Group in preparing its consolidated financial statements:

2.3.1. Foreign currencies

The Group’s consolidated financial statements are presented in CHF, which is also the parent company’s functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gains or losses of the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

ii) *Group companies*

On consolidation, the assets and liabilities of foreign operations are translated into CHF at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Currency translation was based on the following exchange rates:

	2024	2023
Income statement in CHF average rates		
1 USD	0.8797	0.8988
1 EUR	0.9526	0.9717
1 GBP	1.1251	n/a
Balance sheet in CHF year-end rates		
1 USD	0.9060	0.8416
1 EUR	0.9412	0.9297
1 GBP	1.1351	n/a

2.3.2. *Current versus non-current classification*

The Group presents assets and liabilities in the balance sheet in order of liquidity and based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- At the end of the reporting period there is no right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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2.3.3. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessor

For the lessor, leases are to be classified as either operating leases or finance leases.

i) Finance leases

Under a finance lease, all of the significant risks and rewards of legal ownership are transferred from the lessor to the lessee. Finance leases are initially recognised in the balance sheet as per the date they are available for use as lease receivables at an amount equal to the net investment, which represents the sum of outstanding lease payments and unguaranteed residual values of the existing lease agreements, discounted at the interest rate implicit in the lease. Lease payments as per the date of the lease's availability for use are divided into interest payments and principal payments in such a manner that they reflect a periodic rate of return for the lease receivable. Initial direct costs incurred in connection with the conclusion of the contract, e. g. reseller commissions, are taken into consideration when calculating the net investment value.

Net investments in leases are presented in the balance as lease receivables, net of allowance for impairment. Interest income from finance leases is presented in interest from finance leases and similar income in the income statement.

If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised and any reduction in respect to amounts accrued is recognised immediately in the income statement.

Variable lease payments depending on the usage of the leased asset by the lessee are recognised as revenue and presented in interest from finance leases and similar income in the period in which they are earned.

ii) Operating leases

None of the Group's lease contracts qualify as operating leases.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets for which the Group makes use of the exemption to recognise the relevant lease payments as expense on a straight-line basis over the lease term.

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2.3.4. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

The Group’s financial assets are classified, at initial recognition and for purposes of subsequent measurement, as financial assets

- at amortised cost (debt instruments),
- at fair value through OCI, or
- at fair value through profit or loss

The Group does not hold any financial assets classified or to be classified as at fair value through other comprehensive income (OCI).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are

classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group’s financial assets at amortised cost includes lease receivables, accounts receivable, factoring receivables and loans.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the income statement.

This category includes non-listed equity investments and derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

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A derivative embedded in a hybrid contract, with a non-financial host, is separated from the host and accounted for as a separate derivative if:

- the economic characteristics and risks are not closely related to the host;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Some of the Group's framework agreements with lessees for finance leases contain derivative instruments in the form of equity kickers of the lessee which vest based on the amounts of finance leases provided to the lessee as agreed in the relevant framework agreement. Vested equity kickers generally are exercisable and become due upon exhaustion of the contractually financing volume, the occurrence of a change-of-control event at the lessee or the termination of the relevant framework agreement. These equity kickers from finance leases can be settled by the lessee at its sole discretion either in shares or in cash. The equity kickers from finance leases are accounted for separately as financial assets at fair value through profit or loss.

Derecognition

A financial asset is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has

transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for its financial assets measured at amortised costs. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies the three stages model pursuant to IFRS 9 for measuring and recognising ECL. At initial recognition, an allowance is formed for the expected credit losses from possible defaults in the coming 12 months (Stage 1, 12-month ECL). If credit risk increased significantly since origination, an allowance will be required for the amount that equals the ECLs stemming from possible defaults during the expected lifetime of the financial asset (Stage 2, lifetime ECL). The allocation between Stages 1 and 2 is based on factors like days-past-due status, special asset management classification, and internal risk rating trends. If events have occurred that had a detrimental impact on estimated future cash flows, such as defaults which are assumed if contractual payments are 90 days past due or a debtor's inability to meet credit obligations without liquidating collateral, the financial asset is considered to be credit-impaired and will be classified as Stage 3 (Stage 3, lifetime ECL credit-impaired). The allowance for Stage 3 will remain probability based. The maximum period to be considered when estimating ECLs is the maximum contractual term during which the Group is exposed to credit risk. An asset is written off when there is no reasonable expectation of recovering its contractual cash flows.

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To classify financial assets within the categories Stage 1, Stage 2 and Stage 3, the Group has developed a framework incorporating qualitative and quantitative factors within its internal risk evaluation (refer to Note 15.3).

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition and for purposes of subsequent measurement, as financial liabilities

- at fair value through profit or loss, or
- at amortised cost

The Group's financial liabilities at amortised costs include accounts payables and accrued expenses, loans and borrowings, and lease liabilities. The Group does not hold any financial liabilities classified or to be classified as at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and lease liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

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2.3.5. Fair value measurement

The Group measures financial instruments such as non-listed equity investments and the derivative equity kickers from finance leases at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Executive Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. The Executive Management is comprised of the Chief Executive Officer and the Chief Financial Officer.

At each reporting date, the Executive Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Executive Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Executive Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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2.3.6. Other operating income

The Group is providing investment advisory and portfolio management services to the growth equity fund Kineo Capital I SCSp (the Fund). Management and advisory fees as consideration for these services are recognised at an amount the Group expects to be entitled in exchange for providing the services.

The Group’s performance obligations to provide the investment advisory and portfolio management services are satisfied over time.

Management and advisory fees earned for the provision of these services are invoiced quarterly and determined based on a fixed percentage of the committed capital of the Fund at the end of the quarter. The fees generally materialise at the end of each quarter and are not subject to a claw back.

2.3.7. Property, plant and equipment

Property, plant and equipment (PPE) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Leasehold improvements 5 years
- Other equipment 5 years

An item of PPE and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives, and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

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2.3.8. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Software 5 years

2.3.9. Pensions

The Group operates a defined benefit pension plan in Switzerland, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation under ‘personnel expenses’ in the consolidated income statement:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

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2.3.10. Share-based payments

Employees (including the Executive Management and certain non-executive members of the Board of Directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value of the equity instrument granted at the date when the grant is made using an appropriate valuation model.

That cost is recognised in personnel expense, together with a corresponding increase in equity (other reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.3.11. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against

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which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either

to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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2.3.12. Segment Reporting

The Company’s main business consists of leasing and other forms of asset services to innovative technology and equipment manufacturers. The investment advisory and portfolio management services are complementary to the main business activities of the Company and as such in itself not significant. The Group’s Executive Management, which consists of the Chief Executive Officer and Chief Financial Officer, has been identified as the Chief Operating Decision Maker (CODM). The CODM reviews the operating results and operating plans of the Group and makes resource allocation decisions on a company-wide basis. The consolidated financial statements therefore correspond to the segment reporting format.

2.4. Changes in accounting policies and disclosures

New and amended standards and interpretations issued

The accounting policies adopted are consistent with those of the previous financial year. There are several new and amended standards and interpretations that are issued which are effective for annual periods beginning on or after 1 January 2024. These changes did not have a significant impact on shareholders’ equity nor total comprehensive income of the Group.

New and amended standards and interpretations issued but not yet effective

The Group has not early adopted any other standards, interpretations or amendments that have been issued but is not yet effective. Except for IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027), none of these new and amended standards and interpretations are expected to have a significant impact on shareholders’ equity nor total comprehensive income of the Group.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of requirements in IAS 1. IFRS 18 introduces new requirements to present specified categories and defined subtotal in the consolidated income statement, provide disclosures on management-defined performance measures (MPMs) in the notes to the consolidated financial statements, and improve aggregation and disaggregation. The Group is in the process of evaluating the impact of IFRS 18 on its consolidated financial statements

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3. Material accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1. Judgements

In the process of applying the Group’s material accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification of a finance leases and operating leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases that transfer substantially all the risks and rewards of ownership of such assets are classified as finance leases (others are classified as operating leases). Determination of transfer of substantially all the risks and rewards of ownership is subjective in nature and involves significant judgment.

The Group’s lease portfolio is classified as finance lease given that the lessee bears substantially all of the economic risk associated with the underlying assets. The Group does not retain significant asset risk from these arrangements. Transactions where the Group retains significant asset risk are classified as operating leases.

3.2. Estimates and assumptions

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

The Group based its assumptions and estimates on parameters available at the time the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Expected credit loss

The Group applies the three stages model pursuant to IFRS 9 for measuring and recognising ECL, which involves a significant degree of estimates. To classify its financial assets (particularly lease receivables and loans) within the three stages, the Group has developed a framework incorporating qualitative and quantitative factors including leveraging past experiences, well-founded assessments, and forward-looking insights. In 2024 the Group has further enhanced its estimation process by way of rolling out an internal risk evaluation tool on the basis of increasing experience of the Group regarding the classification of credit risks.

Fair value measurement of financial instruments

If the fair values of financial assets recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques.

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Valuation techniques applied with respect to equity investments in non-listed, privately held start-ups and other early stage companies are based on the International Private Equity and Venture Capital Valuation Guidelines (IPEV).

Non-listed equity instruments as well as warrants and equity kickers thereon are initially recognised at fair value which normally corresponds to the cost and subsequently measured at fair value through profit and loss as follows:

- Costs are used as the best approximation of the fair value of the financial instrument in question, except where
 - the investee has been valued higher or lower in connection with a new round of financing with a third party (except with a strategic investor), in which case the investee is valued according to the new financing round, whereby the various shareholder categories rights are taken into account in the valuation;
 - the investee is performing significantly below expectations or is facing long-term problems, leading to a permanent diminution in value, in which case the relevant position is revalued at its net realisable value;
 - the investee is generating significant sales and profits, in which case an appropriate valuation technique depending on the stage of development of the investee is applied (e.g. discounted cash flows method, observable multiples method).

A degree of judgement is required in establishing fair values. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Pension - Defined benefit plans

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

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4. Capital management

For the purpose of the Group’s capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group’s capital management is to ensure a strong credit worthiness and capital ratio supporting its business and growth and securing its shareholders’ investment.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the Group’s long-term business plan. In the medium and long term, the Group strives to maintain an equity ratio of around 30% or higher.

	2024	2023
	CHF	CHF
Total shareholders' equity	62'005'564	60'327'434
Total assets	116'803'796	112'006'975
Equity ratio	53.1%	53.9%

5. Group information

The consolidated financial statements of the Group include the parent and the following subsidiaries:

Name and Domicile	Functional Currency	% of equity interest	
		2024	2023
Kineo Capital Partners Sàrl, Senningerberg, Luxembourg	EUR	100	100
Kineo Debt Solutions GmbH, München, Germany	EUR	100	100
Kineo Finance GmbH, München, Germany	EUR	100	100
Kineo Finance LLC, Delaware, USA	USD	100	100
Kineo Finance Ltd., London, UK (*)	GBP	100	n/a
Kineo US Holding Inc, Delaware, USA	USD	100	100

(*): Founded in 2024

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6. Interest from finance leases and similar income

	2024	2023
	CHF	CHF
Interest income finance lease	10'395'751	8'699'167
Interest income from loans	2'324'961	1'699'364
Interest income from factoring	280'651	-
Variable usage-dependent lease payments	95'830	477'436
Other income from lessees	173'561	273'574
Interest from finance leases and similar income	13'270'754	11'149'540

As part of the ordinary business activities the Group has granted loans to certain companies to finance their manufacturing process and procurement. In 2024 the Group started to finance selected companies via its factoring solutions offered primarily in Germany. The interest on these financing solutions is presented within interest from finance leases and similar income as interest income from loans and interest income from factoring.

The following geographical break-down of the interest from finance leases and similar income is based on the country of the relevant operating Group company:

	2024	2023
	CHF	CHF
Switzerland	5'166'404	5'307'298
Germany	3'005'133	2'844'674
USA	5'099'216	2'997'568
	13'270'754	11'149'540

During the reporting period interest from finance leases and similar income of two lessees individually exceeded 10% of the Group's total interest from finance leases and similar income (2023: three):

	2024	2023
	CHF	CHF
Lessee 2	2'008'237	2'158'372
Lessee 1	1'963'016	2'179'991
Lessee 3	(*)	1'886'771

(*): Below 10% of the Group's total interest from finance leases and similar income.

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7. Other operating income

	2024	2023
	CHF	CHF
Management and advisory fees	732'782	772'432
Other operating income	732'782	772'432

8. Personnel expense

	2024	2023
	CHF	CHF
Salaries and wages	-3'983'831	-3'264'736
Social security expense	-755'295	-519'634
Share based payments	-414'827	-499'001
Other personnel expense	-25'014	-1'740
Personnel expense	-5'178'967	-4'285'110

The Group employed on average 21.3 people based on full-time equivalents (FTE) during 2024 (2023: 17.7). As of year-end 2024 the Group had 24.3 FTE (2023: 17.8).

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9. Other operating expenses

	2024	2023
	CHF	CHF
Expected credit losses of lease receivables and loans	-1'171'146	-252'198
Legal and other consulting fees	-557'103	-376'183
Office rent (short-term leases)	-354'159	-162'781
Audit and accounting fees	-315'182	-236'395
Travel expenses	-259'868	-203'505
IT and telecom costs	-199'121	-134'568
Sales, marketing and communication costs	-183'368	-77'081
Insurance costs	-90'334	-38'057
Other expenses	-79'445	-59'113
Bank fronting fee	-71'446	-110'994
Capital taxes	-64'182	-50'180
Other operating expense	-3'345'354	-1'701'055

The groupwide fees to the Group’s statutory auditor EY are as follows:

	2024	2023
	CHF	CHF
Audit fees	145'747	135'000
Non-audit fees	22'935	17'016
	168'682	152'016

10. Gain/(loss) on investments and other financial assets at fair value (net)

	2024	2023
	CHF	CHF
Gain/(loss) on non-listed equity investments	-1'219'399	-801'250
Gain/(loss) on equity kickers from finance leases	435'645	664'669
Gain/(loss) on warrants	-	574
Gain/(loss) on investments and other financial asset at fair value (net)	-783'754	-136'007

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11. Other finance result (net)

	2024	2023
	CHF	CHF
Interest on lease liabilities	-4'691	-1'636
Foreign exchange valuation result	38'478	960'321
Impairment loss on convertible loans	-	-745'927
Other interest income	91'325	237'919
Other finance costs	-22'471	-79'696
Other finance result (net)	102'642	370'980

12. Accounts receivables

Up to the reporting date none of the Group’s receivables were in default. The receivables were paid within the contractually agreed payment terms. The allowance for expected credit losses for accounts receivables as of 31 December 2024 and 2023 is immaterial.

Accounts receivables are non-interest bearing and usually settled within 30 to 60 days. All accounts receivables are due from lessees and relate to variable lease payments from finance leases which are not part of the net investment in the finance leases.

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13. Lease receivables

Set out below are the carrying amounts of lease receivables and the movements during the period:

	2024	2023
	CHF	CHF
As of 1 January	59'397'705	44'637'683
Lease payments received	-25'649'584	-24'938'955
Additions (net investments in finance leases)	26'728'113	34'099'838
Accretion of interest	10'395'751	8'699'167
Movement in ECL	-1'058'945	-252'198
Foreign exchange differences	2'271'882	-2'847'830
As of 31 December	72'084'923	59'397'705
Thereof:		
Current	26'948'380	17'901'894
Non-current	45'136'544	41'495'811

The following table shows the maturity of undiscounted lease payments from finance leases as per reporting date:

	2024	2023
	CHF	CHF
Up to 1 year	36'380'487	25'876'857
1 to 2 years	25'283'962	22'360'374
2 to 3 years	17'201'012	16'056'908
3 to 4 years	8'992'596	8'809'462
4 to 5 years	3'939'394	3'408'767
More than 5 years	963'467	549'025
Total undiscounted future contractual lease payments	92'760'917	77'061'393
Unguaranteed residual values	-	-
Gross Investment	92'760'917	77'061'393
Unearned (outstanding) interest income	-19'320'169	-17'366'808
Net Investment	73'440'748	59'694'585
Allowance for expected credit losses	-1'355'825	-296'880
Lease receivables	72'084'923	59'397'705
Thereof:		
Current	26'948'380	17'901'894
Non-current	45'136'544	41'495'811

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13. Lease receivables (continued)

The following geographical break-down of the lease receivables is based on the country of the relevant operating Group company:

	2024	2023
	CHF	CHF
Switzerland	6'857'746	7'178'530
Germany	5'216'126	4'605'285
USA	14'874'508	6'118'079
Lease receivables, current	26'948'380	17'901'894
Switzerland	11'442'017	12'637'298
Germany	11'930'222	13'698'936
USA	21'764'305	15'159'578
Lease receivables, non-current	45'136'544	41'495'811
Switzerland	18'299'763	19'815'828
Germany	17'146'348	18'304'221
USA	36'638'813	21'277'657
Lease receivables	72'084'923	59'397'705

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14. Loans and other financial assets

Set out below are the carrying amounts of loans and other financial assets (current and non-current) and the movements during the period:

	2024					2023			
	Loans	Convertible loans	Factoring receivables	Other financial assets	Total	Loans	Convertible Loans	Other financial assets	Total
	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF
As of 1 January	10'792'361	-	-	68'089	10'860'450	9'702'798	720'892	87'697	10'511'387
Granting of loans, investment into factoring receivables and other additions	10'470'527	23'728	11'087'619	65'103	21'646'976	1'948'202	-	20'000	1'968'202
Payments received	-5'820'643	-	-8'834'041	-	-14'654'684	-2'189'539	-	-38'250	-2'227'789
Accretion of interest	2'324'961	296	280'651	237	2'606'145	1'699'364	71'242	252	1'770'858
Impairment loss of convertible loans	-	-	-	-	-	-	-745'927	-	-745'927
Movement ECL	-112'201	-	-	-	-112'201	-	-	-	-
Foreign exchange differences	159'536	-199	-30'354	197	129'180	-368'465	-46'207	-1'610	-416'281
As of 31 December	17'814'541	23'824	2'503'874	133'626	20'475'865	10'792'361	-	68'089	10'860'450
Thereof:									
Current	12'767'423	-	2'503'874	-	15'271'297	4'269'857	-	-	4'269'857
Non-current	5'047'118	23'824	-	133'626	5'204'568	6'522'504	-	68'089	6'590'593

Factoring receivables contain traditional factoring services focused on small-ticket factoring and are presented net of deductibles of CHF 280'940. The impairment loss of convertible loans recognised in 2023 consisted of a write-off due to the insolvency of the relevant investee (CHF 554'463) as well as a full write-down due to the severe financial situation and risk of insolvency of another investee (CHF 191'465).

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14. Loans and other financial assets *(continued)*

The following table shows the maturity of undiscounted payments from loans as per reporting date:

	2024	2023
	CHF	CHF
Up to 1 year	15'411'126	5'035'654
1 to 2 years	3'337'750	8'109'342
2 to 3 years	991'490	488'325
3 to 4 years	958'142	-
4 to 5 years	808'178	-
More than 5 years	-	-
Total undiscounted future contractual loan payments	21'506'685	13'633'321
Unearned (outstanding) interest income	-3'579'943	-2'840'960
Loans, gross	17'926'72	10'792'361
Allowance for expected credit losses	-112'201	-
Loans	17'814'541	10'792'361
Thereof:		
Current	12'767'423	4'269'857
Non-current	5'047'118	6'522'504

15. Financial assets and financial liabilities

15.1. Financial assets

	2024	2023
	CHF	CHF
Financial assets at fair value through profit or loss		
Non-listed equity investments	5'274'876	6'255'306
Equity kickers from finance leases	14'426'666	13'982'477
	19'701'541	20'237'783
Financial assets at amortised cost (*)		
Lease receivables	72'084'923	59'397'705
Accounts receivables	131'687	223'943
Loans and other financial assets		
<i>Loans</i>	<i>17'814'541</i>	<i>10'792'361</i>
<i>Factoring receivables, current</i>	<i>2'503'874</i>	<i>-</i>
<i>Convertible loans, non current</i>	<i>23'824</i>	<i>-</i>
<i>Other financial assets, non current</i>	<i>133'626</i>	<i>68'089</i>
	92'692'475	70'482'098
Total financial assets (**)	112'394'016	90'719'881
Thereof:		
Current	42'351'364	22'395'694
Non-current	70'042'652	68'324'187

(*): The carrying amounts approximately reflect fair values of the financial assets at amortised costs

(**): Financial assets, other than cash

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15. Financial assets and financial liabilities (continued)

15.2. Financial liabilities: Interest-bearing liabilities

	Interest rate	2024	2023
		CHF	CHF
Interest bearing liabilities			
Lease liabilities (Maturity: 2032)	5%	1'130'520	-
Borrowings (*)			
Bearer notes (Maturity: 2026)	7% + EURIBOR	28'018'570	27'755'973
Straight bond (Maturity: 2028)	6.5%	20'423'847	20'342'505
Total interest-bearing liabilities		49'572'937	48'098'478
Thereof:			
Current		851857	740'531
Non-current		48'721'080	47'357'947

(*): Accrued interest due within the next 12 months are presented as current borrowings. The prior year's comparative figures have been adjusted accordingly.

The Group issued bearer notes in the amount of EUR 30 million with floating interest rates, payable monthly in arrears. The bearer notes in the total nominal amount of EUR 30 million are due for repayment on 30 June 2026.

In June 2023 the Group placed a CHF-denominated straight bond in the amount of CHF 20 million and a fixed interest rate (coupon) of 6.5% p.a., payable annually in arrears on 1 June. The bond is due for repayment on 1 June 2028. Denominations of the bond are CHF 5'000 nominal and multiples thereof. The bond has been admitted to trading on the SIX Swiss Exchange with effect from 1 June 2023 until 30 May 2028. Its fair value as of 31 December 2024 as published by SIX Swiss Exchange amounts to CHF 20'700'000.

15.3. Financial instruments risk management objectives and policies

The Group's financial assets include lease receivable, factoring receivables, accounts receivable, and cash that derive directly from its operations. The Group also holds investments in equity instruments and debt instruments (loans) and enters into derivative transactions.

The Group's financial liabilities comprise accounts payable, lease liabilities and borrowings. The main purpose of these financial liabilities is to finance the Group's operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's Executive Management oversees the management of these risks.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

- interest rate risk,
- foreign currency risk and
- other price risk, such as equity price risk.

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15. Financial assets and financial liabilities (continued)

15.3. Financial instruments risk management objectives and policies (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of 31 December 2024, the Group has outstanding bearer notes with floating interest rates in the nominal amount of EUR 30 million (2023: EUR 30 million). On the other hand, new leases and loans with lessees are also quoted with floating interest rates to manage the Group's interest rate risk.

The straight bond issued in June 2023 bears a fixed interest rate (coupon) of 6.5% p.a.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations as well as lease receivables and loans with floating interest rates.

A movement of +/- 50 basis points in the floating interest rates would impact the profit before tax by +/- CHF 24'190 (2023: +/- CHF 102'261).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The following tables demonstrate the sensitivity to a reasonably possible change in EUR, USD and GBP exchange rates, with all other variables held constant. The impact on profit before tax is due to changes in the fair value of the Group's monetary assets and liabilities. The impact on shareholders' equity does also consider the Company's net investments in foreign subsidiaries.

Foreign exchange rate (in CHF)	EUR	USD	GBP
2024			
+/- 10% (effect on profit before tax)	+/-736'640	+/- 261'632	+/- 24'861
+/- 10% (effect on shareholders' equity)	+/-2'364'454	+/- 3'473'535	+/- 25'215
Foreign exchange rate (in CHF)	EUR	USD	GBP
2023			
+/- 10% (effect on profit before tax)	+/-1'014'165	+/-444'133	n/a
+/- 10% (effect on shareholders' equity)	+/-2'531'851	+/-2'314'809	n/a

15. Financial assets and financial liabilities (continued)

15.3. Financial instruments risk management objectives and policies (continued)

Equity price risk

The Group’s non-listed equity investments and derivatives (equity kicker and warrants) are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual equity instruments.

A reasonably possible change in share price of 10% would impact the profit before tax as follows (+/-):

	2024	2023
	CHF	CHF
Impact on profit before tax		
Non-listed equity investments	527'488	625'531
Equity kickers from finance leases	2'197'787	1'996'998
Total impact on profit before tax	2'725'275	2'622'529

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily lease receivables and loans). The maximum credit risk is represented by the carrying amounts of financial assets, after subtracting any cash inflows from the sale or otherwise realisation of securities.

In 2024 the Group has rolled out an internal risk evaluation tool. The internal risk evaluation tool evolved on the basis of increasing experience of the Group regarding the classification of credit risks. For each reporting date the Groups internal risk evaluation tool is updated for each portfolio company to reflect the newest developments and outlook. The Group applies established default estimates and assigns each risk to a default risk classification based on data that has been found to predict the loss risk. This data includes, but is not limited to:

- external ratings,
- audited financial statements,
- management accounts, cash flow forecasts, and
- available press information about the portfolio companies.

During 2024 three portfolio companies have defaulted (2023: zero). One portfolio company has already recovered to Stage 2, the other two remain credit impaired as of year end 2024.

Credit risk from balances with banks is managed by the Group’s Executive Management. Investments of surplus funds are made only with approved, high reputational counterparties. All factoring receivables are fully insured.

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15. Financial assets and financial liabilities (continued)

15.3. Financial instruments risk management objectives and policies (continued)

Set out below is the information about the credit risk exposure on the Group’s lease receivables and loan as of 31 December 2024 under the three stages model:

Internal classification	Corresponding classification external rating agency	Exposure at default				Weighted average loss rate	Expected credit loss				Total carrying amount
		Non-credit impaired		Credit impaired	Total		Non-credit impaired		Credit impaired	Total	
		Stage 1	Stage 2	Stage 3	Stage 1		Stage 2	Stage 3	Stage 3		
		CHF	CHF	CHF	CHF		CHF	CHF	CHF	CHF	
B1-B3: good / performing	A3 to Ba1	29'871'916	-	-	29'871'916	0.1%	-29'199	-	-	-29'199	29'842'717
C1-C3: adequate	Ba2 to B1	42'528'549	-	-	42'528'549	0.6%	-272'250	-	-	-272'250	42'256'299
D1-D3: close monitoring	B2 to Caa1	965'156	1'797'996	-	2'763'152	2.5%	-24'359	-45'379	-	-69'739	2'693'413
Defaulted	–	-	-	16'203'873	16'203'873	6.8%	-	-	-1'096'838	-1'096'838	15'107'034
Total		73'365'621	1'797'996	16'203'873	91'367'490	1.6%	-325'808	-45'379	-1'096'838	-1'468'026	89'899'464
Thereof:											
Lease receivables					73'440'748					-1'355'825	72'084'923
Loans					17'926'742					-112'201	17'814'541

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15. Financial assets and financial liabilities (continued)

15.3. Financial instruments risk management objectives and policies (continued)

Set out below is the information about the credit risk exposure on the Group’s lease receivables and loan as of 31 December 2023 under the simplified approach:

	Performing	Close monitoring	Days past due		Total
			<90 days	90 days – 1 year	
	CHF	CHF	CHF	CHF	CHF
Expected credit loss rate	0.1%	1.0%	5.0%	12.0%	0.5%
Estimated total gross carrying amount at default	36'716'087	22'219'022	759'476	-	59'694'586
Expected credit loss	-36'716	-222'190	-37'974	-	-296'880
Total carrying amount	36'679'371	21'996'832	721'503	-	59'397'705

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15. Financial assets and financial liabilities (continued)

15.3. Financial instruments risk management objectives and policies (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and funding sources. The Group has issued additional bearer notes in the amount of EUR 30 million with floating interest rates and a straight bond in the amount of CHF 20 million. Thus, the Group is sufficiently financed through equity and borrowings.

The table below summarises the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments:

	2024				2023			
	less than 3 months	3 to 12 months	1 to 5 years	Total	less than 3 months	3 to 12 months	1 to 5 years	Total
	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF
Accounts payables	160'440	-	-	160'440	42'156	-	-	42'156
Lease liabilities (*)	43'125	129'375	690'000	862'500	-	-	-	-
Borrowings	686'692	3'398'225	53'524'643	57'609'560	753'935	3'578'375	57'635'310	61'967'620
	876'427	3'488'334	54'535'759	58'900'520	796'091	3'578'375	57'635'310	62'009'776

(*): Contractual undiscounted payments more than 5 years amounts to CHF 503'125.

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15. Financial assets and financial liabilities (continued)

15.4. Changes in liabilities arising from financing activities

Movements in liabilities arising from financing activities are as follows:

	2024			2023		
	Borrowings	Lease liabilities	Total liabilities from financing activities	Borrowings	Lease liabilities	Total liabilities from financing activities
	CHF	CHF	CHF	CHF	CHF	CHF
As of 1 January	48'098'477	-	48'098'477	14'663'856	78'224	14'742'080
Proceeds from borrowings	-	-	-	36'589'608	-	36'589'608
Repayment of borrowings	-	-	-	-1'555'152	-	-1'555'152
Repayment of lease liabilities	-	-	-	-	-78'224	-78'224
Interest paid (*)	-4'372'534	-	-4'372'534	-3'437'642	-1'636	-3'439'278
Cashflow	-4'372'534	-	-4'372'534	31'596'815	-79'860	31'516'955
New leases	-	1'125'289	1'130'520	-	-	-
Accretion of interest	4'370'489	4'691	4'370'489	3'783'016	1'636	3'784'652
Foreign exchange differences	345'986	-	345'986	-1'945'210	-	-1'945'210
Other non-cash movements	4'716'475	1'130'520	5'846'995	1'837'806	1'636	1'839'443
As of 31 December	48'442'417	1'130'520	49'572'937	48'098'477	-	48'098'477

(*): The Group classifies interest paid as cash flows from operating activities.

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15. Financial assets and financial liabilities (continued)

15.5. Fair value measurement

Equity kickers generally increase due to vesting according to the Group’s additional investments in finance leases entered into under the relevant framework agreements with lessees. In addition, movements in the fair value of the equity kickers are driven by the relevant share price of the underlying shares of the lessees.

The significant unobservable input of the fair value measurement of these financial assets is the underlying valuation and thus the relevant share price in the most recent financing round of these investees.

A quantitative sensitivity analysis of the share price is provided in Note 15.3 (equity price risk).

Set out below is the fair value measurement hierarchy for assets measured at fair value as of 31 December:

	2024				2023			
	Fair value measurement using			Carrying amount	Fair value measurement using			Carrying amount
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	CHF	CHF	CHF		CHF	CHF	CHF	
Assets measured at fair value								
Non-listed equity investments	-	-	5'274'876	5'274'876	-	-	6'255'306	6'255'306
Equity kickers from finance leases	-	-	14'426'666	14'426'666	-	-	13'982'477	13'982'477
	-	-	19'701'542	19'701'542	-	-	20'237'783	20'237'783

There were no transfers of financial assets between the three levels of the fair value hierarchy during 2024 and 2023.

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15. Financial assets and financial liabilities (continued)

15.5. Fair value measurement (continued)

Reconciliation of fair value measurement of non-listed equity investments, equity kickers from finance leases and warrants:

	2024			2023		
	Non-listed equity investments	Equity kickers on finance leases	Total	Non-listed equity investments	Equity kickers on finance leases	Total
	CHF	CHF	CHF	CHF	CHF	CHF
As of 1 January	6'255'306	13'982'477	20'237'783	6'234'017	13'317'808	19'614'962
Remeasurement in statement of profit or loss during the period	-1'219'399	435'645	-783'754	-801'250	664'669	-136'007
Purchases	229'455	-	229'455	779'729	-	779'729
Exercise of warrants	-	-	-	63'711	-	-
Sales	-	-	-	-	-	-
Currency translation adjustments	9'514	8'544	18'058	-20'901	-	-20'901
As of 31 December	5'274'876	14'426'666	19'701'542	6'255'306	13'982'477	20'237'783

The remeasurement gain of the equity kickers result from the additional vesting according to the investments in finance leases entered into under the relevant framework agreements with lessees as well as movements of the share price of the underlying shares of the lessees. CHF 1'411'800 out of the non-listed equity investment relate to the growth equity fund Kineo Capital I SCSp (2023: CHF 1'394'550).

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16. Other current assets

	2024	2023
	CHF	CHF
VAT (Germany, Switzerland & UK)	8'292	232'692
Withholding tax Switzerland	30'593	33'190
Capital tax (Switzerland & Luxembourg)	3'939	325
Income tax (Luxembourg)	5'944	-
Prepaid legal fees	110'000	110'000
Prepaid IT support and services	38'517	13'764
Prepaid expenses	25'074	7'082
Advance payment for office furniture	21'629	-
Prepaid insurances	9'261	8'937
Other current assets	253'249	405'990

17. Intangible assets

The below table presents a reconciliation of the carrying amount of the intangible assets at the beginning and end of the year which consist only of one type of assets (software):

	2024	2023
	CHF	CHF
As of 1 January	303'534	241'645
Additions	54'715	61'888
As of 31 December	358'249	303'534
Amortisation as of 1 January	110'039	56'317
Additions	66'457	53'722
Amortisation as of 31 December	176'496	110'039
Net book value as of 31 December	181'754	193'495

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18. Property, plant and equipment incl. right-of-use assets

The below table presents a reconciliation of the carrying amount of the property, plant and equipment incl. right-of-use assets at the beginning and end of the year:

	2024				2023			
	Leasehold improve- ments	Office (Right-of- use asset)	Other equipment	Total	Leasehold improve- ments	Office (Right-of- use asset)	Other equipment	Total
	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF
As of 1 January	40'195	386'315	29'483	455'994	40'195	386'315	28'767	455'277
Additions	19'207	1'125'829	12'450	1'157'486	-	-	1'483	1'483
Disposal	-	-386'315	-	-386'315	-	-	-	-
Foreign exchange differences	-	-	148	148	-	-	-767	-767
As of 31 December	59'402	1'125'829	42'081	1'227'313	40'195	386'315	29'483	455'994
Depreciation as of 1 January	40'195	386'315	25'460	451'970	32'358	315'491	22'160	370'008
Additions	1'865	11'727	4'279	17'871	7'837	70'825	3'795	82'457
Disposals	-	-386'315	-	-386'315	-	-	-	-
Foreign exchange differences	-	-	76	76	-	-	-496	-496
Depreciation as of 31 December	42'059	11'727	29'815	83'602	40'195	386'315	25'460	451'970
Net book value as of 31 December	17'343	1'114'102	12'266	1'143'711	-	-	4'024	4'024
Thereof:								
in Switzerland	17'343	1'114'102	10'039	1'141'484	-	-	-	-
in Germany	-	-	2'227	2'227	-	-	4'024	4'024
in USA	-	-	-	-	-	-	-	-

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19. Accounts payables and accrued expenses

	2024	2023
	CHF	CHF
Trade payables	68'339	19'490
Other payables	92'102	22'666
Accounts payables	160'440	42'156
Payroll accrual	787'316	591'414
Audit and accounting	182'036	173'682
Legal services and consulting	58'308	102'780
IT support and services	14'600	14'915
Insurances	16'827	-
Capital taxes	-	49'699
Deferred income	279'563	-
Other accrued expenses	12'580	22'912
Accrued expenses	1'351'230	955'401

Payroll accrual includes accruals for performance-based compensation, unused holidays, and social security thereon. Accounts payables and accrued expenses are non-interest bearing and usually settled within 30 to 90 days.

20. Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2024	2023
	CHF	CHF
As of 1 January	-	78'224
Additions	1'130'520	-
Accretion of interest	-	1'636
Payments	-	-79'860
As of 31 December	1'130'520	-
Thereof		
Current	119'404	-
Non-current	1'011'116	-

A summary of the maturity profile of the lease liabilities based on contractual undiscounted payments is provided in Note 15.3:

The Group also has certain leases of offices with lease terms of 12 months or less (refer to Note 9) and some immaterial leases of office equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

21. Pensions

The Group has independent pensions plans for each subsidiary. These plans are externally funded in vehicles which are legally separate from the Group or are organised as state plans. Except for the Swiss pension plan, all plans qualify as defined contribution plans. Contributions made are recognised in profit and loss in the year they occur and are presented within personnel expense:

	2024	2023
	CHF	CHF
Germany	35'003	35'352
USA	87'025	37'041
UK	5'938	-

In accordance with the Swiss pension fund law Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA), the Company is affiliated with a collective independent pension fund. The fund provides for retirement benefits, as well as risk benefits (death and disability). The Company entered into an agreement with VZ BVG Sammelstiftung (the pension fund) for occupational benefits. The pension fund is responsible for the governance of the plan. The pension fund has setup investment guidelines, defining in particular the strategic allocation with margins. The pension fund has reinsured its risks (investment risk, mortality and disability risks) with Zurich Life Insurance Company Ltd. The accumulated saving capital is allocated to each insured individual and consists of annual contributions, saving credits and interest credits. In certain situations, additional payments or increased periodic contributions by the employer may become due based on the pension plans' funded status as measured under Swiss pension rules (OPA). The assets cannot revert to the employer. The plan is funded by regular employer and employee contributions. Contributions are computed as percentage of the salary, depending on age. The defined benefit obligations are estimated on a yearly basis. Plan assets are recognised at fair values.

An independent actuary has calculated the net defined benefit liability. The principal actuarial assumptions used in determining pension obligations for the Group's defined benefit plan are shown below:

	2024	2023
Discount rate (DR) as of 1 January	1.50%	2.20%
Discount rate (DR) as of 31 December	1.00%	1.50%
Interest rate on retirement savings capital (IR) as of 31 December	1.25%	1.25%
Future salary increases (SI) as of 31 December	1.50%	1.50%
Mortality tables	BVG2020 GT	BVG2020 GT
Date of last actuarial valuation	31.12.2024	31.12.2023

Detailed information on the defined benefit plan and the amounts recognised in the balance sheet, income statement and OCI:

	2024	2023
	CHF	CHF
Amounts recognised in the balance sheet		
Defined benefit obligation as of 31 December	4'382'546	3'342'703
Fair value of plan assets as of 31 December	3'737'006	2'885'071
Deficit/(surplus) as of 31 December	645'540	457'632
Adjustment to asset ceiling	-	-
Net defined benefit liability/(asset) as of 31 December	645'540	457'632
Thereof		
recognised as separate (asset)	-	-
recognised as separate liability	645'540	457'632

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21. Pensions (continued)

	2024	2023
	CHF	CHF
Reconciliation in net defined benefit liability/(asset)		
Net defined benefit liability/(asset) as of 1 January	457'632	107'758
Defined benefit cost recognised in profit or loss	190'718	109'753
Defined benefit cost recognised in OCI	238'717	424'318
Contributions by the employer	-241'527	-187'197
Net defined benefit liability/(asset) as of 31 December	645'540	457'632
Reconciliation of defined benefit obligation		
Defined benefit obligation as of 1 January	3'342'703	2'447'708
Interest expense on defined benefit obligation	54'397	57'581
Current service cost (employer)	192'751	107'040
Contributions by plan participants	196'069	171'987
Benefits (paid)/deposited	178'680	60'148
Past service cost	-10'203	-
Administration cost	1'671	1'224
Actuarial (gain)/loss on defined benefit obligation	426'478	497'015
Defined benefit obligation as of 31 December	4'382'546	3'342'703

	2024	2023
	CHF	CHF
Components of actuarial gain/losses on obligations		
Actuarial (gain)/loss arising from changes in financial assumptions	315'331	435'699
Actuarial (gain)/loss arising from changes in demographic assumptions	-	2'820
Actuarial (gain)/loss arising from experience adjustments	111'147	58'496
Actuarial (gain)/loss on defined benefit obligation	426'478	497'015
Reconciliation of fair value of plan assets		
Fair value of plan assets as of 1 January	2'885'071	2'339'950
Interest income on plan assets	47'898	56'092
Contributions by the employer	241'527	187'197
Contributions by plan participants	196'069	171'987
Benefits (paid)/deposited	178'680	60'148
Return on plan assets excl. interest income	187'761	69'697
Fair value of plan assets as of 31 December	3'737'006	2'885'071

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21. Pensions (continued)

	2024	2023
	CHF	CHF
Plan assets classes		
<i>Quoted market price</i>		
Cash and cash equivalents	21'881	25'076
Equity instruments	1'309'655	1'007'563
Debt instruments (e.g. bonds)	1'904'058	1'468'084
Real estate	388'829	293'640
Others	112'583	90'708
Total plan assets at fair value (quoted market price)	3'737'006	2'885'071
<i>Non-quoted market price</i>		
Total plan assets at fair value (non-quoted market price)	-	-
Total plan assets at fair value	3'737'006	2'885'071
Components of defined benefit cost in OCI		
Actuarial (gain)/loss on defined benefit obligation	426'478	497'015
Return on plan assets excl. interest income	-187'761	-69'697
Change in effect of asset ceiling excl. interest expense/income	-	-
Defined benefit cost recognised in OCI	238'717	427'318

	2024	2023
	CHF	CHF
Components of defined benefit cost in profit or loss		
Current service cost (employer)	192'751	107'040
Past service cost	-10'203	-
Interest expense on defined benefit obligation	54'397	57'581
Interest (income) on plan assets	-47'898	-56'092
Interest expense/(income) on effect of asset ceiling	-	-
Administration cost excl. cost for managing plan assets	1'671	1'224
Defined benefit cost recognised in profit or loss	190'718	109'753
Thereof:		
service cost and administration cost	184'219	108'264
net interest on the net defined benefit liability/(asset)	6'499	1'489

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21. Pensions (continued)

	2024	2023
	CHF	CHF
Best estimate of contributions of next year		
Contributions by the employer	262'341	204'021
Contributions by plan participants	227'650	188'522
Maturity profile of defined benefit obligation		
Weighted average duration of defined benefit obligation (in years)	15.7	14.8
Sensitivity		
DBO = Defined benefit obligation, SC = Service cost (employer)		
DBO as of 31 December with DR -0.25%	4'559'347	3'469'198
DBO as of 31 December with DR +0.25%	4'218'863	3'225'508
DBO as of 31 December with IR -0.25%	4'311'901	3'289'185
DBO as of 31 December with IR +0.25%	4'454'846	3'397'484
DBO as of 31 December with SI -0.25%	4'344'638	3'312'806
DBO as of 31 December with SI +0.25%	4'423'434	3'371'546
DBO as of 31 December with life expectancy +1 year	4'438'777	3'307'515
DBO as of 31 December with life expectancy -1 year	4'327'058	3'409'263
SC of next year with DR +0.25%	284'813	178'269
SC of next year with IR +0.25%	314'719	198'778

22. Share-based payments

In 2017, the Company established a stock option plan (SOP2017) to incentivise key management personnel, other employees and selected consultants of the Group. Under the SOP2017, holders of vested options are entitled to shares of the Company at an exercise price of CHF 5.- per share. In 2019 a new stock option plan (SOP2019) was set up, which is based on the same terms as the SOP2017 but contains certain repurchase rights of the Company.

Options granted under these plans will generally vest with respect to the shares subject to it as follows:

- 25% of the Options granted shall vest on the first anniversary of the Vesting Start Date;
- Thereafter, 2.0833% of the Options shall vest on each of the 36 consecutive calendar months following the first anniversary of the Vesting Start Date.

Options granted as part of the annual bonus scheme vest with respect to the shares subject to it as follows:

- 25% of the Options granted shall vest immediately at grant date;
- Thereafter, 2.0833% of the Options vest on each of the 36 consecutive calendar months following the first anniversary of the Vesting Start Date.

The maximum term for exercising the options is 10 years.

The fair value of the stock options has been determined at the grant date based on the calculated share price of the Company's last capital increase using the Black-Scholes model.

22. Share-based payments (continued)

Nature of arrangement	Grant of stock options	
	09.02.2024	13.02.2023
Grant date	09.02.2024	13.02.2023
Number of options granted	9'872	5'023
Exercise price (CHF)	5.00	5.00
Share price at date of grant (CHF)	49.00	49.00
Vesting period (years)	3 to 4	3
Expected volatility (%)	25%	25%
Expected option life at grant date (years)	10.00	10.00
Risk-free interest rate p.a. (%)	0.90%	1.38%
Expected dividend	Zero	Zero
Estimated fair value of option at grant date (CHF)	44.43	44.64
Expiry date	31.12.2033 / 31.03.2034	31.12.2032

The following table illustrates the movements in, share options during the year:

	2024	2023
Outstanding as of 1 January	65'336	60'357
Granted during the year	9'872	5'023
Forfeited during the year	-188	-20
Exercised during the year	-17'327	-
Expired during the year	-1'312	-24
Outstanding as of 31 December	56'381	65'336
Exercisable as of 31 December	45'192	51'188

The following table illustrates the weighted average remaining contractual life of all options outstanding:

	2024	2023
Weighted average remaining contractual life (years)	6.86	5.46

The expenses for share-based compensation recognised in the income statement within personnel expense is as follows:

	2024	2023
	CHF	CHF
Share-based payments	414'827	499'001

There were no cancellations or modifications to the options in 2024 or 2023.

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23. Income tax

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	2024	2023
	CHF	CHF
Current income tax		
Current income tax charge	-127'470	-7'684
Deferred tax		
Relating to origination and reversal of temporary differences	150'202	-93'283
Relating to origination and reversal of tax losses carried forward	-940'974	-672'474
Income tax (expense)/benefit reported in the income statement	-918'242	-773'441
Deferred tax related to items recognised in OCI during in the year		
Remeasurement (gain)/loss on actuarial gains and losses	31'137	55'737
Relating to exchange differences on loans as part of a net investment in foreign operations	-302'330	454'768
Deferred tax charged to OCI	-271'193	510'505

Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate of the parent for 2024 and 2023:

	2024	2023
	CHF	CHF
Accounting profit before tax	343'286	2'251'585
At the Swiss statutory income tax rate of 13.04% (2023: 13.04%)	-44'776	-293'685
Effect of higher tax rates in other countries	-130'273	-145'137
Effect of unrecognised deferred taxes on tax loss carry-forwards	-150'458	-11'371
Current income taxes from prior years	-99'529	-4'524
Deductible/(Non-deductible) expenses for tax purposes	-493'205	-318'724
Income tax (expense)/benefit reported in the income statement	-918'242	-773'441

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23. Income tax (continued)

Deferred tax relates to the following:

	Consolidated balance sheet		Consolidated income statement	
	2024	2023	2024	2023
	CHF	CHF	CHF	CHF
Lease receivables vs. lease assets for tax purposes	-2'800'123	-2'580'990	65'902	-109'528
Equity instruments to fair value through profit or loss	-2'068'182	-2'098'092	-31'704	132'508
Pension	84'201	59'691	6'627	10'101
Leases (Group as a lessee)	2'142	-	-2'142	965
Borrowings at amortised cost	-71'989	-117'136	-45'147	97'845
Statutory provisions	146'800	1'429	-144'873	-39'767
Capitalized US-start-up expenses	12'514	12'710	1'134	1'159
Losses available for offsetting against future taxable income	1'708'896	2'835'372	940'974	672'474
Net deferred tax assets/(liabilities)	-2'985'742	-1'887'016		
Deferred tax expense/(benefit) reported in the income statement			790'772	765'758
Reflected in the statement of financial position as follows:				
Deferred tax assets	78'240	231'367		
Deferred tax liabilities	-3'063'982	-2'118'383		
Deferred tax liabilities, net	-2'985'742	-1'887'016		

The Group has tax losses that arose in Germany and the UK of CHF 632'031 (2023: CHF 43'734) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose for which no deferred tax assets has been recognised.

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23. Income tax (continued)

	2024	2023
	CHF	CHF
Reconciliation of deferred tax liabilities, net		
As of 1 January	-1'887'016	-1'628'226
Tax income/(expense) during the year recognised in profit or loss	-790'772	-765'758
Tax income during the year recognised in OCI	-271'193	510'505
Foreign exchange differences	-36'761	-3'536
As as of 31 December	-2'985'742	-1'887'016

24. Share capital

Share capital

The share capital in the amount of CHF 1'250'395 (2023: CHF 1'233'068) consists of 1'250'395 (2023: 1'233'068) registered shares at par value of CHF 1.00 each. The share capital is fully paid in.

Conditional share capital

As of 1 January 2023, the Company had conditional share capital, exclusively reserved for participants of the employee stock option plan, pursuant to which the share capital may be increased by a maximum amount of CHF 86'218 through the issue of a maximum of 86'218 registered shares at a par value of CHF 1.00 each. During 2024 17'327 shares were issued due to the exercise of options, which leaves 68'891 shares as conditional share capital.

Capital band and authorized share capital

Due to the revision of the Swiss Code of Obligations (Corporate Law Reform), effective since 1 January 2023, the Annual General Meeting held on 28 April 2023 replaced the authorized share capital by approving the creation of a capital band. Within the capital band the Board of Directors can increase and/or decrease the share capital up to CHF 1'849'602 (upper limit) or decrease the share capital down to CHF 616'534 (lower limit) at any time and as often as desired until 27 April 2028. As of 31 December 2024, the capital band remains unchanged.

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25. Related party disclosures

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Key management includes the Executive Management which consists of the Chief Executive Officer and Chief Financial Officer, and the Board of Directors.

	2024	2023
	CHF	CHF
Short-term employee benefits	890'802	975'079
Post-employment benefits	109'018	65'399
Share-based payment benefits	169'392	203'473
Total key management personnel compensation	1'169'212	1'243'951

Transactions with key management:

There are no loans outstanding or guarantee commitments granted to the key management.

In 2024, 5'000 stock options were granted to the key management (2023: 270 stock options granted to the key management).

In 2024, 8'199 options were exercised by the key management (2023: no stock options exercised).

26. Events after the reporting period

In March 2025 the Company issued by way of an ordinary capital increase and based on a shareholder's resolution 142'858 shares.

No other material adjusting or other non-adjusting event to be disclosed occurred subsequently to the balance sheet date until the authorization of these consolidated financial statements by the Board of Directors on 31 March 2025.

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To the General Meeting of
kineo finance AG, Basel

Basel, 31 March 2025

Report of the statutory auditor

Report on the audit of the consolidated financial statements



Opinion
We have audited the consolidated financial statements of Kineo Finance AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' 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 consolidated financial statements (pages 3 - 52) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 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
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of investments and other financial assets at fair value through profit or loss

Risk
The Group has investments and other financial assets, namely equity kickers from finance leases, in non-listed, privately held start-ups and other early-stage companies valued at fair value through profit or loss totaling CHF 19.7 million which represent 16.9% of the Group's total assets and 31.8% of the Group's equity as of 31 December 2024.

The fair value of these financial assets is determined using valuation techniques based on the International Private Equity and Venture Capital Valuation Guidelines (IPEV). These include assumptions used in valuations based on financing rounds with third parties (level 3 inputs). The estimated fair values are subject to management's estimate and assumptions.

Due to the significance of the carrying amount and management's estimate and assumptions involved in the valuation of investments and other financial assets, this matter was considered significant to our audit.

The valuation principles are disclosed in note 3 of the consolidated financial statements, the related disclosures for the fair value measurement of the investments and other financial assets in note 15.5 and its impact on profit or loss in note 10.

Our audit response
Our audit procedures included obtaining an understanding of the Group's process of recognizing and valuing investments and other financial assets.

We further, assisted by our valuation specialists, assessed the Group's valuation model and reconciled the input parameters in the valuation model to the respective contracts and agreements of the last financing round.

We assessed the adequacy of the disclosures provided in the respective notes of the consolidated financial statements.

Our audit procedures did not lead to any reservations concerning the valuation of investments and other financial assets at fair value through profit and loss.

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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.



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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.

Ernst & Young Ltd

René Buchmann
Licensed audit expert
(Auditor in charge)

Benjamin Achermann
Licensed audit expert

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