



**ARUNDEL AG**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2023**



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## **CHAIRMAN'S STATEMENT**

The Company is reporting its results for the year ended 31 December 2023 ("Dec23").

During 2023, the activities of the Arundel Group (the "Group") comprised:

- (i) The maintenance (and partial disposal) of the Group's investment properties; and
- (ii) the provision of unregulated advice to various groups to generate fees.

### **Global factors**

During 2023, global inflationary pressures started to ease but this is yet to be reflected in government bond yields or bank interest rates. While the direction of travel is more encouraging than a year ago, the effect of higher global interest rates has had a significant impact on your Company's results.

### **Financial review**

Overall, your Company is reporting a consolidated net loss of \$16.5 million for Dec23 compared to a net loss of \$3.3 million for the year ended 31 December 2022 ("Dec22"). The results for Dec23 include:

- A loss on the disposal of the London freehold property in October 2023 of \$4.75 million. As previously announced, the value of central London offices has remained under pressure as a result of higher interest rates, the impact of BREXIT and post pandemic working practices. After a strategic review, it was considered more cost effective to sell the London property than to invest significant capital to provide for energy efficiency and other enhancements necessary for letting the property long-term to third parties. Net sale proceeds were used to repay \$11.2 million of the Group's most expensive loans, which were due for repayment between March and June 2024. As a result of the sale, the Group will save approximately \$1.5 million per annum in finance and administrative expenses.
- A non-cash provision of \$12.8 million against the carrying value of the Group's investment in the Leipzig Properties as of 31 December 2023. Whilst the methodology applied by the Leipzig Properties' independent valuer was consistent with past practice and had resulted in a fair value loss on 31 December 2023, the directors decided to increase the fair value loss to give greater weight to volatility in the market and the lack of comparable transactional evidence. The directors expect this volatility will reduce in the months ahead as inflationary pressures continue to ease and interest rates begin to decline; however, there can be no guarantee when or if improvements will occur.
- A non-cash provision of \$2.0 million against the carrying value of the Group's investment properties in India reflecting a further decrease in the value of the rupee and the amount of time a sale is requiring. As previously announced, sale proceeds will be used to repay debt and to provide additional working capital.

As a result of the foregoing, total equity decreased from \$13.2 million on 31 December 2022 to a net deficit of \$1.4 million on 31 December 2023. The non-cash impact of fair value adjustments, provisions for the sale of assets and net adverse movements relating to changes in foreign exchange rates accounted for \$15.4 million of the reduction in net assets.

For many years the Group has held net assets in Euros, Sterling and Indian rupees and net liabilities in US dollars and Swiss Francs. Accordingly, the Group's results have been susceptible to changes in the foreign exchange markets and will remain so until its operations can become more streamlined.

As detailed below, management continues to reduce expenses, streamline operations, pursue strategies to repay the Group's most expensive debt and to focus on the enhancement of the Group's Leipzig Properties where values are greatest and most impactful.

### **Operational review**

Key developments during 2023 and early 2024 included the following:

- In 2023, the Group appointed an agent to review optimisation of its freehold property in London. On 5 October 2023 the Group completed its sale for a gross selling price of \$20.8 million (including VAT). Proceeds were used to repay debt and to provide working capital. As a result of the sale, the Group further reduced personnel numbers and, following the sale, moved into a small, serviced office in London.
- In April 2023, the directors decided to sell the Group's development land in India. Efforts have not yet proved fruitful but the sale process is expected to be completed before the end of 2024.

- In November 2023, the Company announced that it would consult with its largest shareholders and holders of the Group's Swiss Franc convertible bonds (the "Notes") about the prospect of de-listing the Company's registered shares from the SIX Swiss Exchange as part of the strategy to further reduce operational expenses. Following a positive response from the largest shareholders, the directors will propose resolutions to de-list the Company's shares at the Annual General Meeting which is scheduled to be held in late May.
- In December 2023, the Company announced that it had reached agreement with a significant creditor and shareholder of the Company, to convert a portion of the Group's debt into 3 million shares of the Company at a price of CHF 1 per share, by way of a share capital increase against a set-off of approximately \$3.4 million of debt.
- In February 2024, the Company announced that it had procured the consent of the required majority of third-party noteholders to amend the terms and conditions of the Notes with effect from 1 March 2024, to eliminate the convertibility of the Notes into shares of the Company. All other principal terms and conditions of the Notes remain the same.
- Early this year, the directors decided to liquidate the Group's US regulated subsidiary which will further reduce costs and de-risk the Group's activities. The liquidation is expected to be completed during the course of 2024.
- The directors are presently reviewing options to improve the environmental impact of the Leipzig Properties by working with the tenant to improve the Properties in exchange for revised lease terms for the benefit of both parties.
- The Group has commenced discussions with the lender currently secured by the Leipzig Properties in respect of refinancing the current five-year facility which matures on 30 September 2024. The Group will have repaid approximately 10.4% of the original borrowing (€65 million) by 30 September 2024 and the directors are confident that a refinancing will be completed prior to this date. It should be noted that rising global interest rates will mean that the prospective interest rate is likely to be significantly higher than the interest rate on the current facility.

### **Management matters**

On 31 December 2023 management owned 2,180,166 of the Company's issued share capital representing 12.0% of the total number of shares in issue. These holdings remain unchanged from shares held on 31 December 2022. We look forward to reporting on future developments in the months ahead.

### **Arundel AG**



David P. Quint (Chairman)

Approved by the board: 29 April 2024

**ARUNDEL AG**  
**MANAGEMENT REPORT ON THE FINANCIAL RESULTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Financial results**

During the year ended 31 December 2023 (“Dec23”), 81.4% of the Company’s revenues were derived from rental income and 18.6% from advisory fees compared to 76.6% and 23.4% for Dec22, respectively. Rental income from the Leipzig Properties for Dec23 was \$6.8 million (Dec22 - \$6.6 million). Advisory income for Dec23 was \$1.5 million (Dec22 - \$2.0 million) with the reduction primarily caused by the relinquishment of the UK subsidiary’s regulatory licence in 2022.

The Leipzig Properties were reduced by fair value losses of \$12.8 million on 31 December 2023 reflecting the increased risk premium in determining the discount and residual value rates to be added to the yields on the 10-year and 25-year German government bonds as of that date and the directors’ assessment of volatility in the market. The directors also made an impairment provision of \$2.0 million against the independent valuation of the development land in India in anticipation of a sale later this year and the time required to sell.

Administrative and marketing expenses for Dec23 were \$4.8 million (Dec22 - \$5.6 million) with the decrease primarily attributable to a 25% reduction in professional fees paid during Dec23 compared to the prior year. Personnel costs were \$0.6 million lower in Dec23, excluding a \$0.5 million reversal of personnel cost accruals in Dec22.

Finance costs for Dec23 are stated at \$5.3 million (Dec22 - \$7.3 million). The total for Dec22 included a foreign exchange rate charge of \$1.7 million. Excluding non-cash related items such as the impact of movements in foreign exchange rates and amortisation of debt issue expenses, net finance costs for Dec23 were \$5.0 million (Dec22 - \$5.2 million). Although the Group repaid \$11.2 million of its most expensive debt in October 2023, future savings in finance costs will be offset by a significantly higher interest rate on the new facility expected to be secured on the Leipzig Properties from 1 October 2024.

**Balance sheet**

Total assets on 31 December 2023 were \$169.1 million compared to \$195.4 million on 31 December 2022, reflecting the sale of the London freehold property in October 2023 and the fair value adjustments and additional impairments provided against the Leipzig Properties and development land in India mentioned above.

The Leipzig Properties are reflected \$145.9 million (€132.0 million) on 31 December 2023 compared to \$154.3 million (€143.9 million) on 31 December 2022. The current weighted average unexpired lease term for the Leipzig properties is 7.2 years.

Development land in India on 31 December 2023 is stated at \$7.0 million (31 December 2022 – \$9.5 million). This carrying value reflects the independent valuation performed on 31 December 2023 less a 20% provision to reflect a potential sale of the assets, including selling costs.

Current assets on 31 December 2023 were \$12.2 million compared to \$5.4 million on 31 December 2022. Current liabilities on 31 December 2023 were \$78.1 million compared to \$10.9 million on 31 December 2022, including \$65.7 million in respect of senior debt secured on the Leipzig Properties which is due for repayment on 30 September 2024. Long term borrowings on 31 December 2023 were \$89.6 million compared to \$163.3 million on 31 December 2022 with the decrease primarily attributable to the debt secured against the Leipzig Properties being transferred to current liabilities and the repayment of \$11.9 million of debt during the year. Deferred tax of \$2.3 million has been provided on 31 December 2023 (\$8.3 million – 31 December 2022) with the reduction reflecting assets sales and lower asset valuations on 31 December 2023.

On 31 December 2023, the Group’s weighted average loan maturity was 2.8 years and the current weighted average interest rate payable on borrowings was 2.71% per annum with 100% of the Group’s debt on fixed interest rates.

**Cash flow**

During Dec23 the group used \$2.8 million in operating activities compared to \$0.9 million during Dec22. Net cash generated by investing activities less financing activities in Dec23 totalled \$8.8 million compared to \$2.2 million used in Dec22.

Overall, the Group increased its net cash and cash equivalents in Dec23 by \$5.9 million compared to a net decrease of \$3.1 million in Dec22.

**Approved by the board – 29 April 2024**

**DIRECTORS**

Mr. David Quint (Chairman)  
Mr. Markus Müller  
Mr. Ralph Beney

**AUDITORS**

PricewaterhouseCoopers AG  
Birchstrasse 160  
CH-8050 Zurich  
Switzerland

**COMPANY SECRETARY**

Mr. Markus Müller

**EXECUTIVE MANAGEMENT**

Mr David Quint (Executive Chairman)  
Mr. Ralph Beney (Deputy Chairman and Chief  
Financial Officer)

**LEGAL ADVISORS**  
**(as to Swiss Law)**

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CH-8001 Zurich  
Switzerland

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CH-8002 Zurich  
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**REGISTRAR**

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Baslerstrasse 100  
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CH-4601 Olten  
Switzerland

**INDEPENDENT PROXY**

Dr. Roger Groner  
Tödistrasse 52,  
CH-8002 Zürich  
Switzerland

**REGISTERED NUMBER**

CH-020.3.922.903-6

**ARUNDEL AG**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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The Directors present their report and the audited consolidated financial statements to the shareholders for the year ended 31 December 2023.

**PRINCIPAL ACTIVITY**

Arundel AG (the “Company”) is domiciled in Switzerland with its registered office at Gotthardstrasse 21, CH-8002, Zürich and is the ultimate parent company of the Arundel Group (the “Group”). The Company is an investment holding company. The Group is focused on investment and financing activities in Europe, the USA and India.

The Company is listed on the SIX Swiss Exchange.

**DIRECTORS**

The Directors of the Company at 31 December 2023, all of whom have been directors for the whole of the year then ended unless otherwise indicated, are set out below. In accordance with Swiss law, the term of each director is limited to one year.

	<b>Nationality</b>	<b>Function</b>	<b>Member since</b>
<b>Executive members</b>			
Mr. David Quint	USA/GB	Chairman	2005
Mr. Ralph Beney	British	Deputy Chairman	2020
<b>Non-executive members</b>			
Mr. Markus Müller	Swiss	Member	2016

**SECRETARY**

The secretary of the Company at 31 December 2023 was Mr. Markus Müller.

**AUDITORS**

The auditors are PricewaterhouseCoopers AG, Zurich, Switzerland.

**DIRECTORS' INTERESTS**

The Directors' interests in the shares of the Company were as stated below:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Mr. David Quint	1,638,075	1,638,075
Mr. Markus Müller	Nil	Nil
Mr. Ralph Beney	542,091	542,091

By order of the Board



Mr David Quint  
Chairman - Date: 29 April 2024

# Report of the statutory auditor

## to the General Meeting of Arundel AG

Zurich

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of Arundel AG and its subsidiaries (the Group), which comprise the consolidated income statement, the consolidated statement of comprehensive income for the year ending 31 December 2023, the consolidated balance sheet as at 31 December 2023, the consolidated statement of changes in shareholders' equity, the consolidated cash flow statement 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 11 to 55) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and 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 (ISAs) 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 and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (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.

#### Material uncertainty related to going concern

We draw your attention to note 2.1 to these consolidated financial statements, which states that the Group has certain borrowings that mature until 30 September 2024. If the Group is unable to refinance the borrowings or to extend their repayment date, this would significantly affect the Group's liquidity. In response to this uncertainty, the Group has taken the measures disclosed in note 2.1 to the consolidated financial statements. As the outcome of these measures is uncertain, this indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. Our opinion is not qualified in respect of this matter.

#### Our audit approach

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##### Overview

Overall Group materiality: USD 800'000

We concluded full scope audit work at three reporting units in three countries. Our audit scope addressed over 91% of the Group's assets. In addition, audit of specific accounts were performed on a further two reporting units in two countries representing a further 7% of the Group's assets.

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

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As key audit matter the following area of focus has been identified:  
Valuation of investment property and development land

### Materiality

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

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

<b>Overall Group materiality</b>	USD 800'000
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as a relevant benchmark for a Group that mainly holds capital investments. This is a generally accepted benchmark.

### Audit scope

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

The Group consists of 15 companies, of which four operate from the British Virgin Islands, three in the United States, two each in Germany and Singapore, one each in the United Kingdom, India and Mauritius, and the holding company in Switzerland. We have identified two companies that, in our view, required a full scope audit due to their size and characteristics. Specified procedures were also carried out at a further three companies to give appropriate coverage of material balances. All work was performed by the Group audit team.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, 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. In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the matter described below to be the key audit matter to be communicated in our report.

## Valuation of investment property and development land

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### Key audit matter

Refer to page 35 (Note 12: Investment Property and Development Land) of the consolidated financial statements.

The Group owns investment property in Leipzig, Germany and development land in Chennai, India. The property in Leipzig is held at fair value. The development land in Chennai is held at fair value less costs to sell.

The valuation of investment property and development land is considered a key audit matter due to the significance of these assets on the consolidated balance sheet (USD 145.9 million) as well as Management's considerable judgement in determining the fair value of investment property and development land.

The valuation of investment property is performed by a third-party appraiser using a discounted cash flow model to calculate the market value assuming a 10-year calculation period and a long-term growth rate (terminal value). In determining the fair value, management decided to give greater weight to the volatility in the market at the end of the year leading to a fair value loss of USD 12.8 million. The valuation of development land is performed by a third-party appraiser using a comparison method under a market approach. Management deducted from the fair value the estimated costs to sell leading to a fair value loss of USD 2.5 million.

The most significant judgements affecting the investment property valuation are the assumptions surrounding the rents relating to the period after the current lease expires, void periods as well as the discount rates and capitalization rate for terminal values. The most significant judgements affecting the development land valuation are the discounts and premiums applied to the subject property relative to comparable land properties.

### How our audit addressed the key audit matter

To evaluate the appropriateness of Management's valuation we performed the following audit procedures:

- We tested the valuation of the investment property and development land by involving PwC valuation specialists in Germany and India. This included an assessment of the competency, capability and objectivity of Management's independent property appraisers and the appropriateness of the valuation methodologies applied to appraise the property.

- We assessed Management's assumptions and valuation models as described in Note 12 of the consolidated financial statements. This included assessing the overall valuation of the property based on Management's valuation of the property and market developments in Germany. For development land, we evaluated adjustments applied to comparable properties under the market approach, such as adjustments to reflect the size, the infra-structure and access, the location within the neighborhood and the shape and topography of the property. Furthermore, we considered the estimated costs to sell based on similar transactions.

Based on the work performed we consider Management's approach to value the investment property and development land as reasonable.

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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 financial statements, the consolidated financial statements, the remuneration report 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 consolidated financial statements that 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, ISAs 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 EXPERT-suisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

### **Report on other legal and regulatory requirements**

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

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

PricewaterhouseCoopers AG

Rolf Johner

Licensed audit expert  
Auditor in charge

Corinne Lüthy

Licensed audit expert

Zürich, 29 April 2024

**ARUNDEL AG**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	NOTE	Year ended 31 December 2023 \$	Year ended 31 December 2022 Restated \$
Revenue	5	8,312,403	8,593,429
Administrative and marketing expenses	6	(4,809,337)	(5,558,365)
Fair value (loss)/gain on investment property and development land	12	(12,835,425)	1,106,472
Loss on disposal of property, plant and equipment	11	(4,754,040)	-
Impairment of financial assets	13	(44,971)	-
Other income	7	206,152	1,058,096
<b>Operating (loss)/profit</b>		<b>(13,925,218)</b>	<b>5,199,632</b>
Finance income	8	2,104,351	535
Finance costs	9	(5,337,343)	(7,274,942)
<b>(Loss) before income tax expense</b>		<b>(17,158,210)</b>	<b>(2,074,775)</b>
Tax charge	21	2,737,522	(1,231,810)
<b>(Loss) for the year from continuing operations</b>		<b>(14,420,688)</b>	<b>(3,306,585)</b>
<b>Discontinued operations</b>			
(Loss)/profit for the year from discontinued operations	15	(2,062,543)	52,543
<b>(Loss) for the year</b>		<b>(16,483,231)</b>	<b>(3,254,042)</b>
<b>Attributable to:</b>			
Equity owners of the parent		(16,095,345)	(3,521,207)
Non-controlling interests		(387,886)	267,165
<b>Profit/(loss) per share from continuing and discontinued operations attributable to owners of the parent during the year</b>		<b>\$ per share</b>	<b>\$ per share</b>
<i>Basic and diluted loss per share:</i>			
From continuing operations	10	(0.943)	(0.240)
From discontinued operations		(0.139)	0.001
From loss for the year		(1.082)	(0.239)

Comparative information has been represented to be consistent with the presentation of certain items as discontinued in 2023.

The notes on pages 16 to 55 form part of these consolidated financial statements.

**ARUNDEL AG**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022 Restated</b>
	\$	\$
(Loss) for the year	(16,483,231)	(3,254,042)
<b>Other comprehensive expense</b>		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Currency translation differences	(2,584,793)	(5,855,426)
<b>Other comprehensive expense for the year</b>	(2,584,793)	(5,855,426)
<b>Total comprehensive expense for the year</b>	(19,068,024)	(9,109,468)
Total comprehensive expense for the year from continuing operations	(16,996,312)	(8,686,435)
Total comprehensive expense for the year from discontinued operations	(2,071,712)	(423,033)
	(19,068,024)	(9,109,468)
<b>Attributable to:</b>		
Equity owners of the parent	(18,780,373)	(9,182,645)
Non-controlling interests	(287,651)	73,177

The notes on pages 16 to 55 form part of these consolidated financial statements.

**ARUNDEL AG**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2023**

	NOTE	As at 31 December 2023 \$	As at 31 December 2022 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment	11	18,866	22,035,947
Investment property and development land	12	145,920,852	163,836,182
Investments	26	1,000	1,000
Other receivables and prepayments	13	3,247,086	4,165,336
		149,187,804	190,038,465
<b>Current assets</b>			
Other receivables and prepayments	13	4,316,278	3,524,699
Cash and cash equivalents		7,854,866	1,868,133
		12,171,144	5,392,832
Assets of disposal group classified as held for sale	15	7,739,583	-
		19,910,727	5,392,832
<b>TOTAL ASSETS</b>		169,098,531	195,431,297
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	19	19,685,287	16,362,693
Equity component of convertible bond		758,503	778,972
Translation reserve		(10,827,420)	(8,142,392)
Other reserve		493,190	493,190
Accumulated (loss)/profit		(14,219,069)	1,225,024
Treasury shares	19	(585,607)	(1,072,797)
Attributable to equity owners of the parent		(4,695,116)	9,644,690
Non-controlling interests	20	3,263,896	3,551,547
<b>TOTAL EQUITY</b>		(1,431,220)	13,196,237
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current borrowings	14	89,638,697	163,358,643
Deferred taxation	22	2,310,414	8,314,275
		91,949,111	171,672,918
<b>Current liabilities</b>			
Accruals	16	10,042,057	6,002,212
Taxation payable	11	1,557,836	13,815
Trade and other payables	17	763,535	2,657,833
Current borrowings	14	65,729,866	1,888,282
		78,093,294	10,562,142
Liabilities of disposal group classified as held for sale	15	487,346	-
		78,580,640	10,562,142
<b>TOTAL LIABILITIES</b>		170,529,751	182,235,060
<b>TOTAL EQUITY AND LIABILITIES</b>		169,098,531	195,431,297

The notes on pages 16 to 55 form part of these consolidated financial statements.

**ARUNDEL AG**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

		Attributable to equity owners of the parent					Attributable to equity owners of the parent	Non-controlling interest	Total equity	
		Share capital	Treasury shares	Equity component of convertible bond	Translation reserve	Other reserve				Accumulated profit/(loss)
		\$	\$	\$	\$	\$	\$	\$	\$	
<b>Balance as of 31 December 2021 and 1 January 2022</b>		<b>16,362,693</b>	<b>(601,572)</b>	<b>778,972</b>	<b>(2,480,954)</b>	<b>493,190</b>	<b>4,774,889</b>	<b>19,327,218</b>	<b>3,478,370</b>	<b>22,805,588</b>
(Loss)/Profit for the period		-	-	-	-	-	(3,521,207)	(3,521,207)	267,165	(3,254,042)
<b>Other comprehensive income/(expense)</b>										
Foreign currency translation		-	-	-	(5,661,438)	-	-	(5,661,438)	(193,988)	(5,855,426)
<b>Total comprehensive income/(expense)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,661,438)</b>	<b>-</b>	<b>(3,521,207)</b>	<b>(9,182,645)</b>	<b>73,177</b>	<b>(9,109,468)</b>
Treasury share transactions		-	(471,225)	-	-	-	(28,658)	(499,883)	-	(499,883)
<b>Balance as of 31 December 2022 and 1 January 2023</b>		<b>16,362,693</b>	<b>(1,072,797)</b>	<b>778,972</b>	<b>(8,142,392)</b>	<b>493,190</b>	<b>1,225,024</b>	<b>9,644,690</b>	<b>3,551,547</b>	<b>13,196,237</b>
(Loss)/Profit for the period		-	-	-	-	-	(16,095,345)	(16,095,345)	(387,886)	(16,483,231)
<b>Other comprehensive income/(expense)</b>										
Foreign currency translation		-	-	-	(2,685,028)	-	-	(2,685,028)	100,235	(2,584,793)
<b>Total comprehensive income/(expense)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,685,028)</b>	<b>-</b>	<b>(16,095,345)</b>	<b>(18,780,373)</b>	<b>(287,651)</b>	<b>(19,068,024)</b>
Treasury share transactions		-	487,190	-	-	-	651,252	1,138,442	-	1,138,442
Issue of new shares – net		3,322,594	-	-	-	-	-	3,322,594	-	3,322,594
Equity component of convertible bond		-	-	(20,469)	-	-	-	(20,469)	-	(20,469)
<b>Balance as of 31 December 2023</b>		<b>19,685,287</b>	<b>(585,607)</b>	<b>758,503</b>	<b>(10,827,420)</b>	<b>493,190</b>	<b>(14,219,069)</b>	<b>(4,695,116)</b>	<b>3,263,896</b>	<b>(1,431,220)</b>

The notes on pages 16 to 55 form part of these consolidated financial statements

**ARUNDEL AG**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	NOTE	Year ended 31 December 2023 \$	Year ended 31 December 2022 \$
<b>Cash flow from operating activities</b>			
<i>(Loss) for the year</i>		(16,483,231)	(3,254,042)
<i>Adjustments for:</i>			
-Net foreign exchange (gains)/losses	8	(2,056,536)	1,728,004
- Interest income	8	(47,815)	(535)
- Interest expenses	9	4,924,959	5,194,985
- Amortisation of debt issue costs	9	357,617	326,867
- Fair value loss/(gain) on investment property and development land	12	12,835,425	(1,108,941)
- Profit on settlement agreement	5	-	(113,685)
- Impairment of financial assets	13	44,971	-
- Noncash costs of equity raise	19	(97,406)	-
- Loss on disposal of property, plant and equipment	11	4,754,040	-
- Loss on remeasurement to fair value less costs to sell	15	2,695,806	-
- Depreciation	11	292,107	424,370
- Treasury shares issued in lieu of fees	19	51,832	129,014
- Income tax expense	21	(3,373,743)	1,178,226
<i>Changes in working capital</i>			
- Trade creditors and other payables		(616,698)	(1,045,076)
- Other receivables and prepayments		(877,737)	(809,645)
- Accruals		565,141	(849,966)
Interest paid		(4,811,830)	(2,709,868)
Income tax paid		(975,810)	-
<b>Net cash used by operating activities</b>		<b>(2,818,908)</b>	<b>(910,292)</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment - gross	11	20,751,261	-
Costs associated with sale of property, plant and equipment	11	(169,024)	-
Capital expenditure - additions	11,12	-	(30,967)
Capital expenditure - disposals	11,12	-	20,447
Investments	25	-	(1,000)
Interest received	8	47,815	535
<b>Net cash generated/(used) by investing activities</b>		<b>20,630,052</b>	<b>(10,985)</b>
<b>Cash flow from financing activities</b>			
Repayment of borrowings	14	(11,865,136)	(2,164,658)
<b>Net cash (used) by financing activities</b>		<b>(11,865,136)</b>	<b>(2,164,658)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,946,008</b>	<b>(3,085,935)</b>
<b>Movement in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		1,868,133	5,015,184
Net increase/(decrease) in cash and cash equivalents		5,946,008	(3,085,935)
Foreign currency translation adjustments		45,776	(61,116)
<b>Cash and cash equivalents at end of period</b>		<b>7,859,917</b>	<b>1,868,133</b>
<i>Represented by:</i>			
Cash balances shown in disposal group classified as available for sale	15	5,051	-
Cash balances shown as continuing operations		7,854,866	1,868,133
		<b>7,859,917</b>	<b>1,868,133</b>

For disclosure of changes in liabilities arising from financing activities see Note 14. Furthermore, in the year ended 31 December 2023, the Company received shares in settlement of obligations of \$0.03 million (2022 - \$0.6 million) (refer Note 19). An analysis of cashflows of the disposal group classified as held for sale can be found in Note 15. The cashflows in the table above relate to both continued and discontinued operations.

The notes on pages 16 to 55 form part of these consolidated financial statements.



**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. GENERAL INFORMATION**

Arundel AG (the “Company”) is domiciled in Switzerland with its registered office at Gotthardstrasse 21, CH-8002, Zürich and is the ultimate parent company of the Arundel Group (the “Group”). The Company is an investment holding company. The Group is focused on investment and financing activities in Europe, the United States (“US”) and India.

The Company is listed on the SIX Swiss Exchange.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all the periods presented.

**2.1 Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with and comply with IFRS Accounting Standards (“IFRS”), published by the International Accounting Standards Board. The consolidated financial statements are reported in US Dollars unless otherwise stated and are based on the accounts of the individual subsidiaries for the year ended 31 December 2023, which were drawn up according to uniform Group accounting principles.

Comparative information in the consolidated income statement and consolidated statement of comprehensive income and certain notes have been restated in order to be consistent with the presentation of items as discontinued operations in 2023 as detailed in Note 15.

**Going Concern**

The Group describes the liquidity risk and maturity of borrowings in the Note 3.1 2 c). The liabilities of the Group include borrowings of approximately \$65.7 million in respect of debt secured on the Leipzig property, repayable on 30 September 2024. If the Group is unable to repay or refinance these borrowings or to extend their repayment date, this would significantly affect the Group’s liquidity. As the Group’s ability to repay, refinance or extend the maturity of the liabilities is currently uncertain, this indicates a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern.

In response to this uncertainty, the Group has taken a number of steps to ensure that it has sufficient liquidity to meet its obligations for the foreseeable future. These measures include:

- 1) The Group has commenced discussions with the lender currently secured by the Leipzig Property in respect of refinancing the current five-year facility which matures on 30 September 2024. Indicative terms have been received and are being considered by the Directors who are confident that a refinancing will be secured prior to the maturity of the current facility.
- 2) The Group’s Swiss Franc convertible bonds are scheduled to be repaid on 31 March 2027. Whilst the Group would prefer not to place any additional bonds, it has capacity to issue up to CHF 16 million of bonds if it was necessary to do so.
- 3) The Directors have decided to sell the development land in India. The sale process is expected to be completed prior to the end of 2024. The proceeds will be used to repay debt and/or for working capital purposes. The development land and associated loans were valued at approximately \$7.7 million on 31 December 2023.
- 4) The Group signed a mandate in 2023 with an affiliate of the Group’s German advisor, to create a strategy for redevelopment of the Leipzig Property to improve the Environmental Social Governance (“ESG”) aspects of the buildings. The Group commissioned an initial study to determine the range and scope of improvements to be undertaken and is currently in discussions with the tenant on various options. If this project is successful, the Group would seek a new long-term lease with the tenant at an improved rent. The Group would seek ESG financing in Germany for a significant portion of the expected capital expenditure.

The consolidated financial statements have been prepared on a going concern basis as the Board of Directors is confident that the measures described above can be implemented in due time.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Adoption of new standards and interpretations**

The following new or amended standards became applicable for the current reporting period as follows:

- Insurance Contracts – IFRS 17
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)

After assessment, the Group concluded that there are no financial impacts on application and did not make retrospective adjustments as a result of adopting these standards and amendments.

### ***New standards not yet adopted***

The following new standards or amendments are currently issued but not effective:

- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendment to IAS 1 – Non-current liabilities with covenants
- Amendment to IAS 7 and IFRS 7 – Supplier finance
- Amendments to IAS 21 – Lack of Exchangeability

These are not expected to have a material impact on the financial statements of the Group.

## **2.2 Principles of consolidation**

### **2.2.1 Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated.

Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### **2.2.2 Changes in ownership interests in subsidiaries without change in control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant shares acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

### **2.2.3 Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **2.3 Segmental reporting**

Segmental reporting has been prepared in accordance with IFRS 8 (Segment Reporting).

The chief operating decision maker has been identified as the Board of Directors, who review the Group's internal reporting and management information in order to assess performance and allocate resources. As such, the Group has been organised into the following segments:

- Investment Advisory
- Investments in Development Land
- Investments in Government Tenanted Property

The Board of Directors assess the performance of the business using a number of measures; however particular emphasis is placed on total assets and total equity. Total segment assets and liabilities excludes certain assets and liabilities which are managed on a central basis including those associated with the Head Office of the Group, these form the reconciliation to the balance sheet.

### **2.4 Foreign currency transactions and translation**

#### *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency. The functional currency of the Company is Swiss Francs. Management believes that the presentation currency is more indicative of the overall business operations.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses are presented net in the consolidated income statement within finance costs and finance income respectively.

#### *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet are translated at the closing rate at the date of the balance sheet.
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in "other comprehensive income" as a separate component of equity.

On consolidation, exchange differences arising from the translation of net investment in foreign entities and designated intercompany borrowings are taken to other comprehensive income. When a foreign entity is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

The translation rates used are disclosed in Note 23.

### **2.5 Property, Plant and Equipment**

All property, plant and equipment (PPE) is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and (where applicable) borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they occur.

Depreciation is calculated using the straight line method to allocate the cost over the asset's useful economic life as follows:

- Freehold land – nil
- Freehold buildings – 50 years
- Fixtures and fittings – 3 – 10 years
- Vehicles – 4 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate each financial year end.

**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**2.5 Property, Plant and Equipment (Continued)**

An asset's carrying amount is written down immediately to its recoverable amount if its carrying value is greater than the estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in the consolidated income statement under administration and marketing expenses.

**2.6 Investment property and development land**

Property or land held for long-term rental yields or for capital appreciation or both and not occupied by the Group is classified as investment property and development land. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property and development land comprises freehold land and buildings and land acquired for future development. Investment property and development land are initially recognised at cost including related transaction costs and borrowing costs. After initial recognition investment property and development land is held at fair value.

Fair value of investment property is based on a discounted cash flow model, using observable market data, adjusted for difference in the nature, location or condition of the specific asset. Valuations are performed at least annually (or more frequently if required for reporting purposes) in accordance with guidance issued by the Royal Institute of Chartered Surveyors by independent external valuers. Fair value of development land is based on a market approach using comparable transactions adjusted for size, infrastructure, access, shape and topography. Valuations are performed by external valuers.

The fair value of investment property reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value of the development land is based on a market approach using comparable transactions, adjusted to reflect size, location, and topography. In addition, assumptions are also made regarding discount rates, vacancy rates, lease renewal and capital expenditure. The fair values also reflects on a similar basis, any cash outflows that could be expected in respect of the property or land.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. In accordance with IAS 40, these items are capitalised at cost and subsequently measured at fair value on a single property level. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Changes in fair values and gains and losses on disposal are recorded in the income statement. Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

**2.7 Impairment of non-financial assets**

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**2.8 Loans receivable**

Loans are classified as non-current assets unless management has the express intention of holding the loans for less than 12 months from the balance sheet date, in which case they are included in current assets. Purchases and sales of loans are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Loans are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method, less the 12-month expected credit loss (provision). Expected credit losses are reviewed at each reporting date and updated to reflect changes in the assets credit risk.

Loans are derecognised when the rights to receive cash flows from the loans have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. When loans and receivables are sold the resulting gains and losses are included in the consolidated income statement as gains and losses from loans.

**2.9 Revenue, Trade receivables and contract assets**

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a service to a customer. Revenue is presented net of value added tax (where applicable), rebates and discounts and after eliminating intragroup sales. The Groups' revenue is earned from the following revenue streams:

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2.9 Revenue, Trade receivables and contract assets (continued)**

- Rental income from Government tenanted property
- Advisory services

The majority of revenue recognised by the Arundel Group is derived from specific contracts with customers for fixed amounts to be received over time. As such the recognition of income is aligned with the principles of IFRS 15 and IFRS 16.

A receivable is the right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. A contract asset is the right to consideration in exchange for goods or services that the Company has transferred to a customer. The contract asset is measured at the amounts of goods and service are transferred less the lifetime expected credit loss.

Trade debtors are recognised initially at fair value less the lifetime expected credit loss if the Group has the unconditional right for payment; and is subsequently measured at amortised cost using the effective interest method and considering changes to the lifetime expected credit loss.

Changes to the lifetime expected credit loss for receivables and contract assets are recognised in the income statement.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The loss allowances are based on assumptions about risk of default and expected loss rate, the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**2.10 Impairment of financial assets**

The Group has two types of assets that are subject to the expected credit loss model:

- Receivables and contract assets arising from revenue within the investment and management advisory segment
- Debt instruments carried at amortised cost

Whilst cash and cash equivalents and other debtors such as taxation receivable are subject to the impairment requirements of IFRS 9, the identified impairment loss was considered immaterial.

**2.11 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand; deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings under current liabilities.

**2.12 Share capital**

Ordinary shares are classified as equity. Any transaction costs of an equity transaction are accounted for as a deduction from share premium to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

**2.13 Treasury Shares**

Any shares in the Company held in treasury are shown at historic cost, adjusted for any reduction in par value, and presented as a deduction from total equity on the consolidated balance sheet of the Group. Share disposals are treated on a "first in first out" basis and any gain or loss is recognised in retained earnings.

**2.14 Distributions to shareholders (Dividends or Par value capital reduction)**

Dividends are recorded as a financial liability in the consolidated financial statements in the period in which they are approved by the Company's shareholders. Reductions in the par value of the shares of the Company are recorded as a financial liability upon the date at which the reduction is registered at the Commercial Registry Office.

**2.15 Trade creditors and other payables**

Trade creditors and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**2.16 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**2.17 Current and deferred income tax expense**

The tax expense for the period comprises current and deferred tax expense. Income tax expense is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

**2.18 Compound financial instruments**

Compound financial instruments issued by the group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

**2.19 Provisions and contingencies**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Possible liabilities whose occurrence as of the balance-sheet date cannot be assessed, or liabilities, the level of which cannot be reliability estimated, are disclosed as contingent liabilities.

**2.20 Finance income and expense**

Interest income and expense are recognised within finance income and finance costs in profit or loss using the effective interest rate method.

**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**2.21 Leases**

As a lessee - The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

As a lessor – the Group leases Investment Property to tenants under operating leases with rentals payable monthly. There are no variable lease payments that depend on an index or rate. Expectations about future residual values are reflected in the fair value of the property.

**2.22 Employee benefits**

(a) Pensions

The Group operates a defined contribution plan for its staff in the United Kingdom (“UK”). The Group pays contributions to privately administered pension plans on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the period in which the related service is provided.

(b) Short term employment benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits (such as health insurance) are recognised as employee benefits expense and accrued when the associated services are rendered by the employees of the Group.

**2.23 Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

**3. FINANCIAL AND OTHER RISK MANAGEMENT**

**3.1 Financial risk factors and assessment**

Financial risk assessment and management is an integral part of the Group-wide enterprise risk management and is governed by policies reviewed by the Board of Directors. The policies provide guidance on operational risk limits, types of authorized financial instruments and monitoring procedures. Such monitoring procedures contain regular review of accounting policy assessment including changes in accounting policy, significant accounting matters, and items requiring significant management judgment and estimates. The implementation of the accounting policy, the adherence to the regulation and the monitoring on a day-to-day risk basis are carried out by the relevant accounting and treasury functions. Regular reporting on the review of the financial risk management is performed by the relevant accounting and controlling functions.

The Group has established a yearly process driven by management evaluating in detail financial risk assessment in the areas of accounting complexity, control environment, market dynamics, cultural and individual parameters.

The major financial risks in the area of control environment consist of information systems complexity, timely review of results, and the robustness of the documentation of processes. The major financial risks identified in the area of market dynamics consist of the local customs and practices, country specific risks and overall market dynamics.

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**3. FINANCIAL AND OTHER RISK MANAGEMENT (CONTINUED)**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk), credit risk and liquidity rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the executive management under policies approved by the Board of Directors. The Board identifies, evaluates and manages financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

1. Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, Swiss Franc, Pound Sterling and Indian Rupee. Additional exposure to the Singapore Dollar exists however this is considered immaterial. Limited foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Operating entities have limited exposure to exchange risk outside their functional currencies.

The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations in Continental Europe are managed primarily through borrowings denominated in the relevant foreign currencies, although the directors monitor and permit currency exposure in this regard as an element of its financing strategy.

The table below shows the impact on Group profit and equity of a strengthening or weakening by 0.05 of the exchange rate against the key currency exposures of the Group if all other variables were constant (5 rupees for INR).

	Sensitivity range 31 December 2023	Profit Impact of exchange rate movement		Equity Impact of exchange rate movement	
		+ 0.05 \$	-0.05 \$	+0.05 \$	-0.05 \$
<b>Euro</b>	0.8546 – 0.9546	(1,537,489)	1,717,397	(2,302,836)	2,572,300
<b>CHF</b>	0.7909 – 0.8909	(601,412)	673,776	2,346,945	(2,643,691)
<b>GBP</b>	0.7355 – 0.8355	426,011	(483,934)	(117,525)	133,504
<b>INR</b>	78.249 – 88.249	-	-	(410,543)	463,009

	Sensitivity range 31 December 2022	Profit Impact of exchange rate movement		Equity Impact of exchange rate movement	
		+ 0.05 \$	-0.05 \$	+0.05 \$	-0.05 \$
<b>Euro</b>	0.8823 – 0.9823	(1,675,515)	1,865,429	(2,536,502)	2,824,006
<b>CHF</b>	0.8745 – 0.9745	(549,956)	605,032	2,076,858	(2,314,340)
<b>GBP</b>	0.7764 – 0.8764	20,806	(23,486)	(952,300)	1,074,954
<b>INR</b>	77.750 – 87.750	-	-	(532,811)	601,340

A key parameter affecting the carrying value of the Group's investment property is the Euro to US Dollar exchange rate, the following table demonstrates the sensitivity to exchange rate movements of the valuation of €132.00 million (See Note 12) as at 31 December 2023



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**3. FINANCIAL AND OTHER RISK MANAGEMENT (CONTINUED)**

		\$	\$
		<b>31 December</b>	<b>Sensitivity</b>
		<b>2023</b>	
		<b>Carrying Value</b>	
Rate increase to 1.00	1.000	132,000,000	(13,920,852)
Rate increase to 0.90	0.950	138,947,368	(6,973,484)
<b>Rate as at balance sheet date</b>	<b>0.905</b>	<b>145,920,852</b>	<b>-</b>
Rate reduction to 0.80	0.900	146,666,667	745,815
Rate reduction to 0.70	0.850	155,294,118	9,373,266

		\$	\$
		<b>31 December</b>	<b>Sensitivity</b>
		<b>2022</b>	
		<b>Carrying Value</b>	
Rate increase to 1.00	1.000	143,860,000	(10,454,882)
Rate increase to 0.95	0.950	151,431,579	(2,883,303)
<b>Rate as at balance sheet date</b>	<b>0.932</b>	<b>154,314,882</b>	<b>-</b>
Rate reduction to 0.90	0.900	159,844,444	5,529,562
Rate reduction to 0.85	0.850	169,247,059	14,932,177

The sensitivity to exchange rate detailed above is partially offset by associated borrowings and other liabilities also denominated in Euro.

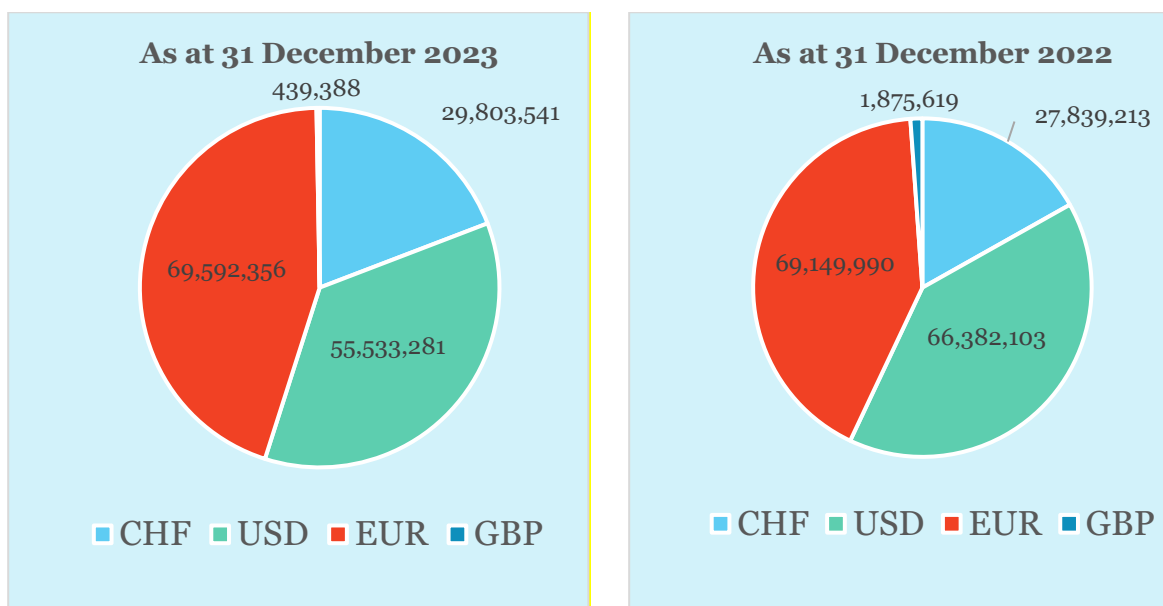
A key parameter affecting the carrying value of the Group's development land is the INR to US Dollar exchange rate, the following table demonstrates the sensitivity to exchange rate movements of the valuation of INR 581.0 million (See Note 12) as at 31 December 2023:

		\$	\$
		<b>31 December</b>	<b>Sensitivity</b>
		<b>2023</b>	
		<b>Carrying Value</b>	
Rate increase to 80.00	90.00	6,455,458	(523,508)
Rate increase to 75.00	85.00	6,835,191	(143,775)
<b>Rate as at balance sheet date</b>	<b>83.25</b>	<b>6,978,966</b>	<b>-</b>
Rate reduction to 70.00	80.00	7,262,391	283,425
Rate reduction to 65.00	75.00	7,746,550	767,584

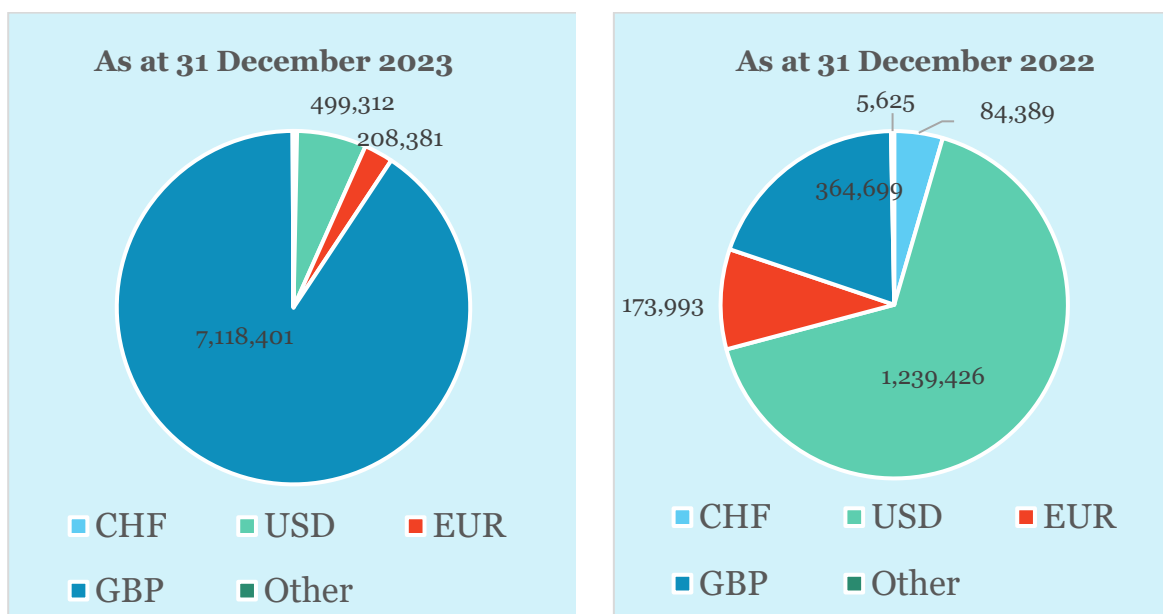
		\$	\$
		<b>31 December</b>	<b>Sensitivity</b>
		<b>2022</b>	
		<b>Carrying Value</b>	
Rate increase to 90.00	90.00	8,754,317	(766,983)
Rate increase to 85.00	85.00	9,269,277	(252,023)
<b>Rate as at balance sheet date</b>	<b>82.75</b>	<b>9,521,300</b>	<b>-</b>
Rate reduction to 80.00	80.00	9,848,607	327,307
Rate reduction to 75.00	75.00	10,505,181	983,881

**3. FINANCIAL AND OTHER RISK MANAGEMENT (CONTINUED)**

The carrying amounts of the Group's total borrowings are denominated in the following currencies:



Cash and cash equivalents is denominated in the following currencies:



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**3. FINANCIAL AND OTHER RISK MANAGEMENT (CONTINUED)**

2. Cash flow and fair value interest rate risk

(a) Interest rate risk

The Group's interest-rate risk mainly arises from long-term borrowings and to a limited extent, from cash and cash equivalents. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. Group policy is to maintain a significant percentage of its borrowings in fixed rate instruments. The Board regularly meet to review levels of fixed and variable borrowings and takes appropriate action as required.

100.0% of the Group's total borrowings attract fixed rates of interest (with maturity dates ranging from 30 September 2024 to 31 December 2028). Therefore the Group has no exposure to movements in market rates. However, the table below shows the sensitivity of profit and other comprehensive income to movements in current interest rates:

	\$ 31 December 2023	\$ 31 December 2022
Shift in basis points	50	50
Profit impact of increase	(790,962)	(831,826)
Profit impact of decrease	790,962	831,826

(b) Credit risk

Credit risk arises from cash, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to rental customers, including outstanding receivables. The table below shows the credit rating and balance of the three major bank counterparties at the balance sheet date.

	31 December 2023	31 December 2022	\$ 31 December 2023	\$ 31 December 2022
Counterparty	Rating	Rating	Balance	Balance
National Westminster Bank	A	A	7,103,978	867,177
Citibank	A+	A+	312,375	565,786
Berliner Volksbank	A	A	181,073	106,655

The Group's concentration of credit risk with non-financial institutions is primarily with its rental customer. For this, the Group has assessed that the credit risk is low as the rental contract is granted to, directly or indirectly, a governmental customer with excellent credit history and due to the good record of recovery of receivables. As a result, the Group has not incurred any losses.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

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**3. FINANCIAL AND OTHER RISK MANAGEMENT (CONTINUED)**

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow. Lenders are approached in advance of maturity dates and, where appropriate, management may negotiate a new facility or seek alternative lenders as required.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Borrowings includes the undiscounted payment of principal and interest.

<b>At 31 December 2023</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 Years</b>	<b>Total</b>	<b>Carrying value</b>
	\$	\$	\$	\$	\$	\$
Borrowings	70,054,992	3,646,715	99,283,348	-	172,985,055	155,368,563
Trade and other creditors	2,321,371	-	-	-	2,321,371	2,321,371
<b>Total continuing operations</b>	<b>72,376,363</b>	<b>3,646,715</b>	<b>99,283,348</b>	<b>-</b>	<b>175,306,426</b>	<b>157,689,934</b>
Trade and other creditors*	168,170	-	-	-	168,170	168,170
<b>Total</b>	<b>72,544,533</b>	<b>3,646,715</b>	<b>99,283,348</b>	<b>-</b>	<b>175,474,596</b>	<b>157,858,104</b>

<b>At 31 December 2022</b>	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 Years</b>	<b>Total</b>	<b>Carrying value</b>
	\$	\$	\$	\$	\$	\$
Borrowings	7,039,358	77,476,431	40,588,507	63,763,107	188,867,403	165,246,925
Trade and other creditors	1,554,871	-	-	-	1,554,871	1,554,871
<b>Total</b>	<b>8,594,229</b>	<b>77,476,431</b>	<b>40,588,507</b>	<b>63,763,107</b>	<b>190,422,274</b>	<b>166,801,796</b>

\* associated with disposal group classified as held for sale

d) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders (if free cash is available for dividend declaration), return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

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**3. FINANCIAL AND OTHER RISK MANAGEMENT (CONTINUED)**

The gearing ratios at 31 December 2023 and 31 December 2022 were as follows:

	<b>December 2023</b>	<b>December 2022</b>
	\$	\$
Total borrowings (Note 14 and 25)	155,368,563	165,246,925
Less: cash and cash equivalents	(7,854,866)	(1,868,133)
Net debt	147,513,697	163,378,792
Total equity	(1,431,220)	13,196,237
Total capital	146,082,477	176,575,029
Gearing ratio	<b>101.0%</b>	<b>92.5%</b>

**3.2 Fair value estimation**

The fair value of instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

As at 31 December 2023, Investment property and development land of \$145,920,852 is included in level 3 (2022 - \$163,836,182). There were no instruments included in level 1 or 2 at 31 December 2023 or 31 December 2022.

For further details of the valuation technique used to value the Investment Property and development land held by the group see Note 12.

There were no transfers between levels in the period ended 31 December 2023 and 31 December 2022.

**3.3 Other risk factors**

The Group is exposed to property price and market rental risks. Wherever possible the Group builds into the terms of its leases indexation linked to consumer price indices, in order to manage its market rental risk.

**ARUNDEL AG**  
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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable. The Group makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates may not equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are described below. In addition, this note also explains where there have been actual adjustments made this year as a result of changes in previous estimates.

**a) Estimate of fair value of investment property**

The Group owns significant investment property in Leipzig, Germany, held at fair value (Please refer to Note 12).

The weighted average lease term for the entirety of the Leipzig Property is approximately 8 years, with two three-year renewal options.

The principal inputs underlying management's estimation of fair value are the current rental income and in particular the rent per square metre after renewal, void periods, the receipt of contractual rentals and maintenance requirements. Management made these estimations based on commissioning an independent appraisal of the property and discussions with the local property consultant.

In addition, inflation rates and appropriate discount rates, with due regard to yields on Germany government bonds, are also assessed. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market.

The expected future market rental income levels are determined based on the specific terms of the existing rental contract and the use of a capitalisation rate to determine the terminal value based on the estimated rent after the current lease terms. This is considered a significant subjective input in support of the valuation of investment property. The table below shows the net effect on the carrying amount of the investment property after deferred taxation should the weighted average premium/discount implicit in the valuation change by 0.5%:

	\$ 31 December 2023		\$ 31 December 2022	
Increase by 0.5%	5.23%	(11,731,428)	4.84%	(13,405,912)
<b>Capitalisation Rate</b>	<b>4.73%</b>	-	<b>4.34%</b>	-
Decrease by 0.5%	4.23%	14,501,640	3.84%	16,892,947

**b) Estimate of fair value of development land**

The principal inputs underlying management's estimation of fair value of development land is data in respect of transactions of a land of a similar type in the same or similar location. Management made these estimations based on commissioning an independent appraisal of the development land by a national property consultant.

The table below shows the net effect on the carrying amount of the development land after deferred taxation should the weighted average premium/discount implicit in the valuation change by 5%:

	\$ 31 December 2023		\$ 31 December 2022	
Increase by 5%	3.0%/1.0%/10.75%	277,356	4.0%/3.0%	384,562
<b>Premium/(discount)</b>	<b>(2.0%)/(4.0%/5.75%</b>	-	<b>(1.0%)/(2.0%)</b>	-
Decrease by 5%	(7.0%)/(9.0%/0.75%	(277,356)	(6.0%)/(7.0%)	(384,562)

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)**

**c) Impairment of financial assets**

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract balances.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Significant financial difficulties of a customer, such as probability of bankruptcy, financial reorganization, default or delinquency in payments are considered indicators that recovery of the trade receivable is doubtful.

Impairment losses on financial assets are presented as net impairment on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**d) Revenue recognition**

The majority of revenue recognised by the Arundel Group is derived from specific contracts with customers for fixed amounts to be received over time. As such the recognition of income is aligned with the principles of IFRS 15 and IFRS 16. For example with advisory service agreements specifying a fixed amounts per annum/month or quarter, this revenue is recognised over the course of the year equally as the performance obligations are met.

**5. REVENUE**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	<b>Total segment revenue \$</b>	<b>Total segment revenue \$</b>
Rental Income	6,764,031	6,586,144
Advisory fees	1,548,372	2,007,285
<b>Total</b>	<b>8,312,403</b>	<b>8,593,429</b>

**Nature of services provided by the Group**

*Rental income:*

The Group leases investment property in Leipzig to the State of Saxony for which it receives monthly rental income. The lease for approximately 85% of the property expires in June 2028. The tenant has been granted an option to extend the lease term by a further three years to 30 June 2031. Since January 2021 the tenant has had the right to terminate approximately 20% of the leased space by giving six months' notice. No such notice has been received. The remaining 15% of the property is leased until December 2047.

*Advisory fees:*

The Group provides administrative and unregulated advisory services to customers with a focus on investments in the US and Europe. The Group earns fee income from the provision of these services, which generally accrues over time. Revenue is recognised in accordance with the fulfilment of the performance obligations.

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**6. ADMINISTRATIVE AND MARKETING EXPENSES**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022 RESTATED</b>
	<b>\$</b>	<b>\$</b>
Staff costs	1,476,905	1,552,324
Professional fees and other sundry costs	1,996,212	2,675,801
Maintenance and rent	1,044,113	905,870
Depreciation (Note 11)	292,107	424,370
	<b>4,809,337</b>	<b>5,558,365</b>

As at 31 December 2023, the Group employed 8 staff members based in the UK including Mr. Quint and Mr. Beney who are directors of the Company. Group senior and executive management are disclosed in Note 27. Staff costs for the year ended 31 December 2022 include the reversal of \$490,780 of accruals provided in earlier years which are no longer required.

Included within professional fees in the year ended 31 December 2023 is \$nil (2022 - \$409,165) in relation to UK regulatory matters.

Administrative and marketing expenses for the year ended 31 December 2022 have been restated by \$4,528 in respect of costs relating to the disposal group classified as held for sale (See Note 15). The total shown in the prior year financial statements was \$5,562,893.

**7. OTHER INCOME**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022 RESTATED</b>
	<b>\$</b>	<b>\$</b>
Release of trade payables	-	900,000
Rental income	78,301	119,910
Sundry income	127,851	38,186
	<b>206,152</b>	<b>1,058,096</b>

Other income for the year ended 31 December 2022 has been restated by \$1,018 in respect of income relating to the disposal group classified as held for sale (See Note 15). The total shown in the prior year financial statements was \$1,059,118.

**8. FINANCE INCOME**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Foreign exchange movements, net	2,056,536	-
Bank interest and other finance income	47,815	535
	<b>2,104,351</b>	<b>535</b>



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**9. FINANCE COSTS**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	\$	\$
Interest on bonds	2,421,428	2,630,922
Interest on facilities	632,053	631,407
Interest on other loans	1,871,478	1,932,656
Amortisation of debt issue costs	357,617	326,867
Other borrowing expenses	54,767	25,086
Foreign exchange movements, net	-	1,728,004
	<b>5,337,343</b>	<b>7,274,942</b>

**10. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit attributable to equity owners of the parent by the weighted average number of ordinary shares outstanding during the period.

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	\$	\$
Net (loss)/profit attributable to equity owners of the parent:		
From continuing operations	(14,032,802)	(3,573,750)
From discontinued operations	(2,062,543)	52,543
	(16,095,345)	(3,521,207)
Weighted average number of ordinary shares outstanding	14,881,122	14,742,057
<i>Basic and diluted earnings/(loss) per share</i>		
From continuing operations	(0.943)	(0.240)
From discontinued operations	(0.139)	0.001
	<b>(1.082)</b>	<b>(0.239)</b>

A subsidiary of the Group issued convertible debt as described in Note 14. Management has calculated that the maximum number of additional ordinary shares that could be issued at 31 December 2023 is 2,575,375 (December 2022 – 2,644,875). Since the share price at 31 December 2023 and 2022 was significantly below the conversion price, there is no dilutive impact.

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**11. PROPERTY, PLANT AND EQUIPMENT**

	<b>Freehold Land</b> \$	<b>Freehold Buildings</b> \$	<b>Fixtures and Fittings</b> \$	<b>Vehicles</b> \$	<b>Total</b> \$
<b>Year ended 31 December 2023</b>					
Opening net book amount	8,696,268	13,321,062	18,617	-	22,035,947
Additions	-	-	22,096	-	22,096
Disposals – fixtures & fittings	-	-	(14,849)	-	(14,849)
Depreciation charge	-	(285,109)	(6,998)	-	(292,107)
Foreign exchange movement	55,603	89,909	-	-	145,512
Disposal of freehold land and buildings (5 October 2023)	(8,751,871)	(13,125,862)	-	-	(21,877,733)
Closing net book amount	-	-	18,866	-	18,866
<b>At 31 December 2023</b>					
Cost	-	-	38,881	-	38,881
Accumulated depreciation	-	-	(20,015)	-	(20,015)
Net book amount	-	-	18,866	-	18,866

	<b>Freehold Land</b> \$	<b>Freehold Buildings</b> \$	<b>Fixtures and Fittings</b> \$	<b>Vehicles</b> \$	<b>Total</b> \$
<b>Year ended 31 December 2022</b>					
Opening net book amount	9,721,299	15,271,119	45,841	39,191	25,077,450
Additions	-	29,760	-	-	29,760
Disposals	-	-	-	(20,447)	(20,447)
Depreciation charge	-	(378,402)	(27,224)	(18,744)	(424,370)
Foreign exchange movement	(1,025,031)	(1,601,415)	-	-	(2,626,446)
Closing net book amount	8,696,268	13,321,062	18,617	-	22,035,947
<b>At 31 December 2022</b>					
Cost	8,696,268	15,777,860	194,291	-	24,668,419
Accumulated depreciation	-	(2,456,798)	(175,674)	-	(2,632,472)
Net book amount	8,696,268	13,321,062	18,617	-	22,035,947

**ARUNDEL AG**  
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**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

**Disposal of freehold property in London**

In April 2023, the Group stated that it had appointed an agent to review optimisation of its freehold property in London ("Property"). Options included a sale or retention of the Property for letting to third parties. After careful consideration, it was viewed as more cost effective to sell the Property. On 5 October 2023 the Group completed the sale of the property for a gross selling price of \$20.8 million, including a VAT liability of \$3.5 million which is shown as accrued on 31 December 2023 (See Note 16). Additionally, there is a current taxation liability in respect of the disposal of the property of \$1.5 million as at 31 December 2023.

An analysis of the loss on disposal made on the of the property is as follows:

	<b>Year ended 31 December 2023</b>
	\$
Gross sales proceeds (£17.04 million)	20,751,261
VAT payable on sale (£2.84 million) (See Note 16)	(3,458,544)
Net sales proceeds (£14.20 million)	17,292,717
Carrying value of property on disposal	(21,877,733)
Costs associated with disposal of property	(169,024)
Loss on disposal	(4,754,040)

**Leased assets**

Fixtures and fittings include the following amounts where the group is a lessee:

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	\$	\$
Cost	19,630	54,146
Accumulated depreciation	(2,945)	(54,146)
Net book value	16,685	-

During the year ended 31 December 2023 the Group entered into a new lease agreement in relation to office equipment.

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**12. INVESTMENT PROPERTY AND DEVELOPMENT LAND**

	<b>Year ended 31 December 2023 \$</b>	<b>Year ended 31 December 2023 \$</b>	<b>Year ended 31 December 2023 \$</b>
	<b>Investment Property</b>	<b>Development Land</b>	<b>Total</b>
Beginning of year	154,314,882	9,521,300	163,836,182
Fair value losses	(12,835,425)	-	(12,835,425)
Net change in fair value due to exchange differences	4,441,395	(36,665)	4,404,730
Loss on remeasurement to fair value less costs to sell	-	(2,505,669)	(2,505,669)
Transfer to disposal group classified as held for sale	-	(6,978,966)	(6,978,966)
End of year	145,920,852	-	145,920,852

	<b>Year ended 31 December 2022 \$</b>	<b>Year ended 31 December 2022 \$</b>	<b>Year ended 31 December 2022 \$</b>
	<b>Investment Property</b>	<b>Development Land</b>	<b>Total</b>
Beginning of year	162,473,366	10,568,476	173,041,842
Fair value gains	1,106,472	2,469	1,108,941
Additions	-	1,208	1,208
Net change in fair value due to exchange differences	(9,264,956)	(1,050,853)	(10,315,809)
End of year	154,314,882	9,521,300	163,836,182

The investment property is carried at fair value. A valuation of the investment property was performed by an independent valuer as at 31 December 2023 and 31 December 2022. A discounted cash flow method was used to calculate the market value assuming a 10-year calculation period plus a terminal value (with the exception of that part of the property leased until 2047, for which a 25-year discounted cash flow period and terminal value were used). The same methodology has been consistently applied since the investment property was originally acquired.

Whilst the Directors accept the methodology applied by the independent valuer was consistent with past practice and had resulted in a fair value loss the Directors decided to give greater weight to the volatility in the market at the end of the year resulting in a fair value of € 132 million. The directors expect this volatility will ease in the months ahead as inflationary pressures continue to ease and interest rates begin to decline; however, there can be no guarantee when or if improvements will occur.

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**12. INVESTMENT PROPERTY AND DEVELOPMENT LAND (continued)**

The key assumptions used are set out below.

Country	Segment	Valuation (EUR/USD)	Valuation technique	Rental value (EUR/USD)	Discount rate %	Capitalisation rate for terminal value
		132,000,000/ 145,920,852		6,250,000/ 6,909,131	4.75% - 5.05%	6.0%-6.3%
	Investments in					
Germany	Government tenanted property	(31 Dec 2022 – 143,860,000/ 154,314,882)	Discounted cash flow	(31 Dec 2022 – 6,250,000/ 6,586,114)	(31 Dec 2022 – 4.4%)	(31 Dec 2022 – 4.9%)

The fair value of the investment property decreased by €11.86 million primarily as a result of an increase in the risk premium added to the yields on the 10-year and 30-year German government bonds between the reporting dates. These yields and risk premium have a direct impact on the discount and capitalisation rates used in the report prepared by the independent valuer.

**Development Land**

As at 31 December 2023 development land has been reclassified to a disposal group held for sale (See Note 15). In accordance with IFRS 5, and adjustment to the valuation of the development land has been made in order that it is carried at the lower of carrying value and fair value less costs to sell of \$6,978,966 (INR 581.0m). This value represents a 20.0% discount to the valuation performed by an independent valuer as at 31 December 2023. The valuation was based on a market approach using comparable transactions, adjusted to reflect the size, the infrastructure and access, the location within the neighbourhood and the shape and topography. The valuation uses a weighted average premium/discount. The same methodology has been consistently applied since the development land was originally acquired.

Country	Segment	Valuation (INR/USD)	Valuation technique	Average Rate (INR million/acre)	Weighted average premium/ (discount)
India	Investments in Development Land	726,239,052*/ 8,723,707 (31 Dec 2022 – 787,888,540/ 9,521,300)	Market Approach – comparison method	11.79 (Dec 2022 – 12.79)	(2.0)/(4.0)% (1.0)/(2.0)%

\* Prior to the 20% provision referred to above.

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**13. RECEIVABLES AND PREPAYMENTS**

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current</b>		
Other receivables and prepayments – third party	-	954,682
Other receivables and prepayments – related party	3,295,138	3,210,654
Allowance made for impairment of receivables – related party	(48,052)	-
	<b>3,247,086</b>	<b>4,165,336</b>
<b>Current</b>		
Trade receivables – third party	3,584,000	2,695,550
Trade receivables – related party	-	100,000
Taxation receivable	119,112	113,212
Other receivables and prepayments	613,166	615,937
	<b>4,316,278</b>	<b>3,524,699</b>
<b>Total</b>	<b>7,563,364</b>	<b>7,690,035</b>

***Non-current third party receivables and prepayments:***

Third party receivables consist of payments made to third parties for potential additional development land in Chennai, India. As at 31 December 2023 these total \$754,364 after a measurement loss to fair value less costs to sell of \$190,137 (2022: \$954,682). These are shown within assets of a disposal group classified as held for sale at 31 December 2023 (See Note 15) as they will be disposed of in a single transaction with the development land.

***Non-current related party receivables and prepayments:***

Non-current related party receivables as at 31 December 2023 and 31 December 2022 relate to a loan of \$2,197,041 (€2,000,000) and accrued interest to June 2016 due from Ridgemont Holdings Limited (“Ridgemont”) (see Note 26). Ridgemont’s sole asset is a 5.1% interest in the partnership which owns the Leipzig investment property. Ridgemont has the right but not the obligation to deliver its interest in the partnership in settlement of obligations under the loan. In September 2021 the maturity date for the loan was extended by three years to 31 March 2025.

***Impairment of financial assets***

The Group assessed the loan to Ridgemont mentioned above as at 31 December 2023. This loan is secured against the 5.1% minority holding of Ridgemont in USI Verwaltungszentrum Leipzig Limited & Co.KG. As at 31 December 2023 the value of this holding is slightly lower than the valuation of the loan made and accrued interest. As such, allowance has been made for the lifetime expected loss.

	<b>Related Parties</b>
	<b>\$</b>
Opening loss allowance as at 1 January 2023 (calculated under IFRS 9)	-
Increase in allowance recognised in profit or loss during the period	44,971
Impact of foreign exchange rates	3,081
<b>Closing loss allowance as at 31 December 2023</b>	<b>48,052</b>

As at 31 December 2023, the Group considers the credit risk on trade receivables to be very low. The assessment considered the individual counterparty risk and collateral held. Following this assessment, no impairment has been recognised.

The credit risk on the loan made in respect of investments in development rights in India is considered to be low as the Group holds collateral in excess of the value of the loans made.

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**14. BORROWINGS**

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current</b>		
Bonds	29,803,541	35,528,565
Facilities	-	63,506,063
Other loans	59,835,156	64,324,015
Total non-current borrowings	89,638,697	163,358,643
<b>Current</b>		
Facilities	65,729,866	1,888,282
Total current borrowings	65,729,866	1,888,282
<b>Total borrowings</b>	155,368,563	165,246,925

**Bonds**

The Group's Swiss Franc convertible bonds are due for repayment on 31 March 2027. Interest at the rate of 6.25% per annum is paid quarterly. Until March 2024, the bonds could be converted at a share price of CHF 10.00 per share (see note 28). On 31 December 2023, the total of bonds held by third parties was CHF 25.74 million (2022 – CHF 26.44 million). The Group can issue up to a total of CHF 42.04 million of the bonds. The Bonds are subject to a covenant that the Group maintains the ratio of the net value of all assets held by the Arundel Group to the aggregate principal amount of the bonds of equal to or greater than 2:1. This is reviewed and tested on each interest payment date. On 31 December 2023 the ratio was 2.02:1 (2022 – 2.62:1).

In 2021, the Group issued \$7.75 million Guaranteed Secured Notes on which interest accrued at an initial rate of 6% per annum (rising to 8% as at 31 December 2021 and 10% as at 31 December 2022). The notes had a maturity date of 31 March 2024, however, these notes and accrued interest were repaid in full in October 2023.

**Facilities**

In 2019 the group entered into a 5-year facility with a major German financial institution to refinance debt secured against the Leipzig property. The principal sum borrowed was €65 million and the interest rate was fixed at 0.95% per annum. Under the terms of the financing approximately 10.5% of the principal sum would be amortised during the term of the loan. On 31 December 2023 the balance outstanding was €59.7 million (2022: €61.4 million). This facility is due for repayment in September 2024; hence it is shown as current borrowings on 31 December 2023. See Note 2.1 for information on the refinancing of this facility.

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**14. BORROWINGS (continued)**

**Other Loans – non-current**

At 31 December 2023 Other Loans included various loans from minority shareholders totaling \$57.0 million (December 2022 - \$60.1 million). The maturity date of these loans is 31 December 2028 and the weighted average interest rate is 2.63% per annum. In December 2023, the Group entered into an agreement to convert approximately \$3.4 million of this debt into shares of the Company (Note 19).

Also included are other loans totaling approximately \$2.8 million (31 December 2022 - \$2.7 million) on which interest is charged at an interest rate of 6.0% per annum and which mature in January 2026. During 2023 the Group repaid \$1.5 million of other loans secured by a charge against the freehold property in London upon its disposal (Note 26 (d)).

The maturity of non-current borrowings is as follows:

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Between 1 and 2 years	-	72,647,513
Between 2 and 5 years	89,638,697	30,600,358
Over 5 years	-	60,110,772
Non-current borrowings	89,638,697	163,358,643

The carrying amounts and fair value of the non-current borrowings are as follows:

	<b>Carrying amounts</b>		<b>Fair values</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Non-current borrowings	89,638,697	163,358,643	81,872,189	150,047,790

The fair values are based on cash flows discounted using a rate based upon a borrowings rate of between 4.0% and 6.25% (December 2022 – 4.25% to 10.49%). These are level 3 in the fair value hierarchy.

The fair value of current borrowings approximates their carrying value.



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**14. BORROWINGS (CONTINUED)**

Changes in liabilities arising from financing activities in the year ended 31 December 2023 and 31 December 2022 are as follows:

	As at 1 January 2023	Cash flows		Non cash changes						As at 31 December 2023
		Proceeds from borrowings	Repayment of borrowings	Amortisation of Debt Issue Costs	Conversion of debt to equity	Foreign Exchange	Other drawdowns	Change in maturity	Movement in equity component of bonds	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-current borrowings	163,358,643	-	(9,960,456)	296,861	(3,420,000)	4,819,480	253,566	(65,729,866)	20,469	89,638,697
Current borrowings	1,888,282	-	(1,904,680)	-	-	16,398	-	65,729,866	-	65,729,866
<b>Total</b>	<b>165,246,925</b>	<b>-</b>	<b>(11,865,136)</b>	<b>296,861</b>	<b>(3,420,000)</b>	<b>4,835,878</b>	<b>253,566</b>	<b>-</b>	<b>20,469</b>	<b>155,368,563</b>

	As at 1 January 2022	Cash flows		Non cash changes						As at 31 December 2022
		Proceeds from borrowings	Repayment of borrowings	Amortisation of Debt Issue Costs	Conversion of debt to equity	Foreign Exchange	Other drawdowns	Change in maturity	Movement in equity component of bonds	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-current borrowings	168,503,639	-	(676,184)	319,461	-	(4,776,354)	260,550	(272,469)	-	163,358,643
Current borrowings	3,233,838	-	(1,488,474)	7,406	-	(136,957)	-	272,469	-	1,888,282
<b>Total</b>	<b>171,737,477</b>	<b>-</b>	<b>(2,164,658)</b>	<b>326,867</b>	<b>-</b>	<b>(4,913,311)</b>	<b>260,550</b>	<b>-</b>	<b>-</b>	<b>165,246,925</b>

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**15. NON-CURRENT ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND OTHER TRANSACTIONS**

In April 2023, the Company announced its intention to seek a purchaser for its investment in development land in India. The Company expects the sale to be completed within 12 months from 31 December 2023. The assets and liabilities in relation to this investment have been reclassified into a disposal group held for sale as at 31 December 2023.

Assets of disposal group classified as held for sale are as follows:

	<b>As at 31 December 2023 \$</b>
	<b>Development Land (Discontinued Operations)</b>
Development land	6,978,966
Receivables and prepayments	755,566
Cash and cash equivalents	5,051
	<b>7,739,583</b>

As detailed in Note 12 and 13, upon transfer to the disposal group classified as held for sale, adjustment was made to the valuation of the development land to the lower of their carrying value or fair value less costs to sell. Having undertaken initial marketing of the development land the Directors consider a discount of 20.0% to the development land from the independent valuation and also to associated prepayments, to approximate fair value less costs to sell. The carrying value of the cash and cash equivalents, as at 31 December 2023 identified within the disposal group is considered to represent fair value.

Liabilities of disposal group classified as held for sale:

	<b>As at 31 December 2023 \$</b>
	<b>Development Land (Discontinued Operations)</b>
Deferred income taxation	319,175
Trade and other payables	168,171
	<b>487,346</b>

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**15. NON-CURRENT ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND OTHER TRANSACTIONS (Continued)**

The provision for deferred taxation in respect of the development land is adjusted to reflect the revised valuation as at 31 December 2023. This resulted in a release of \$0.66m to the consolidated income statement.

The carrying value of trade and other payables as at 31 December 2023 identified within the disposal group is considered to represent fair value.

Upon disposal, the cumulative translation reserve will be recycled. As at 31 December 2023 this amounted to \$730,073.

**Discontinued operations**

The results of the Group's Indian development land investment have been treated as discontinued operations as they represent a segment of the business in accordance with IFRS 5.32.

An analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets of disposal group is as follows:

	<b>Year ended 31 December 2023 \$</b>	<b>Year ended 31 December 2022</b>
Administrative expenses	(4,471)	(4,528)
Other income	1,513	1,018
Fair value gains	-	2,469
Loss on re-measurement to fair value less costs to sell on development land (Note 12)	(2,505,669)	-
Loss on re-measurement to fair value less costs to sell on receivables and prepayments (Note 13)	(190,137)	-
(Loss) before taxation	(2,698,764)	(1,041)
Taxation	636,221	53,584
Gain/(loss) for the year from discontinued operations attributable to equity owners	(2,062,543)	52,543

An analysis of the cashflows of the disposal group is as follows:

	<b>Year ended 31 December 2023 \$</b>	<b>Year ended 31 December 2022</b>
Operating cash flows	2,286	(2,479)
Net movement in cash in period	2,286	(2,479)
Cash and cash equivalents at beginning of period	2,782	5,842
Net increase in cash and cash equivalents	2,286	(2,479)
Foreign currency translation adjustments	(17)	(581)
Cash and cash equivalents at end of period	5,051	2,782

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**16. ACCRUALS**

	<b>As at 31 December 2023 \$</b>	<b>As at 31 December 2022 \$</b>
<i>Current</i>		
Loan interest and related fees	5,700,305	5,633,175
VAT (Note 11)	3,577,837	-
Audit fees	252,211	239,141
Other accrued expenses	110,390	77,539
Professional fees	401,314	52,357
<b>Total accruals</b>	<b>10,042,057</b>	<b>6,002,212</b>

**17. TRADE AND OTHER PAYABLES**

	<b>As at 31 December 2023 \$</b>	<b>As at 31 December 2022 \$</b>
<i>Current – Non-related parties</i>		
Trade Creditors	734,610	1,197,159
Liability for par value capital reduction (Note 19)	-	1,116,777
Payable re; Indian development land (Note 15)	-	169,184
Lease liability creditor	17,675	-
Other payables	11,250	174,713
<b>Total other payables</b>	<b>763,535</b>	<b>2,657,833</b>

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**18. FINANCIAL INSTRUMENTS BY CATEGORY**

<b>Assets/liabilities as per balance sheet 31 December 2023</b>	<b>Note</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>
		<b>\$</b>	<b>\$</b>
Total receivables and prepayments	13	7,563,364	-
Cash and cash equivalents		7,854,866	-
Borrowings	14	-	(155,368,563)
Trade and other payables	17	-	(2,321,371)
<b>Total</b>		<b>15,418,230</b>	<b>(157,689,934)</b>

<b>Assets/liabilities as per balance sheet 31 December 2022</b>	<b>Note</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>
		<b>\$</b>	<b>\$</b>
Total receivables and prepayments	13	7,690,035	-
Cash and cash equivalents		1,868,133	-
Borrowings	14	-	(165,246,925)
Trade and other payables	17	-	(2,671,648)
<b>Total</b>		<b>9,558,168</b>	<b>(167,918,573)</b>

See Note 14 for consideration of the fair value of borrowings. Other receivables and prepayments and cash and cash equivalents approximate fair value.

**19. SHARE CAPITAL**

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Authorised, allotted, called up and fully paid: Equity interests:</b>		
18,115,164 / 15,115,164 Ordinary shares of CHF 1.00	19,685,287	16,362,693

**Authorised share capital**

Pursuant to an authorization in Article 3c of the Company's articles of incorporation (the "Articles"), the board of directors may increase the share capital in the amount of up to CHF 4,557,582 until 31 May 2024 through the issuance of up to 4,557,582 additional registered shares with a nominal value of CHF 1.00 each. An increase in partial amounts is permitted.

**Conditional share capital**

According to Article 3a of the Articles the share capital may be increased by a maximum amount of CHF 1,511,516 through the issuance of up to 1,511,516 fully paid registered shares with a nominal value of CHF 1.00 each to enable the Company, at its discretion, to settle discretionary fees or remuneration to the board of directors or the management and to advisors of the company or its subsidiaries. Furthermore, pursuant to Article 3b of the Articles the share capital may be increased by a maximum amount of CHF 6,046,066 through the issuance of up to 6,046,066 fully paid registered shares with a nominal value of CHF 1.00 each through the exercise of conversion rights, warrant rights or option rights which have been or will be granted to bondholders or other creditors of the Company or its subsidiaries.

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**19. SHARE CAPITAL (continued)**

**Capital increase for conversion of debt to equity**

In December 2023, the Company entered into an agreement with an existing creditor to convert a portion of the Arundel group's debt outstanding into 3 million shares of the company at a price of CHF 1 per share by way of a share capital increase against a set off of approximately \$3.4m of debt (Note 14). Accordingly, 3 million new shares were registered with the Commercial Register on 12 December 2023.

**Treasury shares**

An analysis of the movement in treasury shares in the year ended 31<sup>st</sup> December 2023 and year ended 31 December 2022 is as follows:

	<b>No of Treasury Shares</b>	<b>\$</b>	<b>Average price per share \$</b>
As at 1 January 2022	223,732	601,572	2.69
Receipt of shares in settlement of obligations from shareholders	290,534	600,267	2.07
Shares issued in lieu of fees	(60,000)	(129,042)	2.15
As at 31 December 2022	454,266	1,072,797	2.36
Shares issued re: par value capital reduction liability	(160,575)	(380,604)	2.37
Receipt of shares in settlement of obligations from shareholders	120,896	30,065	0.25
Shares issued in lieu of fees	(60,000)	(136,651)	2.28
As at 31 December 2023	354,587	585,607	1.65

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**20. NON-CONTROLLING INTEREST**

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	\$	\$
Non-controlling interest	3,263,896	3,551,547

The non-controlling interest relates to a 5.1% interest in USI Verwaltungszentrum Leipzig Limited & Co. KG in Leipzig, Germany. The holder of the minority interest is Ridgemont Holdings Limited (Note 25).

Set out below are the summarised financial information of the subsidiary that has non-controlling interests that are significant to the Group, the presented figures represent 100% of the subsidiary.

<b>Summarised balance sheet</b>	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	\$	\$
<b>Non-Current</b>		
Assets	145,920,852	154,314,882
Liabilities	(82,639,019)	(82,796,313)
<b>Total non-current net assets</b>	<b>63,281,833</b>	<b>71,518,569</b>
<b>Current</b>		
Assets	3,209,792	71,917
Liabilities	(2,493,646)	(1,952,290)
<b>Total current net liabilities</b>	<b>716,146</b>	<b>(1,880,373)</b>
<b>Net assets</b>	<b>63,997,979</b>	<b>69,638,196</b>
<b>Summarised income statement</b>	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	\$	\$
Revenue	6,764,031	6,586,144
Fair value (loss)/gain on investment property	(3,831,147)	1,106,472
[Additional impairment of investment property]	(9,004,278)	-
Administrative expenses	(1,480,939)	(1,292,590)
Finance income/(costs)	(909,222)	(955,047)
Deferred taxation	855,954	(206,442)
<b>(Loss)/Gain attributable to:</b>	<b>(7,605,601)</b>	<b>5,238,537</b>
Equity owners of the parent	(7,217,715)	4,971,372
Non-controlling interests	(387,886)	267,165
	<b>(7,605,601)</b>	<b>5,238,537</b>

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**20. NON-CONTROLLING INTEREST (CONTINUED)**

<b>Summarised cash flows</b>	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Cash generated from operations	5,490,988	5,360,087
Interest paid	(631,903)	(629,988)
<b>Net cash generated from operating activities</b>	<b>4,859,085</b>	<b>4,730,099</b>
Net cash generated from investing activities	50,214	-
Net cash used in financing activities	(4,847,690)	(4,685,976)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>61,609</b>	<b>44,123</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>87,196</b>	<b>44,738</b>
Net (decrease)/increase in cash and cash equivalents	61,609	44,123
Foreign exchange movement on cash	4,002	(1,665)
<b>Cash and cash equivalents at end of period</b>	<b>152,807</b>	<b>87,196</b>

**21. INCOME TAXES**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	\$	\$
Income tax as per consolidated income statement – continuing operations	2,737,522	(1,231,810)
Income tax as per consolidate income statement – discontinued operations (Note 15)	636,221	53,584
	<b>3,373,743</b>	<b>(1,178,226)</b>

The tax on the Group's profit/loss before tax differs from the theoretical amount that would arise using the weighted average tax applicable to profits of the consolidated companies (December 2023: 14.6% December 2022: 45.67%) as follows:

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	\$	\$
(Loss) before income tax – continuing operations	(17,158,210)	(2,074,775)
(Loss) before income tax – discontinued operations	(2,698,764)	(1,041)
	<b>(19,856,974)</b>	<b>(2,075,816)</b>
Income tax calculated at domestic rates applicable to profits in respective countries	(2,898,487)	(948,063)
Current year losses with no DTA recognised	(853,098)	4,401,130
Previously unrecognised temporary difference of a prior period used to reduce tax expense	1,016,437	206,442
Previously unrecognised tax losses used to reduce tax expense	(638,446)	(1,981,476)
Other	(149)	(499,807)
<b>Tax charge</b>	<b>(3,373,743)</b>	<b>1,178,226</b>



**ARUNDEL AG**  
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**FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. DEFERRED INCOME TAX**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

A deferred tax asset is recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which these tax losses can be utilised. No provision for deferred tax assets was made at 31 December 2023 or 31 December 2022.

As at 31 December 2023, the Group had estimated unused tax losses of \$271 million (December 2022 - \$273 million), which arose between 2016 and 2023 and will expire between the end of 2024 and 2031. These losses were not capitalised as it is unlikely that they will be utilised by the Group.

As at 31 December 2023 the fair value of the investment property is above the acquisition price (refer to Note 12) and a deferred tax liability of \$2,310,414 is recorded. The fair value of the development land is above the acquisition price and a deferred tax liability of \$319,175 is recorded, this is shown as a liability of a disposal group classified as held for sale (refer Note 15). The freehold property in London was disposed of by the Group during 2023 and accordingly no deferred tax liability exists as at 31 December 2023. A current liability in respect of the disposal is shown in Note 16.

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Deferred taxation liability	2,310,414	8,314,275

The gross movement on the deferred income taxation liability account in the year is as follows:

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Beginning of year	8,314,275	7,827,138
Charged to the income statement	(5,879,161)	1,174,192
Transfer to disposal group classified as held for sale (Note 15)	(319,175)	-
Net changes due to exchange differences	194,475	(687,055)
End of year (Continuing operations)	2,310,414	8,314,275

**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**22. DEFERRED INCOME TAX (CONTINUED)**

Movements in deferred taxation in the year ended 31 December 2023 and 31 December 2022 are as follows:

	Fair value gain on Freehold Property	Fair value gain on Investment Property	Fair value gain on Development Land	Timing differences on capital allowances	Total Continuing Operations	Fair value gain on Development Land (Discontinued)	Total
	\$	\$	\$	\$	\$	\$	\$
<b>As at 31 December 2022</b>	<b>4,237,965</b>	<b>3,090,273</b>	<b>955,948</b>	<b>30,089</b>	<b>8,314,275</b>	-	<b>8,314,275</b>
Charged to the income statement – continuing operations	(4,356,058)	(855,954)	-	(30,928)	(5,242,940)	-	<b>(5,242,940)</b>
Charged to the income statement – discontinued operations	-	-	(636,221)	-	(636,221)	-	<b>(636,221)</b>
Transfer to disposal group classified as held for sale	-	-	(319,175)	-	(319,175)	319,175	-
Net changes due to exchange differences	118,093	76,095	(552)	839	194,475	-	<b>194,475</b>
<b>As at 31 December 2023</b>	<b>-</b>	<b>2,310,414</b>	<b>-</b>	<b>-</b>	<b>2,310,414</b>	<b>319,175</b>	<b>2,629,589</b>

	Fair value gain on Freehold Property	Fair value gain on Investment Property	Fair value gain on Development Land	Timing differences on capital allowances	Total Continuing Operations	Fair value gain on Development Land	Total
	\$	\$	\$	\$	\$	\$	\$
<b>As at 31 December 2021</b>	<b>3,602,862</b>	<b>3,054,695</b>	<b>1,117,996</b>	<b>51,585</b>	<b>7,827,138</b>	-	<b>7,827,138</b>
Charged to the income statement – continuing operations	1,037,749	206,442	-	(16,416)	1,227,775	-	<b>1,227,775</b>
Charged to the income statement – discontinued operations	-	-	(53,584)	-	(53,584)	-	<b>(53,584)</b>
Net changes due to exchange differences	(402,646)	(170,864)	(108,464)	(5,080)	(687,054)	-	<b>(687,054)</b>
<b>As at 31 December 2022</b>	<b>4,237,965</b>	<b>3,090,273</b>	<b>955,948</b>	<b>30,089</b>	<b>8,314,275</b>	-	<b>8,314,275</b>

**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**23. INVESTMENTS IN SUBSIDIARIES**

The subsidiaries of the Group as of 31 December are as follows:

	Country of Incorporation	Ownership Percentage	
		Dec 2023	Dec 2022
Arundel (Schweiz) AG <sup>1</sup>	Switzerland	Nil	100%
USIGH Limited	BVI	100%	100%
USIGH III Investments Holdings Limited <sup>2</sup>	BVI	100%	100%
USI Germany Limited	BVI	100%	100%
USI Leipzig Limited	BVI	100%	100%
USI Verwaltungszentrum Leipzig Limited & Co KG	Germany	94.9%	94.9%
USI Leipzig GmbH	Germany	100%	100%
Arundel Real Estate Pte. Ltd.	Singapore	100%	100%
Omkar Property Development Private Limited	India	100%	100%
Arundel Investments Pte Ltd.	Singapore	100%	100%
Arundel Inc	USA	100%	100%
Arundel Group Limited	UK	100%	100%
Arundel (Securities) Inc.	USA	100%	100%
Arundel (Mauritius) Limited <sup>2</sup>	Mauritius	100%	100%
Seafire Capital LLC	USA	50%	50%

*1 - Company merged with Arundel AG in 2023*

*2- Dormant company and/or in process of liquidation*

**24. FOREIGN EXCHANGE RATES**

	Balance Sheet		Income Statement and Cash Flow Statement	
	31 December 2023	31 December 2022	average Year ended 31 December 2023	average Year ended 31 December 2022
	\$	\$	\$	\$
EUR	0.905	0.932	0.924	0.951
CHF	0.841	0.925	0.899	0.955
GBP	0.785	0.826	0.804	0.811
SGD	1.321	1.341	1.343	1.379
INR	83.249	82.750	82.572	78.598

**ARUNDEL AG**  
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**25. SEGMENT INFORMATION**

	<b>Note</b>	<b>Continued Operations</b>			<b>Discontinued</b>		
		<b>Investments in Government Tenanted Property (Germany)</b>	<b>Investment Advisory (UK/US)</b>	<b>Head Office and Reconciling Central Costs</b>	<b>Total Continued Operations</b>	<b>Investments in Development Land (India)</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year ended 31 December 2023</b>							
Revenue	5	6,764,031	1,548,372	-	8,312,403	-	8,312,403
Net loss on fair value movement on investment property	12	(12,835,425)	-	-	(12,835,425)	-	(12,835,425)
Loss on disposal of property, plant and equipment	11	-	-	(4,754,040)	(4,754,040)	-	(4,754,040)
Net loss on remeasurement to fair value less costs to sell	15	-	-	-	-	(2,695,806)	(2,695,806)
Impairment of financial assets	13	-	-	(44,971)	(44,971)	-	(44,971)
Other income	7	-	-	206,152	206,152	1,514	207,666
Finance income	8	-	47,815	2,056,536	2,104,351	-	2,104,351
Finance costs	9	(909,223)	-	(4,428,120)	(5,337,343)	-	(5,337,343)
Tax charge	21	855,954	-	1,881,568	2,737,522	636,221	3,373,743
<b>(Loss)/profit after tax</b>		<b>(7,605,602)</b>	<b>(161,182)</b>	<b>(6,653,904)</b>	<b>(14,420,688)</b>	<b>(2,062,543)</b>	<b>(16,483,231)</b>
<b>Assets</b>							
Investment property and development land	12	145,920,852	-	-	145,920,852	6,978,966	152,899,818
Property, plant and equipment	11	-	-	18,866	18,866	-	18,866
Other receivables (Advance development rights payments)	15	-	-	-	-	754,364	754,364
Investments	26	-	1,000	-	1,000	-	1,000
Non current receivables – related party	13	-	-	3,247,086	3,247,086	-	3,247,086
Current Receivables and prepayments	13	43,228	3,584,000	689,050	4,316,278	1,202	4,317,480
Cash and cash equivalents		152,807	134,993	7,567,066	7,854,866	5,051	7,859,917
<b>Segment assets for reportable segments</b>		<b>146,116,887</b>	<b>3,719,993</b>	<b>11,522,068</b>	<b>161,358,948</b>	<b>7,739,583</b>	<b>169,098,531</b>
Of which are non-current assets:		145,920,852	1,000	3,265,952	149,187,804	-	149,187,804
<b>Liabilities</b>							
Total borrowings	14	65,729,866	-	89,638,697	155,368,563	-	155,368,563
Deferred taxation	22	2,310,414	-	-	2,310,414	319,175	2,629,589
Accruals	16	355,348	-	9,686,709	10,042,057	-	10,042,057
Trade and other payables	17	-	734,610	1,586,761	2,321,371	168,171	2,489,542
<b>Segment liabilities for reportable segments</b>		<b>68,395,628</b>	<b>734,610</b>	<b>100,912,167</b>	<b>170,042,405</b>	<b>487,346</b>	<b>170,529,751</b>

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Advisory income is derived from a number of external customers. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

**ARUNDEL AG**  
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**25. SEGMENT INFORMATION – RESTATED**  
**(Continued)**

**Year ended 31 December 2022**

	Note	Continued Operations			Discontinued	Total	
		Investments in Government Tenanted Property (Germany)	Investment Advisory (UK/US)	Head Office and Reconciling Central Costs	Total Continued Operations	Investments in Development Land (India)	Total
		\$	\$	\$	\$	\$	\$
Revenue	5	6,586,144	2,007,285	-	8,593,429	-	8,593,429
Net gain on fair value movement on investment property	12	1,106,472	-	-	1,106,472	2,469	1,108,941
Other income	7	-	930,000	128,096	1,058,096	1,018	1,059,114
Finance income	8	-	-	535	535	-	535
Finance costs	9	(908,710)	-	(6,366,232)	(7,274,942)	-	(7,274,942)
Tax charge	21	(206,442)	-	(1,025,368)	(1,231,810)	53,584	(1,178,226)
<b>(Loss)/profit after tax</b>		<b>5,284,874</b>	<b>(64,520)</b>	<b>(8,526,939)</b>	<b>(3,306,585)</b>	<b>52,543</b>	<b>(3,254,042)</b>

**Assets**

Investment property and development land	12	154,314,882	-	-	154,314,882	9,521,300	163,836,182
Property, plant and equipment	11	-	-	22,035,947	22,035,947	-	22,035,947
Other receivables (Advance development rights payments)	15	-	-	-	-	954,682	954,682
Investments	26	-	1,000	-	1,000	-	1,000
Non current receivables – related party	13	-	-	3,210,654	3,210,654	-	3,210,654
Current Receivables and prepayments	13	-	2,695,500	829,199	3,524,699	-	3,524,699
Cash and cash equivalents		87,197	1,093,156	684,998	1,865,351	2,782	1,868,133
<b>Segment assets for reportable segments</b>		<b>154,402,079</b>	<b>3,789,656</b>	<b>26,760,798</b>	<b>184,952,533</b>	<b>10,478,764</b>	<b>195,431,297</b>
Of which are non-current assets:		154,314,882	1,000	25,246,601	179,562,483	10,475,982	

**Liabilities**

Total borrowings	14	65,394,367	-	99,852,558	165,246,925	-	165,246,925
Deferred taxation	22	3,090,273	-	4,268,054	7,358,327	955,948	8,314,275
Accruals	16	64,006	-	5,938,206	6,002,212	-	6,002,212
Trade and other payables	17	-	1,197,159	1,305,305	2,502,464	169,184	2,671,648
<b>Segment liabilities for reportable segments</b>		<b>68,548,646</b>	<b>1,197,159</b>	<b>111,364,123</b>	<b>181,109,928</b>	<b>1,125,132</b>	<b>182,235,060</b>

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Advisory income is derived from a number of external customers. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**25. SEGMENT INFORMATION (CONTINUED)**

The assets and liabilities of the reportable segments together with Head Office and Reconciling Central Costs equal total assets and liabilities in both periods.

As at 31 December 2023 and 31 December 2022, there were no non-current fixed assets held in Switzerland.

**26. RELATED PARTY TRANSACTIONS**

**(a) Parent entity**

The group has no controlling party. At the year end, the following significant shareholders were listed in the share register with shareholdings in excess of 5% of issued share capital.

	<b>Year Ended 31 December 2023 (Voting Rights)</b>	<b>Year Ended 31 December 2022 (Voting Rights)</b>
Green Street Global Investments Limited	23.36%	8.15%
NCR Developments Limited	9.09%	11.69%
David and Kathleen Quint	9.04%	10.84%
Doraiswamy Srinivas	8.84%	9.99%
Ewok Capital Management Limited	7.01%	7.94%
Mrs Beatrix Lanfranconi	8.32%	9.97%

**(b) Directors and Management Compensation**

The following fees for director's fees, salaries and other compensation including employer's payroll taxes and other benefits were recognised in December 2023 and December 2022.

	<b>Year Ended 31 December 2023 \$</b>	<b>Year Ended 31 December 2022 \$</b>
Mr. Markus Müller*	68,587	31,416
Mr. David Quint	387,185	350,854
Mr. Ralph Beney	326,288	316,533
Mr. Richard Borg**	N/A	408,150

The directors and management do not have any post-employment benefits, long-term benefits, termination benefits or share-based payments included in compensation and the entire amount is reflective of short-term employee benefits.

\* In addition, \$nil (2022 – \$32,774) was paid to a company beneficially owned by Mr Müller in respect of other services provided to the Group.

\*\* Effective 26 July 2022, Mr. Richard Borg ceased to be a member of Executive Management. His position was made redundant on 31 December 2022. His total remuneration for 2022 includes a provision of \$19,354 for statutory redundancy pay in the United Kingdom.

**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**26. RELATED PARTY TRANSACTIONS (continued)**

**(c) Loans to related parties**

<i>Loan to Ridgemont Holdings Limited</i>	<b>Year Ended 31 December 2023</b>	<b>Year Ended 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
At beginning of period	3,210,651	3,405,106
Foreign exchange movement	87,487	(194,452)
At end of period	<u>3,298,138</u>	<u>3,210,654</u>

Ridgemont is owned by David Quint Jnr who was an employee of the Group until 31 December 2022 and the son of David Quint Snr who is a Director of the Company. The loan, referred to in Note 13, is secured by Ridgemont's 5.1% interest in the Partnership referred to in Note 20. No interest has been charged on this loan since 2016 as collection cannot be guaranteed. As at 31 December 2023 the value of the 5.1% interest is slightly lower than the value of the loan and interest, as such an impairment provision has been made. (See Note 13).

**(d) Loans from related parties**

<i>Loans from Mrs Kathleen Quint of £750,000 and £450,000</i>	<b>Year Ended 31 December 2023</b>	<b>Period Ended 31 December 2022</b>
	<b>\$</b>	<b>\$</b>
At beginning of period	1,452,072	1,623,228
Interest charged	130,224	124,693
Interest paid	(130,224)	(124,693)
Repayment of loan	(1,461,356)	-
Foreign exchange movement	9,284	(171,156)
At end of period	<u>-</u>	<u>1,452,072</u>

The loans were payable to Mrs Kathleen Quint, wife of David Quint Snr. Interest was payable to Mrs Quint at 5% over the rate charged to Mrs Quint from her lender. The weighted average interest rate charged to the Group on the £750,000 and £450,000 in 2023 was 11.21%. These loans were repaid in October 2023.

**(e) Lease agreement with related parties**

Effective 19 July 2021, the Group entered into a lease agreement to let one floor of the Group's freehold property in London with Ascension Healthcare Plc. Mr David Quint Snr. serves as a non-executive Director of this company. During the year ended 31 December 2023, the Group received \$78,301 income (2022 - \$105,161) in respect of this agreement. This lease agreement was terminated in September 2023 prior to the disposal of the London property.

**(f) Investment in Seafire Capital LLC**

In October 2022, the Group entered into an operating agreement whereby the Group stated an intention to transfer all US regulated activities to Seafire Capital LLC ("Seafire") as soon as approval was granted by FINRA, the regulator in the US. The Group owns 50% of the issued share capital of Seafire, which is carried at a cost of \$1,000, with the remaining 50% beneficially owned by David Quint Jnr who is responsible for all operational matters undertaken by Seafire. Effective 31 December 2022, David Quint Jnr's employment transferred from the Group to Seafire.

During the year ended 31 December 2023, the Group received advisory fees totalling \$520,672 (2022 - \$400,000) from Seafire.

**ARUNDEL AG**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**27. DISCLOSURE OF PARTICIPATIONS OF BOARD OF DIRECTORS AND GROUP MANAGEMENT**

The following participations were held by the Board of Directors and the Group Management (including persons closely related to these members) on 31 December 2023:

	<b>Shares December 2023</b>	<b>Shares December 2022</b>
<b>Board of Directors</b>		
Mr. David Quint	1,638,075	1,638,075
Mr. Markus Müller	Nil	Nil
Mr. Ralph Beney	542,091	542,091
<b>Total</b>	<b>2,180,166</b>	<b>2,180,166</b>

**28. SUBSEQUENT EVENTS**

On 16 February 2024 the Company announced that a majority of CHF convertible bond holders had consented to amend the terms of the bonds, effective 1 March 2024, to eliminate the convertibility of the bonds into shares of the Company.

In February 2024 the Company and Seafire (Note 26 (f)) decided to liquidate Arundel (Securities) Inc rather than transfer the subsidiary to Seafire. The liquidation is expected to be completed during 2024.

**29. BOARD APPROVAL**

The consolidated financial statements on pages 11 to 55 are subject to approval by the annual general meeting and have been authorised by the board of directors on 29 April 2024 and were signed on its behalf by:



Mr. David Quint  
 Chairman  
 Date: 29 April 2024



Mr. Markus Müller  
 Director  
 Date: 29 April 2024



# Report of the statutory auditor

to the General Meeting of Arundel AG

Zurich

## Report on the audit of the financial statements

### Opinion

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

In our opinion, the financial statements (pages 58 to 70) comply with Swiss law and the Company's articles of incorporation.

### Basis for opinion

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

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

### Material uncertainty related to going concern

We draw your attention to note 1.3 to these financial statements, which states that the Company's subsidiaries have certain borrowings that mature until 30 September 2024. If the Company's subsidiaries are unable to refinance the borrowings or to extend their repayment date, this would significantly affect the Company's liquidity. In response to this uncertainty the Company and its subsidiaries have taken the measures disclosed in note 1.3 of these financial statements. As the outcome of these measures is uncertain, this indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern. Our opinion is not qualified in respect of this matter.

### Our audit approach

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#### Overview

Overall materiality: CHF 8'000

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

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

Valuation of investments in and receivables from subsidiaries

### Materiality

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

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

<b>Overall materiality</b>	CHF 8'000
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as a relevant benchmark for a company that mainly holds investments in subsidiaries. This is a generally accepted benchmark.

### Audit scope

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

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the matter described below to be the key audit matter to be communicated in our report.

## Valuation of investments in and receivables from subsidiaries

Key audit matter	How our audit addressed the key audit matter
<p>Refer to page 65 (Note 2.1: Investments).</p> <p>At 31 December 2023, the carrying value of the Company's investments in and receivables from subsidiaries amounts to CHF 1.6 million and CHF 0 million. We focused our audit on this because of the significance of these line items to the total assets, the impact on the income statement and the judgment involved in valuing the investments.</p> <p>Management assesses the recoverable amount of the investments in and receivables from subsidiaries based on the net assets of the subsidiary.</p> <p>As a result of these assessments, Management recognized the impairment on investments in and receivables from subsidiaries of CHF 10.6 million and CHF 7.1million in 2023 as described in Notes 2.1 and 2.10.</p>	<p>We have assessed Management's assessment of the investments' and receivables values by performing the following procedures:</p> <ul style="list-style-type: none"><li>• We compared the subsidiaries' net assets to the combined carrying value of the investment in and the receivables from subsidiaries.</li></ul> <p>Based on the work performed, we determined the principles used by Management to assess the carrying value of the investments in and receivables from subsidiaries to be reasonable.</p>

### Other information

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

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

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

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

### Board of Directors' responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

## Report on other legal and regulatory requirements

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

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

Furthermore, we draw attention to the fact that half of the sum of share capital, non-distributable legal capital reserve and legal profit reserve is no longer covered (article 725a para. 1 CO).

PricewaterhouseCoopers AG

Rolf Johner

Corinne Lüthy

Licensed audit expert  
Auditor in charge

Licensed audit expert

Zürich, 29 April 2024

Enclosure:

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

**ARUNDEL AG**  
**AS AT 31 DECEMBER 2023**

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**Balance Sheet – Assets**

CHF	Note	As at 31 December 2023	As at 31 December 2022
<b>Assets</b>			
Cash and cash equivalents		10,596	7,773
Other current receivables			
third parties		33,403	49,321
companies in which the entity holds an investment		-	2,663,927
<b>Current assets</b>		<b>43,999</b>	<b>2,721,021</b>
Investments	2.1	1,595,702	13,187,633
<b>Non-current assets</b>		<b>1,595,702</b>	<b>13,187,633</b>
<b>Total Assets</b>		<b>1,639,701</b>	<b>15,908,654</b>

**ARUNDEL AG**  
**AS AT 31 DECEMBER 2023**

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**Balance Sheet – Liabilities and Equity**

CHF	Note	As at 31 December 2023	As at 31 December 2022
<b>Liabilities and Shareholders' equity</b>			
Due to shareholders		-	1,032,497
Due to companies in which the entity holds an investment		341,018	766,782
Accrued expenses and deferred income	2.2	154,084	49,391
<b>Short-term liabilities</b>		<b>495,102</b>	<b>1,848,670</b>
Share capital	2.4	18,115,165	15,115,165
Other legal reserves	2.4	442,283	442,283
Voluntary retained earnings			
Accumulated profits	2.4	435,220	15,681,762
Loss for the year		(16,936,972)	(15,829,881)
Treasury shares			
from reserves from capital contributions	2.5	(911,097)	(1,349,345)
<b>Shareholders' equity</b>		<b>1,144,599</b>	<b>14,059,984</b>
<b>Total Liabilities and Shareholders' equity</b>		<b>1,639,701</b>	<b>15,908,654</b>

**ARUNDEL AG**  
**YEAR ENDED 31 DECEMBER 2023**

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**Income statement**

CHF	Note	Year Ended 31 December 2023	Year Ended 31 December 2022
Other income	2.6	1,261,343	1,386,829
Personnel expenses		(10,000)	(10,000)
Other operating expenses	2.7	(505,516)	(554,507)
<b>Operating result</b>		<b>745,827</b>	<b>822,322</b>
Financial income	2.8	-	182
Financial expenses	2.9	(3,977)	(567)
Extraordinary, non-recurring or prior year period (expenses)/income	2.10	(17,678,822)	(16,651,818)
<b>Loss for the year before taxes</b>		<b>(16,936,972)</b>	<b>(15,829,881)</b>
Direct taxes		-	-
<b>Loss for the year</b>		<b>(16,936,972)</b>	<b>(15,829,881)</b>

## Notes

### 1. Principles

#### 1.1 General Aspects

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

#### 1.2 Company information

Arundel AG (the “Company”) is domiciled in Switzerland with its registered office at Gotthardstrasse 21, CH-8002, Zürich and is the ultimate parent company of the Arundel Group (the “Group”). The Company is an investment holding company. The Group is focused on investment and financing activities in Europe, the USA and India. The Company is listed on the SIX Swiss Exchange.

The financial statements of the Company have been prepared in accordance with and comply with Swiss law. The financial statements are reported in Swiss Francs and are based on the accounts for the year ended 31 December, which have been drawn up according to uniform accounting principles.

#### 1.3 Going Concern

The liabilities of the subsidiaries of the Group include borrowings of approximately \$65.7 million in respect of debt secured on the Leipzig properties, repayable on 30 September 2024. If the Group is unable to repay or refinance these borrowings or to extend their repayment date, this would significantly affect the Group’s liquidity. As the Group’s ability to repay, refinance or extend the maturity of the liabilities is currently uncertain, this indicates a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern.

In response to this uncertainty, the Company has taken a number of steps to ensure that it has sufficient liquidity to meet its obligations for the foreseeable future. These measures include:

- 1) The Group has commenced discussions with the lender currently secured by the Leipzig Properties in respect of refinancing the current five-year facility which matures on 30 September 2024. Indicative terms have been received and are being considered by the Directors who are confident that a refinancing will be secured prior to the maturity of the current facility.
- 2) The Group’s Swiss Franc convertible bonds are scheduled to be repaid on 31 March 2027. Whilst the Group would prefer not to place any additional bonds, it has capacity to issue up to CHF 16 million of bonds if it was necessary to do so.
- 3) The Directors have decided to sell the development land in India. The sale process is expected to be completed before the end of 2024. The proceeds will be used to repay debt and/or for working capital purposes. The development land and associated loans were valued at approximately \$7.7 million on 31 December 2023.
- 4) The Group signed a mandate in 2023 with an affiliate of the Group’s German advisor, to create a strategy for redevelopment of the Leipzig Properties to improve the Environmental Social Governance (“ESG”) aspects of the buildings. The Group commissioned an initial study to determine the range and scope of improvements to be undertaken and is currently in discussions with the tenant on various options. If this project is successful, the Group would seek a new long-term lease with the tenant at an improved rent. The Group would seek ESG financing in Germany for a significant portion of the expected capital expenditure.

The financial statements have been prepared on a going concern basis as the Board of Directors is confident that the measures described above can be implemented in due time.



**1.3 Going Concern (continued)**

The Directors will propose that the par value of the Company's shares be reduced from CHF 1.00 per share to CHF 0.01 per share at the Annual General Meeting of the Company planned for 29 May 2024. If approved by shareholders, share capital will be reduced by CHF 17,934,013 with a corresponding reduction on the accumulated deficit on retained earnings.

**1.4 Treasury Shares**

Treasury shares are recognised at acquisition cost and deducted from shareholders' equity at the time of acquisition, adjusted for any change in par value. In the event of a sale the gain or loss is recognised through reserves.

**1.5 Foregoing a cashflow statement and additional disclosures in the notes.**

As Arundel AG has prepared its consolidated financial statements in accordance with a recognised accounting standard (IFRS) it has decided to forego presenting a cashflow statement as well as additional information on interest bearing liabilities and audit fees in accordance with the law.

**ARUNDEL AG**  
**YEAR ENDED 31 DECEMBER 2023**

**2. Information on balance sheet and income statement items**

**2.1 Investments**

**As at 31 December 2023**

<b>Company and Domicile</b>	<b>Number of Shares Owned</b>	<b>Type of Shares and Nominal Value</b>	<b>Share Capital in issue</b>	<b>Direct/ Indirect Ownership % 31 December 2023 (Capital and voting rights)</b>	<b>Direct/ Indirect Ownership % 31 December 2022 (Capital and voting rights)</b>
<b>DIRECT SHAREHOLDINGS</b>					
USIGH Limited Nerine Chambers, Road Town, Tortola, BVI, Registered number 1039705	10,000	Ordinary US\$ 0.01	US\$ 100	100	100
Arundel (Schweiz) AG <sup>1</sup> Gotthardstrasse 21, CH-8002 Zurich, Switzerland, Registered number: CH-020.3.927.468-9	11,000	Ordinary CHF 100	CHF 1,100,000	Nil	100
Arundel Real Estate Pte Limited 67 McNair Road, Townerville, Singapore, Registered number: 201503006R	1,000	Ordinary US \$1.00	US\$ 1,000	100	100
Arundel Investments Pte Ltd 67 McNair Road, Townerville, Singapore, Registered number: 201503405D	1,000	Ordinary US \$1.00	US\$ 1,000	100	100
USIGH III Investments Holdings Limited Nerine Chambers, Road Town, Tortola, BVI, Registered number 1531975	2	Ordinary US\$ 1.00	US \$2.00	100	100
Arundel Inc 45 Rockefeller Plaza, Suite 2000, New York, NY 10111, USA Registered number 819194	1,115	Ordinary No par value	US\$ 11,150	100	100
USI Leipzig GmbH Brühl 10, 04109 Leipzig Registered number: HRB206969	25,000	Ordinary €1.00	€25,000	100	100

<b>INDIRECT SHAREHOLDINGS</b>					
USI Germany Limited Nerine Chambers, Road Town, Tortola, BVI, Registered number 1440436	1	Ordinary US\$ 1.00	US\$ 1.00	100	100
USI Leipzig Limited Nerine Chambers, Road Town, Tortola, BVI, Registered number 1417877	1,000	Ordinary No par value	-	100	100
Omkar Property Development Private Limited 37 Krishnaswamy Avenue, Mylapore, Chennai 600004, Tamil Nadu, India, Registered number U70100TN2015PTC099260	600,000	Indian rupees ("INR") 10	INR 6 million	100	100
Arundel Group Limited 31A St James's Square London SW1Y 4JR Registered number 02722984	20,001	Ordinary GBP 1.00	GBP 20,001	100	100
Arundel (Securities) Inc 45 Rockefeller Plaza, Suite 2000, New York, NY 10111, USA Registered number 01446223	1	Ordinary US\$ 1.00	US\$ 1.00	100	100
Arundel (Mauritius) Limited 33 Edith Cavell Street, Port Louis Mauritius Registered number C20170 C1/GBL	10,000	Ordinary US \$1.00	US\$ 10,000	100	100

<sup>1</sup> Arundel (Schweiz) AG merged with Arundel AG in accordance a merger agreement dated 21 June 2023. The net assets of Arundel (Schweiz) AG as at 1 January 2023 were assumed by Arundel AG and the share capital of the company was annulled as of this date.

The Arundel Group also owns a 94.9% interest in a German partnership named USI Verwaltungszentrum Leipzig Limited & Co KG.

**ARUNDEL AG**  
**YEAR ENDED 31 DECEMBER 2023**

**Impairments of Investments**

	Gross Value	Cumulative Impairments to 31 December 2022	Net Value as at 31 December 2022	Impairments to 31 December 2023	Net assets assumed on merger	Net Value as at 31 December 2023
<b>Investment</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>
- USIGHL	99,062,720	(96,062,603)	3,000,117	(3,000,117)	-	-
- Arundel Real Estate Pte Limited	63,215,721	(63,176,645)	39,076	(39,076)	-	-
-Arundel Inc	17,384,810	(8,263,470)	9,121,340	(7,549,407)	-	1,571,933
-USI Leipzig GmbH	28,317	(8,858)	19,459	4,310	-	23,769
<b>Sub Total</b>	<b>179,691,568</b>	<b>(167,511,576)</b>	<b>12,179,992</b>	<b>(10,584,290)</b>	<b>-</b>	<b>1,595,702</b>
- Arundel (Schweiz) AG	4,326,980	(3,319,339)	1,007,641	-	(1,007,641)	-
<b>Total Investments</b>	<b>184,018,548</b>	<b>(170,830,915)</b>	<b>13,187,633</b>	<b>(10,584,290)</b>	<b>(1,007,641)</b>	<b>1,595,702</b>

**ARUNDEL AG**  
**YEAR ENDED 31 DECEMBER 2023**

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**2.2 Accrued Expenses and Deferred Income**

	<b>At 31 December 2023 CHF</b>	<b>At 31 December 2022 CHF</b>
Professional fees	154,084	49,391
<b>Total</b>	<b>154,084</b>	<b>49,391</b>

**2.3 Share Capital**

**Authorised share capital**

Pursuant to an authorization in Article 3c of the Company's articles of incorporation (the "Articles"), the board of directors may increase the share capital in the amount of up to CHF 4,557,582 until 31 May 2024 through the issuance of up to 4,557,582 additional registered shares with a nominal value of CHF 1.00 each. An increase in partial amounts is permitted.

**Conditional share capital**

According to Article 3a of the Articles the share capital may be increased by a maximum amount of CHF 1,511,516 through the issuance of up to 1,511,516 fully paid registered shares with a nominal value of CHF 1.00 each to enable the Company, at its discretion, to settle discretionary fees or remuneration to the board of directors or the management and to advisors of the company or its subsidiaries. Furthermore, pursuant to Article 3b of the Articles the share capital may be increased by a maximum amount of CHF 6,046,066 through the issuance of up to 6,046,066 fully paid registered shares with a nominal value of CHF 1.00 each through the exercise of conversion rights, warrant rights or option rights which have been or will be granted to bondholders or other creditors of the Company or its subsidiaries.

**Capital increase for conversion of debt to equity**

In December 2023, the Company entered into an agreement with an existing creditor to convert a portion of the Arundel group's debt outstanding into 3 million shares of the company at a price of CHF 1 per share by way of a share capital increase against a set off of debt in accordance with the Company's articles of association. Accordingly on 12 December 2023 3 million new shares were registered with the Commercial Register.

The amount of debt converted based on the Swiss Franc/US Dollar exchange rate on completion was approximately \$3.4m

**ARUNDEL AG**  
**YEAR ENDED 31 DECEMBER 2023**

**2.4 Equity table**

	Share capital	Other legal reserves	Accumulated profits/(losses)	Loss for the year	Treasury shares	Total
<b>CHF</b>						
<b>As at 1 January 2023</b>	<b>15,115,165</b>	<b>442,283</b>	<b>15,681,762</b>	<b>(15,829,881)</b>	<b>(1,349,345)</b>	<b>14,059,984</b>
Reallocation of prior year loss <sup>1</sup>	-	-	(15,829,881)	15,829,881	-	-
Issuance of new shares	3,000,000	-	-	-	-	3,000,000
Change in treasury shares	-	-	583,339	-	438,248	1,021,587
Profit/(loss) for the year	-	-	-	(16,936,972)	-	(16,936,972)
<b>As at 31 December 2023</b>	<b>18,115,165</b>	<b>442,283</b>	<b>435,220</b>	<b>(16,936,972)</b>	<b>(911,097)</b>	<b>1,144,599</b>

<sup>1</sup> In accordance with a resolution passed at the AGM held on 30 May 2023.

**ARUNDEL AG**  
**YEAR ENDED 31 DECEMBER 2023**

**2.5 Treasury Shares**

As at 31 December 2023 the Group held 364,588 shares of the Company (31 December 2022 – 454,267 shares). The number of shares held directly by the Company changed as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>Shares</b>	<b>Shares</b>	<b>CHF</b>	<b>CHF</b>
Treasury shares				
Opening balance	464,267	223,733	1,349,345	879,054
Shares transferred from subsidiary	120,896	290,534	26,355	592,689
Shares issued re: liability to shareholders	(160,575)	-	(341,281)	-
Shares issued in exchange for services rendered	(60,000)	(60,000)	(123,322)	(122,398)
Closing balance	<b>364,588</b>	<b>454,267</b>	<b>911,097</b>	<b>1,349,345</b>

**2.6 Other Income**

<b>Other Income</b>	<b>Year Ended 31 December 2023 CHF</b>	<b>Year Ended 31 December 2022 CHF</b>
Management charge income from subsidiary	1,261,343	1,386,829
<b>Total</b>	<b>1,261,343</b>	<b>1,386,829</b>

**ARUNDEL AG**  
**YEAR ENDED 31 DECEMBER 2023**

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**2.7 Expenses**

	<b>Year Ended 31 December 2023 CHF</b>	<b>Year Ended 31 December 2022 CHF</b>
<b>Other Operating Expenses</b>		
Professional fees	332,741	341,059
Rent and general administration	172,775	213,448
<b>Total</b>	<b>505,516</b>	<b>554,507</b>

**2.8 Financial Income**

	<b>Year Ended 31 December 2023 CHF</b>	<b>Year Ended 31 December 2022 CHF</b>
Foreign exchange gains	-	182
<b>Total</b>	<b>-</b>	<b>182</b>

**2.9 Financial Expenses**

	<b>Year Ended 31 December 2023 CHF</b>	<b>Year Ended 31 December 2022 CHF</b>
Finance expenses	1,161	567
Foreign exchange losses	2,816	-
<b>Total</b>	<b>3,977</b>	<b>567</b>

**2.10 Extraordinary, non-recurring or prior year period (income)/expense**

	<b>Year Ended 31 December 2023 CHF</b>	<b>Year Ended 31 December 2022 CHF</b>
Impairment provision on investments in subsidiaries	(10,584,290)	(16,651,818)
Impairment provision on current receivable from companies in which the entity holds an investment	(7,094,532)	-
<b>Total</b>	<b>(17,678,822)</b>	<b>(16,651,818)</b>



**ARUNDEL AG**  
**YEAR ENDED 31 DECEMBER 2023**

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**3. Other information**

**3.1 Full-time equivalents**

The annual average number of full-time equivalents for the reporting year as well as the previous year did not exceed 10.

**3.2 Significant shareholders**

At the year end, the following significant shareholders were listed in the share register with shareholdings in excess of 5% of issued share capital.

	<b>Year Ended 31 December 2023 (Voting Rights)</b>	<b>Year Ended 31 December 2022 (Voting Rights)</b>
Green Street Global Investments Limited	23.36%	8.15%
NCR Developments Limited	9.09%	11.69%
David and Kathleen Quint	9.04%	10.84%
Doraiswamy Srinivas	8.84%	9.99%
Mrs Beatrix Lanfranconi	8.32%	9.97%
Ewok Capital Management Limited	7.01%	7.94%

**3.3 Guarantees**

The Company has granted guarantees for subsidiary company borrowings in the amount of CHF 50.2 million.

**3.4 DISCLOSURE OF PARTICIPATIONS OF BOARD OF DIRECTORS AND GROUP MANAGEMENT (As required by Art. 663b and Art. 663c. Swiss Code of Obligations)**

The following participations were held by the Board of Directors and the Group Management (including persons closely related to these members) on 31 December 2023:

	<b>Shares December 2023</b>	<b>Shares December 2022</b>
<b>Board of Directors</b>		
Mr. David Quint	1,638,075	1,638,075
Mr. Markus Müller	Nil	Nil
Mr. Ralph Beney	542,091	542,091
<b>Total</b>	<b>2,180,166</b>	<b>2,180,166</b>

# Report of the statutory auditor to the General Meeting of Arundel AG

Zurich

## Report on the audit of the remuneration report

### Opinion

We have audited the remuneration report of Arundel AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 77 to 80 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report (pages 77 to 80) complies with Swiss law and the Company's articles of incorporation.

### Basis for opinion

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

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

### 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 tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report 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 remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or

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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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Rolf Johner

Licensed audit expert  
Auditor in charge

Corinne Lüthy

Licensed audit expert

Zürich, 29 April 2024

## 1. Introduction

In accordance to Art. 734 ff. of the Swiss Code of Obligations (OR), the guidelines related to Corporate Governance by the SIX Swiss Exchange and the Principles the “Swiss Code of Best Practice for Corporate Governance” from Economiesuisse, the Board of Directors (“Board”) sets out the remuneration report below.

The compensation received by each member of the Board, the Chairman of the Board and each member of Executive Management is disclosed on an individual basis below.

## 2. Organisation and competencies

The shareholders' meeting annually elects the nomination and compensation committee of the Board (hereinafter the "Committee"), which at 31 December 2023 consisted of the Executive Chairman (Mr. David Quint) and a non-executive member of the Board (Mr. Markus Müller), and was chaired by Mr. Quint.

Article 27 of the Company's Articles of Association (as adopted on 16 September 2014) provides that, subject to the powers of the shareholders' meeting, the Committee has the following responsibilities:

- monitoring compliance with the compensation principles pursuant to the law, the Articles, any regulations and with the resolutions of the shareholders' meeting on compensation;
- submitting proposals to the Board on the definition of principles, assessment criteria and qualitative and quantitative targets in connection with compensation within the parameters of the law and the Articles;
- submitting calculations and proposals to the Board on the qualitative and quantitative targets for determining variable compensation;
- submitting proposals to the Board regarding the amounts of fixed compensation to be paid to members of the Board, and fixed and variable compensation to be paid to members of Executive Management;
- preparing and submitting to the Board a draft of the compensation report; and
- all other actions required of it by the law, the Articles or regulations.

A special Committee Charter further specifies that the Committee's primary duties are, *inter alia*, to:

- assist the Board in discharging its responsibilities relating to compensation of the Board and members of Executive Management;
- approve or establish proposals for all compensation plans, policies and programs relating to compensation and benefits for the Board, Executive Management and direct employees (if any);
- propose to the Board the compensation of directors, members of Executive Management and direct employees (if any); and
- prepare any disclosure statement on compensation and corporate governance required by applicable law, regulations or the rules of any stock exchange on which the Company's shares are listed or traded.

The Board has not delegated any decision-making powers to the Committee.

As set out in Article 18 of the Articles of Association, the shareholders' meeting has the inalienable power to approve the compensation of the members of the Board and Executive Management.

## 3. Compensation components

Compensation components for members of the Board and Executive Management consist mainly of fixed annual fees as set out in each individual's agreement, and (in the case of Executive Management) of annual bonuses and additional fees relating to the achievement of business linked objectives. These components are generally paid in cash and/or, if the Board so determines, in shares of the Company. No external consultants or formal benchmarks were used in deriving compensation for the Board and Executive Management.

Generally, agreements with the members of Executive Management shall continue until terminated by either party by giving 3 months prior written notice. All directors are appointed for a period of one year (defined as the period from one annual general meeting until the next), with any re-appointments approved at the annual general meeting of the Company's shareholders.

The Board as a whole is responsible for establishing compensation policy guidelines within the Group.

#### **4. Audited compensation for financial year under review**

##### ***a. Audited compensation of the members of the Board of Directors***

*[ERCO 17]*

The following gross directors' fees for acting as members of the Board were recognised for the years ended 31 December 2023 and ended 31 December 2022:

	Year Ended 31 December 2023		Year Ended 31 December 2022	
	Compensation CHF	Social security CHF	Compensation CHF	Social security CHF
Mr. David Quint	0	0	0	0
Mr. Markus Müller	10,000	1,500	10,000	1,500
Mr. Ralph Beney	0	0	0	0

All amounts are fixed payments. Social security costs reflect the employer's contribution on amounts payable by the Company. Directors' fees are payable in Swiss Francs.

David Quint was appointed as an Executive Director on 4 October 2016 and became Executive Chairman on 26 May 2020.

Markus Müller was appointed as a non-executive member of the board on 27 September 2016. In addition to the director's fee as stated above, Mr. Müller was paid CHF 51,625 (2022 – CHF 51,296) in respect of other services provided to the Group.

Ralph Beney was appointed as an Executive Director on 26 May 2020.

Details of other compensation paid to members of the Board in respect of their roles in Executive Management are disclosed in the table in 4.b., below.

On 31 December 2023, 31 December 2022 and as of the date of this report, there were and are no loans or credit provided by the Group to individual members of the Board or to persons connected to the Board other than a loan to Ridgemont Holdings Limited ("Ridgemont"), a company beneficially owned by David Quint Jnr, who was an employee of the Group until 31 December 2022, and the son of the Chairman and director of the Company. The balance of the loan and accrued interest on 31 December 2023 was CHF 2,773,388 (2022 – CHF 2,969,855) and is fully secured by Ridgemont's 5.1% in a partnership owning investment properties in Germany. The Group owns the remaining 94.9% interest in the partnership.

##### ***b. Audited gross compensation of the members of Executive Management***

*[ERCO 17]*

David Quint was appointed as Executive Chairman on 26 May 2020. David Quint, Ralph Beney and Richard Borg became members of Executive Management on 5 October 2016. Richard Borg's employment was terminated on 31 December 2022. Gross compensation includes employer social security costs paid in jurisdictions outside of Switzerland and other healthcare benefits. Compensation was fixed with no variable element and is reported as:

The gross compensation to members of the Executive Management excludes any directors' fees as set out in 4a above.

On 31 December 2023, 31 December 2022 and the date of this report, there were and are no loans or credit provided by the Group to individual members of Executive Management or to persons connected to Executive Management other than a loan to Ridgemont as disclosed in note 4 a., above.

Compensation for the year ended 31 December 2023 was made up as follows:

	Year Ended 31 December 2023			Total CHF
	Fees CHF	Employer Payroll taxes CHF	Other benefits CHF	
Mr. David Quint	277,924	37,814	38,940	354,677
Mr. Ralph Beney	234,105	32,148	20,125	286,379

Compensation for the year ended 31 December 2022 was made up as follows:

	Year Ended 31 December 2022			Total CHF
	Fees CHF	Employer Payroll taxes CHF	Other benefits CHF	
Mr. David Quint	260,051	39,549	35,436	335,036
Mr. Ralph Beney	247,112	36,815	18,335	302,262
Mr. Richard Borg	327,371	46,400	15,978	389,749

All fees are fixed payments. Other benefits include pension contributions, health and disability insurance, and other cash expenses.

## 5. Pay for Performance appraisal for the financial year under review

There were no additional bonuses or fees awarded in respect of the year ended 31 December 2023 (2022 – nil).

Payment of fixed and discretionary fees and bonuses to members of the Board and of Executive Management is subject to the approval of the shareholders of Arundel AG, as required by Swiss law and regulation.

## 6. Share ownership information

The following participations were held by members of the Board and of Executive Management (including persons closely related to these members):

	Shares 31 December 2023	Shares 31 December 2022
<b>Board of Directors</b>		
Mr. David Quint +	1,638,075	1,638,075
Mr. Markus Müller	Nil	Nil
Mr. Ralph Beney	542,091	542,091
<b>Total</b>	<b>2,180,166</b>	<b>2,180,166</b>

+ includes 979,216 shares (2022 – 979,216 shares) held by David Quint and 658,859 shares (2022– 658,859 shares) held by his wife Kathleen Quint.

## **7. Outside directorships**

Pursuant to Article 31.1 of the Company's articles of association a member of the Board of Directors or of Executive Management may simultaneously hold no more than ten mandates outside the Arundel Group. The Directors and Executive Manage were compliant with this article throughout the two years ended 31 December 2022 and 2023.

Mr. David Quint has been a non-executive director of Ascension Healthcare Plc, a company incorporated in the United Kingdom since February 2017,

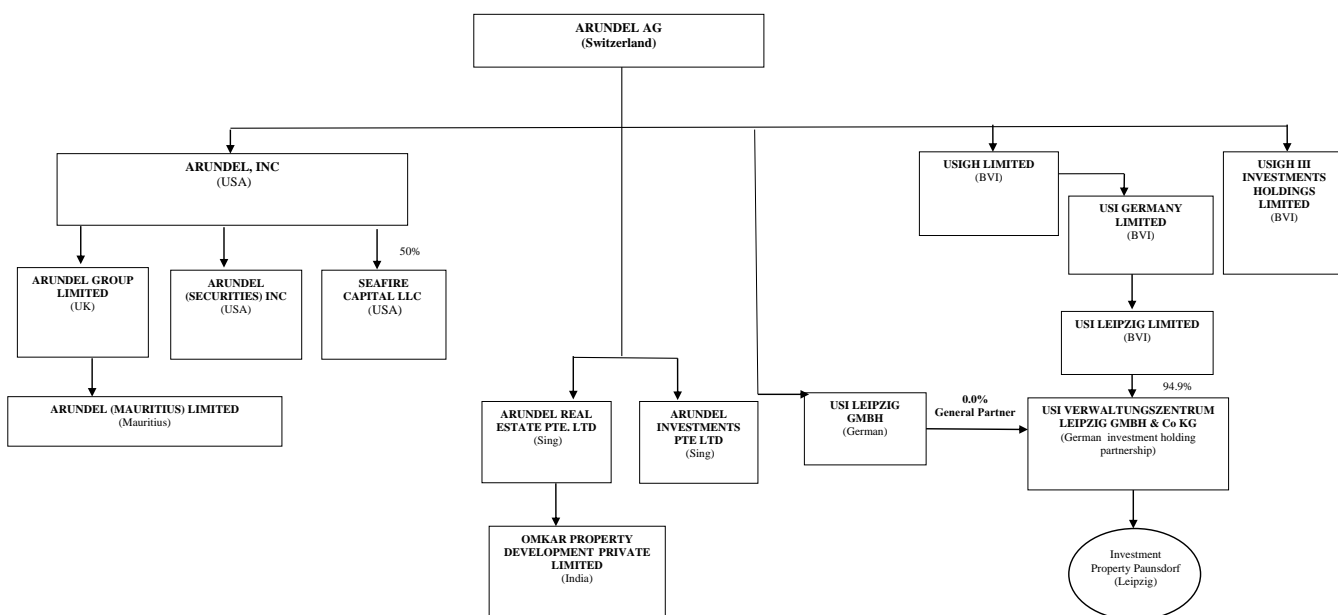
**I Corporate Governance**

This report describes certain key information relating to corporate governance at Arundel AG (the "Company"). The report's content is structured along the disclosure items of the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange in force for the reporting period.

**1 Group Structure and Shareholders**

**1.1 Group Structure**

At 31 December 2023, the corporate structure of the group of companies controlled by the Company (the "Arundel Group") was as follows (for the internal organizational structure, see section 3.4 and for segment reporting, Note 25 to the Consolidated Financial Statements).



All holdings are 100% unless otherwise stated.

The Company has its registered address at Gotthardstrasse 21, CH-8002 Zurich, Switzerland and its registered shares are listed on the SIX Swiss Exchange under the International Reporting Standard. For its ISIN, Security Number and SIX Swiss Exchange Symbol see section 9. The Company's market capitalization at 31 December 2023 was CHF 2,717,275.



At 31 December 2023, the shareholdings of the Arundel Group were in the following non-listed companies:

Company and Domicile	Number of Shares Owned	Type of Shares and Nominal Value	Share Capital in issue	Direct/ Indirect Ownership %	Voting Rights %
USIGH Limited <sup>1</sup> Registered number: 1039705	10,000	Ordinary US\$ 0.01	US\$ 100	100	100
USI Germany Limited <sup>1</sup> Registered number: 1440436	1	Ordinary US\$ 1.00	US\$ 1.00	100	100
USI Leipzig Limited <sup>1</sup> Registered number: 1417877	1,000	Ordinary No nominal value	-	100	100
USIGH III Investments Holdings Limited <sup>1</sup> Registered number: 1531975	2	Ordinary US\$ 1.00	US\$ 2.00	100	100
Arundel Real Estate Pte Ltd <sup>2</sup> Registered number: 201503006R	1,000	Ordinary US \$1.00	US\$ 1,000	100	100
Arundel Investments Pte Ltd <sup>2</sup> Registered number: 201503405D	1,000	Ordinary US \$1.00	US\$ 1,000	100	100
Omkar Property Development Private Limited 37 Krishnaswamy Avenue, Mylapore, Chennai 600004, Tamil Nadu, India Registered number: U70100TN2015PTC099260	600,000	Ordinary Indian rupees ("INR") 10	INR 6 million	100	100
Arundel Inc <sup>3</sup> Registered number: 819194	1,115	Ordinary No nominal value	11,150	100	100
Arundel Group Limited Level 1, Devonshire House, One Mayfair Place, London W1J 8AJ, United Kingdom Registered number: 02722984	20,001	Ordinary GBP 1.00	GBP 20,001	100	100
Arundel (Securities) Inc <sup>3</sup> Registered number: 01446223	1	Ordinary US\$ 1.00	US\$ 1.00	100	100
Arundel (Mauritius) Limited 33 Edith Cavell Street, Port Louis, Mauritius Registered number: C20170 C1/GBL	10,000	Ordinary US\$ 1.00	US\$ 10,000	100	100
USI Leipzig GmbH Brühl 10, 04109 Leipzig, Germany Registered number: HRB206969	25,000	Ordinary €1.00	€25,000	100	100
Seafire Capital LLC <sup>3</sup> Registered number: 804607607	1,000	Ordinary US\$ 1.00	US\$ 2,000	50	50

<sup>1</sup> Registered office at Nerine Chambers, Road Town, Tortola, BVI.

<sup>2</sup> Registered office at 100D Pasir Panjang Road, #03-04 Meissa, Singapore 118520

<sup>3</sup> Registered office at 1607 Sleepy Hollow Court, Westlake, Texas 76262, USA.

The Arundel Group also owns a 94.9% interest in a German partnership named USI Verwaltungszentrum Leipzig Limited & Co KG, Leipzig, Brühl 10, 04109 Leipzig, Germany.

## 1.2 Significant shareholders

The Company had the following major shareholders (3% or more of voting rights) as at 31 December 2023 (information based on latest disclosure notices made to the Company and the SIX Swiss Exchange's Disclosure Office pursuant to art. 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading ("FMIA") and, in certain cases, on more recent information available

to the Company from other sources (such as entries in the Company's share register, transactions in which the Company was involved, etc.):

<b>Name of Holder (Beneficial Owner)</b>	<b>No of Shares</b>	<b>Percentage ownership of total equity capital and voting rights</b>
Thirupathur Lakshmanan Chandran <sup>1</sup> The Waterside, 436896, Singapore	4,231,687	23.36%
Nallan Rangesh <sup>2</sup> Midhurst GU29 9FQ, United Kingdom	1,646,751	9.09%
David and Kathy Quint Weybridge, Surrey, KT13 0LF, United Kingdom	1,638,075	9.04%
Doraiswamy Srinivas and Usha Kumar London SW1P 1QG, United Kingdom	1,600,818	8.84%
Beatrix Lanfranconi 6045 Meggen, Switzerland	1,506,704	8.32%
Fides Trust Limited as trustee of the Linga Trust St Peter Port, Guernsey GY1 1JX <sup>3</sup>	1,269,403	7.01%
Venus Global Macro Fund Limited Noida, U.P. 201301, India	650,601	3.59%
Other shareholders	5,571,125	30.80%
<b>Total</b>	<b>18,115,164</b>	<b>100%</b>

<sup>1</sup> The shares are held by Green Street Global Investments Limited ("GS") (a BVI corporation with registered address at Nerine Chambers, Road Town, Tortola, BVI). GS is beneficially owned 100% by Mr Chandran.

<sup>2</sup> The shares are held by NCR Developments Limited ("NCR") (a BVI corporation with registered address at Nerine Chambers, Road Town, Tortola, BVI). NCR is beneficially owned 100% by Mr Rangesh.

<sup>3</sup> The shares are held by Ewok Capital Management Limited ("Ewok") (a BVI corporation with registered address at Nerine Chambers, Road Town, Tortola, BVI). Ewok is beneficially owned 100% by Fides Trust Limited as trustee for the Linga Trust.

Disclosure notices of significant shareholdings made to the Company and the SIX Swiss Exchange's Disclosure Office during the financial year under review pursuant to art. 120 FMIA may be viewed on the Disclosure Office's electronic publication platform at the following address:

<https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#>

### 1.3 Cross-shareholdings

There are no cross-shareholdings between the Company and any other entity that would exceed 5% of capital or voting rights on both sides.

## 2 Capital structure

### 2.1 Capital

On 31 December 2023:

- 2.1.1 The Company's issued share capital amounted to CHF 18,115,164, divided into 18,115,164 registered shares with a par value of CHF 1.00 each, fully paid in.
- 2.1.2 The Company's authorized capital amounted to CHF 4,557,582. It expires on 31 May 2024.
- 2.1.3 The Company's conditional capital for board members, management and advisers amounted to CHF 1,511,516 and the conditional capital for bondholders and other creditors amounted to CHF 6,046,066.

### 2.2 Authorized and conditional capital

#### 2.2.1 Authorized capital

Pursuant to an authorization in Article 3c of the Company's articles of incorporation (the "**Articles**") the Company's board of directors (the "**Board**") may increase the share capital in the amount of up to CHF 4,557,582 until 31 May 2024 through the issuance of up to 4,557,582 fully paid-in additional registered shares with a nominal value of CHF 1.00 each (corresponding to 25.16% of the current issued share capital). An increase in partial amounts is permitted. The date of issuance, the issue price, the payments with regard to the issue price, the dividend entitlement as well as the allocation of not-exercised subscription rights shall be determined by the Board. The Board may restrict or withdraw subscription rights in connection with mergers, acquisitions of interests, financing and/or re-financing of mergers or acquisitions of interests, or other investment projects, national or international placements of shares, conversion of loans or other equity securities into shares and for the broadening of the shareholder basis. The new registered shares are subject to the restrictions specified in Article 4 of the Articles (see section 2.6.1).

#### 2.2.2 Conditional capital

According to Article 3a of the Articles the share capital may be increased by a maximum amount of CHF 1,511,516 through the issuance of up to 1,511,516 fully paid-in registered shares with a nominal value of CHF 1.00 each (corresponding to 8.3% of the current issued share capital) through the exercise of option rights granted to the members of the Board or of the management and to advisers of the Company or its subsidiaries. The subscription rights of the shareholders are excluded. The conditions of the option rights, the issue price, the dividend entitlement as well as the type of contribution shall be determined by the Board. The acquisition of registered shares through the exercise of option rights as well as every subsequent transfer of shares are subject to the restrictions set forth in Article 4 of the Articles (see section 2.6.1).

Furthermore, according to Article 3b of the Articles the share capital may be increased by a maximum amount of CHF 6,046,066 through the issuance of up to 6,046,066 fully paid-in registered shares with a nominal value of CHF 1.00 each (corresponding to 33.4% of the current issued share capital) through the exercise of conversion rights, warrant rights or option rights which have been or will be granted to bondholders or other creditors of the Company or its subsidiaries. The subscription rights of the shareholders are excluded. The conditions of the option rights and of the conversion rights, the issue price, the dividend entitlement as well as the type of contribution shall be determined by the Board. The Board may restrict or withdraw the right for advance subscription (*Vorwegzeichnungsrecht*) of the shareholders in connection with (i) the financing (refinancing inclusively) of acquisitions of enterprises or parts thereof, participations or other investment projects of the Company and/or its subsidiaries or (ii) the issuance of bonds with option or conversion rights on national or international capital markets. If the right of advance subscription (*Vorwegzeichnungsrecht*) is excluded, (i) the bonds or bonds with warrants (*Anleihen oder Optionsanleihen*) have to be offered at market conditions, with (ii) the period of time for exercising the conversion and the options rights being not more than 10 years from the issue date (or from the time of any reset of their terms), and (iii) the exercise price of the new registered shares corresponding to the market conditions at the time of issue (or reset of terms). The acquisition of registered shares through the exercise of conversion and/or option rights as well as every subsequent transfer of these shares is subject to the restrictions set forth in Article 4 of the Articles (see section 2.6.1).

Part of this conditional capital (namely, a maximum number of 4,204,000 shares) was, as at 31 December 2023, reserved for issues of shares pursuant to the securities referred to in section 2.7.

As of 1 March 2024, the convertibility feature of such securities was eliminated, so that such part of the conditional capital is no longer reserved.

### **2.3 Changes in capital in the past three years**

By a change of the Articles of 12 December 2023, the Company's issued share capital was increased from CHF 15,115,164 to 18,115,164, divided into 18,115,164 registered shares with a par value of CHF 1.00 each, from authorized capital by the conversion of debt of the Arundel Group in the amount of USD 3,408,703.56. The creditor, Green Street Global Investments Limited, St Peter Port, Guernsey, received 3,000,000 fully paid registered shares with a nominal value of CHF 1.00 each.

There were no other changes to the Company's issued share capital in the past three years.

### **2.4 Shares and participation certificates**

At 31 December 2023, the Company had 18,115,164 registered shares with a par value of CHF 1.00 fully paid in. The shares rank equally among each other in all respects (including in respect of entitlements to dividends and liquidation proceeds). Each share confers one vote in the shareholders' meeting (subject to limitations on approval as a shareholder with the right to vote, see section 2.6.1).

The Company has not issued any participation certificates.

### **2.5 Profit sharing certificates**

The Company has not issued any profit sharing certificates.

### **2.6 Limitation on transferability and nominee registrations**

#### **2.6.1 Limitations on transferability for each share category; indication of statutory group clauses and rules for granting exceptions**

Article 4 of the Articles provides that:

2.6.1.1 Acquirers of registered shares shall be registered in the share register as shareholders with the right to vote upon request if they expressly declare to have acquired the registered shares in their own name and for their own account. If an acquirer of shares is not prepared to provide this declaration, the Board may refuse to register him as a shareholder with the right to vote.

2.6.1.2 If registered shares are acquired by inheritance, division of an estate, or marital property law, the acquirer may not be refused as a shareholder with the right to vote.

2.6.1.3 After hearing the shareholder concerned, the Board may cancel, with retroactive effect as of the date of registration, entries in the share register as a shareholder with the right to vote, if these were made because of wrong information provided by the acquirer. A shareholder shall be immediately informed of such cancellation.

#### **2.6.2 Reasons for granting exceptions in the year under review**

Not applicable.

#### **2.6.3 Nominee registration**

Pursuant to Article 4 of the Articles, the Board can register nominees as shareholders with the right to vote, based on separate regulations or individual agreements. No separate regulations have been adopted and the Board makes discretionary decisions on whether to register nominees as shareholders with the right to vote on a case by case basis, depending on the underlying beneficial owner and proposed nominee. Depending on the

circumstances of each case, the Board may require the beneficial owners and/or nominees to enter into a separate agreement with the Company. There are no such agreements currently in place.

**2.6.4 Procedure and conditions for cancelling statutory privileges and limitations on transferability**

The Articles do not provide for any privileges. The limitations on the transferability of shares (see section 2.6.1) may be abolished by a vote of the absolute majority of the shares represented at a shareholders' meeting.

**2.7 Convertible bonds and warrants/options**

The Company has issued the following convertible bonds, warrants or options.

**2.7.1 CHF 42,040,000 of 6.25% Guaranteed Secured Convertible Notes Due 2027 (the “Bonds”)**

At 31 December 2023, USIGH Limited had CHF 42,040,000 of the Bonds in issue. The Bonds had a coupon of 6.25% per annum, a conversion price of CHF 10.00 and a maturity of 31 March 2027. In order to convert the Bonds, conversion notices had to be received by the conversion agent by the fifth business day prior to the date of maturity. At 31 December 2023, Bonds in the aggregate principal amount of CHF 26,448,749 were held by third parties and the remainder by USIGH Limited. Assuming all of the Bonds would have been converted, 4,204,000 registered shares with a nominal value of CHF 1.00 each of the Company would have had to be issued (corresponding to 23.2% of the issued share capital).

By 31 December 2023, no shares had been issued under the Bonds.

On 1 March 2024, the convertibility feature of the Bonds was eliminated.

**3 Board of Directors**

The members of the Board are responsible for the strategic direction and oversight of the Company. At 31 December 2023, the Board consisted of three individuals.

	<b>Nationality</b>	<b>Function</b>	<b>Member (Executive Member) since</b>
<b>Executive members</b>			
David Quint	U.S./UK	Executive Chairman and Group Chief Executive Officer	2005 (2016; Chairman and Group CEO since 2020)
Ralph Beney	UK	Executive Member	2020 (2020)
<b>Non-executive member</b>			
Markus Müller	Swiss	Member	2016

**3.1 Members of the Board**

**Mr David Quint** (1950), U.S./UK citizen, is a co-founder and Chief Executive Officer of Arundel Inc. Prior to founding Arundel Inc in 1992, Mr Quint served as Managing Director of Belden & Blake Corporation’s UK subsidiary and as an attorney with Arter & Hadden. Mr Quint is a graduate of the University of Notre Dame where he received a degree in Modern Languages and a Juris Doctorate. He is also a director of three Arundel Group companies. He is also a non-executive director of Ascension Healthcare Plc (a privately-held UK healthcare technology company).

**Mr Ralph Beney** (1961), UK citizen, the Chief Financial Officer of the Arundel Group, is a Chartered Accountant and has served as CFO of the Arundel Inc group since 1998. He previously worked in the capital markets division at Guinness Mahon in London, after spending seven years as CFO of various Bank Leu subsidiaries. He is also a director of seven Arundel Group companies.

**Mr Markus Müller** (1958), Swiss citizen, was a director of MPM Swiss AG, a Swiss investment management company, from 2019 to 2020. Between 2009 and 2019 Mr Müller served on the board of directors and in the executive management of Compass Portfolio Management AG, a Swiss asset management company. From 2000 to 2018 Mr. Müller served in the management of Scherrer & Partner Investment Management AG (Zurich) and of First Equity Securities AG (Zurich), companies involved in asset management for private clients and the management of investment funds. From 1995 to 2000, Mr. Müller served in the management of Jefferies (Switzerland) Ltd. and as the general manager of Jefferies Asset Management AG (Zug). Mr. Müller finished his bank apprenticeship at SKA (later Credit Suisse, now part of UBS) in Zurich and attended the HWV (now HWZ) University of Applied Sciences in Business Administration in Zürich.

Markus Müller, the sole non-executive director, has not had any executive responsibilities for the Company either during the period under review or in the three financial years preceding it. Mr Müller is also a director two Arundel Group companies.

### **3.2 Permissible outside mandates**

Pursuant to Article 31 of the Articles, a member of the Board or of Executive Management may simultaneously hold no more than ten mandates outside the Arundel Group, in the supreme managing or supervising bodies of other legal entities that are obliged to be entered in the Swiss Commercial Register or a comparable foreign register. Of those, not more than four mandates may be in other listed companies. There are no limits on activities in not-for-profit entities, such as associations, societies and foundations. Several mandates within the same group of companies, and mandates performed at the behest of a company or group (including mandates in pension funds, joint ventures, and legal entities in which a significant interest is held) are counted as one mandate.

### **3.3 Elections and terms of office**

Pursuant to the Articles, the members of the Board hold office for one year. A year is defined as the period from one annual shareholders' meeting to the next.

Members of the Board may stand for re-election to office on an annual basis. A separate vote is taken, at the Company's shareholders' meeting, in respect of each director who stands for election or re-election.

The Articles do not contain any rules that would deviate from statutory law with regard to the appointment of the chairman of the Board (the "**Chairman**") or of the members of the Nomination and Compensation Committee.

### **3.4 Internal organizational structure**

#### **3.4.1 Board**

The Board may take decisions on all matters which by law or the Articles are not allocated to the general meeting of shareholders.

According to the internal organizational regulations of the Company of 27 July 2005, as amended (hereinafter the "**Regulations**"), the Board acts, in principle, as a collective body. Its members may not act alone on behalf of the Company and may not give instructions on their own, except where the Articles, the Regulations or a decision of the Board otherwise permit.

Each year at the annual general meeting of shareholders, the shareholders elect the Chairman. The Board chooses the secretary, who may or may not be a member of the Board.

The Chairman has the following duties:

- chairing meetings of the Board and general meetings of shareholders;
- determining the agenda for meetings of the Board except in cases where proposals are made by other members of the Board;

- representation of the Board to the public, to public authorities and to the shareholders;
- supervision of the execution of measures which have the approval of the Board;
- preparation of amendments to the Articles, conduct of the voting procedures and other matters to be addressed at any general meeting of shareholders;
- in association with the Company's executive management team ("**Executive Management**"), preparation of materials concerning strategic planning, short-term corporate goals, financial planning and budgets to be approved by the Board;
- decisions concerning non-budgeted investments and expenditures up to CHF 2.25 million and up to CHF 100,000 respectively; and
- decisions requiring urgent action or in exceptional circumstances which would otherwise be addressed by the Board, the Nomination and Compensation Committee or the Audit Committee. Such decisions shall be submitted for approval to the responsible bodies as soon as possible.

### **3.4.2 Committees**

There are two committees of the Board, the audit committee (hereinafter the "**Audit Committee**") and the nomination and compensation committee (hereinafter the "**Nomination and Compensation Committee**"). The Audit Committee presently consists of all members of the Board and is chaired by David Quint. The Nomination and Compensation Committee presently also consists of all members of the Board and is also chaired by David Quint.

#### **3.4.2.1 Audit Committee**

The responsibilities of the Audit Committee are determined in a special Audit Committee Charter. The Committee's primary duties are to:

- review the semi-annual and annual financial statements and consider whether they are complete and reflect appropriate principles;
- monitor the integrity and effectiveness of the Company's financial reporting process and systems of internal controls regarding finance and accounting, operational processes as well as manual and automatic finance and accounting data processing;
- oversee the qualifications of the public accounting firm engaged as the Company's independent auditor to prepare and issue an audit report on the financial statements of the Company;
- monitor the independence and performance of the Company's external and internal auditors (if any);
- provide for appropriate communication among the independent external auditors, advisers, Executive Management and the Board;
- review and monitor the Company's financial strategies and procedures; and
- report to the Board on the Audit Committee's activities and findings.

The Board has not delegated any decision-making powers to the Audit Committee.

The Audit Committee has the authority to conduct or authorize investigations into any matter within the scope of its duties and responsibilities pursuant to the Audit Committee Charter. It is empowered to:

- retain outside counsel, accountants or other experts to advise the Committee or assist it in the conduct of an investigation;

- seek any information it requires from the Company's executives and employees – all of whom are directed to cooperate with the Audit Committee's requests – or external parties;
- meet with the Company's executives, officers, external auditors, outside counsel and other advisers, as deemed necessary or appropriate.

### **3.4.2.2 Nomination and Compensation Committee**

The responsibilities of the Nomination and Compensation Committee are determined in the Articles and in a special Nomination and Compensation Committee Charter.

Article 27 of the Articles provides that, subject to the powers of the shareholders' meeting, the Company's compensation committee has the following responsibilities:

- monitoring compliance with the compensation principles pursuant to law, the Articles, and regulations, and with the resolutions of the shareholders' meeting on compensation;
- submitting proposals to the Board on the definition of principles, assessment criteria and qualitative and quantitative targets in connection with compensation within the parameters of the law and the Articles;
- submitting calculations and proposals to the Board on the qualitative and quantitative targets for determining variable compensation;
- submitting proposals to the Board regarding the amounts of fixed compensation to be paid to members of the Board, and fixed and variable compensation to be paid to members of Executive Management;
- preparing and submitting to the Board a draft of the remuneration report; and
- all other actions required of it by law, the Articles or regulations.

The Charter for the Nomination and Compensation Committee further specifies that its primary duties are to:

- assist the Board in discharging its responsibilities relating to compensation of directors of the Company and of members of Executive Management;
- approve or establish proposals for all compensation plans, policies and programmes relating to compensation and benefits for directors, Executive Management and direct employees (if any);
- propose to the Board compensation of directors, members of Executive Management and direct employees (if any);
- ensure that newly elected directors receive the appropriate introductions and orientation and the elected directors receive the adequate continuing education and training to fully discharge their obligations;
- assist the Board in identifying individuals who are qualified to become Board or Executive Management members, when vacancies arise;
- recommend to the Board the director nominees for the next annual shareholders' meeting;
- recommend to the Board a set of corporate governance principles to be published in a directive on corporate governance;
- prepare any disclosure statement on compensation and corporate governance required by applicable law, regulations or the rules of a stock exchange on which the Company's shares are listed or traded;
- lead the Board in its annual review of the Board's performance; and
- recommend to the Board director nominees for each committee.



The Board has not delegated any decision-making powers to the Nomination and Compensation Committee.

The Committee has the authority to conduct or authorize investigations into any matter within the scope of its duties and responsibilities pursuant to the Nomination and Compensation Committee Charter. It is empowered to:

- retain outside counsel, accountants or other experts to advise the Committee or assist it in the conduct of an investigation;
- seek any information it requires from the Company's executives and employees – all of whom are directed to cooperate with the Committee's requests – or external parties;
- meet with the Company's executives, officers, external auditors, outside counsel and other advisers, as deemed necessary or appropriate.

### **3.4.3 Work methods of the Board and its committees**

#### **3.4.3.1 Board**

The Chairman, or the secretary, convenes the meetings of the Board as often as business affairs of the Company require, usually not less than four times each year. Meetings are also held by telephone conference and actions may be taken pursuant to circular resolutions, if no member of the Board requests in writing that the item to be resolved or discussed be considered at a physical meeting. The usual length of the meetings is 1-2 hours. In the twelve-month period under review, five meetings were held. External legal consultants may attend meetings at the invitation of the Chairman, however none attended the meetings during the period under review.

The Nomination and Compensation Committee reports its actions at meetings of the Board where relevant. The Audit Committee reports to the Board as required at each Board meeting about its activities, decisions, findings and recommendations. It is required to report at least semi-annually on the interim and final accounts at the board meeting which approves such accounts. The two Committees' primary duties and responsibilities are set out above (see section 3.4.2).

#### **3.4.3.2 Audit Committee**

In the period under review no separate meeting of the Audit Committee was held as all Audit Committee duties were assumed by the Board as a whole.

#### **3.4.3.3 Nomination and Compensation Committee**

In the period under review no separate meeting of the Nomination and Compensation Committee was held as all Nomination and Compensation Committee duties were assumed by the Board as a whole.

### **3.5 Definition of areas of responsibility**

The Board has the responsibilities and duties set forth in the Swiss Code of Obligations (hereinafter "CO"), in particular in Article 716a CO.

Furthermore, the Regulations state that the following matters shall be reserved to the Board:

- passage of resolutions regarding any authorised capital increases as well as any resulting amendments to the Articles;
- determination of the beginning and the end of each financial year of the Company pursuant to the Articles;
- the adoption of any stock option plan and the issuance of shares to option holders on exercise of such options;

- the formation, acquisition, merger, sale and/or liquidation of subsidiaries with a value in excess of CHF 2.25 million;
- the acquisition, sale and hypothecation of assets with a value in excess of CHF 2.25 million;
- the initiation and/or settlement of judicial and administrative proceedings or disputes of any nature with a value in excess of CHF 100,000;
- business decisions of a long-term nature or which involve unusual or extraordinary risks;
- the approval of expenditures or obligations in excess of CHF 100,000 for individual transactions or CHF 1,000,000 in the aggregate in any one financial year, unless such expenditures do not exceed the budget or other Board approved guidelines;
- the entry into any transaction which is not in the ordinary course of business of the Company, including any sale or lease of the Company's assets in excess of CHF 2.25 million;
- the entry into new projects with expenditures or obligations in excess of CHF 2.25 million, unless such projects have been approved in the Company's budget or other Board approved documents;
- the conclusion of any merger arrangements between the Company and any other entity or the decision to wind up or liquidate the Company, including any proposals to be made to shareholders at a general meeting of shareholders regarding the merger, liquidation or winding-up of the Company;
- the formation or acquisition of interests in other companies, irrespective of their legal form, or the purchase of other businesses in whole or in part if the value of any such purchase exceeds CHF 2.25 million;
- regarding subsidiaries of the Company:
  - the execution, alteration or termination of articles of association;
  - the voluntary liquidation, merger or continuation of a subsidiary after the occurrence of any matter requiring its liquidation;
  - the approval of the annual accounts and the distribution of dividends or other distributions to shareholders, or the exercise of any other shareholders' rights;
  - the appointment and/or termination of managers and board members as well as the execution, alteration or termination of employment or pension arrangements with managers or board members;
  - the resolution of matters which, pursuant to law or the articles of association, require the approval of the shareholders;
- any participation in revenues or profits of the Company in any form except commissions which can be viewed as usual in the trade, or the provision of benefits or remuneration to individual employees in excess of CHF 50,000 p.a.;
- the grant of pension entitlements to any employees;
- any decisions concerning the appointment of permanent advisers or administrators to the Company;
- borrowing in excess of CHF 500,000;
- the grant of a loan or the creation of a contingent liability to, or in respect of, third parties in excess of CHF 500,000;

- the approval of any transaction between the Company and members of the Board;
- the adoption and/or alteration of the Regulations.

In accordance with Article 716b CO, and subject to inalienable and reserved matters as described above, the Board has delegated all executive management functions of the Company to its Executive Management, whose responsibilities are set out below (see section 4.1).

### **3.6 Information and control instruments vis-à-vis senior management**

The Executive Management provides the Board with a copy of management accounts on a quarterly basis. In addition, each member of the Board is provided, within 60 days after the end of each interim reporting period, with a provisional half-yearly report and, within 90 days after the end of each financial year, with a provisional annual report.

Furthermore, members of Executive Management who are present inform the Board at each Board meeting (i.e. usually not less than four times a year) of all current matters, important events and deviations from the budget. Extraordinary transactions and issues must be reported by Executive Management to the Board immediately. Each member of the Board is entitled to request and receive information on all matters of the Company and has access to the Company's and the Company's subsidiaries' property, records and personnel. Board members may make use of this right by requesting documents, in particular in the area of financial planning and reporting.

The Audit Committee's primary duties and its authority are set out above (see section 3.4.2.1). The Company has not appointed an internal audit function. Its risk management is described in the notes to the financial statements (see Note 3 to the Consolidated Financial Statements). The Board does not use any IT-based Management Information System (MIS) for its information.

## **4 Executive Management**

For the period under review David Quint performed executive functions as Executive Chairman and Group Chief Executive Officer of the Company (acting as Chief Executive Officer of Arundel Inc) and Ralph Beney performed the function of Chief Financial Officer of the Arundel Group.

Section 3.2. sets out the restrictions on permissible outside mandates for members of Executive Management.

### **4.1 Responsibilities**

Executive Management is responsible for the day-to-day management of the Company's business, under the direction of the Group Chief Executive Officer and the overall supervision of the Board. The Board has delegated all executive management functions of the Company that are not reserved to the Board or to the Chairman (see sections 3.4.1 and 3.5) to Executive Management.

### **4.2 Composition**

At 31 December 2023, Executive Management consisted of the following:

	<b>Nationality</b>	<b>Function</b>	<b>In office since</b>
David Quint	U.S./UK	Executive Chairman and Group Chief Executive Officer (Chief Executive Officer of Arundel Inc)	2016 (in this role since 2020)
Ralph Beney	UK	Chief Financial Officer	2016

For biographical information on David Quint and Ralph Beney, see section 3.1.

## 5 Compensation, shareholdings and loans

Details on compensation and participation of members of the Board and of Executive Management are disclosed within the Remuneration Report.

### 5.1 Method of determining compensation and share ownership programmes

The Nomination and Compensation Committee is competent to present proposals, for decision by the Board, regarding the Company's general compensation policy for directors, Executive Management and direct employees (if any). The Board determines the amount of any remuneration payable to its members and to members of Executive Management. Persons whose remuneration is decided upon do not have a right to participate in the relevant meeting, or otherwise to participate in the process. The Company does not employ external advisers or use external benchmarks for fixing compensation.

### 5.2 Rules on compensation in the Company's Articles

In Articles 33-37 of the Articles, the Company has adopted rules on compensation of members of the Board and of Executive Management, and related matters, in accordance with the Swiss Federal Council's Ordinance against Excessive Compensation in Listed Stock Companies of 20 November 2013 (now replaced by the revised rules of company law in the CO in force since 1 January 2023).

#### 5.2.1 Principles applicable to performance-related pay; allocation of equity securities, convertible rights and options; and additional amounts for new members of Executive Management

##### *Board of Directors*

Article 33 of the Articles provides that members of the Board receive a fixed compensation for their work.

The Board may decide that part of the compensation is paid, instead of a cash payment, in shares (which may or may not be restricted), or in reversionary subscription rights or options for shares. The Board shall, in that case, specify the time of the grant, the term of the restriction (if any) or vesting period, and any discounts applying in consideration of the term of the restriction (if any) or vesting period. The Board may provide that upon the occurrence of certain events designated in advance, such as the termination of a mandate or a change of control, restrictions or vesting periods shall remain in effect or be shortened or cancelled. The value attributed to compensation paid in the form of shares or of reversionary subscription rights or options shall be their fair value at the time of the grant, determined in accordance with such valuation methods as the Board considers most appropriate to establish that value.

##### *Executive Management*

Article 35 of the Articles provides that members of Executive Management receive a fixed compensation and a variable compensation for their work.

Pursuant to Article 36 of the Articles:

- variable compensation for members of Executive Management shall be subject to the achievement of qualitative and quantitative targets. The Board shall annually set common and individual targets, which shall be determined so as to promote the long-term interests of the Company and its shareholders, and shall judge the degree to which they have been achieved. In deciding on the award of variable compensation, the Board may also take account of extraordinary achievements unrelated to pre-determined targets;
- the amount of variable compensation may not be higher than 200% of the fixed compensation of the member concerned for the same period;
- At the option of the Board, variable compensation may be paid in cash, in shares (which may or may not be restricted), or in reversionary subscription rights or options for shares. The Board shall specify the time of the grant, the term of the restriction (if any) or vesting period, and any discounts applying in consideration of the term of the restriction (if any) or vesting period. The Board may provide that upon the occurrence of certain events designated in advance, such as the termination of an employment or mandate or a change of control, restrictions or vesting periods shall remain in effect or be shortened or

cancelled, that compensation shall be paid on the assumption that targets have been met, or that compensation is no longer due. The value attributed to compensation paid in the form of shares or of reversionary subscription rights or options shall be their fair value at the time of the grant, determined in accordance with such valuation methods as the Board considers most appropriate to establish that value;

- the Board shall issue regulations governing the details.

Pursuant to Article 37 of the Articles, if new members of Executive Management are appointed after approval has been given by the shareholders' meeting of the aggregate maximum amount of the fixed compensation for the members of Executive Management, the additional amount of fixed compensation available for each new member is 120% *pro rata temporis* of the highest fixed compensation paid to a member of Executive Management in the financial year preceding the last annual shareholders' meeting. The shareholders' meeting is not required to approve this additional compensation.

### **5.2.2 Loans, credit facilities and post-employment benefits for members of the Board and of Executive Management**

Article 30 of the Articles provides that loans and credit facilities extended to members of the Board or of Executive Management may not exceed a principal amount of CHF 1.5 million (or equivalent amount in another currency) in the case of any member.

The Articles do not provide for the grant of post-employment benefits to members of the Board or Executive Management.

### **5.2.3 Vote on pay at the shareholders' meeting**

#### *Board*

Article 34 of the Articles provides that at each annual shareholders' meeting, the meeting shall resolve with binding effect on the approval of the aggregate maximum amount of the fixed compensation for the members of the Board for the one-year term ending at the next annual shareholders' meeting.

#### *Executive Management*

Article 37 of the Articles provides that:

- at each annual shareholders' meeting, the meeting shall resolve with binding effect on the approval of the aggregate maximum amount of the fixed compensation for the members of Executive Management for the then current financial year;
- at each annual shareholders' meeting, the meeting shall resolve with binding effect on the approval of the aggregate amount of the variable compensation for the members of Executive Management for the immediately preceding financial year.

### **5.3 Compensation in the year under review**

During the period under review, David Quint and Ralph Beney did not receive any separate fee for their services as members of the Board. Markus Müller was entitled to a fee of CHF 10,000 per annum for his services as non-executive member of the Board.

Details of compensation paid to members of Executive Management (including executive members of the Board) in that capacity are set out within the Remuneration Report. It consisted of fixed compensation.

The annual compensation provided by the Arundel Group to the directors for their position as members of the Board was decided by the Board in a discretionary decision in which all members of the Board participated, and applies (to the extent relevant) until modified by the Board (i.e., there is no pre-defined review period).

The compensation noted above is expressed in terms of annual fees and may differ from the actual charge in the financial statements for the period ended 31 December 2023 (disclosed in Note 25 to the Consolidated Financial Statements and the Remuneration Report) due to the effects of foreign exchange and timing differences.

#### **5.4 Share Ownership Programmes**

The Company currently does not have any share ownership programmes for members of the Board or of Executive Management.

### **6 Shareholders' participation**

#### **6.1 Restrictions of voting rights and representation**

Apart from the limitations on the transferability of shares (see section 2.6.1), there are no restrictions on the exercise of voting rights.

A shareholder may be represented at the shareholders' meeting by his legal representative, by the independent proxy, or by another duly authorized representative who does not need to be a shareholder.

Article 15 of the Articles provides that each annual shareholders' meeting shall elect an independent proxy for a term of office of one year, running until the end of the next annual shareholders' meeting. Re-election is permitted. A shareholders' meeting may remove the independent proxy with effect from the end of the meeting. If the independent proxy is unable to perform his duties, the Board must appoint an independent proxy for the term up to the end of the next shareholders' meeting. Voting proxies and instructions that have already been issued remain valid, provided that the shareholder does not expressly give other instructions. The Board shall make arrangements to permit shareholders to issue proxies and instructions to the independent proxy also by electronic means, and determine the respective details. The independent proxy can be represented by another person at the shareholders' meeting. He remains fully responsible for the performance of his duties. The independent proxy is obliged to exercise the voting rights represented by him in line with the instructions given. If he receives no instructions, he shall abstain from voting.

#### **6.2 Statutory quora**

Resolutions of the general meeting of shareholders are passed by the majorities set forth in the applicable legal provisions. The Articles do not change the applicable majorities.

#### **6.3 Convocation of the general meeting of shareholders**

The general meeting of shareholders must be called no later than twenty days prior to the day of the meeting.

#### **6.4 Agenda**

Pursuant to Article 12 of the Articles, one or more shareholders representing together at least ten percent of the share capital or shareholders representing shares with an aggregate par value of one million Swiss Francs may request items to be included in the agenda for a general meeting of shareholders. Items for inclusion in the agenda shall be requested at least 60 days prior to the meeting in written form listing the items and the proposed motions of such shareholder(s).

#### **6.5 Record date for entry into the share register**

The record date for the entry of shareholders into the share register in view of their participation in the general meeting of shareholders, as set by the Board, is a date falling in between 10 and 20 days prior to the meeting. There are no rules on the granting of exceptions.

### **7 Changes of control and defence measures**

#### **7.1 Duty to make an offer**

According to Article 7 of the Articles, persons acquiring shares of the Company directly, indirectly or acting in concert with third parties shall be exempt from the obligation to make a public purchase offer pursuant to Article 135 FMIA, irrespective of the number of voting rights conferred by the shares acquired ("**opting out**").

#### **7.2 Change of control clause**

There is no change of control clause in place which would trigger any obligation to members of the Board or of Executive Management, or to other officers of the Company, in the event of a change of control.

### **8 Auditors**

PricewaterhouseCoopers AG, Zurich ("**PwC**"), are the Company's auditors.

**8.1 Duration of the mandate and term of office of the lead auditor**

PricewaterhouseCoopers AG, Zurich, and its predecessor companies have held the auditing mandate for Arundel AG since 1992. PricewaterhouseCoopers AG was re-elected as auditors for the financial period ending 31 December 2023 by the Annual General Meeting held on 30 May 2023.

The lead engagement partner, Rolf Johner, responsible for the existing auditing mandate took up office in respect of the financial period ending 31 December 2023.

The Board proposes to the Annual General Meeting due to be held on 29 May 2024 to re-elect PricewaterhouseCoopers AG as auditors for the 2024 financial year. The rotation interval applicable to the lead engagement partner is seven years (Article 730a (2) CO).

**8.2 Auditor remuneration**

The total auditor remuneration for the 2023 financial year in respect of all group companies is specified in the table below. In addition, PwC also performs certain tax work for the group companies. This tax work is not performed by the audit team. The estimated fee amount for this tax work is also set out in the table below:

<b>Auditor's remuneration</b>	<b>For the year ended 31 December 2023</b>
<i>in USD</i>	
Audit and audit related services	273,567
Tax compliance and consulting	45,846
	319,413

**8.3 Informational instruments pertaining to the external audit**

The external auditor is accountable to the Audit Committee, the Board and ultimately to the shareholders. The Board reviews the external auditor's professional credentials, assisted in its oversight by the Audit Committee.

***Cooperation and flow of information between the auditor and the Board/Audit Committee***

Most communication between the auditor and the Company is facilitated by Executive Management, including the CFO of the Arundel Group. There is an ongoing dialogue and periodic meetings are arranged between the auditors and the CFO, and the auditor is provided with copies of agreements, bank statements and other materials relating to the Arundel Group for the relevant financial period to assist them in their audit work.

The CFO and other officers keep the Board and Executive Management updated on a regular basis about the content of such dialogue and meetings and the progress on the external audit. The CFO, who is a member of the Board, is present at each Board meeting of the Company to answer any relevant questions the Board and Executive Management may have.

The Board and/or the Audit Committee also liaise directly with the auditor regarding the annual audit work to be carried out and discuss the results of such audits. On request, representatives of the auditor attend meetings of the Board and/or of the Audit Committee in which such matters are discussed. At the relevant Board or Audit Committee meetings, the auditor presents a detailed planning report and a detailed report on the conduct of the audit of the financial statements. This details findings on material financial accounting and reporting issues in addition to findings on the Arundel Group's internal control system (ICS).

The Audit Committee (or the full Board) reviews and approves in advance all planned audit services and any non-audit services provided by the external auditor. It discusses the results of annual audits with the external auditor, including reports on the financial statements, necessary changes to the audit plans and critical accounting issues.

The external auditor shares with the Audit Committee (or full Board) its findings on the adequacy of the financial reporting process and the efficacy of the internal controls.

The auditor informs the Audit Committee (or full Board) about any differences of opinion between the external auditor and management encountered during the audits or in connection with the preparation of the financial statements.

For additional information, see also section 3.4.

***Evaluation of the external auditor, its independence, performance and fees***

The Board annually reviews the selection of the auditor in order to propose its appointment to the shareholders' meeting. The Board or its Audit Committee assess the effectiveness and the quality of the auditor as well as its independence based on the reports received and discussions held.

This assessment measures the external auditor's performance against a number of criteria, including: understanding of Company's business; technical knowledge and expertise; comprehensiveness of the audit plans; quality of the working relationship with management; and clarity of communication. It is compiled based on the input of key people involved in the financial reporting process and the observations of the Audit Committee members.

PricewaterhouseCoopers AG monitors its independence throughout the year and confirms this to the Audit Committee annually.

The Audit Committee (or the full Board) reviews annually the audit fees as well as any fees paid to the external auditor for non-audit services. See section 3.4 for further information.

**9 Information policy**

The Company's financial reporting consists of semi-annual and annual reports. Financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and in compliance with Swiss law. Notifications to shareholders (including invitations to general meetings of shareholders) are published in the Swiss Official Gazette of Commerce (SOGC).

The Company shall publish information according to the following schedule:

Reporting

- April 2023 – Publication of annual report including audited financial statements for the twelve months ended 31 December 2023

- September 2024 – Publication of unaudited financial statements for the six months ending 30 June 2024

Meetings of Shareholders

29 May 2024 – Annual General Meeting

The news releases of the Company (including releases issued pursuant to ad-hoc publicity rules) are available under [www.arundel-ag.com/News/](http://www.arundel-ag.com/News/), where stakeholders may also subscribe to the Company's e-mail alert service to receive its news releases.

Additional information and all publications (including this annual report) are available under [www.arundel-ag.com](http://www.arundel-ag.com).

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SIX Swiss Exchange Symbol: ARON

Security Number: 227101



ISIN: CH0002271010

**10 Close periods**

The Company observes regular close periods starting at the end of the last day of any reporting period (currently 30 June and 31 December of each year) and ending one full trading day after publication of the financial reports.

During close periods persons, who as a result of their position or work at or for the Company or its subsidiaries have access to insider information (including all members of the Board and of Executive Management), may not effect transactions in shares of the Company or other relevant securities (i.e. other equity securities, convertible bonds or stock options issued by the Company or having its shares as underlying, and any other financial instruments whose intrinsic value or price is materially dependent on the price of the Company's shares or other securities issued by it).

During the 2023 financial year, no exceptions were granted from these prohibitions.