Annual Report
2022

castle
PRIVATE EQUITY

Contents

Further information
Periodic updates of elements of this annual report and supplementary information can be retrieved from the company's website **www.castlepe.com**

Publication date
This report was released for publication on 24 February 2023.
The subsequent event notes in the financial statements have been updated to 24 February 2023.
Amounts in this report are stated in USD thousands (TUSD) unless otherwise stated.

Castle Private Equity in 2022

(All amounts in USD, unless when indicated otherwise)

	2022	2021
Net asset value	106 million	149 million
Payments to shareholders (CHF)	26 million	34 million
Net asset value per share	10.50	14.73
Share price (CHF)[1]	7.70	9.55
Discount to net asset value	20.8 per cent	28.8 per cent
Private equity assets	86 million	113 million
Capital calls	0.3 million	0.2 million
Distributions	46 million	38 million
Investment degree	81 per cent	76 per cent
Uncalled commitments	41 million	44 million
Uncalled as per cent of NAV	39 per cent	30 per cent
Cash position	21 million	37 million
Treasury shares	—	308,371
Cancelled shares	308,371	—
Shares in circulation	10,104,741	10,104,741

[1] Representing the closing trade price on the last trading day of the year.

Chairman's statement

Harvesting process materialises further

Dear shareholders

NAV weakens during the year amid increased global tensions and market volatility

During the course of 2022, the Company's net asset value (NAV) per share decreased by 28.7 per cent to USD 10.50 by the end of 2022. Increasing global tensions in particular driven by the conflict in the Ukraine and central banks' battle against inflation have been the main sources for the correction in global financial markets.

Against the confidence and optimism that defined last year's rebound, 2022 has been marked by volatility and uncertainty. Conflict in Ukraine, energy supply shocks, spiralling inflation, pullback of the debt markets and fears of an economic downturn have been persistent issues throughout the year. Despite the challenges, private equity activity decelerated rather than halted, and significant deals were still successfully executed. Data from Invest Europe shows that private equity investment fell back to EUR 57 billion in the first half of the year, below both halves of 2021, but nonetheless higher than any other six-month period on record. Activity levels still trended down in the second half, and further statistics illustrate this, as deal volume in the three months to the end of September slipped by 32 per cent quarter-on-quarter, while deal count declined by 10 per cent.

PE-backed companies have provided greater growth opportunities than many public peers despite economic uncertainty

The slowdown had an impact on transaction timelines. Auction processes generally lengthened, as buyers spent more time on due diligence, scrutinising risks and synergies. The position on risk allocation broadly stayed the same, however, with warranty & indemnity insurance largely holding its footing as the primary means of buyer recourse, although practice was more mixed than in 2021. Top-quality assets continued to attract a strong field of suitors, and European public companies drew international attention, including dollar buyers for whom sterling's weakness provided a tailwind. Nevertheless, valuations declined as sellers' price expectations began to soften to reflect increased buyer caution, the weakening economic outlook and the decline in the availability of debt finance. The Argos Wityu index for mid-market private equity deals showed that deal values fell from a peak of 11.6x EBITDA in late 2021 to 10x in the third quarter of 2022.

The board of directors intends to continue its harvesting strategy and focus on efficient liquidity management. We continue to see upside potential in several underlying portfolios. Combined with our expectations that the exit environment will remain generally supportive in 2023 we believe that Castle's mature and well diversified portfolio should profit further for the benefit of investors. The Company's share price closed the year at CHF 7.70 per share representing a discount to NAV of just below 21 per cent versus discount levels of close to 40 per cent for alternative investment companies.

General meeting 16 May 2023 in Switzerland

The company’s 2023 annual general meeting is scheduled to take place on 16 May 2023, in Pfäffikon, Switzerland. The board welcomes the opportunity to discuss the progress of the company with interested shareholders.

We thank you for your support.

Yours sincerely

Gilbert J. Chalk
Chairman

Investment manager's report

2022 was a year of rapid developments

Dear shareholders

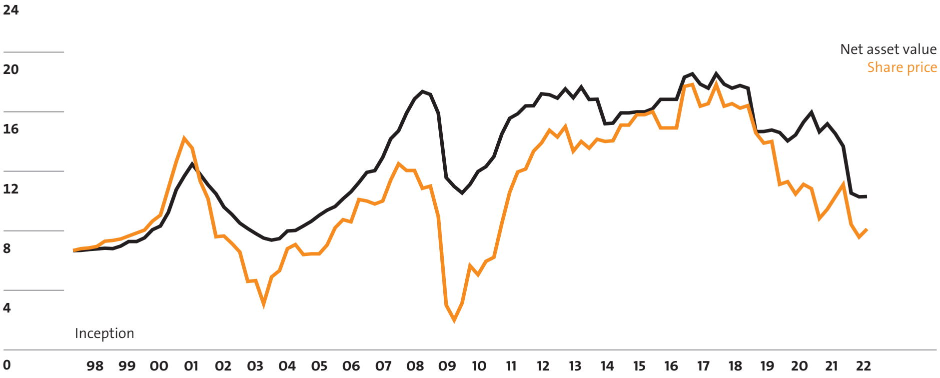
2022 marked by seismic shifts in the macro-economic and political landscape

The year 2022 was marked by seismic shifts in the macro-economic and political landscape. One major dislocation came in the form of a sharp rise in inflation that was initially fanned by the re-opening dynamics after the pandemic and was then aggravated by the war in Ukraine. To restore price stability, central banks started to aggressively tighten financing conditions. As a consequence, financial assets re-rated across the board to account for higher interest rates as well as elevated economic and political uncertainty.

NAV decreased by 28.7 per cent reflecting economic uncertainty

During the past twelve months of the year, the company's net asset value (NAV) per share decreased by 28.7 per cent to USD 10.50. The negative investment performance was mainly driven by declining valuations across Castle's venture capital investments, reflecting the impact of recent drops in public market comparables. Additionally, the decrease in the value of the Euro versus the US Dollar added to the negative performance during 2022.

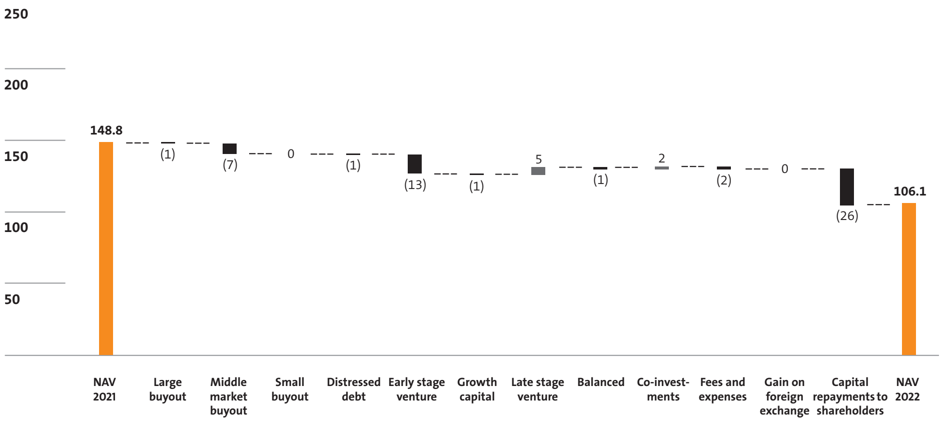
Share price and net asset value since inception
in USD per share



Private equity remains active despite a more challenging macro environment

For the private equity industry 2022 was an incredibly dynamic year, characterised by continued growth, innovation, creativity, and the trademark resilience that has defined the industry since its inception. It was a tale of two markets, wherein the first half of the year saw a deal environment that carried over much of the momentum from 2021's record levels of activity: Private equity firms announced transactions valued at over USD 515 billion. The second half of the year, however, saw private equity firms become increasingly cautious in the face of rising inflationary pressures, the macro impacts of the war in Ukraine, a widening valuation gap, and perhaps most importantly, widespread dislocation in the financing markets that restricted access to private equity's traditional source of financing. Despite the drop-off in announced deals over the course of the year, deal values closed 2022 well above pre-pandemic averages. Indeed, it was the second most active year of the last decade, with private equity firms announcing transactions valued at just under USD 730 billion. As this period of turbulence wears on, the slowdown will likely extend to exits across the board. The exit falloff will increase average portfolio hold periods and slow distribution activity. However, the ongoing rise of the secondaries market will potentially mitigate this trend to some extent.

NAV change by financial stage in 2022
in USD millions



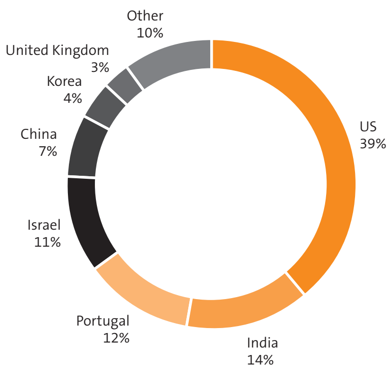
Growth mainly driven by venture/growth capital and in general buyout investments

Portfolio loss of USD 14.8 million and a USD 0.4 million unrealised currency loss
The net asset value of Castle Private Equity developed negatively throughout the year, decreasing by 28.7 per cent as of 31 December 2022. This negative development was mainly guided by declining valuations across the venture capital stage, reflecting the impact of retreating public market comparables. In 2022, the portfolio generated losses of USD 14.8 million and a USD 0.4 million unrealised currency loss, given the decrease in the EUR versus the USD.

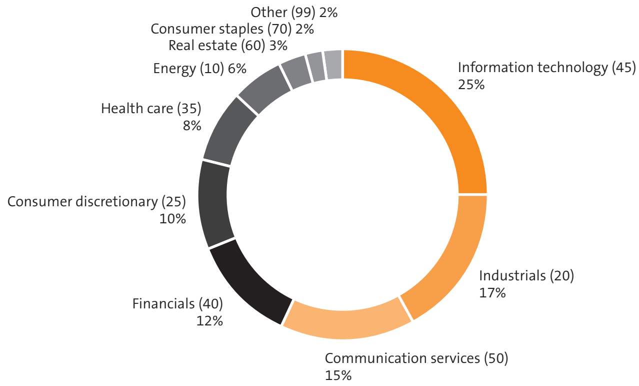
The overall change in NAV in the period was the net result of two opposing contributory factors: realised gains were more than offset by unrealised losses. The gains on realisations demonstrate once again that underlying managers in Castle's portfolio are able to time exit processes to achieve good results, even in an otherwise unfavourable environment. While there were no material IPOs in the period, General Partners ("GPs") continued to sell their existing holdings of public equity arising from the IPOs of 2021, and trade sales were relatively strong.

Portfolio review at the company level
Per December 2022

Geographical regions



Industry sectors (GICS)



Increasing portfolio maturity leading to lower levels of net cash inflows

Stable level of net cash inflows

Partnership investments distributed over USD 46 million back to Castle during the course of the year vs. USD 38 million in 2021, reflecting once more the maturity of the underlying assets. Distributions were generated from almost all available exit channels, including sales to strategic buyers, secondary buyouts (sale of a private equity-backed company to another private equity manager) as well as IPO's and recapitalisations.

Capital calls of underlying partnerships proved to be less and less relevant also for 2022, with annual drawdowns of only USD 0.3 million.

Majority of uncalled capital can be considered stale

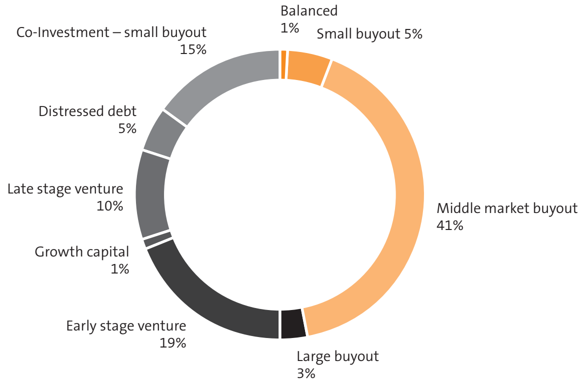
Uncalled capital stands at USD 41 million or 39 per cent of NAV

Castle terminated its investment activity with the adoption of the harvesting strategy in April 2012. The amount of uncalled capital was reduced further during 2022. A vast majority of the remaining uncalled capital can be considered as stale given that the maturity of virtually all funds in Castle's portfolio have matured beyond their investment period.

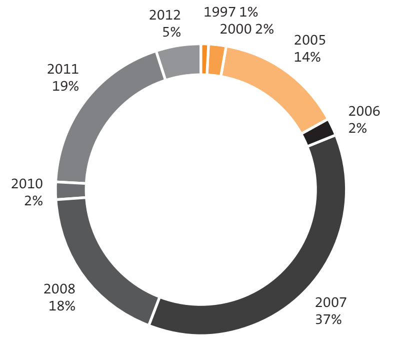
Asset allocation (asset value)

Per December 2022

Financing stage



Vintage year



Over USD 782 million returned to shareholders since implementation of harvesting strategy

Continuing cash generation will allow further distributions to shareholders

The tailwinds of the last few years also supported Castle over the course of the past twelve months and led to further cash generation. Net cash inflows for the past twelve months increased significantly compared to previous years reflecting on the one hand Castle's increased maturity profile of its underlying investments.

Also, during the past year, one of Castle's key priorities under the prevailing realisation scheme remained the effective and tax efficient distribution process for its available liquidity. In total, Castle returned over USD 25.3 million to its shareholders during the course of 2022, which brings the overall distributions made since the implementation of the harvesting strategy in April 2012 to over USD 782 million. While the remaining portfolio is of high quality, the investment manager continues to benchmark expected returns with current pricing and, should pricing on the secondary market prove attractive, may consider accelerating the realisation of the portfolio.

Major exits

In 2022

Month	Partnership	Company	Sector, location	Exit channel
April	Summit Partners Europe Private Equity Fund, L.P.	Darktrace	Cyber security, UK	Secondary sale to reinvestment vehicle
May	The Triton Fund II, L.P.	OptiGroup	Manufacturing & distribution, Sweden	Trade sale
July	SB Asia Investment Fund II, L.P.	Zero2IPO China Angel	China	Public markets (partial sale)
September	Summit Partners Europe Private Equity Fund, L.P.	Darktrace	Cyber security, UK	Secondary sale to reinvestment vehicle
September	Viola Ventures III, L.P.	Payoneer	Financial services, US	Partial exit
November	Viola Ventures III, L.P.	Payoneer	Financial services, US	Partial exit

Navigating challenges and opportunities in the new geopolitical climate

2022 may feel like a case of déjà-vu for many private equity investors, with those who had looked forward to capitalising on the numerous pent-up opportunities suppressed by Covid-19 emerging from the pandemic only to be faced with new economic uncertainty and a materially heightened risk environment. However, despite geopolitical uncertainty, the ongoing impact of the pandemic, high energy prices and growing inflation, the industry remains optimistic.

We would like to take this opportunity to thank you for your trust and patience. We are fully committed to persistently execute the harvesting strategy and look forward to updating you on further progress over the coming months.

Yours sincerely

LGT Private Equity Advisers AG

Major underlying company positions in 2022[1)]

Year invested	Partnership	Company	GICS Industry, location
2012	Stirling Square Capital Partners Omni Co-Investment, L.P. Stirling Square Capital Partners Second Fund (VCOC), L.P.	Omni Helicopters International	airlines, Portugal
2011	Index Ventures III (Jersey), L.P.	ViaGoGo	communication services, US
2011	Viola Ventures III, L.P.	IronSource Ltd.	information technology, Israel
2007	SAIF Partners III Limited (Secondary – Desert) SAIF Partners III, L.P.	One97 Communications	communication services, India
2012	EOS Capital Partners IV, L.P.	ProEnergy Services	energy, US
2007	SAIF Partners III Limited (Secondary - Desert) SAIF Partners III, L.P. SB Asia Investment Fund II, L.P.	National Stock Exchange of India	financial services, India
2012	Permira IV, L.P. 2	Genesys	information technology, US
2015	Hahn & Company I, L.P.	Hanon Systems	automotive supplies, South Korea
2007	Fortress Investment Fund V (Coinvestment Fund D), L.P. Fortress Investment Fund V (Fund D), L.P.	Florida East Coast Industries	real estate, US
2011	Viola Ventures III, L.P.	Personetics Technologies	information technology, US

1) Based on the latest available financial statements from the underlying private equity partnerships, i.e. primarily 30 September 2022.

Report of the statutory auditor

to the General Meeting of Castle Private Equity AG

Pfäffikon SZ

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Castle Private Equity AG and its subsidiaries (the Group), which comprise the consolidated statement of comprehensive income for the year ended 31 December 2022, and the consolidated balance sheet as at 31 December 2022 and the consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 16 to 65) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Article 14 of the Directive on Financial Reporting (DFR) of SIX Swiss Exchange and Swiss law.

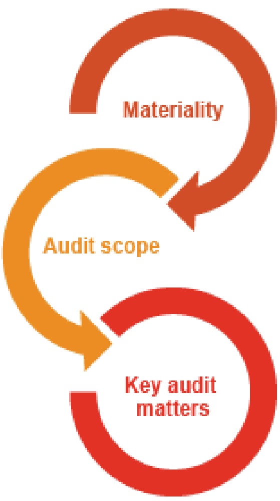
Basis for opinion

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.

Our audit approach

Overview



Overall Group materiality: USD 1.06 million

We conducted full scope audit work at all of the reporting units, which are located in Switzerland, Cayman Islands and Ireland.

Our audit scope therefore addressed 100% of the Group's assets, liabilities, equity, income and expenses and cash flows.

As key audit matters the following areas of focus have been identified:

- Valuation of private equity investments
- Ownership of private equity investments

pwc

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.

Overall Group materiality	USD 1.06 million
Benchmark applied	Total equity
Rationale for the materiality benchmark applied	We chose total equity as the benchmark because in our view it is the most relevant benchmark for investors and is a generally accepted benchmark for investment companies

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated 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.

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.

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.

Valuation of private equity investments

Key audit matter	How our audit addressed the key audit matter
The investment portfolio comprises investments in private equity funds and co-investments. All of the Group's investments are unquoted. We focused on this area because of the significance of the investments in the financial statements, and because determining the valuation methodology and the inputs requires estimation and judgement to be applied by the investment manager and the board of directors. Investments at fair value through profit or loss amount to USD 85.5 million or 80% of total assets. Refer to notes 3	The investment valuations are prepared by the investment manager applying the valuation methods disclosed in note 2 i) (iii). We attended a meeting of the board of directors where these investment valuations were reviewed to observe this process. We tested the design and implementation of the controls around the valuation of investments at the investment manager, to determine whether appropriate controls are in place. As the valuation provided by the investee fund manager is the primary source for valuation, we obtained information on the latest available valuation from the administrator or investee fund manager and checked that this information

(Critical accounting estimates) and 19 e) (Fair value estimation) for further disclosure and note 2 i) (iii) (Summary of accounting policies) for the valuation methods applied	appropriately supports the valuation applied by the investment manager. We tested controls over the fair value check process applied by the investment manager, which employs a risk-based approach to determine investments for which a fair value adjustment may be required. This process includes a review of the prior year audited financial statements of each investee fund with an assessment of how the investee fund assesses fair value and how accurate the prior year estimated fair value was in comparison to the audited net asset value. On a sample basis, where there were investments identified as having a higher risk of valuation error by the investment manager in the fair value check process described above, we tested those investments in further detail. In these cases, we challenge the procedures applied by the investment manager, including the adequacy of the inputs used as set out in note 3, focusing particular attention on co-investments and on other investments in private equity funds subject to adjustments using the results of the investment manager's own review and analysis. Where there was a time lag between the date of the latest available reporting and the balance sheet date, we tested the determination of the fair value by the investment manager, by testing cash flows from capital calls and distributions on a sample basis over the course of the year and subsequent to the year end. In particular, we ensured that the cash flow amounts recorded by the company were appropriately reconciled to the call or distribution notices received from the investee fund. We obtained sufficient audit evidence to conclude that the inputs, estimates, and methodologies used for the valuation of the investments are within a reasonable range and that valuation policies were consistently applied by the investment manager.

Ownership of private equity investments

Key audit matter	How our audit addressed the key audit matter
Private equity investments are not safeguarded by an independent custodian. There is a risk that the Group may not have sufficient legal entitlement to these investments.	We confirmed investment holdings with the investee fund manager, registrar, or transfer agent, as appropriate. We therefore obtained sufficient audit evidence to verify the existence and legal ownership of private equity investments.

Other information

The board of directors is responsible for the other information. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the company financial statements or the tables marked 'audited' in the remuneration report of Castle Private Equity AG and our auditor’s reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

The board of directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS, Article 14 of the DFR of SIX Swiss Exchange 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 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 paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the consolidated financial statements according to the instructions of the board of directors.

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

PricewaterhouseCoopers AG

Thomas Romer	Jack Armstrong
Audit expert Auditor in charge	Audit expert

Zürich, 24 February 2023

Consolidated statement of comprehensive income

For the year ended 31 December 2022 (all amounts in USD thousands unless otherwise stated)

	Note	2022	2021
Income			
Income from non-current assets:			
Net (loss)/gain on investments at fair value through profit or loss	12	(14,752)	28,512
Total (losses)/gains from non-current assets		**(14,752)**	**28,512**
Income from current assets:			
Net loss on marketable securities at fair value through profit or loss	12	(326)	(120)
Gain/(Loss) on foreign exchange net		26	(37)
Interest income	5	94	—
Other income		1	1
Total losses from current assets		**(205)**	**(156)**
Total (loss)/income		**(14,957)**	**28,356**
Expenses			
Management and performance fees	6	(1,156)	(1,547)
(Expenses)/Income from investments		(37)	52
Other operating expenses	7	(817)	(913)
Total operating expenses		**(2,010)**	**(2,408)**
Operating (loss)/profit		**(16,967)**	**25,948**
Finance costs	8	(5)	(3)
(Loss)/Profit for the year before taxes		**(16,972)**	**25,945**
Tax expenses	9	(403)	(538)
(Loss)/Profit for the year after taxes		**(17,375)**	**25,407**
Total comprehensive (loss)/income for the year		**(17,375)**	**25,407**
(Loss)/Profit attributable to:			
Shareholders		(17,375)	25,407
Non-controlling interest		—	—
		(17,375)	**25,407**
Total comprehensive (loss)/income attributable to:			
Shareholders		(17,375)	25,407
Non-controlling interest		—	—
		(17,375)	**25,407**
Earnings per share (USD) attributable to equity holders	2 (o)		
Weighted average number of shares outstanding during the year		10,104,741	10,116,053
Basic and diluted (loss)/profit per share		USD (1.72)	USD 2.51

The accompanying notes on pages 20 to 65 form an integral part of these consolidated financial statements.

Consolidated balance sheet

As of 31 December 2022 (all amounts in USD thousands unless otherwise stated)

	Note	2022	2021
Assets			
Current assets:			
Cash and cash equivalents	10	20,793	36,690
Accrued income and other receivables	11	131	12
Total current assets		**20,924**	**36,702**
Non-current assets:			
Investments at fair value through profit or loss	12	85,541	112,668
Total non-current assets		**85,541**	**112,668**
Total assets		**106,465**	**149,370**
Liabilities			
Current liabilities:			
Accrued expenses and other payables	13	372	534
Total current liabilities		**372**	**534**
Equity			
Shareholders' equity:			
Share capital	14	262	270
Additional paid-in capital	14	34,419	50,514
Less treasury shares 1st line at cost against reserves from capital contributions	14	—	(3,428)
Retained earnings		71,411	101,479
Total shareholders' equity before non-controlling interests		**106,092**	**148,835**
Non-controlling interests		1	1
Total equity		**106,093**	**148,836**
Total liabilities and equity		**106,465**	**149,370**
Net asset value per share (USD)	2 (o)		
Number of shares issued as at year end		10,104,741	10,413,112
Number of treasury shares 1st line as at year end	14	—	(308,371)
Number of shares outstanding net of treasury shares as at year end		**10,104,741**	**10,104,741**
Net asset value per share		**10.50**	**14.73**

The accompanying notes on pages 20 to 65 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2022 (all amounts in USD thousands unless otherwise stated)

	Note	2022	2021
Cash flows from/(used in) operating activities:			
Purchase of investments		(458)	(207)
Proceeds from return of invested capital in investments		3,338	13,525
Proceeds from realised gains on investments		7,004	24,066
Proceeds from sales of securities		2,164	1,320
Interest received	5	94	—
Proceeds from other realised income		1	1
Investment expenses (paid)/received		(37)	56
Withholding taxes paid for investments	9	(399)	(554)
Withholding taxes refunded from investments	9	—	16
Other operating expenses paid	6,7	(2,248)	(2,542)
Capital tax		(7)	(39)
Net cash flows from operating activities		**9,452**	**35,642**
Cash flows from/(used in) financing activities:			
Finance costs		—	(5)
Purchase of treasury shares 1st line at cost against reserves from capital contributions	14	—	(1,177)
Distribution of legal reserves/retained earnings to the investors		(25,369)	(33,599)
Net cash flows used in financing activities		**(25,369)**	**(34,781)**
Net (decrease)/increase in cash and cash equivalents		**(15,917)**	**861**
Cash and cash equivalents at beginning of year	10	**36,690**	**35,867**
Exchange gain/(loss) on cash and cash equivalents		20	(38)
Cash and cash equivalents at end of year		**20,793**	**36,690**
Cash and cash equivalents consist of the following as at 31 December:			
Cash at banks		20,793	36,690
Time deposits < 90 days		—	—
Total		**20,793**	**36,690**

The accompanying notes on pages 20 to 65 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2022 (all amounts in USD thousands unless otherwise stated)

	Note	Share capital	Additional paid-in capital	Less treasury shares	Retained earnings	Non-controlling interests	Total equity
1 January 2021		**270**	**84,113**	**(2,251)**	**76,072**	**1**	**158,205**
Total comprehensive income for the year		—	—	—	25,407	—	25,407
Purchase of treasury shares 1st line at cost against reserves from capital contributions	14	—	—	(1,177)	—	—	(1,177)
Distribution of legal reserves to the investors	14	—	(33,599)	—	—	—	(33,599)
31 December 2021		**270**	**50,514**	**(3,428)**	**101,479**	**1**	**148,836**
1 January 2022		**270**	**50,514**	**(3,428)**	**101,479**	**1**	**148,836**
Total comprehensive loss for the year		—	—	—	(17,375)	—	(17,375)
Cancellation of treasury shares 1st line at cost against reserves from capital contributions	14	(8)	(3,411)	3,428	(9)	—	—
Distribution of legal reserves/retained earnings to the investors	14	—	(12,684)	—	(12,684)	—	(25,368)
31 December 2022		**262**	**34,419**	—	**71,411**	**1**	**106,093**

The accompanying notes on pages 20 to 65 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2022
(All amounts in USD thousands unless otherwise stated)

1 Organisation and business activity

Castle Private Equity AG, Pfäffikon (the "Company"), is a stock corporation established for an indefinite period by deed dated 19 February 1997. The Company's registered office is Schützenstrasse 6, CH-8808 Pfäffikon. The Company's business is principally conducted through two fully consolidated subsidiaries (the "Subsidiaries"); Castle Private Equity (Overseas) Ltd. (the "Overseas Subsidiary") and Castle Private Equity (International) plc (the "Ireland Subsidiary"). The Company and the Subsidiaries together constitute the "Group".

Subsidiaries

Castle Private Equity (Overseas) Ltd., Grand Cayman, was incorporated on 28 February 1997 as an exempted company under the laws of Cayman Islands. The authorised share capital of TUSD 57 is divided into voting non-participating management shares and non-voting participating ordinary shares. All voting non-participating management shares are held by LGT Group Foundation, Vaduz, the non-voting participating ordinary shares are entirely held by Castle Private Equity AG, Pfäffikon. The paid in share capital for these non-voting participating ordinary shares amounts to USD 683 and is presented in the balance sheet as an non-controlling interest. The Group consolidated the Overseas Subsidiary per 31 December 2022 and 31 December 2021 in compliance with IFRS 10.

Castle Private Equity (International) plc, Dublin, was established on 18 December 2000 as an open-ended investment company with variable capital under the laws of Ireland. Its capital amounted to TUSD 95,826 per 31 December 2022 (per 31 December 2021: TUSD 147,536). It is a subsidiary of Castle Private Equity (Overseas) Ltd. The share capital is divided into management shares and participating shares. The management shares are held by LGT Group Foundation, LGT Bank (Ireland) Ltd. and LGT Fund Managers (Ireland) Limited. The participating shares are entirely held by the Overseas Subsidiary. The Company is an open-ended investment company with variable capital and limited liability authorised by the Central Bank of Ireland pursuant to the provisions of Part XIII of the Companies Act, 1990. The Group consolidated the Ireland Subsidiary per 31 December 2022 and 31 December 2021 in compliance with IFRS 10.

Stock market listing

Since 4 September 1998 the shares of the Company have been listed in Swiss Francs on the SIX Swiss Exchange.

Business activity
The investment policy aims at a maximisation of the long-term value advancement by way of realising the Group's funds by harvesting the portfolio of private equity investments as their underlying assets are realised.

Private equity investments mean professionally managed equity investments in securities of private and public companies (e.g. during the restriction period after an Initial Public Offering "IPO"). Equity investments can take the form of a security which has an equity participation feature. Investments are made alongside the management to start, develop or transform privately owned companies, which demonstrate the potential for significant growth. It comprises investments in various financing stages; seed, early, later, mezzanine, special situations (distressed), management buyouts and leveraged buyouts.

From its inception in 1997 until 2012, the Group operated as an evergreen investment entity, re-investing proceeds from realisations into new investments. Following a vote at a shareholders' meeting in April 2012, the Group embarked upon a realisation strategy.

The consolidated financial statements are presented in US Dollar which is the Group's entities' functional currency and the Group's presentation currency.

As of 31 December 2022 and 31 December 2021 the Group did not employ any employees.

2 Summary of accounting policies for the consolidated financial statements

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
The accompanying consolidated financial statements of the Group for the year ended 31 December 2022 have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) formulated by the International Accounting Standards Board (IASB) and comply with Swiss Law and the accounting guidelines laid down in the SIX Swiss Exchange's Directive on Financial Reporting (DFR) for investment companies.

The consolidated financial statements of the Group have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The board considers the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Group's performance, business model and strategy.

a) Standards and amendments to published standards that are mandatory for the financial year beginning on or after 1 January 2022

There are no IFRS interpretations that are effective for the first time for the financial year beginning on or after 1 January 2022 that have had a material impact on the consolidated financial statements.

b) Standards and amendments to published standards effective after 1 January 2022 that have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022 and have not been applied in preparing these consolidated financial statements. None of these could have a significant effect on the consolidated financial statements.

- Amendments to IAS 1, "Presentation of Financial Statements", Classifications of liabilities (1 January 2023);
- Amendments to IAS 12, "Income Taxes", Deferred tax related to assets and liabilities arising from a single transaction (1 January 2023);
- Amendments to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", Definition of accounting estimates (1 January 2023); and
- Amendments to IAS 1, "Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements", Disclosure of accounting policies (1 January 2023).

c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates. See also note 2 i) iii).

The board of directors of the Company has assessed whether it is appropriate, under IFRS 10, to consolidate the Subsidiaries. This assessment required significant judgement. IFRS 10 states that an investor controls the investee if, and only if, the investor has all of the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Although LGT Group Foundation holds the voting, non-participating management shares of the Overseas Subsidiary (which holds the Ireland Subsidiary), it has never been involved in directing any relevant activities of this entity. Power over such activities, the most important of which have been summarised below, lies fully with the Company:

- The board of directors of the Company is responsible for the organisation of the Company's main structures, including planning, management and reporting procedures and its internal risk control systems;

- The board of directors of the Company is responsible for the determination of the investment policy and supervision of its implementation and for the appointment and supervision of the Company's general manager and the investment manager of the Subsidiaries;
- The investment manager of the Subsidiaries is responsible for the management of the Subsidiaries, including making investment decisions; and
- LGT Group Foundation does not have the rights to remove the board of directors of the Company and nominate new board members.

The management shares of the Overseas Subsidiary are not entitled to receive dividends and are only entitled to a repayment of par value on the winding up of the Overseas Subsidiary. The investor in the Overseas Subsidiary that has the ability to direct the activities that most significantly affect the returns of the Overseas Subsidiary is the holder of the non-voting participating ordinary shares, which is the Company (see also note 1). Therefore, the board of directors of the Company concluded that the Company controls the Overseas Subsidiary.

Further, IFRS 10 requires that a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity. The board of directors of the Company also made an assessment as to whether the Company's Subsidiaries met the definition of an investment entity. IFRS 10 provided that an investment entity should have the following typical characteristics:
- it has more than one investment;
- it has more than one investor;
- it has investors that are not related parties of the entity; and
- it has ownership interests in the form of equity or similar interests.

The absence of any of these typical characteristics does not necessarily disqualify an entity from being classified as an investment entity. However, an investment entity is still required to consolidate a subsidiary where that subsidiary provides services that relate to the investment entity's investment activities. The Overseas Subsidiary, which holds the Ireland Subsidiary, does not have two of the above characteristics; it has just one investor and that investor is a related party. The Overseas and Ireland Subsidiaries both have a direct/indirect investment management agreement with LGT Private Equity Advisers AG and thus provide the Company with investment management services.

After reviewing the conditions and particulars described above, the board of directors concluded that the Subsidiaries do not qualify as investment entities, but are effectively operating subsidiaries. They provide requisite services to the Company and incur costs in doing so, thus the Company consolidates its two Subsidiaries.

d) Basis of consolidation

The consolidated financial statements are based on the financial statements of the individual Group companies prepared using uniform accounting principles and drawn up in accordance with the regulations governing the rendering of accounts in terms of the Listing Regulations of the SIX Swiss Exchange and with the International Financial Reporting Standards issued by the International Accounting Standards Board.

The consolidated financial statements include all assets and liabilities of the Company and its direct and indirect subsidiaries:

– Castle Private Equity (Overseas) Ltd., Cayman Islands; and
– Castle Private Equity (International) plc, Ireland.

Subsidiaries are all entities (including structured 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 to direct the activities of the entity. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. See also note 2 c) in relation to judgements taken in regards to consolidation.

Non-controlling interests are disclosed separately in the consolidated financial statements.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

e) Associates

Further to the subsidiaries fully consolidated, the Group holds ownership interest of more than 20 per cent in Chancellor Private Capital Offshore Partners II, L.P. (28.6 per cent) and the Chancellor Offshore Partnership Fund L.P. (99.8 per cent). Since November 2012 Chancellor Private Capital Offshore Partners II, L.P. is in liquidation and has zero net asset value.

Under IAS 28, a holding of 20 to 50 per cent or more will indicate significant influence and these investments should be classified as associates and be accounted for using the equity method. However, these standards do not apply to investments in associates and interests in joint ventures, held by venture capital organisations, which are classified as fair value through profit or loss in accordance with IFRS 9, resulting in the measurement of the investments at fair value with changes in fair value recognised in the consolidated statement of comprehensive income.

The following schedule shows the latest available financial information of the associates.

As of 31 December 2022	**Chancellor Private Capital Offshore Partners II, L.P. – in liquidation[1] TUSD**	**Chancellor Offshore Partnership Fund, L.P.[2] TUSD**
Total assets	—	1,825
Total liabilities	—	(59)
Income	—	1
Loss	—	(315)

[1] In liquidation since 2012.
[2] The latest available figures as per 31 December 2020.

As of 31 December 2021	**Chancellor Private Capital Offshore Partners II, L.P. – in liquidation[1] TUSD**	**Chancellor Offshore Partnership Fund, L.P.[2] TUSD**
Total assets	—	1,825
Total liabilities	—	(59)
Income	—	1
Loss	—	(315)

[1] In liquidation since 2012.
[2] The latest available figures as per 31 December 2020.

The Group has elected to measure these associates as investments at fair value through profit or loss with changes in fair value being recognised in the consolidated statement of comprehensive income.

f) Non-controlling interest holders

Non-controlling interest holders in the consolidated financial statements are presented as a component of equity. The profit or loss for the period and the total comprehensive income are allocated in the consolidated statement of comprehensive income to the amounts attributable to non-controlling interest holders and to the shareholders.

g) Foreign currency

The functional currency of the Group's entities is US Dollar. The US Dollar as the functional currency arises from the fact that the Group is investing in assets whose base currency is predominately in US Dollar. The Group has also used the US Dollar as its presentation currency.

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are revalued into US Dollar at the exchange rates prevailing at the balance sheet date. Unrealised exchange gains and losses resulting from the revaluation of investments at fair value through profit or loss and denominated in foreign currency are recognised in the consolidated statement of comprehensive income. Other exchange gains and losses are also included in the consolidated statement of comprehensive income.

h) Cash and cash equivalents

Cash and cash equivalents comprise demand, call and term deposits with a maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise all cash, short-term deposits and other money market instruments with a maturity of three months or less, net of bank overdrafts on demand. Cash and cash equivalents are recorded at nominal value.

i) Financial assets and liabilities at fair value through profit or loss

The Group, in accordance with IFRS 9, classifies its investments based on both the Group's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Group is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Group has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

(i) Recognition and derecognition

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expires.

A regular way purchase of financial assets held for trading is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded. A regular way purchase of financial assets at fair value through profit or loss is recognised using settlement date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded. Financial liabilities are not recognised until the entity becomes party to the contractual provisions of the instrument.

(ii) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the consolidated statement of comprehensive income.

Financial assets at amortised cost are measured using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost.

(iii) Fair value measurement principles and estimation

Listed securities

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year-end date. The board of directors considers markets to be active when transactions are occurring frequently enough on an ongoing basis to obtain reliable pricing information on an ongoing basis. If observed transactions are no longer regularly occurring, or the only observed transactions are distressed/forced sales, the market would no longer be considered active. In cases where it is judged that there is no longer an active market, any transactions that occur may nevertheless provide evidence of current market conditions which will be considered in estimating a fair value using the valuation technique as described. Financial instruments are assessed separately when determining if there is an active market. None of the investments outlined in the portfolio of investments belong to this category as of 31 December 2022 (31 December 2021: None).

Primary fund investments

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. Private equity investments for which market quotations are not readily available are valued at their fair values by the board of directors. Private equity valuations are usually generated by the managers of the underlying portfolio of investments on a quarterly basis and are actually received with a delay of at least one-to-two months after the quarter end date. As a result, the year-end net asset value predominantly consists of portfolio valuations provided by the investment managers of the underlying funds as of 30 September 2022, adjusted for subsequent capital calls and distributions. The investment manager will report to the board of directors when it considers that the (most recent) valuation of a fund investment is materially misstated when applying the above valuation methods. In such case, the board of directors will determine the necessary adjustments using the results of its own review and analysis. Refer to note 3 for more details. The valuation adjustments relate to events subsequent to the last capital account valuation statement received but based upon information provided by the investment manager. In estimating the fair value of fund investments, the investment manager in its valuation recommendation to the board of directors considers all appropriate and applicable factors (including a sensitivity to non-observable market factors) relevant to their value, including but not limited to the following:

- reference to the fund investment's reporting information including consideration of any time lags between the date of the latest available reporting and the balance sheet date of the Group. This includes a detailed analysis of exits (trade sales, initial public offerings, etc.) which the fund investments have had in the period between the latest available reporting and the balance sheet date of the Group, as well as other relevant valuation information. This information is a result of continuous contact with the investment managers and, specifically, by monitoring calls made to the investment managers, distribution notices received from the investment managers in the period between the latest available report and the balance sheet date of the Group, as well as the monitoring of other financial information sources and the assessment thereof;
- reference to recent transaction prices;
- result of operational and environmental assessments: periodic valuation reviews are made of the valuations of the underlying investments as reported by the investment managers to determine if the values are reasonable, accurate and reliable. These reviews include a fair value estimation using widely recognised valuation methods such as multiples analysis and discounted cash flow analysis;

- review of management information provided by the managers/administrators of the fund investments on a regular basis; and
- mark-to-market valuations for quoted investments held by the fund investments which make up a significant portion of the Group's net asset value.

All fair valuations may differ significantly from values that would have been used had ready markets existed, and the differences could be material. The valuation of the investments is performed on a regular basis, but at least quarterly.

Secondary fund investments

The fair value measurement principles applied to secondary investments are the same as those applied to primary investments with the exception that commitments to secondary fund investments are recognised in the Group's accounts when the sale and purchase agreement is signed but cost and fair value are not recognised until such time as the investment manager's consent has been received and any rights of first refusals have expired.

Where an investment manager valuation specific to the Group is not available, a comparable valuation pertaining to a similar commitment may be used as a representative of the fair value of the Group's investment.

The majority of the Group's investments use either U.S. GAAP or utilise a combination of IFRS and International Private Equity and Venture Capital Valuation Guidelines ("IPEVC Guidelines") to value their underlying investments.

Co-investments

There are two types of co-investments, direct and indirect. When the Group invests directly into the target company, alongside the co-investor's main fund this is known as a direct co-investment. When the Group invests through a structure that is managed by the co-investor this is known as an indirect co-investment. The co-investments are valued as follows:

- for indirect co-investments valuations are generated by the managers of the co-investors on a quarterly basis and are usually received with a delay of at least one to two months after the quarter end date;
- the investment manager will use valuation techniques to estimate their own price to ensure that, in the opinion of the investment manager, the price provided by the manager of the co-investor is representative of fair value. The predominant methodology adopted by the investment manager to value co-investments is a market approach which takes market multiples using a specified financial measure (e.g. EBITDA), recent public market and private transactions and other available measures for valuing comparable companies and all other available unobservable inputs;
- if a variance of greater than 10 per cent is noted between the above two methods then the investment manager valuation will be used; and
- for direct co-investments there is no valuation provided by the manager of the co-investor so the investment manager will use the valuation techniques described above to estimate a price.

The vast majority of the portfolio commitments are funded on the initial call date. Where this is the case, the variance between the fair market value and commitment amount, represents the adjustment made based on the recommendation of the investment manager using the above valuation techniques. To the best of the directors knowledge at the time of signing the financial statements, there are no reasonable possible alternative assumptions which would change significantly the fair value of the Group's investments.

The following table shows that latest available reporting which was used in the valuation of the Group portfolio of investments:

Unobservable input	**2022 TUSD**	**% of FMV**	**2021 TUSD**	**% of FMV**
Total investment value	**85,541**	**100.0%**	**112,668**	**100.0%**
Capital accounts from underlying IM	**85,435**	**98.7%**	**104,640**	**92.8%**
Split of underlying values:				
Q4 2022/2021	14,064	16.4%	19,637	17.4%
Q3 2022/2021	69,618	81.4%	80,303	71.3%
Q2 2022/2021	—	0.0%	1,725	1.5%
Q1 2022/2021	—	0.0%	—	0.0%
Before Q1 2022/2021	753	0.9%	2,989	2.6%
Movement attributable to mark to market	**1,106**	**1.3%**	**8,014**	**7.2%**
Other	**—**	**0.0%**	**—**	**0.0%**

(iv) Net gain on investments

Net gain on investments is comprised of realised and unrealised gains on investments. Realised gains are recognised as being the difference between the cost value of an investment and the proceeds received from the sale of the investment in the year that the investment was sold.

(v) Allocation of proceeds from investments

Distributions from primary investments are typically applied to return of capital and realised gains on the basis of the allocation provided by the investment manager. In the absence of this allocation the distribution is applied as a return of capital until all contributed capital has been returned and thereafter applied to realised gains. Distributions from secondary investments are typically applied as a return of capital until such time as the contributed capital has been recovered in full and thereafter applied to realised gains. Any portion of the distributions which is identified as recallable is included in the unfunded commitment of the relevant investment.

(vi) Dividends

Dividends are recognised in the consolidated statement of comprehensive income within realised gains at the time upon the declaration of such dividends.

(vii) Interest income and finance costs

Interest income and finance costs as well as other income and expenses are recognised in the consolidated statement of comprehensive income on an accruals basis.

(viii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

j) Accrued income and other receivables

Accrued income and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment allowances for such losses at each reporting date.

k) 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 and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest method. Borrowings are shown as current liabilities unless the Group has the unconditional right to defer settlement for at least 12 months after the balance sheet date. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

l) Accrued expenses and other payables

Accrued expenses and other payables are recognised initially at fair value and subsequently stated at amortised cost.

m) Treasury shares

The Company can buy and sell treasury shares in accordance with the Company's articles of association, Swiss company law and in compliance with the listing rules of the SIX Swiss Exchange. Treasury shares are recorded as a deduction from the consolidated shareholders' equity at the amount of considerations paid ("Total cost"). The gains and losses on sales of treasury shares are credited or charged to the retained earnings account. Upon cancellation, resulting differences between the exchange rates from the time of purchase of the treasury shares to the historical rates are also recognised in retained earnings. The FIFO (first in/first out) method is used for derecognition. The purchase price is booked gross with transaction costs and withholding tax.

n) Share capital

The share capital of the Company at 31 December 2022 amounts to TUSD 518 (TCHF 505) (31 December 2021: TUSD 534 (TCHF 521)) consisting of 10,104,741 (31 December 2021: 10,413,112) issued and fully paid registered shares with a par value of CHF 0.05 each. Each share entitles the holder to participate in any distribution of income and capital.

o) Net asset value per share and earnings per share

The net asset value per share is calculated by dividing the net assets included in the consolidated balance sheet (excluding non-controlling interests) by the number of participating shares outstanding at the year end.

Basic profit per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of shares outstanding during the year. Diluted profit per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares.

p) Interest income and expenses

Interest income and expenses as well as other income and expenses are recognised in the statement of comprehensive income on an accruals basis based on the effective interest method.

q) Taxes

Taxes are provided based on reported income. Capital taxes paid are recorded in other operating expenses.

The Group currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Taxes are shown as a separate item in the consolidated statement of comprehensive income.

Castle Private Equity AG, Pfäffikon

For Swiss federal, cantonal and communal tax purposes, an income tax is levied. However, there is a participation exemption on dividend income and capital gains on qualifying participations. The result of the participation exemption relief is that dividend income and capital gains are almost fully excluded from taxation.

Castle Private Equity (Overseas) Ltd., Grand Cayman

The activity of the Overseas Subsidiary is not subject to any income, withholding or capital gains taxes in the Cayman Islands. Generally, the Overseas Subsidiary intends to conduct its affairs so as not to be liable to taxation in any other jurisdiction.

Castle Private Equity (International) plc, Dublin

The Ireland Subsidiary is not liable to Irish tax on its income or gain.

r) Segment reporting

IFRS 8 requires entities to define operating segments and segment performance in the financial statements based on information used by the chief operating decision-maker. The board of directors are considered to be the chief operating decision-maker. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

The sole operating segment of the Group is investing in private equity investments. The investment manager works as a team for the entire portfolio, asset allocation is based on a single, integrated investment strategy and the Group's performance is evaluated on an overall basis. Thus the results published in this report correspond to the sole operating segment of investing in private equity.

s) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party in making financial and operating decisions.

3 Critical accounting estimates

The board of directors makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year are the fair value of non-quoted instruments. The board of directors uses its judgement to select a variety of methods and makes assumptions that are not always supported by observable market prices or rates. The majority of the Group's investments use either U.S. GAAP or utilise a combination of IFRS and International Private Equity and Venture Capital ("IPEVC") valuation guidelines to value their underlying investments. The predominant methodology adopted by the investment managers for the underlying investments in the Group is a market approach which takes market multiples using a specified financial measure (e.g. EBITDA), recent public market and private transactions and other available measures for valuing comparable companies.

The use of valuation techniques requires the Group to make estimates. Changes in assumptions could affect the reported fair value of these investments. As of 31 December 2022 and 31 December 2021 there were no investments for which the board of directors made valuation adjustments.

4 Foreign exchange rates

The following exchange rates have been applied to translate the foreign currencies of significance for the Group:

Foreign exchange rates		Unit	2022 USD	2021 USD
Swiss Francs	Year-end rates	1 CHF	1.080614	1.097574
British Pound	Year-end rates	1 GBP	1.202700	1.354650
Euro	Year-end rates	1 EUR	1.066650	1.137249
Swiss Francs	Average annual rates	1 CHF	1.047173	1.093763
British Pound	Average annual rates	1 GBP	1.234630	1.375574
Euro	Average annual rates	1 EUR	1.052194	1.182266

5 Interest income

Interest income for the year was earned on:

Interest income	2022 TUSD	2021 TUSD
Interest income from deposit at related party	2	—
Interest income from deposit at third party	92	—
Total	**94**	—

6 Management and performance fees

Management and performance fees are composed as follows:

Management and performance fees	2022 TUSD	2021 TUSD
Management fee – related party	1,156	1,547
Total	**1,156**	**1,547**

7 Other operating expenses

Other operating expenses are composed as follows:

Other operating expenses	2022 TUSD	2021 TUSD
Related party fees:		
Administrative fees	108	127
Directors' fees and expenses	206	215
General managers' expenses	109	113
Domicile fees	10	11
Third party fees:		
Custody fees	45	61
Annual and semi-annual reports	37	43
Legal fees	5	2
Tax advisory fees	52	43
Audit fees	112	134
Project expenses	–	2
Capital taxes Switzerland	7	35
Other expenses	126	127
Total	**817**	**913**

8 Finance costs

Interest expense for the year was paid on:

Finance costs	2022 TUSD	2021 TUSD
Due to banks – third party	5	3
Total	**5**	**3**

9 Taxes

Reconciliation of income tax calculated with the applicable tax rate:

Income tax reconciliation	2022 TUSD	2021 TUSD
(Loss)/Profit for the year before taxes	(17,131)	25,945
Applicable tax rate	7.8%	7.8%
Income tax	(1,336)	2,024
Effect from: non-taxable income	1,336	(2,024)
Total	—	—

The applicable tax rate is the same as the effective tax rate. Refer to note 2 q) for more information on taxes.

Taxes	2022 TUSD	2021 TUSD
Withholding tax expense for investments	403	538
Total	**403**	**538**

The Group currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the consolidated statement of comprehensive income. Withholding taxes are shown as a separate item in the consolidated statement of comprehensive income.

10 Cash and cash equivalents

Cash and cash equivalents consist of:

Cash and cash equivalents	2022 TUSD	2021 TUSD
Cash at banks:		
Related party	361	545
Third party	20,432	36,145
Total	**20,793**	**36,690**

The Group has no cash holdings which are not at its disposal. The carrying amounts of the cash and cash equivalents approximate fair value.

Cash flow reconciliation

The following is a reconciliation between the cash flow statement on page 18 and the investment movement schedule on pages 42 and 43.

1 January 2022 – 31 December 2022	Investments			Marketable securities	
	Additions (capital calls)	Disposals (returns of capital)	Realised gains and losses net withholding taxes	Additions (capital calls)	Disposals (returns of capital) and realised losses[4]
Movement schedule (page 42)	**263**	**(29,310)**	**16,673**	**2,491**	**(2,491)**
Cash flows for operating activities	—	3,338	7,004	—	—
Purchase of investments	(458)	—	—	—	—
Sale of marketable securities	—	—	—	—	2,491
Non-cash transactions					
Deemed distributions and account reclassification[1]	195	24,622	(22,327)	—	—
In kind distributions[2]	—	—	—	(2,491)	—
Revaluation of foreign currency positions[3]	—	1,350	(1,350)	—	—
Accounts receivable					
Total cash and non-cash transactions	**(263)**	**29,310**	**(16,673)**	**(2,491)**	**2,491**
Reconciliation	—	—	—	—	—

1 January 2021 – 31 December 2021	Investments			Marketable securities	
	Additions (capital calls)	Disposals (returns of capital)	Realised gains and losses net withholding taxes	Additions (capital calls)	Disposals (returns of capital) and realised losses[4]
Movement schedule (page 43)	**212**	**(15,550)**	**(23,491)**	**1,440**	**(1,440)**
Cash flows for operating activities	—	13,525	24,066	—	—
Purchase of investments	(207)	—	—	—	—
Sale of marketable securities	—	—	—	—	1,440
Non-cash transactions					
Deemed distributions and account reclassification[1]	(5)	1,659	(209)	—	—
In kind distributions[2]	—	—	—	(1,440)	—
Revaluation of foreign currency positions[3]	—	366	(366)	—	—
Accounts receivable					
Total cash and non-cash transactions	**(212)**	**15,550**	**23,491**	**(1,440)**	**1,440**
Reconciliation	—	—	—	—	—

[1] Deemed distributions and account reclassification – when a general partner determines to retain and use distributable cash for a future contribution, the amount of such cash will be treated as a non-cash contribution and distribution. Account reclassification is required when such a deemed distribution is reported by the general partner.
[2] In kind distributions – a distribution of marketable securities instead of a cash distribution.
[3] Revaluation of foreign currency positions – as at every month-end the Group revalues the cumulative return of capital amount for foreign currency investments based on the average paid-in capital exchange rate. The resulting adjustment is booked as realised forex gain/(loss) on investments.
[4] Further information under note 12.

11 Accrued income and other receivables

Accrued income and other receivables are composed of:

Accrued income and other receivables	2022 TUSD	2021 TUSD
Accrued income and other receivables	131	12
Total	**131**	**12**

12 Investments and marketable securities at fair value through profit or loss

As of 31 December 2022 the Group had subscribed interests in 69 (31 December 2021: 74) private equity investment vehicles (mainly limited partnerships), domiciled in the United States of America, the Cayman Islands, Europe and other jurisdictions. The total committed capital amounted to TUSD 912,721 (31 December 2021: TUSD 980,746) of which TUSD 871,609 (31 December 2021: TUSD 936,342) was paid in. The details of the investments are shown in the following investment tables.

All investments generally have an investment period of nine years or more and are subject to restrictions on transferability or disposal. The following investments do not directly invest into companies but invest in other private equity partnerships:
- Chancellor Partnership Fund, L.P.
- Chancellor Offshore Partnership Fund, L.P.
- Invesco Venture Partnership Fund II, L.P.
- Crown Global Secondaries plc
- Crown Asia-Pacific Private Equity plc
- Crown European Buyout Opportunities II plc
- PortPEP Ltd.

The valuations of the underlying private equity investments are reviewed on a quarterly basis by the board of directors. For the year 2022 and 2021 no adjustments to the valuations were deemed necessary by the board of directors.

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Investments and marketable securities at fair value through profit or loss[1)]

As of 31 December 2022 (all amounts in USD thousands unless otherwise stated)

	Deal currency	Vintage year	Geography	Commitment 31.12.2021	Cost 1.1.2021	Cost 31.12.2021	Fair value 31.12.2021	Commitment 31.12.2022	Cost 31.12.2022	Fair value 31.12.2022	FMV in %
Balanced stage											
Chancellor Offshore Partnership Fund, L.P.	USD	1997	North America	235,000	—	—	2,019	235,000	—	1,157	1.35%
Chancellor Partnership Fund, L.P.	USD	1997	North America	14,518	—	—	—	14,518	—	—	0.00%
Crown Global Secondaries plc	USD	2004	North America	30,000	337	337	100	30,000	256	12	0.01%
Total balanced stage				**279,518**	**337**	**337**	**2,119**	**279,518**	**256**	**1,169**	**1.37%**
Buyout stage											
Large buyout											
Clayton, Dubilier & Rice Fund VI, L.P.	USD	1998	North America	10,000	2,581	2,581	1	10,000	2,581	1	0.00%
BC European Capital VII[2)]	EUR	2000	Europe	11,372	2,132	2,132	64	10,667	2,132	59	0.07%
Permira Europe II, L.P. II[2)]	EUR	2000	Europe	11,373	2,262	2,262	80	10,667	2,262	79	0.09%
TPG Parallel III, L.P.	USD	2000	North America	5,000	1,178	1,178	—	5,000	1,178	—	0.00%
T3 Parallel II, L.P.	USD	2001	North America	5,000	1,030	1,030	53	—	—	—	0.00%
Warburg Pincus Private Equity VIII, L.P.	USD	2001	North America	15,000	—	—	—	15,000	—	—	0.00%
Permira Europe III, L.P. II[2)]	EUR	2003	Europe	11,372	2,749	2,749	48	10,667	2,749	59	0.07%
Silver Lake Partners II, L.P.	USD	2004	North America	10,000	1,260	1,260	—	—	—	—	0.00%
Greenhill Capital Partners II, L.P.	USD	2005	North America	10,000	1,477	701	—	—	—	—	0.00%
KKR European Fund II, L.P.[2)]	EUR	2005	Europe	11,373	2,659	2,658	52	10,666	60	48	0.06%
First Reserve XI, L.P.	USD	2006	North America	15,000	9,004	8,931	18	15,000	8,931	10	0.01%
Permira IV, L.P. 2[2)]	EUR	2006	Europe	11,941	2,095	2,095	10	11,200	2,095	15	0.02%
Bain Capital Fund X, L.P.	USD	2008	North America	12,000	2,946	2,907	2,021	12,000	3,027	1,462	1.71%
Bain Capital X Coinvestment Fund, L.P.	USD	2008	North America	420	151	151	—	420	151	—	0.00%
TPG Partners VI, L.P.	USD	2008	North America	18,000	6,129	5,175	1,121	18,000	5,175	1,031	1.21%
Total large buyout				**157,851**	**37,653**	**35,810**	**3,468**	**129,287**	**30,341**	**2,764**	**3.23%**

	Deal currency	Vintage year	Geography	Commitment 31.12.2021	Cost 1.1.2021	Cost 31.12.2021	Fair value 31.12.2021	Commitment 31.12.2022	Cost 31.12.2022	Fair value 31.12.2022	FMV in %
Middle market buyout											
The Triton Fund (No. 9) L.P.[2]	EUR	1999	Europe	9,885	720	720	100	9,271	720	79	0.09%
Bain Capital Fund VII-E, L.P.	USD	2002	Europe	8,000	1,177	1,177	16	8,000	1,177	16	0.02%
J.W. Childs Equity Partners III, L.P.	USD	2002	North America	—	952	—	—	—	—	—	0.00%
Bain Capital Fund VIII-E, L.P.[2]	EUR	2004	Europe	11,372	3,174	3,167	—	—	—	—	0.00%
Odyssey Investment Partners III, L.P.	USD	2004	North America	—	281	—	—	—	—	—	0.00%
Newbridge Asia IV, L.P.	USD	2005	Asia	10,000	2,921	2,921	39	10,000	2,880	—	0.00%
SB Asia Investment Fund II, L.P.	USD	2005	Asia	7,000	681	347	2,294	7,000	43	1,877	2.19%
Court Square Capital Partners II, L.P.	USD	2006	North America	15,000	5,082	5,064	792	15,000	5,064	274	0.32%
Polish Enterprise Fund VI, L.P.[2]	EUR	2006	Europe	11,373	2,836	2,386	—	10,666	2,386	—	0.00%
The Triton Fund II, L.P.[2]	EUR	2006	Europe	13,647	4,042	4,042	2,066	12,800	2,919	518	0.61%
Advent Latin American Private Equity Fund IV, L.P.	USD	2007	Other	10,000	1,479	1,249	905	10,000	1,249	903	1.06%
CDH China Fund III, L.P.	USD	2007	Asia	9,000	—	—	421	9,000	—	255	0.30%
CDH Supplementary Fund III, L.P.	USD	2007	Asia	3,000	—	—	14	3,000	—	14	0.02%
Crown Asia-Pacific Private Equity plc	USD	2007	Asia	40,000	5,815	3,215	11,442	40,000	2,815	8,345	9.76%
EOS Capital Partners IV, L.P.	USD	2007	North America	15,000	5,158	3,156	5,513	15,000	3,156	6,139	7.18%
Genstar Capital Partners V, L.P.	USD	2007	North America	10,000	1,597	1,597	265	10,000	265	156	0.18%
SAIF Partners III, L.P.	USD	2007	Asia	10,000	4,324	2,480	12,968	10,000	2,121	8,057	9.42%
Bain Capital Europe Fund III, L.P.[2]	EUR	2008	Europe	11,372	1,875	1,537	654	10,667	1,954	543	0.63%
Hahn & Company I, L.P.	USD	2011	Asia	10,000	1,036	897	3,552	10,000	897	3,344	3.91%
Bain Capital Asia Fund II, L.P.	USD	2012	Asia	10,000	3,496	3,544	5,659	10,000	3,335	4,663	5.45%
Total middle market buyout				**214,649**	**46,646**	**37,499**	**46,700**	**200,404**	**30,981**	**35,183**	**41.13%**
Small buyout											
MBO Capital FCPR[2]	EUR	2002	Europe	5,686	—	—	—	5,333	—	—	0.00%
Nmas1 Private Equity Fund No.2 L.P.[2]	EUR	2002	Europe	5,686	918	918	253	5,333	918	236	0.28%
Wynnchurch Capital Partners II, L.P.	USD	2006	North America	7,500	2,161	1,776	75	7,500	1,776	7	0.01%
Crown European Buyout Opportunities II plc[2]	EUR	2007	Europe	34,118	—	—	4,971	32,000	—	3,120	3.65%
PortPEP Limited (Secondary – Port)[2,3]	EUR	2011	Europe	12,282	—	—	927	11,520	—	722	0.84%
Total small buyout				**65,272**	**3,079**	**2,694**	**6,226**	**61,686**	**2,694**	**4,085**	**4.78%**
Total buyout stage				**437,772**	**87,378**	**76,003**	**56,394**	**391,377**	**64,016**	**42,032**	**49.14%**

	Deal currency	Vintage year	Geography	Commitment 31.12.2021	Cost 1.1.2021	Cost 31.12.2021	Fair value 31.12.2021	Commitment 31.12.2022	Cost 31.12.2022	Fair value 31.12.2022	FMV in %
Special situations stage											
Distressed debt											
Sun Capital Securities Offshore Fund, Ltd.	USD	2004	North America	10,000	4,058	4,058	135	10,000	4,058	114	0.13%
OCM European Principal Opportunities Fund, L.P.[5]	USD	2006	Europe	15,000	—	—	—	—	—	—	0.00%
OCM Principal Opportunities Fund IV, L.P.[5]	USD	2006	North America	10,000	—	—	1	10,000	—	—	0.00%
Sun Capital Securities Offshore Fund, Ltd. (Second Tranche)	USD	2006	North America	10,000	1,576	1,576	211	10,000	1,576	175	0.20%
Fortress Investment Fund V (Fund D), L.P.	USD	2007	North America	7,500	759	759	3,373	7,500	574	3,223	3.77%
OCM Opportunities Fund VII, L.P.	USD	2007	North America	10,000	—	—	73	10,000	—	117	0.14%
Castlelake I, L.P.	USD	2007	North America	15,000	—	—	1,571	15,000	—	429	0.50%
Oaktree European Credit Opportunities Fund, L.P.[2]	EUR	2008	Europe	11,372	4,598	4,592	—	10,666	4,592	—	0.00%
OCM European Principal Opportunities Fund II, L.P.[2]	EUR	2008	Europe	8,530	—	—	16	8,000	—	—	0.00%
OCM Opportunities Fund VIIb, L.P.	USD	2008	North America	13,500	—	—	14	13,500	—	5	0.01%
Total distressed debt				**110,902**	**10,991**	**10,985**	**5,394**	**94,666**	**10,800**	**4,063**	**4.75%**
Total special situations stage				**110,902**	**10,991**	**10,985**	**5,394**	**94,666**	**10,800**	**4,063**	**4.75%**
Venture stage											
Early stage venture											
Strategic European Technologies N.V.[2]	EUR	1997	Europe	7,793	—	—	85	7,309	—	—	0.00%
Invesco Venture Partnership Fund II, L.P.	USD	1999	North America	15,000	1,309	1,309	48	15,000	1,309	48	0.06%
Balderton Capital I, L.P.	USD	2000	Europe	5,333	1,854	1,854	—	5,333	—	—	0.00%
Chancellor V, L.P.	USD	2000	North America	20,000	2,430	2,430	154	20,000	1,804	—	0.00%
Galileo III FCPR[2]	EUR	2000	Europe	7,185	—	—	390	6,739	—	365	0.43%
Global Life Science Venture Fund II, L.P.[2]	EUR	2002	Europe	5,686	3,174	3,174	16	5,333	3,174	27	0.03%
Balderton Capital II, L.P.	USD	2005	Europe	4,000	2,923	2,846	—	4,000	160	—	0.00%
Battery Ventures VII, L.P.	USD	2005	North America	3,000	469	379	12	3,000	370	—	0.00%
Benchmark Israel II, L.P.	USD	2005	Other	4,602	875	875	1,999	4,602	875	1,930	2.26%
H.I.G. Venture Partners II, L.P.	USD	2005	North America	5,000	3,491	3,491	1,276	5,000	3,491	830	0.97%
Battery Ventures VIII, L.P.	USD	2007	North America	4,000	1,967	1,697	1,167	4,000	1,697	1,192	1.39%
Battery Ventures VIII Side Fund, L.P.	USD	2008	North America	978	397	167	32	978	167	127	0.15%
Viola Ventures III, L.P.	USD	2008	Other	6,000	402	—	23,060	6,000	—	9,420	11.01%
Mangrove III S.C.A. SICAR[2]	EUR	2008	Europe	5,686	5,558	5,558	4,062	5,333	5,558	2,503	2.93%
Total early stage venture				**94,263**	**24,849**	**23,780**	**32,301**	**92,627**	**18,605**	**16,442**	**19.22%**

	Deal currency	Vintage year	Geography	Commitment 31.12.2021	Cost 1.1.2021	Cost 31.12.2021	Fair value 31.12.2021	Commitment 31.12.2022	Cost 31.12.2022	Fair value 31.12.2022	FMV in %
Growth capital											
Summit Partners Europe Private Equity Fund, L.P.[2]	EUR	2009	Europe	7,961	3,080	2,771	2,445	7,467	2,696	1,085	1.27%
Total growth capital				**7,961**	**3,080**	**2,771**	**2,445**	**7,467**	**2,696**	**1,085**	**1.27%**
Late stage venture											
Columbia Capital Equity Partners III (Cayman), L.P.	USD	2000	North America	5,000	1,310	1,310	92	5,000	2	—	0.00%
New Enterprise Associates 10, L.P.	USD	2000	North America	10,000	6,882	6,354	378	10,000	378	644	0.75%
Columbia Capital Equity Partners IV (Non-US), L.P.	USD	2005	North America	10,000	—	—	1,930	10,000	—	1,098	1.28%
Index Ventures III (Jersey), L.P.[2]	EUR	2005	Europe	7,962	943	—	341	7,467	—	5,898	6.89%
New Enterprise Associates 12, L.P.	USD	2006	North America	5,000	3,324	3,276	605	5,000	564	448	0.52%
Index Ventures IV (Jersey), L.P.[2]	EUR	2007	Europe	5,686	1,984	1,984	305	5,333	1,901	211	0.25%
Total late stage venture				**43,648**	**14,443**	**12,924**	**3,651**	**42,800**	**2,845**	**8,299**	**9.70%**
Total venture stage				**145,872**	**42,372**	**39,475**	**38,397**	**142,894**	**24,146**	**25,826**	**30.19%**
Co-Investment and other											
Small buyout											
Co-Investment 4[2]	EUR	2011	Europe	2,132	2,526	1,466	—	—	—	—	0.00%
Co-Investment 5[2]	EUR	2011	Europe	4,550	5,441	5,440	10,364	4,266	5,440	12,451	14.56%
Total small buyout				**6,682**	**7,967**	**6,906**	**10,364**	**4,266**	**5,440**	**12,451**	**14.56%**
Total Co-Investment and other				**6,682**	**7,967**	**6,906**	**10,364**	**4,266**	**5,440**	**12,451**	**14.56%**
Total investments at fair value through profit or loss				**980,746**	**149,045**	**133,706**	**112,668**	**912,721**	**104,658**	**85,541**	**100.00%**
Total				**980,746[4]**	**149,043**	**133,706**	**112,668**	**912,721[4]**	**104,658**	**85,541**	**100.00%**

[1] Numbers may not fully add up due to rounding.
[2] Total commitment translated from EUR value at 1.066650 of 31 December 2022 and 1.137249 as of 31 December 2021.
[3] For the secondary investments no realised profit is recognised for capital distributions received until the cumulative returns on invested capital exceed the cost of a particular investment.
[4] Total paid in amounted to TUSD 871,609 (31 December 2021: TUSD 936,342).
[5] Investment was set to liquidated in 2020, on 2021 we received a further distribution on which it has been set to active again.

Movements in investments and marketable securities at fair value through profit or loss[1)]

For the year ended 31 December 2022 (all amounts in USD thousands unless otherwise stated)

2022		Value per 1 January 2022	Additions (capital calls)[2)]	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 31 December 2022	Total realised gains/(losses) per 31 December 2022[3)]	Net gains/(losses) per 31 December 2022	Uncalled commitment amount
Marketable securities		—	**2,491**	**(2,491)**	—	—	—	**(326)**	**(326)**	—
Balanced stage		**2,119**	—	**(80)**	—	**(870)**	**1,169**	—	**(870)**	**10,856**
Buyout stage	large buyout stage	3,468	120	(5,590)	5,547	(781)	2,764	(5,539)	(773)	1,452
	middle market buyout stage	46,700	122	(6,640)	5,017	(10,016)	35,183	(2,272)	(7,271)	14,215
	small buyout stage	6,226	—	—	—	(2,141)	4,085	2,302	161	8,189
	Total buyout stage	**56,394**	**242**	**(12,230)**	**10,564**	**(12,938)**	**42,032**	**(5,509)**	**(7,883)**	**23,856**
Special situations stage	distressed debt stage	5,394	—	(185)	80	(1,226)	4,063	478	(668)	1,037
	Total special situations stage	**5,394**	—	**(185)**	**80**	**(1,226)**	**4,063**	**478**	**(668)**	**1,037**
Venture stage	early stage venture	32,301	—	(5,174)	5,140	(15,825)	16,442	(1,516)	(12,200)	4,340
	growth capital stage	2,445	21	(96)	—	(1,285)	1,085	639	(646)	713
	late stage venture	3,651	—	(10,079)	15,569	(842)	8,299	(9,299)	5,428	310
	Total venture stage	**38,397**	**21**	**(15,349)**	**20,709**	**(17,952)**	**25,826**	**(10,176)**	**(7,418)**	**5,363**
Co-Investment	small buyout stage	10,364	—	(1,466)	3,553	—	12,451	(1,466)	2,087	—
	Total Co-Investment	**10,364**	—	**(1,466)**	**3,553**	—	**12,451**	**(1,466)**	**2,087**	—
Total investments		**112,668**	**263**	**(29,310)**	**34,906**	**(32,986)**	**85,541**	**(16,673)**	**(14,752)**	**41,112**
Total investments and marketable securities		**112,668**	**2,754**	**(31,801)**	**34,906**	**(32,986)**	**85,541**	**(16,999)**	**(15,078)**	**41,112**

1) Numbers may not fully add up due to rounding.
2) Includes callable returns of capital and adjustments due to sales of investments.
3) Includes callable distributed realised gains.

	2021	Value per 1 January 2021	Additions (capital calls)[2]	Disposals (returns of capital)	Unrealised gains	Unrealised losses	Value per 31 December 2021	Total realised gains/ (losses) per 31 December 2021[3]	Net gains/ (losses) per 31 December 2021	Uncalled commitment amount
Marketable securities		—	**1,440**	**(1,440)**	—	—	—	**(120)**	**(120)**	—
Balanced stage		**2,137**	—	—	—	**(18)**	**2,119**	—	**(18)**	**10,855**
Buyout stage	large buyout stage	5,132	57	(1,900)	1,048	(870)	3,468	1,021	1,199	3,808
	middle market buyout stage	56,799	155	(9,301)	4,102	(5,055)	46,700	4,208	3,255	14,608
	small buyout stage	7,918	—	(386)	102	(1,408)	6,226	3,445	2,139	8,658
	Total buyout stage	**69,849**	**212**	**(11,587)**	**5,252**	**(7,333)**	**56,394**	**8,674**	**6,593**	**27,074**
Special situations stage	distressed debt stage	4,893	—	(6)	710	(203)	5,394	313	820	1,037
	Total special situations stage	**4,893**	—	**(6)**	**710**	**(203)**	**5,394**	**313**	**820**	**1,037**
Venture stage	early stage venture	21,863	—	(1,069)	14,450	(2,943)	32,301	5,214	16,721	4,345
	growth capital stage	2,780	—	(308)	—	(28)	2,445	3,392	3,364	783
	late stage venture	11,156	—	(1,520)	782	(6,767)	3,651	6,027	42	310
	Total venture stage	**35,799**	—	**(2,897)**	**15,232**	**(9,738)**	**38,397**	**14,633**	**20,127**	**5,438**
Co-Investment	small buyout stage	10,305	—	(1,060)	1,119	—	10,364	(129)	990	—
	Total Co-Investment	**10,305**	—	**(1,060)**	**1,119**	—	**10,364**	**(129)**	**990**	—
Total investments		**122,983**	**212**	**(15,550)**	**22,313**	**(17,292)**	**112,668**	**23,491**	**28,512**	**44,404**
Total investments and marketable securities		**122,983**	**1,652**	**(16,990)**	**22,313**	**(17,292)**	**112,668**	**23,371**	**28,392**	**44,404**

[1] Numbers may not fully add up due to rounding.
[2] Includes callable returns of capital and adjustments due to sales of investments.
[3] Includes callable distributed realised gains.

In general, movements in investments and marketable securities at fair value through profit or loss, except for unrealised gains and losses, directly result in cash flows for the Group. In certain cases, such transactions may not be settled in cash. The consolidated statement of cash flows shows the cash transactions in the portfolio and the cash flow reconciliation shows the portfolio's non-cash transactions and provides a reconciliation to the movement schedules.

Movement of commitments and uncalled commitments

For the year ended 31 December 2022 (all amounts in USD thousands unless otherwise stated)

Movement of commitments	Investments			
	TEUR	TGBP	TUSD	Total in TUSD converted at year-end exchange rates
Commitments as of 1 January 2021	**226,981**	—	**755,766**	**1,016,487**
Liquidation/Sale of investments	—	—	(17,000)	(17,000)
Revaluation of foreign currency commitments	—	—	—	(18,741)
Commitments as of 31 December 2021	**226,981**	—	**738,766**	**980,746**

Movement of commitments	Investments			
	TEUR	TGBP	TUSD	Total in TUSD converted at year-end exchange rates
Commitments as of 1 January 2022	**226,981**	—	**738,766**	**980,746**
Liquidation/Sale of investments	(11,875)	—	(40,000)	(52,666)
Revaluation of foreign currency commitments	—	—	—	(15,358)
Commitments as of 31 December 2022	**215,106**	—	**698,766**	**912,721**

Movement of uncalled commitments	**Investments**			
	TEUR	**TGBP**	**TUSD**	**Total in TUSD converted at year-end exchange rates**
Uncalled commitments as of 1 January 2021	**9,128**	—	**35,440**	**46,497**
Commitments decreased	—	—	(17,000)	—
Capital calls paid/recallable return of capital	(50)	—	39	(18)
Adjustments of uncalled due to exit of investments	—	—	(1,244)	(1,244)
Revaluation of foreign currency commitments	—	—	—	(831)
Uncalled commitments as of 31 December 2021	**9,078**	—	**17,235**	**44,404**

Movement of uncalled commitments	**Investments**			
	TEUR	**TGBP**	**TUSD**	**Total in TUSD converted at year-end exchange rates**
Uncalled commitments as of 1 January 2022	**9,078**	—	**17,235**	**44,404**
Commitments decreased	—	—	(10,000)	—
Capital calls paid return of capital	(189)	—	(20)	(222)
Adjustments of uncalled due to exit of investments	150	—	(2,237)	(2,077)
Revaluation of foreign currency commitments	—	—	—	(993)
Uncalled commitments as of 31 December 2022	**9,039**	—	**4,978**	**41,112**

The following definitions explain the terms used on the previous pages 44 and 45.

Commitment
“Commitment” refers to the Group’s obligation to provide a certain amount of capital to a private equity partnership investment. In the ensuing three to six years after a commitment has been made, the partnership draws down the available capital as and when they need it to make investments and cover their costs.

Uncalled commitment
When a capital call is paid the amount is reduced from the commitment amount. The balance is defined as “uncalled commitment”.

Recallable return of capital
In case a private equity partnership has not been able to use the called capital for the intended purpose over a certain period of time, the unused amount is returned as a “recallable return of capital” and the repaid amount is added back to the unfunded commitment amount.

Recallable distribution
In case a private equity partnership has been able to exit an investment and distributes the gains back to the Group within a relatively short period of time the proceeds are returned as a “recallable distribution” and the repaid amount is added back to the unfunded commitment amount.

Revaluation of foreign currency commitments
The commitment and unfunded commitment amounts are revalued into the Group’s functional currency of US Dollar at the year-end exchange rates. This causes a movement in the commitment and unfunded commitment amounts.

Other changes
Fund size reductions and their impact on the Group’s commitments as well as secondary commitment adjustments are shown under “other changes”.

13 Accrued expenses and other payables

Accrued expenses and other payables consist of:

Accrued expenses and other payables	2022 TUSD	2021 TUSD
Accrued management fee payable – related party	266	373
Accrued administration fee payable – related party	14	16
Accrued custody fee payable – third party	10	25
Other accrued liabilities – third party	82	120
Total	**372**	**534**

The carrying amounts of the accounts payable and accrued liabilities approximate fair value.

14 Shareholders' equity

Shareholders' equity

The share capital of the Group at 31 December 2022 amounts to TUSD 262 (31 December 2021: TUSD 270) consisting of 10,104,741 (31 December 2021: 10,413,112) issued and fully paid registered shares with a par value of CHF 0.05 each. In the general meeting on 10 May 2022 the board of directors approved a distribution in the amount of CHF 2.50 per registered share which took place on 16 May 2022. CHF 1.25 per share were distributed out of retained earnings (subject to 35 per cent Swiss withholding tax) and CHF 1.25 per share were distributed from reserves from capital contributions (not subject to Swiss withholding tax). Further the board of directors resolved to cancel 308,371 shares in the amount of TUSD 3,428 (TCHF 3,126). The cancellation took place in August 2022.

On 18 March 2021 the board of directors decided to terminate prematurely the share buyback program which started on 14 June 2019.

Each share entitles the holder to participate in any distribution of income and capital. The Group regards shareholders' equity as the capital that it manages. Shareholders' equity amounts to TUSD 106,093 as of 31 December 2022 (31 December 2021: TUSD 148,836).

The following distributions of legal reserves/retained earnings were paid out to the investors in the year 2022 and 2021.

Date of payment	USD/share	CHF/share
21.05.2021	3.33	3.00
16.05.2022	2.51	2.50

Treasury shares 1st line
The Company can buy and sell treasury shares in accordance with the Company's articles of association and Swiss company law and in compliance with the listing rules of the SIX Swiss Exchange.

During the period from 1 January to 31 December 2022 the Company has purchased no treasury shares. As at 31 December 2022 the Company held in total no treasury shares (31 December 2021: 308,371). These treasury shares were treated as a deduction from the consolidated shareholders' equity using cost values (31 December 2021: TUSD 3,428). The deduction was accounted for against reserves from capital contributions. The gains and losses on sales of treasury shares are credited/debited to the retained earnings account.

Share buyback 2nd line (bought for cancellation)
Since 2011, the Company has announced openings of second trading lines on a yearly basis for the Company's shares on the SIX Swiss Exchange. The Company is always the exclusive buyer on these trading lines and repurchases shares for the purpose of subsequently reducing its share capital. According to the program periods the 2nd line treasury shares were cancelled in subsequent yearly tranches.

On 11 December 2019, the board of directors decided to extend the current program by a second trading line to buy back shares on the ordinary trading line and at the same time to adjust the purpose of the program so that the shares can also be used for general treasury management purposes. The changes are connected with the entry into force of the Federal Law on Tax Reform and AHV financing on 1 January 2020.

The Company's share buyback program is further detailed in note 7 in the statutory report.

Altogether the Group holds no treasury shares as at 31 December 2022 (31 December 2021: 308,371).

Treasury shares

Treasury shares 1st line held by the Company	From	To	Cancelled	Number of shares	Average price USD	Cost TUSD
Buyback programs						
2nd line program initiated on 14 June 2019, expanded and amended purpose announced on 27 December 2019						
Additions 2020	03.01.2020	30.04.2020	12.08.2020	85,074	13.03	1,109
Additions 2020	06.05.2020	31.12.2020	22.08.2022	204,387	11.02	2,251
Additions 2021	01.01.2021	31.12.2021	22.08.2022	103,984	11.32	1,177
Total				**393,445**	**11.53**	**4,537**

Movement of treasury shares 1st line	Number of shares		Cost TUSD
Treasury shares held as of 31 December 2020	**204,387**		**2,251**
Additions 2021	103,984		1,177
Treasury shares held as of 31 December 2021	**308,371**		**3,428**
Cancellation on 15 August 2022	(308,371)		(3,428)
Treasury shares held as of 31 December 2022	–		–

Summary of treasury shares held by the Company as of 31 December 2022	Number of shares	Average price USD	Cost TUSD
Treasury shares 1st line	–	–	–
Treasury shares 2nd line (bought for cancellation)	–	–	–
Total of treasury shares held as of 31 December 2022	–	–	–

15 Major shareholders

As of 31 December the following major shareholders were known by the Company:

Major shareholders	2022	2021
Between 10% and 20%	Berlin-AI Fund SCS, SICAV-FIS, Luxembourg	Berlin-AI Fund SCS, SICAV-FIS, Luxembourg
	Deka International S.A., Luxembourg	Deka International S.A., Luxembourg
Between 3% and 10%	The Goldman Sachs Group, Inc., United States	The Goldman Sachs Group, Inc., United States
	LGT Group Foundation AG, Vaduz, Liechtenstein	LGT Group Foundation AG, Vaduz, Liechtenstein
	LRI Capital Management SA, Luxembourg	LRI Capital Management SA, Luxembourg

16 Significant fee agreements

In relation to its investment and administration activity the Company and/or its Subsidiaries entered into the following agreements:

a) LGT Private Equity Advisers AG, Vaduz, acts as the investment manager and receives a management fee of total 1 per cent (before deduction of the performance fee) per annum of the total consolidated net assets of Castle Private Equity AG, Pfäffikon, in US Dollar as at the close of business on the final business day of each quarter. The management fee is due quarterly (0.25 per cent) in US Dollar in arrears within 15 days after the net asset value calculation.

   The performance fee is payable to LGT Private Equity Advisers AG, Vaduz and shall be calculated as 10 per cent of net new gains by the end of any financial year. Net new gains are the positive difference, if any, from the existing high watermark to the lower of:
   - the consolidated net asset value of Group,
   - plus the cumulative payments for distributions,
   - plus any secondary discount of a secondary sale occurring before 12 April 2017,
   - plus wind-down expenses to the limit of USD 500,000 and for as long as more than 4,320,000 shares are in issue.

   or
   - the market capitalisation of the Company,
   - plus the cumulative payments for distributions,
   - plus any secondary discount of a secondary sale occurring before 12 April 2017,
   - plus wind-down expenses to the limit of USD 500,000.

The market capitalisation is calculated as the last price of the financial year paid in Swiss Franc for Castle Private Equity AG shares at the SIX Swiss Exchange translated into US Dollars at year-end exchange rate, multiplied by the shares in issue at the end of the financial year. The basis for the performance fee calculation per 31 December 2022 amounted to TUSD 923,852 or USD 8,32 per share (per 31 December 2021: TUSD 923,852). The cumulative amount expended on share repurchases amounted to TUSD 551,699.

Shares in issue are calculated as shares issued as registered in the commercial register minus shares owned by the Company. The cumulative payment for distributions is the total of capital expensed for dividends, returns of capital, share buybacks for cancellations or other distributions to shareholders net of any proceeds from share sales. Such payments for distributions which occur in CHF-denominated transactions shall be converted to their US Dollar equivalent amount at their effective conversion rate or as of the day the distribution occurs.

b) LGT Fund Managers (FL) Ltd., Gamprin-Bendern, provides administrative services for the Company and charges an annual fee of TUSD 60 payable quarterly in arrears.

c) LGT Fund Managers (Ireland) Limited, Dublin, acts as the administrator and manager for the Overseas and Ireland Subsidiaries and receives an annual fee equal to 0.04 per cent to 0.06 per cent per annum of the net asset value at the end of each quarter.

17 Significant transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. In the opinion of the board of directors, the parties referred to in the schedule accompanying this note are related parties under IAS 24 “Related Party Disclosures”. All related party transactions have been carried out within the normal course of business.

In 2022 and 2021 the Ireland Subsidiary was invested in the below investments which are all advised by LGT Capital Partners (Ireland) Ltd., an affiliate of Castle’s investment manager, or have common directors with the Ireland Subsidiary.

Investments	**Commitments**
Crown Global Secondaries plc	TUSD 30,000
Crown Asia-Pacific Private Equity plc	TUSD 40,000
Crown European Buyout Opportunities II plc	TEUR 30,000
PortPEP Ltd.	TEUR 10,800

As Castle’s investments are structured through a special non-fee-paying share class, no additional management and performance fees are charged. An annual administration fee of 0.06 per cent of net asset value is due to LGT Fund Managers (Ireland) Limited in its capacity as administrator for each of the funds, except for PortPEP Ltd. Here, LGT Fund Managers (Ireland) Limited receives a flat fee of EUR 30,000.

LGT Bank Ltd., Vaduz acts as a custodian for Castle Private Equity AG, Pfäffikon.

Related party transactions

Entity	Related party Relationship/Agreement(s) Direct/indirect	Terms and conditions	Transaction type	2022 TUSD	2021 TUSD
Castle Private Equity (International) PLC	LGT Private Equity Advisers AG/	Note 6	Management fees	1,156	1,547
	Investment Management Agreement/indirect	Note 13	Management fees payable	266	373
	LGT Fund Managers (Ireland) Ltd./	Note 7	Administration fees	43	60
	Management Agreement/direct	Note 13	Administration fees payable	14	15
	LGT Fund Managers (Ireland) Ltd./ Investment Management Agreement/indirect	No direct fees	Investment management fees	—	—
	LGT Capital Partners Ltd./ LGT Private Equity Advisers AG/ Advisory Agreement/indirect	No direct fees	Advisory fees	—	—
	Directors/indirect	Note 7/17	Directors' fees	—	3
Castle Private Equity (Overseas) Limited	LGT Fund Managers (Ireland) Ltd./	Note 7	Administration fees	—	1
	Administration Services Agreement/direct	Note 13	Administration fees payable	—	1
	LGT Bank Ltd./ Loan Agreement/direct	Note 10	Cash at banks	196	214
	LGT Capital Partners Ltd./ LGT Private Equity Advisers AG/ Consulting Agreement/indirect	No direct fees	Consulting fees	—	—
	LGT Bank (Cayman) Ltd./ LGT Private Equity Advisers AG/ Advisory Agreement/indirect	No direct fees	Advisory fees	—	—
	Directors/indirect	Note 7/17	Directors' fees	5	5
Castle Private Equity AG	LGT Bank Ltd./ LGT Group/indirect	Note 10	Cash at banks	165	331
	LGT Fund Managers (FL) Ltd./ Administrative Services Agreement/direct	Note 7	Administration fees	65	65
	LGT Capital Partners Ltd./ Domicile Agreement/direct	Note 7	Domicile fees	10	11
	LGT Capital Partners Ltd./ Management Agreement/direct	Note 7/17	General managers expenses	109	113
	Directors/direct	Note 7/17	Directors' fees	201	207

The table below shows the remuneration for the members of the board of directors and general managers in the year 2022 and 2021. In addition, the Group paid in 2022 a directors and officers liability insurance fee of TUSD 38 (2021: TUSD 39). No travel expenses for 2022 and 2021.

Board and management remuneration is defined and paid out in CHF. See also the remuneration report.

Remunerations and expenses	**2022 TUSD**	**2021 TUSD**
Chairman	57	57
Deputy chairman	48	50
Committee chairmen	94	50
Members	5	57
General managers	109	113
Total	**313**	**327**

The board of directors has delegated the operational management of the Company to Dr Hans Markvoort and Benedikt Meyer as general managers. The general managers are compensated by the Company. LGT Group Foundation is also the co-owner of LGT Private Equity Advisers AG which acts as investment manager to the Company and receives a management fee for these services.

18 Segment reporting

The sole operating segment of the Group reflects the internal management structure and is evaluated on an overall basis. Revenue is derived by investing in a portfolio of private equity investments with a view to achieving significant value growth and to help shareholders maximise long-term returns. The following results correspond to the sole operating segment of investing in private equity. Items which cannot be directly contributed to the operating segment are listed as “other”.

The income/(loss) is geographically allocated as follows:

	North America TUSD	Europe TUSD	Asia TUSD	Other TUSD	Total TUSD
As of 31 December 2022					
Income/(Loss)					
Net (loss)/gain on investments at fair value through profit or loss	(39)	3,771	(7,483)	(11,001)	(14,752)
Net loss on marketable securities investments at fair value through profit or loss	(326)	—	—	—	(326)
Total (loss)/income	**(365)**	**3,771**	**(7,483)**	**(11,001)**	**(15,078)**

As of 31 December 2021					
Income/(Loss)					
Net gain/(loss) on investments at fair value through profit or loss	5,629	5,951	(2,314)	19,246	28,512
Net loss on marketable securities investments at fair value through profit or loss	(120)	—	—	—	(120)
Total income/(loss)	**5,509**	**5,951**	**(2,314)**	**19,246**	**28,392**

The non-current assets are geographically allocated as follows:

	2022 TUSD	In %	2021 TUSD	In %
Non-current assets:				
North America	16,828	19.8%	19,544	17.5%
Europe	28,474	33.3%	29,527	26.2%
Asia	26,555	31.0%	36,388	32.3%
Other	13,684	15.9%	27,209	24.0%
Total non-current assets	**85,541**	**100.0%**	**112,668**	**100.0%**

The Group has a diversified shareholder base. For more information on the largest shareholders see note 15.

19 Financial risk management

The Group is exposed to a variety of financial risks including: market risk, credit and liquidity risk. The investment manager attributes great importance to professional risk management and active monitoring including ongoing interviews with managers, thorough analysis of reports and financial statements and review of investments which were made. It was also key to structure the proper investment vehicles for the portfolio taking into account issues such as liquidity or tax related issues. The Group has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

a) Market risks

(i) Price risk – The investments held in the portfolio may be realised only after several years and their fair values may change significantly. The investment manager, LGT Private Equity Advisers AG, provided the Group with investments that were consistent with the Group's objectives.

At the annual general meeting on 12 April 2012 the investment policy of the Group was revised. The new investment policy aims at a maximisation of the long-term value enhancement by way of ceasing to enter further investment obligations and realising the Group's funds by harvesting the portfolio of private equity investments as their underlying assets are realised. The investment objective of the Group is to maximise value for shareholders. The investment manager may in its full discretion consider secondary sales of assets in exceptional cases, i.e. where there is no or no meaningful upside potential of the value of a particular asset, as a means to shorten the portfolio's expected cash flow duration and/or to assist in the realisation of assets based upon consideration of price relative to expected value, timing of expected future cash flows related to the asset(s) in question, and any other factor deemed relevant by the investment manager.

Up until 12 April 2012 the investment objective was to have a portfolio which would constantly be optimally allocated over the various: (i) industry sectors (e.g. technology, healthcare/biotech, retail, etc.); (ii) geographical regions (e.g. USA, Europe, other regions, etc.); and (iii) stages of financing (e.g. seed, early stage, later stage, buyouts, etc.). The investment vehicles and their respective fund managers were selected on qualitative research criteria including: (i) past performance in relation to investment style, expected returns, benchmarks and degree of risk; (ii) business structure and team organisation of the fund manager; (iii) fit of the fund manager/investment vehicle into the overall portfolio; (iv) amount under management and commitment of the principals of the fund manager; and (v) cost structure.

The Group allocated the majority of its assets to fund managers with a proven performance record of several years. The objective was to invest into top quality fund managers of the respective sectors. A minority part of the assets were invested with new and emerging fund managers. Under normal circumstances, no allocation to a fund manager was made prior to a visit by the investment manager to the fund manager's business location. It included a proper evaluation concerning the fund manager's business structure, its key employees, its track record, its relation with third parties and other relevant aspects. The investment manager carried out a monitoring procedure in order to implement the following risk control parameters: (i) changes in a fund manager's structure and organisation; (ii) major deviations from historical returns; (iii) changes regarding the fit into the overall portfolio; (iv) changes in investment styles; and (v) comparisons of fund manager's performance versus that of their underlying investments.

The Group also invested in carefully selected secondary portfolios. Secondaries are existing private equity portfolios which are acquired from an investor who disposes of his partnership interest, e.g. because of liquidity or regulatory requirements, or a change in asset allocation. The advantage of a secondary transaction resides in the fact that the partnerships acquired have often completed their investment phase and have already moved on to the realisation phase, thus yielding immediate returns. An additional advantage is that the individual companies in which the private equity partnerships have invested are known at this stage. The purchasing investor is therefore able to make a comprehensive assessment of the portfolio investments and the related realisation prospects.

The strategy of the Group was to diversify its investments by allocating no more than 20 per cent of the net asset value to any one investment fund or manager. For investments in fund-of-funds this limit was assessed on a look-through basis.

As of 31 December 2022, the Group's market risk is affected by two main components: changes in actual market prices and foreign currency movements. Foreign currency movements are covered in note 19 a) (ii) and note 2 g).

The Group has adopted the Listed Private Equity Index (LPX50) as the benchmark against which it checks its share price performance. The annual expected volatility for both the current and prior reporting periods is disclosed in the table below.

	2022 TUSD	2021 TUSD
Financial assets at fair value through profit or loss	85,541	112,668
Total assets subject to market risk	85,541	112,668
Annual expected volatility	31.89%	44.85%
Potential impact on consolidated balance sheet and consolidated statement of comprehensive income	27,279	50,532

Because the Group is generally exposed to a variety of market risk factors, which may vary significantly over time and measurement of such exposure at any given point in time may be difficult given the flexibility, complexity and limited transparency of the underlying investments.

As disclosed in note 2 i) the Group uses cost and earnings multiples to value the private equity investments for which there were no fair values provided by the managers/administrators. The multiples used depended on the sector in which the underlying investments were active. For 2022 and 2021, no investments were revalued by the Group.

There was no impact on the consolidated statement of comprehensive income and shareholders' equity due to revaluations by the Group.

(ii) Currency risk – The Group holds assets denominated in currencies other than the US Dollar, the functional currency. The Group is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The schedule on the below summarises the Group exposure to currency risks.

The impact on the consolidated statement of comprehensive income and shareholders' equity of any changes to the exchange rate between the Swiss Franc, Euro and British Pounds would not have been material. In accordance with the Group's policy, the investment manager monitors the Group's currency position on a monthly basis and the board of directors reviews it on a regular basis.

As of 31 December 2022, had the exchange rate between the Euro and the US Dollar increased or decreased by 6 per cent with all other variables held constant, the increase or decrease to the consolidated statement of comprehensive income and shareholders' equity would have amounted to approximately TUSD 2 (31 December 2021: 7 per cent or TUSD 2). Movements in the other foreign currencies wouldn't have had a significant impact on the consolidated financial statements.

In accordance with the Group's policy, the investment manager monitors the Group's currency position on a monthly basis and the board of directors reviews it on a regular basis.

Currency risk

As of 31 December 2022	**USD TUSD**	**EUR TUSD**	**CHF TUSD**	**Total TUSD**
Assets				
Cash and cash equivalents	20,771	—	22	20,793
Accrued income and other receivables	122	9	—	131
Investments at fair value through profit or loss	57,523	28,018	—	85,541
Total assets	**78,416**	**28,027**	**22**	**106,465**
Liabilities				
Accrued expenses and other payables	320	45	7	372
Total current liabilities	**320**	**45**	**7**	**372**

As of 31 December 2021	**USD TUSD**	**EUR TUSD**	**CHF TUSD**	**Total TUSD**
Assets				
Cash and cash equivalents	36,635	33	22	36,690
Accrued income and other receivables	3	9	—	12
Investments at fair value through profit or loss	85,419	27,249	—	112,668
Total assets	**122,057**	**27,291**	**22**	**149,370**
Liabilities				
Accrued expenses and other payables	445	84	5	534
Total current liabilities	**445**	**84**	**5**	**534**

(iii) Interest rate risk – The majority of the Group's financial assets and liabilities are non-interest bearing. As a result, the Group is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The schedule below summarises the Group's exposure to interest rate risks. It includes the Group's assets and liabilities at fair values, categorised by the earlier of contractual reprising or maturity dates. The influence of changes in the market rates of interest is not expected to be significant.

In accordance with the Group's policy, the investment manager monitors the Group's overall interest sensitivity on a monthly basis, and the board of directors reviews it on a regular basis.

Interest rate risk

As of 31 December 2022	Less than 1 month TUSD	1 – 3 months TUSD	Non-interest bearing TUSD	Total TUSD
Assets				
Cash and cash equivalents	20,793	—	—	20,793
Accrued income and other receivables	—	—	131	131
Investments at fair value through profit or loss	—	—	85,541	85,541
Total assets	**20,793**	—	**85,672**	**106,465**
Liabilities				
Accrued expenses and other payables	—	—	372	372
Total current liabilities	—	—	**372**	**372**

As of 31 December 2021	Less than 1 month TUSD	1 – 3 months TUSD	Non-interest bearing TUSD	Total TUSD
Assets				
Cash and cash equivalents	36,690	—	—	36,690
Accrued income and other receivables	—	—	12	12
Investments at fair value through profit or loss	—	—	112,668	112,668
Total assets	**36,690**	—	**112,680**	**149,370**
Liabilities				
Accrued expenses and other payables	—	—	534	534
Total current liabilities	—	—	**534**	**534**

b) Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any. The below schedule summarises the Group's exposure to credit risk.

The Group's main credit risk concentration is from distributions to be received from the private equity investments in which the Group is invested as well as with cash and cash equivalents positions. The Group seeks to mitigate its exposure to credit risk by conducting its contractual transactions with institutions which are reputable and well established.

In accordance with the Group's policy, the investment manager monitors the Group's credit position on a monthly basis and the board of directors reviews it on a regular basis.

The Group measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. At 31 December 2022 and 31 December 2021, all cash is held with banks mentioned in the table below and are due to be settled within 1 week. The management considers the probability of default to be close to zero as counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Group.

Credit risk

As of 31 December 2022	Fully performing TUSD	Total TUSD	S&P Rating
Assets			
Cash at LGT Bank Ltd., Vaduz	361	361	A+
Cash at BNP Paribas Securities Services, Dublin Branch	10,421	10,421	A+
Cash at Zuercher Kantonalbank, Zurich	9,931	9,931	AAA
Cash at Silicon Valley Bank	80	80	BBB+
Accrued income and other receivables	131	131	n/a
Total exposure to credit risk	**20,924**	**20,924**	

As of 31 December 2021	Fully performing TUSD	Total TUSD	S&P Rating
Assets			
Cash at LGT Bank Ltd., Vaduz	545	545	A+
Cash at BNP Paribas Securities Services, Dublin Branch	35,353	35,353	A+
Cash at Zuercher Kantonalbank, Zurich	792	792	AAA
Accrued income and other receivables	12	12	n/a
Total exposure to credit risk	**36,702**	**36,702**	

c) Liquidity risk

The Group may have an inability to raise additional funds or to use credit lines, if any, to satisfy the commitments to the various private equity investments. In a private equity fund investment, a commitment is typically given to a newly established private equity fund. In the ensuing three to six years, the fund draws down the available amounts as and when attractive investment opportunities become available. As a general rule, the fund already begins to realise shareholding interests before all the capital has been invested. This means that the amounts made available by the investors was not expected to be 100 per cent invested in the private equity fund. Historically, the average exposure ranges from 60 to 70 per cent.

The Group has a cash at bank position at 31 December 2022 of TUSD 20,793 (31 December 2021: TUSD 36,690). The amounts outstanding on the total committed capital of the investments as of 31 December 2022 are TUSD 41,112 (31 December 2021: TUSD 44,404) which are in general callable at any time. These amounts are off balance sheet and may be called up over the life of the investments. However, the bulk of the capital is drawn during the investment period of the private equity funds which lasts typically five years after the launch of the fund. All of these open commitments, if called at all, will be covered by distributions from the more mature investments, by cash and cash equivalents and potentially selling of investments on the secondary market.

The majority of the investments which the Group made are unquoted and subject to specific restrictions on transferability and disposal. Consequently, risks exist that the Group might not be able to readily dispose of its holdings in such markets or investments when it chooses and also that the price attained on a disposal is below the amount at which such investments are included in the Group's balance sheet.

The amounts in the schedule are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

In accordance with the Group's policy, the investment manager monitors the Group's liquidity position on a monthly basis and the board of directors reviews it on a regular basis.

Liquidity risk

As of 31 December 2022	Less than 1 month TUSD	1 – 3 months TUSD	Total TUSD
Liabilities			
Accrued expenses and other payables	335	37	372
Total current liabilities	**335**	**37**	**372**
Total outstanding commitment amount[1]	**41,112**	—	**41,112**

As of 31 December 2021	Less than 1 month TUSD	1 – 3 months TUSD	Total TUSD
Liabilities			
Accrued expenses and other payables	491	43	534
Total current liabilities	**491**	**43**	**534**
Total outstanding commitment amount[1]	**44,404**	—	**44,404**

[1] The amounts outstanding on the total committed capital of the investments as of 31 December 2022/31 December 2021 are not necessarily due within one month, but are callable at any time.

d) Capital risk management

Discount control – The directors recognise the importance to shareholders of the Company's share price performance in the secondary market. Accordingly, the directors may take steps from time to time with a view to seeking to limit the prevailing discount to net asset value at which the shares trade. In particular, the directors may authorise repurchases of shares for cancellation.

Repurchase of shares for cancellation – The directors may consider repurchasing shares in the market for treasury or for cancellation if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the shares. Pursuant to the Swiss Code of Obligations, the Company is not required to obtain a general authority from shareholders to effect the repurchase of shares for cancellation. Any purchase of shares by the Company for cancellation will only be made through the market at prices (after allowing for costs) below the prevailing net asset value per share and will otherwise be in accordance with the Listing Rules in force at the time and with guidelines established from time to time by the board. Swiss law limits the right of a company to purchase and hold its own shares.

e) Fair value estimation

Further to the valuation approach discussed in note 2 i) (iii), IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Group. The Group considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Group's financial assets (by class) measured at fair value at 31 December 2022 and 31 December 2021.

As of 31 December 2022	**Level 1 TUSD**	**Level 2 TUSD**	**Level 3 TUSD**	**Total TUSD**
Assets				
Assets at fair value through profit or loss:				
Investments	—	—	85,541	85,541
Total	—	—	**85,541**	**85,541**

As of 31 December 2021	**Level 1 TUSD**	**Level 2 TUSD**	**Level 3 TUSD**	**Total TUSD**
Assets				
Assets at fair value through profit or loss:				
Investments	—	—	112,668	112,668
Total	—	—	**112,668**	**112,668**

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Group does not adjust the quoted price for these investments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations, or alternative pricing sources, supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity investments for which observable prices are not available. The Group values these investments as described under note 2 i) (iii) fair value measurement principles and estimation.

The following table shows the allocation of the level 3 investments according to financing stage, in percentage of the total fair value of these investments.

Diversification by financing stage (FV)	**2022 %**	**2021 %**
Balanced stage	1%	2%
Buyout stage		
Large buyout stage	3%	3%
Middle market buyout stage	41%	41%
Small buyout stage	5%	6%
Special situations stage		
Distressed debt stage	5%	5%
Venture stage		
Early stage venture	19%	29%
Growth capital stage	1%	2%
Late stage venture	10%	3%
Co-Investment		
Large buyout stage	0%	0%
Small buyout stage	15%	9%
Total	**100%**	**100%**

For a sensitivity analysis on the level 3 investments please refer to note 19 a) (i) as well as to note 2 i) (iii).

During the year ended 31 December 2022 there were no transfers (31 December 2021: Nil) between the three levels of financial assets and liabilities.

The following table presents a reconciliation disclosing the changes during 2022 and 2021 for financial assets classified as being level 3.

	Investments at fair value through profit or loss TUSD
Assets	
At 1 January 2022	112,668
Net unrealised gain	1,920
Purchase of investments	263
Returns of capital	(29,310)
Transfers in/out	—
As at 31 December 2022	**85,541**
Total unrealised gain for the year included in the statement of comprehensive income for investments held at the end of the year	**1,920**

	Investments at fair value through profit or loss TUSD
Assets	
At 1 January 2021	122,983
Net unrealised gain	5,021
Purchase of investments	212
Returns of capital	(15,548)
Transfers in/out	—
As of 31 December 2021	**112,668**
Total unrealised gain for the year included in the statement of comprehensive income for investments held at the end of the year	**5,021**

For further information please see note 19 a) (i).

The carrying values of all other assets and liabilities are a reasonable approximation of fair value.

20 Commitments, contingencies and other off-balance-sheet transactions

Beyond the uncalled commitments to investments disclosed in note 12, no further contingent liabilities exist as of 31 December 2022 (31 December 2021: Nil).

21 Subsequent events

The consolidated financial statements have been authorised at the 21 February 2023 board meeting for issue 24 February 2023. The annual general meeting called for 16 May 2023 will vote on the final acceptance of the consolidated financial statements.

Since the balance sheet date of 31 December 2022, there have been no material events that could impair the integrity of the information presented in the financial statements.

Report of the statutory auditor

to the General Meeting of Castle Private Equity AG

Pfäffikon SZ

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Castle Private Equity AG (the Company), which comprise the balance sheet as at 31 December 2022, and the statement of income and accumulated surplus/(deficit) 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 70 to 79) comply with Swiss law and the company's articles of incorporation.

Basis for opinion

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

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

Our audit approach

Materiality

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

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

Overall materiality	USD 1.06 milion
Benchmark applied	Total shareholders' equity
Rationale for the materiality benchmark applied	We chose total shareholders' equity as the benchmark because in our view it is the most relevant benchmark for investors and is a generally accepted benchmark for investment companies

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

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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.

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.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The board of directors is responsible for the other information. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the company financial statements or the tables marked 'audited' in the remuneration report of Castle Private Equity AG and our auditor's reports thereon.

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

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

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

Board of directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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Report on other legal and regulatory requirements

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

We further confirm that the proposed carry forward of the accumulated deficit complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Romer	Jack Armstrong
Audit expert Auditor in charge	Audit expert

Zürich, 24 February 2023

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Balance sheet

As of 31 December 2022 (all amounts in thousands unless otherwise stated)

	Note	2022 USD	2022 CHF[1]	2021 USD	2021 CHF[1]
Assets					
Current assets:					
Cash and cash equivalents		10,096	9,343	1,123	1,023
Other receivables		5	5	3	2
Total current assets		**10,101**	**9,348**	**1,126**	**1,025**
Non-current assets:					
Participations	3	96,028	88,864	147,747	134,613
Total non-current assets		**96,028**	**88,864**	**147,747**	**134,613**
Total assets		**106,129**	**98,212**	**148,873**	**135,638**
Liabilities					
Current liabilities:					
Other accrued liabilities		38	35	37	34
Total current liabilities		**38**	**35**	**37**	**34**
Equity					
Shareholders' equity:	7				
Share capital		518	505	534	521
Legal reserves					
Reserves from capital contributions		111,148	109,276	127,244	125,018
Accumulated (deficit)/surplus		(5,575)	(5,686)	24,486	23,537
Accumulated translation difference		—	(5,918)	—	(10,346)
Treasury shares 1st line at cost against reserves from capital contributions		—	—	(3,428)	(3,126)
Total shareholders' equity		**106,091**	**98,177**	**148,836**	**135,604**
Total liabilities and equity		**106,129**	**98,212**	**148,873**	**135,638**

[1] Art. 958d of the SCO requires the Company to disclose the Swiss Francs amounts as supplemental information.

The accompanying notes on pages 72 to 79 form an integral part of these company financial statements.

Statement of income and accumulated surplus/(deficit)

For the year ended 31 December 2022 (all amounts in thousands unless otherwise stated)

	Note	2022 USD	2022 CHF[1]	2021 USD	2021 CHF[1]
Income					
Valuation adjustments on participations	2 a), 3	(51,720)	(49,390)	(6,571)	(6,006)
Dividends from participations		35,000	33,423	34,000	31,085
Other income		1	1	1	—
Gain/(Loss) on foreign exchange, net		5	7	(49)	(46)
Total income		**(16,714)**	**(15,959)**	**27,381**	**25,033**
Expenses					
Administrative expenses		(656)	(626)	(641)	(586)
Total expenses		**(656)**	**(626)**	**(641)**	**(586)**
(Loss)/Profit before taxes		**(17,370)**	**(16,585)**	**26,740**	**24,447**
Taxes	5	(7)	(7)	(35)	(32)
(Loss)/Profit for the year		**(17,377)**	**(16,592)**	**26,705**	**24,415**
Accumulated surplus/(deficit)					
Accumulated surplus/(deficit) carried forward		24,486	23,537	(2,219)	(878)
(Loss)/Profit for the year		(17,377)	(16,592)	26,705	24,415
Distribution of retained earnings to the investors		(12,684)	(12,631)	—	—
Accumulated (deficit)/surplus brought forward		**(5,575)**	**(5,686)**	**24,486**	**23,537**
Proposal of the board of directors for appropriation of accumulated (deficit)/surplus					
To be carried forward		(5,575)	(5,686)	24,486	23,537
Total		**(5,575)**	**(5,686)**	**24,486**	**23,537**

[1] Art. 958d of the SCO requires the Company to disclose the Swiss Francs amounts as supplemental information.

The accompanying notes on pages 72 to 79 form an integral part of these company financial statements.

Notes to the company financial statements

For the year ended 31 December 2022
(All amounts in thousands unless otherwise stated)

1 Organisation and business activity

Castle Private Equity AG, Pfäffikon (the "Company"), is a stock corporation established for an indefinite period in the Canton of Schwyz, Switzerland, by deed dated 19 February 1997. The Company's registered office is Schützenstrasse 6, CH-8808 Pfäffikon.

Since 4 September 1998 the shares of the Company are listed in Swiss Francs on the SIX Swiss Exchange.

The investment policy aims at a maximisation of the long-term value advancement by way of realising the Group's funds by harvesting the portfolio or private equity investments as their underlying assets are realised.

As of 31 December 2022 and 31 December 2021 the Company did not employ any employees.

2 Accounting principles

These Company financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations (Art. 957 to 963b CO).

a) Participations
The participation in the Overseas Subsidiary is stated at acquisition cost or at the lower net realisable value, using the net asset value of the Overseas Subsidiary.

b) Functional and presentation currency
The books of the Company are kept in US Dollar (functional currency). Until 31 December 2017 the Company's financial statements were presented in Swiss Francs (presentation currency). Effective as of 1 January 2018 the board of directors of the Company resolved to use the US Dollar as its presentation currency for statutory reporting. This change of the presentation currency improves the transparency of the statutory reporting and the comparability to the consolidated financial statements of the Group which are also presented in US Dollar.

From 2018, in accordance with the Swiss Code of Obligations, the Company also presents the Swiss Franc values next to the US Dollar presentation currency (identified as Swiss Francs supplementary information). The conversion from the US Dollar to the Swiss Franc supplementary information is conducted as follows:

- all assets and liabilities by applying the year-end exchange rate;
- income and expenses at the average exchange rate for the year; and
- the shareholders' equity at the historical exchange rate.

The currency translation difference from the conversion of the US Dollar values into the Swiss Franc values are cumulatively presented in the shareholders' equity as accumulated translation difference.

The 2022 and 2021 Swiss Franc amounts presented are for supplementary information only (SCO 958d Para.3).

3 Participations

The Company's participation as of 31 December 2022 and 31 December 2021 is composed of a 100 per cent interest in the issued non-voting participating share capital of the Overseas Subsidiary. Where a dividend distribution has been approved by a subsidiary, the participation income from the subsidiary is recognised based on an economic standpoint, i.e. at the same time as the corresponding liability is recorded in the subsidiary. Further information is in note one of the consolidated financial statement.

Balance sheet reconciliation of participation carrying value	**2022 TUSD**	**2022 TCHF**	**2021 TUSD**	**2021 TCHF**
1 January	**147,747**	**134,613**	**154,318**	**136,378**
Impairment of participation	(51,719)	(49,390)	(6,571)	(6,006)
Foreign exchange translation differences on participation through shareholders' equity	—	3,641	—	4,241
31 December	**96,028**	**88,864**	**147,747**	**134,613**

4 Foreign exchange rates

The following exchange rates have been applied to translate the foreign currencies of significance for the Company:

Foreign exchange rates		**Unit**	**2022 USD**	**2021 USD**
Swiss Francs	Year-end rates	1 CHF	1.080614	1.097574
British Pound	Year-end rates	1 GBP	1.202700	1.354650
Euro	Year-end rates	1 EUR	1.066650	1.137249
Swiss Francs	Average annual rates	1 CHF	1.047173	1.093763
British Pound	Average annual rates	1 GBP	1.234630	1.375574
Euro	Average annual rates	1 EUR	1.052194	1.182266

5 Taxes

For Swiss federal, cantonal and communal tax purposes, an income tax is levied. However, there is a participation exemption on dividend income and capital gains on qualifying participations. The result of the participation exemption relief is that dividend income and capital gains are almost fully excluded from taxation. The actual tax expenses cover all taxes through 31 December 2022.

6 Commitments, contingencies and other off-balance-sheet transactions

The Company has no commitments, contingencies or other off-balance sheet transactions as at 31 December 2022 (31 December 2021: Nil).

7 Shareholders' equity

Shareholders' equity
The share capital of the Company at 31 December 2022 amounts to TUSD 518 (TCHF 505) (31 December 2021: TUSD 534 (TCHF 521)) consisting of 10,104,741 (31 December 2021: 10,413,112) issued and fully paid registered shares with a par value of CHF 0.05 each. In the general meeting on 10 May 2022 the board of directors approved a distribution in the amount of CHF 2.50 per registered share which took place on 16 May 2022. CHF 1.25 per share were distributed out of retained earnings (subject to 35 per cent Swiss withholding tax) and CHF 1.25 per share were distributed from reserves from capital contributions (not subject to Swiss withholding tax). Further the board of directors resolved to cancel 308,371 shares in the amount of TUSD 3,428 (TCHF 3,126). The cancellation took take place in August 2022.

Each share entitles the holder to participate in any distribution of income and capital. The Company regards shareholders' equity as the capital that it manages. Shareholders' equity amounts to TUSD 106,091 (TCHF 98,177) as of 31 December 2022 (31 December 2021: TUSD 148,836 (TCHF 135,604)).

The following distributions of legal reserves/retained earnings were paid out to the investors in the year 2022 and 2021.

Date of payment	USD/share	CHF/share
21.05.2021	3.33	3.00
16.05.2022	2.51	2.50

Treasury shares 1st line
The Company can buy and sell treasury shares in accordance with the Company's articles of association and Swiss company law and in compliance with the listing rules of the SIX Swiss Exchange.

During the period from 1 January to 31 December 2022 the Company has purchased no treasury shares. As at 31 December 2022 the Company held in total no treasury shares (31 December 2021: 308,371). These treasury shares were treated as a deduction from the consolidated shareholders' equity using cost values (31 December 2021: TUSD 3,428). The deduction was accounted for against reserves from capital contributions. The gains and losses on sales of treasury shares are credited/debited to the retained earnings account.

Share buyback 2nd line (bought for cancellation)
Since 2011, the Company has announced openings of second trading lines on a yearly basis for the Company's shares on the SIX Swiss Exchange. The Company is always the exclusive buyer on these trading lines and repurchases shares for the purpose of subsequently reducing its share capital. These treasury shares are treated as a deduction from shareholder's equity at the average purchase price.

On 11 December 2019, the board of directors decided to extend the current program by a second trading line to buy back shares on the ordinary trading line and at the same time to adjust the purpose of the program so that the shares can also be used for general treasury management purposes. The changes are connected with the entry into force of the Federal Law on Tax Reform and AHV financing on 1 January 2020.

On 18 March 2021 the board of directors decided to terminate prematurely the share buyback program which started on 14 June 2019.

Altogether the Group holds no treasury shares as at 31 December 2022 (31 December 2021: 308,371).

Treasury shares

Treasury shares 1st line held by the Company	From	To	Cancelled	Number of shares	Average price USD	Average price CHF	Cost TUSD	Cost TCHF
Buyback programs								
2nd line program initiated on 14 June 2019, expanded and amended purpose announced on 27 December 2019								
Additions 2020	03.01.2020	30.04.2020	12.08.2020	85,074	13.03	12.62	1,109	1,073
Additions 2020	06.05.2020	31.12.2020	22.08.2022	204,387	11.02	10.14	2,251	2,072
Additions 2021	01.01.2021	31.12.2021	22.08.2022	103,984	11.32	10.14	1,177	1,054
Total				**393,445**	**11.53**	**10.67**	**4,537**	**4,199**

Movement of treasury shares 1st line	Number of shares		Cost TUSD	Cost TCHF
Treasury shares held as of 31 December 2020	**204,387**		**2,251**	**2,072**
Additions 2021	103,984		1,177	1,054
Treasury shares held as of 31 December 2021	**308,371**		**3,428**	**3,126**
Cancellation on 15 August 2022	(308,371)		(3,428)	(3,126)
Treasury shares held as of 31 December 2022	—		—	—

Summary of treasury shares held by the Company as of 31 December 2022	Number of shares	Average price USD	Average price CHF	Cost TUSD	Cost TCHF
Treasury shares 1st line	—	—	—	—	—
Treasury shares 2nd line (bought for cancellation)	—	—	—	—	—
Total of treasury shares held as of 31 December 2022	—	—	—	—	—

Allocation of legal reserves from capital contributions
Under Swiss tax law effective 1 January 2011, repayments of capital contribution reserves established since 1997 are no longer subject to withholding tax deduction. In order to establish the amount of capital contribution reserves that the Company may be able to repay to shareholders without being subject to the withholding tax deduction that applies to dividends paid out of retained earnings.

As at 31 December 2022 the reserves from capital contributions that are available for distribution to shareholders amount to TUSD 105,315 (TCHF 97,420) (31 December 2021: TUSD 127,244 (TCHF 125,018)).

Shareholders' equity

In 2022 (all amounts in US Dollar thousands unless otherwise stated)

	Share capital	Legal reserves Reserves from capital contributions	Accumulated surplus/ (deficit)	Treasury shares at cost	Total
1 January 2022	**534**	**127,244**	**24,486**	**(3,428)**	**148,836**
Loss for the year	—	—	(17,377)	—	(17,377)
Cancellation of treasury shares 1st line at cost against reserves from capital contributions	(16)	(3,412)	—	3,428	—
Distribution of legal reserves/retained earnings to the investors	—	(12,684)	(12,684)	—	(25,368)
31 December 2022	**518**	**111,148**	**(5,575)**	—	**106,091**

Shareholders' equity (supplementary information)

In 2022 (all amounts in Swiss Francs thousands unless otherwise stated)

	Share capital	Legal reserves Reserves from capital contributions	Accumulated surplus/ (deficit)	Translation difference	Treasury shares at cost	Total
1 January 2022	**521**	**125,018**	**23,537**	**(10,346)**	**(3,126)**	**135,604**
Loss for the year	—	—	(16,592)	—	—	(16,592)
Translation difference	—	—	—	4,428	—	4,428
Cancellation of treasury shares 1st line at cost against reserves from capital contributions	(16)	(3,110)	—	—	3,126	—
Distribution of legal reserves/retained earnings to the investors	—	(12,632)	(12,631)	—	—	(25,263)
31 December 2022	**505**	**109,276**	**(5,686)**	**(5,918)**	—	**98,177**

8 Major shareholders

As at 31 December the following major shareholders are known by the Company:

Major shareholders	2022	2021
Between 10% and 20%	Berlin-AI Fund SCS, SICAV-FIS, Luxembourg	Berlin-AI Fund SCS, SICAV-FIS, Luxembourg
	Deka International S.A., Luxembourg	Deka International S.A., Luxembourg
Between 3% and 10%	The Goldman Sachs Group, Inc., United States	The Goldman Sachs Group, Inc., United States
	LGT Group Foundation AG, Vaduz, Liechtenstein	LGT Group Foundation AG, Vaduz, Liechtenstein
	LRI Capital Management SA, Luxembourg	LRI Capital Management SA, Luxembourg

9 Compensation and share ownership

The annual remuneration and expense allowances paid to the members of the board of directors as well as the premium paid for the officers liability insurance are detailed within the remuneration report.

The board of directors has delegated the operational management of the Company to Dr Hans Markvoort and Benedikt Meyer as general managers. The management is compensated by the Company.

No further compensation by the Company or its subsidiaries for their activities has been due, nor did directors receive shares, options or loans.

No shares are held through any of the directors of LGT Private Equity Advisers AG as per 31 December 2022 and 31 December 2021.

Share ownership	2022	2021
Castle Private Equity AG		
Members of the board of directors		
Gilbert Chalk	1,750	1,750
Dr Konrad Bächinger	84,815	84,815
Total	**86,565**	**86,565**

10 Auditors

PricewaterhouseCoopers Ltd., Zurich, are the auditors of the Company. They accepted the mandate in 2001. Thomas Romer, the auditor in charge, took up office in 2021.

Total audit fees charged by PricewaterhouseCoopers for the audit 2022 of the Company amount to TUSD 93 (TCHF 87) (2021: TUSD 93 (TCHF 86)).

11 Subsequent events

The company financial statements have been authorised at the 21 February 2023 board meeting for issue 24 February 2023. The annual general meeting called for 16 May 2023 will vote on the final acceptance of the company financial statements.

Since the balance sheet date of 31 December 2022, there have been no material events that could impair the integrity of the information presented in the financial statements.

Report of the statutory auditor

to the General Meeting of Castle Private Equity AG

Pfäffikon SZ

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Castle Private Equity AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the tables marked 'audited' on pages 83 to 85 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report complies with Swiss law and article 14 to 16 of the Ordinance.

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 all information included in the annual report, but does not include the consolidated financial statements, the company financial statements or the tables marked 'audited' in the remuneration report of Castle Private Equity AG 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. The board of directors is also responsible for designing the remuneration system and defining individual remuneration packages.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

Auditor’s responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance 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 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 judgment 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

Thomas Romer	Jack Armstrong
Audit expert Auditor in charge	Audit expert

Zürich, 24 February 2023

Remuneration report

The remuneration report contains information about the principles of remuneration, procedures for determining remuneration and components of remuneration for the board of directors and management of Castle Private Equity AG. It also details the remuneration awarded in 2021 and 2022 as well as the planned components of remuneration in 2023. It is based on the provisions of the articles of association, the transparency requirements set out in Articles 13 – 16 of the Swiss Ordinance against Excessive Compensation in Listed Companies (VegüV) and Article 663bbis of the Swiss Code of Obligations, the SIX Swiss Exchange Directive on Information relating to Corporate Governance and the principles of the Swiss Code of Best Practice for Corporate Governance drawn up by Economiesuisse.

Principles of remuneration

- Transparency (simplicity, clarity)
- Adherence to market rates of executive pay
  (benchmarking of similar companies, qualifications and experience)

Governance

The board of directors has appointed a remuneration committee comprising Heinz Nipp (chairman), and Dr Konrad Bächinger (member).

The remuneration committee draws up proposed remuneration guidelines for the board of directors. The members of the board of directors are entitled to reimbursement of their expenses incurred in the interest of the company as well as to compensation corresponding to their activities, as determined by the board of directors.

The remuneration committee meets as often as required, but at least once a year.

The board of directors has delegated the operational management of the Company to Dr Hans Markvoort and Benedikt Meyer as general managers, in accordance with Art. 716b CO and the articles of association and organisational regulations of the Company. This work for the Company on average takes up approximately 20 per cent of their working time. For 2022, the management of the Company was compensated only by affiliates of LGT Group Foundation. LGT Group Foundation is the co-owner of LGT Private Equity Advisers AG which acts as investment manager to the Company and receives a management fee for these services.

Procedures for determining remuneration

The level of remuneration awarded to the board of directors is based on sector and market comparisons. The remuneration committee also consults comparative figures and surveys of listed companies operating in the same sector.

Structure of remuneration

The board of directors is compensated in cash for all of its duties, including expenses for ordinary and extraordinary meetings, committee activities and other extraordinary activities. Neither shares nor options were allocated in the reporting year.

Remuneration policy

Remuneration of the board of directors and management of Castle Private Equity AG shall be effected in accordance with the provisions of the Articles, notably article 17. The board of directors and management determined that its members be remunerated annually as follows (pro-rata when a mandate is not executed for a full year):

Remuneration (Audited)	**2022 TCHF**	**2021 TCHF**
Chairman	55	55
Deputy chairman	44	44
Committee chairman	44	44
Member	33	33
General managers	100	100

The remuneration of the board of directors shall be payable by the end of each quarter. The management expenses once a year in advance.

Travel and other expenses related to attendance at board meetings shall be covered by an expense allowance for each meeting in Switzerland, physically attended, as follows:

Travel and other expenses (Audited)	**2022 CHF**	**2021 CHF**
Switzerland based	250	250
Europe based	1,500	1,500
Overseas based	7,000	7,000

Bills of expenses in excess of TUSD 7 (TCHF 7) shall be signed off by the chairman (or, in the chairman's case, by the deputy chairman). Bills of expenses below such may be signed off by the general managers.

Directors may furthermore be paid all other bill properly incurred by them in connection with the business of the company. The board may, in addition, grant special remuneration to any director who performs special or extra services to or at the request of the company.

Remuneration for financial years 2022 and 2021 (Article 14 VegüV)

The following tables show the remuneration for the members of the board of directors in the year 2022 and 2021.

Travel and other expenses (Audited)	**2022 TUSD**	**2022 TCHF[1]**	**2021 TUSD**	**2021 TCHF[1]**
Employers contributions to social security	4	3	4	4
Directors and officers liability insurance fee	38	36	39	36
Travel expenses	—	—	—	—

[1] Swiss Francs are shown as supplementary information.

The board of directors remuneration is defined and paid out in Swiss Francs.

(Audited)	**Cash compensation TUSD**	**Social security payments TUSD**	**Travel expenses TUSD**	**Total remuneration TUSD**
As of 31 December 2022				
Gilbert Chalk, chairman	57	–	–	57
Dr Konrad Bächinger, deputy chairman	46	2	–	48
Heinz Nipp, committee chairman – remuneration committee	46	2	–	48
Thomas Amstutz, committee chairman – audit committee	46	–	–	46
General managers	109	–	–	109
Total	**304**	**4**	–	**308**

The following Swiss Franc tables are shown as supplementary information as in the company financial statements.

(Audited)	**Cash compensation TCHF**	**Social security payments TCHF**	**Travel expenses TCHF**	**Total remuneration TCHF**
As of 31 December 2022				
Gilbert Chalk, chairman	55	–	–	55
Dr Konrad Bächinger, deputy chairman	44	2	–	46
Heinz Nipp, committee chairman – remuneration committee	44	1	–	45
Thomas Amstutz, committee chairman – audit committee	44	–	–	44
General managers	100	–	–	100
Total	**287**	**3**	–	**290**

(Audited)	Cash compensation TUSD	Social security payments TUSD	Travel expenses TUSD	Total remuneration TUSD
As of 31 December 2021				
Gilbert Chalk, chairman	58	—	—	58
Dr Konrad Bächinger, deputy chairman	48	2	—	50
Heinz Nipp, committee chairman – remuneration committee	48	2	—	50
Thomas Amstutz, committee chairman – audit committee	48	—	—	48
General managers	112	—	—	112
Total	**314**	**4**	—	**318**

(Audited)	Cash compensation TCHF	Social security payments TCHF	Travel expenses TCHF	Total remuneration TCHF
As of 31 December 2021				
Gilbert Chalk, chairman	55	—	—	55
Dr Konrad Bächinger, deputy chairman	44	2	—	46
Heinz Nipp, committee chairman – remuneration committee	44	2	—	46
Thomas Amstutz, committee chairman – audit committee	44	—	—	44
General managers	100	—	—	100
Total	**287**	**4**	—	**291**

Loans and credits to board members and the management (Article 15 VegüV)
No further loans or credits by the Company or its subsidiaries for their activities have been granted to members of the board of directors in the financial year 2022.

Compensation, loans and credits to related parties (Article 16 VegüV)
No further compensation, loans or credits by the Company or its subsidiaries for their activities have been granted to any related party in the financial year 2022.

Heinz Nipp **Benedikt Meyer**

Pfäffikon, 24 February 2023

Corporate governance

In accordance with the corporate governance directive of the SIX Swiss Exchange

1. Group structure and shareholders

Castle Private Equity ("the Group") consists of Castle Private Equity AG ("the Company") and two fully consolidated subsidiaries, as shown below and as listed in note 1 to the consolidated financial statements. The Company's registered office is Schützenstrasse 6, 8808 Pfäffikon (Freienbach community), Switzerland. Within the Group, only the Company is a listed company.

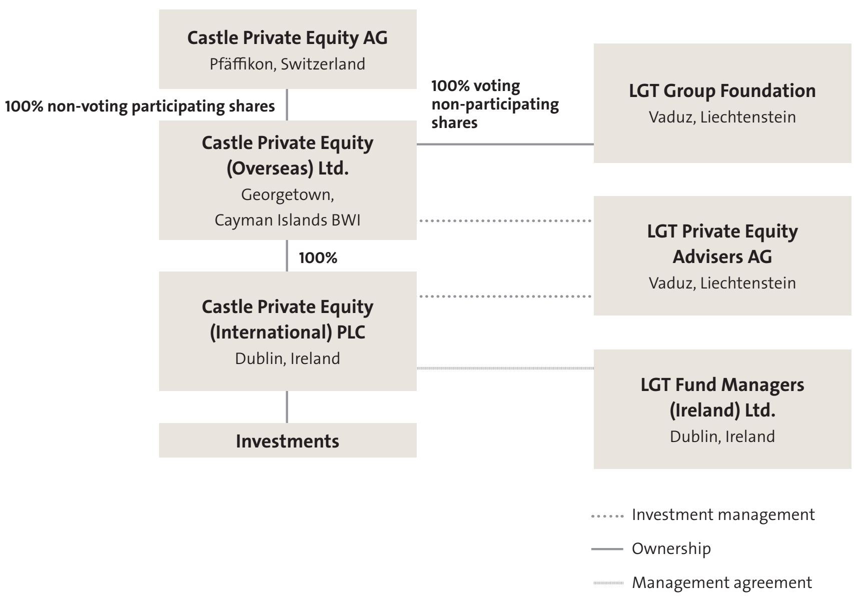
Significant shareholders

The shareholding structure of the Company as of 31 December 2022 is shown below:

- Berlin-AI Fund SCS, SICAV-FIS, reported a holding of 17.8 per cent.
- Deka International S.A., reported a holding of 10.2 per cent.
- LGT Group Foundation, reported a holding of 8.5 per cent.
- The Goldman Sachs Group, Inc., reported a holding of 6.5 per cent.
- LRI Capital Management S.A., reported a holding of 6.5 per cent.

An update on shareholdings can be obtained from the SIX website at http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html#

The Group has not entered into any cross-shareholdings that exceed 5 per cent of the capital shareholding as voting rights on either side.



2. Capital structure

Capital

The Company's share capital consists of 10,104,741 registered shares with a par value of CHF 0.05 each. The shares are listed in Swiss Francs at the SIX Swiss Exchange in Zurich with ISIN CH0048854746 and valor number 4885474. Since 2011 the Company successfully completed a number of share buyback programs. These shares were bought back for cancellation at one of the subsequent annual general meetings. On 25 September 2017 the Company announced the cancellation of 2,904,511 registered shares and reduction of par value of to CHF 0.05 per share as approved at the 15 May 2017 general meeting of shareholders. As of December 2017, the Company held 1,876,234 shares from buy-back programs launched in 2016 and 2017. On 6 August 2018 the Company announced the cancellation of 8,301,455 registered shares as approved at the 14 May 2018 general meeting of shareholders. As of December 2018, the Company held 6,231,357 shares from buyback programs launched in 2017 and 2018. On 20 August 2019 the Company announced the cancellation of 6,759,973 registered shares as approved at the 14 May 2019 general meeting of shareholders. As of December 2019, the Company held 764,336 shares from buyback programs launched in 2018 and 2019. On 10 August 2020 the Company announced the cancellation of 849,410 registered shares as approved at the 12 May 2020 general meeting of shareholders. On 22 August 2022 the Company announced the cancellation of 308,371 registered shares as approved at the 10 May 2022 general meeting of shareholders. The Company has not issued any participation certificates (Partizipationsscheine), preference shares (Vorzugsaktien) or profit sharing certificates (Genussscheine). Shares of the subsidiaries are not listed. The Company does not have conditional and authorised share capital.

A detailed overview of the capital structure is shown in note 7 of the Company's financial statements. Changes in the par value and number of registered shares issued for the last three years can be seen in the table below:

Share capital	2020	2021	2022
Issued shares	10,413,112	10,413,112	10,104,741
Nominal per share in CHF	0.05	0.05	0.05

The market capitalisation of the Company per year end 2022 amounted to approx. CHF 77.8 million (the market capitalisation of the Company is calculated after excluding the treasury shares held for cancellation). There are no outstanding convertible bonds or options issued by the Company or any of its subsidiaries on the Company's securities.

Voting rights, share registration
Each share confers the right to one vote. Entry in the share register of registered shares with voting rights is subject to the approval of the Company. Persons acquiring registered shares shall on application be entered in the share register without limitation as shareholders with voting power, provided they expressly declare themselves to have acquired the shares in their own name and for their own account and comply with the disclosure requirement of the Federal Act on Stock Exchanges and Securities Trading (Stock Exchange Act).

Entry of registered shares with voting rights may be refused in the following situations:

Persons not expressly declaring themselves to be holding shares for their own account (nominees) shall be entered in the share register with voting rights without further inquiry up to a maximum of 1.5 per cent of the outstanding share capital available at the time. Above this limit, registered shares held by nominees shall be entered in the share register with voting rights only if the nominee in question makes known the names, addresses and shareholdings of the persons for whose account he is holding 0.3 per cent or more of the outstanding share capital at the time and provided that the disclosure requirement stipulated by the Stock Exchange Act is complied with. The board of directors has the right to enter into agreements with nominees concerning their disclosure requirements.

Legal entities or partnerships or other associations or joint ownership arrangements which are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships (especially syndicates) which act in concert with intent to evade the entry restriction are considered as one shareholder or nominee.

The Company may in special cases approve exceptions to the above regulations. After due consultation with the person concerned, the Company is further authorised to remove the shareholder from the share register as shareholder with voting rights with retroactive effect if they were effected on the basis of false information or if the respective person does not provide the information required.

No agreements with nominees were entered into, nor were exceptions to the above regulations granted in 2022.

3. Board of directors

As of 31 December 2022, all members of the board of directors are non-executive. None of the members have been members of management of the Company or one of its subsidiaries over the last three years.

No other member of the board of directors has any significant business connections with any members of the Group.

The board is composed of the following members:

Gilbert J. Chalk,
chairman of the board
Gilbert Chalk (British citizen, 1947) completed his BSc at Southampton University, an MA in Business at Lancaster University and obtained an MBA from Columbia University in 1972. He worked in corporate finance at Hill Samuel Bank before joining Hambros Bank in 1980 as a manager and, subsequently, was a director in their corporate finance department. In 1987 he founded and became managing director of Hambro European Ventures, a position he held until 1994. Since 1994 he has been active as director and adviser of a number of privately financed companies. From 2000 to 2010 he was chairman of the Baring English Growth Fund. He subsequently held positions as chairman of Aurora Russia Limited, a London AIM quoted company, and as chairman of the Guernsey Investment Fund.

Gilbert Chalk was elected to the board of directors in 2008. He was re-elected at the annual shareholders' meeting in May 2022 for a term ending at the 2023 annual shareholders' meeting.

Dr Konrad Bächinger,
deputy chairman of the board and member of the remuneration committee
Dr Konrad Bächinger (Swiss citizen, born 1950) received a Ph.D. in law from the University of Zurich. He acted subsequently as legal counsel for the St. Gallische Creditanstalt and as head of legal department of Adolph Saurer AG. In 1984, he joined LGT Bank in Liechtenstein as general counsel. In 1989 he was appointed managing director and head of legal matters and project department. In 1990 he became member of the executive board of the bank, heading commercial banking and legal matters. In 1998 he became chief executive officer of LGT Capital Management. Dr Bächinger was member of the Group executive committee of Liechtenstein Global Trust (now known as LGT Group Foundation) between 2001 and 2006, subsequently becoming a senior advisor of LGT Group Foundation until his retirement in 2010. Dr Bächinger is also deputy chairman of the board of directors of Castle Alternative Invest AG and serves on the board of several LGT-managed or affiliated investment and management companies, including LGT Capital Partners Limited.

Dr Bächinger was elected to the board of directors in 1997 and was re-elected annually since.

Heinz Nipp,
member of the board, remuneration committee chairman and member of the audit committee
Heinz Nipp (citizen of the Principality of Liechtenstein, born 1951) completed a banking apprenticeship and training as a financial analyst which were later followed by executive management studies at Stanford University.

Prior to joining LGT Bank in Liechtenstein in 1982, Mr Nipp spent several years abroad to gain practical banking experience. Mr Nipp was the CEO of LGT Bank in Liechtenstein until 2001 when he was appointed member of the Group executive committee of Liechtenstein Global Trust, now known as LGT Group Foundation. In 2006, Heinz Nipp was appointed executive chairman wealth management Asia of LGT Group Foundation. He retired from his functions at LGT in 2008.

In 2014, Heinz Nipp joined the board of LGT Capital Partners (Ireland) Limited.

Heinz Nipp was elected to the board in 1997. He was re-elected at the annual shareholders' meeting in May 2022 for a term ending at the 2023 annual shareholders' meeting.

Thomas Amstutz,
member of the board and audit committee chairman
Thomas Amstutz (Swiss citizen, born 1962) completed his bank apprenticeship at Credit Suisse and graduated from Commercial School of Business Administration. From 1981 until 2004 he held a variety of management positions with Credit Suisse Group. In 1987 he was appointed managing director of CSFB Geneva, Head of Foreign Exchange/Precious Metals Options. Between 1991 and 1996 he held different positions within Credit Suisse in Zurich, before heading the Sales and Trading department in Frankfurt. In 1999 he was appointed member of the executive board of Credit Suisse Private Banking and from August 2002 until December 2004 he was member of the executive board of Credit Suisse Financial Services and Head of the Division Investment Management.

From 2005 until 2014 he was chairman of Absolute Private Equity AG, Zug, Absolute Invest AG, Zug (both listed Swiss investment companies) and Absolute Investment Services Ltd., Zurich. Thomas Amstutz is owner of JAAM AG, Zurich and holds several positions as a board member of the following companies: Alpine Select AG, Zug; Baloise Bank SoBa, Solothurn; Vicenda Asset Management AG, Baar Zug. Mr Amstutz was elected to the board of directors of Castle Private Equity AG at the annual meeting in April 2012. He was re-elected at the annual shareholders' meeting in May 2022 for a term ending at the 2023 annual shareholders' meeting.

Responsibilities

The principal responsibilities of the board of directors as defined in the Swiss Code of Obligations and the Company's articles of association and organisational regulations are:

(i) organisation of the Company's main structures, including planning, management and reporting procedures and its internal risk control systems;
(ii) determination of the investment policy and supervision of its implementation; and
(iii) appointment and supervision of the Company's general manager and the investment manager.

Board members share these responsibilities jointly. No specific tasks have been allocated to individual members of the board.

Committees

The board of directors established an audit committee comprising Thomas Amstutz (chairman) and Heinz Nipp (member). The audit committee's duties include:

(i) selecting the auditor (for approval at the shareholders' meeting), as well as determining and supervising the terms of their engagement;
(ii) monitoring the integrity of the financial statements; and
(iii) reviewing the internal control systems in place in the Company.

Furthermore, a remuneration committee was introduced composed of Heinz Nipp (chairman) and Dr Konrad Bächinger (member). The duties of the remuneration committee can be found in the remuneration report on page 82.

Organisation

The board of directors has delegated the operational management of the Company to Dr Hans Markvoort and Benedikt Meyer as general managers (see next page), in accordance with Art. 716b CO and the articles of association and organisational regulations of the Company.

The board has delegated the management of the Company's assets in accordance with the investment policy and guidelines to LGT Private Equity Advisers AG, the investment manager (see next pages).

The board resolves by majority vote with the presence of a majority of members. Decisions can be taken by phone conference or circular resolution unless a board member requests otherwise. The board of directors meets as often as business matters require, as a rule four times a year.

The board considers agenda items laid out in the notice and agenda which are formally circulated to the board in advance of any meeting as part of the board papers. The members of the board may request any agenda items to be added that they consider appropriate for board discussion. In addition each director is required to inform the board of any potential or actual conflict of interest prior to board discussion. In 2021, four board meetings and two audit committee meetings were held, with an average duration of between two and four hours. Board meetings are attended by representatives of the investment manager and the general managers. In addition to the physical meetings, various ad hoc meetings and phone conference calls were held throughout the year to deal with matters substantially of an administrative nature and these were attended by the directors available at the time.

In addition to board meetings, individual members of the boards of the Company and of the investment manager and the general managers interact frequently.

Information and control

The directors receive regular reports on the course of business, including the status of the portfolio. Directors may request additional information or details through the general manager.

4. Management

General manager

The board of directors has delegated the operational management of the Company to Dr Hans Markvoort and Benedikt Meyer as general managers.

Dr Hans Markvoort

(Swiss citizen, born 1965) graduated with a Ph.D. in economics from the University of St. Gallen in 1995 after studies in the Netherlands and Switzerland. He was head of controlling and company secretary of Industrieholding Cham, a diversified Swiss industrial group, until 1998. He subsequently served as chief financial officer of Universal Holding, a European subsidiary of a US industrial equipment supplier. He joined LGT Capital Partners' private equity team in 2000, where he currently is a partner, coordinating private markets operations. Dr Markvoort is a director of various private equity investment entities as well as of LGT Capital Partners (Ireland) Limited, LGT Fund Managers (Ireland) Limited, LGT Fund Administrators (Luxembourg) Sarl and LGT Fund Managers (FL) Limited. He was a board member of LGT Group's Swiss pension foundation from 2016 to 2020.

Benedikt Meyer

Mr Meyer (Swiss citizen, born 1983) is an executive director at LGT Capital Partners Ltd. He serves also as general manager of Castle Alternative Invest AG. Prior to joining LGT Capital Partners in 2010, Mr Meyer worked in business development and investor relations for Partners Group AG in Zug and London. Mr Meyer holds a Diploma of Higher School of Business Studies HF (BSc in Economics). He is fluent in English and German, and conversant in French.

There are no other activities and vested interests of the members of the management.

Investment manager

LGT Private Equity Advisers AG, Vaduz, has been appointed investment manager. The investment manager is responsible for the management of the Company's assets in accordance with the investment policy and guidelines. The investment manager does not have any duties or responsibilities in relation to the operational management of the Company. The main responsibilities of the investment manager are:

(i) implementation of the investment policy, including identifying, purchasing and selling investments;
(ii) monitoring of investments; and
(iii) analysis and forecast of cash flows.

The role of the investment manager is governed through investment management agreements with the subsidiaries. These agreements do not have a fixed termination date but can be terminated by either party at 90 days' notice. The compensation of the investment manager is shown in notes 6, 16 and 17 of the consolidated financial statements.

The board members of the investment manager are affiliated with LGT Group Foundation or with Partners Group. LGT Group Foundation owns 60 per cent, Partners Group owns 40 per cent of the investment manager. The members of the board of directors of LGT Private Equity Advisers AG are:

Ivo Klein
Citizen of Liechtenstein, born 1961. He completed his studies in business administration at the University of Applied Sciences in St. Gallen, Switzerland, subsequent to which he trained to be a chartered accountant. Ivo Klein was working in the Group Internal Audit Department of the LGT Group for 15 years of which 10 years was spent as deputy head of the department. In 2001 he took over the newly created function of Head of Group Compliance at LGT. Ivo Klein was a member of the Liechtenstein Landtag (parliament) between 2001 and 2009, of which as vice chairman between 2005 and 2008. In 2011 he was appointed as member of the executive board at LGT Bank AG. Ivo Klein has been a board member of the Liechtenstein Bankers Association since 2017 and also a member of the Board of Trustees of the Deposit Guarantee and Investor Compensation Foundation PCC since 2017 and its President since 2020.

Dr Roberto Paganoni
Dutch citizen, born 1961. Roberto Paganoni completed his mechanical engineering studies at the Technical University of Aachen and received a Ph.D. in business administration from the University of St. Gallen. He joined McKinsey & Co. in 1989, for whom he worked in their Duesseldorf, Brussels and Zurich offices. In 1997, he joined Liechtenstein Global Trust as head of alternative assets. Since 2001, Roberto Paganoni is managing partner and chief executive officer of LGT Capital Partners Ltd.

Urs Wietlisbach
Urs Wietlisbach co-founded Partners Group in 1996. He is a member of Partners Group Holding AG's board of directors and chairman of the Markets Committee, based in Zug. He has 27 years of industry experience. Prior to founding Partners Group, he worked at Goldman Sachs & Co. and Credit Suisse. He holds a master's degree in business administration from the University of St. Gallen (HSG), Switzerland.

Investment advice
For the investment management LGT Private Equity Advisers AG makes use of the private equity investment team of LGT Capital Partners Ltd. The team consists of over 150 private equity professionals combining American and European education, investment experience and networks on a global basis. The key private equity investment professionals of LGT Capital Partners Ltd. are as follows:

Maximilian Brönner
German citizen, born 1966. Maximilian Brönner was educated at the Université de Fribourg and the London School of Economics. Mr Brönner started his career at Dresdner Bank AG in Frankfurt and worked in investment banking for Banco Bilbao Vizcaya in Madrid and for Jones Lang Wootton in Berlin. Prior to joining LGT Capital Partners in 1999, he was a corporate finance manager at Pricewaterhouse mainly responsible for private equity transactions. He is a managing partner at LGT Capital Partners.

Ivan Vercoutère
French citizen, born 1966. He received a BSc in Finance from San Diego State University. Prior to joining LGT Capital Partners in 1998, Mr Vercoutère was Vice President and investment committee member of Pacific Corporate Group, Inc (PCG), a California-based global private equity advisor and manager. Ivan Vercoutère is a managing partner at LGT Capital Partners.

5. Compensation, shareholdings and loans

The remuneration of the board of directors is as follows:

Remuneration	TCHF
Chairman	55
Deputy chairman	44
Committee chairman	44
Member	33

Travel and other expenses related to attendance of board meetings were covered by an expense allowance for each meeting in Switzerland, physically attended, as follows: Switzerland based CHF 250, Europe based CHF 1,500, Overseas based CHF 7,000. Expense accounts in excess of CHF 7,000 shall be signed off by the chairman (or, in the chairman's case, by the deputy chairman). Accounts below such may be signed of by the general managers.

The Company appointed Dr Hans Markvoort and Benedikt Meyer as general managers, in accordance with Art. 716b CO and the articles of association and organisational regulations of the Company. This work for the Company on average takes up approximately 20 per cent of their working time. For 2022, the management of the Company was compensated by the investment advisor.

Remuneration	TCHF
General managers	100

No further compensation or fees, shares, options or loans by the Company or its subsidiaries for their activities have been due.

6. Voting and representation restrictions

Voting restrictions

The articles of association do not contain any statutory voting rights restrictions other than those disclosed in section 2 above. No exceptions were granted in the year under review.

The convocation of the general meeting of shareholders and the addition of items to its agenda are conform with the regulations of the Swiss code of obligations.

General meeting of shareholders

The next shareholders’ meeting is scheduled for 16 May 2023 and shall be convened by publication in the Swiss Official Gazette of Commerce at least 20 days prior to the date of the meeting.

Shareholders registered with voting rights in the shareholders’ register until and including 2 May 2023 shall receive, with their invitation to the annual general meeting, a registration card to apply for an admission card and voting documentation. No new share registrations with voting rights shall be made in the shareholders’ register between 2 May 2023 and the end of the general meeting.

Shareholders representing at least 10 per cent of the share capital may request that an extraordinary shareholders’ meeting be convened. Shareholders representing shares with an aggregate nominal value of at least CHF 10,000 may request that an item be included in the agenda of the shareholders’ meeting. Such requests must be made in writing at least 50 days before the date of the meeting, specify the item to be included in the agenda and contain the proposal on which the shareholder requests a vote.

Statutory quorums

The articles of association contain the following voting quora that extend beyond the thresholds of simple and qualified majority prescribed in the Swiss Code of Obligations:

- the easement or abolition of the restriction of the transferability of the registered shares;
- the conversion of registered shares into bearer shares and bearer shares into registered shares; and
- the abolition of restrictions in the articles of association concerning the passing of a resolution by the shareholders’ meeting.

The dissolution of the Company with a liquidation requires a resolution of the shareholders’ meeting passed by at least 80 per cent of all share votes.

7. Change of control

The Company has stated in article 6h of its articles of association that a party acquiring shares above the legal threshold potentially triggering a public offer in the Company is not obliged to make a public offer to acquire all shares of the Company pursuant to articles 32 and 52 of the Stock Exchange Act (opting-out clause).

The members of the board of directors, the general manager and the investment manager do not benefit from contractual clauses on change-of-control situations.

8. Auditors

PricewaterhouseCoopers Ltd., Zurich, are the auditors of the Company. They accepted the mandate in 2001. Thomas Romer, the auditor in charge, took up office in 2021.

Total audit related fees charged by PricewaterhouseCoopers for the 2022 audit amounted to TUSD 141 (2021: TUSD 141).

Supervision of the audit takes place in various meetings and discussions between the auditors and board members throughout the year as well as through the internal audit department of LGT Group Foundation.

Principal means of information between the external auditor and the board of directors (in particular through the audit committee) is the annual audit report submitted by the auditor to the directors. The report is generally discussed with representatives of the auditor at the spring board meeting that also resolves on approval of the annual report. Prior to discussion of the auditors' report, audit committee meetings – typically in the form of conference calls – take place to discuss progress of the audit and any specific matters noted. Preparation of the audit (which includes an update on changes in accounting and reporting standards and audit requirements by the auditor) usually take place in autumn, either in the form of the auditor's presence at a board meeting or by means of a phone discussion.

9. Information policy

The Company publishes an audited annual report per 31 December and a semi-annual report per 30 June. Furthermore, the Company publishes monthly portfolio updates.

The Company publishes these and other documents on the Company's website www.castlepe.com. Subscribers listed on the Company's distribution schedule generally receive these documents (or references to their website location) upon publication by e-mail. Ad-hoc messages and announcements (e.g. regarding general meetings) are also distributed by e-mail. Several documents are available in print form. Please contact representatives of the Company through the website or by letter or phone to be added to the mailing list.

The financial calendar can be downloaded from the Company's website www.castlepe.com.

Non-applicability/negative disclosure
It is expressly noted that any information not contained or mentioned herein is non-applicable or its omission is to be construed as a negative declaration (as provided in the Corporate Governance Directive and the commentary thereto).

10. Quiet periods

The Company sets general quiet periods ("blackout periods") in accordance with SIX Directive on Information relating to Corporate Governance. These blackout periods apply in connection with the publication of the Company's monthly portfolio updates and are effective for all LGT Capital Partners employees and as well for the Company's insiders as defined in its insider list.

Blackout periods 2022
5 January 2022 until and including 21 January 2022
4 February 2022 until and including 28 February 2022
14 March 2022 until and including 28 March 2022
11 April 2022 until and including 20 April 2022
4 May 2022 until and including 2 June 2022
19 June 2022 until and including 30 June 2022
14 July 2022 until and including 25 July 2022
8 August 2022 until and including 24 August 2022
7 September 2022 until and including 29 September 2022
13 October 2022 until and including 28 October 2022
11 November 2022 until and including 30 November 2022
14 December 2022 until and including 3 January 2023

Share information

Exchange rate CHF/USD: 0.9254

	2017	2018	2019	2020	2021	2022	Since inception
Share information							
Number of outstanding shares at year end (000)[1]	26,324[2]	18,022[3]	10,498[4]	10,209[5]	10,105	10,105[6]	
USD net asset value[1]	18.52	17.96	14.97	15.50	14.73	10.50	
CHF closing price[1]	17.90	16.20	13.75	10.00	9.55	7.70	
Share performance							
USD net asset value	8.7%	5.3%[7]	0.9%[8]	3.5%	15.3%[9]	(28.7%)[10]	52.9%[11]
USD closing price	—	—	—	—	—	—	—
CHF closing price	16.6%	(9.5%)	(15.1%)	(27.3%)	(4.5%)	(19.4%)	(26.0%)

[1] Adjusted for the ten for one share split.
[2] Of which 1,876,234 owned by the Group. On 26 September 2017, 2,904,511 shares purchased via share buyback program were cancelled.
[3] Of which 6,231,357 owned by the Group. On 7 August 2018, 8,301,455 shares purchased via share buyback program were cancelled.
[4] Of which 764,336 owned by the Group. On 22 August 2019, 6,759,973 shares purchased via share buyback program were cancelled.
[5] Of which 204,387 owned by the Group. On 10 August 2020, 849,410 shares purchased via share buyback program were cancelled.
[6] On 22 August 2022, 308,371 shares purchased via share buyback were cancelled.
[7] Adjusted for distributions of general legal reserves from capital contributions of CHF 1.00/USD 1.01 on 22 May 2018.
[8] Adjusted for distributions of general legal reserves from capital contributions of CHF 3.00/USD 2.97 on 20 May 2019.
[9] Adjusted for distributions of general legal reserves from capital contributions of CHF 3.00/USD 3.33 on 21 May 2021.
[10] Adjusted for distributions of general legal reserves from capital contributions/retained earnings of CHF 2.50/USD 2.51 on 16 May 2022.
[11] Adjusted for distributions of general legal reserves from capital contributions/retained earnings for all since inception.

Listing
SIX Swiss Exchange 4885474 (Swiss security number)

Price information
Reuters: CPE.S
Bloomberg: CPEN SW <Equity>

Publication of net asset value
www.castlepe.com

Registered office
Castle Private Equity AG, Schützenstrasse 6, CH-8808 Pfäffikon, Switzerland
Telephone +41 55 415 94 94, Fax +41 55 415 94 97

Investment manager
LGT Private Equity Advisers AG, Herrengasse 12, FL-9490 Vaduz, Principality of Liechtenstein
Telephone +423 2352929, Fax +423 2352955
Benedikt Meyer, general manager,
Telephone +423 235 2324, benedikt.meyer@lgtcp.com
Dr Roberto Paganoni, chairman of the board of directors,
Telephone +423 235 2332

www.castlepe.com

Registered office
Castle Private Equity AG
Schützenstrasse 6, CH-8808 Pfäffikon
Switzerland
Telephone +41 55 415 9494
Fax +41 55 415 9497

Investment manager
LGT Private Equity Advisers AG
Herrengasse 12, FL-9490 Vaduz
Principality of Liechtenstein
Telephone +423 235 2929
Fax +423 235 2955

www.castlepe.com