cicor

Geschäftsbericht 2021

RESILIENZ UND PROFITABLES WACHSTUM IN HERAUSFORDERNDEN ZEITEN

Die branchenübergreifenden Trends zur Elektrifizierung und Digitalisierung haben 2021 dazu geführt, dass sich die Elektronikindustrie erfolgreicher durch die Pandemie bewegen konnte als manch andere Branche des verarbeitenden Gewerbes. Dies ist umso beachtlicher, weil auch das vergangene Jahr von Lieferengpässen und beeinträchtigtem Warenverkehr geprägt war.

Die Cicor Gruppe hat im Geschäftsjahr 2021 Resilienz bewiesen und die angekündigte organische und anorganische Wachstumsstrategie auch in diesen herausfordernden Zeiten vorangetrieben. Mit der Akquisition und Integration von Axis Electronics Ltd. aus Bedford, U.K., ist dem Unternehmen ein hervorragender erster Wachstumsschritt gelungen. Dank dem rekordhohen Auftragseingang im Geschäftsjahr 2021 und dem hohen Auftragsbestand per Jahresende blickt Cicor, trotz anhaltenden Engpässen bei Rohmaterialien und Komponenten, positiv in die Zukunft.

Der Aktionärsbrief auf den Seiten 8 bis 11 dieses Geschäftsberichts gibt einen detaillierten Einblick in das Geschäftsjahr 2021.

«Zum ersten Mal in der Geschichte der Cicor Gruppe wird im Geschäftsbericht 2021 eine umfassende Nachhaltigkeitsberichterstattung integriert.»

CICOR – IHR TECHNOLOGIE-PARTNER

Die Cicor Gruppe ist ein weltweit tätiger Anbieter elektronischer Gesamtlösungen, von der Forschung und Entwicklung über die Produktion bis hin zum Supply Chain Management. Mit rund 2'200 Mitarbeiterinnen und Mitarbeitern an elf Standorten in Europa und Asien bedient Cicor führende Unternehmen aus den Bereichen Medizin, Industrie sowie Luft- und Raumfahrt & Verteidigung. Durch die Kombination von kundenspezifischen Entwicklungslösungen, Hightech-Komponenten und der Herstellung von elektronischen Geräten, schafft Cicor einen Mehrwert für ihre Kunden.

Die Aktien der Cicor Technologies Ltd. werden an der SIX Swiss Exchange gehandelt (CICN).

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KENNZAHLEN

in CHF 1 000, falls nicht anders angegeben	2018	in %	2019	in %	2020	in %	2021	in %
Nettoerlös aus Lieferungen und Leistungen	**248 115**	100.0	**253 909**	100.0	**214 891**	100.0	**239 044**	100.0
Veränderung gegenüber Vorjahr (%)	14.5		2.3		−15.4		11.2	
EBITDA	**24 630**	9.9	**24 781**	9.8	**19 362**	9.0	**23 122**	9.7
Veränderung gegenüber Vorjahr (%)	28.0		0.6		−21.9		19.4	
Operatives Ergebnis (EBIT) vor Amortisierung Goodwill und Intangibles aus Business Combination[1)]	**15 234**	6.1	**14 901**	5.9	**8 851**	4.1	**12 963**	5.4
Amortisierung Goodwill und Intangibles aus Business Combination	–	0.0	–	0.0	–	0.0	−759	−0.3
Operatives Ergebnis (EBIT)	**15 234**	6.1	**14 901**	5.9	**8 851**	4.1	**12 204**	5.1
Ergebnis vor Steuern (EBT)	13 043	5.3	11 861	4.7	6 396	3.0	10 210	4.3
Ertragssteuern	−3 403	−1.4	−3 447	−1.4	−2 224	−1.1	−2 728	−1.1
Gewinn	**9 640**	3.9	**8 414**	3.3	**4 172**	1.9	**7 482**	3.1
Ergebnis je Aktie (in CHF)	3.32		2.90		1.44		2.57	
Beschäftigte (Stichtag)	**2 029**		**2 036**		**1 901**		**2 181**	

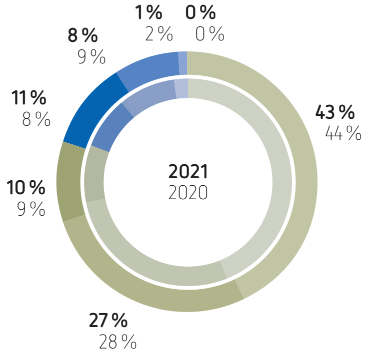
Segmentergebnisse	2018	in %	2019	in %	2020	in %	2021	in %
AMS Division								
– Nettoerlös	62 977	100.0	61 344	100.0	52 521	100.0	58 678	100.0
– EBITDA	12 036	19.1	10 362	16.9	7 352	14.0	10 263	17.5
ES Division								
– Nettoerlös	185 176	100.0	192 708	100.0	163 055	100.0	181 203	100.0
– EBITDA	14 868	8.0	15 681	8.1	13 621	8.4	15 780	8.7

[1)] Operatives Ergebnis (EBIT) vor Amortisation Goodwill und Intangibles aus Business Combination: Operatives Ergebnis (EBIT) korrigiert um Abschreibungen auf akquiriertem Goodwill (TCHF 420) und akquirierten Intangibles Assets (TCHF 339)

2021 / 2020

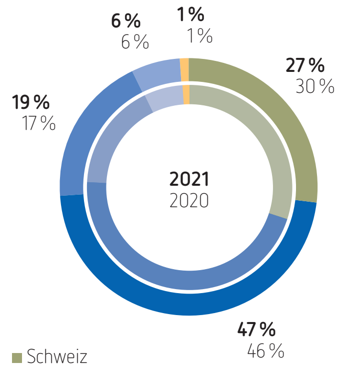
NETTOERLÖS

NACH BRANCHE



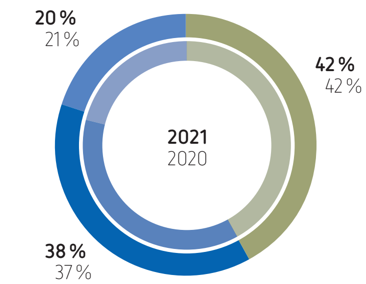
- Industrie
- Medizin
- Luft- / Raumfahrt und Verteidigung
- Uhren und Konsumgüter
- Automobil und Transport
- Kommunikation
- Andere

NACH EXPORTREGION



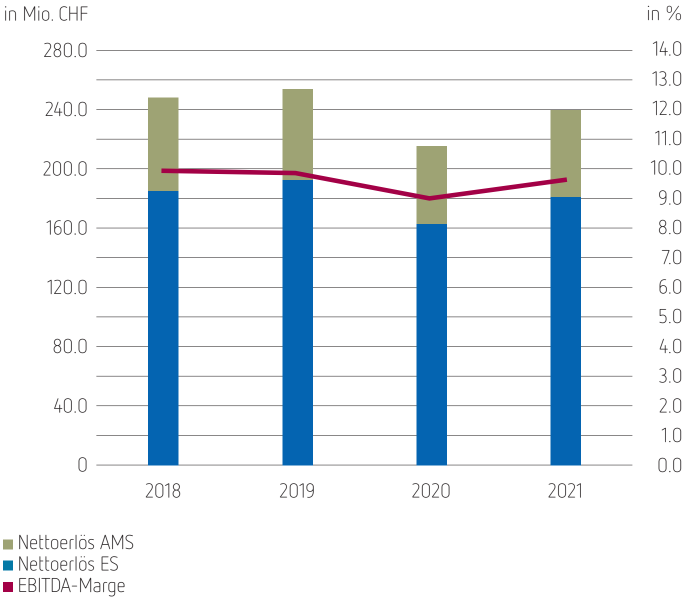
- Schweiz
- Europa (ohne Schweiz)
- Asien
- Amerika
- Andere

NACH PRODUKTIONS-REGION



- Schweiz
- Europa (ohne Schweiz)
- Asien

NETTOERLÖS NACH DIVISIONEN UND EBITDA-MARGE



in CHF 1 000, falls nicht anders angegeben	31.12.2018	in %	31.12.2019	in %	31.12.2020	in %	31.12.2021	in %
Anlagevermögen	**56 924**	29.3	**59 202**	32.0	**52 710**	29.0	**121 258**	37.7
Umlaufvermögen	**137 282**	70.7	**125 744**	68.0	**129 340**	71.0	**200 631**	62.3
Total Aktiven	**194 206**	100.0	**184 946**	100.0	**182 050**	100.0	**321 889**	100.0
Eigenkapital	**75 137**	38.7	**78 805**	42.6	**76 334**	41.9	**88 887**	27.6
Finanzielle Verbindlichkeiten	57 823	29.8	50 347	27.2	56 752	31.2	129 856	40.4
Zahlungsmittel und Zahlungsmitteläquivalente	29 843	15.4	33 660	18.2	43 135	23.7	68 797	21.4
Nettoverschuldung[1]	**27 980**	14.4	**16 687**	9.0	**13 617**	7.5	**61 059**	19.0
Gearing ratio (Nettoverschuldung in % des Eigenkapitals)	**37.2**		**21.2**		**17.8**		**68.7**	
Vorräte	59 213	30.5	50 632	27.4	49 875	27.4	80 109	24.9
Forderungen aus Lieferungen und Leistungen	41 994	21.6	36 444	19.7	30 679	16.9	44 080	13.7
Verbindlichkeiten aus Lieferungen und Leistungen	–32 365	–16.7	–28 065	–15.1	–22 556	–12.5	–39 691	–12.3
Nettoumlaufvermögen	**68 842**	35.4	**59 011**	32.0	**57 998**	31.8	**84 498**	26.4
in % des Nettoerlöses	27.7		23.2		27.0		35.3	
Investition in Sachanlagen	**18 831**		**13 964**		**5 072**		**8 623**	
in % des Nettoerlöses	7.6		5.5		2.4		3.6	

[1] Nettoverschuldung: Finanzielle Verbindlichkeiten abzüglich Zahlungsmittel und Zahlungsmitteläquivalente

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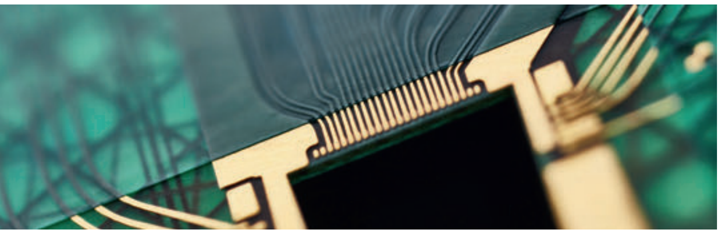
CICOR GROUP

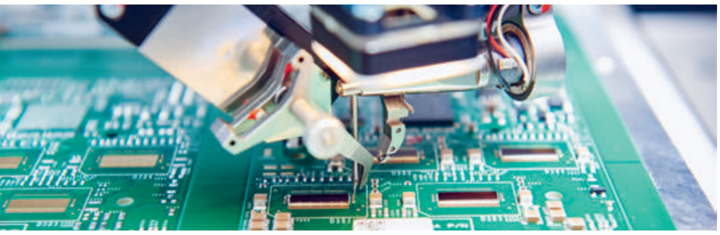
CICOR TECHNOLOGIES LTD.


EPA

MANAGEMENT REPORT

PRODUKTE UND DIENSTLEISTUNGEN





LEITERPLATTEN

Der Cicor Standort in Boudry (Schweiz) ist ein Leiterplattenhersteller, der auf anspruchsvolle Anwendungen und höchst miniaturisierte Schaltungen spezialisiert ist. Der Standort entwickelt und produziert hochwertige starre, starr-flexible und flexible Leiterplatten mit Schwerpunkt High- und Ultra-High-Density Interconnects.

SUBSTRATE UND HYBRIDSCHALTUNGEN

Mit den Standorten Radeberg (Deutschland), Ulm (Deutschland) und Wangs (Schweiz) ist Cicor ein führender Hersteller hochwertiger Dünn- und Dickschichtsubstrate sowie Hybridschaltungen. Die Dickschichttechnologie ist eine ausgereifte Technologie zur Herstellung von Verdrahtungsträgern. Die Dünnschichttechnologie kommt dort zum Einsatz, wo höchste Anforderungen an Miniaturisierung, Hochfrequenzeigenschaften und Biokompatibilität gestellt werden.

GEDRUCKTE ELEKTRONIK

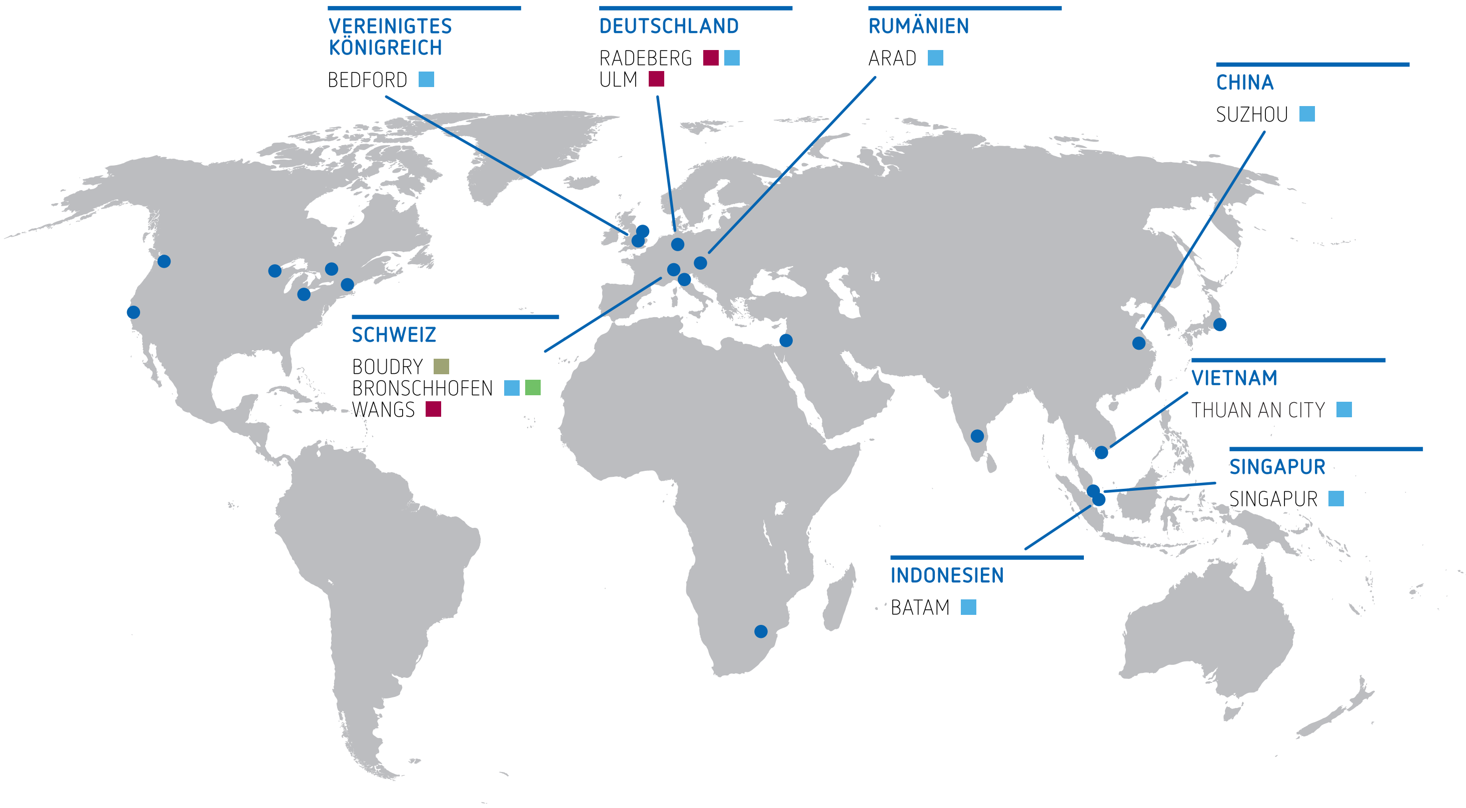
Der Cicor Standort in Bronschhofen (Schweiz) bietet gedruckte Elektronik mit einer einzigartigen Drucktechnologie, die das Drucken verschiedenster leitfähiger, nicht leitfähiger und biokompatibler Materialien auf vielfältigsten Trägermaterialien und -formen ermöglicht. Zusätzlich bieten sich neue Möglichkeiten von Verbindungstechnologien, die zu Performance-Verbesserungen und Kostenoptimierungen führen.

ELECTRONIC MANUFACTURING SERVICES

Die Produktionsstandorte in Bronschhofen (Schweiz), Arad (Rumänien), Radeberg (Deutschland), Bedford (Grossbritannien), Singapur (Singapur), Suzhou (China), Batam (Indonesien) und Thuan An City (Vietnam) sind Dienstleister im Bereich Hardware- und Softwareentwicklung sowie Fertigung von elektronischen Baugruppen, Geräten und Systemen. Mit einem breiten Fertigungsspektrum in den Bereichen Leiterplattenbestückung, Mikroelektronikbestückung, Geräte- und Systembau, Schaltschrankbau, Kabelkonfektion, Werkzeugdesign und -herstellung sowie Kunststoffspritzguss bietet Cicor kundenspezifische Lösungen von der Idee bis zum fertigen Produkt.

CICOR VERKAUF UND VERTRETUNGEN

Die globale Aufstellung und die Kundennähe von Cicor erweisen sich als Schlüssel zum Erfolg. Durch Verkaufsbüros und Vertretungen in den Zielmärkten gewährleistet Cicor eine gleichbleibend hohe Servicequalität während des gesamten Produktlebenszyklus.



● **Cicor Verkauf und Vertretungen**

Produktionsstandorte

- Substrate und Hybridschaltungen
- Leiterplatten (PCBs)
- Electronic Manufacturing Services (EMS)
- Gedruckte Elektronik

«Die globale Aufstellung und die Kundennähe von Cicor erweisen sich als Schlüssel zum Erfolg.»

SEHR GEEHRTE AKTIONÄRINNEN, SEHR GEEHRTE AKTIONÄRE

Für die Cicor Gruppe war das Jahr 2021 von wesentlichen Meilensteinen geprägt: Der Wechsel im Aktionariat und im Verwaltungsrat sowie die Hinwendung zu beschleunigtem Wachstum bei gestärkter Profitabilität haben mit der Akquisition der Axis Electronics Ltd. per Ende November 2021 bereits zu einem ersten Ergebnis geführt. Das operative Geschäft kehrte trotz massiven Gegenwinds durch die COVID-19-Pandemie und Materialengpässen schon im ersten Semester zu Wachstum zurück, im Jahresverlauf legte das Tempo noch weiter zu. Dabei erholte sich die operative Marge auf ein Niveau, das bereits an das Vorkrisenniveau anknüpfte. Auftragseingänge auf historischem Höchststand waren nicht nur das Resultat des längerfristigen Bestellverhaltens der Kunden, sondern auch der prall gefüllten Neuprojektpipeline. Mit diesem Rückenwind und mit der Integration der Axis Electronics Ltd. ist Cicor stark in das Jahr 2022 gestartet.

Der Umsatz der Cicor Gruppe erholte sich 2021 trotz anhaltender COVID-19-Pandemie und weiter zunehmender Versorgungsengpässe bei elektronischen Bauteilen und wuchs um 11.2 Prozent gegenüber dem Vorjahr auf CHF 239.0 Mio. (2020: CHF 214.9 Mio.). In Lokalwährungen betrug das Umsatzwachstum 11.5 Prozent. Der Auftragseingang erreichte mit CHF 286.6 Mio. einen historischen Höchststand (2020: CHF 216.0 Mio.) und übertraf das Vorjahr um 32.7 %, woraus eine Book-to-Bill-Rate von 1.20 resultierte.

Die operative Marge auf Stufe EBITDA lag mit 9.7 % (2020: 9.0 %) beinahe auf dem Vorkrisenniveau (2019: 9.8 %). Der erwirtschaftete EBITDA betrug damit CHF 23.1 Mio., 19.4 % über dem Vorjahreswert von CHF 19.4 Mio. Die Abschreibungen auf Anlagegüter sanken leicht, was zum Anstieg des in diesem Geschäftsbericht erstmals dargestellten EBIT vor akquisitionsbedingten Amortisationen immaterieller Vermögenswerte um 46.5 Prozent auf CHF 13.0 Mio. beitrug (2020: CHF 8.9 Mio.), entsprechend einer Marge von 5.4 % (2020: 4.1 %). Aufgrund eines verbesserten Finanzergebnisses sowie der reduzierten Steuerrate hat die Cicor Gruppe ein gegenüber dem Vorjahr um 79.3 Prozent gesteigertes Nettoergebnis von CHF 7.5 Mio. erzielt (2020: CHF 4.2 Mio.), entsprechend 3.1 % vom Umsatz.

Die Beschleunigung des Umsatzwachstums zum Jahresende sowie der zur Sicherstellung der Lieferfähigkeit signifikant erhöhte Lagerbestand führten zu einem Free Cash Flow aus der laufenden Geschäftstätigkeit – vor der Kaufpreiszahlung für Axis Electronics

«Durch die Integration von Axis wird Cicors EBITDA-Marge um mehr als einen Prozentpunkt ansteigen.»

Ltd. – von CHF 1.2 Mio. (2020: CHF 7.2 Mio.). Unter Berücksichtigung der Kaufpreiszahlung für Axis resultiert ein negativer Free Cash Flow von CHF 43.8 Mio.

AKQUISITION DER AXIS ELECTRONICS STÄRKT DIE CICOR GRUPPE

Per 30. November 2021 hat die Cicor Technologies Ltd. sämtliche Anteile an der in Bedford (U.K.) domizilierten Axis Electronics Ltd. erworben. Axis Electronics ist ein wachstumsstarker und nachhaltig hochprofitabler Anbieter von EMS-Dienstleistungen, insbesondere für führende Hersteller aus der Luft- und Raumfahrt sowie der Verteidigung in U.K. Für das am 31. März 2022 endende Geschäftsjahr wird mit einem Umsatz von ca. CHF 36 Mio. und einer EBITDA-Marge von mehr als 22 % gerechnet. Durch die Integration von Axis wird daher die Profitabilität der Cicor Gruppe auf Stufe EBITDA um mehr als einen Prozentpunkt ansteigen.

Durch den Kauf der Axis Electronics stärkt die Cicor Gruppe ihre Präsenz im europäischen Markt für Elektronikfertigung in der Luft- und Raumfahrt sowie der Verteidigung deutlich und erreicht damit bereits eine Top-5-Position. Hierdurch und durch den Eintritt von Cicor in den U.K.-Markt für EMS-Dienstleistungen wird eine solide Basis für weiteres profitables Wachstum der Axis Electronics als einem Unternehmen der ES Division gelegt. Damit ist die Cicor Gruppe einen Schritt weiter in der strategischen Zielrichtung gekommen, einer der führenden europäischen Elektronikhersteller in den strategischen Zielmärkten Medizintechnik, Industrieelektronik sowie Luft- und Raumfahrt und Verteidigung zu werden.

AMS DIVISION ERREICHT PROFITABILITÄT ÜBER VORKRISENNIVEAU

Die Advanced Microelectronics and Substrates (AMS) Division erholte sich deutlich von dem pandemiebedingten Nachfragerückgang in 2020. Der Umsatz stieg um 11.7 % auf CHF 58.7 Mio. (2020: CHF 52.5 Mio.). Ein noch stärkeres Wachstum wurde dadurch verhindert, dass sich bestimmte Zielmärkte wie zum Beispiel die zivile Luftfahrt erst im Jahresverlauf zu erholen begannen.

Mit einer EBITDA-Marge von 17.5 % konnte nicht nur das Vorjahresergebnis von 14.0 % deutlich übertroffen werden, die Marge lag auch leicht über dem Vorkrisenniveau. Gründe dafür waren eine unverändert exzellente Performance der Dünnschichtaktivitäten in Ulm, Deutschland, und Wangs, Schweiz, sowie deutliche Verbesserungen in der operativen Exzellenz der Leiterplattenfertigung in Boudry, Schweiz. Der erwirtschaftete EBITDA lag mit CHF 10.3 Mio. um 39.6 % über dem Vorjahreswert von CHF 7.4 Mio.

Im Berichtsjahr konnten Aufträge in einem Gesamtvolumen von CHF 69.6 Mio. verbucht werden, 37.3 % mehr als im Jahr 2020 (CHF 50.7 Mio.). Die Book-to-Bill-Rate erreichte damit einen Wert von 1.19. Der Auftragsbestand erhöhte sich daher signifikant, wodurch die AMS Division mit starkem Schwung in das Jahr 2022 starten konnte.

ES DIVISION STRATEGISCH GESTÄRKT UND MIT REKORDHOHEM AUFTRAGSBESTAND

Auch die Electronic Solutions (ES) Division konnte sich im Berichtsjahr vom pandemiebedingten Rückgang des Geschäftes in 2020 erholen, trotz des heftigen Gegenwinds der Lieferbeschränkungen von Halbleiterbauteilen und anderen Komponenten, unterbrochenen Transportwegen sowie einer mehrmonatigen Werksschliessung in Vietnam, die von den Behörden aufgrund der Ausbreitung des SARS-CoV-2-Virus im Rahmen eines allgemeinen Lockdowns verfügt worden war. Der Umsatz der Division erreichte im Berichtsjahr CHF 181.2 Mio., ein Anstieg von 11.1 % gegenüber dem Vorjahreswert von CHF 163.1 Mio. In den Ergebnissen der ES Divisionen ist der Beitrag der neu akquirierten Axis Electronics Ltd. für den Monat Dezember 2021 enthalten.

Das operative Ergebnis der Division auf Stufe EBITDA erreichte im Berichtsjahr CHF 15.8 Mio. und lag damit 15.9 % über dem Vorjahreswert von CHF 13.6 Mio. Die Profitabilität übertraf mit 8.7 % des Umsatzes nicht nur das Niveau von 2020 (8.4 %), sondern setzt auch den seit 2016 zu beobachtenden Trend zu höheren operativen Margen fort, wozu die Einheiten in Europa und Asien gleichermassen beitragen.

Ein Highlight war der rekordhohe Auftragseingang von CHF 217.9 Mio., das Resultat längerfristiger Bestellungen der Kunden sowie einer weiterhin äusserst starken Pipeline an Neugeschäften. Damit wurde der Vorjahreswert von CHF 166.4 Mio. um 30.9 % übertroffen und eine Book-to-Bill-Rate von 1.2 erzielt. Der Auftragsbestand lag damit erstmals bei mehr als einem Jahresumsatz der Division.

«One Equity Partners (OEP) beabsichtigt, Cicor dabei zu unterstützen, ein führender europäischer Hightech-Elektronikdienstleister zu werden.»

CICOR PASST DIE DIVISIONSSTRUKTUR AN DAS GESCHÄFTSMODELL AN

Die divisionale Struktur von Cicor wurde letztmals in 2014 durch die Reduktion von vier auf zwei Divisionen angepasst. 2016 hat Cicor die Führungsebene der Divisionsleitung abgeschafft, um die Zusammenarbeit innerhalb der Gruppe zu stärken, Geschwindigkeit und Flexibilität zu erhöhen sowie die Fixkosten zu senken. Die damit verbundenen Ziele wurden erreicht.

Seit der Akquisition der RHe Microsystems (RHe) in Radeberg, Deutschland, hat sich das Geschäft mit in Dickfilmtechnik hergestellten Schaltkreisen aufgrund des technologischen Wandels signifikant reduziert, wenn diese auch immer noch ein wesentliches Vorprodukt für die in Radeberg produzierten Elektronikbaugruppen darstellen. Die RHe ist heute ganz überwiegend ein Anbieter von Fertigungsdienstleistungen für anspruchsvolle Elektronikbaugruppen der Mikroelektronik, womit eine Umgliederung der RHe sinnvoll ist.

Per 1. Januar 2022 hat Cicor daher die Divisionsstruktur umgestellt: Anstelle der bisherigen Divisionen Advanced Microelectronics and Substrates (AMS) und Electronic Solutions (ES) berichtet die Cicor Gruppe neu die Divisionen Advanced Substrates (AS) und Electronic Manufacturing Services (EMS). Der Umsatzanteil der Division EMS am Gesamtumsatz der Cicor Gruppe dürfte durch die Organisationsanpassung sowie die Integration der Axis Electronics Ltd. in 2022 auf 80 bis 85 Prozent ansteigen.

DEUTLICHE BILANZAUSWEITUNG BEI GESTÄRKTER FINANZIELLER FLEXIBILITÄT

Die Bilanzsumme der Cicor Gruppe lag zum Ende des Berichtsjahres mit CHF 321.9 Mio. markant über dem Vorjahresende (31.12.2020: CHF 182.1 Mio.). Dies war hauptsächlich dem wachstumsbedingten und zur Sicherstellung der Lieferfähigkeit erforderlichen Anstieg des Nettoumlaufvermögens sowie der Integration der Axis Electronics Ltd. geschuldet. Gleichzeitig stieg die verfügbare Liquidität auf CHF 68.8 Mio. (31.12.2020: CHF 43.1 Mio.) an.

Am 18. Juni 2021 unterzeichnete Cicor einen Kreditvertrag über eine neue revolvierende Kreditfazilität von CHF 80 Mio. sowie über eine zusätzliche optionale Akquisitionskreditlinie über CHF 75 Mio. Damit wurde der bisherige Syndikatskredit über CHF 75 Mio. frühzeitig zu attraktiven Konditionen abgelöst und aufgestockt. Die Nettoverschuldung von Cicor stieg per 31. Dezember 2021 mit CHF 61.1 Mio. auf das 2.6-Fache des EBITDA (31.12.2020: 0.7-facher EBITDA), was von Verwaltungsrat und Management als noch solide angesehen wird.

Das Eigenkapital der Cicor Gruppe stieg zum Ende des Berichtsjahres signifikant auf CHF 88.9 Mio. (31.12.2020: CHF 76.3 Mio.) an. Die Eigenkapitalquote sank hingegen aufgrund der höheren Bilanzsumme auf 27.6 Prozent nach 41.9 Prozent zum Vorjahresende.

Am 22. Dezember 2021 gab Cicor die Details zur geplanten Emission einer Pflichtwandelanleihe in einer Höhe von bis zu CHF 60 Mio. bekannt, die vollständig durch den Ankeraktionär One Equity Partners (OEP) garantiert ist. Dazu hatten die Aktionäre der Cicor Technologies Ltd. anlässlich einer ausserordentlichen Generalversammlung am 16. Dezember 2021 der Schaffung von bedingtem Kapital zugestimmt. Am 14. Januar 2022 gab Cicor den erfolgreichen Vollzug mit einem Emissionsvolumen von zunächst CHF 20 Mio. bekannt. Cicor hat weiter die Möglichkeit, abhängig vom Finanzierungsbedarf der Gesellschaft, die Ausgabe der Pflichtwandelanleihe innerhalb der nächsten 12 Monate bis zu einem Gesamtausgabebetrag von CHF 60 Mio. neu zu öffnen. Damit wird die Bilanz von Cicor gestärkt und die Flexibilität zur Finanzierung allfälliger weiterer Akquisitionen deutlich erhöht.

VERZICHT AUF GEWINNAUSSCHÜTTUNG

Der Verwaltungsrat der Cicor Technologies Ltd. empfiehlt der Generalversammlung 2022, auf die Ausrichtung einer Dividende zu verzichten. Damit sollen die Mittel des Unternehmens auf die Umsetzung der anorganischen Wachstumsstrategie konzentriert, die Nettoverschuldung reduziert und die Bilanz gestärkt werden.

VERÄNDERUNGEN IN AKTIONARIAT, VERWALTUNGSRAT UND GESCHÄFTSLEITUNG

Der langjährige Ankeraktionär HEB Swiss Investment AG (HEB), Zürich, hat im März 2021 bekannt gegeben, seinen Anteil von ca. 29.35 % an der Cicor Technologies Ltd. in einem Verpflichtungsgeschäft an eine Beteiligungsgesellschaft der One Equity Partners (OEP) zu veräussern. Der Verwaltungsrat wurde im Juli 2021 informiert, dass diese Transaktion nach Erfüllung der regulatorischen Voraussetzungen vollzogen wurde. OEP beabsichtigt, Cicor dabei zu unterstützen, zum Nutzen aller Interessengruppen ein führender europäischer Hightech-Elektronikdienstleister zu werden.

Die Generalversammlung vom 15. April 2021 wählte Herr Daniel Frutig zum Verwaltungsratspräsidenten und Dr. Rüdiger Merz als Vertreter der HEB zum neuen Mitglied des Verwaltungsrats. Der über viele Jahre dem Unternehmen eng verbundene ehemalige CEO, Verwaltungsrat und seit dem Ableben von Heinrich Essing amtierende Verwaltungsratspräsident Robert Demuth stellte sich nicht zur Wiederwahl. Management und Verwaltungsrat danken Robert Demuth für sein langjähriges Wirken im Interesse der Cicor Gruppe.

In einer ausserordentlichen Generalversammlung wurden am 16. Juli 2021 Frau Norma Corio und Herr Konstantin Ryzhkov als Vertreter der OEP zu Mitgliedern des Verwaltungsrats gewählt. Dr. Rüdiger Merz ist im Rahmen des Verkaufs des Aktienpakets der HEB aus dem Verwaltungsrat zurückgetreten. Das Unternehmen dankt Dr. Rüdiger Merz für seine wertvollen Beiträge in der wichtigen Übergangsphase 2021.

Weiter hat Cicor im Juni 2021 bekannt gegeben, dass der bisherige CFO Patric Schoch die Gruppe per Ende Juni 2022 auf eigenen Wunsch verlassen wird, um ausserhalb des Unternehmens eine neue Herausforderung anzunehmen. Der Verwaltungsrat und die Geschäftsleitung danken Patric Schoch für seine langjährige erfolgreiche Tätigkeit für Cicor. Sein Nachfolger Peter Neumann (46) trat im November 2021 in das Unternehmen ein und übernahm die Position des CFO und wurde Mitglied der Geschäftsleitung per 1. Januar 2022.

NACHHALTIGE UNTERNEHMENSENTWICKLUNG

Mit ihrer Geschäftstätigkeit trägt die Cicor Gruppe auf vielfältige Weise zu einer nachhaltigen Zukunft bei. Das Unternehmen macht an allen Standorten Fortschritte in der nachhaltigen Entwicklung.

CO_2-Einsparungsprogramme und Initiativen für erneuerbare Energien in den Produktionsstätten ebnen den Weg in eine grünere Zukunft. Für Cicor ist die soziale Nachhaltigkeit ebenso wichtig wie die ökologische Nachhaltigkeit. So fördert das Unternehmen nicht nur die soziale Verantwortung gegenüber ihren Mitarbeiterinnen und Mitarbeitern, sondern auch gegenüber den Partnern in der Lieferkette.

Aufgrund der anhaltenden Pandemie im Jahr 2021 lag das Hauptaugenmerk von Cicor auf der Sicherheit ihrer Belegschaft.

Cicor arbeitet nach den Grundsätzen guter Unternehmensführung und fairer Geschäftspraktiken. Mit dem ersten Nachhaltigkeitsbericht informiert Cicor umfassend über die Minimierung der Umweltauswirkungen, die Förderung von Mitarbeiterinnen und Mitarbeitern, und der Produktivität sowie die Schaffung von Werten über das Geschäft hinaus und setzt dabei die Standards der Global Reporting Initiative (GRI) um.

DEUTLICHES WACHSTUM FÜR 2022 ERWARTET

Cicor verfügt über volle Auftragsbücher und kommt mit der Integration von Axis Electronics Ltd. gut voran. Daher budgetieren wir, trotz der anhaltenden COVID-19-Pandemie, den bestehenden Verknappungen und Preissteigerungen in der Materialversorgung und einer unsicheren geopolitischen Lage, ein signifikantes Wachstum. Von einem quantitativen Ausblick sehen wir aktuell, aufgrund der genannten Faktoren ab.

Cicor wird weiter an der Umsetzung der Wachstumsstrategie arbeiten, wofür mit der Pflichtwandelanleihe bis zu CHF 60 Mio. an zusätzlichem Eigenkapital zur Verfügung stehen. Cicor wird auch weiterhin diszipliniert solche Unternehmen erwerben, die in den Kernmärkten von Cicor tätig und hervorragend geführt sind und die über eine gute Profitabilität verfügen. Der beabsichtigte Erwerb der SMT Elektronik GmbH in Dresden, Deutschland, soll hierfür einen weiteren Meilenstein darstellen, weil zwischen der SMT Elektronik und der nahe gelegenen RHe Microsystems GmbH erhebliches Synergiepotenzial besteht.

Im Namen des Verwaltungsrats und der Geschäftsleitung der Cicor Gruppe danken wir allen, die ihren wertvollen Beitrag zu den Erfolgen des Geschäftsjahres 2021 geleistet haben: unseren Mitarbeitenden für ihren grossen Einsatz, unseren Kunden für ihre Loyalität und unseren Aktionären und Geschäftspartnern für ihr Vertrauen.

Daniel Frutig
Präsident des Verwaltungsrats

Alexander Hagemann
CEO

ÜBERSICHT CICOR AKTIE

ANZAHL AKTIEN

Anzahl Aktien per 31. Dezember	2017	2018	2019	2020	2021
Gesellschaftskapital (in CHF)	29 020 920	29 020 920	29 020 920	29 020 920	30 695 420
Anzahl der ausgegebenen Namenaktien	2 902 092	2 902 092	2 902 092	2 902 092	3 069 542
Nennwert pro Namenaktie (in CHF)	10.00	10.00	10.00	10.00	10.00
Davon eigene Aktien	–	3 000	5 500	116	116
Anzahl ausstehender Namenaktien	2 902 092	2 899 092	2 896 592	2 901 976	3 069 426

KENNZAHLEN JE AKTIE

Kennzahlen per 31. Dezember	2017	2018	2019	2020	2021
Gewinn/(Verlust) pro Aktie (in CHF)	2.29	3.32	2.90	1.44	2.57
Eigenkapital pro Aktie (in CHF)	23.67	25.90	27.21	26.30	28.96
Bruttodividende (in CHF)[1]	–	2 031 464	2 897 592	4 338 888	2 901 976

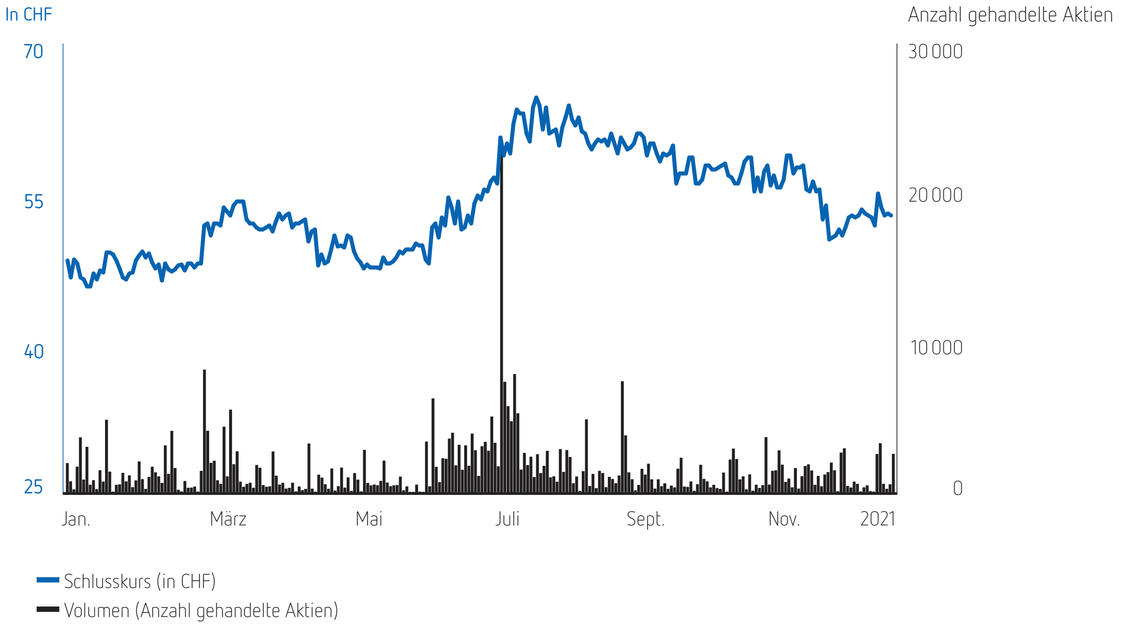
[1] Ausschüttung aus Kapitaleinlagereserven

BÖRSENKURSE

Börsenkurse in CHF pro Aktie	2017	2018	2019	2020	2021
Höchst	60.50	80.60	61.50	64.30	64.60
Tiefst	27.60	35.40	37.20	28.25	45.60
Jahresendkurs	60.50	39.40	59.40	46.50	52.80
Durchschnittlich gehandelte Aktien pro Tag	4 675	4 111	2 481	2 150	1 463
Börsenkapitalisierung am Jahresende (in CHF 1 000)	175 577	114 224	172 058	134 942	162 066

Die Namenaktien der Cicor Technologies Ltd. werden an der SIX Swiss Exchange in Zürich im Nebensegment gehandelt.
Valorensymbol: CICN / Valor: 870 219 / ISIN-Code CH0008702190 / Bloomberg: CICN SW / Reuters: CICN.S.

ENTWICKLUNG DES AKTIENKURSES



TERMINE UND KONTAKT

BEDEUTENDE AKTIONÄRE

Folgende der Cicor Technologies Ltd. gemäss Aktienbuch und aufgrund der publizierten Offenlegungen von Beteiligungen im «Schweizerischen Handelsamtsblatt» bekannte Aktionärinnen und Aktionäre halten per 31. Dezember 2021 mehr als 3 % der ausstehenden Aktien:

OEP 80 B.V.	27.75 %
Lock-up Group Axis Electronics Ltd. Management	5.46 %
LLB (Swiss) Investment AG	4.22 %
Escatec Holdings Ltd.	3.61 %
FundPartner Solutions (Suisse) SA	3.09 %

ÜBERSICHT AKTIONARIAT GEMÄSS AKTIENREGISTER PER 31. DEZEMBER 2021

Eingetragene Aktien	2 358 676
Eingetragene Aktionäre	1 009
Aktionäre mit 1–1000 Aktien	895
Aktionäre mit 1001–10000 Aktien	88
Aktionäre mit über 10001 Aktien	26

DIVIDENDENPOLITIK

Cicor verfolgt eine Dividendenpolitik, welche die Aktionärinnen und Aktionäre am Erfolg des Unternehmens teilhaben lässt und gleichzeitig die Eigenkapitalbasis für weiteres Wachstum stärkt. Der Verwaltungsrat schlägt Dividendenzahlungen vor, die im Einklang mit der langfristigen und nachhaltigen Geschäftsentwicklung unter Berücksichtigung von zu tätigenden Investitionen in das Wachstum und die Weiterentwicklung der Gruppe stehen.

AGENDA

Generalversammlung 2022: 12. April 2022
Halbjahresbericht 2022: 11. August 2022
Geschäftsbericht 2022: März 2023

KOMMUNIKATION

Im Interesse ihrer Aktionäre und der Öffentlichkeit verfolgt Cicor Technologies Ltd. eine offene, transparente Informationspolitik.
Das Unternehmen setzt sich im Rahmen sowohl der periodischen als auch der laufenden (Ad-hoc-)Berichterstattung für eine zeitliche und inhaltliche Gleichbehandlung seiner Aktionärinnen und Aktionäre und der an den Geschäften der Gesellschaft interessierten Öffentlichkeit ein. Die Gruppe informiert ihre Aktionärinnen und Aktionäre, Medien, Finanzanalysten und weitere Interessenten über folgende Publikationen und Kommunikationsinstrumente: Geschäftsbericht, Halbjahresbericht, Investoren- und Medienpräsentationen sowie Medienmitteilungen. Kursrelevante Ereignisse werden laufend publiziert (Ad-hoc-Publizität). Zusätzliche Informationen über die Cicor Technologies Ltd. und ihre Tochtergesellschaften können auf der Website der Gruppe (www.cicor.com) eingesehen werden.
Unter investor@cicor.com oder media@cicor.com ist eine Kontaktaufnahme jederzeit möglich. Zusätzlich können sich Interessierte via Webseite in eine Mailingliste eintragen, um alle neuen Mitteilungen direkt zu erhalten.

Kontaktadresse

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www.cicor.com
investor@cicor.com

SUSTAINABILITY REPORT

1 SUSTAINABILITY STRATEGY MANAGEMENT

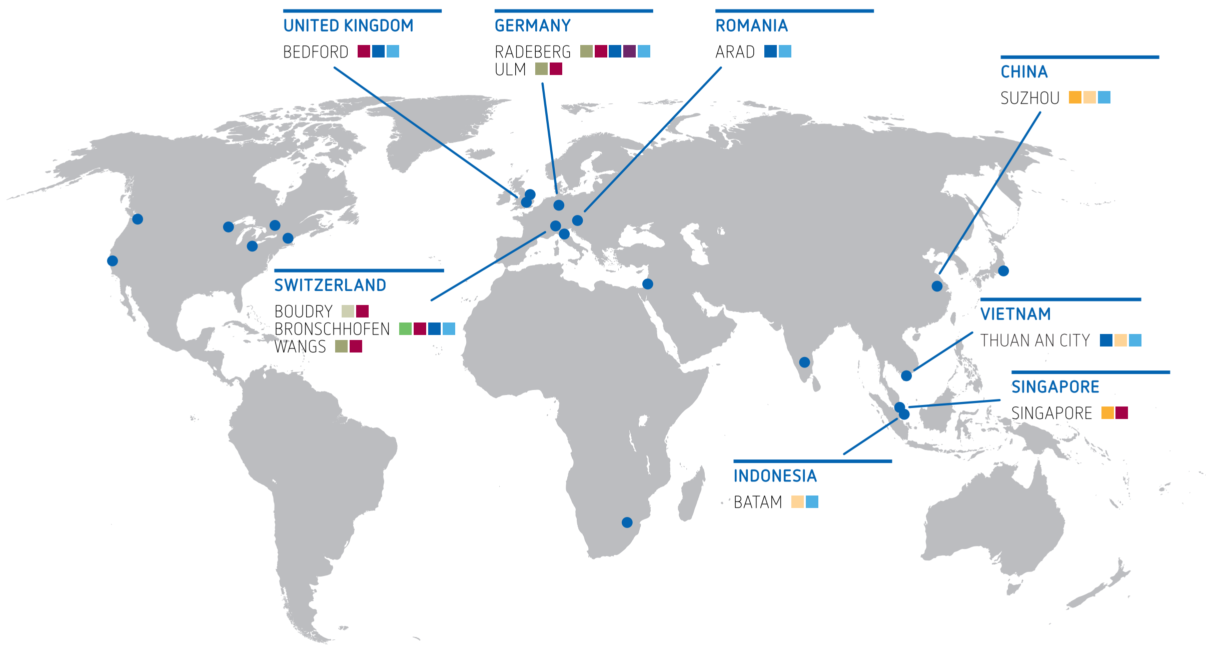
1.1 RESPONSIBILITY AND COMMITMENT

The Cicor Group is a globally active development and manufacturing partner providing innovative technology solutions for the electronics industry. Cicor offers highly complex printed circuit boards (PCB) and hybrid circuits, in addition to electronic manufacturing services (EMS) such as microelectronic assembly and plastic injection molding. With approximately 2,200 employees across eleven production sites, the Group supplies customized products and services – design to finished products – from one source.

Cicor knows that being a sustainable company is a priority for its customers. The Group recognizes that upholding strong Environmental, Social and Governance (ESG) values is paramount to its success, not only to be a responsible corporate citizen but because ESG management is a key partnership criterion for some of its customers. The customers' perceptions of Cicor's ESG practices can impact their decision to place an order.

The guiding principles for thought and action at Cicor are meeting customer expectations, ongoing improvement and fulfilling relevant legal requirements at all times. Thus, Cicor's corporate policy incorporates all three of these commitments. Fulfilling this aim requires consistent, high-quality services that use minimal resources and uphold first-rate occupational safety. Therefore, Cicor's quality policy, environmental policy, and health and safety policy are equal components of the corporate policy. Its performance on these priorities is how the Group measures its success in meeting its corporate policy.

Locations



Operating sites
- Printed circuit boards
- Substrates and hybrid circuits
- Printed electronics
- Engineering
- PCB assembly
- Microelectronic assembly
- Tool design and fabrication
- Plastic injection molding
- Box building and system assembly

Cicor sales offices and representatives

Cicor also expects its suppliers to mirror its commitment by executing business operations that preserve the environment, contribute to social well-being of the communities in which they are present and demonstrate accountability and transparency in sustainability performance. Furthermore, the Group seeks partnerships with suppliers dedicated to constantly improving their sustainability programs, and who share Cicor's goal of zero harm. The health and safety of the public should be safeguarded at all times, while any adverse effects to the communities, environment and natural resources must be continually minimized. To this end, suppliers must adhere to appropriate environmental permits and reporting, pollution prevention and waste reduction, hazardous substance management, wastewater and solid waste controls and processes, air emissions controls and procedures, and all applicable laws and regulations regarding materials restrictions. With this shared commitment, suppliers assist Cicor in achieving its sustainable supply chain objectives by continuously delivering price-competitive and environmentally sound goods and services.

Mission statement

As an internationally active company with a strong brand, Cicor generates steadily growing value for its customers, shareholders and employees while offering innovative products and services for various technologically demanding applications within the electronics industry. Cicor uses the vast expertise within the company and cooperation between different divisions to keep developing new technologies. The Group strives to be an attractive employer that encourages an open and honest corporate culture.

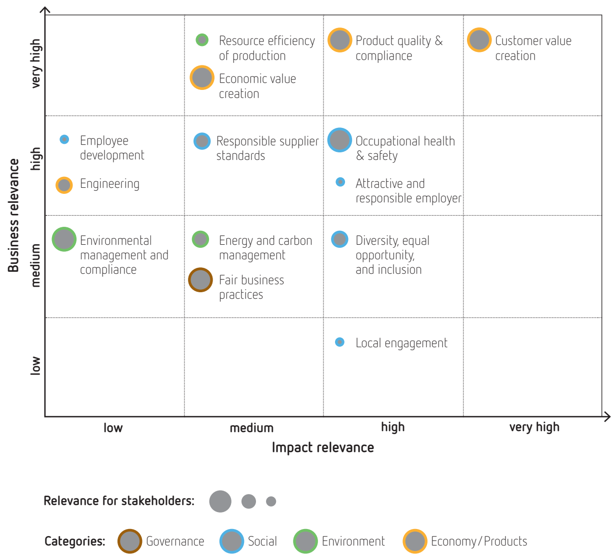
Core values

– Intense collaboration and use of synergies;
– Passionate and firm commitment to customers;
– Meticulous, fast and disciplined execution;
– Resolute in obtaining continuous improvement;
– Persistent drive to succeed.

1.2 MATERIAL TOPICS

This report has been drafted to fulfill the standards of the Global Reporting Initiative (GRI). As a basis for this sustainability report, a materiality analysis was carried out in 2021. This process started with an analysis that evaluated a wide range of internal (documents, guidelines, directives) and external (sustainability standards, industry information, peer analysis) sources. Material topics were those identified by Cicor as important from an internal company perspective and/or from the perspective of external stakeholders, and/or have a significant economic, environmental or social impact. The topics were determined and evaluated in a workshop with Cicor's management (GRI 102-46). The materiality matrix shows the results of this material topic analysis (GRI 102-47).

Materiality matrix



1.3 STAKEHOLDER MANAGEMENT

Establishing and maintaining good relationships with all stakeholders are essential for long-term business success. Cicor defines stakeholders as individuals or groups that have an economic relationship with the company and/or are affected by the company's actions. Within the divisions, stakeholders are identified and prioritized through management reviews, SWOT (strengths, weaknesses, opportunities and threats) analysis or specific stakeholder analysis as part of the certification processes (GRI 102-42). The most important stakeholders include customers, employees, suppliers and shareholders (GRI 102-40). Cicor regularly exchanges information with all stakeholders to understand the individual needs of each stakeholder group and identify new developments and market requirements in a timely manner. Depending on the group, this contact takes place in different ways and at different levels, with day-to-day communication as the paramount interaction – that is, regular contact with customers and suppliers, and personal discussions with employees to assess satisfaction and well-being. The goal of these interactions is to bring business-relevant issues to light (GRI 102-43, GRI 102-44).

2 MAXIMIZING ECONOMIC POTENTIAL

2.1 ECONOMIC PERFORMANCE

The Cicor Group understands that prolonged planning is only possible when the company is financially stable in the short, medium and long term. It knows that a strong financial position creates flexibility for strategic decisions. This is accomplished by providing customers with high-value materials that enable Cicor to achieve good margins on manufactured products. Furthermore, the Group recognizes that efficiency in tooling management will lead to faster setup and production and that increasing productivity will strengthen the Group's capability to produce more with no capital investment.

Cicor implements a multilevel approach to manage its economic performance. In addition to constantly reviewing prices, the Group analyses Request for Quotes (RFQ) in relation to its business segment, technology and competitive environment. Cicor also ensures all managers are aware of assets and expenses when making managerial decisions, and share information with key managers in monthly meetings. Key Performance Indicators (KPIs) are in place to monitor the Group's economic performance including measuring sales performance and Earnings Before Interest and Taxes (EBIT). Cicor also compares its actual production output against planned output.

2.2 CUSTOMER VALUE CREATION

The Cicor Group is a service provider, and as such, creating value for its customers is a prerequisite for establishing and maintaining long-term partnerships. Customer acquisition is a crucial component of Cicor's business plan – the company works hard to win customers and projects in the medicine, industrial, aerospace, and defense sectors, in both production and development phases. Long-term customer retention is then achieved through high production quality and close customer contact. Key elements in value creation for customers include having highly qualified employees, using high-quality materials with high availability at the best possible prices, and committing to technological leadership and continuous process optimization.

Currently, Cicor's reaction time is strongly affected by global issues regarding long lead times for raw materials and availability issues for electronic components. To maintain Cicor's position as a market leader, creating customer value by boosting customer satisfaction, improving customer experience, providing additional service benefits and eliminating wasteful processes are all important. Cicor will accomplish this by shortening delivery times, developing a superior supply chain and pursuing competitive costs for materials.

Cicor implements growth targets to measure and expand on its value creation for customers. To develop close relationships with its customers, the company ensures customers are listened to and their needs are clarified. The Group emphasizes delivery of goods and services at the agreed level of quality, quantity and timing, while seeking and responding accordingly to ongoing customer feedback.

Cicor maintains regular alignment with customer requirements throughout the organization by ensuring customer consulting, supplier management and operational excellence. For example, at our production site in Arad, each customer has a team in place consisting of key account manager, project manager, sourcing team, procurement and new product introduction (NPI) engineer. Materials are managed through an enterprise resource planning (ERP) system, and Cicor's production capabilities are carefully scheduled. In Ulm, an after-sales team and an export control expert have been installed to help customers with questions they may have regarding export. The site also started a fast prototyping project and executed a training program for the sales team to increase their understanding of foreign cultures which included an English course.

Cicor's services were maintained without interruption despite the raw materials shortages and supply chain problems presented by the global COVID-19 pandemic. Together with the customers and suppliers, Cicor took coordinated actions to deal with these new circumstances. In Batam, after receiving a project transfer from Singapore in 2020, raw material constraints were overcome by capitalizing on economies of scale in material purchases across the whole supply chain. Seeking to purchase an increased volume of resin enabled early bargaining, helping to fulfill the customer product request in the shortest time possible.

Cicor endeavors to solve its customers' challenges by helping the customer address issues they cannot resolve themselves or by finding more affordable solutions than the customer can access on its own. The Group increases customer satisfaction by improving efficiency, reducing costs and upgrading quality, while respecting the relevant standards and laws and ensuring compliance with regulations and rules.

Cicor pushes for stronger customer relationships with better communication and continuous technology exchanges. This can lead to a greater understanding of customer needs and allow for more foresight and flexibility. Additionally, the Group is striving to reach its full potential by improving its business selection and introducing a design-to-manufacture approach. Cicor uses customer input for its innovation and development planning, with a portion of its innovation initiatives focused on novel processes and newly available materials. In the reporting year in Boudry, quality has increased and the number of customer complaints has reduced by 20 %.

Progress on Cicor's customer goals is monitored through KPIs, including on-time delivery (OTD), customer complaints, revenue increment tracking, first pass yield and quality reporting, response time, technical competence, product quality and lead time, as well as an annual customer survey. Cicor also takes recommendations from customer audits to improve the company and its services.

2.3 PRODUCT QUALITY AND COMPLIANCE

Poor product quality not only harms the customer's reputation, it also damages Cicor's. Therefore, delivering high-quality products is a non-negotiable aspect of Cicor's competitiveness. Providing superior performance that meets its customers' expectations is crucial. The Group seeks to perpetually expand its know-how and technological capabilities and develop innovative applications with improved performance from new materials. The Group believes that quality is achieved by processes rather than inspections, and thus has implemented safe working practices as a way to maintain and improve quality control.

Cicor's customers trust the company to comply with their requirements and specifications, while ensuring that products are produced in adherence to all relevant laws and regulations. In particular, since Cicor is delivering to the aerospace, defence and medical markets, quality is an extremely high priority.

ISO 9001, 14001 and 45001 certifications also reassure customers that Cicor has a well-managed system to ensure high product quality. As part of the certified quality system, all responsibilities are defined and employees must qualify on the required skills, including retraining within a defined time interval. All Cicor's processes are documented in detail and their observance is regularly audited.

The Group has clearly defined work instructions and processes to comply with specifications, as well as an extensive quality management and approval process in the production phase. Cicor's Integrated Management System provides process descriptions, behaviors and RACI (Responsible, Accountable, Consulted and Informed). Policies and processes for the handling of chemicals and hazardous substances according to the European Union REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) directive, conflict minerals and other regulated substances are also implemented.

Materials are purchased from authorized sources with quality guarantees. The Group fosters a strong network of material suppliers to maintain its place at the cutting edge of the latest technical trends.

The Group verifies that its product quality and compliance are managed effectively with a series of KPIs, including defect rates, such as parts per million (ppm), number of complaints, and its non-quality cost. For some product certifications there are periodic third-party audits. Moreover, suppliers are rated by key customers using a scorecard that covers all relevant business parameters, such as pricing, OTD, technical support and innovation.

Cicor holds monthly management meetings, during which KPI achievement within the ISO 9001/13485 certifications and customer audits is assessed.

2.4 ENGINEERING

Engineering is fundamental to the Cicor Group. More than 150 well-trained engineers with interdisciplinary competencies work on customer projects, making the engineering department a unique selling point of the company. In many cases, engineering is the primary entry point for Cicor's customers. Cicor's engineers support the Group's customers in the areas of hardware and software engineering, printed circuit board (PCB) layout and component selection, test engineering, tool design, printed electronics, and process and quality management throughout the entire product life cycle.

Usage of green technology or energy-efficiency is largely based on the product design, which is carried out exclusively by Cicor's customers. However, Cicor's manufacturing approach with customers enables the company to positively influence the manufacturability of the products and their production efficiency. Cicor chooses technologies and production methods that use fewer valuable resources, reducing material consumption and minimizing waste, such as the miniaturization of circuits or consolidating the type of chemicals used in production, using one rather than multiple types of coating material. In addition to decreasing the use of these materials, the Group also reduces dross and reprocessing cost. The implementation of requirements such as energy efficiency and green technologies is verified at the customer project level.

The Group has interdisciplinary teams driving the implementation of new technologies. Cicor constantly evaluates new process materials and methods with continuous improvement programs to reduce scrap rates, increase yield and first pass yield rate, and decrease the amount of wasted materials. As responsibilities and processes are defined during the development phase, the requirements and standards are identified by the customer and are largely their responsibility. However, in addition to this Cicor conducts profound verification of engineering requirements.

For innovation projects, Cicor undertakes milestone planning and monitoring. In the reporting year the engineering pipeline was well filled, and thus many products were developed and improved. Cicor has noted that its customers' requirements for energy efficiency are increasing, especially in connection with the Internet of Things (IoT) and connectivity.

Key Environmental Indicators	2020
Energy consumption in MWh	**32 570**
Electricity	**27 023**
Of which from renewable sources	9%
Heat [1]	**5 547**
Fuel oil	–
Natural gas	2 320
LPG / propane	–
District heating	3 227
Total GHG Emissions in tCO_2e [2]	**12 606**
Scope 1	**476**
Combustibles	476
Scope 2	**12 130**
Electricity [3]	11 413
District heating	717

1 Heating consumption of Bedford, UK is excluded.
2 Calculations in accordance with the WRI / WBCSD Greenhouse Gas Protocol guidelines. Scope 1: GHG emissions from combustibles. Scope 2: GHG emissions stemming from the production of electricity and district heating. Sources for emission factors: Defra &e IEA
3 Greenhouse gas emissions associated with the production of electricity were accounted for in accordance with the 'location-based approach' according to the Greenhouse Gas Protocol Scope 2 standard.

3 MINIMIZING ENVIRONMENTAL IMPACT

3.1 ENERGY AND CARBON MANAGEMENT

Reducing Cicor's greenhouse carbon emissions not only fulfills customer requirements but also affects the company's reputation within the industry. Increasing the company's energy efficiency and reducing energy consumption and CO_2 emissions also leads to a reduction in costs. As a high energy consumption company, the Group acknowledges its responsibility and obligations in this regard.

Cicor has a number of policies and measures in place that contribute to its goal of becoming a greener company. The Group establishes responsibilities, provides guidance for relevant departments in reviewing energy use, and formulates standards and norms for energy consumption. Among its initiatives, the Group is replacing outdated, low-efficiency equipment, investing in modern, high-efficiency production lines and maximizing the energy efficiency of buildings by regularly maintaining lighting, ventilation and cooling systems, and using natural light optimally. In addition, Cicor will build a solar farm on the roof of the site in Wangs (currently in the planning phase), which will allow the site to produce its own energy for the climatization of the clean room. Overall responsibility of energy and carbon management lies with the maintenance and production manager (site manager). The Group tracks its energy and carbon management through specific KPIs, including the consumption of electricity and energy (such as gas and oil) and CO_2 emission levels.

Across its sites, the Group is making progress. In 2021, in Singapore, Batam and Arad, it has replaced fluorescent lamps with LED lighting and areas of the factory that have limited use have been fitted with presence sensors. In Arad, Cicor is planning to implement a photovoltaic installation to generate electrical power. In Batam, energy consumption was also reduced by adding injection barrel insulation to eight injection molding machines in the clean room molding (CRM), while in Radeberg, CO_2 emissions were decreased by switching electricity contractors and reducing business travel. In Boudry, an energy- and CO_2-saving program with the Federal Agency for Energy and Economy (AEnEc) is in place. After the installation of a new industrial cooling system, energy consumption dropped by 25%. In addition, replacing a heat exchanger in the acid gas exhaust allowed for better control of acid gas emissions, and generated electricity savings of 1,393 MWh and CO_2 emission savings of 236 t in 2020. In order to manage greenhouse gas emissions effectively, the Bedford site began installing its own meters on all electrical and water supplies to accurately measure electricity and water consumption. This enables accurate calculations of greenhouse gas emissions and lays the basis for decision making on significant levers. The meters will be in place by April 2022.

3.2 RESOURCE EFFICIENCY OF PRODUCTION

Besides reducing Cicor's environmental impact, resource efficiency helps minimize production costs. Cicor manages its resource efficiency of production to ensure continuous improvement, with several performance initiatives in place. The Group implements new technologies, minimizes material consumption, lessens technological scrap, optimizes stocks and strictly controls the expiration dates of received materials and chemicals. Cicor advances the circular economy by selectively collecting waste for recovery or recycling, and also recycles the electronic parts of products for its customers under contractual agreement. The Group uses recycled raw materials for injection molding (excluding automotive and medical parts) and sells waste, including unused packaging materials and scrap metal. Cicor has further implemented processes for waste reduction in accordance with ISO 14001. The effective usage rate of raw materials is greater than 98 %, while molding yield is more than 99 %.

At the production site in Boudry, reduction of waste is a benchmark for the Lean pillar of its Excellence 2022 program. Leaders are briefed and trained to understand wastage and lead improvement groups to pass the knowledge through to all employees to pursue performance excellence. In addition, a wastewater treatment plant at the Boudry site samples and monitors liquid effluents to decrease pollution. The plant has reduced internal non-conformities and scraps by 20 % and has witnessed a positive impact on raw material consumption, processes, chemistries and energy. Productivity improvement, measured by operating income compared to working hours, has risen by over 8 %.

Most of Cicor's sites manage resource efficiency of production with a monthly review of designated KPIs including water consumption, reduction of waste, recycling, amount of scrap and productivity. Goals are continually evaluated with dedicated teams and action plans.

Key Resource Efficiency Indicators	2020
Waste in metric tons	**479**
General waste	**286**
Incineration	128
Landfill	6
Recycling	152
Special waste	**193**
Water consumption in cubic meters	**75'229**

3.3 ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

The Cicor Group understands the importance of effective environmental management, not only to fulfill its vision of being a more environmentally friendly company but also to comply with local laws and regulations. As a high energy consuming company, with a significant proportion of electroplating and chemical processes, Cicor recognizes its obligation to monitor and reduce its environmental impact. From a business perspective, management of Cicor's environmental footprint saves energy, differentiates the company from its competitors and reduces costs, in addition to enabling the Group to promote greener activity.

The Group works to limit its environmental impact in line with ISO 14001. All Cicor's sites are ISO 14001 certified, enabling the Group to control and improve its environmental impact and costs. Following the guidelines, Cicor identifies its environmental impacts and controls them through its operations, in addition to pinpointing any risks and emergency situations that could arise. Cicor has instilled a culture of establishing objectives and defining roles, responsibilities, resources and competencies, as well as authorities. The Group adheres to the certification in building and maintaining policies and in its communication. Moreover, the Group heeds the ISO 14001 criteria by acting in accordance with legal requirements, assessing results with audits and improvement programs where new objectives are specified. Cicor is currently considering setting up its energy management system following ISO 50001.

The Group wants to further its environmental management and compliance beyond the improvement initiatives in its facilities and practices in order to meet increasingly stringent environmental laws and regulations. Cicor's aim is to determine and fulfill all legal and other requirements regarding the environment where applicable. For this purpose, Cicor is began to cultivate a company culture of continual communication, training and awareness raising on this topic. In 2021, there were no known environmental violations.

Some production sites have a zero environmental accidents objective. The site in Boudry, for example, is adhering to the OPAM law (Ordonnance sur les accidents majeurs) and the federal program of energy monitoring and saving, in addition to submitting an official annual report to its local environment authorities. The site in Boudry employs a health and safety and environment engineer, and two full-time equivalents (FTEs) in its wastewater treatment facility.

Cicor uses KPIs to monitor its environmental management and compliance. KPIs include the number of sanctions from local authorities for environmental infractions, compliance rate with legal obligations and waste recovery fulfillment rate. Audits are executed and their results evaluated. Further monitoring is accomplished through inspections and test results from suppliers.

4 INCENTIVIZING EMPLOYEES AND PRODUCTIVITY

4.1 ATTRACTIVE AND RESPONSIBLE EMPLOYER

The Cicor Group places significant emphasis on creating value for its employees to maintain a talented workforce and attract new employees in times of growth. This increases the Group's competitiveness, both in the labor market and at site level, and reduces employee turnover.

Cicor recruits from diverse backgrounds to ensure a constant flow of new ideas, creativity and experience, striving to cultivate a competent workforce with the ability to innovate, respond to change and build on opportunities. The Group is consistently and continuously enhancing its employer brand.

At the heart of Cicor's workforce strategy is improving the capabilities and maximizing the potential of its employees. The Batam and Singapore sites, for example, assess the merits, expertise and skills of individuals, both in the hiring process and on an ongoing basis, to ensure the best available people are being recruited and developed appropriately. At the Arad site, strong procedures are in place for recruitment and staff evaluation, with a bonus scheme to motivate employees to work toward individual and company goals. In Boudry, the Excellence 2022 program complements fair rewards schemes and competitive remuneration packages, especially for manual workers, and continuously compares wages to the industry average to increase them where necessary. Finding the right people for open roles and allowing them to grow meaningfully within the organization has increased productivity and employee retention. Sites report that staff turnover in the Group's offices is low and falls below the industry average for manual workers.

Composition of Workforce			2021
	Male	Female	Diverse
Workforce by employment contract	**928**	**1 272**	**1**
Permanent	774	780	1
Temporary	154	492	
Workforce by employment type	**928**	**1 272**	**1**
Full-time	897	1199	1
Part-time	31	73	
Workforce by category	**928**	**1 272**	**1**
Operations	644	1 112	1
Engineering & development	168	27	
Marketing & sales	52	23	
Purchasing	14	42	
Finance & controlling	11	32	
Administration (HR, IT, etc.)	40	36	

	2021
Workforce by gender	**2 201**
Male	928
Female	1272
Diverse	1
Workforce by age	**2 201**
<30	762
30–50	1 047
>50	392

Cicor is also continuously enhancing working conditions to remain competitive and retain qualified employees. For example, in 2021 the Radeberg site improved work time flexibility, work tools, work organization and occupational safety. It also continued to offer social benefits for employees, such as profit sharing, workplace health promotion, personal accident insurance and an occupational pension scheme. (See also: Occupational Health and Safety).

The global COVID-19 pandemic has presented a challenge in fulfilling employment goals. Cicor has acted quickly to mitigate negative effects by utilizing short-term work to avoid layoffs and offering flexible working hours to enable employees to manage their family commitments. In 2021, some of Cicor's sites faced further obstacles in finding qualified personnel. One of the primary difficulties in recruitment for the Boudry site, for example, is attracting new engineers to enter the printed circuit boards (PCB) manufacturing business since PCB is a very specific field that requires special competences. The site is currently evaluating the possibility of bringing in lease workers from outside the organization to boost its workforce.

To overcome recruitment challenges and attract the best talent, Cicor sites use various recruitment channels to advertise vacancies, including social media, online recruitment and labor agencies.

Fluctuation By Gender and Age		2021
	Entries	Departures
Total by gender	**233**	**197**
Male	113	80
Female	120	117
Total by age	**233**	**197**
<30 years	105	71
30–50 years	107	94
>50 years	21	32

Cicor works on a system of flat hierarchies, with decision making in recruitment shared by team leaders, department heads, division heads, management and human resources. In Boudry, Cicor began offering a new apprenticeship in production this year to help build the future workforce internally. Cooperation with schools and universities and attendance at trade fairs is planned to increase familiarity with Cicor and promote its opportunities for this age group.

Some Cicor sites monitor KPIs such as the number of applications, interview-to-hire ratio, time-to-hire, fluctuation rate and employee turnover, and evaluate employees annually on absenteeism. Sites also ask resigning employees to answer a questionnaire that identifies areas for improvement.

4.2 EMPLOYEE DEVELOPMENT

Employee development is an underlying priority throughout the Cicor Group. The Group has aligned training with its corporate goals, enabling Cicor to keep pace with emerging trends in the field of high-tech development and production. As qualified employees are crucial to the Group's success, focusing on employee development ensures know-how is maintained and implemented across new projects. Cicor also knows that employee development increases its versatility and its ability to function as a flexible and agile company. The Group also looks to spread specific expertise more widely across the organization.

Cicor knows the demands on its employees are increasing and that regular training and broad knowledge in diverse disciplines is necessary. This is most apparent in the field of medical technology, although it is also relevant in other regulated areas. Cicor further recognizes that employee development is key to motivate its workforce – employees tend to remain with a company that values them and helps them grow. To manage its employee development, the Group offers training programs for all internal processes. Staff are retrained each year in the tasks they currently perform to ensure that all employees are up to date in their knowledge. Leadership instruction is also provided to medium and lower management levels.

The Group gives employees equitable opportunities to be considered for training and development based on their abilities and needs, helping them reach their full potential. For example, in 2021 the site in Bronschhofen implemented a validated qualification and training system. The head of department proposes courses for identified employees to improve their existing skills and learn new ones.

Seeking to generate flexibility, Cicor trains its staff on different activities by offering a limited number of cross-training courses. The exchange of individual employees between specialist areas is institutionalized in manufacturing, helping to identify talents and promote wide-ranging expertise.

Cicor's human resources and department managers create yearly employee development plans, taking into account goals identified in annual staff reviews, while also promoting overall employee development across the board. The Group financially supports external courses in the cases where new skills will reinforce employees' capabilities within their role. Furthermore, in select departments, students are trained for particular activities related to electronics production and development. Further education in the form of technical college or a postgraduate degree is also subsidized if it corresponds with the current needs of the company. In Ulm, three talents are currently being supported with further training, and over the past year the site successfully developed two high-potential employees and two long-term employees. In Wangs, internal talents are being developed to assume new positions or take on expanded roles and responsibilities – most notably, the site's Sales Manager and Head of HR. In Radeberg, there was a revival of external training in the fall of 2021 after the COVID-19 lockdown.

The Group's employee development efforts are evaluated through regular internal and external audits. Employees are asked to complete a survey and staff appraisal to determine their satisfaction with the development program. An assessment is also done at the end of each course to understand how much the employees learned and establish to what extent it helps in their daily work.

4.3 OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is of the utmost importance to the Cicor Group. This includes the health and safety of Cicor's employees as well as visitors. The Group has created a safe working environment and recognizes that caring for the health and safety of its staff not only helps retain its workforce but also offers a more attractive option for potential employees.

Cicor's goal is to have zero working accidents or professional diseases. The Group aims to supply every necessary means and resource to ensure the health and safety of collaborators and contributors. Besides adhering to applicable government health and safety laws and regulations, Cicor's own health and labor safety policy, quality and environment standards operating procedures, health and safety programs and production safety officer support careful occupational health and safety management.

Across the Group, most sites have a safety committee and a chairman appointed by management to oversee safety aspects of the company. Moreover, at some sites, an additional health and safety task force has been set up. To further encourage employees' commitment to occupational health and safety and continued involvement on the topic, the workers' union is part of the health and safety committee. The responsibility for maintaining health and safety across the Group falls on the quality department, maintenance department and HR. However, every collaborator and contributor have a duty to support and advocate for all health and safety measures.

Risks and hazards are identified and controlled throughout operational health and safety documentation, namely, specific work instruction, training, and clarifying special personal safety equipment that should be worn.

Health and safety practices of Cicor include preventing exposure to hazardous substances, mandatory checks on air, water, noise and lighting, verification for special equipment such as pressure tanks, lifters, and cranes, as well as fire detection and fighting.

Cicor believes occupational health and safety can be maintained and improved through communication, training and awareness. The Group enlists an external safety consultant, organizes staff training, issues protective equipment where necessary, arranges regular occupational health and safety meetings and provides a medical service for its staff. Employees have the opportunity to receive free periodic medical consults from an external company contracted by Cicor. All new staff are given a safety orientation, daily safety inspections are conducted, and general awareness is imparted through yearly safety training. The Group also runs monthly health and safety campaigns. Safety incidents are noted in the "dangerous situations and hazards report," and each record is analyzed and treated as part of a continuous improvement action plan.

Emergency management is covered with an emergency response Group (GIC: Groupe d'Intervention Cicorel). Trained first aiders and/or safety managers, as well as one defibrillator, are in place on each site, and simulations are carried out to ensure emergency preparedness and response.

In Arad, internal health and safety committee meetings are held every six months, which gives employees an opportunity to report dangerous situations and involves them in the implementation and development of the health and safety management system. Employees can also use a suggestion box as needed to report hazardous circumstances. In Batam, an escalation chart is available for reference if an unsafe situation emerges. When an abnormal situation is identified, then employees can feed this information back to the Safety Officer. Furthermore, the Batam site also offers instruction on personal protective equipment (PPE). These measures helped the site achieve ISO 45001:2018 certification.

The Boudry site has a health and safety training matrix in place. This includes occupational health and safety courses, such as an introduction to health and safety for all new employees and a course on chemical handling and responses to chemical events. Additionally, the site utilizes lone worker training and firefighting training. Boudry employees also have access to an environment, health and safety (EHS) department, which has a strong focus on health at work. In addition, there are regular field campaigns on health. The site was able to record progress in 2021, adding one FTE on EHS subjects, launching a new EHS campaign program in April 2021 and installing a new fume exhaust for the laboratory.

Cicor monitors its management of occupational health and safety via internal audits and specific KPIs. Regular KPI assessments include health and safety incidents, professional disease occurrence, internal health and safety non-conformities, rate of adherence to legal requirements, occupational accidents, hazards spotted, and hazards treated. The Group tracks the number of complaints and sanctions about occupational health and safety violations and has instigated a monthly inspection report to gauge the effectiveness of Cicor's initiatives. The Group organizes a bimonthly labor incident monitoring report and works toward continuous improvement of its action plan and safety training matrix. A survey is conducted with all Cicor's employees to further evaluate its occupational health and safety.

Key occupational health and safety indicators	**2021**
Injuries	21
Fatalities	0
Lost workdays due to work-related injuries	311
Lost workdays due to illness	16 159

4.4 DIVERSITY, EQUAL OPPORTUNITY AND INCLUSION

The Cicor Group strongly upholds the values of diversity, equality of opportunity and inclusion. According to Cicor's policy, employees must be recruited solely on the basis of merit—namely, their skills, experience and ability to perform the job, regardless of age, race, gender, religion, marital status, family responsibilities or disability. By hiring fairly and based on merit, Cicor has access to a wide pool of candidates for vacancies. The Group aims to create an inclusive culture that respects people's differences and gives everyone a chance to excel in their given role. To safeguard its employees, Cicor's Code of Conduct has been updated with new company rules and guidelines that integrate equity, respect and equality, and condemn any kind of discrimination. Some of Cicor's sites have additional local policies to promote greater workforce diversity. Cicor believes that an inclusive workplace centered on good communication leads to every employee feeling valued at work.

The responsibility for equal treatment of all employees lies with Cicor's top-level management. The Group's management seeks ideas from staff on how to improve the working culture and environment and encourages them to raise issues or make suggestions. Cicor has an open-door policy to hear and address staff concerns and open feedback is continually received from employees in the form of emails or verbal communication. In 2021, Cicor started to install whistleblower hotlines and suggestion boxes. In Boudry, for example, an external service has been subcontracted to listen anonymously to employees on any topic related to mobbing, discrimination, conflicts and stress at work. The Group is also planning to launch a process to close salary gaps between employees with the same education and experience who work at the same site.

As a result of these continued efforts, there were no incidents of discrimination based on race, color, sex, religion, political opinion, or the like, in 2021.

5 CREATING VALUE BEYOND THE BUSINESS

5.1 RESPONSIBLE SUPPLIER STANDARDS

Cicor upholds responsible supplier standards by taking appropriate precautions at the earliest stage to mitigate potential risk to stakeholders. The Group knows that maintaining the highest quality standards will require greater attention to the sustainability of its supply chain in the future, and thus actively engages its suppliers on this front. In particular, the company requires that ISO 14001 must be upheld. Supplies from authorized sources helps Cicor achieve its quality ambitions, with suppliers conducting failure analysis and taking corrective actions should a defect occur. The Group knows that on-time delivery and good-quality supplies are critical to meet customers' expectations and experience fewer product rejections. Cicor also values reliability and openness in its suppliers, with the goal of forging long-term business partnerships. Since finding new sources is a costly process, strengthening relationships with sustainable suppliers is good business.

The Group manages its commitment to responsible supplier standards with a number of measures. Cicor contractually asks its strategic suppliers to adhere to the Group's Code of Conduct, which is publicly available on the Group's website for consultation . The Code of Conduct contains environmental and social criteria for suppliers, and materials can be cross-checked to ensure a specific product complies with the relevant rules and regulations. Cicor is training its employees to raise awareness for environmental and social aspects in procurement. During evaluations for all suppliers that have a yearly turnover of more than EUR 50,000, the Group monitors adherence to ISO 14001 and ISO 45001. Cicor's supplier quality agreement, which the Group intends to sign with all important suppliers, contains provisions related to environmental management and health and safety. Furthermore, Cicor requests that its suppliers possess and follow their own Code of Conduct, which many top suppliers already have in place. There are no known cases in 2021 where suppliers violated the Code of Conduct. REACH, ROHS and conflict minerals documentations are requested with every order, which ensures that suppliers respect these standards.

In Boudry, the supplier guidebook was first implemented in 2020, creating the basis to introduce supplier standards to a potential supplier at the first point of contact. In Bronschhofen, audits are conducted to evaluate suppliers. In Radeberg, most purchases are made through distributors with no direct contact to the manufacturer, but partnerships are formed only with trustworthy suppliers who are at least ISO 9001 certified. Furthermore, the site does not grant approval of a supplier without a completed supplier self-assessment, which will include the Code of Conduct in the near future. Approval is granted by the head of purchasing and the head of quality – ensuring the four-eye principle. In the event of a discrepancy, the supplier is blocked.

Cicor undertakes yearly supplier evaluations, which result in more business for the suppliers that successfully adhere to the Group's supplier standards and termination or reduced orders for those that do not. Cicor gauges its responsible supply chain performance through indicators such as lead time and payment terms, supplier management, supplier on-time delivery, and supplier rating and ranking.

High quality production is at the core of the Cicor Group's products. Across the group's eleven sites, responsible standards are imposed on all supply chains. The following provides a breakdown of each site's supply chain:

Overview supply chains

Supply chains – and thus supply chain management approach – vary greatly between Cicor's production sites.

Site	Approach	Number	Locations
Arad, Romania	The site manages around 20 000-part numbers for raw materials for electronic components, PCBs, and metal and plastic mechanical parts. Manufacturers for the electronic components are chosen by the customer from the authorized vendor lists (AVL).	~700	Based on purchase volume: Europe: 85 % Asia: 10 % North America: 5 %
Batam, Indonesia	The site purchases directly from suppliers that manufacture and sell the raw materials. All direct material purchases come from outside Indonesia.	>640	Suppliers are primarily located in Asia, Europe, North America and Australia
Bedford, United Kingdom	The site is a build-to-print manufacturer. Its procurement strongly depends on component decisions of customers who are market leaders in the defence and aerospace industry.	~250	Europe: 89 % North America: 10 % Asia: 1%
Boudry, Switzerland	The site oversees multiple subcontracting steps for surface treatments during the manufacturing process of PCBs. The supply chain consists of inbound and outbound transportation management and requires intense oversight.	>100 (including direct and indirect, subcontracted, suppliers)	Direct suppliers are primarily located in Europe and USA
Bronschhofen, Switzerland	The site functions as a contract manufacturer, and as such, buys raw materials to produce, test and deliver semi-finished and finished goods according to customers' bill of materials (BOM).	<600	Europe: 60 % (70 % CH / 30 % EU) Asia: 30 % North America: 10 %
Radeberg, Germany	The site produces electronic components for service-mount devices and chip and wire, PCBs, mechanical parts, thick film inks and ceramic substrates. The site mainly purchases through distributors. As the site focuses on special technologies, the selection of possible suppliers is limited.	>450	Europe: 85 % North America: 10 % Asia: 5 %
Singapore	The site manufactures injection molds. It mainly purchases steel for the injection molds and plastic granulate for mold tests.	<10	Singapore: 100 %
Suzhou, China	The site provides high-end precision injection parts, molds and assembly products. To ensure a stable quality of raw materials, the site purchases from globally leading plastic particle manufacturers and purchases from distinguished steel suppliers.	>25 major suppliers	Based on purchase volume: China: 90 %
Thuan An City, Vietnam	The site buys materials from the customers' bill of materials. Whenever possible, electronic components are purchased from accredited distributors offering specified brands with competitive pricing. If availability is limited or lead times are too long, the site buys from brokers upon clearance from its customers.	Number of suppliers: >150	Asia: 60 % Switzerland: 10 %
Ulm, Germany, and Wangs, Switzerland	The sites source standard raw materials mainly from three suppliers. Other components are purchased from various suppliers.	Ulm: >300 Wangs: <400	Ulm: Europe: 80 % North America: 15 % Japan: 5 % Wangs: Europe: 80 % North America: 15 % Japan and Taiwan: 5 %

5.2 FAIR BUSINESS PRACTICES

The Cicor Group believes that upholding fair business practices is essential to its success. Cicor has fair, honest and transparent business principles, with processes and products that reflect exemplary levels of quality, safety and environmental impact.

The Group's employees are expected to act in accordance with the highest standards of personal and professional integrity, especially in matters of ethics and governance. Cicor has a Code of Conduct, which is deployed to all persons who could affect the Group's fair business practices and communicated to all employees by the Human Resources department of their respective site. Signing the Code of Conduct implies acknowledgement of its rules and guidelines. All employees must follow the Code of Conduct, as well as local working laws and regulations. All Cicor employee work contracts contain confidentiality and fidelity clauses to avert potential conflicts of interest. Some customer contracts contain anti-bribery clauses. The Group has a clear rule on avoiding politics or officially supporting a political party.

Legal tax requirements are also rigorously respected by Cicor and its personnel, both in terms of taxation based on the profitability of the Group and revenue at staff level. Cicor does its duty in paying the correct taxes on time and adheres to tax law in the application of company taxes and taxes paid for employees and customers. The Group furthermore complies with local regulations according to transfer pricing, with disallowing any profit sharing abroad. To ensure compliance, Cicor has established robust and effective implementation of its tax governance, control and risk management system. Processes exist within the finance and human resources departments to track and satisfy tax values and deadlines. The Group has additionally implemented a "tax-wiki", where all applicable law is explained, due dates outlined, and responsibilities defined. The tax-wiki is reviewed frequently and updated if tax regulations change or are newly put into effect. KPIs are in place to track the management of Cicor's tax obligations. These include the tax rate and tax refund rate. The internal control system is overseen by the company controller, finance manager and managing director. Advice is sought from the tax consultant on difficult topics, who is also responsible for preparing the Group's tax declaration. Accountants are regularly trained regarding changes in tax law, and Cicor ensures relevant employees are also made aware of the latest regulations through open communication.

Staff can always contact human resources in case of an incident against Cicor's fair business practices or its Code of Conduct. Additionally, all employees have access to suggestion boxes where they can submit complaints, suggestions or desired improvements. At some sites, a whistleblowing hotline has been set up. Cicor carries out internal and external audits, such as the financial audit, to monitor its management of its business practices. A customer survey and customer rating is also implemented, along with a yearly supplier evaluation and benchmarking. To encourage increased transparency and trust as well as fair and open discussion of Cicor's business practices and possible infringements, the Group has site-specific initiatives. In Boudry, a personnel committee collects potential issues in a quarterly meeting and a half-year report is administered by an external service provider.

If the Group's business practices are violated, action is taken. In Arad, a fine was imposed for an infraction in 2020 involving a missing report sheet that should have outlined the latest changes in a work contract and had to be provided at the closing of the contract. In 2021, there were no known situations of unfair business practices or confirmed cases of corruption. There were also no reported cases of legal proceedings against anti-competitive behavior with regard to antitrust and monopoly law. Further, there were no known breaches of environmental protection, economic or social laws or regulations.

5.3 LOCAL ENGAGEMENT

The Cicor Group considers local engagement an asset to the company and aspires to be seen by local communities as a partner. The goal is to be viewed as an attractive company supporting the communities in which it is present, in turn raising its appeal as a local employer. The perception of Cicor within local populations is key to achieving this goal. Accordingly, the Group endeavors to do outreach to create awareness of the benefits of working for Cicor and the Group's contributions to the particular communities. As well, Cicor works to promote the industry in general as advantageous to the country and society at large.

Several of Cicor's sites have initiatives in place to support their local communities. In Arad, sponsorships are offered to a variety of non-governmental organizations and events for children with special needs and social events were funded. In Bronschhofen, more than CHF 10,000 are put aside each year to finance local community activities. In Suzhou, currently employees are encouraged to participate in determining how Cicor can support the surrounding population. In Thuan An City, the local flood relief program is funded, and in Radeberg, donations are made to public organizations and care institutions.

The sites receive feedback on engagement activities from local employees, customers, authorities and municipalities, among others. However, there are no structured surveys or assessments in place to evaluate Cicor's engagement or achievements.

6 ABOUT THIS REPORT

Cicor Technologies Ltd., headquartered in Boudry in Switzerland and stock-listed at the Swiss Stock Exchange, is reporting comprehensively on its sustainability efforts for the first time for the calendar year 2021. This report has been prepared in accordance with the GRI standards: Core option. Cicor commits to an annual sustainability reporting cycle. About 56 % of Cicor's employees are covered by a collective bargaining agreement (GRI 102-41). The entities included in the consolidated financial statements can be seen on page 54 of the annual report (GRI 102-45). There were no significant changes to the Group's organizational structure or the supply chains of the Group companies in the reporting year (GRI 102-48). The material topics were determined for the first time in 2021 (GRI 102-49). The content of the report has not been externally assured. Questions regarding the sustainability report can be directed to Michael Götti, Vice President Corporate Marketing and Communications, michael.goetti@cicor.com.

7 GRI CONTENT INDEX

MATERIALITY DISCLOSURES SERVICE 2022

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The GRI Materiality Disclosures Service was carried out on the English version of the report.

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cicor
EPA

CORPORATE GOVERNANCE

1 GROUP STRUCTURE AND SHAREHOLDERS

Cicor Technologies Ltd. is committed to meeting the high standards of Corporate Governance that seek to balance entrepreneurship, control and transparency whilst ensuring efficient decision-making processes.
This report explains how the management and control of the Company are organized and provides background information on the Group's executive officers and bodies, effective 31 December 2021.
The report complies with the SIX Swiss Exchange Directive on Information relating to Corporate Governance. In addition, the report considers Cicor Technologies Ltd.'s Articles of Incorporation as well as the Company's organization regulation.
In the following Corporate Governance Report, the terms "Cicor" and "Company" shall be used alternatively to "Cicor Technologies Ltd." and the term "Group" for the company and its subsidiaries.

1.1 GROUP STRUCTURE

Cicor Technologies Ltd. is registered in Boudry, Switzerland, and is operationally organized into the AMS and ES Divisions. Cicor Technologies Ltd. is the parent company and is listed on the SIX Swiss Exchange.

Market capitalization as of 31 December 2021	CHF 162.1 mio.
Security symbol	CICN
Security number	870 219
ISIN	CH0008702190

An overview on the Group's affiliated companies is shown on page 62.

1.2 PRINCIPAL SHAREHOLDERS

The following shareholdings correspond to the ones reported according to the regulations of the Swiss Stock Exchange (SIX Swiss Exchange) and updated as in the shares register per year-end:

	31.12.2021		31.12.2020	
	Shares	Total in %*	Shares	Total in %*
OEP 80 B.V., Amsterdam, Netherlands	851 705	27.75	n/a	n/a
Lock-up Group Axis Electronics Management, Milton Keynes, United Kingdom	167 450	5.46	n/a	n/a
LLB (Swiss) Investment AG, Zurich, Switzerland	129 626	4.22	121 176	4.17
Escatec Holdings Ltd. Port Vila, Vanuatu	110 840	3.61	110 840	3.82
FundPartner Solutions (Suisse) SA, Geneva, Switzerland	94 720	3.09	95 385	3.28
HEB Swiss Investment AG, Zurich, Switzerland	n/a	n/a	851 705	29.35
Credit Suisse Funds AG, Zurich, Switzerland	n/a	n/a	94 732	3.26

*) in % of the total outstanding shares of the company

Cicor Technologies Ltd. has received no notice of any shareholders' agreement regarding its shares.
As of 31 December 2021, a total of 1 ,009 (previous year 1 ,064) shareholders with voting rights were registered in the share register of Cicor Technologies Ltd.

1.3 CROSS-SHAREHOLDINGS

Cicor Technologies Ltd. has no cross-shareholdings with any other company exceeding a reciprocal 3 % of capital or voting rights.

2 CAPITAL STRUCTURE

2.1 ORDINARY CAPITAL

As of 31 December 2021, the ordinary share capital of Cicor Technologies Ltd. is CHF 30 695 420 divided into 3 069 542 fully paid-in registered shares with a par value of CHF 10 each.

As of 31 December 2021, the company held 116 (previous year: 116) of its own shares as treasury shares. For a detailed overview, please refer to section 18 of the notes to the consolidated financial statements.

2.2 AUTHORIZED AND CONDITIONAL CAPITAL

Authorized capital

At the Annual General Meeting of Shareholders' on 16 April 2020, the shareholders decided to renew the authorization of the Board of Directors to increase the share capital by a maximum of 600 000 fully paid-in shares at a nominal value of CHF 10 until 16 April 2022. 167 450 of those shares were used for the capital increase as of 30 November 2021 in connection with the purchase of Axis EMS Heights Ltd. and its subsidiaries.

Conditional capital

At the Annual General Meeting of Shareholders' on 13 May 2009, the shareholders decided to increase the conditional share capital up to 200 000 fully paid-in registered shares with a total nominal value up to CHF 2 000 000 for the exercise of stock option rights granted to officers and other key employees under an employee stock option plan established by the Board of Directors. As of 31 December 2021, 120 670 shares have not been used.

At the Extraodrinary General Meeting of Shareholders' on 16 December 2021, the shareholders decided that the share capital of the Company may be increased by an additional maximum amount of CHF 13 303 750 by issuing up to 1 330 375 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise or compulsory exercise of conversion, exchange, option or similar subscription rights granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations, subscription or similar share subscription rights, granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations of the Company or one of its subsidiaries (hereinafter collectively : financial instruments).

2.3 CHANGES IN CAPITAL

In 2021, the Company increased its share capital by 167 450 registered shares at CHF 10 out of authorized capital.

	31.12.2021	31.12.2020	31.12.2019
Ordinary capital			
Registered shares	3 069 542	2 902 092	2 902 092
Ordinary share capital (in CHF)	30 695 420	29 020 920	29 020 920
Authorized share capital			
Authorized shares	432 550	600 000	600 000
Authorized share capital (in CHF)	4 325 500	6 000 000	6 000 000
Conditional share capital			
Conditional shares	1 451 045	620 670	620 670
Conditional share capital (in CHF)	14 510 450	6 206 700	6 206 700

2.4 SHARES AND PARTICIPATION CERTIFICATES

With the exception of the shares held by the Company itself, each ordinary share is entitled to the same share in the Company's assets and profits and bears one voting right at the Annual General Meeting of Shareholders', provided the shareholder is registered with voting rights in the Company's share register.

Provided that a shareholder does not request the printing and delivery of share certificates for their investment, the shares of the Company are held in collective deposit at Computershare Schweiz AG rather than being issued as physical certificates. At the request of some shareholders, the Company has issued a number of physical certificates.

As of 31 December 2021, the Company has not issued any participation certificates.

2.5 PROFIT-SHARING CERTIFICATES

As of 31 December 2021, the Company has not issued any profit-sharing certificates.

2.6 LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

All shares of Cicor Technologies Ltd. are registered shares and freely transferable without any limitation. Entry in the Company's share register with voting rights requires evidence that the shares have been transferred for ownership or beneficial interest. There are no registration provisions for nominees. The share register is kept by the Computershare Schweiz AG.

2.7 CONVERTIBLE BONDS AND WARRANTS/OPTIONS

The Company has not issued any convertible bonds or similar equity-linked debt instruments as of 31 December 2021.

There are currently no stock option plans for members of the management in place.

3. BOARD OF DIRECTORS

3.1 MEMBERS OF THE BOARD OF DIRECTORS

On 31 December 2021, the Board of Directors (Board) of the Company consisted of the following persons:

Name/Position/ Nationality	First election	Current term ends	Other significant board memberships
Daniel Frutig Chairman Non-executive, Swiss	2021	2022	Member of the Board of Directors of Eugster/Frismag AG Member of the Board of Directors of AE Familienholding AG Member of the Board of Directors of AGRO AG Member of the Board of Directors of Lerch AG Member of the Board of Directors of BauLerch Management AG
Andreas Dill Non-executive, Swiss	2009	2022	None
Erich Haefeli Non-executive, Swiss	2015	2022	Owner and President of Mariposa Immobilien AG Owner and CEO of EC Executive Consulting AG
Norma Corio Non-executive, American	2021	2022	Member of the Board of Directors of Finance of America Member of the Board of Directors of GO Acquisition Corporation Member of the Board of Directors of Omni Environmental Solutions Member of the Board of Directors of Bibliotheca
Konstantin Ryzhkov Non-executive, Russian	2021	2022	None

3.2 OTHER ACTIVITIES AND VESTED INTERESTS

Information about other activities of the Board members in addition to their functions for Cicor Technologies Ltd. is listed in the table above. Unless otherwise described in the curriculum vitae, the non-executive members of the Board do not have any material business connections with the Group.

3.3 ELECTIONS AND TERMS OF OFFICE

According to the Company's Articles of Incorporation, the Board consists of one or more members. The members of the Board as well as the Chairman of the Board are elected by the Annual General Meeting of Shareholders' for a term of office of one year. There are no limits as to how many times a member can be reelected, or any upper age limit for election.
According to the Company's Articles of Incorporation, at least one member must be domiciled in Switzerland.

3.4 INTERNAL ORGANIZATIONAL STRUCTURE

The Board constitutes itself at its first meeting after the Annual General Meeting of Shareholders' except for the appointment of the Chairman of the Board and the members of the Remuneration Committee. It appoints if necessary its Vice Chairman and the Audit Committee as well as a Secretary, who does not need to be a member of the Board. The Board meets as often as the Company's affairs require or upon the written request of one of its members.
The Board approves resolutions and holds elections with the majority of its votes.

The Board is the highest executive instance within the Group Management structure and takes responsibility of the overall governance of the Company and the Group. It oversees the management of their affairs. The basic principles regarding the definition of the areas of responsibility between the Board and the Group Management are described in section 3.5.

The Chairman of the Board of Directors
The Chairman heads the meetings of the Board and the Annual General Meeting of Shareholders'. He supervises the implementation of the resolutions passed by the Board and coordinates the work of the committees ensuring that the Board as a whole operates as an integrated, cohesive body. The current Chairman of the Board of Directors is Daniel Frutig.

The Presidium
The Presidium has been discontinued as of 15 April 2021.

Daniel Frutig, Chairman
Daniel Frutig, studied building technologies / energy at the Lucerne University of Applied Sciences and Arts and graduated from the University of St. Gallen (HSG) with an Executive Master in Business Administration (EMBA). After starting his career with the industrial group Sulzer AG he spent many years abroad with Accenture and Compass Group PLC developing businesses. In 2011, Daniel Frutig was appointed as CEO of Arbonia AG and 2015 of Medela Holding AG before founding EvolutionF AG in 2018. As entrepreneur and independent Board member he is an expert for international business transformation in listed and privately owned technologically driven companies, with a clear focus on value creation through growth strategies.

Andreas Dill
Born 1954, graduated as an electrical engineer (MEng) from the ETH Zürich. He started his professional career in the semiconductor industry at Zevatech AG where he took on various responsibilities from R+D engineer to general manager. From 1998 to 2015, Andreas Dill has worked in various management positions at the Oerlikon Corporation, last as CEO of the Advanced Technologies segment and a member of the Oerlikon executive committee. Andreas Dill is the owner of the consulting company Andreas Dill Strategic Business Consulting.

Erich Haefeli
Born 1950, studied law at the University of Zurich. For many years, he headed the legal and patent department of OC Oerlikon Balzers AG and was also a member of the company's executive management. In addition, he served on the Board of Directors of many firms in the Oerlikon-Bührle Group, which is today the industrial group Oerlikon. Erich Haefeli is owner and President of Mariposa Immobiien AG, Buchs SG and owner and CEO of EC Executive Consulting AG, Vaduz.

Konstantin Ryzhkov
Konstantin Ryzhkov joined One Equity Partners (OEP), a US private equity firm, in 2017 as a managing director based out of the Amsterdam office. Mr. Ryzhkov was responsible for investments in Spartronics, Crayon and Orion Innovation's acquisition of MERA, among others. Prior to joining OEP, Mr. Ryzhkov was Deputy CEO and a member of the investment committee of a sovereign wealth fund focused on global co-investment opportunities. Prior to that, Mr. Ryzhkov worked at VTB Group, where he was responsible for structured debt and equity products and at Bank of America in the corporate finance and project finance departments. Mr. Ryzhkov received his BA in Economics from Davidson College (NC, US).

Norma Corio
Norma Corio joined One Equity Partners (OEP), a US private equity firm, in March 2018 as a senior managing director and is a member of its Investment Committee. Additionally, Ms. Corio is a member of the Board of Directors of OEP portfolio companies Omni Environmental Solutions and Bibliotheca. She was also a member of the Board of Directors of Intren until its recent sale by OEP. In addition, she serves on the Boards of Finance of America and GO Acquisition Corporation, both publicly traded companies. Prior to joining One Equity Partners, Ms. Corio was Chief Financial Officer of American Express Global Business Travel from June 2014 to June 2017 and Co-President of Miller Buckfire from April 2013 to May 2014. Previously, Ms. Corio spent 30 years with JPMorgan Chase, where she held various positions including treasurer and, separately, Head of Restructuring within the Investment Banking division, where she led the corporate finance practice for over twelve years. Ms. Corio has also held positions in credit and risk management and investor relations. Ms. Corio received her MBA in Banking and Finance from Pace University (NY, US) and her BA in Economics from LeMoyne College (NY, US).

Audit Committee
The Audit Committee shall consist of one or more Board members elected by the Board of Directors. The following members have been appointed:
- Andreas Dill, Chairman (as from 15 April 2021)
- Erich Haefeli
- Norma Corio (as from 16 July 2021)

The Audit Committee assists the Board in supervising the management of the Company, particularly with respect to financial and legal matters as well as in relation to compliance with internal business policies and codes of practice.

Remuneration Committee
In accordance with the Articles of Incorporation, Cicor has a Remuneration Committee that consists of one or more members of the Board of Directors, who are elected individually by the Annual General Meeting of Shareholders'. The following members have been elected:
- Daniel Frutig, Chairman (as from 15 April 2021)
- Andreas Dill (Chairman until 15 April 2021)
- Konstantin Ryzhkov (as from 16 July 2021)
- Rüdiger Merz (until 16 July 2021)

The roles and responsibilities of the Remuneration Committee are defined in detail by the Board of Directors. More information on their duties is provided in the compensation report.

Operating methods of the Board and the Committees
Between 1 January and 31 December 2021, the Board met for 22 ordinary Board meetings as well as two phone conferences. The CEO and/or the CFO of the Group attended all meetings. On a selective basis, external advisors also participated in some meetings on specific subjects. The meetings of the Board lasted on average six hours. For each Board meeting, the members were provided with adequate material in advance to prepare for the items on the agenda. At each ordinary meeting, the CEO or the CFO presented the results of Cicor Technologies Ltd. and its segments in detail. The members discussed the results comprehensively and, if required, instructed the CEO or the CFO to take necessary actions or to draw up plans for measures.
The Audit Committee held three meetings in 2021. The CFO of the Group participated in each conference. In addition, these meetings were attended by the auditor in charge. The meetings lasted on average one hour.
The Remuneration Committee held nine meetings in 2021. The meetings lasted on average one hour.

3.5 DEFINITION OF AREAS OF RESPONSIBILITY

The duties and responsibilities of the Board and the Group Management are defined as follows:
The Board holds the ultimate decision-making authority and decides on all matters which have not been reserved for or conferred

upon another governing body of the Company by law, the Articles of Incorporation or regulations regarding the delegation of Management of the Company.

The Board has the following non-transferable and indefeasible duties in particular:

- overall governance of the Company and the Group, including formulating medium- and long-term strategies, planning priorities and laying down guidelines for corporate policy;
- approving the annual Group budgets and medium- to long-term Group business and investment plans;
- establishing the basic organizational structure;
- defining the guidelines for accounting, financial controlling and financial planning systems;
- taking decisions on transactions of substantial strategic significance;
- appointing and removing those responsible for managing the Company's affairs and acting as its agent, in particular the CEO, the CFO and other members of the Group Management;
- appointing and removing the members of the committees of the Board (Remuneration Committee is elected by the Annual General Meeting of Shareholders');
- overall supervision of the bodies and officers responsible for the management of the Company;
- drawing up the annual and interim reports, preparing the Annual General Meeting of Shareholders';
- notifying the court in the event of overindebtedness;
- proposing and implementing capital increases and amending the Articles of Incorporation;
- checking the professional qualifications of the external Group auditors.

The Board conferred management functions in the manner provided by the organizational regulation to the CEO or the Group Management. Thereby, it follows the Company's general principle according to which all executive bodies and officers delegate their duties and powers to the hierarchically lowest possible body or officer that possesses the knowledge and expertise necessary to make appropriate decisions. The operational Group Management is responsible for the day-to-day operational business of the Group. Its main duties consist of:

- conducting day-to-day business of the Group in compliance with the applicable laws, Articles of Incorporation, regulations and instructions;
- implementing the Group strategy;
- preparing and executing the resolutions of the Board and ensuring their Group-wide implementation;
- reporting all matters to be dealt with by the Board and the committees;
- accounting and analyzing of the monthly results and semiannual and annual accounts on Group and divisional levels as well as implementing the required internal control measures.

3.6 INFORMATION AND CONTROL INSTRUMENTS TOWARDS THE GROUP MANAGEMENT AND RISK MANAGEMENT

The Board receives annotated key data of all segments within the framework of a Group-wide institutionalized reporting system. The format of the data is defined within a MIS (management information system).

Each month, the management information system summarizes in an aggregated format the most important key figures. Every quarter, it presents comprehensive financial statements in line with the requirements set for the year-end. These reports are available to the Group Management in full length and in a condensed format to the Board of Directors.

The Board analyzes such data in detail in its meetings. At each ordinary meeting of the Board, the CEO and the CFO inform on the operational day-to-day business and all important business events.

The members of the Board and the Board committees are entitled to request information on all Company-related issues. See section 3.4 for additional information on the work methods of the Board and the committees.

In addition to the above described management information system, a risk management system was introduced in 2008 and a new state-of-the-art Risk Management Tool was implemented in 2021. Risk management is a fundamental element of Cicor's business practice at all levels and encompasses different types of risks. It has been integrated into the controlling and reporting process. Material risks are identified and quantified in workshops and discussed with the executive management and the Board of Directors. The risk management process will be repeated regularly, at least once a year.

4 GROUP MANAGEMENT

4.1 MEMBERS OF THE GROUP MANAGEMENT

The members of the Group Management are appointed by the Board. The Group Management consists of the CEO and the CFO. As of 31 December 2021, the Group Management consisted of the following persons:

Name / Nationality	Position	Appointment
Alexander Hagemann German	CEO	September 2016
Patric Schoch Swiss	CFO	July 2012 (tendered his resignation effective 30 June 2022)

Patric Schoch was CFO of the Cicor Group until 31 December 2021. As of January 2022, Peter Neumann has taken over the position.

Alexander Hagemann
Born 1962, Alexander Hagemann holds a degree in Mechanical Engineering from the RWTH Aachen University, Germany. Before he joined the Cicor Group as Chief Executive Officer in September 2016, he held the position as Chief Executive Officer of the Schaffner Group from 2007 to 2016. Prior to that, Alexander Hagemann held a number of management roles at Schott Group, including the position of Executive Vice President Optics for Devices. In the beginning of his professional career he held various management positions in the area of production and logistics at BMW. Alexander Hagemann is Chairman of the Board of Directors of Weidmann Holding AG.

Patric Schoch
Born 1972, Patric Schoch is a senior international CFO, with a proven international career in finance as a controller or CFO for major business units and regions of international companies. Patric Schoch has many years of experience in working in the industry, including living and working for more than ten years in Southeast Asia, Taiwan and China. He joined Cicor Group as interim CFO end of July 2012 and became permanent CFO as of 1 April 2013. From December 2012 to May 2015 Patric Schoch was also acting CEO of the Group.

4.2 OTHER ACTIVITIES AND VESTED INTERESTS

No member of the Group Management held a position outside the Cicor Technologies Group which could be of significance to the Company.

4.3 MANAGEMENT CONTRACTS

Cicor Technologies Ltd. delegated no management duties to legal entities or natural persons outside the Company in 2021.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

This information is provided in the remuneration report.

6. SHAREHOLDERS' RIGHTS

Each registered share of the company entitles the owner/beneficiary of the share to one vote at the Annual General Meeting of Shareholders', provided that he is registered in the share register of the company as a shareholder with voting rights.

6.1 VOTING RIGHTS AND REPRESENTATION RESTRICTIONS

There are no statutory restrictions on voting rights. All shareholders, provided that they are registered in the share register of the company as shareholders with voting rights, have the same right to attend the Annual General Meeting of Shareholders' or to be represented by a legal representative or, with written authorization, by another person or by the independent voting proxy.

6.2 STATUTORY QUORUM

The Annual General Meeting of Shareholders' passes its resolutions with the absolute majority of the votes allocated to the shares represented. If a second ballot is required, the relative majority of the votes allocated to the shares represented is sufficient for the adoption of an agenda item. In the event of equality of votes, the Chairman has the casting vote. According to the Articles of Incorporation, a resolution of the Annual General Meeting of Shareholders' passed by at least two thirds of the votes represented and the absolute majority of the par value of shares represented are required for:
- changing the purpose of the company;
- introducing shares with privileged voting rights;
- limiting the transferability of registered shares;
- increasing authorized or conditional share capital;
- increasing share capital out of equity, against contributions in kind or for the purpose of acquisition of assets and granting special benefits;
- limiting or withdrawing preemptive rights;
- changing the domicile of the company;
- dissolving the company.

6.3 CONVOCATION OF THE SHAREHOLDERS' MEETING

Shareholders' Meetings are convened by the Board and, if required, by the auditors at the latest 20 days before the date of the meeting. The Annual General Meeting of Shareholders' is held at the latest within six months of the close of the financial year. Shareholders registered in the share register with voting rights representing an aggregate of at least 10 % of the share capital may request in writing, setting forth the items to be discussed and the proposals to be decided, that an Extraordinary General Meeting of Shareholders' is convened.

The Company publishes the invitation to the Shareholders' Meeting in the "SOGC," as well as in other publications as decided by the Board of Directors. Simultaneously, the written invitation is sent to the shareholders or beneficiaries who are entered in the share register of the company.

The invitation contains details of the day, time and place of the meeting as well as the agenda and the proposals of the Board and the shareholders who have requested the Extraordinary General Meeting of Shareholders' or an item to be included on the agenda.

6.4 AGENDA

Shareholders registered in the share register with voting rights, whose combined shareholdings represent an aggregate nominal value of at least CHF 1 million, may request that an item be included in the agenda of a Shareholders' Meeting. Such a request shall be made in writing at least 60 days before the meeting and shall specify the items and motions to be included in the agenda.

6.5 ENTRY INTO THE SHARE REGISTER

Computershare Schweiz AG keeps the company's share register which contains the names and addresses of shareholders and the number of shares they have registered. After dispatch of the invitation to the Shareholders' Meeting, no entries can be made in the share register until the day after the Shareholders' Meeting has taken place.

7. CHANGES OF CONTROL AND MEASURES

7.1 DUTY TO MAKE AN OFFER

The company does not have an opt-in or opt-out clause in its Articles of Incorporation, meaning that the mandatory bid obligation of the Swiss Stock Exchange Act is triggered if a shareholder or a group of shareholders acting in concert acquire more than one third of the outstanding shares of the company.

7.2 CLAUSES ON CHANGES OF CONTROL

As of 31 December 2021, there are no specific clauses included in agreements and schemes benefitting members of the Board or Group Management in the event of a change of control situation.

8. AUDITORS

8.1 DURATION OF THE MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

The Annual General Meeting of Shareholders' elects the auditors for a term of one year. On 15 April 2021, the Annual General Meeting of Shareholders'mandated KPMG, Cicor Technologies Ltd.'s Group auditor since 2007, for an additional year. KPMG or a subsidiary of the KPMG Group audits the consolidated and statutory financial statements. The auditor in charge since 2020 of the current mandate is Kurt Stocker.

8.2 AUDITING FEES

During the year under review, KPMG charged a total of TCHF 295 (previous year: TCHF 278) for their services in connection with the auditing of consolidated and statutory financial statements.

8.3 ADDITIONAL FEES

KPMG additionally received fees of TCHF 141 (previous year: TCHF 11) for other services to the company.

8.4 SUPERVISORY AND CONTROL INSTRUMENTS PERTAINING TO THE AUDIT

The Audit Committee supervises and controls on behalf of the Board of Directors the performance and independence of the external auditors. It determines the targets of the audit and assesses the work of the external auditors and their fees. In addition, it reviews the audit result and monitors the implementation of the findings by the management.

In 2021, the Audit Committee and the external auditors met once to plan the auditing of the financial statements of the Group and its subsidiaries. In a second meeting, these financial statements, as well as the corresponding "Management Letter" formulated by external auditors, were reviewed and discussed in detail with the Audit Committee. In total, the Audit Committee had three meetings in the presence of the external auditors.

9. BLACKOUT PERIODS FOR TRADING

No members of Cicor's Board of Directors, Group Management, leadership team and employees of Cicor Management AG may make any purchase, sale or other transaction of Cicor securities during the following periods, irrespective of whether or not such relevant person is in possession of insider information:

– during the period beginning 15 days prior to half-year or year-end (i.e. 16 June inclusive and 17 December inclusive) and ending on the evening of the day of public announcement of the related semiannual or annual financial results (i.e. trading is authorized as from the morning of the day following the day of the public announcement).

The day of public announcement of the semiannual or the annual financial results is published on Cicor's website under "investors". Financial results are usually published at 7:00 am CET.

The only exception to this rule is the exercise of corporate share actions for shares which are already owned.

10. INFORMATION POLICY

For the benefit of its shareholders and the public interested in the business activities of the company, Cicor Technologies Ltd. pursues an open and transparent information policy. In terms of periodical as well as ad hoc reporting, the company aims to guarantee equal treatment with respect to time as well as to content. The company has a clear policy to prevent insider dealings. The corresponding guidelines contain provisions regarding the handling of confidential information to which all persons concerned within and outside of the company are subject, as well as clear instructions regarding time and form of the respective publication.

From internal availability to approval of the semiannual or annual results by the Board, the company and its management refrain from communicating to the investing public any qualitative and quantitative statements and information which might give an indication as to the expected sales or results. After the Board meeting, in which the semiannual and annual reports are approved, the general public is informed in summary about the course of business by means of an ad hoc announcement.

Furthermore, the company informs its shareholders, the media, financial analysts and other interested parties by using the following publications and channels:

– annual and interim reports in accordance with Swiss GAAP FER;
– presentation of annual results;
– Shareholders' Meeting;
– press releases as well as publications of share price-sensitive facts (ad hoc publicity).

The 2022 Annual Shareholders' Meeting will be held on 12 April 2022.
The interim report is planned to be published on 11 August 2022.
For additional information about Cicor Technologies Ltd. and its subsidiaries, please visit the Group's website (www.cicor.com). Inter alia, previous annual reports and press releases can be found on the website.

Responsible for investor relations is Alexander Hagemann, CEO, phone +41 71 913 73 00, investor@cicor.com.

REMUNERATION REPORT

1 INTRODUCTION

This remuneration report details Cicor's remuneration policy, covering all key elements and general principles and outlines the responsibilities with regard to planning, approval framework and implementation. It also contains detailed information on the remuneration of the Board of Directors and the Group Management for financial years 2021 and 2020.
This remuneration report meets the requirements of the Swiss Ordinance against Excessive Compensation in Listed Stock Companies (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV, which replaces Article 663bis of the Swiss Code of Obligations by the corresponding VegüV provisions) and Article 5 of the annex to the Directive on Information Relating to Corporate Governance (Corporate Governance Directive, DCG) of the SIX Swiss Exchange dated 13 December 2016, as well as the recommendations in art. 38 "Compensation report and transparency" of appendix 1 to the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

2 REMUNERATION SYSTEM

PRINCIPLES OF REMUNERATION

The remuneration paid to members of the Group Management may comprise three components:
– fixed basic remuneration;
– variable performance-related compensation;
– individual allocation of company shares.

Members of the Board of Directors have no executive duties and receive a fixed salary, plus any compensation due to them for the performance of special duties that exceed the usual scope of their mandate.

BASIC REMUNERATION

The basic remuneration for the members of the Group Management may comprise a monthly salary, a lump sum for entertainment and car expenses, other benefits as per individual agreement and the relevant social security contributions. Other benefits as per individual agreement include contributions to professional development.
The monthly salary is determined on a discretionary basis, taking into account the individual's duties, amount of responsibility, qualifications and experience required, as well as the actual external market environment in relation to the entire remuneration system for the senior management of the Group. Cicor does not provide members of the Group Management or Board members with a company vehicle.
Members of the Board of Directors receive a fixed remuneration, which is dependent on their function and committee memberships.

SHORT-TERM INCENTIVE PLAN (STI-PLAN)

The STI-Plan is a simple and clear plan aimed at motivating managers and specialists to focus their efforts on specific financial and individual objectives. It promotes initiative and coordinated efforts and rewards the performance of individuals and the company. The STI-Plan for the Group Management consists of financial and individual objectives. Financial objectives include sales growth, EBIT and operating free cash flow and account for 85 %, and individual objectives for 15 % of the target amount. The Board of Directors approves the financial and the individual objectives of members of the Group Management and of all STI-Plan participants at their meeting at year-end for the following year. Financial targets are based on the annual budget and the payout is based on the actual financial results. A financial result on target entitles to a payout of 100 % of the target amount, at the lower threshold the payout is 50 %, below the lower threshold there is no payout. Upon achieving the financial or individual objectives, the maximum payout is capped at 150 % of the target amount. The Remuneration Committee (RC) confirms the overall STI-Plan payout based on the true performance taking into account the actual business and commercial environment. It makes a recommendation to the Board of Directors for a final decision in February. At this meeting, the RC also recommends to the Board of Directors, the aggregate maximum amount for variable performance-related compensation for the Group Management that is submitted to the Annual General Meeting of Shareholder's for approval.

For the Group Management, the weighted average payout for the STI-Plan 2021 is 114 % (2020: 17 %).

LONG-TERM INCENTIVE PLAN (LTI-PLAN)

For the Cicor Group, recruitment, motivation and long-term retention of top talent are key to achieving its goals. The Cicor long-term incentive plan (LTI-Plan) is the program designed to retain and motivate senior executives, highly skilled and other important employees by creating long-term performance incentives. The LTI-Plan is designed to reward Cicor executives and selected employees for their contribution to the company's long-term success and creation of shareholder value. The LTI-Plan thus links part of the annual performance-based remuneration of Cicor's management to the long-term development of the company.

In the context of the LTI-Plan, which rewards the relative increase in Total Shareholder Returns (TSR) of the Cicor Technologies Ltd. share compared to the TSR of selected benchmark companies, Performance Share Awards (PSAs) are allocated. TSR is a common measure used to evaluate stock performance. It is defined as the net share price change plus any dividends paid in a given period. The initial value for the measurement of the TSR corresponds to the Volume Weighted Average Price (VWAP) of the first 30 days of the first year. The end value corresponds to the VWAP of the last 30 days of the third year.

For the LTI-Plan 2021–2023, the initial value thus corresponds to the VWAP of the stock price of the trading days from 1 to 31 January 2021, and the final value of the LTI-Plan 2021–2023 thus corresponds to the VWAP of the share price of the trading days from 1 to 31 December 2023. The relative increase of the TSR of the Cicor Technologies Ltd. share compared to the TSR of corresponding peer companies is measured over a period of always three years (performance period). The right to receive a certain number of PSAs from the LTI-Plan generally arises – except in the case of change of control – only at the end of the vesting period. The performance period of the fifth LTI-Plan starts on 1 January 2021 and will end on 31 December 2023.

The vesting period, during which the plan participant merely has a non-binding entitlement to the allocated PSAs, is three years. The PSAs can also expire during the vesting period for reasons such as company affiliation, negative share price development or unsatisfactory company success. This vesting period may lapse in the event of change of control as well as personal disability or death. The vesting period of the fifth LTI-Plan starts on 1 May 2021 and will end on 1 May 2024. Each PSA represents a non-binding entitlement to Cicor Technologies Ltd. shares in dependence on the development of the Group. If the TSR of Cicor is within the top three of the benchmarked companies, a maximum of 200 % of the PSA target amount is converted into Cicor Technologies Ltd. shares. If ranked sixth within the benchmarked companies, the allocation is 100 %, if ranked eighth, the allocation is 80 % and if ranked eleventh and below, the allocation is 0 %. In between the thresholds, interpolation will be done. The peer group is reviewed every year by the Remuneration Committee and consists of: AT&S, Benchmark Electronics, Schweizer Electronic AG, Neways, Comet, ELMA, Gavazzi, LEM, Huber & Suhner, Kitron, Plexus Corp., Sanmina, Schaffner and Unimicron. The maximum payout at the end of the vesting period is limited to 200 % of the allocated PSAs. However, in justified cases, the Board of Directors may freely set this factor between 0 % and 200 %, for example, if the payout level is considered inappropriate in the light of the general development of the Group.
The allocation of the number of PSAs to the plan participants of each LTI-Plan is determined by the following criteria:

- The RC suggests the target amount for each planned participant to the Board of Directors.
- For the determination of the number of PSAs the defined target amount in Swiss Francs is divided by the VWAP of the Cicor share of the first ten trading days after publication of the year-end results of the past year.
- The number of PSAs allocated, multiplied by the weighted payout factors based on the achieved rank of Cicor's TSR at the end of the vesting period, determines the effective number of Cicor shares granted.

The assignment of the non-binding entitlement of the plan participant to the PSAs of the respective LTI-Plan takes place on 1 May of the first year of the corresponding LTI-Plan. The definitive allocation (vesting) of the PSAs of the concluded LTI-Plan takes place on 1 May after the end of the third year of the LTI-Plan vesting period.

Accordingly, the allocation of the non-binding entitlements of the LTI-Plan 2021 took place on 1 May 2021 (grant date) and the definitive allocation of the PSAs will take place on 1 May 2024 (vesting date). The vested shares carry full voting and dividend right from the moment of vesting and treasury shares can be used. The value of the allocated PSAs for the Group Management is included in the amount of the variable compensation of the Group Management approved every year by the Annual General Meeting of Shareholder's.

On 1 May 2022, the vesting of the allocated PSA of the LTI-Plan 2019–2021 will take place. The relative increase in Total Shareholder Return (TSR) over the performance period was 34.71 %, leading to rank ten within the peer group. The payout factor therefore is 27 %, leading to a vesting of 488 shares per plan participant of the Group Management (488 in total).

EMPLOYMENT CONTRACTS AND SPECIAL BENEFITS

No member of the Group Management has an employment contract with a notice period of more than twelve months. None of these employment contracts involve any severance payments.

NUMBER OF EXTERNAL MANDATES AND FUNCTIONS

According to the Articles of Incorporation, Board members may not have or perform more than three mandates in other listed companies and not more than 15 in non-listed companies.
Members of the Group Management may not have or perform more than one mandate in another listed company and not more than three in non-listed companies.

Mandates or employment relationships with associated companies outside the Cicor Group that entail sitting on a management or administrative body or a function in executive management are deemed a single mandate under this provision.

3 APPROVAL PROCESS

The remuneration system and the remuneration of the Group Management are established by the Remuneration Committee in consultation with the CEO and submitted to the Board of Directors for approval. The processes and responsibilities within Cicor are organized as follows:

CEO

The Group CEO supports the Remuneration Committee by proposing for discussion:
– the conditions of employment contracts for the Group Management and senior management members;
– the individual target achievement for the variable salary component at the beginning of the year;
– new targets to be determined for the current financial year for the Group Management and senior management.

REMUNERATION COMMITTEE

The Remuneration Committee comprises one or more Board members.
It currently consists of:
– Daniel Frutig, Chairman (as from 15 April 2021)
– Andreas Dill (Chairman until 15 April 2021)
– Konstantin Ryzhkov (as from 16 July 2021)
– Rüdiger Merz (until 16 July 2021)

The Remuneration Committee reviews, evaluates and submits for approval to the entire Board:
– the conditions and remuneration set out in the employment contracts of the CEO, CFO and other members of the Group Management;
– the total remuneration for the members of the Group Management and senior management members, including the achievement of individual targets for variable compensation for the past financial year at the beginning of the year, as well as new targets to be set for the current financial year;
– remuneration guidelines;
– the introduction of performance-related remuneration systems, including the introduction of share- and option-based remuneration systems;
– changes in pension schemes;
– additional benefits for employees;
– remuneration of the Board of Directors;
– compensation for additional duties of Board members;
– compensation for the various Board committees.

BOARD OF DIRECTORS

The Board of Directors decides on all matters that are not, according to the law, Articles of Incorporation or organizational regulations, explicitly entrusted to another governing body of the company. In particular it approves, upon request by the Remuneration Committee:
– the conditions and remuneration set out in the employment contracts of the CEO, CFO and other members of the Group Management;
– total remuneration for members of the Group Management and the senior management, including variable compensation;
– remuneration guidelines;
– the introduction of performance-related remuneration systems, including the introduction of share- and option-based remuneration systems;
– changes in pension schemes;
– additional benefits for employees;
– remuneration of the Board of Directors;
– compensation for additional duties of Board members;
– appointment of members to the various Board committees, except the members of the Remuneration Committee, as well as their remuneration.

ANNUAL SHAREHOLDERS' MEETING

The Annual General Meeting of Shareholders' prospectively votes on the approval of the total remuneration amounts for the Board of Directors and the Group Management once a year. In addition, it can hold a consultative vote on the full remuneration report. If, after the remuneration has been prospectively approved by the Annual General Meeting of Shareholders', the Group Management is expanded or a member of the Group Management is promoted or replaced, there is, compliant to the Articles of Incorporation, an additional amount available. Such additional amount may not exceed 30 % of the previously approved total compensation amount per remuneration period and per member promoted or replaced.

4 REMUNERATION DURING 2021

Remuneration is reported in accordance with the principle of accrual.

BOARD OF DIRECTORS

Board members receive a fixed salary, paid in cash, as well as any compensation due to them for the performance of special duties that exceed the usual scope of their office.

Compensation Board of Directors 2021

in CHF 1 000	Remu-neration	STI-Plan	Pension fund	Social security contri-butions	Other	Consul-tancy fee	Total
Daniel Frutig[1]	114	–	–	–	–	–	114
Andreas Dill	90	–	–	6	–	–	96
Erich Haefeli	84	–	–	–	–	–	84
Norma Corio[2]	12	–	–	–	–	–	12
Konstantin Ryzhkov[3]	15	–	–	–	–	–	15
Robert Demuth[4]	39	–	–	10	–	–	49
Rüdiger Merz[5]	13	–	–	–	–	–	13
Total current Board members	**367**	**–**	**–**	**16**	**–**	**–**	**383**
Total former Board members	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total current and former Board members	**367**	**–**	**–**	**16**	**–**	**–**	**383**

Granted Compensation Board of Directors

in CHF 1 000	Compensation reported in FY 2021	less compen-sation received from January 2021 to the AGM 2021	plus compen-sation accrued since January 2022 until the AGM 2022	Total compen-sation received in the period from the AGM 2021 to the AGM 2022	Amount ap-proved by the AGM 2021 (for period AGM 2021 to AGM 2022)	Ratio of remuneration received (AGM to AGM) and approved remuneration
	367	–102	106	371	400	93 %

No other payments, services, payments in kind, premiums, guarantees or compensation were awarded.

[1] Member of the Board of Directors from 15 April 2021.
[2] Member of the Board of Directors from 16 July 2021.
[3] Member of the Board of Directors from 16 July 2021.
[4] Member of the Board of Directors until 15 April 2021.
[5] Dr. Rüdiger Merz resigned from the Board of Directors of Cicor Group as of 16 July 2021.

GROUP MANAGEMENT

Compensation Management 2021

in CHF 1 000	Remu-neration	STI-Plan	LTI-Plan 2021–2023 (Effective value on grant date)	Pension fund	Social security contri-butions	Other	Consul-tancy fee	Total
Total current Management	**820**	**423**	**200**	**127**	**57**	**–**	**–**	**1 627**
Of which highest single compensation paid to:								
Alexander Hagemann	500	241	200	80	34	–	–	1 055
Total former Management	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total current and former Management	**820**	**423**	**200**	**127**	**57**	**–**	**–**	**1 627**

Granted Compensation Management at Annual General Meeting of Shareholders' 2021

in CHF 1 000	Remu-neration	STI-Plan	LTI-Plan (Target value)
Total current Management	**1 000**	**550**	**200**

The target STI 2021 for Alexander Hagemann is 40 % of the base salary, the target STI 2021 for all other members of the Group Management is 50 % of the base salary. The weighted average STI 2021 payout is 114 %.
No other payments, services, payments in kind, premiums, guarantees or compensation were awarded.

Allocated PSA to CEO and Group Management 2021

LTI-Plan	Participant	Date of approval by General Assembly	Date of assignment of entitlements (grant date)	Performance period	Vesting period	Number of allocated PSAs	Value at 100 % target fulfillment (excl. Social security) in CHF 1 000	Possible target fulfillment
2021–2023	Alexander Hagemann	15 April 2021	1 May 2021	1.1.2021-31.12.2023	1.5.2021-1.5.2024	3 746	200	0 -200 %
Total						**3 746**	**200**	

Vesting LTIP 2019–2021 for CEO and Group Management

LTI-Plan	Participant	Date of approval by General Assembly	Perfor-mance period	Vesting date	Number of allocated PSAs	Volume Weighted Average Price (VWAP) beginning	Volume Weighted Average Price (VWAP) end	Dividends during per-formance period	Relative increase in Total Share-holder Return (TSR) over period	Rank achieved within benchmark companies	Payout factor based on rank	Number of allocated shares
2019–2021	Alexander Hagemann	16 April 2019	01.01.2019-31.12.2021	1 May 2022	1 809	41.42	52.30	3.50	34.71 %	10	27 %	488
Total					**1 809**							**488**

5 REMUNERATION DURING 2020

BOARD OF DIRECTORS

Compensation Board of Directors 2020

in CHF 1 000	Remuneration	STI-Plan	Pension fund	Social security contributions	Other	Consultancy fee	Total
Robert Demuth	67	–	–	3	–	–	70
Andreas Dill	57	–	–	2	–	–	59
Erich Haefeli	57	–	–	–	–	–	57
Total current Board members	**181**	**–**	**–**	**5**	**–**	**–**	**186**
Heinrich J. Essing	84	–	–	–	–	–	84
Total former Board members	**84**	**–**	**–**	**–**	**–**	**–**	**84**
Total current and former Board members	**265**	**–**	**–**	**5**	**–**	**–**	**270**

Granted compensation Board of Directors at Annual General Meeting of Shareholders' 2020

in CHF 1 000	Remuneration
Total current Board members	**300**

No other payments, services, payments in kind, premiums, guarantees or compensation were awarded.

GROUP MANAGEMENT

Compensation management 2020

in CHF 1 000	Remuneration	STI-Plan	LTI-Plan 2020–2022 (Effective value on grant date)	Pension fund	Social security contributions	Other	Consultancy fee	Total
Total current management	**820**	**65**	**200**	**127**	**98**	**–**	**–**	**1 310**
Of which highest single compensation paid to:								
Alexander Hagemann	500	29	100	80	55	–	–	764
Total former management	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total current and former management	**820**	**65**	**200**	**127**	**98**	**–**	**–**	**1 310**

Granted Compensation management at Annual General Meeting of Shareholders' 2020

in CHF 1 000	Remuneration	STI-Plan	LTI-Plan (Target value)
Total current management	**1 000**	**550**	**200**

The target STI 2020 for Alexander Hagemann is 40 % of the base salary, the target STI 2020 for all other members of the Group Management is 50 % of the base salary. The weighted average STI 2020 payout is 17 %.
No other payments, services, payments in kind, premiums, guarantees or compensation were awarded.

Allocated PSA to CEO and Group Management 2020

LTI-Plan	Participant	Date of approval by General Assembly	Date of assignment of entitlements (grant date)	Performance period	Vesting period	Number of allocated PSAs	Value at 100 % target fulfillment (excl. Social security) in CHF 1 000	Possible target fulfillment
2020–2022	Alexander Hagemann	16 April 2020	1 May 2020	1.1.2020-31.12.2022	1.5.2020-1.5.2023	3 036	100	0 %-200 %
2020–2022	Patric Schoch	16 April 2020	1 May 2020	1.1.2020-31.12.2022	1.5.2020-1.5.2023	3 036	100	0 %-200 %
Total						**6 072**	**200**	

Vesting LTI-Plan 2018–2020 for CEO and Group Management

LTI-Plan	Participant	Date of approval by General Assembly	Perfor-mance period	Vesting date	Number of allocated PSAs	Volume Weighted Average Price (VWAP) beginning	Volume Weighted Average Price (VWAP) end	Dividends during per-formance period	Relative increase in Total Share-holder Return (TSR) over period	Rank achieved within benchmark companies	Payout factor based on rank	Number of allocated shares
2018–2020	Alexander Hagemann	19 April 2018	1.1.218-31.12.2020	1 May 2021	1 457	74.07	47.53	3.20	–31.51 %	12	0 %	–
2018–2020	Patric Schoch	19 April 2018	1.1.2018-31.12.2020	1 May 2021	1 457	74.07	47.53	3.20	–31.51 %	12	0 %	–
Total					**2 914**							**–**

6 PAYMENTS TO RELATED PARTIES

No persons close to the Board of Directors or the Group Management were granted any loans of any kind, nor did they receive any remuneration.

7 LOANS

Cicor does not grant loans to Board members or to members of the Group Management.

Report of the Statutory Auditor

To the General Meeting of Cicor Technologies Ltd., Boudry

We have audited the accompanying remuneration report of Cicor Technologies Ltd. for the year ended 31 December 2021. The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the sections 4 to 7 on pages 47 to 50 of the remuneration report.

Responsibility of the Board of Directors
The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility
Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

Opinion
In our opinion, the remuneration report for the year ended 31 December 2021 of Cicor Technologies Ltd. complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

David Grass
Licensed Audit Expert

St. Gallen, 9 March 2022

KPMG AG, Bogenstrasse 7, CH-9001 St. Gallen


cicor

FINANCIAL REPORT

CICOR GROUP

CICOR TECHNOLOGIES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

in CHF 1 000	Notes	31.12.2021	in %	31.12.2020	in %
Assets					
Property, plant and equipment	(5)	49 553	15.4	48 777	26.8
Intangible assets	(6)	68 547	21.3	920	0.5
Deferred tax assets	(11)	3 158	1.0	3 013	1.7
Non-current assets		**121 258**	**37.7**	**52 710**	**29.0**
Inventories	(7)	80 109	24.9	49 875	27.4
Trade accounts receivable	(8)	44 080	13.7	30 679	16.9
Other accounts receivable	(8)	5 924	1.8	4 520	2.5
Prepaid expenses and accruals		1 721	0.5	1 131	0.5
Cash and cash equivalents	(9)	68 797	21.4	43 135	23.7
Current assets		**200 631**	**62.3**	**129 340**	**71.0**
Total assets		**321 889**	**100.0**	**182 050**	**100.0**
Liabilities and shareholders' equity					
Share capital		30 695	9.5	29 022	15.9
Capital reserves		109 024	33.9	103 894	57.1
Treasury shares		−6	−0.0	−6	−0.0
Retained earnings		−43 156	−13.4	−50 864	−27.9
Translation reserve		−7 670	−2.4	−5 712	−3.2
Total equity		**88 887**	**27.6**	**76 334**	**41.9**
Long-term provisions	(10)	3 596	1.1	3 471	1.9
Deferred tax liabilities	(11)	8 895	2.8	304	0.2
Long-term financial liabilities	(12)	114 502	35.6	53 436	29.4
Liabilities for post-employment benefits	(13)	1 906	0.6	1 932	1.0
Non-current liabilities		**128 899**	**40.1**	**59 143**	**32.5**
Short-term financial liabilities	(12)	15 354	4.8	3 316	1.8
Trade accounts payable		39 691	12.3	22 556	12.5
Other current liabilities	(14)	23 130	7.2	7 696	4.2
Accruals	(14)	13 355	4.1	9 378	5.2
Short-term provisions	(10)	12 067	3.7	3 178	1.7
Income tax payable		506	0.2	449	0.2
Current liabilities		**104 103**	**32.3**	**46 573**	**25.6**
Total liabilities		**233 002**	**72.4**	**105 716**	**58.1**
Total equity and liabilities		**321 889**	**100.0**	**182 050**	**100.0**

General remark to the notes of the consolidated financial statements: unless otherwise stated all amounts in CHF 1 000

CONSOLIDATED INCOME STATEMENT

in CHF 1 000	Notes	2021	in %	2020	in %
Net Sales	(4)	**239 044**	**100.0**	**214 891**	**100.0**
Other operating income		1 069	0.4	1 571	0.7
Change in inventory of finished and unfinished goods		2 517	1.1	−2 031	−0.9
Material costs		−126 323	−52.8	−110 185	−51.3
Personnel costs	(21)	−69 905	−29.2	−63 550	−29.6
Depreciation	(5)	−9 913	−4.1	−10 164	−4.7
Amortization	(6)	−1 005	−0.5	−347	−0.2
Other operating expenses	(23)	−23 280	−9.8	−21 334	−9.9
Operating profit (EBIT)		**12 204**	**5.1**	**8 851**	**4.1**
Financial income	(24)	4 287	1.8	4 703	2.2
Financial expenses	(24)	−6 281	−2.6	−7 158	−3.3
Profit before tax (EBT)		**10 210**	**4.3**	**6 396**	**3.0**
Income tax	(11)	−2 728	−1.2	−2 224	−1.1
Net profit		**7 482**	**3.1**	**4 172**	**1.9**
Earnings per share (in CHF)					
– basic and diluted	(19)	2.57		1.44	

CONSOLIDATED CASH FLOW STATEMENT

in CHF 1 000	Notes	2021	2020
Net profit		**7 482**	**4 172**
Depreciation	(5)	9 729	9 965
Impairment	(5) / (6)	184	199
Amortization	(6)	1 005	347
Interest income	(24)	−4	−32
Interest expenses	(24)	1 042	852
Tax Expenses	(11)	2 728	2 224
Increase in provisions		1 228	814
Other income that does not affect the fund		−35	−117
Subtotal before working capital changes		**23 359**	**18 424**
Increase in inventories		−20 896	−313
(Increase)/decrease in trade accounts receivable		−7 044	3 931
(Increase)/decrease in other current assets		−1 445	463
Increase/(decrease) in trade accounts payable		6 281	−4 146
Increase/(decrease) in other current liabilities		12 780	−1 698
Increase in working capital		**−10 324**	**−1 763**
Income tax paid		−3 055	−2 129
Interest paid		−750	−758
Interest received		4	2
Net cash from operating activities		**9 234**	**13 776**
Purchase of property, plant and equipment		−7 790	−6 638
Proceeds from sale of property, plant and equipment		1	25
Purchase of intangible assets	(6)	−262	−11
Acquisition of subsidiaries net of cash acquired		−45 006	–
Net cash used in investing activities		**−53 057**	**−6 624**
Purchase of treasury shares	(18)	–	−216
Payment to shareholders from capital contribution reserves	(17)	−2 902	−4 339
Payment of finance lease liabilities		−38	–
Proceeds from borrowings short-term		502	–
Proceeds from borrowings long-term		76 534	12 306
Repayment of borrowings short-term		−3 304	−4 671
Net cash from financing activities		**70 792**	**3 080**
Currency translation effects on cash and cash equivalents		−1 307	−757
Net increase in cash and cash equivalents		**25 662**	**9 475**
Cash and cash equivalents at the beginning of the period	(9)	**43 135**	**33 660**
Cash and cash equivalents at the end of the period	(9)	**68 797**	**43 135**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF 1 000	Share capital	Capital reserves	Treasury shares	Retained earnings	Translation reserve	Total equity
Balance at 1 January 2020	**29 022**	**108 542**	**−299**	**−55 122**	**−3 338**	**78 805**
Net profit				4 172		4 172
Share-based payments		−309	509	86		286
Purchase of treasury shares			−216			−216
Dividend / capital contribution paid to shareholders		−4 339				−4 339
Translation adjustment					−2 374	−2 374
Balance at 31 December 2020	**29 022**	**103 894**	**−6**	**−50 864**	**−5 712**	**76 334**

in CHF 1 000	Share capital	Capital reserves	Treasury shares	Retained earnings	Translation reserve	Total equity
Balance at 1 January 2021	**29 022**	**103 894**	**−6**	**−50 864**	**−5 712**	**76 334**
Net profit				7 482		7 482
Capital increase	1 673	8 032				9 705
Share-based payments				226		226
Dividend / capital contribution paid to shareholders		−2 902				−2 902
Translation adjustment					−1 958	−1 958
Balance at 31 December 2021	**30 695**	**109 024**	**−6**	**−43 156**	**−7 670**	**88 887**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Cicor Technologies Ltd., Boudry, is a public company, the shares of which are traded on the Swiss Stock Exchange (SIX).
Cicor Group offers a seamless production and service chain for electronic components and systems – from development and engineering to large-scale manufacturing, after-sales service and product life cycle management. Mainly active in Europe, the USA and Asia, Cicor's main competences are:

- manufacture of PCBs and HDIs – rigid, rigid-flexible and flexible
- hybrid manufacturing (thin-/thick-film, RF boards)
- quick-turn prototypes, small, medium and large series
- microelectronics assembly (SMD, wire bonding, flip chip, etc.)
- printed electronics
- outsourcing services for the manufacture of electronic modules, component groups and complete electronic products (EMS: Electronic Engineering and Manufacturing Services)

2 BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements of Cicor Group are based on uniform accounting and valuation principles applicable to all subsidiaries of the Group. The consolidated financial statements have been prepared in accordance with Swiss GAAP FER (GAAP = Generally Accepted Accounting Principles / FER = Fachempfehlungen zur Rechnungslegung) and the requirements of the Swiss Code of Obligations.
The consolidated financial statements of Cicor Group for the year ended 31 December 2021 were authorized for issue on 9 March 2022 and are subject to approval at the Annual General Meeting of Shareholders' of 12 April 2022.

Basis of measurement
The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for derivative financial instruments which are measured at fair value.

Presentation currency
The consolidated financial statements are presented in Swiss francs (CHF).

2.2 SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of consolidation
The consolidated financial statements comprise the financial statements of Cicor Technologies Ltd. and all subsidiaries which the parent company, directly or indirectly, controls either by holding more than 50 % of the voting rights or by otherwise having the power to govern their operating and financial policies. These subsidiaries are fully consolidated. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. A list of all subsidiaries is disclosed in note 3. Cicor does not hold any subsidiaries, investments, assets or liabilities which are not fully consolidated within the financial statements of the Cicor Group.
Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. Non-controlling interests in equity and profit are shown separately. Changes in the Group's interest that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group. Intercompany balances, transactions and profits are eliminated on consolidation.

Purchase method
Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The consideration paid plus directly attributable transaction costs for each acquisition are eliminated at the date of acquisition against the fair value of the net assets acquired, determined based on uniform accounting policies. Any excess of the consideration transferred over the net assets acquired is recognized as goodwill. Goodwill is amortized over five years.

Foreign currency conversion

Transactions in foreign currencies are converted at the rate of exchange as of the transaction date. Gains and losses from foreign currency transactions and from converting year-end foreign currency balances are recognized in the income statement.

Foreign exchange differences on long-term loans to foreign operations with equity characteristics, where a repayment is neither likely nor planned, are recognized in equity.

The financial statements of subsidiaries that report in foreign currencies are translated into Swiss francs as follows:

– balance sheet items: at year-end exchange rates,
– income statement and cash flow statement items: at average exchange rates for the year,
– equity is translated at historical rates.

The translation differences resulting from the conversion of financial statements denominated in foreign currencies are directly charged to equity. At the date of sale of a foreign subsidiary, the respective cumulative foreign currency translation differences are recognized in profit or loss.

Foreign exchange rates		2021	2020
Closing	EUR	1.0365	1.0845
	USD	0.9152	0.8829
	GBP	1.2347	1.1989
	RON	0.2094	0.2226
	SGD	0.6768	0.6667
	CNY	0.1436	0.1353
Average	EUR	1.0814	1.0702
	USD	0.9140	0.9391
	GBP	1.2573	1.2045
	RON	0.2198	0.2213
	SGD	0.6803	0.6807
	CNY	0.1417	0.1361

Segment information

Segment information presented is based on the internal reporting regularly provided to the Board of Directors. This reporting includes discrete financial information for the two divisions Advanced Microelectronics and Substrates (AMS) and Electronic Solutions (ES) which were identified as the two segments of the Group.

Property, plant and equipment

Items of property, plant and equipment are individually measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Land*	
Buildings	25–50 years
Leasehold Improvements	max 10 years
Machinery	3–10 years
Furniture	5–15 years
Equipment	3–10 years
Vehicles	4 years

* Land is not depreciated as it is deemed to have an indefinite life.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalized if the market value or the value in use or the useful live of the respective item of property, plant and equipment has increased substantially.

Goodwill

Goodwill represents the excess of the consideration transferred over the Group's interest in the net of the identifiable assets acquired and the liabilities assumed measured at acquisition date fair value. Subsequently, goodwill is measured at cost less accumulated amortization and accumulated impairment losses. Goodwill is amortized over five years. Additionally, a yearly impairment test is conducted.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is computed on a straight-line basis over the estimated useful life of the asset (between one and five years, in justified cases twenty years at the most).

Impairment of assets

Property, plant and equipment as well as intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized in profit or loss when the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of an asset or a group of assets is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows from continuing use of an asset or a group of assets that are largely independent of cash flows of other assets are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The relevant cash flows are based on the most recent business plans of these cash-generating units (period of three years) and the assumptions therein concerning development of prices, markets and market shares. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. Assets for which an impairment loss was recognized are reviewed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. The reversal is limited to the amount that would have been determined, net of depreciation or amortization, if no impairment had been recognized. Such reversal is recognized in profit or loss. Impairment losses on goodwill are not reversed.

Leasing agreements

Fixed assets acquired under leasing contracts where both the risks and rewards of ownership are substantially transferred to Cicor, are classified as finance leases. Such assets are recorded at the lower of the estimated net present value of future lease payments and the estimated fair value of the asset at the inception of the lease. Assets under finance leases are fully amortized over the shorter of the lease term and its useful life. The corresponding lease obligations, excluding finance charges, are included in either short- or long-term financial liabilities. Lease installments are divided into an interest and a redemption component.
Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Inventories

Inventories are valued at the lower of purchase or manufacturing costs and fair value less cost to sell. Costs for raw material are measured according to the weighted average cost method. Cost of work in progress and finished goods include materials, related manufacturing labor and related overheads. Concerning work in progress, estimated losses correspond to the negative difference between the net selling price and the estimated costs until finalization of work in progress.

Trade accounts receivable

Trade accounts receivable are measured at nominal value less necessary allowances for bad debts. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade accounts receivables. The main components of this allowance are a specific loss component that relates to individually significant exposure and a collective loss component established for groups of assets with similar risk characteristics in respect of losses that have been incurred, but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar receivables.

Cash and cash equivalents

Cash and cash equivalents are stated at amortized costs and include cash on hand, postal and bank accounts at sight and time deposits with maturities at the balance sheet date of 90 days or less.

Bank borrowings, trade and other liabilities

Non-derivative financial liabilities are initially recognized at fair value less any attributable transaction costs and are subsequently measured at amortized cost.

Provisions

Provisions are recognized when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that resources are needed to extinguish the obligation;
- the amount of the obligation can be estimated in a reliable way.

A provision is recognized for expected warranty claims on products based on past experience of the level of repairs and returns.

Government grants

Government grants are recognized as income over the periods matching the related costs, which they are intended to compensate on a systematic basis. Government grants are only recognized when there is reasonable assurance that the company will comply with the conditions attached to them and that the grants will be received.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income taxes are accrued based on taxable income of the current year. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences between the tax and accounting bases of assets and liabilities at the reporting date using the liability method.

Deferred income taxes are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax assets arising from tax loss carryforwards and deductible temporary differences are capitalized only if it is probable that they can be used to be offset against future taxable profits.

Derivative financial instruments

Derivative financial instruments for hedging purposes of balance sheet items are stated at fair value upon conclusion of the contract and are shown under other accounts receivable respectively other current liabilities. Subsequently, the derivative financial instruments are valued at market value at each end of period whereas non-realized gains and losses are recognized in the financial result. The market values of the derivative financial instruments are derived from the market prices at the end of the period.

To hedge currency risks, the Group can make use of foreign exchange forwards.

Pension plans

Cicor maintains several pension plans for employees in Switzerland, Germany and the United Kingdom. A liability is recognized if a pension plan has an underfunding and there is an economic obligation for Cicor to pay additional contribution. The assessment of whether there is an obligation is made using the recognition criteria for provisions. For Swiss plans, the measurement of the liability is based on the financial statements of the pension plan prepared in accordance with FER 26 and for German plans, this is based on an actuarial calculation. Employer contribution reserves are always recognized as an asset.

Changes in the economic obligation, the employer contribution reserves and the contributions incurred for the period are recognized in personnel costs in the income statement.

Earnings per share

Basic earnings per share are calculated by dividing net profit excluding non-controlling interests by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share include all potentially dilutive effects.

Treasury shares

When share capital is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized net of any tax effects as a deduction from capital reserves. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently the resulting gain or loss on the transaction is recognized in capital reserves.

Share-based payments

The grant date fair value of Performance Share Awards (PSAs) granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service condition is expected to be met. The grant date fair value is measured to reflect non-market conditions and there is no true-up for the differences between expected and actual outcomes.

Revenue recognition

Revenue from the sale of products comprises all revenues that are derived from sales of products to third parties after deduction of price rebates and value-added tax. Revenues from the sale of products are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the products.

Revenues from engineering and consulting services are recognized in the accounting period in which the services are rendered. Bad debt losses are included in net sales.

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognized only when a future benefit is expected, costs can be measured reliably, the asset is controlled by the organization and the resources needed to complete the asset are/will be made available. Additionally, the Group has to demonstrate the technical feasibility, the availability of resources and its intention of completing the project so that it will be available for use or sale.

Capitalized development cost is measured at cost less accumulated amortization and accumulated impairment losses.

3 SCOPE OF CONSOLIDATION

in local currency 1 000	Currency	2021 Nominal share capital	Participation in %	2020 Nominal share capital	Participation in %
Cicor Technologies Ltd, Boudry/Switzerland Holding/Finance	CHF	30 695	100	29 021	100
Cicorel SA, Boudry/Switzerland* Engineering/Production/Sales/Distribution	CHF	8 000	100	8 000	100
Reinhardt Microtech AG, Wangs/Switzerland* Engineering/Production/Sales/Distribution	CHF	1 800	100	1 800	100
Reinhardt Microtech GmbH, Ulm/Germany Engineering/Production/Sales/Distribution	EUR	500	100	500	100
RHe Microsystems GmbH, Radeberg/Germany* Engineering/Production/Sales/Distribution	EUR	216	100	216	100
Electronicparc Holding AG, Bronschhofen (Wil)/Switzerland* Holding/Finance	CHF	23 271	100	23 271	100
Swisstronics Contract Manufacturing AG, Bronschhofen (Wil)/Switzerland Engineering/Production/Sales/Distribution	CHF	3 000	100	3000	100
Systronics SRL, Arad/Romania Production/Sales	RON	5 145	100	5 145	100
Systel Italia SRL, Milano/Italy Sales/Distribution	EUR	n/a	n/a	10	100
Axis EMS Heights Ltd., Milton Keynes / United Kingdom* Holding/Finance	GBP	141	100	n/a	n/a
Axis EMS Group Ltd., Milton Keynes / United Kingdom Holding/Finance	GBP	264	100	n/a	n/a
Axis EMS Holdings Ltd., Milton Keynes / United Kingdom Holding/Finance	GBP	885	100	n/a	n/a
Axis Electronics Ltd., Milton Keynes / United Kingdom Engineering/Production/Sales/Distribution	GBP	10	100	n/a	n/a
ESG Holding Pte Ltd., Singapore* Holding/Finance	SGD	1 896	100	1 896	100
Cicor Asia Pte Ltd., Singapore Sales/Distribution	SGD	2 000	100	2 000	100
PT Cicor Panatec, Batam/Indonesia Production	USD	300	100	300	100
Brant Rock Enterprises Corporation, British Virgin Islands Holding/Finance	USD	10	100	10	100
Cicor Anam Ltd., Anam/Vietnam Production	USD	1 500	100	1 500	100
Suzhou Cicor Technology Co. Ltd., China Production	CNY	39 432	100	39 432	100
Cicor Americas Inc., USA* Sales/Distribution	USD	10	100	10	100
Cicor Management AG, Bronschhofen (Wil) / Switzerland* Management Services	CHF	250	100	250	100

* Directly held subsidiaries of Cicor Technologies Ltd.

Change in scope of consolidation

As of 30 November 2021, Cicor Technologies Ltd. acquired 100% of the shares of Axis EMS Heights Ltd. with its directly/indirectly held subsidiaries Axis EMS Group Ltd., Axis EMS Holdings Ltd. and Axis Electronics Ltd., all in Milton Keynes, United Kingdom. The most important balance sheet positions as per acquisition date are shown in the table below.

in CHF 1 000	**2021**
Cash paid	54 071
Direct costs related to acquisition	2 179
Purchase considerations cash	**56 250**
Capital increase	9 705
Earn-out	8 858
Issuance stamp tax and securities transfer tax	326
Purchase considerations non-cash	**18 889**
Total purchase considerations	**75 139**
less: Fair value of net assets acquired	–49 906
Goodwill	**25 233**
Cash and cash equivalents	11 244
Trade accounts receivable	7 079
Inventories	10 563
Property, plant and equipment	3 093
Intangible assets	43 617
Trade payables	–11 605
Other current liabilities	–4 535
Short-term financial liabilities	–354
Long-term financial liabilities	–456
Short-term provision	–56
Deferred Tax liabilities	–8 684
Total fair value of net assets acquired	**49 906**
Purchase considerations cash	56 250
less: Cash and cash equivalent acquired	–11 244
Cash outflow on acquisition during the year	45 006

The Goodwill resulting from the acquisition amounts to TCHF 25 233 and will be amortized over five years.

4 SEGMENT REPORTING

2021 in CHF 1 000	AMS Division 2021	ES Division 2021	Total reportable segments 2021	Corporate and eliminations 2021	Consolidated 2021
Income statement					
Net sales to external customers	58 428	180 616	239 044	–	239 044
Intersegment sales	250	587	837	–837	–
Segment result before depreciation and amortization (EBITDA)	10 263	15 780	26 043	–2 921	23 122
Segment result (EBIT)	5 898	9 232	15 130	–2 926	12 204
Balance sheet	31.12.2021	31.12.2021	31.12.2021	31.12.2021	31.12.2021
Intangible segment assets	–	68 547	68 547	–	68 547
Other than intangible segment assets	54 262	172 092	226 354	26 988	253 342
Segment assets	54 262	240 639	294 901	26 988	321 889
Segment liabilities	30 161	116 982	147 143	85 859	233 002
Other segment information	2021	2021	2021	2021	2021
Depreciation and amortization	4 365	6 548	10 913	5	10 918
Capital expenditures for property, plant and equipment	3 313	5 310	8 623	–	8 623

2020 in CHF 1 000	AMS Division 2020	ES Division 2020	Total reportable segments 2020	Corporate and eliminations 2020	Consolidated 2020
Income statement					
Net sales to external customers	52 317	162 574	214 891	–	214 891
Intersegment sales	204	481	685	–685	–
Segment result before depreciation and amortization (EBITDA)	7 352	13 621	20 973	–1 611	19 362
Segment result (EBIT)	2 795	7 677	10 472	–1 621	8 851
Balance sheet	31.12.2020	31.12.2020	31.12.2020	31.12.2020	31.12.2020
Intangible segment assets	–	917	917	3	920
Other than intangible segment assets	54 722	115 873	170 595	10 535	181 130
Segment assets	54 722	116 790	171 512	10 538	182 050
Segment liabilities	34 152	71 304	105 456	260	105 716
Other segment information	2020	2020	2020	2020	2020
Depreciation and amortization	4 557	5 944	10 501	10	10 511
Capital expenditures for property, plant and equipment	2 347	2 725	5 072	–	5 072

Cicor defines its reportable segments based on the internal reporting to its Board of Directors. They base their strategic and operational decisions on these monthly distributed reports, which include the aggregated financial data for the Group and for the divisions. The two divisions, AMS and ES, have been identified as the two reportable segments. The AMS Division supplies printed circuit boards and thin- and thick-film coating technologies as well as a wide range of microelectronic manufacturing capabilities to different industries whereas the ES Division provides electronic manufacturing services from product development to volume production and after-sales service.

For internal reporting and therefore the segment reporting, the applied principles of accounting and valuation are the same as in the consolidated financial statements. Intersegment sales are recognized at arm's length.

in CHF 1 000	2021	2020
Reconciliation of total reportable segment result		
Total reportable segment result (EBIT)	15 130	10 472
Other corporate expenses	−2 926	−1 621
Financial income	4 287	4 703
Financial expenses	−6 281	−7 158
Consolidated profit before tax	**10 210**	**6 396**

Other corporate expenses contain stewardship costs and costs related to the listing at the Swiss Stock Exchange (SIX).

Entity-wide information

in CHF 1 000	31.12.2021	%	31.12.2020	%
Sales by export region				
Switzerland	65 798	27.5	65 587	30.5
Europe (without Switzerland)	113 705	47.6	99 620	46.4
Asia	44 558	18.6	35 894	16.7
America	13 189	5.5	11 891	5.5
Other	1 794	0.8	1 899	0.9
Total	**239 044**	**100.0**	**214 891**	**100.0**
Sales by industry				
Aerospace & defence	22 605	9.5	18 824	8.8
Communication	2 873	1.2	4 258	2.0
Industrial	103 772	43.4	93 971	43.7
Medical	64 603	27.0	60 635	28.2
Automotive & transport	18 752	7.8	19 117	8.9
Watches & consumer	25 525	10.7	17 542	8.2
Other	914	0.4	544	0.2
Total	**239 044**	**100.0**	**214 891**	**100.0**
Sales by production region				
Switzerland	99 169	41.5	89 139	41.5
Europe (without Switzerland)	91 870	38.4	79 528	37.0
Asia	48 005	20.1	46 224	21.5
Total	**239 044**	**100.0**	**214 891**	**100.0**

Major customers

Cicor Group's biggest customer contributes less than 8 % (2020: less than 6 %) to the Group's consolidated sales. In 2021, about 42 % (2020: about 40 %) of total Group net sales can be attributed to the Group's top ten clients.

5 PROPERTY, PLANT AND EQUIPMENT

2021 in CHF 1 000	Land and buildings	Machinery	Furniture and equipment	Other equipment	Assets under construction	Total
Acquisition costs						
Balance at 1 January 2021	38 842	96 531	9 254	1 330	394	146 351
Additions*)	110	5 937	699	275	1 602	8 623
Disposals	–20	–9 598	–459	–11	–	–10 088
Reclassifications	13	95	19	–	–211	–84
Business combinations	10	2 175	831	77	–	3 093
Translation adjustment	–697	–868	–133	–26	–30	–1 754
Balance at 31 December 2021	**38 258**	**94 272**	**10 211**	**1 645**	**1 755**	**146 141**
Accumulated depreciation						
Balance at 1 January 2021	–19 306	–70 461	–6 939	–868	–	–97 574
Depreciation	–2 022	–6 655	–940	–112	–	–9 729
Impairment	–34	–145	–4	–1	–	–184
Disposals	20	9 597	459	11	–	10 087
Reclassification	–	–	–	–	–	–
Translation adjustment	34	669	88	21	–	812
Balance at 31 December 2021	**–21 308**	**–66 995**	**–7 336**	**–949**	**–**	**–96 588**
Net book value						
1 January 2021	**19 536**	**26 070**	**2 315**	**462**	**394**	**48 777**
31 December 2021	**16 950**	**27 277**	**2 875**	**696**	**1 755**	**49 553**
thereof net book value of assets under financial lease	–	1 400	–	38	–	1 438
Net book value of pledged assets	–	1 400	–	38	–	1 438
Addition of assets under financial lease	–	–	–	–	–	–

* Of the additions in fixed assets, CHF 1.2 million have not been paid as at 31 December 2021.

In 2021, Cicor invested CHF 5.9 million in machinery. The most significant investments were undertaken in Bronschhofen, Arad, Thuan An City and Radeberg. The biggest investment thereof was a placement line in Bronschhofen. The assets under construction are equipment whose installation has not yet been completed.

2020 in CHF 1 000	Land and buildings	Machinery	Furniture and equipment	Other equipment	Assets under construction	Total
Acquisition costs						
Balance at 1 January 2020	38 447	94 352	8 602	1 135	2 797	145 333
Additions*)	506	3 120	923	176	347	5 072
Disposals	–	–1 155	–245	–2	–	–1 402
Reclassifications	553	1 989	93	45	–2 680	–
Translation adjustment	–664	–1 775	–119	–24	–70	–2 652
Balance at 31 December 2020	**38 842**	**96 531**	**9 254**	**1 330**	**394**	**146 351**
Accumulated depreciation						
Balance at 1 January 2020	–17 509	–65 803	–6 371	–723	–	–90 406
Depreciation	–2 125	–6 750	–966	–124	–	–9 965
Impairment	–	–198	–1	–	–	–199
Disposals	–	1 155	243	2	–	1 400
Reclassification	–3	–14	53	–36	–	–
Translation adjustment	331	1 149	103	13	–	1 596
Balance at 31 December 2020	**–19 306**	**–70 461**	**–6 939**	**–868**	**–**	**–97 574**
Net book value						
1 January 2020	**20 938**	**28 549**	**2 231**	**412**	**2 797**	**54 927**
31 December 2020	**19 536**	**26 070**	**2 315**	**462**	**394**	**48 777**
thereof net book value of assets under financial lease	–	–	–	–	–	–
Net book value of pledged assets						1 586
Addition of assets under financial lease						–

* Of the additions in fixed assets, CHF 0.4 million have not been paid as at 31 December 2020.

In 2020, Cicor invested CHF 3.1 million in machinery. The most significant investments were undertaken in Bronschhofen, Wangs, Batam, Arad and Boudry. The biggest investment thereof was the laser trimmer in Wangs. The assets under construction are equipment whose installation has not yet been completed.

6 INTANGIBLE ASSETS

2021 in CHF 1 000	Goodwill	Brand	Technology	Clients	Other	Total
Acquisition costs						
Balance at 1 January 2021	96 136	6 711	7 419	3 176	2 871	116 313
Additions	–	–	–	–	262	262
Disposal	–	–	–	–	−13	−13
Reclassification	–	–	–	–	84	84
Business combinations	25 233	4 190	–	34 858	4 569	68 850
Translation adjustment	−439	−12	−42	−94	−31	−618
Balance at 31 December 2021	**120 930**	**10 889**	**7 377**	**37 940**	**7 742**	**184 878**
Accumulated amortization						
Balance at 1 January 2021	−96 136	−6 711	−7 419	−3 176	−1 951	−115 393
Amortization	−420	−24	–	−197	−364	−1 005
Disposal	–	–	–	–	13	13
Translation adjustment	−8	1	42	3	16	54
Balance at 31 December 2021	**−96 564**	**−6 734**	**−7 377**	**−3 370**	**−2 286**	**−116 331**
Net book value						
1 January 2021	**–**	**–**	**–**	**–**	**920**	**920**
31 December 2021	**24 366**	**4 155**	**–**	**34 570**	**5 456**	**68 547**

2020 in CHF 1 000	Goodwill	Brand	Technology	Clients	Other	Total
Acquisition costs						
Balance at 1 January 2020	96 179	6 711	7 421	3 176	2 956	116 443
Additions	–	–	–	–	11	11
Disposal	–	–	–	–	–	–
Reclassification	–	–	–	–	–	–
Translation adjustment	−43	–	−2	–	−96	−141
Balance at 31 December 2020	**96 136**	**6 711**	**7 419**	**3 176**	**2 871**	**116 313**
Accumulated amortization						
Balance at 1 January 2020	−96 179	−6 711	−7 296	−3 176	−1 756	−115 118
Amortization	–	–	−123	–	−224	−347
Disposal	–	–	–	–	–	–
Translation adjustment	43	–	–	–	29	72
Balance at 31 December 2020	**−96 136**	**−6 711**	**−7 419**	**−3 176**	**−1 951**	**−115 393**
Net book value						
1 January 2020	**–**	**–**	**125**	**–**	**1 200**	**1 325**
31 December 2020	**–**	**–**	**–**	**–**	**920**	**920**

7 INVENTORIES

in CHF 1 000	31.12.2021	31.12.2020
Net value of raw materials	53 969	26 252
Net value of work in progress	18 348	14 819
Net value of finished goods	7 792	8 804
Total inventories	**80 109**	**49 875**
(Decrease)/increase in inventory allowance	838	–326

8 TRADE ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE

in CHF 1 000	31.12.2021	31.12.2020
Trade accounts receivable (gross)	44 616	31 185
Allowance for bad debts	–536	–506
Total trade accounts receivable	**44 080**	**30 679**

Ageing of trade accounts receivable

in CHF 1 000	31.12.2021 Gross	31.12.2021 Allowance	31.12.2020 Gross	31.12.2020 Allowance
Not yet due	38 525	–	25 449	–
Overdue 0–45 days	5 085	–	4 558	–
Overdue 46–90 days	285	–	185	–1
Overdue 91–180 days	79	–	409	–43
Overdue 181–360 days	127	–21	225	–103
Overdue more than 360 days	515	–515	359	–359
Total trade accounts receivable	**44 616**	**–536**	**31 185**	**–506**

Movement in the allowance for impairment for trade accounts receivable

in CHF 1 000	2021	2020
Individual allowance		
Balance as of 1 January	**458**	**473**
Allowance increase	51	287
Utilization/consumption	–30	–257
Reversal of allowance	–68	–45
Balance as of 31 December	**411**	**458**
Collective allowance		
Balance as of 1 January	**48**	**33**
Change in allowance	77	15
Balance as of 31 December	**125**	**48**

Other accounts receivable

in CHF 1 000	31.12.2021	31.12.2020
Receivables on bullion dealers' accounts	406	169
Value-added taxes	1 118	501
Other	4 400	3 850
Total other accounts receivable	**5 924**	**4 520**

9 CASH AND CASH EQUIVALENTS

in CHF 1 000	31.12.2021	31.12.2020
Bank accounts	68 797	43 135
Total cash and cash equivalents	**68 797**	**43 135**

Cicor Technologies' banking partners are first-rate Swiss, German, English and Romanian banks. Cash earns interest at floating rates of -0.75 % (CHF), -0.5 % (EUR), and 0.00 % (USD).

10 PROVISIONS

2021 in CHF 1 000	Warranties	Other	Total provisions	Deferred taxes	Total provisions and deferred taxes
Balance at 1 January 2021	**3 504**	**3 145**	**6 649**	**304**	**6 953**
Additional provisions	1 146	10 265	11 411	33	11 444
Unused amounts reversed	–1 214	–270	–1 484	–126	–1 610
Amount used	–94	–765	–859	–	–859
Business combinations	56	–	56	8 684	8 740
Translation adjustments	–65	–45	–110	–	–110
Balance at 31 December 2021	**3 333**	**12 330**	**15 663**	**8 895**	**24 558**
thereof short-term provisions	1 355	10 712	12 067		
thereof long-term provisions	1 978	1 618	3 596		

2020 in CHF 1 000	Warranties	Other	Total provisions	Deferred taxes	Total provisions and deferred taxes
Balance at 1 January 2020	**2 989**	**2 894**	**5 883**	**385**	**6 268**
Additional provisions	1 439	1 221	2 660	2	2 662
Unused amounts reversed	–625	–171	–796	–83	–879
Amount used	–264	–786	–1 050	–	–1 050
Translation adjustments	–35	–13	–48	–	–48
Balance at 31 December 2020	**3 504**	**3 145**	**6 649**	**304**	**6 953**
thereof short-term provisions	1 644	1 534	3 178		
thereof long-term provisions	1 860	1 611	3 471		

Warranty provisions are recognized for warranty claims on products sold. The additional provisions in 2021 were based on several smaller cases.

As per 31 December, other provisions consist mainly of an earn-out amount in connection to the purchase of Axis EMS Heights Ltd.in the amount of TCHF 8,858, jubilee benefits (2021: TCHF 871, 2020: TCHF 840) and rebuilding costs (2021: TCHF 455, 2020: TCHF 454).

11 TAXES

Major components of tax expense

in CHF 1 000	2021	2020
Current income taxes	3 274	2 605
Income tax for prior years	–247	–151
Deferred tax	–299	–230
Total tax expense	**2 728**	**2 224**

Deferred tax assets and liabilities

in CHF 1 000	31.12.2021 Assets	31.12.2021 Liabilities	31.12.2020 Assets	31.12.2020 Liabilities
Deferred taxes on intangible assets	–	8 236	1	–
Deferred taxes on property, plant and equipment	141	446	80	29
Deferred taxes on inventory	766	116	699	119
Deferred taxes on other assets	434	470	70	238
Deferred taxes on accruals	237	177	230	38
Deferred taxes on other liabilities	1 738	1 337	441	99
Total	**3 316**	**10 782**	**1 521**	**523**
Deferred taxes on loss carried forward	1 729	–	1 711	–
Offset of assets and liabilities	–1 887	–1 887	–219	–219
Total deferred tax assets and liabilities	**3 158**	**8 895**	**3 013**	**304**

The Group average tax rate for the calculation of the deferred income taxes is 17.3 % (2020: 16.9 %).

Reconciliation of current income taxes and deferred taxes

in CHF 1 000	2021	2020
Profit before tax	**10 210**	**6 396**
Weighted average income tax in %	19.5 %	24.8 %
Expected income tax expense / (income)	1 991	1 586
Current year losses for which no deferred tax asset is recognized	144	219
Recognition of tax assets on previously unrecognized tax losses	–171	–249
Derecognition of tax assets on previously recognized tax losses	168	640
Effect of non-deductible expenses	845	267
Adjustments for current tax of prior periods	–245	–151
Other adjustments	–4	–88
Effective income taxes	**2 728**	**2 224**
Effective income taxes in % of profit before tax	**26.7 %**	**34.8 %**

Tax loss carried forward for which no deferred tax assets have been capitalized

in CHF 1 000	31.12.2021	31.12.2020
Tax loss carried forward expiring in 1 to 3 years	6 320	2 289
Tax loss carried forward expiring in more than 3 years	2 379	5 662

Since the Group operates in various tax jurisdictions, its average expected tax rate is calculated as a weighted average of the tax rates in these jurisdictions. This rate changes from year to year due to changes in the mix of the Group's taxable income and changes in local tax rates.

Tax losses carried forward are capitalized where the possibility of using them is high.

12 FINANCIAL LIABILITIES

Long-term financial liabilities

in CHF 1 000	31.12.2021	31.12.2020
Financial leases	426	5
Borrowings, long-term	114 076	53 431
Total long-term financial liabilities	**114 502**	**53 436**

Short-term financial liabilities

in CHF 1 000	31.12.2021	31.12.2020
Bank borrowings, short-term	–	1 308
Short-term portion of long-term borrowings	15 000	2 000
Financial leases	354	8
Total short-term financial liabilities	**15 354**	**3 316**

Maturity of financial liabilities

in CHF 1 000	31.12.2021	31.12.2020
Within 1 year	15 354	3 316
Within 2 to 5 years	114 502	53 436
Over 5 years	–	–
Total financial debts	**129 856**	**56 752**

Repayments of financial liabilities

2021	Interest rate	2022*	2023*	2024*	2025*	2026*	2027 and after*
CHF 155.0 million revolving credit line and acquisition credit line	1.1 %	15 000	15 000	15 000	84 076	–	–
EUR 5.0 million revolving credit line	1.0 %	–	–	–	–	–	–
Leasing	n/a	354	276	150	–	–	–
Total		**15 354**	**15 276**	**15 150**	**84 076**	**–**	**–**

2020	Interest rate	2021*	2022*	2023*	2024*	2025*	2026 and after*
CHF 69.5 million revolving credit line	0.9 %	2 000	53 431	–	–	–	–
EUR 5.0 million revolving credit line	1.0 %	–	–	–	–	–	–
EUR 1.9 million revolving credit line	1.4 %	1 308	–	–	–	–	–
Leasing	n/a	8	5	–	–	–	–
Total		**3 316**	**53 436**	**–**	**–**	**–**	**–**

* in CHF 1 000

On 18 June 2021, the Group signed a new syndicated bank loan agreement on a total line of CHF 80 million plus allowance of an external basket of CHF 20 million valid for four years, beginning on 26 July 2021, with two extension options of one additional year each, therefore running for a maximum term of six years. The new credit agreement also contains an optional acquisition credit line in the amount of CHF 75 million, which, in the event of a future acquisition, is to be used to finance the purchase price and the working capital of the company to be acquired.

The covenants are net debt / EBITDA ratio of a maximum of 2.75 times at year-end and 3.00 times during the year and a minimum equity ratio of 35 %. EBITDA is calculated before restructuring costs, possible acquisitions can be added pro forma. The interest bases on SARON added by a variable margin depending on the net debt / EBITDA ratio. The revolving credit line, which was divided into CHF 73 million cash and CHF 7 million for guarantees, was utilized by CHF 55 million cash at a variable interest rate of 1.10 % on average and for guarantees of CHF 2.3 million bearing commission charges of 0.2 %.

On 29 November 2021, Cicor made use of the acquisition credit line of CHF 75 million, in context with this, the covenants were temporarily adjusted as follows: minimum equity ratio reduced to 30 % until 31 December 2023, net debt / EBITDA ratio increased to 3.25 times until 31 December 2022. The respective bank covenants were fulfilled on all reporting dates except for the equity covenant per 31 December 2021, however a waiver from the bank syndicate has been obtained as the breach of the equity ratio was healed within January 2022.

In addition to the syndicated loan, the Group has an unutilized revolving loan of EUR 5.0 million at an average variable interest rate of 1.0 %.

Collateral assets of CHF 1.4 million were pledged.

The shares of the following companies are in deposit with the lead bank, pledged as collateral for the syndicated credit line: Cicorel SA, Electronicparc Holding AG, Swisstronics Contract Manufacturing AG, Reinhardt Microtech AG, RHe Microsystems GmbH and Axis EMS Heights Ltd..

13 LIABILITIES FOR POST-EMPLOYMENT BENEFITS

Cicor maintains several pension plans for employees in Switzerland, Germany and the United Kingdom. Pension expenses totaled TCHF 2,268 (2020: TCHF 2,095). German pension funds are not legally independent in contrast to Swiss and United Kingdom pension funds. Companies therefore need to recognize a provision according to the German Commercial Code. RHe Microsystems GmbH and Reinhardt Microtech GmbH did so by recognizing TCHF 920 (2020: TCHF 954) resp. TCHF 986 (2020: TCHF 978) as liability.
In Switzerland the majority of Cicor's insured employees are covered for the risk of old age, death and disability within a collective pension scheme which is administrating pension plans of various unrelated employers. The plan is an independent pension fund.

The standard retirement age is 65. Employees qualify for early retirement on their 58th birthday at the earliest. Furthermore, the employees may choose to take their entire pension or part thereof in the form of capital payment. For retirements at the age of 65, the conversion rate is 6.4 % for the compulsory part and 5.8 % for the supplementary part. This rate is relevant to determine the pension payment in relation to the accumulated savings. These savings result from employee and employer contributions which are paid into the individual savings account of each individually insured person as well as the interest accruing on the accumulated savings.

It is a collective multiemployer pension fund organized as a foundation under Swiss law. The most senior governing body of the foundation is the Board of Trustees that consists of an equal number of employers' and employees' representatives. The people entrusted with the management of the pension fund and its assets are subject to the charter of the Swiss Pension Fund Association ASIP. All processes are audited by the internal auditors and the independent external auditors as well as the investment controller. And, finally, the supervisory authority, the Zentralschweizer BVG- und Stiftungsaufsicht (ZBSA), audits the management of the pension fund and the assets in collaboration with the auditors.
The projected funding ratio as per 30 September 2021 is 114.78 %. Whenever there is a legal obligation to cover an underfunding, this has to be remedied by various measures such as increasing employee and employer contributions, lowering the interest rate on retirement account balances, reducing prospective benefits and a suspension of the early withdrawal facility.

in CHF 1 000	Surplus/deficit	Economical part of the organization		Change to prior-year period or recognized in the current result of the period, respectively	Contributions concerning the business period	Pension benefit expenses within personnel expenses	
	31.12.2021	31.12.2021	31.12.2020			2021	2020
Pension institutions without surplus/deficit	n/a	n/a	n/a	–	78	78	n/a
Pension institutions with surplus [1]	–	–	–	–	2 183	2 183	2 096
Pension institutions without own assets	–	1 906	1 932	–26	33	7	–1
Total	**–**	**1 906**	**1 932**	**–26**	**2 294**	**2 268**	**2 095**

[1] The surplus of the collective pension fund attributable to Cicor cannot be determined.

14 OTHER CURRENT LIABILITIES AND ACCRUALS

in CHF 1 000	31.12.2021	31.12.2020
Value-added taxes	1 213	366
Other current liabilities	1 874	1 005
Other accounts payable	20 043	6 325
Total other currenct liabilities	**23 130**	**7 696**
Accrued personnel expenses	8 945	5 749
Other accrued expenses	4 410	3 629
Total accruals	**13 355**	**9 378**
Total other current liabilities and accruals	**36 485**	**17 074**

Other current liabilities and accrued expenses are non-interest-bearing financial liabilities. Other accounts payable also contain prepayments from customers and payables for social security.

15 LEASE COMMITMENTS

Operating leasing

in CHF 1 000	31.12.2021	31.12.2020
Within 1 year	4 415	3 922
From over 1 year to under 5 years	13 456	10 865
Due in 5 years or later	10 969	12 918
Total operating leasing	**28 840**	**27 705**

Operating leasing commitments stem mostly from mid- to long-term lease obligations for production and office premises. The leases have varying terms and renewal rights.

For financial leasings, please refer to note 12.

16 CONTINGENT LIABILITIES

There are no contingent liabilities for Cicor Group companies as at 31 December 2021.

17 ISSUED CAPITAL

Capital structure

in CHF 1 000	
Share capital at 1 January 2020	**29 022**
Share capital at 31 December 2020	**29 022**
Increase of ordinary share capital of 167,450 registered shares at CHF 10	1 673
Share capital at 31 December 2021	**30 695**
3,069,542 registered shares at CHF 10	

Ordinary share capital

On 30 November 2021, the ordinary share capital was increased by 167,450 registered shares at CHF 10 in connection with the purchase of Axis EMS Heights Ltd. and its subsidiaries.

Cicor Technologies Ltd. is a holding company established under Swiss law. According to the provisions of law governing the appropriation of retained earnings by holding companies, the share capital and appropriations to the general legal reserve to the extent of 20 % of share capital as well as the reserve for treasury shares may not be distributed.

Dividend

Any dividend distribution must be proposed by the Board of Directors and approved by the Annual General Meeting of Shareholders'. At the Annual General Meeting of Shareholders' on 15 April 2021, the shareholders decided a withholding tax-free distribution of CHF 1.00 per share (totalling MCHF 2.9) from the capital contribution reserve. At the Annual General Meeting of Shareholders' on 12 April 2022, the Board of Directors will propose to forego a distribution of earnings.

Authorized capital

At the Annual General Meeting of Shareholders' on 16 April 2020, the shareholders decided to renew the authorization of the Board of Directors to increase the share capital by a maximum of 600,000 fully paid-in shares at a nominal value of CHF 10 until 16 April 2022. 167,450 of those shares were used for the capital increase as of 30 November 2021 in connection with the purchase of Axis EMS Heights Ltd. and its subsidiaries.

Conditional capital

At the Annual General Meeting of Shareholders' on 13 May 2009, the shareholders decided to increase the conditional share capital up to 200,000 fully paid-in registered shares with a total nominal value up to CHF 2,000,000 for the exercise of stock option rights granted to officers and other key employees under an employee stock option plan established by the Board of Directors. As of 31 December 2021, 120,670 shares have not been used.

At the Annual General Meeting of Shareholders' on 16 December 2021, the shareholders decided that the share capital of the Company may be increased by an additional maximum amount of CHF 13,303,750 by issuing up to 1,330,375 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise or compulsory exercise of conversion, exchange, option or similar subscription rights granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations, subscription or similar share subscription rights, granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations of the Company or one of its subsidiaries (hereinafter collectively: Financial Instruments).

18 TREASURY SHARES

	Number of shares	in CHF 1 000
Balance as per 1 January 2020	**5 500**	**299**
Purchase of treasury shares	4 000	216
Share-based payments	−9 384	−509
Balance as per 31 December 2020	**116**	**6**
Balance as per 31 December 2021	**116**	**6**

19 EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	2021	2020
Net profit attributable to Cicor shareholders in CHF 1 000	7 482	4 172
Weighted average number of ordinary shares outstanding	2 916 657	2 898 785
Basic and diluted earnings per share in CHF	**2.57**	**1.44**

20 LONG-TERM INCENTIVE PLAN (LTI-PLAN)

Cicor Technologies Ltd. has issued LTI-Plans during the financial years 2019-2021.

	LTI-Plan 2021–2023	LTI-Plan 2020–2022	LTI-Plan 2019–2021
Initial value of Total shareholder return (TSR)	CHF 47.40	CHF 61.73	CHF 41.42
Target value total Plan participants (excl. Social Security costs)	TCHF 550	TCHF 220	TCHF 205
Number of plan participants (Group Management and others)	27	9	8
Volume Weighted Average Price (VWAP)	CHF 53.38	CHF 32.94	CHF 55.27
Number of Performance Share Awards (PSA) Total plan participants	10 300	6 676	3 706
Maximum payout	200 %	200 %	200 %
Assignment of non-binding entitlements (grant date)	1 May 2021	1 May 2020	1 May 2019
Allocation of PSA (vesting date)	1 May 2024	1 May 2023	1 May 2022

Plan participants of the LTI-Plan 2021–2023 are entitled to Cicor Technologies Ltd. shares in dependence on the relative increase of Total Shareholder Return (TSR) of the Cicor Technologies Ltd. share compared to peer companies over a period of three years (1 January 2021 to 31 December 2023).

The initial value for the measurement of the TSR is CHF 47.40 and corresponds to the Volume Weighted Average Price (VWAP) of the first 30 days of the first plan year (1 January 2021 - 31 January 2021). The assignment of the performance share awards (PSA) of the plan to the plan participants took place on 1 May 2021 (grant date). The definitive allocation of the PSAs will take place on 1 May 2024 (vesting date). The LTI-Plan is bound to a service condition of three years (1 May 2021 - 1 May 2024). The PSAs lapse if plan participants leave the company before 1 May 2024. Upon termination of the employment relationship between the plan participant and Cicor during the vesting period due to death, disability or retirement of the plan participant, all the PSAs allocated to the plan participant remain valid.

The Annual General Meeting of Shareholders' on 15 April 2021 approved a target value for the LTI-Plan 2021–2023 of TCHF 200 for the Group Management. This amount does not include any social security expenses. The performance of the LTI-Plan was estimated at grant date to be at 100 %, leading to a total potential compensation of TCHF 550 for all plan participants at vesting date.

The VWAP of the Cicor Technologies Ltd. share of the first ten trading days after publication of the 2020 year-end results (11 March 2021–25 March 2021) amounted to CHF 53.38. This leads to a total of PSAs of 10,300 (target value for each plan participant divided by the VWAP of CHF 53.38).

in CHF 1 000	2021	2020
Recognized through income statement LTI-Plan 2017–2019	n/a	21
Recognized through income statement LTI-Plan 2018–2020	34	98
Recognized through income statement LTI-Plan 2019–2021	13	98
Recognized through income statement LTI-Plan 2020–2022	52	69
Recognized through income statement LTI-Plan 2021–2023	127	n/a
Total	**226**	**286**

21 PERSONNEL COSTS

in CHF 1 000	2021	2020
Wages and salaries	58 645	53 613
Social security costs	7 392	6 760
Other personnel costs	3 868	3 177
Total	**69 905**	**63 550**

22 EMPLOYEES

Number of employees (FTE)	31.12.2021	31.12.2020
Production	1 953	1 719
Sales and marketing	83	67
Administration	145	115
Total	**2 181**	**1 901**

23 OTHER OPERATING EXPENSES

in CHF 1 000	2021	2020
Facility costs	8 580	8 052
Maintenance costs	3 308	3 618
Other production costs	5 839	5 243
Sales and marketing costs	807	861
Administration costs	4 746	3 560
Total	**23 280**	**21 334**

24 FINANCIAL INCOME AND EXPENSES

in CHF 1 000	2021	2020
Income		
Interest income	4	32
Foreign exchange gains	4 283	4 671
Total	**4 287**	**4 703**
Expense		
Interest expense	1 042	852
Other financial expenses	517	318
Foreign exchange losses	4 722	5 988
Total	**6 281**	**7 158**

25 RELATED-PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Cicor Technologies Ltd., Boudry, and the subsidiaries listed in note 3.
The governing and supervisory bodies of Cicor Technologies Ltd. are the only other related parties.
As per 31 December 2021, OEP 80 B.V., the main shareholder, holds 27.75 % of total shares outstanding. Other principal shareholders are presented in the notes of the financial statements of Cicor Technologies Ltd.

Compensation of key management personnel of the Group
The remuneration of the Board of Directors and the management also include the remuneration recorded at subsidiaries. Detailed information concerning compensation is published within the remuneration report on pages 47/48.

26 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- market risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks. Further quantitative disclosures are included throughout these consolidated financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The following paragraphs give an overview of the extent of the above mentioned risks.

Credit risk

The credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligation. The assets mainly exposing the Group to a credit risk are: cash, cash equivalents and trade accounts receivable. The Group minimizes credit risk arising on cash and cash equivalents by investing in funds of high credit-rated banks. These investments generally have a maturity of less than three months.
The Group's exposure to credit risk arising from trade receivables is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk. The danger of risk concentration is generally minimized by the large number of customer credit balances, as no single customer accounts for more than 8 % of consolidated sales 2021 (2020: no single customer accounted for more than 6 % of consolidated sales).

The carrying value of financial assets reflects the maximum credit risk and is presented in the table below:

in CHF 1000	2021	2020
Cash and cash equivalents	68 797	43 135
Trade accounts receivable	44 080	30 679
Other accounts receivable	4 271	3 363
Other currrent assets	42	487
Total	**117 190**	**77 664**

Every operational unit has a credit policy under which each new customer is analyzed individually for creditworthiness. Purchase limits are established for each customer which represent the maximum open amount possible. Customer lists are reviewed in a monthly meeting with the Group Management. On a quarterly basis, the allowances made according to the Group's rules laid down in the financial manual are closely monitored.

Market risk

The market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, and will affect the Group's income or the value of its holdings of financial instruments. The objective of risk management is to manage and control market risk exposures within acceptable limits.

Currency risk

The Cicor Technologies Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions are primarily denominated are Swiss francs (CHF), euros (EUR), Singapore dollars (SGD), US dollars (USD) and British pound sterling (GBP). These risks are mostly offset by cash flows from financial assets or liabilities resulting from opposite operational transactions (natural hedge). No foreign exchange forwards for the hedging of currency risks on Group loans are outstanding.

in CHF 1000	Assets		Liabilities		Purpose
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	
Foreign exchange forwards	n/a	433	n/a	–	Hedging
Total	**–**	**433**	**–**	**–**	

Interest rate risk

The interest rate risk is the risk that there is a change in market value or future cash flow of a financial instrument if there is a change in interest rate.

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing financial debts. The Group's policy is to manage its interest cost using a mix of fixed and variable debt. For the syndicated bank loan, the interest rate increased in 2021 from an average of 0.92 % to an average of 1.10 %. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments is presented in note 12.

Liquidity risk

The liquidity risk is the risk that Cicor Technologies Ltd. cannot meet its financial obligations when they are due.

A syndicated loan of CHF 155 million (utilized as per 31 December 2021: CHF 130 million) is available to secure short- to long-term financing requirements (see note 12). Compliance with the financial covenants defined in the syndicated loan is a central element of the Group's financial risk management. The respective bank covenants were fulfilled on all reporting dates except for the equity covenant per 31.12.2021, however a waiver from the bank syndicate has been obtained as the breach of the equity ratio was healed within January 2022. The short-term liquidity risk is reduced by the cash flow generated by operations, the trend of which is monitored continuously.

The following table shows the contractual cash flows of financial liabilities including interest payments as of 31 December:

The net carrying amount of financial assets and liabilities is a reasonable approximation of the fair value. No significant deviations between the net carrying amount and the fair value were noted. Financial liability is measured using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period.

27 RESEARCH AND DEVELOPMENT

Cicor Group does not have any costs for research activities, but on average spends about 7 % to 8 % of sales as development costs.

2021 in CHF 1 000	Carrying amount	Contractual cash flow	2022 contractual cash flow	2023 contractual cash flow	2024 contractual cash flow	2025 contractual cash flow	2026 and after contractual cash flow
Financial liabilities	130 780	134 024	16 356	16 183	16 018	85 468	–
Trade payables	39 691	39 691	39 691	–	–	–	–
Other current liabilities and accruals	35 824	35 824	35 824	–	–	–	–
Total	**206 295**	**209 539**	**91 871**	**16 183**	**16 018**	**85 468**	**–**

2020 in CHF 1 000	Carrying amount	Contractual cash flow	2021 contractual cash flow	2022 contractual cash flow	2023 contractual cash flow	2024 contractual cash flow	2025 and after contractual cash flow
Financial liabilities	56 752	57 574	3 823	53 751	–	–	–
Trade payables	22 556	22 556	22 556	–	–	–	–
Other current liabilities and accruals	17 157	17 157	17 157	–	–	–	–
Total	**96 465**	**97 287**	**43 536**	**53 751**	**–**	**–**	**–**

28 SUBSEQUENT EVENTS

Cicor Group on 20 January 2022 issued a five-year, interest-free mandatory convertible note (MCN) with a principal amount of CHF 20 million. The MCN is subject to a reopening clause allowing Cicor to increase the principal amount of the MCN up to a maximum principal amount of CHF 60.2 million within the twelve-months reopening period without prior consent or permission of the holders through the issue of further fungible MCNs fully allocated to its main shareholder OEP, under its agreement to provide Cicor a fully underwritten standby equity facility.

The conversion price is fixed at CHF 47.50 per share, subject to subsequent adjustments for anti-dilution events. Shares to be delivered upon conversion of a MCN will be new shares to be issued from the conditional capital of the issuer with the same entitlements as the other outstanding shares. No fractions will be delivered to, and no cash payments will be made to the holders. The MCN contains the following conversion option for holders: each holder may elect to early convert MCNs during the optional conversion period starting 730 days after issuance up to the ten days prior to maturity or following the formal announcement of a takeover bid to Cicor's shareholders during the additional offer period unless certain thresholds have not been met after the first offer period.

Statutory Auditor's Report

To the General Meeting of Cicor Technologies Ltd., Boudry

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cicor Technologies Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement 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 54 to 81) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. 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 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.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

VALUATION OF INVENTORY ALLOWANCES

ACQUISITION OF AXIS GROUP

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF INVENTORY ALLOWANCES

Key Audit Matter

As per 31 December 2021, the Group had inventory balances, including work-in-progress (WIP) balances, of CHF 80.1 million. The Group's business model drives a variety and complexity of products, mainly electronic components, devices and systems. Management has to apply judgment in assessing the level of allowance required to account for slow-moving, excess or obsolete inventory items.

Inventory allowances are determined using methodologies that the Group deems appropriate to the respective business.

The level of judgment involved in assessing whether an allowance should be recognized and how it should be measured, coupled with the fact that allowance movements impact operating profit/loss, results in inventory allowances being a key area that our audit was concentrated on.

Our response

Our procedures included, amongst others, the following:

— Obtaining an understanding of the Group's process for determining inventory allowances and, for specific significant entities, testing the effectiveness of key controls that mitigate the risk of over- or understatement of the inventory allowances;
— Challenging the appropriateness of the Group's methodologies and assumptions based on our understanding of the individual businesses within the Group, taking into account the nature of their inventories, information on inventory turnover and consumption rates in the past as well as expected future usage, and evidence gained from observing physical inventory counts;
— Testing the mathematical accuracy of the calculation of the inventory allowances on a random sample basis; and
— Assessing on a sample basis the recoverability of inventory through comparison of net realizable values to cost, considering where applicable the expected cost to complete. This also involved tracing recognized cost amounts back to source documents.

For further information on the valuation of inventory allowances refer to the following:

— Note 2.2 to the consolidated financial statements (significant accounting principles, inventories, page 60)
— Note 7 to the consolidated financial statements (inventories, page 69)

ACQUISITION OF AXIS GROUP

Key Audit Matter

On 30 November 2021, the Cicor Group acquired control of Axis Group (UK) for a purchase price of GBP 51.6 million.

The valuation of assets acquired and liabilities assumed is complex and requires significant judgement in applying forecasts and assumptions made by management. The principal risk relates to the estimates of the fair values of the identifiable assets and liabilities assumed in preparing the purchase price allocation.

Given the size of the transaction and the extent of the judgment in valuing these assets and obligations, we believe that the fair value calculation carries significant risk of material misstatement.

Our response

Our procedures included, amongst others, the following:

— We read the share purchase agreement, including an earn out clause, and evaluated management's accounting treatment for the acquisition;
— We traced the cash transferred to bank statements and the shares transferred to selling parties;
— We obtained a fair value assessment of intangible assets, inventories and property, plant and equipment from a third party. We assessed the third party valuation firm's qualifications, experience and expertise in the assets being valued;
— Along with our valuation specialists, we verified whether the methodologies and models used to value intangible assets, inventories and property, plant and equipment are appropriate. We challenged the main assumptions and judgements that affected the valuation by comparing these with market data and our experience of similar transactions;

— We checked the mathematical accuracy of the valuation model;
and
— We also considered the appropriateness of disclosures in respect of this acquisition.

For further information on the acquisition of Axis Group refer to the following:

- Note 2.2 to the consolidated financial statements (significant accounting principles, Goodwill, page 59)
- Note 3 to the consolidated financial statements (Scope of Consolidation, pages 62 to 63)

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER 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 and Swiss Auditing Standards 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.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Kurt Stocker Licensed Audit Expert Auditor in Charge	David Grass Licensed Audit Expert

St. Gallen, 9 March 2022

KPMG AG, Bogenstrasse 7, PO Box 1142, CH- St. Gallen

FINANCIAL STATEMENTS OF THE CICOR TECHNOLOGIES LTD.

BALANCE SHEET

in CHF 1 000	31.12.2021	31.12.2020
Assets		
Cash and cash equivalents	36 806	22 413
Other current receivables		
– third party	208	496
– subsidiaries	12 982	6 910
Short-term loans to Group companies	1 866	1 909
Accruals	1 454	601
Current assets	**53 316**	**32 329**
Long-term loans to Subsidiaries	38 281	45 852
Investments	142 375	67 236
Non-current assets	**180 656**	**113 088**
Total assets	**233 972**	**145 417**
Liabilities and shareholders' equity		
Financial liabilities		
– subsidiaries	10 772	13 208
– third parties	15 000	2 000
Other liabilities		
– subsidiaries	2	–
– third parties	9 146	28
Accrued expenses	1 869	350
Current liabilities	**36 789**	**15 586**
Non-current interest-bearing liabilities		
– third parties	115 000	53 500
Non-current liabilities	**115 000**	**53 500**
Share capital	30 695	29 021
Legal capital reserves		
– general reserve	1 467	1 467
– capital contribution reserve	96 183	99 085
– share premium	8 949	917
Voluntary retained earnings		
– loss brought forward	–54 153	–20 415
– net loss of the year	–952	–33 738
Treasury shares	–6	–6
Shareholders' equity	**82 183**	**76 331**
Total liabilities and shareholders' equity	**233 972**	**145 417**

INCOME STATEMENT

in CHF 1 000	2021	2020
Income		
Financial income	3 241	3 082
Interest received from Group companies	962	999
Total income	**4 203**	**4 081**
Expenses		
Financial expense	2 328	2 270
Administrative expense	2 742	1 464
Impairment	–	34 000
Tax	85	85
Total expenses	**5 155**	**37 819**
Net loss of the year	**–952**	**–33 738**

NOTES TO THE FINANCIAL STATEMENTS OF THE CICOR TECHNOLOGIES LTD.

1 PRINCIPLES

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

Non-current assets
Non-current assets include long-term loans and investments. Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded, but unrealized profits are not recognized. Investments are valued at their acquisition cost adjusted for impairment losses, if any.

Treasury shares
Treasury shares are recognized at historical costs and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the equity.

Long-term interest-bearing liabilities
Interest-bearing liabilities are recognized in the balance sheet at nominal value. Issue costs for financial debts are capitalized and amortized on a straight-line method over the financial debt maturity period.

Foregoing a cash flow statement and additional disclosures in the notes
As Cicor Technologies Ltd. has prepared its consolidated financial statements in accordance with a recognized accounting standard (Swiss GAAP FER), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

Derivative financial instruments
Derivative financial instruments for hedging purposes of balance sheet items are stated at fair value upon conclusion of the contract and are shown under other current receivables and financial assets 3rd respectively financial liabilities. Consequently, the derivative financial instruments are valued at market value at each end of period whereas non-realized gains and losses are recognized in the financial result. The market values of the derivative financial instruments are derived from the market prices at the end of the period. To hedge currency risks, the Group can make use of foreign exchange forwards.

2 INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

Loans to subsidiaries
Loans in the amount of TCHF 18,150 have been granted to our companies in Switzerland and Asia. Loans in the amount of TEUR 11,100 have been granted to our companies in Germany and Romania. Loans in the amount of TUSD 8,726 have been granted to our companies in Asia. A loan in the amount of TSGD 3,700 has been granted to one of our companies in Asia.

INVESTMENTS

in CHF 1,000, unless otherwise stated	Participation in %	Currency	31.12.2021	31.12.2020
Cicorel SA, Boudry/Switzerland* Engineering/Production/Sales/Distribution	100	CHF	8 000	8 000
Reinhardt Microtech AG, Wangs/Switzerland* Engineering/Production/Sales/Distribution	100	CHF	1 800	1 800
Reinhardt Microtech GmbH, Ulm/Germany Engineering/Production/Sales/Distribution	100	EUR	500	500
RHe Microsystems GmbH, Radeberg/Germany* Engineering/Production/Sales/Distribution	100	EUR	216	216
Electronicparc Holding AG, Bronschhofen (Wil) / Switzerland* Holding/Finance	100	CHF	23 271	23 271
Swisstronics Contract Manufacturing AG, Bronschhofen (Wil) / Switzerland Engineering/Production/Sales/Distribution	100	CHF	3 000	3 000
Systronics SRL, Arad/Romania Production/Sales	100	RON	5 145	5 145
Systel Italia SRL, Milano/Italy Sales/Distribution	n.a	EUR	n.a	10
Axis EMS Heights Limited* Holding/Finance	100	GBP	141	–
Axis EMS Group Limited Holding/Finance	100	GBP	264	–
Axis EMS Holding Limited Holding/Finance	100	GBP	885	–
Axis Electronics Limited Engineering/Production/Sales/Distribution	100	GBP	10	–
ESG Holding Pte Ltd., Singapore* Holding/Finance	100	SGD	1 896	1 896
Cicor Asia Pte Ltd., Singapore Sales/Distribution	100	SGD	2 000	2 000
PT Cicor Panatec, Batam/Indonesia Production	100	USD	300	300
Brant Rock Enterprises Corporation, British Virgin Islands Holding/Finance	100	USD	10	10
Cicor Anam Ltd., Anam/Vietnam Production	100	USD	1 500	1 500
Suzhou Cicor Technology Co. Ltd., China Production	100	CNY	39 432	39 432
Cicor Americas Inc., USA* Sales/Distribution	100	USD	10	10
Cicor Management AG, Bronschhofen (Wil) / Switzerland* Management Services	100	CHF	250	250

* Directly held subsidiaries

Non-current interest-bearing liabilities

Cicor signed a syndicated bank loan agreement on 18 June 2021 on a total line of CHF 80 million plus an optional acquisition credit line in the amount of CHF 75 million. As of 31 December 2021, in addition to the revolving credit line which was utilized by CHF 55 million, the optional acquisition credit line in the amount of CHF 75 million was fully utilized (please refer to page 72 for further information).

Capital structure

	31.12.2021	31.12.2020
Share capital at 31 December		
3 069 542 (2020: 2 902 092) registered shares of CHF 10	30 695 420	29 020 920

Issued capital and changes in capital structure

On 30 November 2021, the ordinary share capital was increased by 167 450 registered shares at CHF 10 in connection with the purchase of Axis EMS Heights Ltd. and its subsidiaries.

Cicor Technologies Ltd. is a holding company established under Swiss law. According to the provisions of law governing the appropriation of retained earnings by holding companies, the share capital and appropriations to the general legal reserve to the extent of 20 % of share capital as well as the reserve for treasury shares may not be distributed.

Dividend

Any dividend distribution must be proposed by the Board of Directors and approved by the Annual General Meeting of Shareholders'. At the Annual General Meeting of Shareholders' on 15 April 2021, the shareholders decided a withholding tax-free distribution of CHF 1.00 per share (totalling MCHF 2.9) from the capital contribution reserve. At the Annual General Meeting of Shareholders' on 12 April 2022, the Board of Directors will propose to forego a distribution of earnings.

Authorized capital

At the Annual General Meeting of Shareholders' on 16 April 2020, the shareholders decided to renew the authorization of the Board of Directors to increase the share capital by a maximum of 600,000 fully paid-in shares at a nominal value of CHF 10 until 16 April 2022. 167,450 of those shares were used for the capital increase as of 30 November 2021 in connection with the purchase of Axis EMS Heights Ltd. and its subsidiaries.

Conditional capital

At the Annual General Meeting of Shareholders' on 13 May 2009, the shareholders decided to increase the conditional share capital up to 200,000 fully paid-in registered shares with a total nominal value up to CHF 2,000,000 for the exercise of stock option rights granted to officers and other key employees under an employee stock option plan established by the Board of Directors. As of 31 December 2021, 120,670 shares have not been used.

At the Annual General Meeting of Shareholders' on 16 December 2021, the shareholders decided that the share capital of the Company may be increased by an additional maximum amount of CHF 13,303,750 by issuing up to 1,330,375 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise or compulsory exercise of conversion, exchange, option or similar subscription rights granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations, subscription or similar share subscription rights, granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations of the Company or one of its subsidiaries (hereinafter collectively: financial instruments).

Treasury shares

Number of shares	
1 January 2020	**5 500**
Purchase of own shares	4 000
Share-based payments	–9 384
31 December 2020	**116**
Purchase of own shares	–
Share-based payments	–
31 December 2021	**116**

Financial income

The financial income mainly consists of the dividends of Electronicparc Holding AG (TCHF 900), ESG Holding Pte Ltd. (TCHF 1 847 and of foreign exchange gains (TCHF 494).

Administrative expense

The administrative expense mainly consists of remuneration to the Board of Directors of TCHF 383 and stewardship costs of TCHF 2 080 (costs charged by Cicor Management AG, costs for the annual report and Shareholders' Meeting as well as consulting, investor relations and audit costs).

3 OTHER INFORMATION

Full-time equivalents

Cicor Technologies Ltd. does not have any employees.

Collateral provided for liabilities of third parties

For a lease contract between Cicorel and a Swiss insurance company, Cicor Technologies Ltd. grants a guarantee in favor of the said insurance company in the amount of TCHF 7 449 (2020: TCHF 7 976), which represents the discounted value of future rental payments.

Pledged assets

The shares of the following companies are in deposit with Commerzbank AG and pledged as collateral for the syndicated credit line: Cicorel SA, Electronicparc Holding AG, Swisstronics Contract Manufacturing AG, Reinhardt Microtech AG, RHe Microsystems GmbH and Axis EMS Heights Ltd.

Principal shareholders

The following shareholdings correspond to the ones reported according to the regulations of the Swiss Stock Exchange (SIX Swiss Exchange) and updated as in the shares register per year-end.

	31.12.2021 Number of shares	in %[1]	31.12.2020 Number of shares	in %[1]
OEP 80 B.V., Amsterdam, Netherlands	851 705	27.75	n/a	n/a
Lock-up Group Axis Electronics Management, Milton Keynes, United Kingdom	167 450	5.46	n/a	n/a
LLB (Swiss) Investment AG, Zurich, Switzerland	129 626	4.22	121 176	4.17
Escatec Holdings Ltd. Port Vila, Vanuatu	110 840	3.61	110 840	3.82
FundPartner Solutions (Suisse) SA, Geneva, Switzerland	94 720	3.09	95 385	3.28
HEB Swiss Investment AG, Zurich, Switzerland	n/a	n/a	851 705	29.35
Credit Suisse Funds AG, Zurich, Switzerland	n/a	n/a	94 732	3.26

[1] in % of the total outstanding shares

Compensation of Board of Directors and management 2021

Please refer to pages 47 to 48.

Shareholdings of Board of Directors and management

in CHF 1 000	2021 Number of shares	2021 Number of options	2020 Number of shares	2020 Number of options
Daniel Frutig	1 500	n.a	n.a	n.a
Andreas Dill	1 000	n.a	1 000	n.a
Erich Haefeli	–	n.a	–	n.a
Norma Corio	–	n.a	n.a	n.a
Konstantin Ryzhkov	–	n.a	n.a	n.a
Total current Board members	**2 500**	**n.a**	**1 000**	**n.a**

in CHF 1 000	2021 Number of shares	2021 Number of options	2020 Number of shares	2020 Number of options
Alexander Hagemann	9 650	n.a	6 892	n.a
Patric Schoch	9 403	n.a	9 403	n.a
Total current Management	**19 053**	**n.a**	**16 295**	**n.a**

Shares or options on shares for members of the Board

In 2021, no shares or options on shares were allocated to members of the Board or to employees.

Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

4. PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

in CHF 1 000	2021
Loss brought forward 1.1.	–54 153
Net loss of the year	–952
Loss brought forward 31.12.	–55 105

At the Annual General Meeting of Shareholders' on 12 April 2022, the Board of Directors will propose to forego a distribution of earnings.

KPMG

Statutory Auditor's Report

To the General Meeting of Cicor Technologies Ltd., Boudry

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cicor Technologies Ltd., which comprise the balance sheet as at 31 December 2021, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 86 to 91) for the year ended 31 December 2021 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 Auditing Standards. 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 entity 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.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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

Responsibility of the Board of Directors 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 entity'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 entity 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 Swiss Auditing Standards 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.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

KPMG AG
St. Gallen, 9 March 2022

— Identify and assess the risks of material misstatement of the financial statements, 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 internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Kurt Stocker Licensed Audit Expert Auditor in Charge	David Grass Licensed Audit Expert

St. Gallen, 9 March 2022

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Sustainserv GmbH, Zürich

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