



2022

Cicor Technologies Ltd.
Annual Report

cicor

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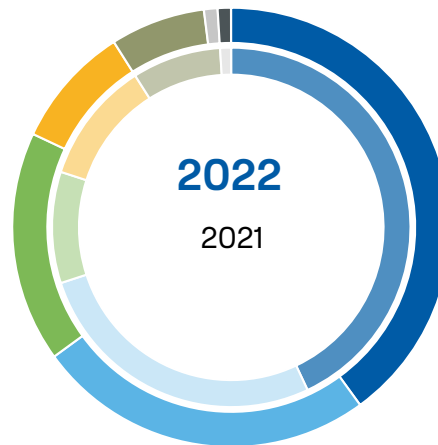
Cicor Group Income Statement

in CHF 1 000	2019	in %	2020	in %	2021	in %	2022	in %
Net sales¹⁾	253 909	100.0	214 891	100.0	239 044	100.0	313 193	100.0
Change to previous year (%)	2.3		-15.4		11.2		31.0	
Change to previous year excl. acquisitions (%)	2.3		-15.4		9.8		12.0	
EBITDA¹⁾	24 781	9.8	19 362	9.0	23 122	9.7	32 274	10.3
Change to previous year (%)	0.6		-21.9		19.4		39.6	
Core EBIT²⁾	14 901	5.9	8 851	4.1	12 963	5.4	21 405	6.8
Operating profit (EBIT)	14 901	5.9	8 851	4.1	12 204	5.1	12 234	3.9
Core net profit²⁾	8 414	3.3	4 172	1.9	8 174	3.4	12 266	3.9
Net profit	8 414	3.3	4 172	1.9	7 482	3.1	3 820	1.2
Core earnings per share (in CHF) ²⁾	2.90		1.44		2.81		3.30	
Earnings per share (in CHF)	2.90		1.44		2.57		1.03	
Number of employees (FTEs as per 31 December)	2 036		1 901		2 181		2 217	

¹⁾ The company Cicor Deutschland GmbH, Dresden, Germany, (former SMT Elektronik GmbH) is included in Cicor as from 1 May 2022. If the acquisition would have been effective as of 1 January 2022, Cicor would have reported pro forma net sales of TCHF 319 262 and pro forma EBITDA of TCHF 32 848 in 2022.

²⁾ Before amortization of capitalized goodwill of TCHF 5 359 (2021: TCHF 420) and intangible assets of TCHF 3 812 (2021: TCHF 339) from acquisitions. Adjusted for related income tax effects of TCHF -725 (2021: TCHF -67) for Core net profit and Core earnings per share.

Sales by industry



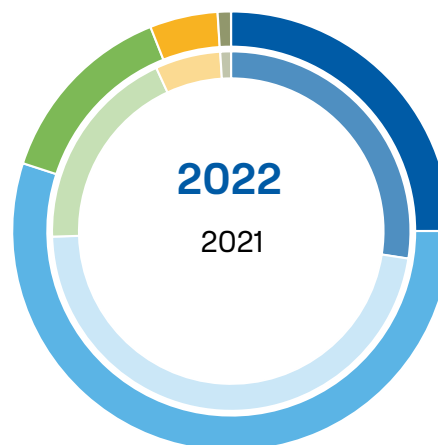
2022

- Industrial: 40%
- Medical: 25%
- Aerospace and defense: 17%
- High-tech consumer: 9%
- Transport: 7%
- Communication: 1%
- Other: 1%

2021

- Industrial: 43%
- Medical: 27%
- Aerospace and defense: 10%
- High-tech consumer: 11%
- Transport: 8%
- Communication: 1%
- Other: 0%

Sales by region



2022

- Switzerland: 25%
- Europe (without Switzerland): 55%
- Asia: 14%
- Americas: 5%
- Other: 1%

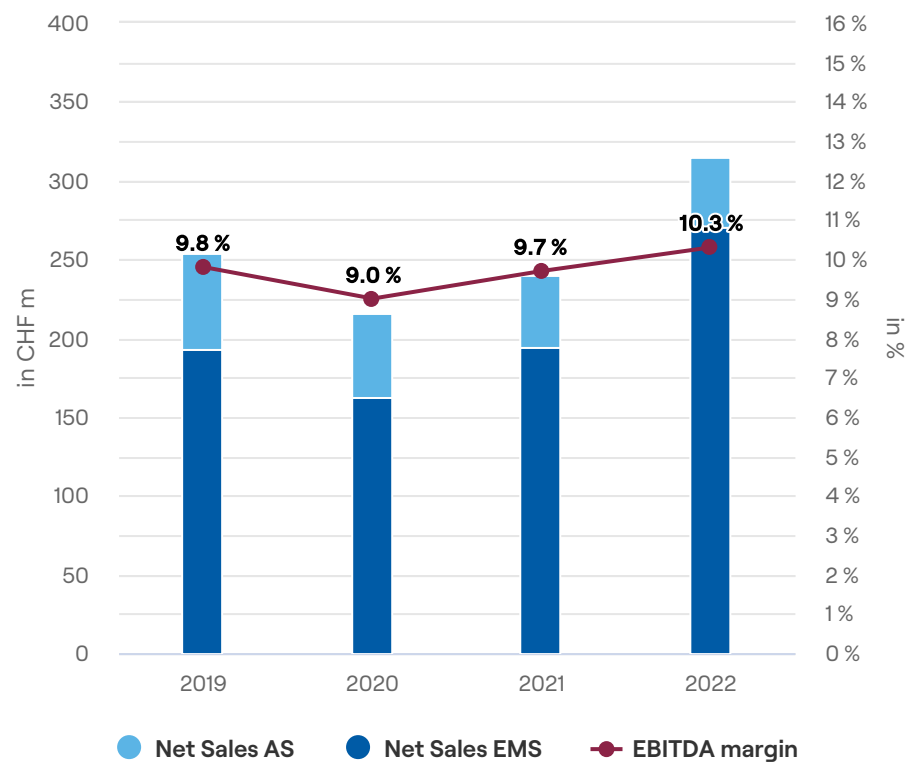
2021

- Switzerland: 28%
- Europe (without Switzerland): 48%
- Asia: 19%
- Americas: 6%
- Other: 1%

Divisional Income Statement

in CHF 1 000	2019	in %	2020	in %	2021 ¹⁾	in %	2022	in %
Net sales EMS Division	192 708	100.0	163 055	100.0	194 518	100.0	269 637	100.0
EBITDA EMS Division	15 681	8.1	13 621	8.4	17 987	9.2	28 950	10.7
Net sales AS Division	61 344	100.0	52 521	100.0	45 259	100.0	44 779	100.0
EBITDA AS Division	10 362	16.9	7 352	14.0	8 054	17.8	6 459	14.4

¹⁾ Restated, refer to note 4 of the consolidated financial statements.



Cicor Group Balance Sheet

in CHF 1 000	31.12.2019	in %	31.12.2020	in %	31.12.2021	in %	31.12.2022	in %
Non-current assets	59 202	32.0	52 710	29.0	121 258	37.7	115 313	31.4
Current assets	125 744	68.0	129 340	71.0	200 631	62.3	251 422	68.6
Total assets	184 946	100.0	182 050	100.0	321 889	100.0	366 735	100.0
Equity	78 805	42.6	76 334	41.9	88 887	27.6	148 891	40.6
Financial liabilities	50 347	27.2	56 752	31.2	129 856	40.3	120 013	32.7
Cash and cash equivalents	33 660	18.2	43 135	23.7	68 797	21.4	75 491	20.6
Net debt	16 687	9.0	13 617	7.5	61 059	19.0	44 522	12.1
Gearing ratio (net debt in % of equity)	21.2		17.8		68.7		29.9	
Inventories	50 632	27.4	49 875	27.4	80 109	24.9	117 364	32.0
Trade receivables	36 444	19.7	30 679	16.9	44 080	13.7	50 606	13.8
Trade payables	-28 065	-15.2	-22 556	-12.4	-39 691	-12.3	-39 539	-10.8
Net working capital	59 011	31.9	57 998	31.9	84 498	26.3	128 431	35.0
in % of net sales	23.2		27.0		35.3		41.0	
Capex for tangible assets	13 964		5 072		8 623		11 187	
in % of net sales	5.5		2.4		3.6		3.6	



Management Report



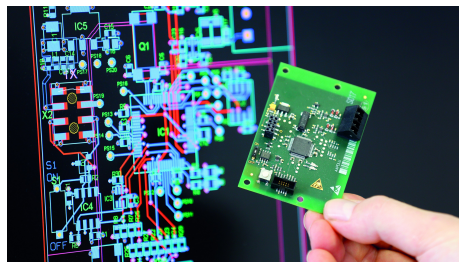
About Cicor

The Cicor Group is a globally active provider of full-cycle electronic solutions from research and development to manufacturing and supply chain management.

Cicor's approximately 2,500 employees at 15 sites (January 1, 2023) are serving leaders from the medical, industrial and aerospace & defence industries. Cicor creates value to its customers through the combination of customer-specific development solutions, high-tech components, as well as electronic device manufacturing.

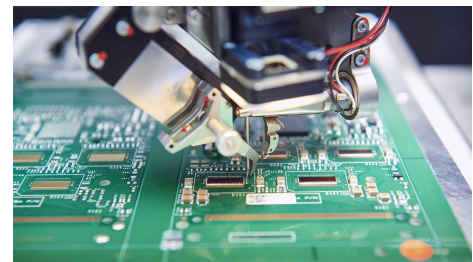
The shares of Cicor Technologies Ltd. are traded at the SIX Swiss Exchange (CICN).

Solutions



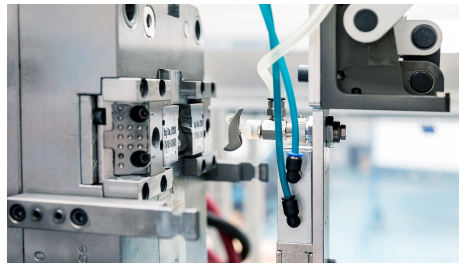
Engineering Services

At the Cicor Group, more than 200 well-trained engineers work on customer projects and make the engineering department a unique selling point of the company thanks to their interdisciplinary competencies. Using efficient methods and tools, they support Cicor customers in the areas of hardware and software engineering, PCB layout and component selection, test engineering, tool design, printed electronics, and process and quality management throughout the entire product life cycle.



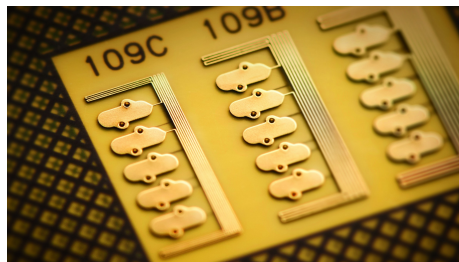
Electronic Manufacturing Services

Cicor provides a wide range of products and services in the fields of printed circuit board assembly, system assembly and box building, switchgear cabinet construction and cable assembly and offers outsourcing solutions for the development and manufacture of electronic assemblies and complete devices and systems.



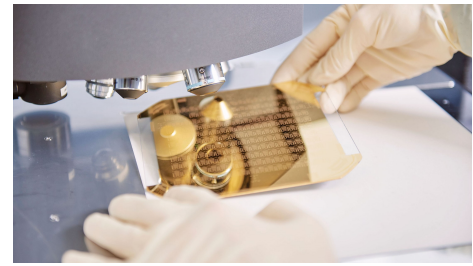
Precision Plastics

Leading companies in the medical technology and industrial sectors trust in Cicor as a production partner for high-precision plastic injection molded parts and mechanical assemblies. Cicor supports customers with regard to tool design and fabrication through to series production of high-precision plastic parts and complete devices including electronic assemblies. The efficient cooperation of the development engineers with the production departments results in a close exchange of knowledge and technology.



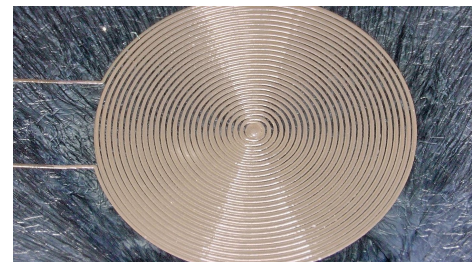
Printed Circuit Boards

For over 50 years, Cicor has been developing and producing sophisticated flexible, rigid-flexible and rigid printed circuit boards (PCBs). Thanks to a comprehensive expertise in multilayer boards (MLBs) and high-density interconnects (HDIs), Cicor develops innovative and reliable solutions for demanding applications. Thin materials and line width and spacing down to 25 μm enable extreme miniaturization and ultra-HDI advanced solutions. DenciTec® technology opens up completely new possibilities. Innovative circuits can be produced by combining our PCB processes with our thin-film technology.



Hybrid Circuits

Thin-film substrates are used where conventional PCB technologies cannot provide an adequate technical solution. Cicor manufactures rigid and flexible multilayer circuits with highest resolution (10 μm) on ceramic or organic materials. In thick-film technology, the conductor tracks are applied by screen printing and then burned in. A thick-film circuit is clearly superior to the standard PCB in terms of temperature resistance and service life.



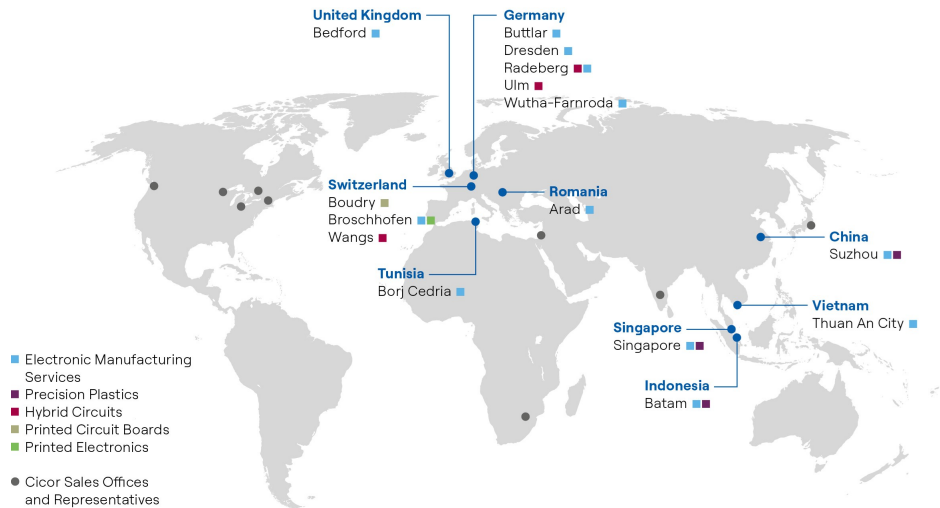
Printed Electronics

The unique printing technology used by Cicor enables a wide range of conductive, non-conductive and biocompatible materials to be printed on a wide range of substrates and shapes. Compared to the methods used today to produce such three-dimensional circuit carriers, the technology chosen by Cicor offers a significantly wider variety of printed and printable materials. Devices for medical, aerospace and IoT applications can be significantly reduced in size by using this technology.

Global Footprint

Its global presence and proximity to customers is a key success factor for Cicor.

All Production Sites



Cicor sites as of January 1, 2023

Markets

With around 2,500 employees at 15 sites (January 1, 2023), Cicor serves leading companies in the medical, industrial and aerospace & defense, wearables and building technology sectors.

Medical Technology

Medical devices are essential for improving healthcare worldwide. Wearables enable people around the world to hear, see and live better. Cicor has been developing and manufacturing medical devices for decades, combining increasingly sophisticated functions in the smallest possible space.

Industrial

For over 50 years, Cicor has been supporting its customers in the development and production of complex solutions for industrial electronics and building technology products that meet the high demands of today and tomorrow. Thanks to its global footprint, integrated planning systems and flexible logistics models, Cicor is always close to its customers.

Aerospace and Defence

Highly reliable equipment is crucial for mission and life critical applications. For over 30 years, Cicor has supported strategic international programs and collaborated with market-leading prime and tier one companies.

Dear Shareholders

Cicor's 2022 reporting year was successful in every respect: strategically, newly acquired companies Axis Electronics and SMT Elektronik were integrated according to plan and two further acquisitions were agreed. Operationally, Cicor has managed well challenges of material shortages, disrupted supply chains and high inflation, while delivering strong growth. This led to record results in order intake, sales and operating margin at the EBITDA and Core EBIT levels. Continued high book-to-bill rate, record high order backlog and acquisitions completed in the first weeks of 2023 lead us to expect continued growth in sales and operating profit also in 2023.



Daniel Frutig und Alexander Hagemann

Cicor's sales increased 2022 by 31.0% year-on-year to an all-time high of CHF 313.2 million (2021: CHF 239.0 million), a result of Cicor's ability to withstand negative external influences. In local currencies, sales growth was 35.8%. Adjusted for acquisitions, Cicor's sales also grew at a double-digit rate of 12.0% (15.3% in local currencies). Despite the general economic slowdown, order intake reached a record high of CHF 358.9 million (2021: CHF 286.6 million) and exceeded the previous year by 25.2%. As a result, the book-to-bill ratio remained positive at 1.15, slightly down on the previous year's figure of 1.20.

In the second half of the year, price increases to pass on cost inflation to customers had a positive impact, resulting in a margin acceleration compared to the first half. The operating margin at EBITDA level was therefore in double digits, for the first time since Cicor has engaged in EMS activities, in the reporting year at 10.3% (2021: 9.7%). The EBITDA generated thus amounted to CHF 32.3 million, 39.6% above the previous year's figure of CHF 23.1 million. Depreciation and amortization of fixed assets increased significantly slower than sales due to increased capacity utilization at the sites, which contributed to the 65.1% increase in Core EBIT (before acquisition-related amortization of intangible assets) to CHF 21.4 million (2021: CHF 13.0 million), corresponding to a margin of 6.8% (2021: 5.4%). Core net income (before acquisition-related amortization of intangible assets) increased by 50.1% to CHF 12.3 million (2021: CHF 8.2 million). Core net income growth was slightly lower than Core EBIT growth due to foreign exchange effects, higher interest costs and an increased tax burden.

“The operating margin at EBITDA level was double-digit at 10.3% for the first time in history in the reporting year 2022.”

Despite only slight improvements in the supply shortages of electronic components at the end of the year, Cicor took effective measures to ensure its ability to deliver. This enabled good delivery service allowing to win over new customers that are driving organic growth also in the years to come. While the resulting growth of net working capital from inventory build-up is considered to be temporary only, we expect some time needed to bring inventory levels down to target levels. Overall Cicor recorded a significant negative free cash flow from operating activities – before the purchase price payment for SMT Elektronik as well as the earn-out for Axis Electronics Ltd. – of

CHF -21.5 million (2021: CHF 1.2 million). Taking these payments into account, a negative free cash flow of CHF -41.1 Mio. (2021: CHF -43.8 million) resulted.

First Milestones of growth strategy achieved

Axis Electronics Ltd (Bedford, U.K.), consolidated as of November 30, 2021, was successfully integrated and achieved its sales and earnings targets for 2022, its first full year as part of Cicor. The acquisition of Axis Electronics has strengthened Cicor's presence in the European aerospace and defence electronics manufacturing market (one of our strategic target markets), bringing us to a top five position.

SMT Elektronik GmbH (Dresden, Germany), consolidated as of May 1, 2022, was integrated and organizationally merged with the nearby Cicor Company Rhe Microsystems GmbH (Radeberg, Germany). Together with the acquisition of Phoenix Mecano Digital Elektronik GmbH (Wutha-Farnroda, Germany) and Phoenix Mecano Digital Tunisie S.a.r.l. (Borj-Cedria, Tunisia), which are consolidated as of January 1, 2023, Cicor has developed into one of the leading EMS service providers in Germany, Europe's most important electronics market, and has gained an attractive production site in Tunisia.

In December, Cicor announced the acquisition of the thin-film business of AFT microwave GmbH, which was completed on March 1, 2023. This strengthens Cicor's leading position in the European market for miniaturized hybrid circuits.

Germany and the United Kingdom as new main markets

Cicor aims to achieve a leading position in the three target markets of industrial electronics, medical technology and aerospace and defence in Europe. In line with its strategy, Cicor generated 82% of its sales in these markets, another increase over the 80% achieved in 2021. The strongest growth of 131.2% was in aerospace and defence applications, largely due to the acquisition of Axis Electronics. As a result, this market now contributes with 16.7% to sales (2021: 9.5%). Predominantly organic growth in the Medical Technology area was 21.3%, resulting in a 25.0% share of sales (2021: 27.0%). Despite the economic slowdown in the industrial electronics market towards the end of the year, a growth of 21.8% was achieved with a share of total sales of 40.4% (2021: 43.4%).

“Business in Europe (excluding Switzerland) has grown by 51.2% in 2022.”

In the home market of Switzerland, sales have grown organically by 18.0% with the share of sales falling to 24.8% (2021: 27.5%). Thanks to the now strong positioning in Germany and the UK, these countries have become additional main markets of Cicor. Sales in Europe (excluding Switzerland) grew by 51.2% and reached a share of sales of 54.9% (2021: 47.6%). In Americas, organic growth of 20.7% was mainly achieved with medical technology customers, whereas business in Asia contracted slightly by 2.1% as Cicor continues to move away from commoditized consumer-related industries.

EMS Division as a driver of sales and earnings

Cicor has established itself as one of the leading development and production partners for sophisticated electronics in Europe. The clear strategic focus of the Electronic Manufacturing Services (EMS) Division, the acquisitions in Germany and the UK, and the successful organic growth, have all contributed to this.

Profitable organic growth is based on a full pipeline of new business with existing and new customers. The new sales organization introduced in spring 2022 has contributed to a strengthened market focus and leverages the global capabilities of Cicor. To support project implementation, the development capacities for hardware, software and test systems in Bronschhofen (Switzerland) were further strengthened and a development team at the Cicor site in Thuan An City (Vietnam) was established.

In addition, our capabilities along the value chain were further expanded: In Precision Plastics, a new site for the development and manufacturing of precision molds was opened in Singapore, and production capacity for precision components was significantly expanded at the Batam site (Indonesia). A second application laboratory for printed electronics (Aerosol Jet Printing – AJP) is also being set up in Singapore to handle the large number of customer inquiries and projects. Cicor is an innovation leader in the implementation of printed electronics and the realization of several projects is progressing rapidly.

“The Precision Plastics capabilities were significantly strengthened by the move into a new site for the development and manufacturing of precision molds in Singapore and the significant expansion of production capacity for high-precision components in Batam (Indonesia).”

October 1, 2022, we welcomed Marco Kechele, our new Executive Vice President (EVP) Operations, who is member of the executive committee. This newly created role increases our strengths in operational excellence, strategic sourcing and integration of newly acquired businesses. As a result, significant cost synergies will be realized and existing capacities will be optimally utilized. Cicor has a plan to reduce working capital and generate cost benefits by optimizing supply chains and material procurement, which is another core task of the EVP Operations.

Cicor is benefiting from some relocation of essential production volumes from customers out of China to Southeast Asia and Europe. While the Cicor site in Arad (Romania), newly built in 2018, has sufficient spare capacity, a second site in Thuan An City (Vietnam) in close proximity to the existing site was acquired. This expansion will double our capacity in Vietnam, enabling the planned new product ramp-ups for the year 2023.

The positive business development resulted in a 38.6% increase in divisional sales to CHF 269.6 million (2021: CHF 194.5 million), the EMS Division's share of sales thus increased to 86.1% (2021: 81.4%). That growth was made possible not only by the contribution of the newly acquired companies but also by a careful management of

supply chain issues. Although material availability has improved, delivery times, especially for semiconductor components, are still more than one year in some cases and normalization is not expected for another 12 – 18 months.

The operating margin improved, not only because we could pass on cost increases to customers but also due to an improvement in the product mix. Cicor reduced the share of low-margin businesses (for example in the automotive sector) and the share of high-margin businesses grew significantly, thanks to Axis Electronics and the phasing out of lower margin customers in Asia. EBITDA in the reporting year therefore increased by 60.9% to CHF 29.0 million (2021: CHF 18.0 million). The EBITDA margin of 10.7% (2021: 9.2%) positions Cicor as one of the most profitable electronics manufacturers worldwide with a clear strategic focus.

Advanced Substrates (AS) division strengthens market position and technology leadership

Following an outstanding performance in 2021, the thin film business at the Wangs (Switzerland) and Ulm (Germany) sites continued to deliver excellent results slightly below last year. The division expanded its leading position in the European market for miniaturized hybrid circuits by acquiring the thin-film activities of AFT Microwave GmbH, thus offering customers a unique technology portfolio with production in Switzerland and Germany.

“Cicor has further expanded its leading position in the European market for miniaturized hybrid circuits by acquiring the thin-film activities of AFT Microwave GmbH.”

Printed Circuit Board (PCB) production in Boudry (Switzerland) has made good progress in transforming its business and implementing the Excellence Program. Shifting the market focus from customers in the watch and automotive industries towards the medical technology sector is progressing. This has resulted in significant synergies and new projects in partnership with other Cicor companies, one of the main growth drivers contributing to future sales. At the end of the year, the business was impacted by postponed orders from individual customers, resulting in a slightly declined sales compared to 2021.

Sales of the AS Division decreased slightly by 1.1% to CHF 44.8 million (2021: CHF 45.3 million). Cost increases for energy and input materials could not be fully passed on to customers, which led to a decline in the EBITDA margin to 14.4% (2021: 17.8%). EBITDA of CHF 6.5 million was thus achieved, 19.8% less than the previous year's figure of CHF 8.1 million.

Solid balance sheet creates flexibility for further growth

As of December 31, 2022, Cicor's total assets had grown to CHF 366.7 million (December 31, 2022: CHF 321.9 million). This increase is mainly due to the acquisition of

Axis Electronics Ltd (Bedford, UK) and SMT Elektronik GmbH (Dresden, Germany) as well as the build-up of net working capital to realize growth and increased inventories due to supply shortages of semiconductor components. The goodwill, which originates mainly from the acquisition of Axis Electronics, was amortized rapidly in accordance with the rules of Swiss GAAP FER; goodwill therefore already decreased significantly to CHF 21.8 million as of December 31, 2022 (December 31, 2021: CHF 24.4 million).

After the acquisition of Axis Electronics in 2021 had led to increased net debt and a reduced equity ratio due to the balance sheet expansion, Cicor was able to significantly strengthen its balance sheet by issuing a five-year non-interest-bearing mandatory convertible bond. Cicor received a total of CHF 59.1 million (net of CHF 1.1 million transaction related fees) from two tranches in the year under review. As a result, net debt fell to CHF 44.5 million as of December 31, 2022 (December 31, 2021: CHF 61.1 million) and the leverage ratio (net debt divided by EBITDA) to 1.4 (December 31, 2021: 2.6).

The strong cash position of CHF 75.5 million (31.12.2021: CHF 68.8 million) and the solid equity ratio of 40.6% (31.12.2021: 27.6%) in combination with the low net debt, allow Cicor to continue its strategy of growth in 2023 and beyond.

Waiver of profit distribution

The Board of Directors of Cicor Technologies Ltd. proposes to the Annual General Meeting 2023 to waive the payment of a dividend over 2022. This will give the Company the possibility to allocate its capital in such a way that it can continue on its path of growth via acquisitions.

Changes in the Board of Directors and the Group Management

At the Annual General Meeting of April 12, 2022, Denise Koopmans was elected as a new member of the Board of Directors, succeeding Andreas Dill and Erich Haefeli, who did not stand for re-election. The Board of Directors expresses its sincere thanks to Andreas Dill and Erich Haefeli for their longstanding commitment and sustainable contribution to the development of Cicor Group and welcomes Denise Koopmans as a new Board member. Daniel Frutig, Norma Corio and Konstantin Ryzhkov were reelected.

As mentioned above, October 1, 2022, Marco Kechele joined Cicor's group management in the newly created role of Executive Vice President (EVP) Operations to support Cicor's growth strategy. Marco Kechele joined Cicor from Swiss aerospace company Beyond Gravity. Cicor Group management welcomes Marco and looks forward to the cooperation.

Sustainability in focus

Cicor gives high priority to its sustainability agenda, impacting all levels of the Company. Cicor contributes to a sustainable future for all of us in many ways.

"Cicor contributes to a sustainable future in many ways through its business activities."

CO₂ reduction programs and renewable energy initiatives at production sites are paving the way towards a greener future. For Cicor, social value is as important as environmental KPIs. The Company promotes social responsibility not only for their own employees, but also in relation to partner companies throughout the supply chain. Cicor operates according to the principles of fair business practices and good corporate governance. With the Sustainability Report integrated into the Annual Report, Cicor provides comprehensive information on how it is minimizing environmental impact, promoting employees and productivity, and creating value beyond the business implementing the latest GRI Standards.

Continued growth expected in 2023 despite challenging environment

Cicor has an order backlog almost equivalent to one year's sales. In addition, the pipeline of new projects remains very well filled. The consolidation of Phoenix Mecano Digital Elektronik and Phoenix Mecano Tunisie from January 1, 2023 and of AFT Microwave's thin-film activities from March 1, 2023, will also lead to an increase in sales and earnings.

If the geopolitical, economic and financial environment does not deteriorate further, Cicor expects growth in sales in 2023 to CHF 350 - 400 million with an operating margin at the EBITDA level that remains robust and comparable to the level achieved in 2022.

On behalf of the Board of Directors and the Executive Board of Cicor, we would like to thank everyone who made a valuable contribution to the successes of the 2022 financial year: our employees for their great commitment, our customers for their loyalty, and our shareholders and business partners for their trust.



Daniel Frutig
Chairman of the Board of Directors



Alexander Hagemann
CEO

Cicor Shares

Number of shares

	2018	2019	2020	2021	2022
Share capital (in CHF)	29 020 920	29 020 920	29 020 920	30 695 420	34 095 420
Par value of registered shares (in CHF)	10.00	10.00	10.00	10.00	10.00
Number of registered shares issued	2 902 092	2 902 092	2 902 092	3 069 542	3 409 542
Of which treasury shares	3 000	5 500	116	116	241 916
Number of outstanding registered shares	2 899 092	2 896 592	2 901 976	3 069 426	3 167 626
Number of conditional shares for MCN ¹⁾	–	–	–	–	1 267 116
Total outstanding and conditional MCN shares	2 899 092	2 896 592	2 901 976	3 069 426	4 434 742

Key figures per share

	2018	2019	2020	2021	2022
Earnings per share (in CHF) ¹⁾	3.32	2.90	1.44	2.57	1.03
Equity per share (in CHF) ¹⁾	25.90	27.21	26.30	28.96	33.57
Gross dividend (in CHF)	2 031 464	2 897 592	4 338 888	2 901 976	–

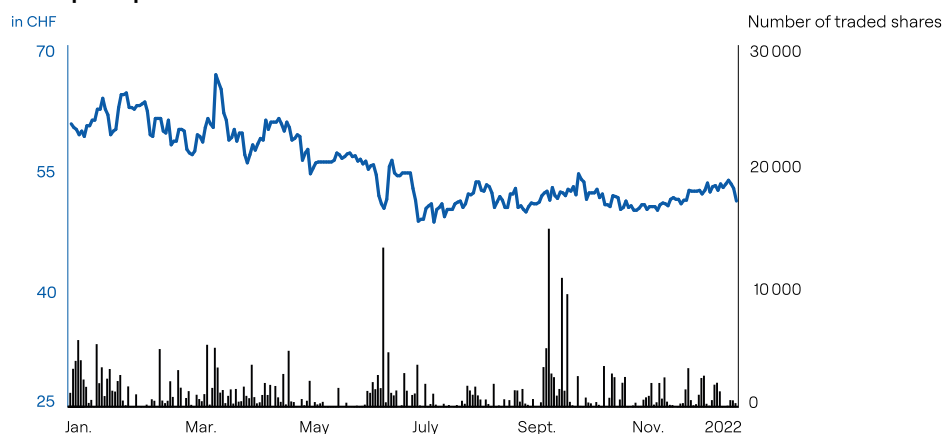
Share price

Stock market price in CHF per share	2018	2019	2020	2021	2022
High	80.60	61.50	64.30	64.60	58.00
Low	35.40	37.20	28.25	45.60	40.50
Year-end	39.40	59.40	46.50	52.80	42.90
Average number of shares traded per day	4 111	2 481	2 150	1 463	1 189
Market capitalization at year-end (in CHF 1 000) ¹⁾	114 224	172 058	134 942	162 066	190 250

¹⁾ The conditional shares for the conversion of the MCN are considered as outstanding shares for the calculation of earnings per share, equity per share and market capitalization. Refer to note 17 of the consolidated financial statements for further information.

The registered shares of Cicor Technologies Ltd. are traded on the SIX Swiss Exchange in Zurich in the secondary segment. Security symbol: CICN / Valor: 870 219 / ISIN code CH0008702190 / Bloomberg: CICN SW / Reuters: CICN.S

Share price performance



Major shareholders

The following shareholders reported an investment of more than 3% according to the regulations of the Swiss Stock Exchange (SIX Swiss Exchange):

Shareholders	31.12.2022		31.12.2021	
	No of shares	in % ¹⁾	No of shares	in % ¹⁾
OEP 80 B.V., Amsterdam, Netherlands ²⁾	851 705	24.98	851 705	27.75
Lock-up Group Axis Electronics Management, Milton Keynes, United Kingdom	265 607	7.79	167 450	5.46
Cicor Technologies Ltd., Boudry, Switzerland ³⁾	241 916	7.10	116	0.00
LLB (Swiss) Investment AG, Zurich, Switzerland	115 757	3.40	129 626	4.22
FundPartner Solutions (Suisse) SA, Geneva, Switzerland	111 649	3.27	94 720	3.09
Escatec Holdings Ltd., Port Vila, Vanuatu ⁴⁾	111 465	3.27	110 840	3.61

¹⁾ In % of the total registered shares as per the end of the year.

²⁾ Beneficial owner: OEP VIII GP, L.L.C., Wilmington, USA.

³⁾ Number of shares according to the Company's share register.

⁴⁾ Beneficial owner: Christophe Albin, Verbier, Switzerland.

Overview of shareholders as per Share Register as of 31 December 2022

Shares entered in the Register	2 553 683
Shareholders entered in the Register	1 026
Shareholders with 1-1 000 shares	897
Shareholders with 1 001-10 000 shares	98
Shareholders with 10 001 and more shares	31

Dividend policy

Cicor pursues a dividend policy that allows shareholders to participate in the Company's success and at the same time strengthens the equity base for further growth. The Board of Directors proposes dividend payments in line with the business's long-term and sustainable development, taking into account investments to be made into growth and the further development of the Group.

Calendar and Contacts

Agenda

- Business update Q1/2023: April 17, 2023
- General Assembly 2023: April 18, 2023
- Half-Year Report 2023: July 25, 2023
- Business update Q3/2023: October 16, 2023
- Annual Report 2023: March 2024

Communication

Cicor Technologies Ltd. follows an open and transparent information policy in the interests of its shareholders and the general public. In its periodic and ad hoc reporting, the company is committed to equal treatment in terms of timing and content of all shareholders and members of the public who take an interest in the company's business. The Group informs its shareholders, the media, financial analysts and other interested parties through the following publications and communication instruments: annual report, half-year report, investor and media presentations and press releases. Price-sensitive events are published on an ad hoc basis. Additional information about Cicor Technologies Ltd. and its subsidiaries can be found on the Group's website at www.cicor.com. The company can be contacted at any time at investor@cicor.com or media@cicor.com. Interested parties can also sign up to a mailing list on the website to receive all new press releases immediately.

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Sustainability Report

1 Sustainability Strategy Management

1.1 Responsibility and commitment

The Cicor Group is a development and manufacturing partner operating globally providing innovative technology solutions for the electronics industry. Cicor offers highly complex printed circuit boards (PCBs) and hybrid circuits, in addition to electronic manufacturing services (EMS), such as microelectronic assembly and plastic injection molding. With 2,217 employees across twelve production sites, the Group supplies customized products and services – design to finished products – from one source.

Cicor places a strong emphasis on sustainability across all levels of the company. The corporate strategy, including sustainability aspects, is determined by the Board of Directors, who also discuss sustainability issues with management several times a year, depending on urgency. Rather than being discussed in a separate committee, sustainability is integrated throughout the company. Results and progress towards sustainability goals are reviewed annually by the Board of Directors and management.

The Annual Report includes a review and approval of sustainability reporting on material topics. Responsibility for economic, environmental, and social topics is clearly defined within the management structure, with those responsible reporting directly to management. The Board of Directors is always available to address stakeholder and shareholder concerns; concerns raised at the Annual General Meeting are handled in accordance with the Articles of Association. In 2022, no significant concerns were raised directly with the Board of Directors outside the Annual General Meeting.

For more details on the governance arrangements, please refer to the [Corporate Governance Report](#).

Cicor is aware 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. Customers' perceptions of Cicor's ESG practices can impact their decision to place orders.

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 support 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.

Cicor also expects its suppliers to mirror its commitment by executing business operations that preserve the environment, contribute to the social wellbeing 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 continuously 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 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 a range of technologically demanding applications within the electronics industry. Cicor uses the vast expertise within the company and cooperation across different divisions to keep developing new technologies. The Group strives to be an attractive employer that encourages an open and honest corporate culture.

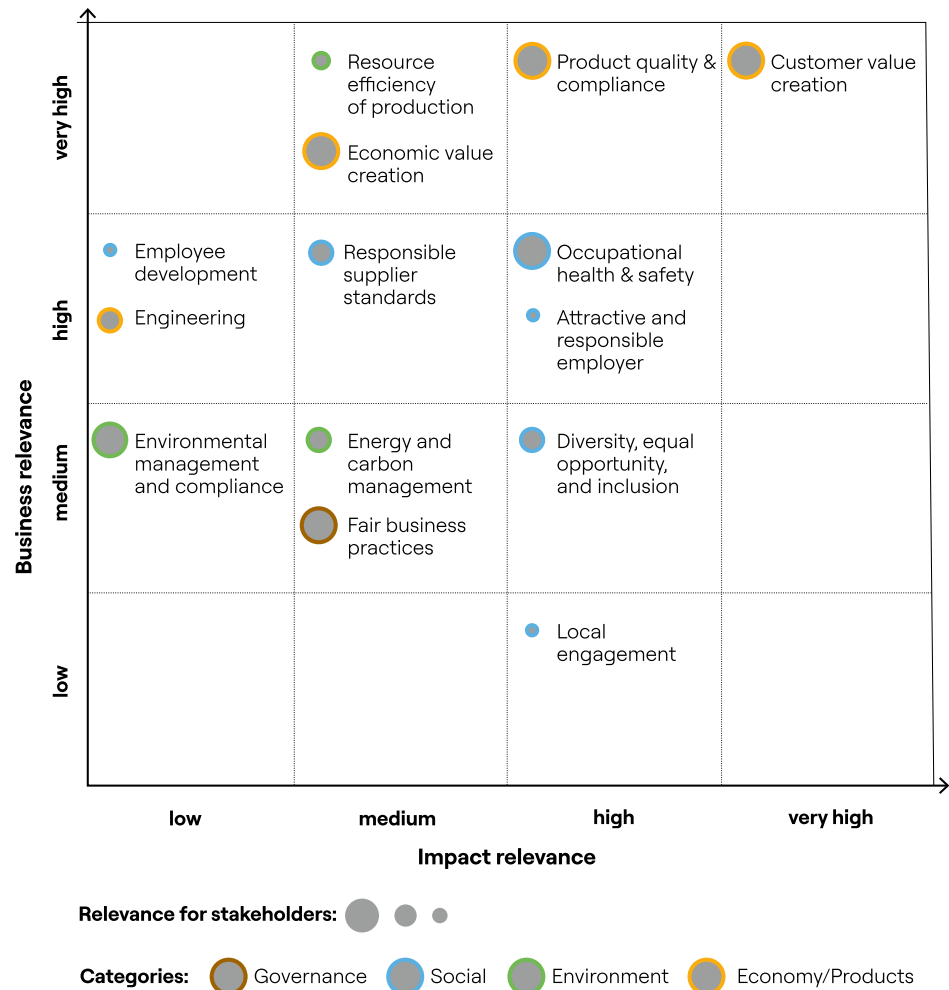
Core values

- 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 GRI Standards. 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) sources and external sources (sustainability standards, industry information, peer analysis). 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. The materiality matrix shows the results of this material topic analysis.

Materiality matrix



1.3 Stakeholder management

Establishing and maintaining good relationships with all stakeholders is 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. The most important stakeholders include customers, employees, suppliers, and shareholders. 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, while day-to-day communication is the paramount interaction – that is, regular contact with customers and suppliers, and personal discussions with employees to assess satisfaction and wellbeing. The goal of these interactions is to bring business-relevant issues to light.

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 requests for quotes (RFQ) in relation to 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.

In 2022, our production site in Arad introduced an internal continuous improvement department. The aim of the department is to identify and implement possible improvements to processes in order to enhance efficiency and resource consumption in the company. The production sites in Bedford and Suzhou, on the other hand, focused on cost control. In Bedford, one of the measures taken was to consolidate customer deliveries in order to reduce shipping costs, while in Suzhou a project was carried out that resulted in cost savings and higher productivity in spare parts manufacturing.

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 medical, 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.

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 out ongoing customer feedback and responding accordingly.

While Cicor's reaction time continues to be somewhat affected by global issues regarding long lead times for raw materials and availability issues for electronic components, Cicor's services have been maintained without interruption.

Cicor maintains regular alignment with customer requirements throughout the organization by ensuring customer consulting, supplier management and operational excellence. For example, the production site in Bedford held purchasing meetings with customers and worked with suppliers to align on supply chain objectives. This cooperation not only increased customer loyalty, but also led to cost savings for Cicor and its customers.

Cicor endeavors to solve its customers' challenges by helping customers address issues they cannot resolve themselves or by finding more affordable solutions than they can access on their 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 enables 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.

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. For example, every year the production site in Arad aims to reduce the average number of customer complaints per month compared to the previous year. In 2022, this target was achieved. In Bedford, the rolling twelve-month average for both delivery and quality performance exceeded 99% in the reporting year. This was achieved through customer focus and a culture of continuous improvement. Cicor also takes recommendations from customer audits to improve the company and its services.

2.3 Product quality and compliance

Poor product quality harms not only 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 responsibilities assigned as per a RACI matrix (Responsible, Accountable, Consulted and Informed). Policies and processes for the handling of chemicals and hazardous substances according to the European Union REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) and RoHS directive (Restriction of Hazardous Substances in Electrical and Electronic Equipment), 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 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. Around 200 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 the level of 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 in-depth 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.

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 CO₂ emissions also lead 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, in 2023 Cicor will install an additional solar farm on the roof of the site in Wangs, which will allow the site to produce its own energy for the climatization of the clean room. Overall responsibility for 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 CO₂ emission levels.

Across its sites, the Group is making progress. In 2022, the production site in Arad completed the installation of a photovoltaic system on the roof of the building to generate climate-friendly electricity and require less energy from the general grid. At Bedford, meters have been installed on all in-house control panels to provide accurate monthly consumption data. This allows for an exact monitoring and evaluation of energy consumption, from which further improvement measures can be derived. The production site in Singapore has moved to a new Green Mark Platinum building which uses significantly less energy. The Green Mark certification system is a rating system for environmentally friendly buildings developed by the Building and Construction Authority of Singapore. In Suzhou, an exhaust gas treatment system for the injection of volatile organic compounds (VOCs) was introduced to further minimize environmental impact.

Environmental Performance Indicators ¹	2021	2020 ²
Energy consumption in MWh	31 220	32 395
Electricity	26 201	26 185
Of which from renewable sources	7%	7%
Heat	5 019	6 210
Natural gas	3 009	2 983
District heating	2 010	3 227
Total GHG Emissions in tCO₂ e³	12 999	12 379
Scope 1	611	605
Combustibles	611	605
Scope 2	12 388	11 774
Electricity ⁴	12 045	11 223
District heating	343	551

¹ Bedford, UK and Dresden, Germany are excluded.

² Due to more accurate data, the figures for 2020 have been partly adjusted by the production sites and differ from the figures published in the last Sustainability Report.

³ 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 & IEA

⁴ 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.

3.2 Resource efficiency of production

Besides reducing Cicor's environmental impact, resource efficiency helps minimize production costs. Cicor manages the resource efficiency of its 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 monitors the expiration dates of received materials and chemicals. Cicor advances the circular economy by selectively collecting waste for recovery or recycling, and also, under contractual agreement, recycles the electronic parts of products for its customers. 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%.

In cooperation with the World Resource Company (WRC), the production site in Boudry has developed and introduced a carbon-neutral process in 2022 for the complete recycling of copper sludge. In addition, wastewater treatment was fully internalized and the recycling of plastic waste was driven forward. Furthermore, Cicor's Excellence 2022 program, which aims to reduce waste and increase efficiency, was implemented globally at all production sites.

Most of Cicor's sites manage resource efficiency of their 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.

	2021	2020 ²
Waste in metric tons¹	623	490
General waste	347	285
Incineration	141	128
Landfill	6	6
Recycling	200	151
Special waste	276	205
Water consumption in cubic meters	77 262	74 770

¹ Bedford, UK and Dresden, Germany are excluded.

² Due to more accurate data, the figures for 2020 have been partly adjusted by the production sites and differ from the figures published in the last Sustainability Report.

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 monitor and reduce 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. In 2023, the site in Arad will additionally implement an 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 has begun to cultivate a company culture of continual communication, training and awareness raising on this topic. In 2022, 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 in order 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. In Boudry, for example, a new and improved integration program for all new employees was introduced in 2022 in order to foster the full potential of employees right from the start. At the Bedford site, employees not only receive training for their professional development; in annual reviews with their respective line manager, the potential for their personal development is now also analyzed and subsequently realized. 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 Workforce¹

	2022			2021		
	Male	Female	Diverse	Male	Female	Diverse
Workforce by employment contract	972	1 213	1	928	1 272	1
Permanent	793	837	1	774	780	1
Temporary	179	376		154	492	
Workforce by employment type	972	1 213	1	928	1 272	1
Full-time	933	1 140	1	897	1 199	1
Part-time	39	73		31	73	
Workforce by category	972	1 213	1	928	1 272	1
Operations	672	1 026	1	644	1 112	1
Engineering & Development	162	32		167	27	
Marketing & Sales	56	33		52	23	
Purchasing	19	47		14	42	
Finance & Controlling	15	41		11	32	
Administration (HR, IT, etc.)	48	34		40	36	

	2022	2021
Workforce by gender	2 186	2 201
Male	972	928
Female	1 213	1 272
Diverse	1	1
Workforce by age	2 186	2 201
< 30	694	762
30–50	1 036	1 047
> 50	456	392

Cicor is also continuously enhancing working conditions to remain competitive and retain qualified employees. In Arad, for example, flexible working hours and the option of remote working were introduced in 2022, while at the Singapore site salary gaps and wages were reviewed. Singapore also started to place a strong focus on diversity and inclusion and to actively promote the mental health and well-being of its employees.

To make the Suzhou site an even more attractive and responsible employer, salaries and benefits for employees were improved in the reporting year.

Fluctuation By Gender and Age Group	2022
Total by gender	-1%
Male	+5%
Female	-5%
Total by age	-1%
< 30 years	-9%
30–50 years	-1%
> 50 years	+16%

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.

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. To increase flexibility in Arad for example, employees are trained for various activities and processes outside their actual field of activity. Cross-functional employee training also takes place at the production site in Bedford.

This helps Cicor fulfill business requirements and enables employees to get involved in different areas of the company and expand their skills.

Cicor is aware that 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. In Bedford, for example, new training material has been developed in 2022 to provide better support and faster training for employees after a promotion. It also serves as a refresher training for employees in existing positions. In addition, external courses are offered to employees. This helps to meet changing customer requirements, while supporting internal succession planning. The production site in Suzhou plans to further improve its training and development offering in the coming years.

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 among 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 roles. 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 company's current needs. At the Bedford production site, dedicated positions for university graduates were created in 2022 to ease their transition from education to working life and to commit them to the company long-term. To further strengthen employee loyalty and Cicor's reputation as an attractive employer, additional capacity has been created in the HR department.

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 working environment for potential employees.

Cicor's goal is to have zero working accidents or occupational illnesses. 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 standard operating procedures, health and safety programs and production safety officers 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 engagement around 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 has 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 what special personal safety equipment 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 periodic medical consultations 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, employees can then feed this information back to the Safety Officer. Furthermore, the Batam site also offers instruction on personal protective equipment (PPE). In 2022, the site additionally introduced a Standard Operating Procedure for Environment, Health & Safety (EHS), while Suzhou set up a Safety Standardization Management. In addition to Cicor's comprehensive health and safety measures, the production sites in Arad, Batam and Boudry are ISO 45001:2018 certified.

Cicor monitors its management of occupational health and safety via internal audits and specific KPIs. Regular KPI assessments include health and safety incidents,

occupational illness 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	2022	2021
Injuries	35	21
Fatalities	–	–
Lost workdays due to work-related injuries	387	311
Lost workdays due to illness	16 968	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. In 2022, the Bedford production site introduced a diversity and inclusion training for all company managers, while Dresden and Radeberg implemented pay grades for workers to ensure equal pay. In addition, the Company set up an umbrella function in the Human Resources department. Among other things, the new Vice President will address closing salary gaps between employees with the same education and experience who work at the same site.

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 2023, Cicor plans to implement a group-wide whistleblower hotline.

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 2022.

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 great 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. Suppliers from authorized sources help 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 of 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 Codes of Conduct, which many top suppliers already have in place. There are no known cases in 2022 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 creates the basis to introduce supplier standards to a potential supplier at the first point of contact. In 2022, the guidebook was updated to include guidance on aspects of corporate responsibility such as conflict minerals, REACH, RoHS, human rights, working hours and environmental performance. 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 in the near future will include the Code of Conduct. Approval is granted by the head of purchasing and the head of quality – ensuring the principle of dual control. 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. In 2023, the Bedford site plans to publish its new ESG strategy, which will be aligned with UK legislation. As part of this, the site will begin to support its suppliers in reducing their Scope 1, 2 and 3 emissions. This will also serve to document and influence the site's own Scope 3 emissions.

High-quality production is at the core of the Cicor Group's products. Across the group's twelve 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 the supply chain management approaches – vary greatly among Cicor's production sites.

Site	Approach	Number of suppliers	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
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 defense 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).	> 640	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 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.	> 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, 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. The Group has site-specific initiatives to encourage increased transparency and trust, as well as fair and open discussion of Cicor's business practices and possible infringements.

If the Group's business practices are violated, action is taken. In 2022, 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. The site in Arad supported young communities by sponsoring schools or various youth organizations. Dresden and Radeberg donated books about traffic education to elementary schools.

The sites receive feedback on engagement activities from local employees, customers, authorities and municipalities, among others. There are no structured surveys or assessments in place currently to evaluate Cicor's local engagement or achievements. However, the Company plans to implement a simple group-wide documentation in 2023.

6 GRI Content Index



Cicor has reported in accordance with the GRI Standards for the period from 01/01/2022 to 12/31/2022. For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The Content Index - Essentials Service was carried out on the English version of the report. Questions regarding the sustainability report can be directed to Michael Götti, Vice President Corporate Marketing and Communications, michael.goetti@cicor.com.

GRI Standard	Disclosure	Location	Omission
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organizational Details	Management Report, About Cicor	
	2-2 Entities included in the organization's sustainability reporting	Financial Report, Consolidated financial statement Cicor Group, Note 3	
	2-3 Reporting period, frequency and contact point	Corporate Governance Report, 10 Information Policy	
	2-4 Restatements of information		No restatements of information
	2-5 External assurance		No external assurance
Activities and workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	1.1 Responsibility and commitment	
	2-7 Employees	4.1 Attractive and responsible employer	
	2-8 Workers who are not employees	4.1 Attractive and responsible employer	
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Corporate Governance Report, 3 Board of Directors	
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report, 3.3 Elections and terms of office	
	2-11 Chair of the highest governance body	Corporate Governance Report, 3.1 Members of the Board of Directors	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.1 Responsibility and commitment	
	2-13 Delegation of responsibility for managing impacts	1.1 Responsibility and commitment	
	2-14 Role of the highest governance body in sustainability reporting	1.1 Responsibility and commitment	
	2-15 Conflicts of interest	Corporate Governance Report, 3.2 Other activities and vested interests	
	2-16 Communication of critical concerns	Corporate Governance Report, 3.6 Information and control instruments towards the Group Management and risk management	

	2-17 Collective knowledge of the highest governance body	Corporate Governance Report, 3.4 Internal organizational structure	
	2-18 Evaluation of the performance of the highest governance body	Remuneration Report, 1 Introduction	
	2-19 Remuneration policies	Remuneration Report, 2 Remuneration System	
	2-20 Process to determine remuneration	Remuneration Report, 3 Approval Process	
	2-21 Annual total compensation ratio		Requirement(s) omitted: Annual total compensation ratio Reason: Data not yet available Explanation: Data management system will be expanded
Strategy, policies and practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Management Report, Letter to Shareholders	
	2-23 Policy commitments	4 Incentivizing Employees and Productivity	
	2-24 Embedding policy commitments	4 Incentivizing Employees and Productivity	
	2-25 Processes to remediate negative impacts	1.1 Responsibility and commitment	
	2-26 Mechanisms for seeking advice and raising concerns	4.4 Diversity, equal opportunity and inclusion	
	2-27 Compliance with laws and regulations	5.2 Fair business practices	
	2-28 Membership associations		No relevant membership associations during 2022.
Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	1.3 Stakeholder management	
	2-30 Collective bargaining agreements	4.1 Attractive and responsible employer	
GRI 3: Material Topics 2021			
Materiality assessment and list of material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.2 Material topics	
	3-2 List of material topics	1.2 Material topics	
Maximizing economic potential			

Economic value creation

GRI 3: Material Topics 2021	3-3 Management of material topics	2.1 Economic performance
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Report, Consolidated Income Statement

Customer value creation

GRI 3: Material Topics 2021	3-3 Management of material topics	2.2 Customer value creation
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Product quality and compliance

GRI 3: Material Topics 2021	3-3 Management of material topics	2.3 Product quality and compliance
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Engineering

GRI 3: Material Topics 2021	3-3 Management of material topics	2.4 Engineering
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Minimizing environmental impact**Energy and carbon management**

GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Energy and carbon management
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.1 Energy and carbon management
	302-4 Reduction of energy consumption	3.1 Energy and carbon management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.1 Energy and carbon management
	305-2 Energy indirect (Scope 2) GHG emissions	3.1 Energy and carbon management
	305-5 Reduction of GHG emissions	3.1 Energy and carbon management

Resource efficiency of production

GRI 3: Material Topics 2021	3-3 Management of material topics	3.2 Resource efficiency of production
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3.2 Resource efficiency of production
	306-2 Management of significant waste-related impacts	3.2 Resource efficiency of production
	306-3 Waste generated	3.2 Resource efficiency of production

Environmental management and compliance

GRI 3: Material Topics 2021	3-3 Management of material topics	3.3 Environmental management and compliance
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Incentivizing employees and productivity**Attractive and responsible employer**

GRI 3: Material Topics 2021	3-3 Management of material topics	4.1 Attractive and responsible employer
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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.1 Attractive and responsible employer
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Employee development

GRI 3: Material Topics 2021	3-3 Management of material topics	4.2 Employee development
GRI 404: Training and Education 2016	404-2 Programs to upgrade employee skills and transition assistance programs	4.2 Employee development

Occupational health and safety

GRI 3: Material Topics 2021	3-3 Management of material topics	4.3 Occupational health and safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.3 Occupational health and safety
	403-2 Hazard identification, risk assessment, and incident investigation	4.3 Occupational health and safety
	403-3 Occupational health services	4.3 Occupational health and safety
	403-4 Worker participation, consultation and communication on occupational health and safety	4.3 Occupational health and safety
	403-5 Worker training on occupational health and safety	4.3 Occupational health and safety
	403-6 Promotion of worker health	4.3 Occupational health and safety
	403-7 Prevention and mitigation of occupational health and safety impacts linked to business relationships	4.3 Occupational health and safety
	403-9 Work-related injuries	4.3 Occupational health and safety

Diversity, equal opportunity, and inclusion

GRI 3: Material Topics 2021	3-3 Management of material topics	4.4 Diversity, equal opportunity and inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.4 Diversity, equal opportunity and inclusion
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.4 Diversity, equal opportunity and inclusion

Creating value beyond the business

Responsible supplier standards

GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Responsible supplier standards
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GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.1 Responsible supplier standards
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GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5.1 Responsible supplier standards
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Fair business practices

GRI 3: Material Topics 2021	3-3 Management of material topics	5.2 Fair business practices
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GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	5.2 Fair business practices
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GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	5.2 Fair business practices
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Local engagement

GRI 3: Material Topics 2021	3-3 Management of material topics	5.3 Local engagement
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GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	5.3 Local engagement
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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 as of 31 December 2022. 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 for "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 the parent company of the Cicor Group. The Company is listed on the SIX Swiss Exchange. Cicor Group is operationally organized in the the EMS and AS division. An overview of the Group's affiliated companies is disclosed in note 3 of the consolidated financial statements.

Market capitalization as of 31 December 2022 in CHF million	190.3
Security symbol	CICN
Security number	870 219
ISIN	CH008702190

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:

Shareholders	31.12.2022		31.12.2021	
	No of shares	in % ¹⁾	No of shares	in % ¹⁾
OEP 80 B.V., Amsterdam, Netherlands ²⁾	851 705	24.98	851 705	27.75
Lock-up Group Axis Electronics Management, Milton Keynes, United Kingdom	265 607	7.79	167 450	5.46
Cicor Technologies Ltd., Boudry, Switzerland ³⁾	241 916	7.10	116	0.00
LLB (Swiss) Investment AG, Zurich, Switzerland	115 757	3.40	129 626	4.22
FundPartner Solutions (Suisse) SA, Geneva, Switzerland	111 649	3.27	94 720	3.09
Escatec Holdings Ltd., Port Vila, Vanuatu ⁴⁾	111 465	3.27	110 840	3.61

¹⁾ In % of the total registered shares as per the end of the year.

²⁾ Beneficial owner: OEP VIII GP, L.L.C., Wilmington, USA.

³⁾ Number of shares according to the Company's share register.

⁴⁾ Beneficial owner: Christophe Albin, Verbier, Switzerland.

Disclosure notifications pertaining to shareholdings in Cicor Technologies Ltd. have been reported to the disclosure office of the SIX Swiss Exchange in accordance with Art. 120 of the Financial Market Infrastructure Act (FMIA) and published on its electronic publication platform which can be accessed via the following link:

[SIX Exchange Regulation](#)

Cicor Technologies Ltd. has received no notice of any shareholders' agreement regarding its shares. As of 31 December 2022, a total of 1 026 (previous year 1 009) 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

Effective as of 14 April 2022, 340 000 new registered shares with a par value of CHF 10.00 each were created from the authorized capital according to Art. 5 sexies of the Company's Articles of Association. The subscription rights of the 340 000 newly created true reserve shares have been withdrawn in view of potential acquisitions. The Cicor Group thus secures the flexibility to use the newly created shares at any time and at short notice to partially finance future acquisitions. The ordinary share capital as of 31 December 2022 consisted of 3 409 542 registered shares with a par value of CHF 10.00 each.

As of 31 December 2022, the Company held 241 916 (previous year: 116) of its own shares as treasury shares. For a detailed overview, please refer to note 18 of 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. Effective as of 14 April 2022, 340 000 new registered shares with a par value of CHF 10.00 each were created from the authorized capital according to Art. 5 sexies of the company's Articles of Association. The authorized capital ceased to exist on 15 April 2022 and consequently, the Company has no authorized capital as of 31 December 2022.

Conditional capital

At the Annual General Meeting of Shareholders on 12 April 2022, the Shareholders decided to extend the conditional capital according to Art. 5 bis of the Company's Articles of Association as follows: the share capital may be conditionally increased by a maximum of CHF 1 200 000 by issuing up to 120 000 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise of option rights granted to directors, officers, senior executives and employees of the company or its subsidiaries, according to plans established by the Board of Directors.

At the Extraordinary General Meeting of Shareholders on 16 December 2021, the Shareholders decided to create conditional capital according to Art. 5 ter of the Company's Articles of Association as follows: 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.

2.3 Changes in capital

In 2021, the Company increased its ordinary share capital by 167 450 registered shares at CHF 10.00 each out of authorized capital.

In 2022, the Company increased its ordinary share capital by 340 000 registered shares at CHF 10.00 each out of authorized capital.

	31.12.2022	31.12.2021	31.12.2020
Ordinary Capital			
Registered ordinary shares	3 409 542	3 069 542	2 902 092
Ordinary share capital (in CHF)	34 095 420	30 695 420	29 020 920
Authorized share capital			
Authorized shares	-	432 550	600 000
Authorized share capital (in CHF)	-	4 325 500	6 000 000
Conditional share capital			
Conditional shares	1 450 375	1 451 045	620 670
Conditional share capital (in CHF)	14 503 750	14 510 450	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 2022, the Company has not issued any participation certificates.

2.5 Profit-sharing certificates

As of 31 December 2022, 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 Computershare Schweiz AG.

2.7 Convertible bonds and options

On 20 January 2022, Cicor issued a five-year, interest-free mandatory convertible note (MCN) with a principal amount of CHF 20 million. The MCN was 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. On 27 September 2022 Cicor exercised its option to reopen the issuance of the mandatory convertible note in the amount of CHF 40.2 million and to sell these additional notes to OEP.

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 early conversion option for holders: each holder may elect to early convert MCNs during the optional conversion period starting 730 days after issuance and up to 10 days prior to maturity or following the formal announcement of a take-over bid to Cicor's shareholders during the additional offer period unless certain thresholds have not been met after the first offer period

Upon occurrence of certain predefined events, the MCNs will be subject to an accelerated conversion and will be mandatorily converted on the maturity date, unless previously converted under the early conversion options or following an accelerated conversion. In accordance with Cicor's accounting policy for interest-free mandatorily convertible notes the MCN is classified as an equity instrument in its entirety as it does not contain any obligations to deliver cash and does not require settlement in a variable number of the Group's equity instruments.

As of 31 December 2022 MCNs in the total amount of CHF 60.2 million are outstanding, which will be converted in 1 267 116 ordinary shares with a par value of CHF 10.00 each.

3 Board of Directors

3.1 Members of the Board of Directors

On 31 December 2022, 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	2023	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
Norma Corio Non-executive, American	2021	2023	Member of the Board of Directors of Finance of America Member of the Board of Directors of Wood Technologies International Member of the Board of Directors of Omni Environmental Solutions Member of the Board of Directors of Bibliotheca
Denise Koopmans Non-executive, Dutch	2022	2023	Member of the Board of Directors of Swiss Post Member of the Board of Directors of Royal BAM Group NV Member of the Board of Directors of Sanoma Corporation Lay judge/expert at the Enterprise Chamber of the Amsterdam Court of Appeal Member of the Expert Committee of Swiss Data Alliance
Konstantin Ryzhkov Non-executive, Russian	2021	2023	Chairman of the Board of Directors of Clayens NP

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 Group 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.



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 CEO of Arbonia AG and in 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. He is further commissioned as Expert at Innosuisse, the Swiss Innovation Agency.



Norma Corio

Norma Corio is an accomplished leader with extensive experience in corporate governance and finance. Until August 2022, Norma was a Senior Managing Director and member of the Investment Committee at One Equity Partners (OEP), a US-based Private Equity firm. In addition to Cicor, Ms. Corio continues to be a Director on the boards of OEP portfolio companies Bibliotheca, Omni Environmental Solutions, and Wood Technologies International. She also serves on the Board of Finance of America, a publicly listed company in the United States. Prior to joining OEP, Ms. Corio was the

Chief Financial Officer of American Express Global Business Travel from June 2014 to June 2017, and Co-President of Miller Buckfire from April 2014 to May 2014. Previously, Ms. Corio spent 30 years with JPMorgan Chase in New York, where she held various positions including Treasurer, and previously, Head of Restructuring within the Investment Banking Division, where she led the corporate finance practice for over 12 years. Ms. Corio also held positions in credit and risk management and investor relations. Ms. Corio received her MBA in Banking & Finance from Pace University (US), and her BA in Economics from LeMoyne College (US).



Denise Koopmans

Denise Koopmans has extensive operational experience at CEO level from leading the organic and transformative development of global B2B companies. Denise Koopmans was Managing Director of the Legal & Regulatory Division at Wolters Kluwer and Director of Wolters Kluwer's Global Workflow Solutions Business. Prior to joining Wolters Kluwer, Denise Koopmans was CEO of LexisNexis Intelligence Solutions (RELX Group), a global business intelligence and analytics solutions company headquartered in Paris. Previously Denise Koopmans held various senior executive roles at Capgemini Engineering. Since 2015, she has been a non-executive director of companies engaged in (digital) business transformation, innovation and business model reinvention. She supports companies in their new growth and scaling of B2B businesses in new markets and geographies. Denise Koopmans is a graduate of the University of Rotterdam, Harvard Business School and INSEAD.



Konstantin Ryzhkov

Konstantin Ryzhkov joined One Equity Partners (OEP), a US-based private equity firm in 2017 as a managing director based out of its 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. Since 2022, he serves as Chairman of the Board of Directors for Clayens NP. Mr. Ryzhkov received his BA in Economics from Davidson College (NC, US).

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.

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:

- Denise Koopmans, Chairman (as of 15 April 2022)
- Norma Corio (as of 16 July 2021)
- Daniel Frutig (as of 15 April 2022)

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 of 15 April 2021)
- Konstantin Ryzhkov (as of 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 remuneration report.

Operating methods of the Board and the committees

Between 1 January and 31 December 2022, the Board met for nine 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, where 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 2022. 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 two hours.

The Remuneration Committee held five meetings in 2022. The meetings lasted on average two hours.

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, the CFO and the EVP Operations. As of 31 December 2022, the Group Management consisted of the following persons:

Name/Nationality	Position	Appointment
Alexander Hagemann German	CEO	September 2016
Peter Neumann German	CFO	January 2022
Marco Kechele German	EVP Operations	October 2022



Alexander Hagemann
CEO

Born in 1962, Alexander Hagemann holds a degree in Mechanical Engineering from RWTH Aachen University, Germany. Before he joined the Cicor Group as Chief Executive Officer in September 2016, he served as CEO of Schaffner Holding AG from 2007 to 2016. Prior to that, Alexander Hagemann led various business units at Schott AG in Germany, the United States and Singapore, including the Fiberoptics Division and Optics for Devices. Alexander Hagemann is Chairman of the Board of Directors of Weidmann Holding AG and serves at the Swiss American Chamber of Commerce.



Peter Neumann
CFO

Peter Neumann, born in 1975, has extensive experience in finance, M&A and business integration. Most recently, he was Global Finance Director at Markem-Imaje, based in Switzerland, a global provider of product identification and traceability solutions with more than 3,000 employees. Peter Neumann was responsible for all commercial finance departments and led the development and implementation of M&A strategies

as well as a comprehensive finance transformation program. Peter Neumann is a German citizen and holds a Master of Business Administration and a Master of Computer Science from the University of Passau, Germany. He is also a Chartered Financial Analyst (CFA) and a former President and member of the Board of the CFA Society of Switzerland.



Marco Kechele
EVP Operations

Marco Kechele, born in 1969, has a proven track record in the aerospace, medical technology and automotive industries. He is an expert in industrial transformation and supply chain management and has taken leadership roles in M&A strategies. Most recently, he served as Vice President Operations at Beyond Gravity, a global aerospace company, responsible for 11 sites in 6 countries and the global supply chain organization. Marco Kechele is a German citizen and holds an MBA from the Universities of Augsburg (Germany) and KATZ Pittsburgh (USA) and a Dipl.-Ing. degree in Manufacturing Engineering from Friedrich-Alexander University Erlangen-Nuremberg.

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 2022.

5 Compensation, Shareholdings and Loans

Information on compensation, shareholdings and loans is disclosed 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 they are 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 2022, 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 14 April 2022, 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 346 (previous year: TCHF 295) for their services in connection with the auditing of consolidated and statutory financial statements.

8.3 Additional fees

KPMG additionally charged fees of TCHF 43 (previous year: TCHF 141) for other services provided to Cicor Group.

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 2022, 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 2023 Annual Shareholders' Meeting will be held on 18 April 2023. The interim report is planned to be published on 25 July 2023. 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 Michael Götti, Vice President Corporate Marketing & Communications, phone +41 71 913 73 00, michael.goetti@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 2022 and 2021.

This remuneration report meets the requirements of the "Swiss Ordinance against Excessive Compensation in Listed Stock Companies" (VegüV), the standards relating to information on corporate governance issued by SIX Swiss Exchange and the principles of the *economiesuisse* "Swiss Code of Best Practice for Corporate Governance".

The Company's Articles of Association contain the following provisions on remuneration as required by VegüV:

- Provisions on the approval of the maximum total amounts of remuneration of the Board of Directors and Group Management in paragraph 32 bis;
- Provisions on the remuneration system of the Board of Directors (paragraph 32 quater) and on the remuneration system of the Group Management (paragraph 32 quinquies);
- Provisions on the additional amount for individuals that became member of the Group Management after the remuneration has been approved by the General Meeting (paragraph 32 ter).

2 Remuneration System

2.1 Remuneration of the Board of Directors

The remuneration of the Board of Directors consists of an annual board retainer fee paid in cash and Restricted Share Units (RSUs), and additional committee fees paid in cash only, based on the below table:

in CHF 1 000	Cash	RSUs
Board chair retainer fee	130	60
Board member retainer fee	50	20
Committee chair fee	15	–
Committee member fee	5	–

An RSU is a personal award to receive one common registered share of Cicor per RSU. The number of granted RSUs is determined by dividing the relevant gross compensation amount by the average closing price of the Cicor share of the last 10 trading days immediately prior to the AGM that marks the beginning of the term of office. The shares are usually transferred to the beneficiaries on the first trading day after the Annual General Meeting (AGM) that marks the end of the term of office and are then subject to a three-year blocking period, during which they may not be sold or otherwise disposed of. The blocking period is lifted immediately on the date of a Board member's demise.

2.2 Remuneration of the Group Management

The remuneration of the Group Management consists of a basic remuneration, a variable, performance-related bonus according to the short-term incentive plan (STI) and the participation in the long-term incentive plans.

2.2.1 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. Cicor does not provide members of the Group Management with a company vehicle.

2.2.2 Short-term incentive 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 (30%), EBITDA (30%) and operating free cash flow (25%) and account for a total of 85%, and individual objectives for a total of 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%, while below the lower threshold there is no payout. When the financial or individual objectives are overachieved, 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 Shareholders for approval.

2.2.3 Long-term incentive plans

For the Cicor Group, recruitment, motivation and long-term retention of top talent are key to achieving its goals. Cicor maintains two long-term incentive plans (LTI-Plans) which are designed to retain and motivate senior executives, highly skilled and other important employees by creating long-term performance incentives. These plans reward beneficiaries for their contribution to the company's long-term success and creation of shareholder value. The LTI-Plans thus link part of the annual performance-based remuneration of Cicor's management to the long-term development of the company. Cicor currently maintains a Performance Stock Option Plan and Performance Share Plan.

Performance Stock Option Plan (PSOP)

Members of the executive committee (EC) may be invited to participate in the Performance Stock Option Plan (PSOP), upon individual nomination by the Board of Directors. Participants receive a grant of non-tradable performance stock options of Cicor at the beginning of a year which is determined by the Board of Directors. The performance stock options vest after a three-year vesting period if the participant is still in active employment with Cicor, but depending on the achievement of the performance condition. The performance condition is relative TSR, which compares the share price evolution and dividend payments of Cicor with a predefined peer group¹⁾ of eleven listed companies in the EMS industry that are comparable to Cicor. If Cicor outperforms at least half of the peer companies, 50% of the performance stock options will vest. The vesting percentage can go up to 100% for being the best performing company, and down to 0% if more than 75% of the peer companies performed better than Cicor. Once vested, the stock options may be exercised for a period of four years. The gain realized by the participants corresponds to the difference between the share price of the Cicor share at the time of exercise and the exercise price of the stock option.

¹⁾ The peer group includes the following entities: Incap Corporation (Finland), Plexus Corporation (USA), Benchmark Electronics Inc. (USA), Kitron Group (Norway), Fabrinet (Thailand), Kimball International Inc. (USA), Inission AB (Sweden), Hanza AB (Sweden), Scanfil Oyj (Finland), Note AB (Sweden), Katek Group (Germany).

Performance Share Plan (PSP)

Members of the executive committee and leadership team, as well as other selected key managers, may be invited to participate in the Performance Share Plan (PSP), upon individual nomination by the CEO and approval by the Board of Directors. Participants receive a grant of performance share units (PSU). A PSU is a conditional right to receive Cicor shares after a vesting period of three years if the Group meets certain performance targets over the vesting period and if participants are in active employment with Cicor at the end of the three-year vesting period. The performance conditions are reaching specific levels of revenue growth and EBITDA margin for Cicor Group. Depending on the achievement of these performance conditions, each PSU may be converted into up to two Cicor shares, which is the upper cap if the performance conditions are overfulfilled, or the PSU may lapse if the lower cap of the performance conditions are not reached.

Management Incentive Plan (MIP)

On 12 November 2021, the Company announced that a share-based special management incentive plan (MIP) was introduced for key managers of the Cicor Group. The program is fully sponsored by One Equity Partners (OEP), the anchor shareholder of Cicor, and is administered solely by the Board of Directors of the Cicor Group. This guarantees strict compliance with the common governance and transparency guidelines. The special management incentive plan does not give rise to any obligations to OEP by Cicor or by the employees concerned and creates no additional costs or liabilities for the Company or all other shareholders. The goal of the plan is to create stronger alignment between Company shareholders and management.

Under the MIP, the key managers have the possibility to purchase share appreciation rights (SAR). One SAR needs to be purchased at CHF 1.00. Upon the full exit of OEP, one SAR pays the difference between the average weighted exit price OEP receives per share in Cicor minus the reference share price, which is set at CHF 60.00 per share, minus costs incurred by OEP. The costs incurred by OEP also include the costs incurred by the Cicor Group because OEP has to reimburse these costs. The current size of the MIP is 40 000 SARs, whereby some are reserved for future key managers that join the Cicor Group. The Plan provides for customary vesting and forfeiture rules. The MIP was approved in a consultative vote by the 2022 Annual General Meeting.

Former LTI

The former LTI has been discontinued in financial year 2021 and was replaced by the Performance Stock Option Plan and the Performance Share Plan in financial year 2022. No shares were awarded by the Group Management in financial year 2022 based on the former LTI. Information on the former LTI is disclosed in the 2021 remuneration report.

2.3 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.

2.4 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 is established by the Remuneration Committee in consultation with the CEO and submitted to the Board of Directors for approval. The remuneration system for the Board of Directors and for the Group Management was revised in 2022. Cicor engaged the company Agnès Blust for the revision. The company Agnès Blust had no further mandates with Cicor. The processes and responsibilities within Cicor are organized as follows:

3.1 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.

3.2 Remuneration Committee

The Remuneration Committee comprises one or more Board members. It currently consists of:

- Daniel Frutig, Chairman (as from 15 April 2021)
- Konstantin Ryzhkov (as from 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, EVP Operations and other members of the senior 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.

3.3 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, EVP operations and other members of the senior 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.

3.4 Annual General Meeting of Shareholders

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 must 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, pursuant to the Articles of Incorporation, an additional amount available. Such additional amount may not exceed 30% of the previously approved total remuneration amounts per remuneration period and per member promoted or replaced.

4 Disclosure of the remuneration of the Board of Directors

At the 2022 Annual General Meeting a maximum total remuneration to the Board of Directors of TCHF 500 was approved for the four members of the Board of Directors for the term of office from the Annual General Meeting 2022 to the Annual General Meeting 2023.

The total remuneration paid to the current members of the Board of Directors for the term of office from the Annual General Meeting 2022 to the Annual General Meeting 2023 amounted to TCHF 295. No remuneration was paid to former members of the Board of the Directors.

No loans, credit facilities or additional fees or remuneration was paid to members of the Board of Directors or parties related to them. The remuneration paid to the members of the Board of Directors was as follows:

Remuneration Board of Directors in financial year 2022

in CHF 1 000	Cash	Shares ¹⁾	Other ²⁾	Total
Daniel Frutig, Chairman	154	43	–	196
Norma Corio ³⁾	–	–	–	–
Andreas Dill ⁴⁾	23	–	1	24
Erich Haefeli ⁴⁾	20	–	–	20
Denise Koopmans ⁵⁾	46	14	–	60
Konstantin Ryzhkov ³⁾	–	–	–	–
Total	243	57	1	300

Reconciliation to remuneration for the period from AGM 2022 to AGM 2023

Remuneration for the financial year 2022	300
Less remuneration from January 2022 to AGM 2022	–91
Plus remuneration from January 2023 to AGM 2023	86
Remuneration for the period from AGM 2022 to AGM 2023	295

¹⁾ The number of shares granted is determined by dividing the relevant gross compensation amount by the average closing price of the Cicor share of the last 10 trading days immediately prior to the AGM that marks the beginning of the term of office (CHF 49.17).

²⁾ Other remuneration includes the employer's portion of social insurance contributions.

³⁾ Norma Corio and Konstantin Ryzhkov waived their remuneration for the 2021/2022 and 2022/2023 terms of office.

⁴⁾ Member of the Board of Directors until 12 April 2022.

⁵⁾ Member of the Board of Directors from 12 April 2022.

The total remuneration of the Board of Directors has decreased compared to the prior year. The main reason for this is that Norma Corio and Konstantin Ryzhkov waived their remuneration for the 2021/2022 and 2022/2023 terms of office.

Remuneration Board of Directors in financial year 2021

in CHF 1 000	Cash	Shares	Other¹⁾	Total
Daniel Frutig, Chairman ²⁾	114	–	–	114
Norma Corio ³⁾	12	–	–	12
Robert Demuth ⁴⁾	39	–	10	49
Andreas Dill	90	–	6	96
Erich Haefeli	84	–	–	84
Rüdiger Merz ⁵⁾	13	–	–	13
Konstantin Ryzhkov ³⁾	15	–	–	15
Total	367	–	16	383

Reconciliation to remuneration for the period from AGM 2021 to AGM 2022

Remuneration for the financial year 2021	367
Less remuneration from January 2021 to AGM 2021	–102
Plus remuneration from January 2022 to AGM 2022	106
Remuneration for the period from AGM 2021 to AGM 2022	371

¹⁾ Other remuneration includes the employer's portion of social insurance contributions.

²⁾ Member of the Board of Directors from 15 April 2021.

³⁾ Member of the Board of Directors from 16 July 2021.

⁴⁾ Member of the Board of Directors until 15 April 2021.

⁵⁾ Member of the Board of Director until 16 July 2021.

5 Disclosure of the Remuneration of the Group Management

At the 2021 Annual General Meeting a maximum basic remuneration of TCHF 1 000 and a maximum variable remuneration of TCHF 750 was awarded for the financial year 2022. Additional amounts of TCHF 700 for the basic remuneration and TCHF 450 for the variable remuneration were awarded at the Annual General Meeting 2022 for additional members of the Group Management. The total remuneration awarded by the Annual General Meeting for the financial year 2022 sums up to a maximum basic remuneration of TCHF 1 700 and a maximum variable remuneration of TCHF 1 200.

The total remuneration paid to the current members of the Group Management in the financial year 2022 amounted to TCHF 1 736. No remuneration was paid to former members of the Group Management.

No loans, credit facilities or additional fees or remuneration were paid to members of the Group Management or parties related to them.

The remuneration paid to the members of the Group Management was as follows:

Remuneration of Group Management in financial year 2022

in CHF 1 000	Basic	STI	PSOP ¹⁾	PSP ²⁾	Other ³⁾	Total
All members	874	315	170	170	208	1 736
Thereof Alexander Hagemann, CEO ⁴⁾	500	180	100	100	124	1 004

¹⁾ 10 385 Performance stock options (PSOs) with an exercise price of CHF 52.80 and a market value of CHF 16.37 each were granted to members of the Group Management as of 1 January 2022. The PSOs vest subject to meeting the performance and service conditions on 1 January 2025 and may then be exercised until 31 December 2028.

²⁾ 3 189 restricted share units (RSUs) with a market value of CHF 53.31 each were granted to members of the Group Management as of 1 January 2022. Each RSU converts into up to two Cicor shares subject to meeting the performance and service conditions on 1 January 2025, which will then be transferred to the beneficiaries.

³⁾ Other includes the employer's portion of social security, contributions to pension funds and other fringe benefits.

⁴⁾ Alexander Hagemann was the member with the highest individual remuneration in 2022.

The share of variable remuneration of the Group Management in financial year 2022 amounted to 39% of the total remuneration.

Members of the Group Management purchased 16 714 SARs (thereof 10 714 were purchased by Alexander Hagemann) for a consideration of CHF 1.00 per each SAR as part of the MIP in financial year 2022.

The total remuneration of the Group Management has increased in financial year 2022 compared to the prior year. The main reason for the increase is that Marco Kechele joined Cicor as of 1 October 2022 and the Group Management now consists of three individuals.

Remuneration of Group Management in financial year 2021

in CHF 1 000	Basic	STI	LTI ¹⁾	Other ²⁾	Total
All members	820	423	200	184	1 627
Thereof Alexander Hagemann, CEO ³⁾	500	241	200	114	1 055

¹⁾ 3 746 performance share awards (PSA) with a market value of CHF 53.40 each were granted to members of the Group Management as of 1 May 2021. Each PSA converts into up to two Cicor shares subject to meeting the performance and service conditions on 1 May 2024, which will then be transferred to the beneficiaries.

²⁾ Other includes the employer's portion of social security, contributions to pension funds and other fringe benefits.

³⁾ Alexander Hagemann was the member with the highest individual remuneration in 2021.

The share of variable remuneration of the Group Management in financial year 2021 amounted to 40% of the total remuneration.



Report of the Statutory Auditor

To the General Meeting of Cicor Technologies Ltd., Boudry

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Cicor Technologies Ltd. (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14–16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in sections 4 and 5 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the attached Remuneration Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion

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

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections 4 and 5 of the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

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

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

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

Board of Directors' Responsibilities for the Remuneration Report

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

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14–16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

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

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

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.

KPMG AG

Kurt Stocker

Licensed Audit Expert
Auditor in Charge

David Grass

Licensed Audit Expert

St. Gallen, 1 March 2023



Financial Report

Consolidated Balance Sheet

in CHF 1 000	Notes	31.12.2022	in %	31.12.2021	in %
Assets					
Property, plant and equipment	(5)	53 142	14.5	49 553	15.4
Intangible assets	(6)	58 342	15.9	68 547	21.3
Other non-current assets		545	0.1	-	0.0
Deferred tax assets	(11)	3 284	0.9	3 158	1.0
Non-current assets		115 313	31.4	121 258	37.7
Inventories	(7)	117 364	32.0	80 109	24.9
Trade accounts receivable	(8)	50 606	13.8	44 080	13.7
Other accounts receivable	(8)	5 558	1.5	5 924	1.8
Prepaid expenses and accruals		2 403	0.7	1 721	0.5
Cash and cash equivalents	(9)	75 491	20.6	68 797	21.4
Current assets		251 422	68.6	200 631	62.3
Total assets		366 735	100.0	321 889	100.0
Liabilities and shareholders' equity					
Share capital		34 095	9.3	30 695	9.5
Mandatory convertible note		59 069	16.1	-	0.0
Capital reserves		113 162	30.9	109 024	33.9
Treasury shares		-2 422	-0.7	-6	-0.0
Cash flow hedging reserve		-58	-0.0	-	0.0
Retained earnings		-38 916	-10.6	-43 156	-13.4
Translation reserve		-16 039	-4.4	-7 670	-2.4
Total equity		148 891	40.6	88 887	27.6
Long-term provisions	(10)	4 006	1.1	3 596	1.1
Deferred tax liabilities	(11)	7 364	2.0	8 895	2.8
Long-term financial liabilities	(12)	101 950	27.8	114 502	35.6
Liabilities for post-employment benefits	(13)	1 695	0.5	1 906	0.6
Non-current liabilities		115 015	31.4	128 899	40.1
Short-term financial liabilities	(12)	18 063	4.9	15 354	4.8
Trade accounts payable		39 539	10.8	39 691	12.3
Other current liabilities	(14)	26 436	7.2	23 130	7.2
Accruals	(14)	14 903	4.1	13 355	4.1
Short-term provisions	(10)	2 013	0.5	12 067	3.7
Income tax payable		1 875	0.5	506	0.2
Current liabilities		102 829	28.0	104 103	32.3
Total liabilities		217 844	59.4	233 002	72.4
Total equity and liabilities		366 735	100.0	321 889	100.0

Consolidated Income Statement

in CHF 1 000	Notes	2022	in %	2021	in %
Net Sales	(4)	313 193	100.0	239 044	100.0
Change in inventory of finished and unfinished goods		2 854	0.9	2 517	1.1
Material costs		-169 931	-54.3	-126 323	-52.8
Personnel costs	(20)	-84 298	-26.9	-69 905	-29.2
Other operating income		574	0.2	1 069	0.4
Other operating expenses	(21)	-30 118	-9.6	-23 280	-9.7
EBITDA		32 274	10.3	23 122	9.7
Depreciation and impairment	(5)	-10 364	-3.3	-9 913	-4.1
Amortization and impairment	(6)	-9 676	-3.1	-1 005	-0.3
Operating profit (EBIT)		12 234	3.9	12 204	5.1
Financial income	(22)	7 865	2.5	4 287	1.8
Financial expenses	(22)	-12 406	-4.0	-6 281	-2.6
Profit before tax (EBT)		7 693	2.5	10 210	4.3
Income tax	(11)	-3 873	-1.2	-2 728	-1.1
Net profit		3 820	1.2	7 482	3.1
Earnings per share (in CHF)					
- basic	(19)	1.03		2.57	
- diluted	(19)	1.03		2.57	

Consolidated Cash Flow Statement

in CHF 1 000	Notes	2022	2021
Net profit		3 820	7 482
Depreciation	(5)	10 365	9 729
Impairment	(5)	-	184
Amortization	(6)	9 676	1 005
Interest income	(22)	-84	-4
Interest expenses	(22)	3 088	1 042
Tax expenses	(11)	3 873	2 728
Change in provisions		-770	1 228
Change in other non-current assets		-560	-
Other non-cash-items		-448	-35
Subtotal before working capital changes		28 960	23 359
Change in inventories		-31 652	-20 896
Change in trade accounts receivable		-5 876	-7 044
Change in other current assets		1 233	-1 445
Change in trade accounts payable		116	6 281
Change in other current liabilities		3 138	12 780
Change in working capital		-33 041	-10 324
Income tax paid		-2 879	-3 055
Interest paid		-3 114	-750
Interest received		17	4
Net cash (used in) / from operating activities		-10 057	9 234
Purchase of property, plant and equipment		-11 206	-7 790
Proceeds from sale of property, plant and equipment		32	1
Purchase of intangible assets	(6)	-225	-262
Acquisition of subsidiaries, net of cash acquired		-19 645	-45 006
Net cash used in investing activities		-31 044	-53 057
Purchase of treasury shares	(18)	-45	-
Issuance of mandatory convertible note		59 069	-
Payment to shareholders from capital contribution reserves	(17)	-	-2 902
Repayment of finance lease liabilities		-600	-38
Proceeds from borrowings short-term		2 402	502
Proceeds from borrowings long term		13 286	76 534
Repayment of borrowings short-term		-25 165	-3 304
Net cash from financing activities		48 947	70 792
Currency translation effects		-1 152	-1 307
Net increase in cash and cash equivalents		6 694	25 662
Cash and cash equivalents at the beginning of the period	(9)	68 797	43 135
Cash and cash equivalents at the end of the period	(9)	75 491	68 797

Consolidated Statement of Changes in Equity

in CHF 1 000	Share capital	Mandatory convertible note	Capital reserves	Treasury shares	CF hedging reserve	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
Share-based payments	-	-	-	-	-	226	-	226
Dividend / capital contribution paid to shareholders	-	-	-2 902	-	-	-	-	-2 902
Capital increase	1 673	-	8 032	-	-	-	-	9 705
Translation adjustment	-	-	-	-	-	-	-1 958	-1 958
Balance at 31 December 2021	30 695	-	109 024	-6	-	-43 156	-7 670	88 887

in CHF 1 000	Share capital	Mandatory convertible note	Capital reserves	Treasury shares	CF hedging reserve	Retained earnings	Translation reserve	Total equity
Balance at 1 January 2022	30 695	-	109 024	-6	-	-43 156	-7 670	88 887
Net profit	-	-	-	-	-	3 820	-	3 820
Share-based payments	-	-	-3	47	-	420	-	464
Change in Cash Flow Hedging	-	-	-	-	-58	-	-	-58
Purchase of treasury shares ¹⁾	-	-	-	-45	-	-	-	-45
Capital increase, creation of reserve shares ²⁾	3 400	-	-	-3 400	-	-	-	-
Issuance of treasury shares for acquisitions ¹⁾	-	-	4 141	982	-	-	-	5 123
Issuance of mandatory convertible note ²⁾	-	60 188	-	-	-	-	-	60 188
Transaction costs on issuance of mandatory convertible note	-	-1 119	-	-	-	-	-	-1 119
Translation adjustment	-	-	-	-	-	-	-8 369	-8 369
Balance at 31 December 2022	34 095	59 069	113 162	-2 422	-58	-38 916	-16 039	148 891

¹⁾ Refer to note 18 Treasury shares.

²⁾ Refer to note 17 Issued capital.

Notes 1–25

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 2022 were authorized for issue on 1 March 2023 and are subject to approval at the Annual General Meeting of Shareholders on 18 April 2023.

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		2022	2021
Closing	EUR	0.9872	1.0365
	USD	0.9235	0.9152
	GBP	1.1137	1.2347
	RON	0.1993	0.2094
	SGD	0.6883	0.6768
	CNY	0.1334	0.1436
Average	EUR	1.0030	1.0814
	USD	0.9546	0.9140
	GBP	1.1800	1.2573
	RON	0.2039	0.2198
	SGD	0.6924	0.6803
	CNY	0.1421	0.1417

Segment information

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, EMS and AS, have been identified as the two reportable segments. The segment result used to steer the business is EBITDA.

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	no depreciation
Buildings	25–50 years
Leasehold Improvements	max 10 years
Machinery	3–10 years
Furniture	5–15 years
Equipment	3–10 years

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 re-

versed 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

All outstanding derivatives are recognized at market value as at the balance sheet date and shown at gross values under other accounts receivables or other current liabilities. Value changes on derivatives for hedges of recognized underlying transactions are shown like the underlying transaction. Value changes on derivatives for hedges of future cash flows will be shown directly in equity until completion of the underlying transaction. At the time of recognition of the underlying transaction, the gain or loss recorded in equity will be transferred to the income statement.

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.

Mandatory convertible note

The Group's interest-free mandatory convertible note is classified as equity, because it does not contain any obligation to deliver cash or other financial assets and does not require settlement in a variable number of the Group's equity instruments. Incremental costs directly attributable to the issue of the mandatory convertible note are recognized as a deduction from equity.

Share-based payments

Share-based payments to members of the Board of Directors and to employees are measured at fair value at the grant date, and recognized in the income statement over the vesting period with a corresponding increase in equity. The fair value at the grant date is assessed considering the market conditions, with no subsequent true-up. The amount recognized as an expense is adjusted considering the satisfaction or failure of meeting the service conditions and non-market performance conditions.

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.

Definition of non-GAAP measures

EBIT as a subtotal includes all income and expenses before addition/deduction of financial income, financial expenses and income taxes. EBITDA as a subtotal includes EBIT before deduction of depreciation and impairment of tangible assets as well as amortization and impairment of intangible assets.

3 Scope of Consolidation

in local currency 1 000	Currency	2022 Nominal share capital	Participation in %	2021 Nominal share capital	Participation in %
Cicor Technologies Ltd, Boudry/Switzerland Holding/Finance	CHF	34 095	100	30 695	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
Cicor Deutschland GmbH, Dresden, Germany¹⁾ Engineering/Production/Sales/Distribution	EUR	5 000	100	n/a	n/a
Electronicparc Holding AG, Bronschhofen/ 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	3 000	100
Systronics SRL, Arad/Romania Production/Sales	RON	5 145	100	5 145	100
Axis EMS Heights Ltd., Milton Keynes/UK* Holding/Finance	GBP	141	100	141	100
Axis EMS Group Ltd., Milton Keynes/UK Holding/Finance	GBP	264	100	264	100
Axis EMS Holdings Ltd., Milton Keynes/UK Holding/Finance	GBP	885	100	885	100
Axis Electronics Ltd., Milton Keynes/UK Engineering/Production/Sales/Distribution	GBP	10	100	10	100
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 Corp., 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	42 033	100	42 033	100
Cicor Americas Inc., USA* Sales/Distribution	USD	10	100	10	100
Cicor Management AG, Bronschhofen/ Switzerland* Management Services	CHF	250	100	250	100

* Directly held subsidiaries of Cicor Technologies Ltd.

¹⁾ The company was renamed from SMT Elektronik GmbH.

Change in Scope of Consolidation in 2022

As of 27 April 2022, Cicor Technologies Ltd. acquired 100% of the shares of SMT Elektronik GmbH, Dresden (Germany). The acquired company provides electronic manufacturing services, predominantly for clients in the medical and industrial industry, and is included in the EMS Division.

The fair value of the acquired assets and liabilities as per the acquisitions date are shown in the below table.

in CHF 1 000	2022
Property, plant and equipment	4 173
Intangible assets	467
Inventories	8 501
Trade accounts receivable	2 543
Other accounts receivable, prepaid expenses and accruals	383
Cash and cash equivalents	64
Long-term provisions	–
Deferred Tax liabilities	–90
Long-term financial liabilities	–669
Short-term financial liabilities	–588
Short-term provisions	–76
Trade payables	–967
Other current liabilities and accruals	–1 200
Income tax payable	–775
Total fair value of net assets acquired	11 767

The acquisition resulted in a Goodwill of TCHF 2 277, which was capitalized as part of the intangible assets and is amortized over five years.

Cicor paid an earn-out amount in 2022 to settle the remaining purchase price from the acquisition of the Axis Group. Part of the remaining purchase price was settled in shares of Cicor Technologies Ltd. and part of it was settled in cash. The finalization of the purchase price allocation resulted in an increase in Goodwill of TCHF 2 898, which stems mainly from the reassessment of the earn-out amount.

Change in scope of consolidation in 2021

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 acquisition resulted in a Goodwill of TCHF 25 233, which was capitalized as part of the intangible assets and is amortized over five years.

4 Segment Reporting

in CHF 1 000	EMS Division	AS Division	Total reportable segments	Corporate and eliminations	Group
Income statement	2022	2022	2022	2022	2022
Sales to external customers	269 466	43 727	313 193	-	313 193
Intersegment sales	171	1 052	1 223	-1 223	-
EBITDA	28 950	6 459	35 409	-3 135	32 274
Balance sheet	31.12.2022	31.12.2022	31.12.2022	31.12.2022	31.12.2022
Intangible assets	58 342	-	58 342	-	58 342
Other than intangible assets	228 885	37 748	266 633	41 760	308 393
Total assets	287 227	37 748	324 975	41 760	366 735
Total liabilities	155 763	21 106	176 869	40 975	217 844
Other segment information	2022	2022	2022	2022	2022
Depreciation, amortization and impairment	17 070	2 970	20 040	-	20 040
Capital expenditures for property, plant and equipment	8 434	2 753	11 187	-	11 187
in CHF 1 000	EMS Division	AS Division	Total reportable segments	Corporate and eliminations	Group
Income statement (restated)	2021	2021	2021	2021	2021
Sales to external customers	194 244	44 800	239 044	-	239 044
Intersegment sales	274	459	733	-733	-
EBITDA	17 987	8 054	26 041	-2 919	23 122
Balance sheet (restated)	31.12.2021	31.12.2021	31.12.2021	31.12.2021	31.12.2021
Intangible assets	68 547	-	68 547	-	68 547
Other than intangible assets	187 166	39 218	226 384	26 958	253 342
Total assets	255 713	39 218	294 931	26 958	321 889
Total liabilities	126 654	20 518	147 172	85 830	233 002
Other segment information (restated)	2021	2021	2021	2021	2021
Depreciation, amortization and impairment	7 682	3 229	10 911	7	10 918
Capital expenditures for property, plant and equipment	6 570	2 053	8 623	-	8 623

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, EMS and AS, have been identified as the two reportable segments.

As the German EMS manufacturer RHe Micorsystem's business with thick-film manufactured circuits has been significantly reduced, the company is today predominantly an EMS manufacturer. Cicor has therefore changed the divisional structure as of 1 January 2022: instead of the previous divisions Advanced Microelectronics and Substrates (AMS) and Electronic Solutions (ES), Cicor now reports the divisions Advanced Substrates (AS) and Electronic Manufacturing Services (EMS). The company RHe Microsystem was moved from the AS division into the EMS

division as of 1 January 2022. The prior-year financial information in the segment reporting has been restated.

The Electronic Manufacturing Services (EMS) division provides full-cycle electronic solutions from research and development to manufacturing and supply chain management for customers in the medical, industrial and aerospace and defence sectors, while the Advanced Substrates (AS) division provides its customers with high-quality printed circuit boards as well as thin-film substrates.

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.

Sales by region and by industry

in CHF 1 000	2022	%	2021	%
Switzerland	77 664	24.8	65 798	27.5
Europe (without Switzerland)	171 903	54.9	113 705	47.6
Asia	43 622	13.9	44 558	18.6
Americas	15 922	5.1	13 189	5.5
Other	4 082	1.3	1 794	0.8
Total	313 193	100.0	239 044	100.0
Industrial	126 391	40.4	103 772	43.4
Medical	78 381	25.0	64 603	27.0
Aerospace & defence	52 266	16.7	22 605	9.5
High-tech consumer	27 668	8.8	25 525	10.7
Transport	23 032	7.4	18 752	7.8
Communication	2 355	0.7	2 873	1.2
Other	3 100	1.0	914	0.4
Total	313 193	100.0	239 044	100.0

Major Customers

Cicor Group's biggest customer contributes less than 8 % (2021: less than 8 %) to the Group's consolidated sales. In 2022, about 36 % (2021: about 42 %) of total Group net sales can be attributed to the Group's top ten clients.

5 Property, Plant and Equipment

2022 in CHF 1 000	Land and buildings ¹⁾	Machinery	Furniture and equipment	Other equipment	Assets under construction	Total
Acquisition costs						
Balance at 1 January 2022	38 258	94 272	10 211	1 645	1 755	146 141
Additions ²⁾	568	4 342	829	404	5 044	11 187
Disposals	-1 027	-3 928	-366	-97	-	-5 418
Reclassifications	422	1 206	119	-	-1 747	-
Business combinations	2 617	610	946	-	-	4 173
Translation adjustment	-725	-1 324	-247	-20	-158	-2 474
Balance at 31 December 2022	40 113	95 178	11 492	1 932	4 894	153 609
Accumulated depreciation and impairment						
Balance at 1 January 2022	-21 308	-66 995	-7 336	-949	-	-96 588
Depreciation	-1 808	-7 066	-1 351	-140	-	-10 365
Disposals	1 028	3 911	361	86	-	5 386
Translation adjustment	40	934	101	25	-	1 100
Balance at 31 December 2022	-22 048	-69 216	-8 225	-978	-	-100 467
Net book value						
1 January 2022	16 950	27 277	2 875	696	1 755	49 553
31 December 2022	18 065	25 962	3 267	954	4 894	53 142
Thereof net book value of assets under financial lease	-	1 030	113	17	-	1 160
Net book value of pledged assets	2 419	2 631	113	-	-	5 163
Addition of assets under financial lease	-	-	-	-	-	-

¹⁾ Including leasehold improvements.

²⁾ Of the additions in fixed assets, CHF 1.1 million have not yet been paid as at 31 December 2022.

In 2022, Cicor invested CHF 4.3 million in machinery. The most significant investments were made in Wangs, Batam, Boudry and Singapore. The investments in land and buildings were mainly made in Asia. Assets under construction are equipment whose installation has not yet been completed, which includes a new production plant in ThuanAn City in the amount of CHF 3.3 million.

2021 in CHF 1 000	Land and buildings ¹⁾	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 ²⁾	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 and impairment						
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	-	1 400	-	38	-	1 438

¹⁾ Including leasehold improvements.

²⁾ Of the additions in fixed assets, CHF 1.2 million have not yet 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.

6 Intangible Assets

2022 in CHF 1 000	Goodwill	Brand	Technology	Customer relationships	Other	Total
Acquisition costs						
Balance at 1 January 2022	120 930	10 889	7 377	37 940	7 742	184 878
Additions	-	-	-	-	225	225
Disposal	-	-	-	-	-26	-26
Business combinations	5 175	-	-	-	467	5 642
Translation adjustment	-2 692	-409	-42	-3 406	-488	-7 037
Balance at 31 December 2022	123 413	10 480	7 335	34 534	7 920	183 682
Accumulated amortization						
Balance at 1 January 2022	-96 564	-6 734	-7 377	-3 370	-2 286	-116 331
Amortization	-5 359	-266	-	-2 216	-1 835	-9 676
Disposal	-	-	-	-	26	26
Translation adjustment	326	17	42	144	112	641
Balance at 31 December 2022	-101 597	-6 983	-7 335	-5 442	-3 983	-125 340
Net book value						
1 January 2022	24 366	4 155	-	34 570	5 456	68 547
31 December 2022	21 816	3 497	-	29 092	3 937	58 342
2021 in CHF 1 000						
	Goodwill	Brand	Technology	Customer relationships	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

7 Inventories

in CHF 1 000	31.12.2022	31.12.2021
Raw materials	98 922	65 252
Work-in-progress	23 735	19 853
Finished goods	13 205	11 377
Valuation allowance	-18 498	-16 373
Total inventories	117 364	80 109

8 Trade Accounts Receivable and other Accounts Receivable

in CHF 1 000	31.12.2022	31.12.2021
Trade accounts receivable (gross)	51 131	44 616
Allowance for bad debts	-525	-536
Total trade accounts receivable	50 606	44 080

Ageing of Trade Accounts Receivable

in CHF 1 000	31.12.2022 Gross	31.12.2022 Allowance	31.12.2021 Gross	31.12.2021 Allowance
Not yet due	36 092	-	38 525	-
Overdue 0-45 days	11 904	-	5 085	-
Overdue 46-90 days	2 316	-2	285	-
Overdue 91-180 days	259	-4	79	-
Overdue 181-360 days	190	-149	127	-21
Overdue more than 360 days	370	-370	515	-515
Total trade accounts receivable	51 131	-525	44 616	-536

Movement in the Allowance for Impairment for Trade Accounts Receivable

in CHF 1 000	2022	2021
Individual allowance as of 1 January	411	458
Allowance increase	168	51
Utilization/consumption	-164	-30
Reversal of allowance	-	-68
Individual allowance as of 31 December	406	411
Collective allowance as of 1 January	125	48
Change in allowance	-6	77
Collective allowance as of 31 December	119	125

Other Accounts Receivable

in CHF 1 000	31.12.2022	31.12.2021
Receivables on bullion dealers' accounts	242	406
Value-added taxes	1 432	1 118
Other	3 884	4 400
Total other accounts receivable	5 558	5 924

9 Cash and Cash Equivalents

in CHF 1 000	31.12.2022	31.12.2021
Bank accounts	75 486	67 547
Cash equivalents	5	1 250
Total cash and cash equivalents	75 491	68 797

Cicor Technologies' banking partners are first-rate Swiss, German, English and Romanian banks.

10 Provisions

2022 in CHF 1 000	Warranties	Other	Total provisions	Deferred taxes	Total provisions and deferred taxes
Balance at 1 January 2022	3 333	12 330	15 663	8 895	24 558
Additional provisions	957	1 853	2 810	-	2 810
Unused amounts reversed	-539	-2 335	-2 874	-	-2 874
Amount used	-183	-9 110	-9 293	-719	-10 012
Reclassification within the company	-	-269	-269	-	-269
Business combinations	72	4	76	87	163
Translation adjustments	-53	-41	-94	-899	-993
Balance at 31 December 2022	3 587	2 432	6 019	7 364	13 383
thereof short-term provisions	1 114	899	2 013		
thereof long-term provisions	2 473	1 533	4 006		

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		

Warranty provisions are recognized for warranty claims on products sold. The additional provisions in 2022 were based on several smaller cases.

As per 31 December 2021, other provisions included an earn-out liability related to the acquisition of Axis EMS Heights Ltd. in the amount of TCHF 8 858, which was fully used in 2022.

11 Taxes

Major Components of Tax Expense

in CHF 1 000	2022	2021
Current income taxes	4 791	3 274
Income tax for prior years	-13	-247
Deferred tax	-905	-299
Total tax expense	3 873	2 728

Deferred Tax Assets and Liabilities

in CHF 1 000	31.12.2022 Assets	31.12.2022 Liabilities	31.12.2021 Assets	31.12.2021 Liabilities
Deferred taxes on intangible assets	-	6 647	-	8 236
Deferred taxes on property, plant and equipment	204	423	141	446
Deferred taxes on inventory	1 005	129	766	116
Deferred taxes on other assets	110	206	434	470
Deferred taxes on accruals	228	65	237	177
Deferred taxes on other liabilities	280	158	1 738	1 337
Total	1 827	7 628	3 316	10 782
Deferred taxes on loss carried forward	1 722	-	1 729	-
Offset of assets and liabilities	-265	-265	-1 887	-1 887
Total deferred tax assets and liabilities	3 284	7 364	3 158	8 895

The Group average tax rate for the calculation of the deferred income taxes is 18.2 % (2021: 17.3%).

Reconciliation of Current Income Taxes and Deferred Taxes

in CHF 1 000	2022	2021
Profit before tax	7 693	10 210
Weighted average income tax in %	20.5%	19.5%
Expected income tax expense	1 578	1 991
Current year losses for which no deferred tax asset is recognized	726	144
Recognition of tax assets on previously unrecognized tax losses	-	-171
Derecognition of tax assets on previously recognized tax losses	-	168
Effect of non-deductible expenses	557	766
Effect of Goodwill amortization	1 053	79
Adjustments for current tax of prior periods	-42	-245
Other adjustments	1	-4
Effective income taxes	3 873	2 728
Effective income taxes in % of profit before tax	50.3%	26.7%

Tax Loss Carried Forward for which no Deferred Tax Assets have been Capitalized

in CHF 1 000	31.12.2022	31.12.2021
Tax loss carried forward expiring in 1 to 3 years	3 563	6 320
Tax loss carried forward expiring in more than 3 years	3 511	2 379

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	31.12.2022	31.12.2021
Borrowings, long-term	101 680	114 076
Financial leases	270	426
Total long-term financial liabilities	101 950	114 502

Short-term Financial Liabilities

in CHF 1 000	31.12.2022	31.12.2021
Bank overdrafts	2 341	-
Short-term portion of long-term borrowings	15 292	15 000
Financial leases	430	354
Total short-term financial liabilities	18 063	15 354

Maturity of Financial Liabilities

2022 in CHF 1 000	Total	2023	2024	2025	2026	2027	2028 and after
CHF 140.0 million revolving credit line and acquisition credit line	114 296	15 000	15 000	84 296	-	-	-
Basket of local credit lines / loans	5 017	2 633	263	2 121	-	-	-
Financial leases	700	430	200	37	33	-	-
Total	120 013	18 063	15 463	86 454	33	-	-

2021 in CHF 1 000	Total	2022	2023	2024	2025	2026	2027 and after
CHF 155.0 million revolving credit line and acquisition credit line	129 076	15 000	15 000	15 000	84 076	-	-
Basket of local credit lines / loans	-	-	-	-	-	-	-
Financial leases	780	354	276	150	-	-	-
Total	129 856	15 354	15 276	15 150	84 076	-	-

On 18 June 2021, the Group signed a syndicated bank loan agreement which includes a revolving credit 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 credit agreement also contained an optional acquisition credit line in the amount of CHF 75 million, which was utilised on 29 November 2021 for the acquisition of Axis Electronics Ltd.

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 30%. EBITDA is calculated before restructuring costs, and EBITDA of acquisitions can be added pro forma. The interest is based 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 at 31 December 2022 by CHF 55 million cash at a variable interest rate of 1.92% on average and CHF 2.7 million was utilized for guarantees bearing commission charges between 0.2 and 0.7%. Furthermore, CHF 5 million of the external basket has been utilized as of 31 December 2022.

Property, plant and equipment of CHF 5.2 million and inventory of CHF 31.6 million was pledged to local banks as of 31 December 2022.

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 3 521 (2021: TCHF 2 268). 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 855 (2021: TCHF 920) and TCHF 840 (2021: TCHF 986) respectively 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 for males and 64 for females. 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 6.0 % for the compulsory part and 5.6 % 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 31 December 2022 is 100% (31.12.2021 = 113%). 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 PY or recognized in the current result	Contributions concerning the business period	Pension benefit expenses within personnel expenses	
		31.12.2022	31.12.2021			2022	2021
Pension institutions without surplus / deficit	n/a	n/a	n/a	-	826	826	78
Pension institutions with surplus ¹⁾	-	-	-	-	2 650	2 650	2 183
Pension institutions without own assets	-	1 695	1 906	-211	256	45	7
Total	-	1 695	1 906	-211	3 732	3 521	2 268

14 Other Current Liabilities and Accruals

in CHF 1 000	31.12.2022	31.12.2021
Value-added taxes	1 058	1 213
Other current liabilities	1 751	1 874
Other accounts payable	23 627	20 043
Total other current liabilities	26 436	23 130
Accrued personnel expenses	8 357	8 945
Other accrued expenses	6 546	4 410
Total accruals	14 903	13 355
Total other current liabilities and accruals	41 339	36 485

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

in CHF 1 000	31.12.2022	31.12.2021
Within 1 year	4 785	4 415
From over 1 year to under 5 years	13 594	13 456
Due in 5 years or later	10 917	10 969
Total operating leasing	29 296	28 840

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 leasing, please refer to note 12.

16 Contingent liabilities

There were no contingent liabilities for Cicor Group companies as at 31 December 2022 or as at 31 December 2021.

17 Issued Capital

Ordinary share capital

Effective as of 14 April 2022, 340 000 new registered shares with a par value of CHF 10.00 each were created from the authorized capital according to Art. 5 sexies of the company's Articles of Association. The subscription rights of the 340 000 newly created true reserve shares have been withdrawn in view of potential acquisitions. The Cicor Group thus secures the flexibility to use the newly created shares at any time and at short notice to partially finance future acquisitions. The ordinary share capital as of 31 December 2022 consists of 3 409 542 registered shares with a par value of CHF 10.00 each (31 December 2021: 3 069 542 registered shares with a par value of CHF 10.00 each).

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 (CHF 6 819 084) as well as the reserve for treasury shares may not be distributed.

Mandatory convertible note

On 20 January 2022, Cicor issued a five-year, interest-free mandatory convertible note (MCN) with a principal amount of CHF 20 million. The MCN was 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. On 27 September 2022 Cicor exercised its option to reopen the issuance of the mandatory convertible note in the amount of CHF 40.2 million and to sell these additional notes to OEP.

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 early conversion option for holders: Each holder may elect to early convert MCNs during the optional conversion period starting 730 days after issuance up to ten days prior to maturity or following the formal announcement of a take-over bid to Cicor's shareholders during the additional offer period, unless certain thresholds have not been met after the first offer period.

Upon occurrence of certain predefined events, the MCNs will be subject to an accelerated conversion and will be mandatorily converted on the maturity date, unless previously converted under the early conversion options or following an accelerated conversion. In accordance with Cicor's accounting policy for interest-free mandatorily convertible notes, the MCN is classified as an equity instrument in its entirety, as it does not contain any obligations to deliver cash and does not require settlement in a variable number of the Group's equity instruments.

Dividend

At the Shareholders' Meeting on 12 April 2022, the shareholders decided that no dividend will be paid for the financial year 2021.

Conditional capital

At the Annual General Meeting of Shareholders on 12 April 2022, the Shareholders decided to extend the conditional capital according to Art. 5 bis of the company's Articles of Association as follows: The share capital may be conditionally increased by a maximum of CHF 1 200 000 by issuing up to 120 000 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise of option rights granted to directors, officers, senior executives and employees of the company or its subsidiaries, according to plans established by the Board of Directors

At the Annual General Meeting of Shareholders on 16 December 2021, the Shareholders decided to create conditional capital according to Art. 5 ter of the company's Articles of Association as follows: 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.

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 by 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. Effective as of 14 April 2022, 340 000 new registered shares with a par value of CHF 10.00 each were created from the authorized capital according to Art. 5 sexies of the company's Articles of Association. The authorized capital ceased to exist on 15 April 2022 and the Company has no authorized capital as of 31 December 2022 consequently.

18 Treasury Shares

	2022 in shares	2022 CHF 1 000	2021 in shares	2021 CHF 1 000
Balance as per 1 January	116	6	116	6
Increase of ordinary share capital	340 000	3 400	–	–
Used for acquisitions	–98 157	–982	–	–
Purchase of treasury shares	883	45	–	–
Share-based payments	–926	–47	–	–
Balance as per 31 December	241 916	2 422	116	6

19 Earnings per Share

	2022	2021
Net profit attributable to Cicor shareholders in CHF thousand	3 820	7 482
Average number of ordinary shares outstanding	3 099 812	2 916 657
Average number of conditional shares for conversion of MCN	619 310	–
Total average number of shares outstanding and conditional	3 719 122	2 916 657
Dilutive impact of share-based remuneration	5 442	–
Total average number of shares outstanding and conditional, diluted	3 724 564	2 916 657
Basic earnings per share in CHF	1.03	2.57
Diluted earnings per share in CHF	1.03	2.57

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.

Cicor issued a mandatory convertible note (MCN) in 2022. Upon conversion of the MCN, 1 267 116 ordinary shares will be created out of the conditional capital of the Company. The weighted average number of those conditional shares that will be created based on MCNs already outstanding is included in basic earnings per share.

The Board of Directors and employees of Cicor receive part of their remuneration in Cicor shares. The dilutive impact of share-based remuneration is included in diluted earnings per share.

20 Personnel Costs

in CHF 1 000	2022	2021
Wages and salaries	69 848	58 645
Social security costs	9 526	7 392
Other personnel costs	4 924	3 868
Total	84 298	69 905

Share-based remuneration

Remuneration of the Board of Directors

Members of the Board of Directors receive part of their remuneration in Restricted Share Units (RSUs), which are later converted into Cicor Shares.

An RSU is a personal award to receive one common registered share of Cicor per RSU. The number of granted RSUs is determined by dividing the relevant gross compensation amount by the average closing price of the Cicor share of the last 10 trading days immediately prior to the AGM that marks the beginning of the term of office. The shares are usually transferred to the beneficiaries on the first trading day after the Annual General Meeting that marks the end of the term of office and are then subject to a three-year blocking period, during which they may not be sold or otherwise disposed of. The blocking period is lifted immediately on the date of a Board member's demise.

1 627 shares (2021: 0 shares) valued at CHF 49.17 (2021: n/a) were granted in 2022, and expenses of TCHF 57 (2021: TCHF 0) were recognized in wages and salaries in 2022 for the remuneration of the Board of Directors.

Performance Stock Option Plan (PSOP)

Members of the executive committee (EC) may be invited to participate in the Performance Stock Option Plan (PSOP), upon individual nomination by the Board of Directors. Participants receive a grant of non-tradable performance stock options of Cicor at the beginning of a year, the total value of which (the gross compensation amount) is determined by the Board of Directors. The number of granted stock options is determined by dividing the approved gross compensation amount by the fair value of those options, which is assessed by an external valuation specialist. The performance stock options vest after a three-year vesting period if the participant is still in active employment with Cicor, but conditional upon the achievement of the performance condition. The performance condition is relative TSR, which compares the share price evolution and dividend payments of Cicor with a predefined peer group of eleven listed companies in the EMS industry that are comparable to Cicor. If Cicor outperforms at least half of the peer companies, 50% of the performance stock options will vest. The vesting percentage can go up to 100% for being the best performing company, and down to 0% if more than 75% of the peer companies performed better than Cicor. Once vested, the stock options may be exercised for a period of four years. The gain realized by the participants corresponds to the difference between the share price of the Cicor share at the time of exercise and the exercise price of the stock option.

10 385 performance stock options (2021: 0 performance stock options) valued at CHF 16.37 (2021: n/a) were granted in 2022, and expenses of TCHF 51 (2021: TCHF 0) were recognized in wages and salaries in 2022 for the PSOP.

Performance Share Plan (PSP)

Members of the executive committee and leadership team, as well as other selected key managers, may be invited to participate in the Performance Share Plan (PSP), upon individual nomination by the CEO and approval by the Board of Directors. Participants receive a grant of performance share units (PSU) whose total value (the gross compensation amount) is determined by the Board of Directors. The number of granted PSUs is determined by dividing the relevant gross compensation amount by the average closing price of the Cicor share of the last 30 business days prior to the grant date. A PSU is a conditional right to receive Cicor shares after a vesting period of three years if the company meets certain performance targets over the vesting period and if participants are in active employment with Cicor at the end of the three-year vesting period. The performance conditions are reaching specific levels of revenue growth and EBITDA margin for Cicor Group. Depending on the achievement of these performance conditions, each PSU may be converted into up to two Cicor shares, which is the upper cap if the performance conditions are overfulfilled, or the PSU may lapse if the lower cap of the performance conditions are not reached.

11 499 PSUs (2021: 0 PSUs) valued at CHF 53.30 (2021: n/a) were granted in 2022, and expenses of TCHF 183 (2021: TCHF 0) were recognized in wages and salaries in 2022 for the PSP.

Former LTI

The former LTI was discontinued in financial year 2021 and was replaced by the Performance Stock Option Plan and the Performance Share Plan in financial year 2022.

No shares were granted to employees in financial year 2022 (2021: 10 300 shares valued at CHF 53.38) based on the former LTI. Expenses of TCHF 172 (2021: TCHF 226) were recognized in wages and salaries in 2022 for the former LTI.

Number of Employees by function

Number of employees (FTE)	31.12.2022	31.12.2021
Production	1 973	1 953
Sales and marketing	84	83
Administration	161	145
Total	2 217	2 181

21 Other Operating Expenses

in CHF 1 000	2022	2021
Facility costs	10 899	8 580
Maintenance costs	3 920	3 308
Other production costs	7 831	5 839
Sales and marketing costs	835	807
Administration costs	6 633	4 746
Total	30 118	23 280

22 Financial Income and Expenses

in CHF 1 000	2022	2021
Income		
Interest income	85	4
Foreign exchange gains	7 780	4 283
Total	7 865	4 287
Expense		
Interest expense	3 088	1 042
Other financial expenses	445	517
Foreign exchange losses	8 873	4 722
Total	12 406	6 281

23 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 2022, OEP 80 B.V., the main shareholder, holds 24.98 % of total shares outstanding. Other principal shareholders are presented in the notes of the financial statements of Cicor Technologies Ltd.

Related-Party transaction

In 2022 Cicor Anam Ltd, Vietnam, acquired a production building for VND 87 820 million (CHF 3.3 million) from Spartronics, which is controlled by the beneficial owner of Cicor's main shareholder OEP 80 B.V.

In addition, Cicor Anam entered a lease agreement with Spartronics for the land on which the building is located for the term from January 2023 to February 2046 with a contract value of VND 15 094 million (CHF 0.6 million), which Cicor prepaid in full in 2022.

OEP, the main shareholder, and Cicor entered into an agreement as part of the issuance of the MCN under which OEP provided a fully underwritten stand-by equity facility to Cicor (backstop). Under the agreement, OEP suspended its preferential subscription rights to acquire MCNs until the reopening and in addition stood ready to acquire all remaining MCNs up to the maximum principle amount of the MCN. OEP was compensated by a backstop fee of 150 bps of the backstopped amount, i.e. the percentage offered to other shareholders. The backstop fee was based on market rates for such services and payable under normal payment terms. In the reporting

period, backstop fees of TCHF 652 were paid to OEP under this agreement. For additional information on the MCN please refer to note 17.

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 disclosed in the remuneration report.

24 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 2022 (2021: 8% of consolidated sales).

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

in CHF 1000	2022	2021
Cash and cash equivalents	75 491	68 797
Trade accounts receivable	50 606	44 080
Other accounts receivable	3 621	4 271
Other current assets	140	42
Total	129 858	117 190

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. 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, 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). At 31 December 2022, foreign exchange forwards to hedge future cash flows with a negative replacement value of TCHF 58 were outstanding. No foreign exchange forwards for the hedging of currency risks on Group loans are outstanding.

in CHF 1000	Assets		Liabilities		Purpose
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	
Foreign exchange forwards	-	-	58	-	Hedging
Total	-	-	58	-	

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 2022 from an average of 1.1% to 1.92%.

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 140 million (utilized as per 31 December 2022: CHF 115 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. 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:

2022 in CHF 1 000	Carrying amount	Contractual cash flow	2023 contractual cash flow	2024 contractual cash flow	2025 contractual cash flow	2026 contractual cash flow	2027 and after contractual cash flow
Financial liabilities	120 716	126 071	20 452	17 494	88 091	33	–
Trade payables	39 564	39 564	39 564	–	–	–	–
Other current liabilities and accruals	42 330	42 330	42 330	–	–	–	–
Total	202 610	207 965	102 346	17 494	88 091	33	–

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	–

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.

25 Subsequent events

Effective 20 January 2023, the Cicor Group acquired 100% of the shares of Phoenix Mecano Digital Elektronik GmbH with two sites in Thuringia (Germany) and Phoenix Mecano Digital Tunisie S.a.r.l. located in Borj-Cedria (Tunisia) for a consideration of EUR 23.6 million (CHF 23.5 million). The sites acquired from Phoenix Mecano AG (SIX Swiss Exchange: PM) have been able to win some of the leading companies in Cicor's target market of medical technology as customers in recent years and generated revenue of around EUR 32 million and EBITDA of around EUR 3 million in financial year 2022. The German sites will be integrated into the organizational unit "Cicor Germany" of the Electronic Manufacturing Services (EMS) Division. The Tunisian site will also become part of the global production network of the EMS Division.

Effective 1 March 2023, Cicor Group completed the acquisition of the thin-film business of AFT microwave GmbH, Backnang, Germany, as part of an asset deal, for a preliminary consideration of EUR 1.3 million (CHF 1.3 million). AFT microwave GmbH has found a reliable partner for the future of its profitable business area of layout and production of substrates based on thin-film technology in the Cicor Group. The thin-film business has historically generated annual sales in the low single-digit million-euro range. As part of the asset deal, Cicor will integrate all employees, the existing equipment and the complete knowledge of the thin-film business at AFT's site into the Advanced Substrates division.



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 2022 and the consolidated [income statement](#), consolidated [statement of changes in equity](#) and consolidated [statement of cash flows](#) 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 give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, 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 Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters



VALUATION OF INVENTORY ALLOWANCES



VALUATION OF GOODWILL AND INTANGIBLE ASSETS 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 2022, the Group had inventory balances, including work-in-progress (WIP) balances, of CHF 117.4 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 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 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 valuation of inventory allowances refer to the following:

- [Note 2.2](#) - Significant accounting principles, Inventories
- [Note 7](#) - Inventories



VALUATION OF GOODWILL AND INTANGIBLE ASSETS AXIS GROUP

Key Audit Matter

As at 31 December 2022, intangible assets (including goodwill) of the Axis group amount to a total of CHF 54.9 million.

Management tests the intangible assets for impairment by applying a discounted cash flow model based on projected results for the relevant cash generating unit ("CGU").

The impairment test for this item requires significant management judgment with regards to cash flow forecasts, margin, growth rate as well as the discount rate, and is therefore a key area of audit focus.

Our response

Our procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests, the appropriateness of the assumptions used, and the methodology used by management to prepare cash flow forecasts. We used our own valuation specialists to support our procedures.

Amongst others, we performed the following audit procedures:

- agreeing forecasts used in the impairment tests to current expectations of management and the business plans approved by the Board of Directors;
- challenging the robustness of the key assumptions used to determine the recoverable amount, including forecast cash flows, margin, growth rate and the discount rate by comparing them with publicly available data and our understanding of the commercial prospects of the relevant CGU; and
- assessing the accuracy of management's calculations for those assets/CGUs subject to impairment testing and consider whether the assets/CGUs tested are complete.

For further information on valuation of goodwill and intangible assets AXIS Group refer to the following:

- [Note 2.2](#) - Significant accounting principles, Goodwill / Other intangible assets
- [Note 6](#) - Intangible Assets

Other information

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

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

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

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

Board of Directors' Responsibilities for the Consolidated Financial Statement

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 SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, 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 PS-CH 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, 1 March 2023

Balance sheet

in CHF 1 000	31.12.2022	in %	31.12.2021	in %
Assets				
Cash and cash equivalents	59 961	20.4	36 806	15.7
Other current receivables				
– Third parties	71	0.0	208	0.1
– Subsidiaries	34 434	11.7	12 982	5.5
Short-term loans to Group companies	1 777	0.6	1 866	0.8
Accruals	2 131	0.7	1 454	0.6
Current assets	98 374	33.5	53 316	22.8
Long-term loans to subsidiaries	37 049	12.6	38 281	16.4
Investments	158 439	53.9	142 375	60.9
Non-current assets	195 488	66.5	180 656	77.2
Total assets	293 862	100.0	233 972	100.0
Liabilities and shareholders' equity				
Financial liabilities				
– Subsidiaries	18 820	6.4	10 772	4.6
– Third parties	15 000	5.1	15 000	6.4
Other liabilities				
– Subsidiaries	10	0.0	2	0.0
– Third parties	20	0.0	9 146	3.9
Accrued expenses	1 412	0.5	1 869	0.8
Current liabilities	35 262	12.0	36 789	15.7
Non-current financial liabilities				
– Third parties	60 188	20.5	-	-
Non-current interest bearing liabilities				
– Third parties	100 000	34.0	115 000	49.2
Non-current liabilities	160 188	54.5	115 000	49.2
Share capital	34 095	11.6	30 695	13.1
Legal capital reserves				
– General reserve	2 381	0.8	1 467	0.6
– Capital contribution reserve	108 354	36.9	96 183	41.1
– Share premium	-	-	8 949	3.8
Voluntary retained earnings				
– Loss brought forward	-55 105	-18.8	-54 153	-23.1
– Net profit for the year	11 109	3.8	-952	-0.4
Treasury shares	-2 422	-0.8	-6	-0.0
Shareholders' equity	98 412	33.5	82 183	35.1
Total liabilities and shareholders' equity	293 862	100.0	233 972	100.0

Income statement

in CHF 1 000	2022	2021
Income		
Financial income	19 048	3 241
Interest received from Group companies	1 350	962
Total income	20 410	4 203
Expenses		
Financial expense	6 188	2 328
Administrative expense	3 028	2 742
Tax	85	85
Total expenses	9 301	5 155
Net profit for the year	11 109	-952

Notes 1–3

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 exchange rate applicable on the balance sheet date; 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 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 basis 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 balance sheet items are stated at fair value upon conclusion of the contract and are shown under other current receivables third parties and financial liabilities third parties. 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 subsidiaries in Switzerland and Asia. Loans in the amount of TEUR 10 200 have been granted to subsidiaries in Germany and Romania. Loans in the amount of TUSD 8 727 have been granted to subsidiaries in Asia. A loan in the amount of TSGD 3 700 has been granted to a subsidiary in Asia.

Investments

in 1 000, unless otherwise stated	Participation in %	Currency	31.12.2022	31.12.2021
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
Cicor Deutschland GmbH*¹⁾ Engineering/Production/Sales/ Distribution	100	EUR	5 000	n/a
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
Axis EMS Heights Limited* Holding/Finance	100	GBP	141	141

Axis EMS Group Limited	100	GBP	264	264
Holding/Finance				
Axis EMS Holding Limited	100	GBP	885	885
Holding/Finance				
Axis Electronics Limited	100	GBP	10	10
Engineering/Production/Sales/ Distribution				
ESG Holding Pte Ltd., Singapore*	100	SGD	1 896	1 896
Holding/Finance				
Cicor Asia Pte Ltd., Singapore	100	SGD	2 000	2 000
Sales/Distribution				
PT Cicor Panatec, Batam/Indonesia	100	USD	300	300
Production				
Brant Rock Enterprises Corporation, British Virgin Islands	100	USD	10	10
Holding/Finance				
Cicor Anam Ltd., Anam/Vietnam	100	USD	1 500	1 500
Production				
Suzhou Cicor Technology Co. Ltd., China	100	CNY	42 033	42 033
Production				
Cicor Americas Inc., USA*	100	USD	10	10
Sales/Distribution				
Cicor Management AG, Bronschhofen (Wil)/Switzerland*	100	CHF	250	250
Management Services				

* Directly held subsidiaries.

¹⁾ The company was renamed from SMT Elektronik GmbH.

Non-current financial liabilities

On 20 January 2022, Cicor issued a five-year, interest-free mandatory convertible note (MCN) with a principal amount of CHF 20 million. The MCN was subject to a reopening clause allowing Cicor to increase the principal amount of the MCN up to a maximum of CHF 60.2 million within the 12-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 with a fully underwritten standby equity facility. On 27 September 2022, Cicor exercised its option to reopen the issuance of the mandatory convertible note in the amount of CHF 40.2 million and to sell these additional notes to OEP.

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 the 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 and no cash payments will be made to the holders. The MCN contains the following early conversion option for holders: each holder may elect to convert the MCN early during the optional conversion period starting 730 days after issuance up to 10 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.

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 2022, CHF 55 million of the revolving credit line was utilized and the optional acquisition credit line in the amount of CHF 75 million was fully utilized. CHF 60 million remains outstanding on this line.

Ordinary share capital

Effective as of 14 April 2022, 340 000 new registered shares with a par value of CHF 10.00 each were created from the authorized capital according to Art. 5 sexies of the Company's Articles of Association. The subscription rights of the 340 000 newly created true reserve shares have been withdrawn in view of potential acquisitions. The Cicor Group has thus secured the flexibility to use the newly created shares at any time and at short notice in order to partially finance future acquisitions. The ordinary share capital as of 31 December 2022 consists of 3 409 542 registered shares with a par value of CHF 10.00 each (31 December 2021: 3 069 542 registered shares with a par value of CHF 10.00 each).

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 may not be distributed.

Capital contribution reserve

Distributions from the capital contribution reserve are not subject to income taxes in Switzerland and can be effected free of Swiss withholding tax. The increase in 2022 stems from transactions in November 2021 (CHF 8 030 774) and September 2022 (CHF 4 140 613). The confirmation from the Swiss tax authorities that these additions qualify as part of the capital contribution reserve has not yet been received.

Share premium

The amount of CHF 8 030 774 was transferred to the capital contribution reserve in 2022. The remaining balance of CHF 1 685 075 was transferred to the general reserve.

Dividend

At the Shareholders' Meeting on 12 April 2022, the shareholders decided that no dividend will be paid for the financial year 2021

Authorized capital

At the Annual General Meeting 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 by 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. Effective as of 14 April 2022, 340 000 new registered shares with a par value of CHF 10.00 each were created from the authorized capital according to Art. 5 sexies of the Company's Articles of Association. The authorized capital ceased to exist on 15 April 2022 and the Company consequently had no authorized capital as of 31 December 2022.

Conditional capital

At the Annual General Meeting on 12 April 2022, the Shareholders decided to extend the conditional capital according to Art. 5 bis of the Company's Articles of Association as follows: the share capital may be conditionally increased by a maximum of

CHF 1 200 000 by issuing up to 120 000 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise of option rights granted to directors, officers, senior executives and employees of the Company or its subsidiaries, according to plans established by the Board of Directors.

At the Annual General Meeting 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

	2022 in shares	2022 CHF 1 000	2021 in shares	2021 CHF 1 000
Balance as of 1 January	116	6	116	6
Purchase from Cicor Management AG	340 000	3 400	-	-
Purchase from stock market	883	45	-	-
Used for acquisitions	-98 157	-982	-	-
Share-based payments	-926	-47	-	-
Balance as of 31 December	241 916	2 422	116	6

Financial income

Financial income includes dividends from subsidiaries of TCHF 16 711 and foreign exchange gains of TCHF 2 337.

Administrative expense

Administrative expense mainly consists of remuneration to the Board of Directors of TCHF 300 and stewardship costs of TCHF 2 487 (costs charged by Cicor Management AG, costs for the annual report and the Annual General Meeting and 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 said insurance company in the amount of TCHF 6 896 (2021: TCHF 7 449), 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, 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 share register as of the end of the year.

Shareholders	31.12.2022 No of shares	in % ¹⁾	31.12.2021 No of shares	in % ¹⁾
OEP 80 B.V., Amsterdam, Netherlands ²⁾	851 705	24.98	851 705	27.75
Lock-up Group Axis Electronics Management, Milton Keynes, United Kingdom	265 607	7.79	167 450	5.46
Cicor Technologies Ltd., Boudry, Switzerland ³⁾	241 916	7.10	116	0.00
LLB (Swiss) Investment AG, Zurich, Switzerland	115 757	3.40	129 626	4.22
FundPartner Solutions (Suisse) SA, Geneva, Switzerland	111 649	3.27	94 720	3.09
Escatec Holdings Ltd., Port Vila, Vanuatu ⁴⁾	111 465	3.27	110 840	3.61

¹⁾ In % of the total registered shares as per the end of the year.

²⁾ Beneficial owner: OEP VIII GP, L.L.C., Wilmington, USA.

³⁾ Number of shares according to the Company's share register.

⁴⁾ Beneficial owner: Christophe Albin, Verbier, Switzerland.

Remuneration of Board of Directors and Group Management

Information on the remuneration of the Board of Directors and of the Group Management is disclosed in the Remuneration Report.

Shareholdings of the Board of Directors and Group Management

	31.12.2022 Shares	31.12.2022 Option and conversion rights	31.12.2021 Shares	31.12.2021 Option and conversion rights
Daniel Frutig	1 500	611	1 500	–
Norma Corio	–	–	–	–
Andreas Dill ¹⁾	n/a	n/a	1 000	–
Erich Haefeli ¹⁾	n/a	n/a	–	–
Denise Koopmans ²⁾	–	–	n/a	n/a
Konstantin Ryzhkov	–	–	–	–
Total Board of Directors	1 500	611	2 500	–

¹⁾ Member of the Board of Directors until 12 April 2022.

²⁾ Member of the Board of Directors from 12 April 2022.

	31.12.2022 Shares	31.12.2022 Option and conversion rights	31.12.2021 Shares	31.12.2021 Option and conversion rights
Alexander Hagemann	10 138	–	9 650	–
Marco Kechele ¹⁾	–	–	n/a	n/a
Peter Neumann ²⁾	–	–	n/a	n/a
Patric Schoch ³⁾	n/a	n/a	9 403	–
Total Management	10 138	–	19 053	–

¹⁾ Member of the Group Management from 1 October 2022.

²⁾ Member of the Group Management from 1 January 2022.

³⁾ Member of the Group Management until 31 December 2021.

Shares or options on shares for members of the Board

No shares or option and conversion rights were allocated to members of the Board of Directors or to employees of the Company in 2022 or 2021.

Significant events after the balance sheet date

There were no events between 31 December 2022 and 1 March 2023 that would necessitate adjustments to the book value of the Company's assets or liabilities, or that require additional disclosure in the financial statements.



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. (the Company), which comprise the [balance sheet](#) as at 31 December 2022, 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 for the year ended December 31, 2022 comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with 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.

Key Audit Matters



VALUATION OF INVESTMENT IN AXIS EMS HEIGHTS LTD.

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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



VALUATION OF INVESTMENT IN AXIS EMS HEIGHTS LTD.

Key Audit Matter

The financial statements as at 31 December 2022 include the investment in Axis EMS Heights Ltd. amounting to CHF 77.2 million. The company tests the investment for impairment annually.

The impairment assessment of investments requires significant management judgment and is therefore a key area of audit focus.

Our response

During our audit, we assessed management's impairment review of the investment in Axis EMS Heights Ltd.

Amongst others, we performed the following audit procedures:

- comparing the carrying amount of the investment with management's impairment review based on a discounted cash flow model that had already been assessed during the group audit; including
- evaluating the methodical and mathematical accuracy of the model used for the impairment tests, the appropriateness of the assumptions used, and agreeing forecasts used in the impairment tests to current expectations of management and the business plans approved by the Board of Directors.

For further information on Valuation of investments refer to the following:

- [Note 2](#) - Information on Balance Sheet and Income Statement items, Investments

Other information

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

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

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

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

Board of Directors' responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 the Company'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 Company'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 Company 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 PS-CH 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 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, 1 March 2023