

2023

Cicor Technologies Ltd.
Annual Report

cicor

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Key Figures

Key Figures

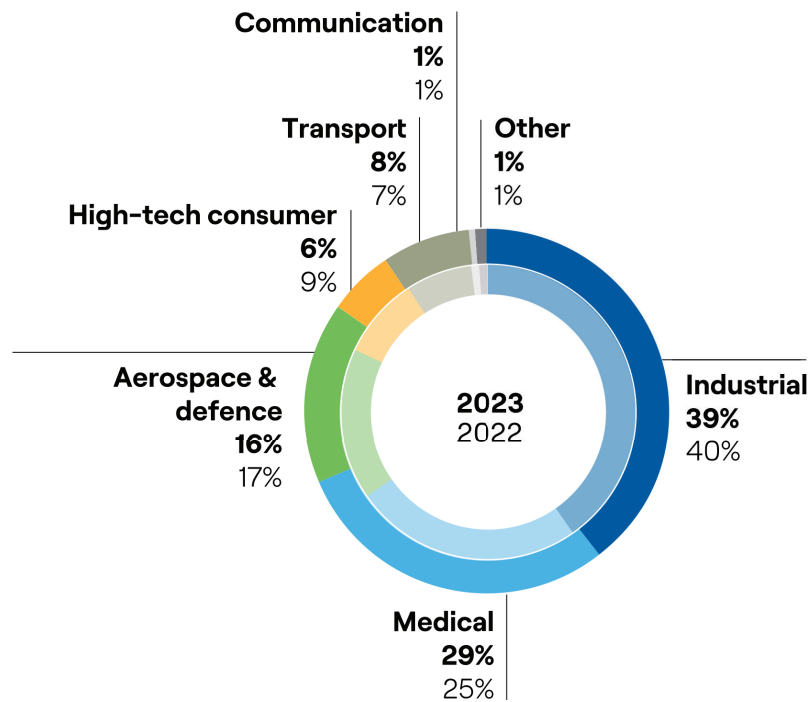
Cicor Group Income Statement

in CHF 1 000	2020	in %	2021	in %	2022	in %	2023	in %
Order entry	216 047	100.5	286 614	119.9	358 878	114.6	399 775	102.5
Net sales	214 891	100.0	239 044	100.0	313 193	100.0	389 890	100.0
Change to previous year (%)	-15.4		11.2		31.0		24.5	
Organic growth (%) ¹⁾	-13.8		11.9		14.1		11.1	
EBITDA ²⁾	19 362	9.0	23 122	9.7	32 274	10.3	45 135	11.6
Change to previous year (%)	-21.9		19.4		39.6		39.8	
Core EBIT ²⁾	8 851	4.1	12 963	5.4	21 405	6.8	32 734	8.4
Operating profit (EBIT) ²⁾	8 851	4.1	12 204	5.1	12 234	3.9	23 368	6.0
Core net profit ²⁾	4 172	1.9	8 174	3.4	12 266	3.9	16 653	4.3
Net profit	4 172	1.9	7 482	3.1	3 820	1.2	6 083	1.6
Core earnings per share (in CHF) ²⁾	1.44		2.81		3.30		3.76	
Earnings per share (in CHF)	1.44		2.57		1.03		1.37	
Number of employees (FTEs as per 31 December)	1 901		2 181		2 217		2 551	

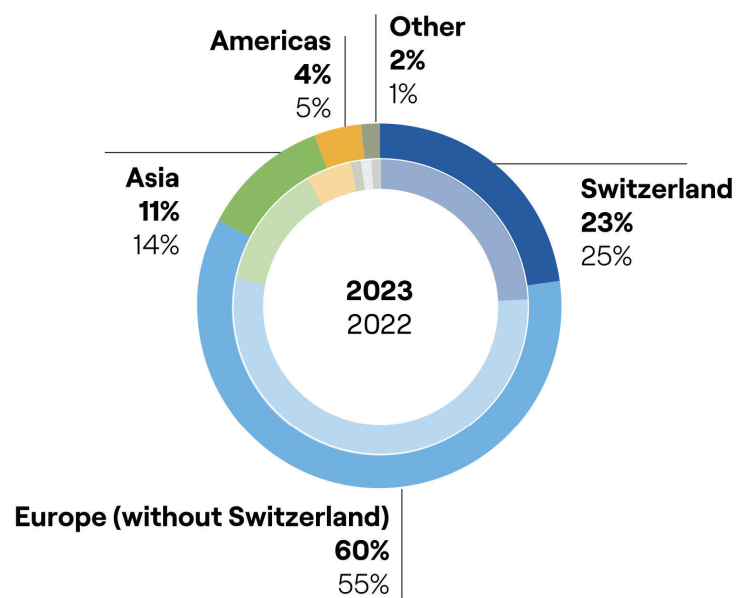
¹⁾ Change in local currencies, adjusted for acquisitions.

²⁾ Refer to note 2.3 for the definition of non-GAAP measures.

Sales by industry



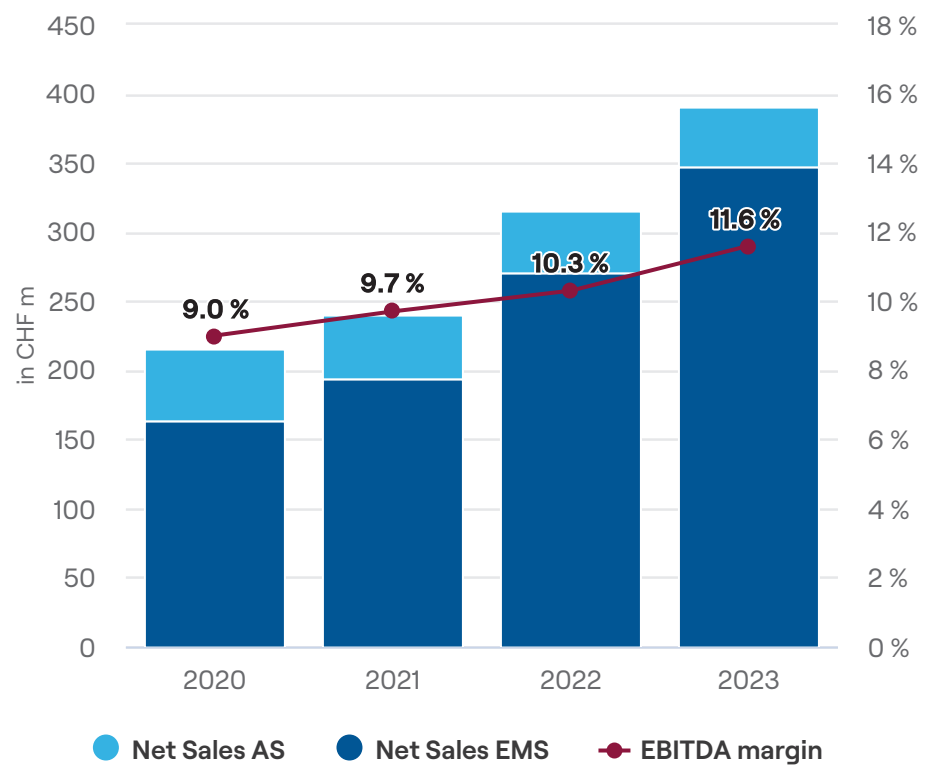
Sales by region



Divisional Income Statement

in CHF 1 000	2020	in %	2021 ¹⁾	in %	2022	in %	2023	in %
Net sales EMS Division	163 055	100.0	194 518	100.0	269 637	100.0	347 932	100.0
EBITDA EMS Division	13 621	8.4	17 987	9.2	28 950	10.7	43 366	12.5
Net sales AS Division	52 521	100.0	45 259	100.0	44 779	100.0	43 011	100.0
EBITDA AS Division	7 352	14.0	8 056	17.8	6 459	14.4	6 063	14.1

¹⁾ Restated

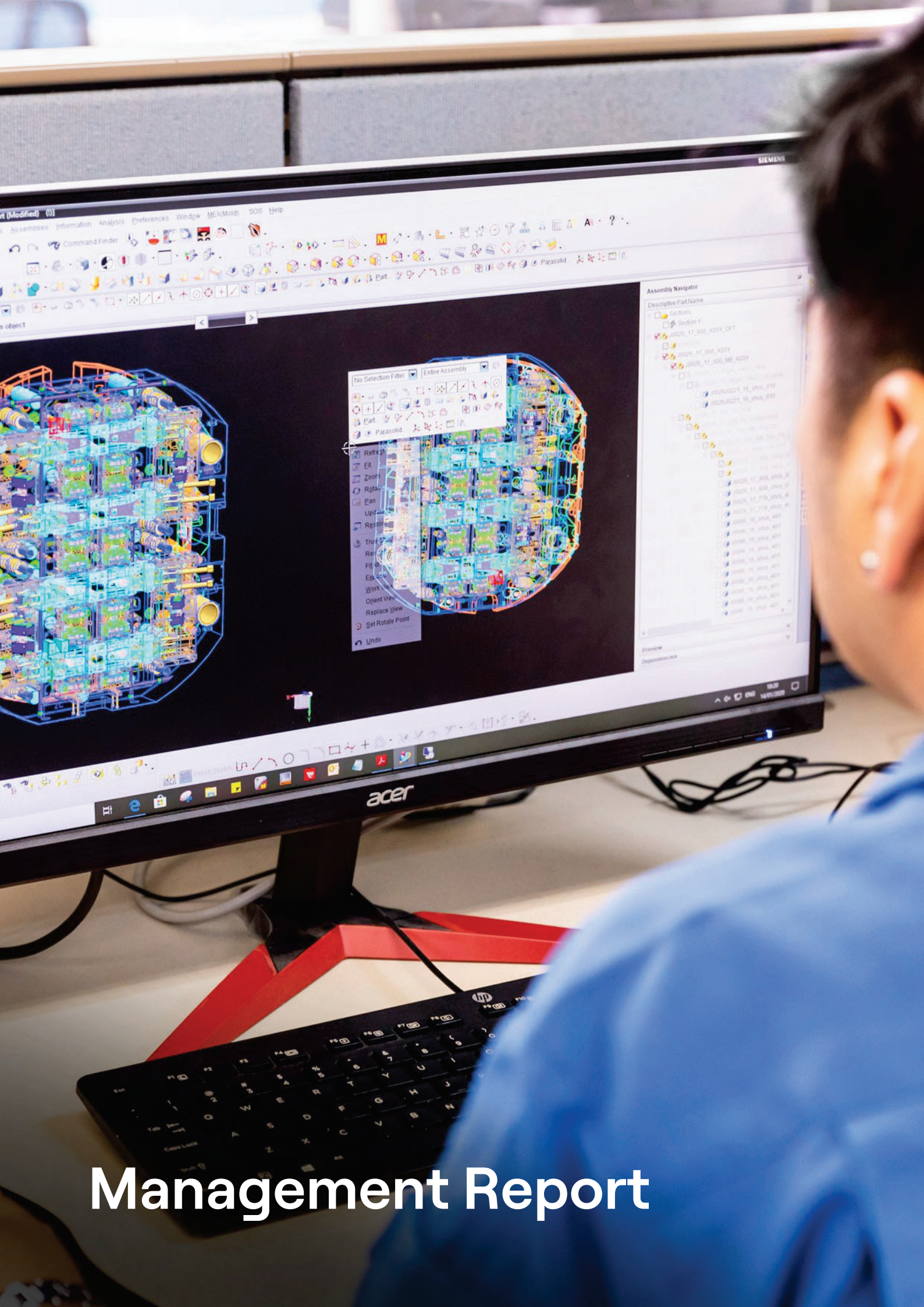


Cicor Group Balance Sheet

in CHF 1 000	31.12.2020	in %	31.12.2021	in %	31.12.2022	in %	31.12.2023	in %
Non-current assets	52 710	29.0	121 258	37.7	115 313	31.4	109 217	30.2
Current assets	129 340	71.0	200 631	62.3	251 422	68.6	251 896	69.8
Total assets	182 050	100.0	321 889	100.0	366 735	100.0	361 113	100.0
Equity	76 334	41.9	88 887	27.6	148 891	40.6	148 080	41.0
Financial liabilities	56 752	31.2	129 856	40.3	120 013	32.7	101 335	28.1
Cash and cash equivalents	43 135	23.7	68 797	21.4	75 491	20.6	57 851	16.0
Net debt	13 617	7.5	61 059	19.0	44 522	12.1	43 484	12.0
Financial leverage (Net debt / EBITDA ²⁾)	0.70		1.96		1.36		0.96	
Operating inventories ¹⁾	49 137	27.0	66 639	20.7	101 125	27.6	105 419	29.2
Operating trade receivables ¹⁾	30 087	16.5	43 492	13.5	49 226	13.4	49 497	13.7
Operating trade payables ¹⁾	22 362	12.3	38 933	12.1	39 221	10.7	36 723	10.2
Operating net working capital	56 862	31.2	71 198	22.1	111 130	30.3	118 193	32.7
in % of LTM net sales ²⁾	26.5		25.7		34.8		30.3	
Capex for tangible assets	5 072		8 623		11 187		11 628	
in % of net sales	2.4		3.6		3.6		3.0	

¹⁾ Refer to note 2.3 for the definition of Operating net working capital.

²⁾ Acquisitions are included for full twelve months pro-forma.



Management Report

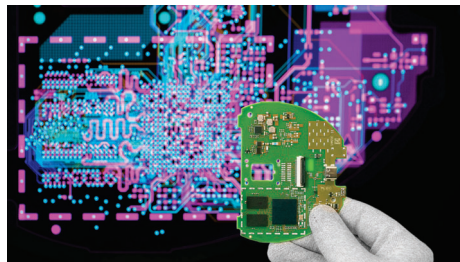
About Cicor

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 (31 December, 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.

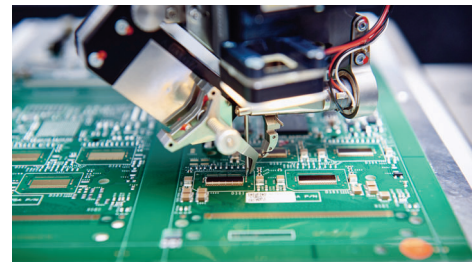
The shares of Cicor Technologies Ltd. are traded at the SIX Swiss Exchange (CICN).

Solutions



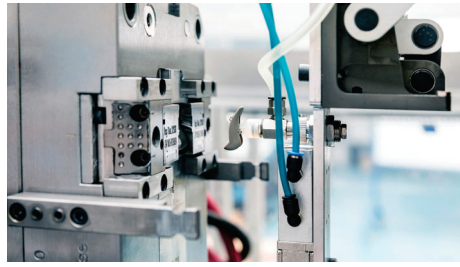
Engineering Services

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.



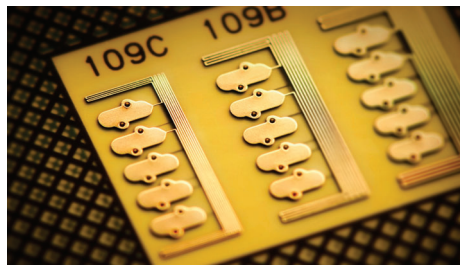
Electronic Manufacturing Services (EMS)

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 manufacturing of electronic assemblies and complete devices and systems.



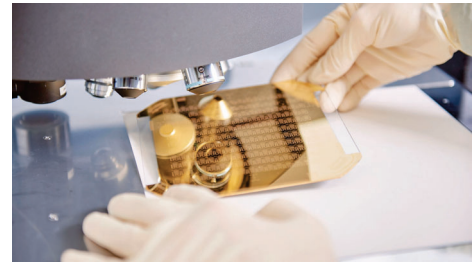
Precision Plastics

Leading companies in the medical and industrial sectors trust in Cicor as a production partner for high-precision plastic injection molded parts and mechanical assemblies. Cicor supports customers with 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.



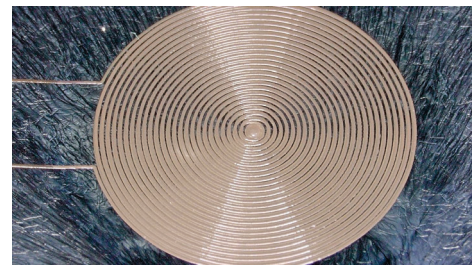
Printed Circuit Boards

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. 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.



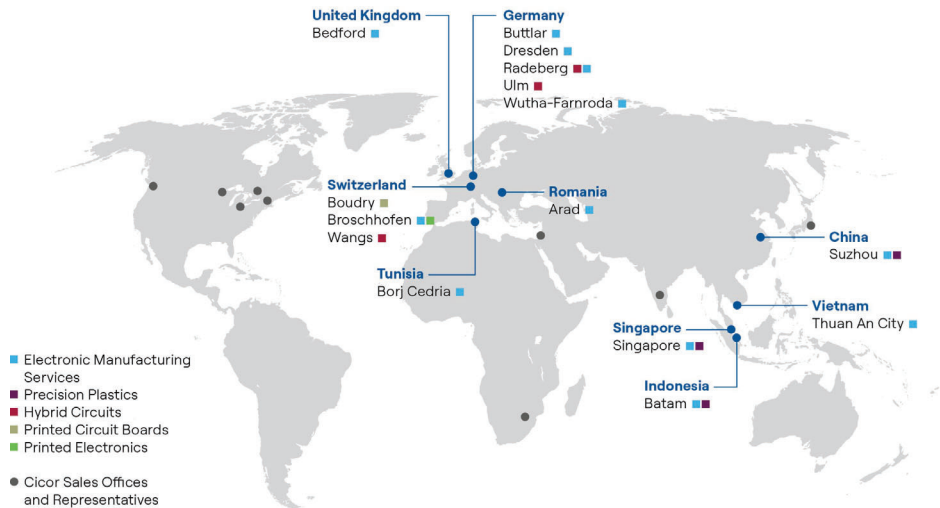
Printed Electronics

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 December 31, 2023

Markets

With around 2,500 employees at 15 sites (31 December, 2023), Cicor serves leading companies in the medical, industrial and aerospace & defence sectors.

Medical

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 & 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

In 2023, Cicor once again achieved double-digit organic growth, completed two further acquisitions and significantly increased its operating performance. Cicor's business model, which focuses on development and production services for high-end electronics in the medical, industrial, and aerospace & defence markets, is reflected in new record figures for incoming orders, sales and earnings. The positive book-to-bill ratio achieved in 2023, together with the acquisition of STS Defence completed in January 2024, of Evolution Medtec completed in February 2024 and of TT Electronics IoT Solutions Ltd signed in March 2024 and expected to close in Q1 of 2024, should lead to significant growth in sales and operating profit in 2024.



Daniel Frutig und Alexander Hagemann

Cicor increased sales by 24.5% year-on-year to a new high of CHF 389.9 million in 2023 (2022: CHF 313.2 million). While organic growth contributed 11.1% and acquisitions 16.4% to sales growth, the appreciation of the Swiss franc slowed sales growth by -3.0%. Despite the economic headwind, Cicor was able to further expand its robust order backlog. With incoming orders of CHF 399.8 million (2022: CHF 358.9 million), the previous year's figure was exceeded by 11.4% and a ratio of incoming orders to sales (book-to-bill rate) of 1.03 was achieved. Cicor Group's order backlog thus continues to represent around one year's sales.

Cicor's consistent leveraging of synergies from acquisitions and the potential to improve operational excellence led to an increase in profit margins at all levels. The operating margin before interests, taxes, depreciation, and amortization (EBITDA) reached a new record of 11.6% in the reporting year (2022: 10.3%). EBITDA amounted to CHF 45.1 million, an increase of 39.8% over the previous year's figure of CHF 32.3 million. The increased scale of the company and the focus on optimized asset utilization led to improved capital efficiency. This resulted in a substantial higher increase in core EBIT (before acquisition-related amortization of intangible assets) of 52.9% to CHF 32.7 million in the reporting year (2022: CHF 21.4 million), which corresponds to a margin of 8.4% (2022: 6.8%). Core net income (before acquisition-related amortization of intangible assets) increased by 35.8% to CHF 16.7 million (2022: CHF 12.3 million). The comparably lower growth in core net income is mainly due to negative currency effects caused by the strong appreciation of the Swiss franc in the second half of the year and an increased tax burden.

“The operating margin at EBITDA level reached a new record level of 11.6%.”

Cicor is particularly pleased that it succeeded in reducing operating working capital to 30.3% of annual sales in the reporting year. This is a significant improvement on the previous year when the supply chain problems resulted in a figure of 34.8%. Free cash flow from operating activities (before the purchase price payments for Phoenix Mecano Digital Electronic and the thin-film activities of AFT Microwave) amounted to CHF 26.3 million in 2023, compared with a negative figure of CHF -21.6 million in the previous year. Even considering the acquisition-related payments, this resulted in a positive free cash flow of CHF 4.3 million (2022: CHF -41.1 million).

Focusing on target markets pays off

Cicor's strategy of focusing the company on the robust and sustainably growing medical, industrial and aerospace & defence markets enabled the successes of 2023. In comparison, the consumer, computer and communications (CCC) markets, which are not actively addressed by Cicor, experienced a significant decline in demand following the end of the COVID pandemic; the automotive market also suffered from disruptions caused by technological change. Cicor focuses on customers based in Europe and to some extent in North America. These regions are receiving a significant boost from the reshoring trend and the search for alternatives to production in China.

This enabled Cicor to withstand the general economic downturn and record organic growth of 11.1%. In the target markets, Cicor grew by 27.8% in the reporting year, achieving a share of 84.3% of the Group's total sales (2022: 82.1%). The strongest growth was achieved in medical devices at 43.3%, followed by industrial electronics at 21.6% and aerospace & defence at 19.7%. The other – non-strategic – applications grew by 9.1%.

Regionally, Cicor has strengthened the importance of Europe as a target market, not least through the two acquisitions in Germany. Cicor is convinced that the long-term geopolitical, logistical and operational challenges will lead to a sustained increase in the importance of production in Europe and North America.

Electronic Manufacturing Services (EMS) Division takes another step forward

In the reporting year, Cicor took a major step towards its strategic goal of becoming the leading European provider in the target markets of medical devices, industrial electronics, and aerospace & defence. Organic growth was strengthened by winning important new customers. Furthermore, the companies acquired since 2021 posted above-average growth. With the purchase of a second production site in Thuan An City, in immediate proximity to the existing Cicor Vietnam plant, and considering the recently announced acquisitions of STS Defence (completed 23 January 2024), Evolution Medtec (completed 27 February 2024) and TT Electronics IoT Solutions (signed 1 March 2024 and expected to be completed in Q1 of 2024), Cicor now has a production capacity of approximately CHF 700 million for the Group. Significant progress was made on the path to operational excellence, reflected in higher margins. In addition, operating working capital was significantly reduced in relation to sales, enabling Cicor to generate a strongly positive free cash flow.

“Cicor has a production capacity of approximately CHF 700 million after recent acquisitions.”

The positive business performance led to a 29.0% increase in divisional sales to CHF 347.9 million (2022: CHF 269.6 million), with the EMS Division's share of sales rising further to 89.2% (2022: 86.1%). Supply chains, particularly for semiconductor components, have largely returned to normal, even though there are still some shortages and delivery times are generally longer than before the COVID pandemic.

Operating margin have now reached satisfactory levels. The increasing share of business with clear competitive differentiation through technology and processes has contributed to this, as has the discontinuation of some low-margin business, which has further improved the product mix. EBITDA therefore rose by 49.8% to CHF 43.4 million in the reporting year (2022: CHF 29.0 million). The resulting EBITDA margin of 12.5% (2022: 10.7%) demonstrates the potential of Cicor's strategy.

To further strengthen Cicor's competitive position, particularly in the medical and industrial electronics sectors, Cicor has entered a partnership with the French company Clayens, one of the world's leading processors of polymers, composites and precision metal parts, headquartered in Genas, France. The strategic partnership enables the two companies to offer customized and integrated technology solutions from a single source that are unmatched in terms of innovation, quality and efficiency – from concept to market, regardless of their complexity. Customers, particularly in the medical and industrial sectors, will benefit from the combination of Cicor's and Clayens' complementary skills and technologies. Clayens is controlled by an affiliate of One Equity Partners and therefore meets the definition of a related party for Cicor.

On October 17, 2023, Cicor signed an agreement to acquire 100% of the shares in UK-based STS Defence Limited – the transaction was completed in January 2024. This strengthens Cicor's market position in the United Kingdom, Europe's largest aerospace & defence market. By combining the strengths of Axis Electronics (acquired in 2021) and STS Defence, Cicor is ideally positioned to implement the most demanding customer programs for its predominantly British customer base. STS Defence generated sales of GBP 27.5 million with a strong operating margin in the financial year ending June 30, 2023.

Advanced Substrates (AS) Division with significant recovery in the second half of the year

Whereas the expiry of a multi-year order for hybrid circuits and reduced demand for printed circuit boards from a medical customer has had a significant negative impact on the division's results in the first half of the year, these losses were largely offset in the second half. The successful implementation of an excellence program at the Boudry site had a positive impact, while a temporary staff shortage at one of the thin-film substrate sites resulted in sales and earnings targets not being met.

As a result, and compared to the previous year, sales in the AS division decreased by 3.9% to CHF 43.0 million (2022: CHF 44.8 million). The EBITDA margin changed slightly to 14.1% (2022: 14.4%). EBITDA of CHF 6.1 million was thus achieved, 6.1% below the previous year's figure of CHF 6.5 million.

“The AS Division is strategically important to offer complete solutions to the Cicor customers.”

Cicor continues to regard the AS Division as a strategically important part of the Cicor Group to be able to offer customers, particularly in the medical and aerospace & defence sectors, complete solutions that are unique in terms of miniaturization, biocompatibility, robustness and functionality. The resulting opportunities support the growth of the Cicor Group in its target markets.

Balance sheet strength and refinancing as the basis for further growth

As of December 31, 2023, the Cicor Group's total assets decreased slightly to CHF 361.1 million (31.12.2022: CHF 366.7 million) despite the integration of two acquired companies and organic growth. This decline is mainly due to the optimization of liquidity management and the scheduled amortization of intangible assets, while net working capital increased at a much slower rate than sales. The equity ratio increased slightly to 41.0% (31.12.2022: 40.6%), giving Cicor a solid balance sheet structure in the reporting year.

Goodwill and other intangible assets, most of which resulted from the acquisition of Axis Electronics, were amortized in accordance with the rules of Swiss GAAP FER, and they amounted to CHF 48.4 million as of 31 December 2023 (31.12.2022: CHF 58.3 million).

The positive free cash flow after acquisitions enabled a slight reduction in net debt to CHF 43.5 million as at 31.12.2023 (31.12.2022: CHF 44.5 million). Together with the significant increase in profitability, the financial leverage (net debt in relation to EBITDA) therefore fell to 0.96 at the end of the reporting year (31.12.2022: 1.36).

On October 30, 2023, Cicor renewed the existing syndicated loan of CHF 155 million maturing on June 18, 2025 at attractive conditions and increased it to CHF 245 million. The new loan agreement has a term of four years with two one-year extension options. The renewal of the revolving credit facility and the positive business development provide financial and liquidity security and enable Cicor to continue its growth strategy in 2024 and beyond.

Profit distribution

The Board of Directors of Cicor Technologies Ltd. will propose to the 2024 Annual General Meeting that no dividend be paid. This will allow the company to use its capital to continue its growth strategy through acquisitions which are expected to add significant value for Cicor's stakeholders. Cicor will consider resuming profit distributions to shareholders as soon as sustainable positive net cash flows will be achieved.

Sustainability

With its internal sustainability agenda, the Cicor Group goes far beyond the new requirements of the Swiss Code of Obligations for sustainable corporate management to protect people and the environment. Sustainability is a high priority at Cicor and has an impact on all levels of the company.

“Cicor’s ESG strategy was systematically enhanced in fiscal 2023.”

Maintaining strong environmental, social and governance (ESG) values is essential to Cicor’s business success, where Cicor considers social values as important as environmental sustainability. Cicor’s ESG strategy was systematically enhanced in fiscal 2023. This included updating risk management, launching projects to improve supplier management and introducing cross-site ESG indicators. The Cicor sites in Romania and Vietnam recently installed large-scale photovoltaic systems, which will contribute to an improved electricity mix for the Cicor Group in the future. The company supports social responsibility for its own employees and expects the same from its partners throughout the supply chain.

The Sustainability Report integrated in the Cicor Annual Report 2023 has been prepared in accordance with the standards of the Global Reporting Initiative (GRI) and fulfills the legal requirements for reporting on non-financial aspects in accordance with the Swiss Code of Obligations. The Sustainability Report will be submitted to the shareholders of Cicor Group for approval at the Annual General Meeting.

Subsequent events

Effective 23 January 2024, the Cicor Group acquired 100% of the shares of STS Defence Ltd, United Kingdom (2023 sales: GBP 27.5 million). With STS Defence, Cicor has acquired an industry-leading provider of sustainment, support and modernization solutions for mission-critical electronics and communication systems in the aerospace & defence sectors.

Effective 27 February 2024, the Cicor Group acquired 100% of the shares of Evolution Medtec Srl, Romania (2023 sales in the lower single-digit million Euro range). Evolution Medtec is a provider of comprehensive engineering services with a strong focus on medical and paramedical applications, employing 25 people in Bucharest, Romania.

On 1 March 2024, the Cicor Group has signed an agreement to acquire TT Electronics IoT Solutions Ltd (2023 sales: GBP 70.2 million), with three production sites in the UK and China, from TT Electronics PLC, employing more than 500 people and adding around 25,000 square meters of production area. The combination of the three new sites and the Cicor companies Axis Electronics and STS Defence will not only create the new leader in the UK EMS market but will also make Cicor a European market leader in the production of high-end electronics for aerospace & defence applications. Cicor is paying GBP 20.8 million on a cash and debt free basis and subject to normal working capital adjustments. The transaction is expected to close in the first quarter of 2024, has received all regulatory approvals and is subject to customary closing conditions.

Accelerated growth expected to continue in 2024

Cicor has an order backlog equivalent to almost one year's sales. In addition, several important new projects are entering series production. The consolidation of STS Defence, Evolution Medtec and TT Electronics IoT Solutions (expected to be completed during Q1 of 2024) will also lead to a significant increase in sales and earnings. On the other hand, the appreciation of the Swiss franc against the euro and the US dollar, as well as a temporary decline in demand from customers in the smart building and other industrial sectors, will have a dampening effect on growth.

Provided the geopolitical, economic and financial conditions do not deteriorate significantly, Cicor expects in 2024 sales to grow to CHF 460-500 million with an EBITDA margin in the target range of 10-13%.

Cicor confirms the financial mid-term targets published in December 2023:

- Annual organic sales growth of 7-10%
- Sales of >CHF 600 million within 3-4 years
- Profitability of 7-10% (core EBIT) and 10-13% (EBITDA)
- Core return on invested capital (core ROIC) of >15%
- Leverage ratio (net debt / EBITDA ratio) of <2.75
- Capital expenditure (CAPEX) of less than 3% of sales

Cicor is very well positioned. The company is benefiting from dynamic growth in its target markets of medical, industrial and aerospace & defence. Acquisitions will continue to play an important role in Cicor's strategy as the company sees attractive opportunities for consolidation in a highly fragmented market. The current guidance includes a moderate level of acquisitions. The actual level of inorganic growth may lead to a revision of the mid-term financial targets. The payment of a dividend will be considered as soon as Cicor achieves a sustainable positive net cash flow.

On behalf of the Board of Directors and the Executive Board of the Cicor Group, we would like to thank everyone who has made a valuable contribution to the successes of the 2023 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

	2019	2020	2021	2022	2023
Share capital (in CHF)	29 020 920	29 020 920	30 695 420	34 095 420	34 111 690
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	3 069 542	3 409 542	3 411 169
Of which treasury shares	5 500	116	116	241 916	249 404
Number of outstanding registered shares	2 896 592	2 901 976	3 069 426	3 167 626	3 161 765
Number of conditional shares for MCN ¹⁾	–	–	–	1 267 116	1 267 116
Total outstanding and conditional MCN shares	2 896 592	2 901 976	3 069 426	4 434 742	4 428 881

Key figures per share

	2019	2020	2021	2022	2023
Earnings per share (in CHF) ¹⁾	2.90	1.44	2.57	1.03	1.37
Equity per share (in CHF) ¹⁾	27.21	26.30	28.96	33.57	33.44
Gross dividend (in CHF)	2 897 592	4 338 888	2 901 976	–	–

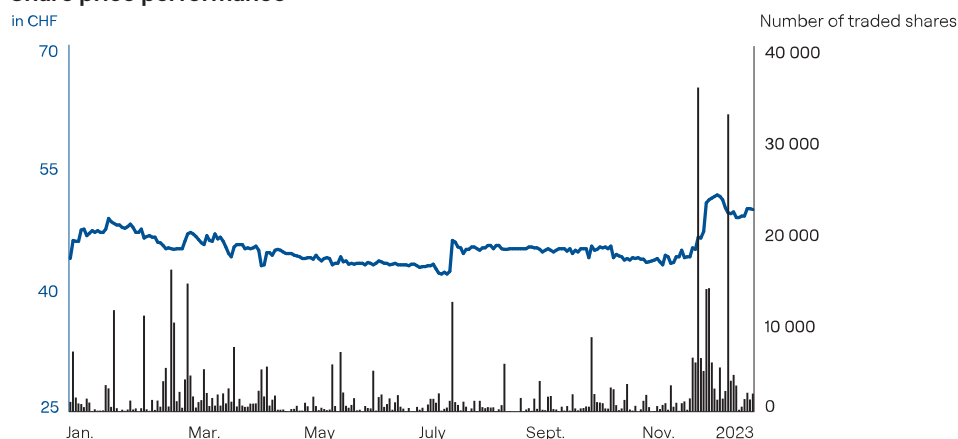
Share price

Stock market price in CHF per share	2019	2020	2021	2022	2023
High	61.50	64.30	64.60	58.00	52.00
Low	37.20	28.25	45.60	40.50	41.70
Year-end	59.40	46.50	52.80	42.90	49.80
Average number of shares traded per day	2 481	2 150	1 463	1 189	1 790
Market capitalization at year-end (in CHF 1 000) ¹⁾	172 058	134 942	162 066	190 250	220 558

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	31.12.2023 No of shares	in % ¹⁾	31.12.2022 No of shares	in % ¹⁾
OEP 80 B.V., Amsterdam, Netherlands ²⁾	851 705	24.97	851 705	24.98
Lock-up Group Axis Electronics Management, Milton Keynes, United Kingdom ³⁾	–	–	265 607	7.79
Cicor Technologies Ltd., Boudry, Switzerland ⁴⁾	249 404	7.31	241 916	7.10
LLB (Swiss) Investment AG, Zurich, Switzerland	128 075	3.75	115 757	3.40
FundPartner Solutions (Suisse) SA, Geneva, Switzerland	111 649	3.27	111 649	3.27
Escatec Holdings Ltd., Port Vila, Vanuatu ⁵⁾	111 465	3.27	111 465	3.27
Quaero Capital SA, Geneva, Switzerland	107 898	3.16	–	–

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⁾ The Lock-up Group was terminated on 10 November 2023 and all of the individual shareholders are below the reporting threshold.

⁴⁾ Number of shares according to the Company's share register.

⁵⁾ Beneficial owner: Christophe Albin, Verbier, Switzerland.

Overview of shareholders as per Share Register as of 31 December 2023

Shares entered in the Register	2 565 187
Shareholders entered in the Register	1 058
Shareholders with 1-1 000 shares	933
Shareholders with 1 001-10 000 shares	94
Shareholders with 10 001 and more shares	31

Calendar and Contacts

Agenda

- Business update Q1/2024: April 16, 2024
- General Assembly 2024: April 18, 2024
- Half-Year Report 2024: July 24, 2024
- Business update Q3/2024: October 15, 2024
- Annual Report 2024: March 2025

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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An aerial photograph showing a river with white rapids flowing through a dense, green forest. The river is surrounded by a rocky shoreline and is flanked by thick trees. The text "Sustainability Report" is overlaid in white at the bottom left.

Sustainability Report

1 Sustainability Report 2023

1.1 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 and its approximately 2500 employees create value to its customers through the combination of customer-specific development solutions, high-tech components, as well as electronic device manufacturing. The Group, head-quartered in Bronschhofen (Switzerland), operates 15 production sites in Switzerland, the United Kingdom, Germany, Romania, Tunisia, Singapore, Indonesia, Vietnam and China.



Cicor sites as of 31st December 2023

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 Cicor's Value Chain

The development and production of Cicor's electronic solutions involve direct and indirect procurement. Direct procurement includes a wide range of suppliers mainly based in OECD countries as well as some Asian based suppliers. Components and suppliers for products vary between location of production sites especially depending on the production focus of each site. The indirect procurement contains all assets that are necessary for the operations of the Cicor sites: machines, production equipment such as safety equipment for employees, IT hardware/software and office equipment. These are typically locally purchased.

Services

Electronic Manufacturing Services (EMS): Cicor is an international electronics service provider with a wide range of products and services in the fields of printed circuit board assembly, system assembly and box building, switchgear cabinet construction, cable assembly, tool design and fabrication as well as plastic injection molding. Cicor offers outsourcing solutions for the development and manufacture of electronic assemblies and complete device systems.

Printed Circuit Boards (PCB): Cicor is a leading PCB manufacturer specialized in sophisticated applications and highly miniaturized circuits. The company develops and produces high-quality rigid, rigid-flexible and flexible PCB's, focusing on high- and ultra-high-density interconnects.

Substrates and hybrid circuits (Substrates): Cicor is a leading manufacturer of high-quality thin-and thick-film substrates and hybrid circuits. Thick-film technology is a sophisticated technology for the production of wiring supports that has been used for decades. Thin-film technology is used in cases where the highest levels of miniaturization, high-frequency properties and biocompatibility are required.

Target Markets

The Cicor Group sells its products to leading companies in the medical, industrial and aerospace & defence, wearables and building technology sectors. However, Cicor generates 84% of its sales in its three target markets (Medical, Industrial and Aerospace & Defence). The main markets are Switzerland and Europe, while Asia and America only account for a small proportion.

In medical technology, technological advances are constantly broadening the range of new, fascinating opportunities for the development and manufacture of electronic devices. As a global outsourcing partner, Cicor Group is responsible for the production of many electronic and plastic components for the hearing aid industry. Additionally, the company develops functional safe control systems for jet ventilation lung respiratory devices with a maximum reliability, stability, and functional safety.

Digital transformation, IoT, rising automation and smart cities need sensors which electronical parts get more complex and miniaturized. 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.

Highly reliable equipment is crucial for mission and life critical applications. Cicor has supported strategic international programs and collaborated with market-leading prime and tier one companies. The company continuously demonstrates the precision of its manufacturing processes and ensures traceability of its products throughout the supply chain.

2 Sustainability Strategy Management

2.1 Responsibility and commitment

Cicor places a strong emphasis on sustainability across all levels of the company. The corporate strategy, including sustainability is integral part of the Cicor Board of Directors' agenda. Rather than being discussed in a separate committee, sustainability is integrated strategically at Cicor. Results and progress towards sustainability goals are reviewed annually by the Board of Directors and the management. The Board of Directors also oversees and approves the reporting on non-financial aspects and the due diligence in relation to minerals and metals from conflict-affected areas and child labor.

The Annual Report includes the management report, sustainability report, corporate governance report, remuneration report, financial report, and financial statements of Cicor. The sustainability report, which is available as a separate document, contains information about non-financial aspects according to art. 964b of the Swiss Code of Obligations. Responsibility for economic, environmental, and social topics is embedded in the entire management structure, with final reporting line to the board of directors. 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 2023, 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 and stakeholders. The Group recognizes that upholding strong Environmental, Social, and Governance (ESG) values is paramount to its success and goes beyond being just a responsible corporate citizen. The company perceives a comprehensive ESG strategy as a benefit in all its business relationships. Customers' perceptions of Cicor's ESG practices can impact their decision to place orders. Thus, the Group further developed and implemented its ESG and Compliance Strategy in 2023. This included the introduction of a Group Compliance Officer, updating the Group's risks and chances, launching projects to improve Cicor's supplier management, and the implementation of new KPI's as well as a monthly recording of environmental data. Workshops to improve the knowledge and awareness of diverse compliance matters have been held for example at our sites in Wangs and Ulm. Additionally, an e-learning platform will be launched in 2024 to provide all employees easy access to training material on ESG and compliance knowledge. Building on these measures and the advanced understanding of compliance topics gathered throughout the last years, Cicor plans to extend its ESG and Compliance strategy in 2024, with the aim of creating and implementing a comprehensive Compliance Management System covering all ESG topics.

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 commitments. Following all of these principles requires consistent, high-quality services that use minimal resources and support first-rate safety. Therefore, Cicor's quality policy, environmental

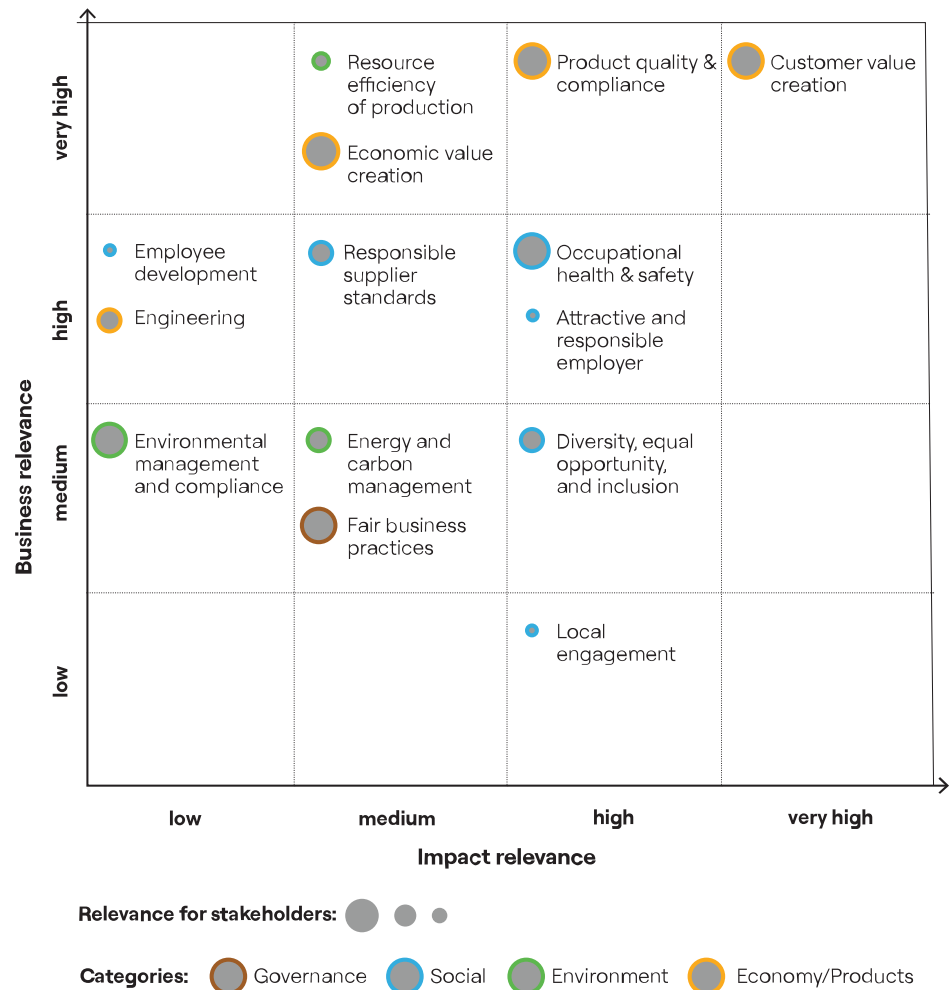
policy, and health and safety policy are equally important components of the corporate policy. The performance in these aspects is how the Group measures its success in meeting its corporate policy.

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 goals and values. 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, 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.

2.2 Material topics

This report has been drafted in accordance with 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) and external sources (sustainability standards, industry information, peer analysis). Material topics were those identified by Cicor as relevant for its business success, that have a significant economic, environmental, or social impact, and/or are relevant from the perspective of external stakeholders. The material topics were determined and evaluated in a workshop with Cicor's management. The results of this materiality analysis are depicted in the materiality matrix which was reviewed in the reporting year and its current validity was confirmed.

Materiality matrix



2.3 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) analyses or specific stakeholder analyses 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.

3 Maximizing Economic Potential

3.1 Economic value creation

Cicor 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, Cicor recognizes that efficiency in tooling management will lead to faster setup and production and that increasing productivity will strengthen the capability to produce higher quantities of products without additional capital investment.

Cicor implements a multilevel approach to manage its economic performance. In addition to constantly reviewing prices, Cicor analyses requests for quotes (RFQ) in relation to business segment, technology, and competitive environment. Cicor also ensures that 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 economic performance, including measuring sales performance and Earnings Before Interest and Taxes (EBIT). Cicor also compares its actual production output against planned output.

Optimizing processes is a crucial undertaking in creating economic value. Cicor constantly works on operational excellence ideas and holds regular meetings to share knowledge across its sites. In 2023, a monthly reporting of environmental KPI's was implemented on group level to promote a better understanding of how process efficiency can be increased.

3.2 Customer value creation

Cicor is a goods manufacturer and 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 and aerospace & defence sectors, in both production and development phases. Long-term customer retention is then achieved through high product and service 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 further strengthen its competitiveness by shortening delivery times, developing a superior supply chain, and pursuing competitive costs for materials.

Cicor implements growth targets to measure and expand its value creation for customers. In order to build close relationships with its customers, the company ensures that customer requests are taken on board and their needs are satisfied. Cicor

attaches great importance to the delivery of goods and services in the agreed quality, quantity, and timing, while continuously obtaining customer feedback and generating appropriate responses.

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 holds purchasing meetings with customers and works 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 to address issues they cannot resolve themselves or by identifying 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 in achieving Cicor's customer targets is monitored using 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 both years, 2022 and 2023, 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.

3.3 Product quality and compliance

Poor product quality harms not only the customer's but also Cicor's reputation. Therefore, delivering high-quality products is a non-negotiable prerequisite for Cicor's competitiveness. Providing superior performance that meets its customers' expectations is crucial. The Group seeks to perpetually expand its know-how and technological capability and develop innovative applications with improved performance from new materials. The Group believes that quality is achieved through optimized processes rather than frequent inspections, and thus has implemented safe and reliable 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 compliance to all relevant laws and regulations. In particular, since Cicor is delivering to the medical and aerospace & defence markets, quality is an extremely high priority.

Where possible, Cicor certifies its sites in accordance with international standards such as ISO 9001, 14001, 27001 and 45001 to reassure customers that the company 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 for the required skills, including repeated training within a defined time interval. All of Cicor's processes are documented in detail internally at each site and their compliance is regularly internally and externally 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, 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 according to ISO 9001/13485 certifications and customer audits are assessed.

3.4 Engineering

Engineering is of fundamental importance to the Cicor Group. Around 200 well-trained engineers with interdisciplinary skills work on customer projects, making the engineering department a unique selling point of the company. In many cases, a need for engineering is the starting point for a customer relationship with Cicor. 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 degree of energy efficiency depends largely on the product design, which is specified exclusively by Cicor's customers. However, Cicor's manufacturing approach in close engagement 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, reduce material consumption, and minimize waste generation, such as the miniaturization of circuits or using one rather than multiple types of coating material to reduce the number of types of chemicals used in production. 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 technology is verified at the customer project level.

The Group's interdisciplinary teams drive forward the implementation of state-of-the-art technology. Cicor constantly evaluates new process materials and methods and fosters 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 pipeline for engineering projects 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 digital networking worldwide.

4 Minimizing Environmental Impact

4.1 Energy and carbon management

The usage of non-renewable energy is associated with considerable carbon emissions and thus contributes greatly to global warming. As a company with high energy consumption, the Cicor Group is aware of its impact on the environment and the resulting responsibilities and obligations. Reducing greenhouse carbon emissions not only fulfils customer requirements but also affects the company's reputation within the industry. Increasing the company's energy efficiency and thus reducing energy consumption and CO₂ emissions also positively affects procurement costs.

Besides reputational damage, potential carbon emission levies on procured energy feature a risk for Cicor's business. The Group has a number of policies and measures in place, to build resilience and to maintain competitiveness compared to other technology providers. The Group establishes responsibilities, provides guidance on reviewing energy consumption, and formulates standards and norms for energy procurement.

Improving energy and carbon efficiency

Cicor envisions to reduce its climate impacts on multiple fronts simultaneously. In particular, purchasing energy from certified renewable sources is at the heart of Cicor's decarbonization strategy. Among its initiatives, the Group is also replacing outdated, low-efficiency equipment, invests in modern, high-efficiency production lines, and maximizes the energy efficiency of buildings by regularly maintaining lighting, ventilation and cooling systems, and by using natural light optimally. Another pillar for reducing the Group's environmental footprint is the extension of in-house electricity generation. In 2023, photovoltaics plants were installed on the rooftops of the sites in Arad and Thuan An City. Furthermore, the Wangs site will pursue the installation of an additional solar farm on its rooftop in 2024.

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 energy. In 2023, Cicor implemented the monthly consolidation of environmental data on group-level. In this way, the Group more closely monitors its carbon emissions and its performance in energy consumption to pave the way to execute an extended Corporate Carbon Footprint Accounting (CCF) for the first time in 2024 as part of the CSRD reporting.

Environmental performance

Cicor collected data about the electricity consumption and fossil fuel combustion for heating purposes of all its sites for the years 2022 and 2023. The measures implemented to increase the share of renewable electricity prove to be gradually improving. In 2023, almost 20% of electricity was procured from regenerative sources according to our site's declarations. Cicor uses mainly natural gas to keep its facilities at ambient temperature, but also works with a significant portion of district heat. While the absolute consumption and emission values remain largely constant in 2023 compared to 2022, Cicor was significantly more productive. This mirrors in a 24% increased revenue in 2023 compared to 2022. The Scope 1 and 2 carbon intensity of

the Group's operations was thus significantly reduced from 38 tCO₂e/Mio. CHF revenue to 31 tCO₂e/Mio. CHF.

Environmental Performance Indicators ¹⁾	2023	2022
Energy consumption in MWh	30 538	31 255
Electricity	26 031	27 187
of which from renewable sources	19%	17%
Heat²⁾	4 507	4 068
Natural gas	2 800	2 809
District heating	1 414	880
Heating oil	142	47
LPG	83	234
Total GHG Emissions in tCO₂e³⁾	11 963	11 909
Scope 1	641	655
Combustibles	641	655
Scope 2	11 322	11 254
Electricity ⁴⁾	11 068	11 104
District heating	254	150

¹⁾ The Environmental Performance Indicators cover all 15 production sites and Cicor's headquarters in Bronschhofen.

²⁾ The Bedford site's heat consumption is excluded due to the lack of data availability.

³⁾ Calculations in accordance with the WRI/WBCSD Greenhouse Gas Protocol guidelines. Scope 1: GHG emissions from combustibles (natural gas, heating oil, and LPG). 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.

4.2 Resource efficiency of production

Cicor is aware of the negative environmental effects of disposing waste in landfill dumpsites as well as the emissions associated with incineration. Negligent pollution would lead to reputational damage. As a company generating hazardous waste in significant proportions, the Group strives to continuously improve its resource efficiency through reduction of material consumption, reuse of scrap and recycling of waste. Besides reducing the environmental impact, resource efficiency helps minimize production costs.

Minimizing impacts

Cicor manages its production processes to improve efficiency, 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. The company aims to actively influence the transition to a sustainable future by implementing the usage of renewable resources where possible. Cicor promotes the circular economy by selectively collecting waste for recovery or recycling and also recycles electronic parts for its customers under contractual agreement. The Group uses recycled raw materials for injection molding (excluding automotive and medical parts) and sells waste, including unused packaging materials and scrap metal. Cicor has further implemented processes for waste reduction in accordance with ISO 14001 across the entire Group. The effective usage rate of raw materials is greater than 98%, while molding yield is more than 99%. As an example, in cooperation with the World Resource Company (WRC), the production site in Boudry has developed and introduced a copper sludge recycling process with a greatly reduced carbon emission footprint in 2022. In addition, wastewater treatment was fully internalized, and the recycling of plastic waste was driven forward.

Furthermore, Cicor's operational excellence program, which aims to increase resource efficiency, was implemented globally at all production sites. This includes the introduction of a monthly monitoring system of key figures on water consumption, waste and scrap generation, waste treatment, and productivity at site level, allowing the Group's performance to be tracked closely.

Waste and water management

The total waste amount generated in Cicor's operations increased slightly in 2023 compared to 2022 from 926 t to 963 t. Considering the growth of the company and its production volume this is not surprising.

Resource Efficiency Performance Indicators ¹⁾	2023	2022
Waste in metric tons	963	926
General waste	734	690
Incineration	149	111
Landfill	12	8
Recycling	573	572
Special Waste	229	236
Water consumption in cubic meters	77 432	82 185

¹⁾ The Resource Efficiency Performance Indicators cover all 15 production sites and Cicor's headquarters in Bronschhofen.

4.3 Environmental management and compliance

The Cicor Group is aware of the importance of environmental management in two respects: Not only does Cicor aim to make a contribution to a low-emission future, but the Group also strives to avoid the financial and reputational consequences of non-compliance with international and local laws and regulations and public expectations. As a company with a high energy consumption due to electroplating and other energy-intensive chemical processes, Cicor recognizes its responsibility to monitor and reduce its environmental impact. From a business perspective, management of Cicor's environmental footprint reduces costs by saving energy and differentiates the company from its competitors, increasing its attractiveness for investors, customers, and potential employees.

Certified management approaches

The Group's main concept to ensure effective and compliant environmental management across its individual sites is alignment with renown international certification standards. In recent years, Cicor has progressively managed to address its site's environmental impacts in line with ISO 14001. The Group heeds the associated criteria by acting in accordance with legal requirements, assessing results with audits and improvement programs where new objectives are specified. Following the ISO 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.

Advances beyond certification

The group aligns its communication and the development of new as well as the revision of existing policies with these norms. In addition, Cicor envisions to improve its environmental management and compliance beyond the existing initiatives and practices in order to meet increasingly stringent environmental laws and regulations to remain fully compliant with all legal requirements. For this purpose, the Group cultivates a company culture of continual communication, training and awareness raising on this topic. In 2023, there were no environmental violations identified.

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 fulfilment rate. Audits are executed and their results evaluated. Further monitoring is accomplished through inspections and test results from suppliers.

5 Incentivizing Employees and Productivity

5.1 Attractive and responsible employer

As a company operating in a market that continues to grow with digitalization and automation, Cicor offers stable jobs and a healthy working environment. The Group places significant emphasis on creating value for its employees in order to maintain a talented workforce and attract new employees to satisfy its needs as a growing company. In particular, the Group has developed a workforce strategy to counter the shortage of qualified specialists on the labor market that poses a major challenge for the entire industry. This increases Cicor's competitiveness and resilience, both in the labor market and at site level, and counters knowledge loss by reducing employee turnover.

At the heart of Cicor's workforce strategy is improving the capabilities and maximizing the potential of its employees. Furthermore, 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 workforce strategy is set out in internal documents that stipulate the strengthening of Cicor's attractiveness as an employer through the implementation of the following concepts in particular: Structured integration programs for new employees, promotion of employees' individual professional development, freedom of work planning for employees through flexible working hours and the option of remote office work, and attractive and fair salaries.

Fair working conditions

A second crucial pillar, strengthening fair and healthy working conditions at Cicor, has been further promoted by starting to implement a corporate social strategy focusing on equal opportunities, diversity, health, and wellbeing for all employees of Cicor Group. As part of this process, the Cicor Integrity Line was implemented in 2023 to provide every employee and stakeholder of Cicor with the possibility to anonymously inform the Group of misconduct against our Code of Conduct and our ethical standards.

The individual sites operate with strong effort to implement the concepts associated with these strategies. In 2023, the site in Wangs for example has introduced new personnel regulations that offer more vacation days and more flexible working hours. The sites in Bedford, Radeberg, and Dresden initiated annual employee surveys to measure the annual progress of employee satisfaction. At group level, Cicor developed a strategy to strengthen employer branding, the first implementation of which is planned for 2024. This will also entail a data evaluation to measure their effectiveness.

As a consequence of Cicor's efforts to provide attractive working conditions, the corporate collection of employee data reveals an employee turnover of only around 8% across the sites, a number falling below industry average for manual workers. Simultaneously, Cicor's workforce has grown compared to 2022 by 19%, with a

reasonably even distribution pattern over gender and age groups, and with 60% of employees being covered by collective bargaining agreements. In 2023, 62% of the Group's employees worked in European countries, 33% on the Asian continent, 4% were located in Africa, and two sales people operate from the U.S.A.. Cicor does neither employ workers with non-guaranteed hours contracts nor control business activities of any workers who are not in an employment relationship with the company.

Composition of Workforce ¹⁾	2023 ²⁾			2022 ³⁾		
	Male	Female	Diverse	Male	Female	Diverse
Workforce by employment contract	1 161	1 444	1	972	1 213	1
Permanent	949	1 010	1	793	837	1
Temporary	212	434		179	376	
Workforce by employment type	1 161	1 444	1	972	1 213	1
Full-time	1 098	1 326	1	933	1 140	1
Part-time	63	118		39	73	
Workforce by category	1 161	1 444	1	972	1 213	1
Operations	767	1 212	1	672	1 026	1
Engineering & Development	194	35		162	32	
Marketing & Sales	67	41		56	33	
Purchasing	27	52		19	47	
Finance & Controlling	15	46		15	41	
Administration (HR, IT, etc.)	91	58		48	34	

¹⁾ Data on workforce covers all of Cicor Group's sites if not stated otherwise. Numbers shown are head count by Dec. 31, 2023.

²⁾ Compared to 2022, the indicators for 2023 additionally contain the employees of the sites Wutha-Farnroda/Buttlar and Borj Cedria.

³⁾ Wangs not included.

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

5.2 Employee development

Employee development is an underlying priority throughout the Cicor Group. Most locations have aligned training with corporate objectives in order to minimize the risk of losing technological competitiveness. This enables 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 further looks to spread specific expertise more widely across the organization to achieve improved resilience to employee fluctuation. This helps Cicor fulfil business requirements and enables employees to get involved in different areas of the company and expand their skills. With this business strategy that focuses strongly on employee development, Cicor not only generates value for itself, but also contributes to a competent workforce in the labor market.

Retaining and broadening knowledge

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 fields of medical and aerospace & defence, although it is also relevant in other regulated areas. In particular, staff are retrained each year in the tasks they currently perform to refresh their knowledge and update their skills. The Group also offers training programs for all internal processes. In 2023, at the Wangs and Ulm sites, for example, Workshops on Compliance topics were offered to new and current employees accompanying regular yearly sessions for professional updates. Seeking to generate flexibility, Cicor further trains its staff on different activities by offering a number of cross-functional training courses. In Arad and the Bedford production site for example, employees are trained for various activities and processes outside their actual field of activity. Additionally, the Group financially supports external courses in the cases where new skills will reinforce employees' capabilities within their roles. The Group also institutionalized the exchange of individual employees among specialist areas in manufacturing, helping to identify talents and promote wide-ranging expertise. Cicor plans to extend this strategy with a group wide learning management system (LMS) in 2024 and 2025.

Promoting future leaders

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 improve the management of this topic, leadership instruction is provided also to medium and lower management levels. 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. Across the entire company, employees are given equitable opportunities to be considered for training and development based on their abilities and needs, helping them reach their full potential.

Cicor's continuous business success is testament to the effectiveness of its concepts and measures in place. Nevertheless, the Group's employee development efforts are evaluated through regular internal and external audits.

Beyond the boundaries of the organization, some departments of the Group provide training courses for students in particular activities related to electronics production and development. Additionally, Cicor subsidizes technical college education and postgraduate degrees when in alignment with the company's current needs.

5.3 Occupational health and safety

In most countries, high legal requirements are placed on the protection of employees with regard to health and safety and society's expectations regarding these issues have grown considerably in recent decades. Manufacturing processes at Cicor are highly diverse and most sites pursue operations featuring significant specific health and safety risks. In particular, the Sites in Wangs, Ulm, and Boudry operate processes involving chemicals with high health hazards to the respiratory system. Therefore, active management of the topic is required to prevent damage to Cicor's employee's health and avoid the consequences of non-compliance with the respective laws and expectations. Illness and accident-related absences jeopardize the company's productivity. Also from a business perspective, the occupational health and safety of the workforce 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 comprehensive health and safety approach

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 as well as production safety officers support the careful occupational health and safety management. On a decentralized level, most sites have a safety committee and a chairman appointed by management to oversee safety aspects. 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 committees. 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, including specific work instructions, training, and clarification of special personal safety equipment to 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.

Health and safety training

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. As required by each site's individual safety guidelines, all new staff are given a safety orientation, daily safety inspections are conducted, and general awareness is imparted through yearly safety training. The options and accessibility of trainings will be further improved by the implementation of a Group-wide e-learning platform in 2024. The Group also runs monthly health and safety campaigns. Health and 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 and safety strategies

Emergency management is covered with an emergency response Group. 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). Cicor's comprehensive health and safety measures have allowed certification of the production sites in Arad, Batam, and Boudry according to ISO 45001.

Effectiveness of Cicor's health and safety management

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. Zero fatalities were recorded over the last two years. In 2023, work-related injuries remained at a low level (13 per 1000 full-time equivalents). Simultaneously, the incidents appeared to be less severe (58% reduced lost workdays per injury).

Key occupational health and safety figures	2023	2022
Fatalities	–	–
Injuries ¹⁾	33	16
per 1000 FTEs	13	8
Lost work days due to work-related injuries ¹⁾	155	129
per 1000 FTEs	61	66
Lost work days due to illness	27 782	16 968

¹ The sites of Boudry, Bronschhofen, and Bedford included non-occupational injuries in the 2022 declaration. The numbers for 2022 were thus adjusted to include only work-related injuries for the 2023 sustainability report.

Furthermore, 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. Additionally, a survey is conducted every two years with all Cicor's employees to evaluate potential to further develop its occupational health and safety concepts.

5.4 Diversity, equal opportunity, and inclusion

The Cicor Group strongly upholds the values of diversity, equality of opportunity and inclusion. The Group fosters an inclusive culture that respects people's differences, promoting a healthy work environment and offering everyone a chance to excel in their given role. This supports the employees' personal and professional development and contributes to their satisfaction and well-being in the workplace. Cicor has been making continuous efforts to promote a diverse and inclusive workforce and combat discrimination. Thus, the Group does not have to fear negative publicity, which might lead to a failure to attract or retain key talent and ultimately result in financial losses for Cicor.

Fair hiring policy

According to Cicor's values, employees must be recruited solely on the basis of merit—namely, their skills, experience, and ability to perform the job, regardless of sexual orientation, 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. While a policy to foster this fair hiring culture is currently only in place at the Bedford site, concept is being rolled out across the entire Group. Indeed, hiring in 2023 was relatively even between males (54%) and females (46%). Naturally, candidates between 30 and 50 years of age were recruited most frequently (51%) compared to younger (33%) and older (16%) applicants as Cicor depends strongly on technology specialists with a high level of education and experience. Cicor believes that an inclusive workplace centered on good communication causes every employee to feel valued at work.

Diversity of Cicor's workforce by gender and age group	2023	2022
Workforce by gender	2 606	2 186
Male	1 161	972
Female	1 444	1 213
Diverse	1	1
Workforce by age	2 606	2 186
< 30	791	694
30-50	1 202	1 036
> 50	613	456

Cicor employs around 55% women while middle-aged employees make up slightly less than half of the workforce. Cicor's commitment to a diverse workforce is also reflected in the way the board of directors is composed with 50% male/female members. The diversity of the Board of Directors as well as the Executive Committee is shown in detail in the Corporate Governance Report.

Combating discrimination

To safeguard its employees, Cicor's Code of Conduct has been updated in 2022 with new company rules and guidelines that integrate equity, respect, and equality, and condemn any kind of discrimination. In 2023, Cicor implemented a group-wide whistleblower hotline, the Integrity Line. As a result of these continued efforts, there were no incidents of discrimination based on sexual orientation, race, color, gender, religion, political opinion, or the like, in 2022 and 2023. Another indication of fair and respectful work conditions at Cicor is the evenly distributed fluctuation of the Group's workforce across gender and age groups.

Fluctuation by gender and age group ¹⁾	2023
Total by gender	8%
Male	8%
Female	8%
Total by age	8%
<30 years	8%
30-50 years	8%
>50 years	7%

¹⁾ The fluctuation is calculated as the ratio of departures regarding the workforce. The calculation methodology has been changed compared to the previous year. Thus, the values cannot be compared.

Advancing the social standards at Cicor

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 further 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. Accompanying the Integrity Line, Cicor plans to send out an anonymous questionnaire focusing on social topics to all employees in 2024. The goal is to receive meaningful feedback enabling the further development of the social strategy.

6 Creating Value beyond the Business

6.1 Responsible supplier standards

As is typical in the high-tech sector, Cicor's supply chain is complex, global, and multi-tiered. In 2023, the Group procured a broad variety of goods and services specific to the individual sites of the company (for more information see the chapter "supply chain overview"). This inevitably demands proactive management and presents a major challenge to assess and ensure compliance at all levels. In particular, ethical and social issues in the supply chain, such as child labor, forced labor, human trafficking, and environmental exploitation, can have severe legal, financial, and reputational consequences. Additionally, dependence on suppliers that do not meet responsible standards also poses a risk of supply chain disruption, a serious threat to the company's own productivity. Thus, Cicor makes every effort to uphold responsible supplier standards by taking appropriate precautions at the earliest stage with a supplier assessment form on Cicor level and a supplier self-assessment to mitigate potential risk to stakeholders.

Supplies 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 testing, on-time delivery, and good-quality supplies are critical to meet customers' expectations and to experience fewer product rejections. Cicor also values reliability and openness of 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 practice.

Supply chain overview

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

Site	Approach / Procured Goods	Number of Suppliers	Supplier Location Distribution
Arad, Romania	The site manages around 20000-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).	~ 500	Based on purchase volume: Europe: 85 % Asia: 10 % North America: 5 %
Batam, Indonesia	The site purchases directly from suppliers that manufacture and sell the raw materials. All direct material purchases come from outside Indonesia.	> 640	Suppliers are primarily located in Asia, Europe, North America and Australia
Bedford, United Kingdom	The site is a build-to-print manufacturer. Its procurement strongly depends on component decisions of customers who are market leaders in the defence and aerospace industry	~ 150	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).	~ 400	Europe: 60 % (70 % CH / 30 % EU) Asia: 30 % North America: 10 %
Radeberg and Dresden, Germany	The sites produce electronic components for service-mount devices and chip and wire, PCBs, mechanical parts, thick film inks and ceramic substrates. The sites mainly purchase through distributors. As the sites focus on special technologies, the selection of possible suppliers is limited.	~ 400	Europe: 85 % North America: 10 % Asia: 5 %
Singapore	The site manufactures injection molds. It mainly purchases steel for the injection molds and plastic granulate for mold tests.	< 10	Singapore: 100 %
Suzhou, China	The site provides high-end precision injection parts, molds and assembly products. To ensure a stable quality of raw materials, the site purchases from globally leading plastic particle manufacturers and purchases from distinguished steel suppliers.	> 25 major suppliers	Based on purchase volume: China: 90 %
Thuan An City, Vietnam	The site buys materials from the customers' bill of materials. Whenever possible, electronic components are purchased from	Number of suppliers: > 150	Asia: 60 %

	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.		Switzerland: 10 %
Ulm, Germany, and Wangs, Switzerland	The sites source standard raw materials mainly from three suppliers. Other components are purchased from various suppliers.	~ 150	Ulm: Europe: 80 % North America: 15 % Japan: 5 % Wangs: Europe: 80 % North America: 15 % Japan und Taiwan: 5%
Wutha-Farnroda/Buttlar, Germany and Borj Cedria, Tunisia	The sites function as contract manufacturers, and as such, buy raw materials to produce, test and deliver semi-finished and finished goods according to customers' bill of materials (BOM).	~ 200	Europe: 70% Asia: 20 % North America: 10%

Supplier commitment

The Group knows that maintaining the highest quality standards requires great attention to establishing a sustainable supply chain in the short-term, and thus actively engages its suppliers on this front. As a conceptual basis, the Group contractually asks its strategic suppliers to adhere to the Group's Code of Conduct which is shared with suppliers during the on-boarding process. The Code of Conduct is publicly available on the Group's website for consultation. The Code contains general social, ethical, and environmental criteria for suppliers. In particular, it establishes commitment to several human rights topics according to the United Nations Declaration, implements the core work standards from the International Labor Organization, and stipulates the handling of natural resources in accordance with the principles of the Rio Declaration. Cicor further requests that its suppliers possess and implement their own Codes of Conduct, which many top suppliers already have in place. To the best of the Group's knowledge, no supplier violated Cicor's Code of Conduct in 2022 and 2023.

Lastly, the Group works on the development of a supplier code-of-conduct to provide its suppliers with further insights and details about the company's core values and Cicor's expectations of its suppliers' commitments.

Risk assessment and monitoring

As set out in Cicor's Compliance and ESG Strategy, the group has started to implement a standardized compliance assessment in 2023, which it will continuously expand and improve. This entailed the implementation of IntegrityNext by the end of 2023. The tool builds the basis for assessing supply chain risks according to a standardized three-step compliance screening.

First, Cicor has an established system to categorize suppliers according to the role the supplied goods play within the company. Group A and B suppliers, for example, deliver materials and services that influence the quality of Cicor's products. Goods that are relevant to the health, safety, or environmental impacts of Cicor's products are procured from group A members. Suppliers of category C are mostly local to the purchasing site and its supplies are not used in any production processes. In the second step, an abstract analysis of every individual supplier in terms of regional and industry risk potential is conducted for a variation of social, environmental, and ethic

topics via IntegrityNext. The Group further collects extensive self-assessment data from suppliers through comprehensive questionnaires. By the end of 2023, information from a total of 1325 suppliers belonging to the categories A and B have been uploaded to the tool and will be updated on an annual basis. Lastly, IntegrityNext offers the possibility to track critical news on different media platforms in a consolidated overview to complement the abstract and subjective views with an outside perspective and giving the company the chance to proactively screen its suppliers and contact them directly in case of a critical news alert. The combination of these three pillars should support Cicor during 2024 to actively identify risk potentials and uncover any cases of conduct against the core values of the company.

Cicor yearly evaluates its suppliers, resulting in more business for the partners that successfully adhere to the Group's 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.

Due diligence assessment

In the reporting year 2023, Cicor reviewed the due diligence obligations regarding child labor and conflict minerals and metals in accordance with the newly applicable Swiss law pursuant to Art. 964j et seq. CO. For the production sites in Switzerland in particular, it was determined that for the reporting year 2023 Cicor is exempt from the due diligence and reporting obligations regarding conflict minerals. The examination with regard to child labor concluded that there were no reasonable grounds to suspect child labor in the reporting year 2023 and that Cicor is exempt from the due diligence and reporting obligations regarding child labor for the reporting year 2023.

Responsible action

To ensure that Cicor continues to avoid human rights violations, child labor, as well as any other unethical or noncompliant behavior in its supply chain, the Group is training its employees with regular workshops during the year to raise awareness of the relevant environmental and social aspects in procurement. During the on-boarding process, all new suppliers are subjected to a compliance check according to the established risk assessment protocol. This allows critical suppliers to be evaluated at an early stage and measures to be taken to proactively manage compliance in close engagement with the corresponding suppliers. Especially suppliers for Cicor's medical technology underly a regularly audit from Cicor side to ensure high quality standards in its products.

Furthermore, Cicor has developed a Modern Slavery Statement in 2023, setting out the measures the Group takes to prevent Modern Slavery and Human Trafficking in its own operations as well as in its supply chain. In particular, the discovery of any evidence of such human rights violations at directly contracted suppliers shall result in immediate action to engage with the supplier and the relevant authorities to understand the circumstances and implement remedial action to help the affected employees and protect them from further harm. Contracts with non-cooperative suppliers shall be terminated, and the cases must be reported to the responsible law enforcement authority. The Integrity Line introduced in 2023 is an important tool to monitor potential incidents. This whistle-blowing hotline enables all stakeholders to anonymously report unethical incidents to Cicor Compliance.

6.2 Fair business practices

The Cicor Group believes that upholding fair business practices is essential to its success. The responsible, law-abiding, and ethical behavior of the Cicor Group and its employees are of critical importance from an internal perspective as well as for business partners, customers, authorities and the public. For instance, uncovered cases of corruption or human rights violations cause direct financial burdens in connection to legal actions, such as fines and penalties. Operating in a toxic environment could also lead to kickback effects such as unethical behavior against the Group and failure to ensure human rights compliance could cause operational disruptions as a consequence of workers strikes, loss of employee morale, and increased employee turnover. Lastly, any ethical misbehavior can cause reputational damage, impairing businesses due to loss of trust among stakeholders and resulting restrictions in market access.

To mitigate such risks, Cicor has implemented fair, honest, and transparent business principles, with processes and products that reflect exemplary levels of quality, safety, and environmental impact. By avoiding unethical business practices, the Cicor Group strives to promote the population's trust in the integrity of the company and the economy overall and believes to contribute to the wellbeing of the society as a whole. The group has made and continues to make considerable efforts to minimize the risk of any form of slavery and to promote fair working conditions within its own business and its value chain and acknowledges that this work is an ongoing commitment.

Current corporate practice

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. To ensure that the values of Cicor are upheld by all associated persona, the Group's Code of Conduct, among others, includes statements on topics connected to fair business practices. The Code is deployed to all persons who represent or are associated to the Group, communicated to all employees by the Human Resources department of the respective sites, and is required to be signed in acknowledgement of the applicable rules and guidelines. Apart from the Code of Conduct, Cicor's employees must also follow local working laws and regulations. Additionally, all employees' work contracts contain confidentiality and fidelity clauses to avert potential conflicts of interest. Especially supplier- and customer- contracts contain clauses on anti-bribery, UK modern slavery or similar clauses. Furthermore, the Group has a clear rule on avoiding politics or officially supporting a political party.

The implementation of the Integrity Line, which is an integral part of Cicor's Compliance and ESG Strategy in 2023, enables the Group's employees as well as any other stakeholder to anonymously report incidents of misconduct to the Group Compliance. A guideline and process description was created and deployed to all sites. In 2023, one notification was received. During further investigations, purchasing processes at the Cicor site in Suzhou were improved and documented clearly to cover the potential weak spot identified. Additionally, the previously existing suggestion boxes can continuously be accessed to submit complaints, suggestions, or desired improvements.

Compliance with tax regulations

Cicor carries out internal and external audits, such as the financial audit, to monitor its management of its business practices. In particular, 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 comply with 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.

Safeguarding fair business practices

Cicor is in the process of further developing its Compliance and ESG Strategy to implement uniform, reliable and compliant business practices at Group level. An important pillar of the Compliance Strategy, the implementation of the standardized risk assessment approach involving IntegrityNext as a monitoring platform for suppliers, is in the process of being applied to all sites of the Group until the end of 2024. A risk matrix shall provide a suitable overview to support Cicor's corporate management to identify potential concept and measure gaps in combatting corruption, violation of human rights, and any other kind of unethical business practices. Furthermore, the Group protects itself from questionable business relationships by regular comparisons of its customer base with sanctions lists and by subjecting all new customers to a compliance check during the onboarding process. Cicor plans to apply these measures even more strictly and precisely as part of the strategy development in 2024.

In 2022 and 2023, Cicor did not detect any situation 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. Lastly, no breaches of environmental protection, economic or social laws or regulations were identified.

6.3 Local engagement

The Cicor Group considers local engagement an asset to the company and aspires to be seen by local communities as a supportive partner. In return Cicor's appeal as an attractive employer is increasing. A positive perception of the company within local populations is key to attract local professionals who are essential to the Group's business success. Accordingly, the Group endeavors to create awareness of the benefits of working for Cicor and its contributions to the communities in which it operates.

To attain visibility, our sites organize and contribute to charitable events to support the well-being of their local communities. In 2023, more than 30 000 Swiss francs have been raised by four sites. Almost half of Cicor's sites donated an additional amount of around 40 000 Swiss francs in total to local as well as international charity organizations. For example, Cicor Vietnam supported local children suffering and struggling with HIV and the site in Bronschhofen annually supports the local organization OHO (Ostschweiz hilft Ostschweiz). The sites receive feedback on engagement activities from local employees, customers, authorities, and municipalities, among others.

7 Reporting on non-financial matters in accordance with the Swiss Code of Obligations

7.1 Reference Tables on the Swiss Code of Obligations

Required aspects acc. to art. 964a–c, Swiss CO	Chapter / material topic
Business model	About Cicor
Environmental matters (incl. CO ₂ goals)	Energy and carbon management
	Resource efficiency of production
	Environmental management and compliance
	Responsible supplier standards
Social issues	Occupational health and safety
	Diversity, equal opportunity, and inclusion
	Responsible supplier standards
	Fair business practices
	Local engagement
Employee-related issues	Stakeholder management
	Attractive and responsible employer
	Employee development
	Occupational health and safety
Respect for human rights	Diversity, equal opportunity, and inclusion
	Responsible supplier standards
Combatting corruption	Fair business practices
	Fair business practices
Handling due diligence acc. to art. 964j–l, Swiss CO	Chapter / material topic
Child labor	Responsible supplier standards
Minerals and metals from conflict-affected areas	Responsible supplier standards

7.2 Declaration of the Board of Directors

The Board of Directors of Cicor Technologies Ltd. bears the responsibility for the preparation and presentation of the Non-Financial Report 2023 in accordance with the applicable regulations.

The Board of Directors of Cicor Technologies Ltd. approved the Non-Financial Report for 2023 and pledges to keeping it accessible on the company's website for at least ten years.



Daniel Frutig
Chairman of the Board of Directors



Norma Corio
Member of the Board of Directors



Denise Koopmans
Member of the Board of Directors



Konstantin Ryzhkov
Member of the Board of Directors

8 GRI Content Index



CONTENT INDEX ESSENTIALS SERVICE

2024

Cicor Technologies Ltd. has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

Cicor publishes an annual sustainability report as part of the annual report. The 2023 report will be published on March 6, 2024. Questions regarding the sustainability report can be directed to Michael Götti, Vice President Corporate Marketing and Communications, michael.goetti@cicor.com.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI sector standard None

General Disclosures

GRI Standard	Disclosure	Location (chapter of the Sustainability Report) / Information	Omission
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	GRI Content Index statement	
	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	1.2 Cicor's Value Chain	
	2-7 Employees	5.1 Attractive and responsible employer	
	2-8 Workers who are not employees	5.1 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	2.1 Responsibility and commitment	
2-13 Delegation of responsibility for managing impacts	2.1 Responsibility and commitment	
2-14 Role of the highest governance body in sustainability reporting	2.1 Responsibility and commitment 7.1 Declaration of the Board of Directors	
2-15 Conflicts of interest	Corporate Governance Report, 3.2 Other activities and vested interests	
2-16 Communication of critical concerns	2.1 Responsibility and commitment 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, 3 Remuneration System	
2-20 Process to determine remuneration	Remuneration Report, 3 Remuneration System	
2-21 Annual total compensation ratio		Requirement(s) omitted: Annual total compensation ratio Reason: Information unavailable / incomplete Explanation: Data management system will be expanded for the next reporting period

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	5 Incentivizing Employees and Productivity 6 Creating Value beyond the Business	
2-24 Embedding policy commitments	5 Incentivizing Employees and Productivity 6 Creating Value beyond the Business	

	2-25 Processes to remediate negative impacts	5.3 Occupational health and safety 6.1 Responsible supplier standards 6.2. Fair business practices
	2-26 Mechanisms for seeking advice and raising concerns	6.1 Responsible supplier standards 6.2. Fair business practices
	2-27 Compliance with laws and regulations	6.2 Fair business practices
	2-28 Membership associations	No relevant membership associations during 2023.
Stakeholder engagement		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	1.3 Stakeholder management
	2-30 Collective bargaining agreements	5.1 Attractive and responsible employer

Material Topics

GRI Standard	Disclosure	Location	Omission
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.2 Material topics	
	3-2 List of material topics	2.2 Material topics	
Maximizing Economic Potential			
Economic value creation			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Economic value creation	
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	3.2 Customer value creation	
Product quality and compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.3 Product quality and compliance	
Engineering			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 Engineering	
Minimizing Environmental Impact			
Energy and carbon management			
GRI 3: Material Topics 2021	3-3 Management of material topics	4.1 Energy and carbon management	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.1 Energy and carbon management	
	302-4 Reduction of energy consumption	4.1 Energy and carbon management	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.1 Energy and carbon management	
	305-2 Energy indirect (Scope 2) GHG emissions	4.1 Energy and carbon management	
	305-5 Reduction of GHG emissions	4.1 Energy and carbon management	
Resource efficiency of production			

GRI 3: Material Topics 2021	3-3 Management of material topics	4.2 Resource efficiency of production
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	4.2 Resource efficiency of production
	306-3 Waste generated	4.2 Resource efficiency of production
Environmental management and compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	4.3 Environmental management and compliance
Incentivizing Employees and Productivity		
Attractive and responsible employer		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Attractive and responsible employer
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.1 Attractive and responsible employer
Employee development		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.2 Employee development
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	5.2 Employee development
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.3 Occupational health and safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.3 Occupational health and safety
	403-2 Hazard identification, risk assessment, and incident investigation	5.3 Occupational health and safety
	403-3 Occupational health services	5.3 Occupational health and safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.3 Occupational health and safety
	403-5 Worker training on occupational health and safety	5.3 Occupational health and safety
	403-6 Promotion of worker health	5.3 Occupational health and safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Occupational health and safety
	403-9 Work-related injuries	5.3 Occupational health and safety
Diversity, equal opportunity, and inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	5.4 Diversity, equal opportunity, and inclusion

GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5.4 Diversity, equal opportunity, and inclusion
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.4 Diversity, equal opportunity, and inclusion

Creating Value beyond the Business

Responsible supplier standards

GRI 3: Material Topics 2021	3-3 Management of material topics	6.1 Responsible supplier standards
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	6.1 Responsible supplier standards
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	6.1 Responsible supplier standards
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6.1 Responsible supplier standards

Fair business practices

GRI 3: Material Topics 2021	3-3 Management of material topics	6.2 Fair business practices
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	6.2 Fair business practices
	205-3 Confirmed incidents of corruption and actions taken	6.2 Fair business practices
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.2 Fair business practices
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	6.2 Fair business practices

Local engagement

GRI 3: Material Topics 2021	3-3 Management of material topics	6.3 Local engagement
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	6.3 Local engagement



Corporate Governance

1 Group Structure and Shareholders

Cicor Technologies Ltd. is committed to meeting the highest 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 2023. 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 internal 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 consists of 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 2023 in CHF million	220.6
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	31.12.2023		31.12.2022	
	No of shares	in % ¹⁾	No of shares	in % ¹⁾
OEP 80 B.V., Amsterdam, Netherlands ²⁾	851 705	24.97	851 705	24.98
Lock-up Group Axis Electronics Management, Milton Keynes, United Kingdom ³⁾	–	–	265 607	7.79
Cicor Technologies Ltd., Boudry, Switzerland ⁴⁾	249 404	7.31	241 916	7.10
LLB (Swiss) Investment AG, Zurich, Switzerland	128 075	3.75	115 757	3.40
FundPartner Solutions (Suisse) SA, Geneva, Switzerland	111 649	3.27	111 649	3.27
Escatec Holdings Ltd., Port Vila, Vanuatu ⁵⁾	111 465	3.27	111 465	3.27
Quaero Capital SA, Geneva, Switzerland	107 898	3.16	–	–

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⁾ The Lock-up Group was terminated on 10 November 2023 and all of the individual shareholders are below the reporting threshold.

⁴⁾ Number of shares according to the Company's share register.

⁵⁾ 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 2023, a total of 1 058 (previous year 1 026) 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 5 % of capital or voting rights.

2 Capital Structure

2.1 Capital

As of 31 December 2023, the Company's ordinary share capital amounted to CHF 34 111 690 and was divided into 3 411 169 registered shares with a par value of CHF 10.00 each.

2.2 Capital band and conditional capital in particular

Capital band

At the Annual General Meeting of Shareholders on 18 April 2023, the Shareholders decided to create a capital band with right to exclude preemptive rights according to Art. 5 quater of the Company's Articles of Association according to the following: the lower limit of the capital band is CHF 34 095 420 and the upper limit is CHF 40 914 500. The Board of Directors is authorized until 12 April 2026 to increase the share capital in one or more steps by a maximum of CHF 6 819 080 by issuing a maximum of 681 908 registered shares with a par value of CHF 10.00 each, but not authorized to reduce the share capital. In the event of an increase of the share capital, the new shares must be fully paid up. The Board of directors shall determine the time of issue of new shares, the issue price, the method of payment, the conditions for the exercise of preferential subscriptions rights and the commencement of the dividend entitlement. The Board of Directors may exclude the shareholders preferential subscription rights in whole or in part if certain conditions are met.

Conditional capital according to Art. 5 bis of the Company's Articles of Association

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 according to the following: 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. 1 627 shares were used on 20 April 2023 for the remuneration of the Board of Directors.

Conditional capital according to Art. 5 ter of the Company's Articles of Association

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 according to the following: 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

Effective 30 November 2021, the Company increased its ordinary share capital by 167 450 registered shares at CHF 10.00 each out of authorized capital according to Art. 5 sexies of the Company's Articles of Association in connection with the acquisition 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 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.

Effective as of 20 April 2023, 1 627 new registered shares with a par value of CHF 10.00 each were created from the conditional capital according to Art. 5 bis of the Company's Articles of Association for the remuneration of the Cicor Board of Directors.

2.4 Shares and participation certificates

Shares

Cicor Technologies Ltd has issued 3 411 169 registered shares with a par value of CHF 10.00 each as of 31 December 2023. The share capital is fully paid in.

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.

Participation certificates

As of 31 December 2023, the Company has not issued any participation certificates.

2.5 Dividend-right certificates

As of 31 December 2023, the Company has not issued any dividend-right 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

Mandatory Convertible Note

On 20 January 2022, Cicor issued a five-year, interest-free mandatory convertible note (MCN) with a principal amount of CHF 20.0 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.

As of 31 December 2023, 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 2023, 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	2024	Vice-Chairman and Delegate 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
Norma Corio Non-executive, American	2021	2024	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 Member of the Board of Directors of AITI Global, Inc.
Denise Koopmans Non-executive, Dutch	2022	2024	Member of the Board of Directors of Swiss Post AG Member of the Board of Directors of Royal BAM Group NV Member of the Board of Directors of Sanoma Corporation Member of the Expert Committee of Swiss Data Alliance Member of the Board of Directors of Norma Group SE Lay judge/expert at the Enterprise Chamber of the Amsterdam Court of Appeal
Konstantin Ryzhkov Non-executive, Russian	2021	2024	Chairman of the Board of Directors of Clayens NP (until 29 March 2023)

The Board of Directors is 50% female and three of the four members are independent of Cicor's anchor shareholder.

No member of the Board of Directors held previously a management position within the Cicor Group in the three financial years preceding the reporting period. No member of the Board of Directors has a significant business connection with a Cicor Group company.

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.

3.3 Number of permitted activities

According to Art. 32 septies of the Articles of Association, Board members may not hold more than three additional mandates in listed companies and fifteen additional mandates in unlisted companies.

3.4 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.

3.5 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 3.6.



Daniel Frutig
Chairman

Daniel Frutig is an expert in international business transformation with a focus on technologically-driven companies, both listed and privately owned. His expertise centers on sustainable value creation through growth strategies. As an entrepreneur and independent board member and chairman, he has a rich history of contributing to the sustainable development and leadership of companies. Starting his career at Sulzer AG, he later expanded his experience internationally with executive roles at Accenture and Compass Group PLC. He served as CEO of Arbonia AG and Medela Holding AG, before founding EvolutionF AG in 2018. Daniel studied building technologies/energy at the Lucerne University of Applied Sciences and Arts and holds

an Executive Master in Business Administration from the University of St.Gallen (HSG), with further education at IMD and Insead. Additionally, he is commissioned as an 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 Boards of Finance of America and AlTi Global, Inc, both of which are 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 partner based out of its Amsterdam office. Mr. Ryzhkov was responsible for investments in Spartronics, Crayon and MERA (Orion Innovation). Prior to joining OEP, Mr. Ryzhkov was Deputy CEO and a member of the investment committee of a sovereign wealth fund focused on global co-investment opportunities. Prior to that, Mr. Ryzhkov worked at VTB Group, where he was responsible for structured debt and equity products and at Bank of America in the corporate finance and project finance departments. Mr. Ryzhkov received his BA in Economics from Davidson College (NC, US).

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 2023, the Board met for five ordinary Board meetings, one short meeting before the Annual General Meeting as well as three 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 ordinary 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 Board of Directors has established a regular feedback loop jointly with the Group Management at the end of each meeting to determine whether expectations have been met, priorities pursued and to discuss opportunities for improvement. This regular approach is more comprehensive in the last meeting of the year, when the Board of Directors discusses specific opportunities for improvement in "Privatissimo", discusses the cooperation and effectiveness of the Board of Directors and its interaction with operational management, and decides on appropriate measures.

The Audit Committee held four meetings in 2023. 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 2023. The meetings lasted on average two hours.

3.6 Definition of areas of responsibility

The duties and responsibilities of the Board and the Group Management are defined according to the following: 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 over indebtedness;
- 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.

3.7 Information and control instruments

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 3.5 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 an additional 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 is 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 2023, 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 was a member of the Board of Directors of Weidmann Holding AG from 2011 to 2017 and Chairman from 2017 to 2023. He 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 Group which could be of significance to the Company.

4.3 Number of permitted activities

According to Art. 32 septies of the Articles of Association, members of the Group Management may not hold more than one additional mandates in a listed company and three additional mandates in non-listed companies.

4.4 Management contracts

Cicor Technologies Ltd. delegated no management duties to legal entities or natural persons outside the Cicor Group in 2023.

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 restrictions and representation

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 Quorums required by the articles of association

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:

- the modification of the corporate purpose;
- the consolidation of shares;
- the issuance of shares with preferential voting rights;
- the restriction of the transferability of the registered shares;
- the introduction of conditional capital or the introduction of a capital band;
- the increase of share capital via equity, against contribution in kind or for the purpose of taking over assets and the granting of special benefits;
- the limitation or cancellation of preferential subscription rights;
- the transfer of the Company's registered office;
- a provision in the articles of association for the holding of the general meeting abroad;
- the change of currency of the share capital;
- the delisting of the Company's equity securities;
- the dissolution of the Company.

6.3 Convocation of the General Meeting of Shareholders

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 five percent of the share capital or the votes may also request the convening of a general meeting.

General meetings may also be held by electronic means only without a physical location if so decided by the Board of Directors.

The Company announces the general meeting at least twenty days before the date of the meeting, by letter or e-mail addressed to each shareholder or usufructuary entered in the share register of the Company and/or by a notice published in the Swiss Official Gazette of Commerce.

The notice of the meeting states the date, the beginning, the type and place of the general meeting, the items on the agenda and the proposals of the Board of Directors or of the Shareholders who have requested the meeting or the inclusion of an item or a proposal on the agenda, a brief explanation of the proposals and the name and address of the independent shareholder representative.

6.4 Inclusion of items on the agenda

Shareholders registered in the share register with voting rights, who represent at least 0.5 percent of the share capital or the votes may request that an item be included in the agenda or that motions relating to items on the agenda be included in the convening notice. This request must be done in writing, indicating the items to be discussed and the proposals.

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. In order to ensure an orderly procedure, the reference date for the registration in the Company's share register is set shortly before the General Meeting and communicated to shareholders in the invitation to the General Meeting.

7 Changes of Control and Defence Measures

7.1 Duty to make an offer

The Company's Articles of Association do not contain an opting-out or opting-up clause, which means that the obligation to make an offer under the Swiss Stock Exchange Act is triggered if a shareholder or a group of shareholders acting in concert acquires more than one third of the outstanding shares of the Company.

7.2 Clauses on changes of control

Cicor maintains the management incentive plan and the long-term incentive plans that contain change of control clauses. There are not other agreements as of 31 December 2023 under which members of the Board of Directors or the Group Management benefit in the event of a change of control.

Management Incentive Plan

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 all Company shareholders and management.

Under the MIP, the key managers have the possibility to purchase share appreciation rights (SARs). One SAR needs to be purchased for 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 for maintaining this incentive plan. The costs incurred by OEP also include the costs incurred by the Cicor Group because OEP must 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.

Long-term incentive plans

Members of the Group Management, the leadership team and other selected Key managers may participated in the performance share plan and/or the share option plan. These plans contain clauses for a pro-rata vesting in the event of a change of control, considering the period from the grant date to the effective date. Further information on the long-term incentive plans is disclosed in section 3.2.3 of the Remuneration Report.

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 18 April 2023, the Annual General Meeting of Shareholders mandated KPMG, Cicor's Group auditor since 2007, for an additional year. KPMG 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 368 (previous year: TCHF 346) for their services in connection with the auditing of consolidated and statutory financial statements.

8.3 Additional fees

KPMG additionally charged fees of TCHF 97 (previous year: TCHF 43) for other services provided to Cicor Group.

8.4 Information instruments pertaining to the external 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 2023, 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 further 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 four 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. The blackout periods are defined as follows:

- Annual results and semiannual results: The blackout period starts 15 days prior to year-end or half-year (i.e., 16 June inclusive and 17 December inclusive) and ends on the evening of the day of public announcement of the annual or semiannual financial results.
- Quarterly business updates: The blackout period starts 5 days prior to the quarter-end (i.e., 27 March inclusive and 26 September inclusive) and ends on the evening of the day of public announcement of the quarterly business update.

The dates of public announcements of the annual and semiannual financial results and quarterly business updates are 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 semi-annual reports in accordance with Swiss GAAP FER;
- publication of sales and order entry development for the last three months in April and October;
- presentation of annual results; Shareholders' Meeting;
- press releases as well as publications of share price-sensitive facts (ad hoc publicity).

The 2024 Annual Shareholders' Meeting will be held on 18 April 2024. The interim report will be published on 24 July 2024. 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

The remuneration report details Cicor's remuneration system, covering all key elements and general principles and outlines the authority and definition process. It also contains detailed information on the remuneration of the Board of Directors and the Group Management for the financial years 2023 and 2022.

The report has been prepared in compliance with Article 734 of the Swiss Obligations Law which replaced the Ordinance against Excessive Compensation in Listed Stock Companies (OaEC) and with the Directive on Information relating to Corporate Governance, issued by the SIX Swiss Exchange. The report also comprises information required under the Swiss Code of Obligations and takes into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance of Economiesuisse.

The Company's Articles of Association contain the following provisions regarding remuneration:

- 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 Authority and definition process

The remuneration system is established by the Remuneration Committee, reviewed annually, and approved by the Board of Directors. The remuneration system for the Board of Directors and for the Group Management was revised in 2022. Cicor engaged the company Agnès Blust Consulting for the revision. The company Agnès Blust Consulting has had no further mandates with Cicor since then.

The Board of Directors annually approves the remuneration of the members of the Board of Directors and the Group Management, including the determination of the basic remuneration and the definition of the targets and other parameters for the short-term incentive plan and the long-term incentive plans, based on the proposals of the Remuneration Committee and within the limits approved by the shareholders.

The Board of Directors annually submits a proposal to the Annual General Meeting (AGM) for the approval of a maximum aggregate amount of remuneration for the Board of Directors for the period until the next Annual General Meeting and for the Group Management for the next financial year following the Annual General Meeting.

If, after the remuneration has been prospectively approved by the Annual General Meeting, 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. The total additional remuneration may not exceed 50% of the total amount of fixed and variable remuneration approved by the Annual General Meeting for the relevant period.

The Board of Directors also submits a proposal to the Annual General Meeting to approve the previous year's remuneration report by way of a consultative vote.

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)

3 Remuneration System

3.1 Remuneration of the Board of Directors

The remuneration of the Board of Directors is determined on a discretionary basis, taking into account Swiss and international peer group benchmarks. The remuneration consists of an annual retainer fee paid in cash and restricted share units (RSUs) and additional committee fees paid in cash only, as shown in the table below:

in CHF 1 000	Cash ¹⁾	RSUs ²⁾
Board chair retainer fee	210	100
Board member retainer fee	80	40
Committee chair fee	20	-
Committee member fee	10	-

¹⁾ The above table discloses the remuneration in cash effective 1 January 2024.

²⁾ The above table discloses the remuneration in shares for the period starting after the AGM 2024.

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 Annual General Meeting 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.

3.2 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.

3.2.1 Basic remuneration

The basic remuneration for the members of the Group Management may comprise a monthly salary, 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, and benchmarks amongst Swiss and international peers. Cicor does not provide members of the Group Management with a company vehicle.

3.2.2 Short-term incentive plan

The short-term incentive plan (STI-Plan) is aimed at motivating the Group Management to focus their efforts on specific financial and individual objectives by setting out quantified targets and calculation formulas to determine the payout. It promotes initiative and coordinated efforts and rewards the performance of individuals and the Group. The STI-Plan for the Group Management consists of financial and individual objectives. Financial objectives include net sales (30%), EBITDA (30%) and operating free cash flow (25%) and account for a total of 85%, and individual objectives, one of which is an ESG objective accounting for 5%, 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 for the following year at their meeting in December. 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 range to achieve a payout of 50% / 100% / 150% is clearly defined for each KPI with payout being interpolated between the thresholds. The thresholds for net sales achievement are 90% / 100% / 110% of budget, for EBITDA achievement 85% / 100% / 115% of budget and for free cash flow 80% / 100% / 120% of budget.

The Remuneration Committee confirms the overall STI-Plan payout based on the true performance compared to budget and following the approach stated above. It makes a recommendation to the Board of Directors for a final decision in February and for payment in April.

3.2.3 Long-term incentive plans

For the Cicor Group, recruitment, motivation and long-term retention of top talent are key to achieving its goals. Additionally, Cicor applies the long-term incentive plans to align the interests of management with those of shareholders. Cicor maintains two long-term incentive plans (LTI-Plans) which are designed to retain and motivate the Group Management, senior executives and highly qualified and other key employees by providing long-term performance incentives. These plans reward beneficiaries for their contribution to the Group'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 Group. Cicor currently maintains a Performance Stock Option Plan and a Performance Share Plan.

Performance Stock Option Plan (PSOP)

Members of the Group Management 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, with vesting depending on the achievement of the performance condition. The performance condition is relative total shareholder return (TSR), which compares the share price evolution plus accumulated dividend payments of Cicor with a predefined peer group¹⁾ of eleven listed companies in the EMS industry that are comparable to Cicor. Cicor engaged Obermatt to track Cicor's relative TSR compared to its peer group as part of the governance of the compensation process. 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, with the exercise price being the closing price of the Cicor share at the last day before the vesting period starts. In case of a termination of the employment relationship by the employer for justified reasons or a termination by the participant for any reason, all unvested options lapse immediately on the termination day without any compensation. All vested options remain exercisable until the earlier of the end of the options term or the first anniversary of the termination date. In case of a participant's demise, a prorated number of options vest immediately on the termination date and all (previously or then) vested options are exercised immediately on the termination date (provided they are "in-the-money", otherwise, they shall lapse immediately without any compensation). In all other cases ("good leavers"), the number of unvested options is prorated considering the termination date and the vesting date of such options remains unchanged. The resulting vested options are only exercisable within one year after the vesting date in that case. Options vested before the termination date are exercisable until the earlier of the end of the options' term or the first anniversary of the termination date. The Board of Directors may approve exceptions to the foregoing termination provisions.

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 Group Management 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 reached. In case of a termination of the employment relationship by the employer for justified reasons or a termination by the participant for any reason, all outstanding PSUs, whether vested or not, lapse immediately on the termination day without any compensation. In case of a participant's demise, a prorated number of PSUs vest immediately on the termination day and shares are subsequently delivered. In all other cases ("good leavers"), the number of PSUs is prorated considering the termination date and the vesting date and share delivery date for the prorated outstanding PSUs remain unchanged. The Board of Directors may approve exceptions to the foregoing termination provisions.

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 all Company shareholders and management.

Under the MIP, the key managers have the possibility to purchase share appreciation rights (SARs). One SAR needs to be purchased for 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 for maintaining this incentive plan. The costs incurred by OEP also include the costs incurred by the Cicor Group because OEP must 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 Plan has been discontinued after the financial year 2021 and was replaced by the Performance Stock Option Plan and the Performance Share Plan in financial year 2022. Information on the former LTI is disclosed in the 2021 remuneration report.

3.3 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.

4 Disclosure of the remuneration of the Board of Directors (audited)

At the 2023 Annual General Meeting a maximum total remuneration to the Board of Directors of TCHF 600 was approved for five members of the Board of Directors for the term of office from the Annual General Meeting 2023 to the Annual General Meeting 2024.

The total remuneration paid to the current members of the Board of Directors for the term of office from the Annual General Meeting 2023 to the Annual General Meeting 2024 amounted to TCHF 466. No remuneration was paid to former members of the Board of Directors.

No loans, credit facilities or additional fees or remuneration were 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 2023

in CHF 1 000	Cash	Shares ¹⁾	Other	Total
Daniel Frutig, Chairman	165	64	-	229
Norma Corio	43	16	-	58
Denise Koopmans	72	21	-	93
Konstantin Ryzhkov ²⁾	-	-	-	-
Total	279	101	-	381

Reconciliation to remuneration for the term of office from AGM 2023 to AGM 2024

Remuneration for the financial year 2023	381
Less remuneration from January 2023 to AGM 2023	-92
Plus remuneration from January 2024 to AGM 2024	178
Remuneration for the term of office from AGM 2023 to AGM 2024	466

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 44.62).

²⁾ Konstantin Ryzhkov waived his remuneration for the 2023/2024 term of office.

The total remuneration of the Board of Directors has increased compared to the prior year. Reasons for the increase are that Norma Corio waived the remuneration for the 2022/2023 term of office and a general adjustment in the remuneration.

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 term of office 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 term of office 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.

5 Disclosure of the Remuneration of the Group Management (audited)

At the 2022 Annual General Meeting a maximum total remuneration to the Group Management of TCHF 2 900 was awarded for the financial year 2023.

The total remuneration paid to the current members of the Group Management in the financial year 2023 amounted to TCHF 2 366. No remuneration was paid to former members of the Group Management. In 2023 the Group Management consisted of three members including the CEO. In 2022 the Group Management consisted of two members from January to September and of three members from October to December.

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 2023

in CHF 1 000	Basic	STI	PSOP ¹⁾	PSP ²⁾	Other ³⁾	Total
All members	1 092	593	200	200	280	2 366
Thereof Alexander Hagemann, CEO ⁴⁾	508	296	100	100	138	1 142

¹⁾ 13 487 Performance stock options (PSOs) with an exercise price of CHF 42.90 and a market value of CHF 14.83 each were granted to members of the Group Management as of 1 January 2023. The PSOs vest subject to meeting the performance and service conditions on 1 January 2026 and may then be exercised until 31 December 2029.

²⁾ 4 577 restricted share units (RSUs) with a market value of CHF 43.69 each were granted to members of the Group Management as of 1 January 2023. Each RSU converts into up to two Cicor shares subject to meeting the performance and service conditions on 1 January 2026 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 2023.

The share of variable remuneration of the Group Management in the financial year 2023 amounted to 44% of the total remuneration and the STI amount awarded for the year reflects an average achievement factor of 138% of the targets set for the year.

The total remuneration of the Group Management has increased in the financial year 2023 compared to the prior year. The reasons for the increase are the expansion of the Group Management team from two to three members from 1 October 2022, better target achievement in the STI-plan and salary increases.

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 the financial year 2022 amounted to 39% of the total remuneration and the STI amount awarded for the year reflects an average achievement factor of 90% of the targets set for the year.

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.

6 Share ownership (audited)

The below table discloses the participation rights and options on such rights for each member of the Board of Directors and Group Management, including the member's close associates.

Shares, options and conversion rights held by members of the Board of Directors

	31.12.2023 Shares	31.12.2023 Option and conversion rights	31.12.2022 Shares	31.12.2022 Option and conversion rights
Daniel Frutig	4 850	609	1 500	609
Norma Corio	–	–	–	–
Denise Koopmans	407	–	–	–
Konstantin Ryzhkov	–	–	–	–
Total Board of Directors	5 257	609	1 500	609

Shares, options and conversion rights held by members of the Group Management

	31.12.2023 Shares	31.12.2023 Option and conversion rights	31.12.2022 Shares	31.12.2022 Option and conversion rights
Alexander Hagemann	11 000	–	10 138	–
Marco Kechele	–	–	–	–
Peter Neumann	–	–	–	–
Total Management	11 000	–	10 138	–

7 Other significant activities (audited)

According to the Articles of Association, 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, whereas mandates in subsidiaries of Cicor Technologies Ltd. are not counted. 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.

The below information discloses the other significant activities for each member of the Board of Directors and Group Management as per 31 December 2023.

Board of Directors

Daniel Frutig, Chairman

- Vice-Chairman and Delegate 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

Norma Corio

- 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
- Member of the Board of Directors of AITi Global, Inc.

Denise Koopmans

- Member of the Board of Directors of Swiss Post AG
- Member of the Board of Directors of Royal BAM Group NV
- Member of the Board of Directors of Sanoma Corporation
- Member of the Expert Committee of Swiss Data Alliance
- Member of the Board of Directors of Norma Group SE
- Lay judge/expert at the Enterprise Chamber of the Amsterdam Court of Appeal

Konstantin Ryzhkov

- Chairman of the Board of Directors of Clayens NP (until 29 March 2023)

Group Management

No member of the Group Management had significant other activities that need to be disclosed under this heading.



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 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in sections 4 to 7 of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Remuneration Report complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the Remuneration Report, the consolidated financial statements, the 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 skepticism 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, 5 March 2024



Financial Report

Consolidated Financial Statements of Cicor Group

Consolidated Balance Sheet

in CHF 1 000	Notes	31.12.2023	in %	31.12.2022	in %
Assets					
Property, plant and equipment	(5)	57 157	15.8	53 142	14.5
Intangible assets	(6)	48 441	13.4	58 342	15.9
Other non-current assets		496	0.1	545	0.1
Deferred tax assets	(11)	3 123	0.9	3 284	0.9
Non-current assets		109 217	30.2	115 313	31.4
Inventories	(7)	135 365	37.5	117 364	32.0
Trade accounts receivable	(8)	51 108	14.2	50 606	13.8
Other accounts receivable	(8)	3 929	1.1	5 558	1.5
Prepaid expenses and accruals		3 643	1.0	2 403	0.7
Cash and cash equivalents	(9)	57 851	16.0	75 491	20.6
Current assets		251 896	69.8	251 422	68.6
Total assets		361 113	100.0	366 735	100.0
Liabilities and shareholders' equity					
Share capital		34 112	9.4	34 095	9.3
Mandatory convertible note		59 069	16.4	59 069	16.1
Capital reserves		113 208	31.3	113 162	30.9
Treasury shares		-2 775	-0.8	-2 422	-0.7
Cash flow hedging reserve		-	0.0	-58	-0.0
Retained earnings		-31 815	-8.8	-38 916	-10.6
Translation reserve		-23 719	-6.6	-16 039	-4.4
Total equity		148 080	41.0	148 891	40.6
Long-term provisions	(10)	3 588	1.0	4 006	1.1
Deferred tax liabilities	(11)	8 165	2.3	7 364	2.0
Long-term financial liabilities	(12)	84 628	23.4	101 950	27.8
Liabilities for post-employment benefits	(13)	1 663	0.5	1 695	0.5
Non-current liabilities		98 044	27.2	115 015	31.4
Short-term financial liabilities	(12)	16 707	4.6	18 063	4.9
Trade accounts payable		37 050	10.3	39 539	10.8
Other current liabilities	(14)	39 652	11.0	26 436	7.2
Accruals	(14)	16 301	4.5	14 903	4.1
Short-term provisions	(10)	2 194	0.6	2 013	0.5
Income tax payable		3 085	0.9	1 875	0.5
Current liabilities		114 989	31.8	102 829	28.0
Total liabilities		213 033	59.0	217 844	59.4
Total equity and liabilities		361 113	100.0	366 735	100.0

Consolidated Income Statement

in CHF 1 000	Notes	2023	in %	2022	in %
Net Sales	(4)	389 890	100.0	313 193	100.0
Change in inventory of finished and unfinished goods		1 060	0.3	2 854	0.9
Material costs		-208 210	-53.4	-169 931	-54.3
Personnel costs	(20)	-102 468	-26.3	-84 298	-26.9
Other operating income		1 455	0.4	574	0.2
Other operating expenses	(21)	-36 592	-9.4	-30 118	-9.6
EBITDA		45 135	11.6	32 274	10.3
Depreciation and impairment	(5)	-11 686	-3.0	-10 364	-3.3
Amortization and impairment	(6)	-10 081	-2.6	-9 676	-3.1
Operating profit (EBIT)		23 368	6.0	12 234	3.9
Financial income	(22)	7 063	1.8	7 865	2.5
Financial expenses	(22)	-15 425	-4.0	-12 406	-4.0
Profit before tax (EBT)		15 006	3.8	7 693	2.5
Income tax	(11)	-8 923	-2.3	-3 873	-1.2
Net profit		6 083	1.6	3 820	1.2
Earnings per share (in CHF)					
- basic	(19)	1.37		1.03	
- diluted	(19)	1.36		1.03	

Consolidated Cash Flow Statement

in CHF 1 000	Notes	2023	2022
Net profit		6 083	3 820
Depreciation	(5)	11 686	10 365
Amortization	(6)	10 081	9 676
Interest income	(22)	-571	-84
Interest expenses	(22)	4 610	3 088
Tax expenses	(11)	8 923	3 873
Change in provisions		-483	-770
Change in other non-current assets		-	-560
Other non-cash-items		3 460	-448
Subtotal before working capital changes		43 789	28 960
Change in inventories		-7 198	-31 652
Change in trade accounts receivable		1 033	-5 876
Change in other current assets		-4 007	1 233
Change in trade accounts payable		-2 684	116
Change in other current liabilities		15 213	3 138
Change in working capital		2 357	-33 041
Income tax paid		-4 269	-2 879
Interest paid		-3 688	-3 114
Interest received		568	17
Net cash (used in) / from operating activities		38 757	-10 057
Purchase of property, plant and equipment		-12 359	-11 206
Proceeds from sale of property, plant and equipment		203	32
Purchase of intangible assets	(6)	-347	-225
Acquisition of subsidiaries, net of cash acquired	(3)	-21 985	-19 645
Net cash used in investing activities		-34 488	-31 044
Purchase of treasury shares (net)	(18)	-340	-45
Issuance of mandatory convertible note		-	59 069
Repayment of finance lease liabilities		-318	-600
Proceeds from borrowings short-term		1 301	2 402
Proceeds from borrowings long term		14 986	13 286
Repayment of borrowings short-term		-36 207	-25 165
Net cash from financing activities		-20 578	48 947
Currency translation effects		-1 331	-1 152
Net increase in cash and cash equivalents		-17 640	6 694
Cash and cash equivalents at the beginning of the period	(9)	75 491	68 797
Cash and cash equivalents at the end of the period	(9)	57 851	75 491

Consolidated Statement of Changes in Equity

in CHF 1 000	Share capital	Mandatory convertible note	Capital reserves	Treasury shares ¹⁾	CF hedging reserve ²⁾	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	-	-	-	-45	-	-	-	-45
Capital increase, creation of reserve shares ³⁾	3 400	-	-	-3 400	-	-	-	-
Issuance of treasury shares for acquisitions	-	-	4 141	982	-	-	-	5 123
Issuance of mandatory convertible note ³⁾	-	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

in CHF 1 000	Share capital	Mandatory convertible note	Capital reserves	Treasury shares ¹⁾	CF hedging reserve ²⁾	Retained earnings	Translation reserve	Total equity
Balance at 1 January 2023	34 095	59 069	113 162	-2 422	-58	-38 916	-16 039	148 891
Net profit	-	-	-	-	-	6 083	-	6 083
Share-based payments	-	-	-	67	-	1 001	-	1 068
Change in Cash Flow Hedging	-	-	-	-	58	-	-	58
Purchase of treasury shares	-	-	-	-1 832	-	-	-	-1 832
Sale of treasury shares	-	-	-	1 475	-	17	-	1 492
Capital increase, creation of reserve shares ³⁾	17	-	46	-63	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-7 680	-7 680
Balance at 31 December 2023	34 112	59 069	113 208	-2 775	-	-31 815	-23 719	148 080

¹⁾ Refer to note 18 Treasury shares.

²⁾ Refer to note 24 Financial Risk Management

³⁾ Refer to note 17 Equity

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 2023 were authorized for issue on 5 March 2024 and are subject to approval at the Annual General Meeting of Shareholders on 18 April 2024.

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		2023	2022
Closing	EUR	0.9324	0.9872
	USD	0.8401	0.9235
	GBP	1.0732	1.1137
	RON	0.1875	0.1993
	SGD	0.6373	0.6883
	CNY	0.1185	0.1334
Average	EUR	0.9718	1.0030
	USD	0.8989	0.9546
	GBP	1.1172	1.1800
	RON	0.1965	0.2039
	SGD	0.6694	0.6924
	CNY	0.1272	0.1421

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 reversed only if there has been a change in the estimates used to determine the recoverable amount. The reversal is limited to the amount that would have been determined, net of depreciation or amortization, if no impairment had been recognized. Such reversal is recognized in profit or loss. Impairment losses on goodwill are not reversed.

Leasing agreements

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

Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Inventories

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

Trade accounts receivable

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

identified. The collective loss allowance is determined based on historical data of payment statistics for similar receivables.

Cash and cash equivalents

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

Bank borrowings, trade and other liabilities

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

Provisions

Provisions are recognized when:

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

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

Government grants

Government grants are recognized as income over the periods matching the related costs, which they are intended to compensate on a systematic basis. Government grants are recognized when there is reasonable assurance that the entity complies with any conditions attached to the grant and the value can be estimated reliably.

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 assets resp. 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. Pension institutions without surplus / deficit includes the United Kingdom plans. At balance sheet date, no non-committed reserves exists. Therefore, neither an economic benefit nor an economic obligation is capitalized in the balance sheet.

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.

2.3 Definition of non-GAAP measures

Cicor uses the below non-GAAP measures in the financial reporting.

EBIT / EBITDA

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.

Core results

The Cicor Group utilizes Core results to assess the operational profit situation of the Group. These results exclude expenses related to the amortization of goodwill and other intangible assets, which were capitalized as part of the purchase price allocation of acquisitions, while also considering any tax implications.

in CHF 1 000	2023	2022
Operating profit (EBIT)	23 368	12 234
Amortization of goodwill and intangible assets from acquisition	9 366	9 171
Core EBIT	32 734	21 405
Net profit	6 083	3 820
Amortization of goodwill and intangible assets from acquisition	9 366	9 171
Tax impact on amortization of intangible assets from acquisitions	1 204	-725
Core net profit	16 653	12 266
Average number of shares outstanding and conditional	4 428 767	3 719 122
Core earnings per share (in CHF)	3.76	3.30

Operating net working capital

The Cicor Group utilizes Operating net working capital as a measure to monitor net working capital. Operating net working capital considers inventories, trade receivables and trade payables, as well as prepayments from customers and to suppliers.

in CHF 1 000	Balance sheet allocation	31.12.2023	31.12.2022
Inventories	Inventories	135 365	117 364
Prepayments to suppliers for inventory	Other accounts receivable	781	1 275
Prepayments from customers for inventory	Other current liabilities	-30 727	-17 514
Operating inventory		105 419	101 125
Trade accounts receivable	Trade accounts receivable	51 108	50 606
Prepayments from customers other	Other current liabilities	-1 611	-1 380
Operating accounts receivables		49 497	49 226
Trade accounts payable	Trade accounts payable	-37 050	-39 539
Prepayments to suppliers other	Other accounts receivable	327	318
Operating accounts payables		-36 723	-39 221
Operating net working capital		118 193	111 130

3 Scope of Consolidation

in local currency 1 000	Currency	2023 Nominal share capital	Participation in %	2022 Nominal share capital	Participation in %
Cicor Technologies Ltd, Boudry/Switzerland Holding/Finance	CHF	34 112	100	34 095	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, Germany* Engineering/Production/Sales/Distribution	EUR	5 000	100	5 000	n/a
Cicor Digital Elektronik GmbH, Wutha-Farnroda/ Germany¹⁾ Engineering/Production/Sales/Distribution	EUR	350	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
Cicor Digital Tunisie S.a.r.l., Borj-Cedira/Tunisia*²⁾ Production	EUR	57	100	n/a	n/a
Cicor UK Ltd., Milton Keynes/UK*³⁾ Holding/Finance	GBP	147	100	141	100
Axis EMS Group Ltd., Milton Keynes/UK⁵⁾ Holding/Finance	GBP	n/a	n/a	264	100
Axis EMS Holdings Ltd., Milton Keynes/UK⁵⁾ Holding/Finance	GBP	n/a	n/a	885	100
Axis Electronics Ltd., Milton Keynes/UK Engineering/Production/Sales/Distribution	GBP	3 355	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 Vietnam Company Ltd., Thuan An City/ Vietnam⁴⁾ 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*	USD	10	100	10	100
Sales/Distribution					
Cicor Management AG, Bronschhofen/ Switzerland*	CHF	250	100	250	100
Management Services					

* Directly held subsidiaries of Cicor Technologies Ltd.

¹⁾ The company was renamed from Phoenix Mecano Digital Elektronik GmbH.

²⁾ The company was renamed from Phoenix Mecano Digital Tunisie S.a.r.l.

³⁾ The company was renamed from Axis EMS Heights Ltd., Milton Keynes/UK.

⁴⁾ The company was renamed from Cicor Anam Lt., Anam/Vietnam.

⁵⁾ In July, the two companies were liquidated as part of a rationalization project.

Change in scope of consolidation in 2023

Effective 20 January 2023, 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 German sites were integrated into the organizational unit "Cicor Germany" of the Electronic Manufacturing Services (EMS) Division. The Tunisian site also became part of the global production network of the EMS Division. The purchase price allocation resulted in Goodwill of TCHF 915 which has been capitalized as part of intangible assets and will be amortized over five years.

Effective 1 March 2023, Cicor Group completed the acquisition of the thin-film business of AFT microwave GmbH, Backnang, Germany, for a consideration of EUR 1.4 million (CHF 1.4 million), as part of an asset deal. Employees, equipment and knowledge of the acquired business was integrated into Cicor's Advanced Substrates division. The purchase price allocation resulted in Goodwill of TCHF 212, which has been capitalized as part of intangible assets and will be amortized over five years.

Financial information on the two transactions is disclosed in below table.

in CHF 1 000	PM ¹⁾	AFT ²⁾	Total
Cash paid	23 498	1 368	24 866
Direct costs related to acquisition	421	157	578
Total purchase considerations	23 919	1 525	25 444
less: Fair value of net assets acquired	-23 004	-1 313	-24 317
Goodwill	915	212	1 127
Property, plant and equipment	7 113	355	7 467
Intangible assets (w/o Goodwill)	146	476	622
Inventories	15 542	524	16 065
Trade accounts receivable	4 397	-	4 397
Other accounts receivable, prep. exp. and accruals	64	-	64
Cash and cash equivalents	3 459	-	3 459
Deferred Tax assets / liabilities	50	-41	9
Long-term provisions	-348	-	-348
Short-term financial liabilities	-1 079	-	-1 079
Short-term provisions	-51	-	-51
Trade payables	-2 475	-	-2 475
Other current liabilities and accruals	-3 814	-	-3 814
Total fair value of net assets acquired	23 004	1 313	24 317
Purchase consideration cash	23 919	1 525	25 444
less: cash and cash equivalent acquired	-3 459	-	-3 459
Cash outflow on acquisition during the year	20 461	1 525	21 985

¹⁾ Acquisition of Cicor Digital Elektronik GmbH, Thuringia (Germany) and Cicor Digital Tunisia, Borj-Cedria (Tunisia) from Phoenix Mecano Group.

²⁾ Acquisition of the thin-film business of AFT microwave, Backnang (Germany).

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.

4 Segment Reporting

in CHF 1 000	EMS Division	AS Division	Total reportable segments	Corporate and eliminations	Group
Income statement	2023	2023	2023	2023	2023
Sales to external customers	347 860	42 030	389 890	-	389 890
Intersegment sales	72	981	1 053	-1 053	-
EBITDA	43 366	6 063	49 429	-4 294	45 135
Balance sheet	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
Intangible assets	47 904	537	48 441	-	48 441
Other than intangible assets	247 772	36 237	284 009	28 663	312 672
Total assets	295 676	36 774	332 450	28 663	361 113
Total liabilities	161 021	19 416	180 437	32 596	213 033
Other segment information	2023	2023	2023	2023	2023
Capital expenditures for property, plant and equipment	10 207	1 365	11 572	56	11 628

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
Capital expenditures for property, plant and equipment	8 434	2 753	11 187	-	11 187

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 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 & 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	2023	%	2022	%
Switzerland	89 513	23.0	77 664	24.8
Europe (without Switzerland)	234 162	60.1	171 903	54.9
Asia	43 669	11.2	43 622	13.9
Americas	16 769	4.3	15 922	5.1
Other	5 777	1.5	4 082	1.3
Total	389 890	100.0	313 193	100.0
Industrial	153 683	39.4	126 391	40.4
Medical	112 337	28.8	78 381	25.0
Aerospace & defence	62 588	16.1	52 266	16.7
High-tech consumer	23 073	5.9	27 668	8.8
Transport	30 145	7.7	23 032	7.4
Communication	1 965	0.5	2 355	0.7
Other	6 099	1.6	3 100	1.0
Total	389 890	100.0	313 193	100.0

Major Customers

Cicor Group's biggest customer contributes less than 6 % (2022: less than 8 %) to the Group's consolidated sales. In 2023, about 35 % (2022: about 36 %) of total Group net sales can be attributed to the Group's top ten clients.

5 Property, Plant and Equipment

2023 in CHF 1 000	Land and buildings ¹⁾	Machinery	Furniture and equipment	Other equipment	Assets under construction	Total
Acquisition costs						
Balance at 1 January 2023	40 113	95 178	11 492	1 932	4 894	153 609
Additions ²⁾	667	6 355	1 022	500	3 084	11 628
Disposals	-5	-1 823	-337	-346	-46	-2 557
Reclassifications	4 418	1 409	388	17	-6 232	-
Business combinations	3 275	2 655	686	510	341	7 467
Translation adjustment	-2 013	-3 903	-505	-122	-156	-6 699
Balance at 31 December 2023	46 455	99 871	12 746	2 491	1 885	163 448
Accumulated depreciation and impairment						
Balance at 1 January 2023	-22 048	-69 216	-8 225	-978	-	-100 467
Depreciation	-1 984	-7 907	-1 466	-329	-	-11 686
Disposals	5	1 807	252	25	-	2 089
Translation adjustment	740	2 645	321	67	-	3 773
Balance at 31 December 2023	-23 287	-72 671	-9 118	-1 215	-	-106 291
Net book value						
1 January 2023	18 065	25 962	3 267	954	4 894	53 142
31 December 2023	23 168	27 200	3 628	1 276	1 885	57 157
Thereof net book value of assets under financial lease	-	456	-	132	-	588
Net book value of pledged assets	5 551	2 156	38	-	-	7 745
Addition of assets under financial lease	-	-	-	-	-	-

¹⁾ Including leasehold improvements.

²⁾ Of the additions in fixed assets, CHF 0.3 million have not yet been paid as at 31 December 2023.

In 2023, Cicor invested CHF 6.4 million in machinery. The most significant investments were made in Arad, Batam, Boudry, Bronschhofen, Singapore, Thuan An City and Wutha-Farnroda. The investments in land and buildings were mainly made in Asia. Assets under construction are equipment whose installation has not yet been completed.

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 Thuan An City in the amount of CHF 3.3 million.

6 Intangible Assets

2023 in CHF 1 000	Goodwill	Brand	Technology	Customer relationships	Other	Total
Acquisition costs						
Balance at 1 January 2023	123 413	10 480	7 335	34 534	7 920	183 682
Additions	-	-	-	-	347	347
Business combinations	1 127	-	-	476	146	1 749
Translation adjustment	-1 144	-137	-47	-1 169	-363	-2 860
Balance at 31 December 2023	123 396	10 343	7 288	33 841	8 050	182 918
Accumulated amortization						
Balance at 1 January 2023	-101 597	-6 983	-7 335	-5 442	-3 983	-125 340
Amortization	-5 677	-252	-	-2 176	-1 976	-10 081
Translation adjustment	469	20	47	168	240	944
Balance at 31 December 2023	-106 805	-7 215	-7 288	-7 450	-5 719	-134 477
Net book value						
1 January 2023	21 816	3 497	-	29 092	3 937	58 342
31 December 2023	16 591	3 128	-	26 391	2 331	48 441
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

7 Inventories

in CHF 1 000	31.12.2023	31.12.2022
Raw materials	114 274	98 922
Work-in-progress	24 688	23 735
Finished goods	18 013	13 205
Valuation allowance	-21 610	-18 498
Total inventories	135 365	117 364

8 Trade Accounts Receivable and other Accounts Receivable

in CHF 1 000	31.12.2023	31.12.2022
Trade accounts receivable (gross)	52 119	51 131
Allowance for bad debts	-1 011	-525
Total trade accounts receivable	51 108	50 606

Ageing of Trade Accounts Receivable

in CHF 1 000	31.12.2023 Gross	31.12.2023 Allowance	31.12.2022 Gross	31.12.2022 Allowance
Not yet due	39 886	-	36 092	-
Overdue 0-45 days	9 801	-116	11 904	-
Overdue 46-90 days	413	-6	2 316	-2
Overdue 91-180 days	783	-37	259	-4
Overdue 181-360 days	534	-150	190	-149
Overdue more than 360 days	702	-702	370	-370
Total trade accounts receivable	52 119	-1 011	51 131	-525

Movement in the Allowance for Impairment for Trade Accounts Receivable

in CHF 1 000	2023	2022
Individual allowance as of 1 January	406	411
Allowance increase	238	168
Utilization/consumption	-	-164
Reversal of allowance	-1	-
Translation adjustments	-27	-9
Individual allowance as of 31 December	616	406
Collective allowance as of 1 January	119	125
Change in allowance	276	-6
Collective allowance as of 31 December	395	119

Other Accounts Receivable

in CHF 1 000	31.12.2023	31.12.2022
Receivables on bullion dealers' accounts	187	242
Value-added taxes	498	1 432
Withholding taxes	71	-
Other	3 173	3 884
Total other accounts receivable	3 929	5 558

9 Cash and Cash Equivalents

in CHF 1 000	31.12.2023	31.12.2022
Bank accounts	57 843	75 486
Cash equivalents	8	5
Total cash and cash equivalents	57 851	75 491

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

10 Provisions

2023 in CHF 1 000	Warranties	Other	Total provisions	Deferred taxes	Total provisions and deferred taxes
Balance at 1 January 2023	3 587	2 432	6 019	7 364	13 383
Additional provisions	909	1 790	2 699	-171	2 528
Unused amounts reversed	-443	-1 437	-1 880	-	-1 880
Amount used	-429	-872	-1 301	1 215	-86
Business combinations	100	299	399	61	460
Translation adjustments	-83	-70	-153	-304	-457
Balance at 31 December 2023	3 640	2 142	5 782	8 165	13 947
thereof short-term provisions	1 381	813	2 194	-	2 194
thereof long-term provisions	2 259	1 329	3 588	8 165	11 753

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	-	-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	-	2 013
thereof long-term provisions	2 473	1 533	4 006	7 364	11 370

Warranty provisions are recognized for warranty claims on products sold. The additional provisions in 2023 were based on several smaller cases.

11 Taxes

Major Components of Tax Expense

in CHF 1 000	2023	2022
Current income taxes	7 598	4 791
Income tax for prior years	215	-13
Deferred tax	1 110	-905
Total tax expense	8 923	3 873

Deferred Tax Assets and Liabilities

in CHF 1 000	31.12.2023 Assets	31.12.2023 Liabilities	31.12.2022 Assets	31.12.2022 Liabilities
Deferred taxes on intangible assets	5	7 564	-	6 647
Deferred taxes on property, plant and equipment	216	624	204	423
Deferred taxes on inventory	866	159	1 005	129
Deferred taxes on other assets	72	149	110	206
Deferred taxes on accruals	167	61	228	65
Deferred taxes on other liabilities	534	112	280	158
Total	1 860	8 669	1 827	7 628
Deferred taxes on loss carried forward	1 767	-	1 722	-
Offset of assets and liabilities	-504	-504	-265	-265
Total deferred tax assets and liabilities	3 123	8 165	3 284	7 364

The Group average tax rate for the calculation of the deferred income taxes is 22.0 % (2022: 18.2%).

Reconciliation of Current Income Taxes and Deferred Taxes

in CHF 1 000	2023	2022
Profit before tax	15 006	7 693
Weighted average income tax in %	22.5%	20.5%
Expected income tax expense	3 379	1 578
Current year losses for which no deferred tax asset is recognized	323	726
Derecognition of tax assets on previously recognized temporary differences	550	-
Use of tax assets on previously recognized tax losses	-68	-
Effect of tax rate changes compared to prior period	2 100	
Effect of non-deductible expenses / income	997	557
Effect of Goodwill amortization	1 491	1 053
Adjustments for current tax of prior periods	150	-42
Other adjustments	1	1
Effective income taxes	8 923	3 873
Effective income taxes in % of profit before tax	59.5%	50.3%

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

in CHF 1 000	31.12.2023	31.12.2022
Tax loss carried forward expiring in 1 to 3 years	518	3 563
Tax loss carried forward expiring in more than 3 years	3 319	3 511

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	31.12.2023	31.12.2022
Borrowings, long-term	84 509	101 680
Financial leases	119	270
Total long-term financial liabilities	84 628	101 950

Short-term Financial Liabilities

in CHF 1 000	31.12.2023	31.12.2022
Bank overdrafts	1 215	2 341
Short-term portion of long-term borrowings	15 249	15 292
Financial leases	243	430
Total short-term financial liabilities	16 707	18 063

Maturity of Financial Liabilities

2023 in CHF 1 000	Total	2024	2025	2026	2027	2028	2029 and after
Syndicated bank loan	99 340	15 000	15 000	15 000	54 340	–	–
Basket of local credit lines / loans	1 633	1 464	169	–	–	–	–
Financial leases	362	243	87	32	–	–	–
Total	101 335	16 707	15 256	15 032	54 340	–	–

2022 in CHF 1 000	Total	2 023	2 024	2 025	2 026	2 027	2028 and after
Syndicated bank loan	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	–	–

On 30 October 2023, the Group signed a syndicated bank loan agreement which includes a revolving credit line of CHF 120 million plus allowance of an external basket of CHF 20 million valid for four years, beginning on 30 November 2023, with two extension options of one additional year each, therefore running for a maximum term of six years. The credit agreement included the renewal of the existing CHF 75 million acquisition line, where CHF 45 million is outstanding at the end of the year, and a new

acquisition line for CHF 50 million. The credit agreement also contained an optional acquisition credit line in the amount of CHF 75 million.

The two main reporting covenants are Net Debt/EBITDA ratio and Equity Ratio. Net Debt/EBITDA should be a maximum of 3.5 times until 30 September 2024, and no more than 3.0 times from 1 October 2024, with 2.75 times at year-end. Equity ratio should be a minimum 25% up to 30 December 2024, and a minimum 30% thereafter. 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 97 million cash and CHF 23 million for ancillaries, was utilized at 31 December 2023 by CHF 55 million cash at a variable interest rate of 2.79% on average and CHF 5.2 million was utilized for guarantees. Furthermore, CHF 2 million of the external basket has been utilized as of 31 December 2023.

Property, plant and equipment of CHF 7.7 million and inventory of CHF 28.3 million was pledged to local banks as of 31 December 2023.

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 Cicor UK 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 3 859 (2022: TCHF 3 521). 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 777 (2022: TCHF 855) and TCHF 886 (2022: TCHF 840) 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, the retirement age for females is staggered between 64 and 65. Employees qualify for early retirement on their 58th birthday at the earliest. Furthermore, the employees may choose to take their entire pension or part thereof in the form of capital payment. For retirements at the age of 65, the conversion rate is 5.6% 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 2023 is 100% (31.12.2022 = 100%). 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	Contributions concerning the business period 2023	Pension benefit expenses within personnel expenses		
	31.12.2023	31.12.2023	31.12.2022		2023	2022	
Pension institutions without surplus / deficit	n/a	n/a	n/a	-	794	794	826
Pension institutions with surplus ¹⁾	-	-	-	-	2 877	2 877	2 650
Pension institutions without own assets	-	1 663	1 695	-32	220	188	45
Total	-	1 663	1 695	-32	3 891	3 859	3 521

1) The surplus of the collective pension fund attributable to Cicor cannot be determined

Change to PY includes TCHF 62 recognized in the current result and exchange rate changes of TCHF -94.

There were no employer contribution reserves in the year under review or in previous years.

14 Other Current Liabilities and Accruals

in CHF 1 000	31.12.2023	31.12.2022
Value-added taxes	2 145	1 058
Other current liabilities	1 696	1 751
Other accounts payable	35 811	23 627
Total other current liabilities	39 652	26 436
Accrued personnel expenses	9 701	8 357
Other accrued expenses	6 600	6 546
Total accruals	16 301	14 903
Total other current liabilities and accruals	55 953	41 339

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	31.12.2023	31.12.2022
Within 1 year	4 395	4 785
From over 1 year to under 5 years	10 918	13 594
Due in 5 years or later	7 253	10 917
Total operating leasing	22 566	29 296

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 2023 or as at 31 December 2022.

17 Equity

Ordinary share capital

Effective as of 20 April 2023, 1 627 new registered shares with a par value of CHF 10.00 each were created from the conditional capital according to Art. 5 bis of the Company's Articles of Association for the remuneration of the Cicor Board of Directors.

The ordinary share capital as of 31 December 2023 consists of 3 411 169 registered shares with a par value of CHF 10.00 each (31 December 2022: 3 409 542 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 6 822 338) as well as the reserve for treasury shares may not be distributed.

Capital band

At the Annual General Meeting of Shareholders on 18 April 2023, the Shareholders decided to create a capital band with right to exclude preemptive rights according to Art. 5 quarter of the Company's Articles of Association according to the following: the lower limit of the capital band is CHF 34 095 420 and the upper limit is CHF 40 914 500. The Board of Directors is authorized until 12 April 2026 to increase the share capital in one or more steps by a maximum of CHF 6 819 080 by issuing a maximum of 681 908 registered shares with a par value of CHF 10.00 each, but not authorized to reduce the share capital. In the event of an increase of the share capital, the new shares must be fully paid up. The Board of directors shall determine the time of issue of new shares, the issue price, the method of payment, the conditions for the exercise of preferential subscriptions rights and the commencement of the dividend entitlement. The Board of Directors may exclude the shareholders preferential subscription rights in whole or in part if certain conditions are met.

Conditional capital

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 according to the following: 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.

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 according to the following: 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. 1 627 shares were used on 20 April 2023 for the remuneration of the Board of Directors.

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 18 April 2023, the shareholders decided that no dividend will be paid for the financial year 2022.

18 Treasury Shares

	2023 in shares	2023 CHF 1 000	2022 in shares	2022 CHF 1 000
Balance as per 1 January	241 916	2 422	116	6
Increase of ordinary share capital	1 627	63	340 000	3 400
Used for acquisitions	–	–	–98 157	–982
Purchase of treasury shares	40 305	1 832	883	45
Sale of treasury shares	–32 744	–1 475	–	–
Share-based payments	–1 700	–67	–926	–47
Balance as per 31 December	249 404	2 775	241 916	2 422

Cicor entered into a market making agreement with a financial institution to provide liquidity for Cicor shares from January 2023. The financial institution purchased 40 305 and sold 32 744 Cicor shares on behalf of Cicor Technologies Ltd. in the financial year 2023.

19 Earnings per Share

	2023	2022
Net profit attributable to Cicor shareholders in CHF thousand	6 083	3 820
Average number of ordinary shares outstanding	3 161 651	3 099 812
Average number of conditional shares for conversion of MCN	1 267 116	619 310
Total average number of shares outstanding and conditional	4 428 767	3 719 122
Dilutive impact of share-based remuneration	40 826	5 442
Total average number of shares outstanding and conditional, diluted	4 469 593	3 724 564
Basic earnings per share in CHF	1.37	1.03
Diluted earnings per share in CHF	1.36	1.03

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	2023	2022
Wages and salaries	83 878	69 848
Social security costs	11 953	9 526
Other personnel costs	6 637	4 924
Total	102 468	84 298

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.

2 465 shares (2022: 1 627 shares) valued at CHF 44.62 (2022: CHF 49.17) were granted in 2023, and expenses of TCHF 101 (2022: TCHF 57) were recognized in wages and salaries in 2023 for the remuneration of the Board of Directors.

Performance Stock Option Plan (PSOP)

Members of the Group Management 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.

13 487 performance stock options (2022: 10 385 performance stock options) valued at CHF 14.83 (2022: 16.37) were granted in 2023, and expenses of TCHF 129 (2022: TCHF 51) 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.

15 111 PSUs (2022: 11 499 PSUs) valued at CHF 43.69 (2022: CHF 53.30) were granted in 2023, and expenses of TCHF 582 (2022: TCHF 183) were recognized in wages and salaries in 2023 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 2023 and 2022 based on the former LTI. Expenses of TCHF 204 (2022: TCHF 172) were recognized in wages and salaries in 2023 for the former LTI.

Number of Employees by function

Number of employees (FTE)	31.12.2023	31.12.2022
Production	2 274	1 973
Sales and marketing	101	84
Administration	176	161
Total	2 551	2 217

21 Other Operating Expenses

in CHF 1 000	2023	2022
Facility costs	12 265	10 899
Maintenance costs	5 253	3 920
Other production costs	8 700	7 831
Sales and marketing costs	1 542	835
Administration costs	8 832	6 633
Total	36 592	30 118

22 Financial Income and Expenses

in CHF 1 000	2023	2022
Income		
Interest income	571	85
Foreign exchange gains	6 492	7 780
Total	7 063	7 865
Expense		
Interest expense	3 892	3 088
Other financial expenses	903	445
Foreign exchange losses	10 630	8 873
Total	15 425	12 406

23 Related-Party Disclosures

Definition

Related parties are members of the Board of Directors and the Group Management, pension funds as well as companies controlled by significant shareholders.

As per 31 December 2023, OEP 80 B.V., the main shareholder, holds 24.97 % of the shares of Cicor Technologies Ltd. Other principal shareholders are presented in the notes of the financial statements of Cicor Technologies Ltd.

Related-Party transactions

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. Backstop fees of TCHF 652 were paid to OEP in financial year 2022 under this agreement. For additional information on the MCN please refer to note 17.

Cicor and Clayens announced in October 2023 that they have entered into a strategic collaboration to create global, one-stop solutions for demanding applications in the medical and industrial markets. Clayens is a European leader in the processing of polymers, composites and precision metal parts, headquartered in Genas, France. Clayens is controlled by the beneficial owner of Cicor's major shareholder OEP 80 B.V. and therefore meets the definition of a related party for Cicor. The collaboration requires that all transactions between Cicor and Clayens to be conducted at arm's length. There have been no transactions between Clayens and Cicor in 2022 or 2023.

Remuneration of the Board of Directors and the Group Management

The remuneration of the Board of Directors and the Group Management 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 6% of consolidated sales 2023 (2022: 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	2023	2022
Cash and cash equivalents	57 851	75 491
Trade accounts receivable	51 108	50 606
Other accounts receivable	2 921	3 621
Other current assets	143	140
Total	112 023	129 858

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. 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 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 with cash flows from opposite - operational transactions (natural hedge). The Group however may also use foreign exchange forwards to hedge such currency risk. The following foreign exchange forwards were outstanding at the end of the financial year:

in CHF 1000	Assets		Liabilities		Purpose
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	
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. The average interest rate for the syndicated bank loan amounted to 2.79% in the reporting year (2022: 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 245 million (utilized as per 31 December 2023: CHF 100 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:

2023 in CHF 1 000	Carrying amount	Contractual cash flow	2024 contractual cash flow	2025 contractual cash flow	2026 contractual cash flow	2027 contractual cash flow	2028 and after contractual cash flow
Financial liabilities	101 335	109 247	19 306	17 411	16 767	55 763	–
Trade payables	37 050	37 050	37 050	–	–	–	–
Other current liabilities and accruals	55 953	55 953	55 953	–	–	–	–
Income tax payable	3 085	3 085	3 085				
Total	197 423	205 335	115 394	17 411	16 767	55 763	–

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	120 013	126 071	20 452	17 494	88 091	33	–
Trade payables	39 539	39 539	39 539	–	–	–	–
Other current liabilities and accruals	41 339	41 339	41 339	–	–	–	–
Income tax payable	1 875	1 875	1 875	–	–	–	–
Total	202 766	208 824	103 205	17 494	88 091	33	–

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 23 January 2024, the Cicor Group acquired 100% of the shares of STS Defence Limited, United Kingdom, for a consideration of GBP 26.9 million (CHF 29.7 million). With STS Defence, Cicor has acquired an industry-leading provider of sustainment, support and modernization solutions for mission-critical electronics and communication systems in the aerospace & defence sector. The UK-based company is recognized as a specialist in the design, manufacture and assembly of equipment and systems, as well as their integration and maintenance throughout the life cycle. STS Defence employs around 150 people in the south of the UK. Cicor is committed to continue providing superior engineering support and manufacturing services from the existing STS Defence site under the current management team. STS Defence generated sales of GBP 27.5 million with a strong operating margin in the financial year ending on 30 June 2023.

Effective 27 February 2024, the Cicor Group acquired 100% of the shares of Evolution Medtec Srl, Romania. Evolution Medtec is a provider of comprehensive engineering services with a strong focus on medical and paramedical applications. The company has been active in the development and prototyping of medtech applications for 20 years and currently employs 25 people in Bucharest, Romania. In the last fiscal year, Evolution Medtec generated sales in the lower single-digit million Euro range with an EBITDA margin comparable to the Cicor Group.

On 1 March 2024, the Cicor Group has signed an agreement to acquire TT Electronics IoT Solutions Ltd, United Kingdom, with three production sites in the UK and China. The combination of the three new sites and the Cicor companies Axis Electronics (integration 2021) and STS Defence (integration 2024) will not only create the new leader in the UK EMS market but will also make Cicor the European market leader in the production of high-end electronics for aerospace & defence applications. TT Electronics IoT Solutions Ltd employs more than 500 people at its sites in Hartlepool and Newport in the UK and Dongguan in China and has a total production area of around 25 000 square meters. In the last financial year, sales of GBP 70.2 million were achieved by the carved-out entities with a mid-single-digit operating margin (adjusted EBITDA). Cicor is paying a cash consideration of GBP 20.8 million on a cash and debt free basis and subject to normal working capital adjustments. The transaction is expected to close in the first quarter of 2024, subject to customary closing conditions.



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 2023 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 2023, 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

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 2023, the Group had inventory balances, including work-in-progress (WIP) balances, of CHF 135.4 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

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, 5 March 2024

Financial statements of Cicor Technologies Ltd.

Balance sheet

in CHF 1 000	31.12.2023	in %	31.12.2022	in %
Assets				
Cash and cash equivalents	33 328	12.6	59 961	20.4
Other current receivables				
– Third parties	138	0.1	71	0.0
– Subsidiaries	16 481	6.2	34 434	11.7
Short-term loans to subsidiaries	3 024	1.1	1 777	0.6
Accruals	2 614	1.0	2 131	0.7
Current assets	55 585	21.0	98 374	33.5
Long-term loans to subsidiaries	48 539	18.4	37 049	12.6
Investments	160 331	60.6	158 439	53.9
Non-current assets	208 870	79.0	195 488	66.5
Total assets	264 455	100.0	293 862	100.0
Liabilities and shareholders' equity				
Financial liabilities				
– Subsidiaries	7 946	3.0	18 820	6.4
– Third parties	15 000	5.7	15 000	5.1
Other liabilities				
– Subsidiaries	662	0.3	10	0.0
– Third parties	443	0.2	20	0.0
Accrued expenses	392	0.1	1 412	0.5
Current liabilities	24 443	9.2	35 262	12.0
Financial liabilities to third parties	60 188	22.8	60 188	20.5
Interest bearing liabilities to third parties	85 000	32.1	100 000	34.0
Non-current liabilities	145 188	54.9	160 188	54.5
Share capital	34 112	12.9	34 095	11.6
Legal capital reserves				
– Reserves from capital contributions	108 392	41.0	108 354	36.9
– Other capital reserves	2 405	0.9	2 381	0.8
Available earnings				
– Loss brought forward	–43 996	–16.6	–55 105	–18.8
– Net result for the year	–3 314	–1.3	11 109	3.8
Treasury shares	–2 775	–1.0	–2 422	–0.8
Shareholders' equity	94 824	35.9	98 412	33.5
Total liabilities and shareholders' equity	264 455	100.0	293 862	100.0

Income statement

in CHF 1 000	2023	2022
Income		
Financial income	6 182	19 048
Interest received from subsidiaries	4 240	1 350
Interest received from third parties	531	12
Total income	10 954	20 410
Expenses		
Financial expenses	10 154	6 188
Administrative expenses	3 855	3 028
Tax	259	85
Total expenses	14 268	9 301
Net result for the year	-3 314	11 109

Notes 1–4

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 22 200 have been granted to subsidiaries in Germany. Loans in the amount of TUSD 12 327 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	31.12.2023	31.12.2022
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* Engineering/Production/Sales/ Distribution	100	EUR	5 000	5 000
Cicor Digital Elektronik GmbH, Wutha- Farnroda/Germany¹⁾ Engineering/Production/Sales/ Distribution	100	EUR	350	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

Cicor Digital Tunisie S.a.r.l., Borj-Cedira/Tunisia*²⁾	100	EUR	57	n/a
Production				
Cicor UK Ltd., Milton Keynes/UK*³⁾	100	GBP	147	141
Holding/Finance				
Axis EMS Group Limited ⁵⁾	100	GBP	n/a	264
Holding/Finance				
Axis EMS Holding Limited ⁵⁾	100	GBP	n/a	885
Holding/Finance				
Axis Electronics Limited	100	GBP	3 355	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 Vietnam Company Ltd., Thuan An City/Vietnam ⁴⁾	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 of Cicor Technologies Ltd.

¹⁾ The company was renamed from Phoenix Mecano Digital Elektronik GmbH.

²⁾ The company was renamed from Phoenix Mecano Digital Tunisie S.a.r.l.

³⁾ The company was renamed from Axis EMS Heights Ltd., Milton Keynes/UK.

⁴⁾ The company was renamed from Cicor Anam Lt., Anam/Vietnam.

⁵⁾ In July, the two companies were liquidated as part of a rationalization project.

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 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 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.

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.

Non-current interest-bearing liabilities

Cicor signed an amendment to the syndicated bank loan agreement on 30 October 2023. The agreement now includes a revolving credit line of CHF 120 million, the renewal of the existing acquisition line of CHF 75 million (CHF 30 million amortized as of 31 December 2023), a new acquisition line of CHF 50 million and an optional acquisition line of CHF 75 million. As of 31 December 2023, CHF 55 million of the revolving credit line was utilized. The existing acquisition line of CHF 75 million was fully utilized with CHF 45 million outstanding. The new CHF 50 million acquisition line and the optional CHF 75 million acquisition line have not been utilized.

Share capital

Effective as of 20 April 2023, 1 627 new registered shares with a par value of CHF 10.00 each were created from the conditional capital according to Art. 5 bis of the Company's Articles of Association for the remuneration of the Cicor Board of Directors.

The ordinary share capital as of 31 December 2023 consists of 3 411 169 registered shares with a par value of CHF 10.00 each (31 December 2022: 3 409 542 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.

Reserves from capital contributions

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.

Dividend

At the Shareholders' Meeting on 18 April 2023, the shareholders decided that no dividend will be paid for the financial year 2022.

Capital band

At the Annual General Meeting of Shareholders on 18 April 2023, the Shareholders decided to create a capital band with right to exclude preemptive rights according to Art. 5 quarter of the Company's Articles of Association as follows: The lower limit of the capital band is CHF 34 095 420 and the upper limit is CHF 40 914 500. The Board of Directors is authorized until 12 April 2026 to increase the share capital in one or more steps by a maximum of CHF 6 819 080 by issuing a maximum of 681 908 registered shares with a par value of CHF 10.00 each, but not authorized to reduce the share capital. In the event of an increase of the share capital, the new shares must be fully paid up. The Board of directors shall determine the time of issue of new shares, the issue price, the method of payment, the conditions for the exercise of preferential subscriptions rights and the commencement of the dividend entitlement. The Board of Directors may exclude the shareholders preferential subscription rights in whole or in part if certain conditions are met.

Conditional capital

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.

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. 1 627 shares were used on 20 April 2023 for the remuneration of the Board of Directors.

Treasury shares

	2023 in shares	2023 CHF 1 000	2022 in shares	2022 CHF 1 000
Balance as of 1 January	241 916	2 422	116	6
Purchase from Cicor Management AG	1 627	63	340 000	3 400
Purchase from stock market	40 305	1 832	883	45
Sale to stock market	-32 744	-1 475	-	-
Sale to Cicor Management AG	-73	-3	-926	-47
Used for acquisitions	-	-	-98 157	-982
Share-based payments	-1 627	-64	-	-
Balance as of 31 December	249 404	2 775	241 916	2 422

Financial income

Financial income includes dividends from subsidiaries of TCHF 5 222 (2022: TCHF 16 711) and foreign exchange gains of TCHF 796 (2022: TCHF 2 337).

Administrative expenses

Administrative expenses include the remuneration to the Board of Directors of TCHF 381 (2022: TCHF 300) and other expenses (costs charged by Cicor Management AG, costs for the annual report, the Annual General Meeting and consulting, investor relations and audit) of TCHF 3 474 (2022: TCHF 2 728) .

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 6 906 (2022: TCHF 6 896), which represents the discounted value of future rental payments.

Pledged assets

The shares of the following companies are in deposit with Commerzbank AG and pledged as collateral for the syndicated credit line: Cicorel SA, Electronicparc Holding AG, Swisstronics Contract Manufacturing AG, Reinhardt Microtech AG, RHe Microsystems GmbH and Cicor UK 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	31.12.2023		31.12.2022	
	No of shares	in % ¹⁾	No of shares	in % ¹⁾
OEP 80 B.V., Amsterdam, Netherlands ²⁾	851 705	24.97	851 705	24.98
Lock-up Group Axis Electronics Management, Milton Keynes, United Kingdom ³⁾	–	–	265 607	7.79
Cicor Technologies Ltd., Boudry, Switzerland ⁴⁾	249 404	7.31	241 916	7.10
LLB (Swiss) Investment AG, Zurich, Switzerland	128 075	3.75	115 757	3.40
FundPartner Solutions (Suisse) SA, Geneva, Switzerland	111 649	3.27	111 649	3.27
Escatec Holdings Ltd., Port Vila, Vanuatu ⁵⁾	111 465	3.27	111 465	3.27
Quaero Capital SA, Geneva, Switzerland	107 898	3.16	–	–

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⁾ The Lock-up Group was terminated on 10 November 2023 and all of the individual shareholders are below the reporting threshold.

⁴⁾ Number of shares according to the Company's share register.

⁵⁾ 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.

Shares or options on shares for members of the Board and employees

1 627 shares with a value of TCHF 64 of Cicor Technologies Ltd were transferred to members of the Board of Directors for remuneration purposes in financial year 2023 (2022: 0 shares). The Company does not have any employees.

Significant events after the balance sheet date

There were no events between 31 December 2023 and 5 March 2024 that would necessitate adjustments to the book value of the Company's assets or liabilities, or that require additional disclosure in the financial statements.

4 Proposed carrying forward of the accumulated losses

in CHF 1 000	2023
Loss brought forward 1.1.	-43 996
Net result for the year	-3 314
Loss brought forward 31.12.	-47 310

At the Annual General Meeting of Shareholders' on 18 April 2024, the Board of Directors will propose to forego a distribution of earnings.



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 2023, 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, 2023 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

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

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

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

David Grass
Licensed Audit Expert

St. Gallen, 5 March 2024