



Forward-looking statements

This Annual Report contains forward-looking statements in relation to the Mikron Group which are based on current assumption and expectations. Unforeseeable events and developments could cause actual results to differ materially from those anticipated.

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Key Figures

| CHF million, except number of employees and % | 2024 | | 2023 | | +/- | | 2022 | |
|--|-------|-------|-------|-------|-------|--------|-------|-------|
| Key performance data | | | | | | | | |
| Order intake ¹⁾ | 388.6 | | 412.1 | | -23.5 | -5.7% | 408.0 | |
| Automation | 265.0 | | 276.1 | | -11.1 | -4.0% | 239.0 | |
| Machining Solutions | 123.7 | | 136.1 | | -12.4 | -9.1% | 169.0 | |
| Order backlog (end of year) ¹⁾ | 324.1 | | 304.3 | | 19.8 | 6.5% | 270.7 | |
| Automation | 232.9 | | 205.1 | | 27.8 | 13.6% | 168.8 | |
| Machining Solutions | 91.2 | | 99.1 | | -7.9 | -8.0% | 101.8 | |
| Net sales | 374.1 | | 370.2 | | 3.9 | 1.0% | 309.4 | |
| Automation | 233.3 | | 231.2 | | 2.1 | 0.9% | 183.8 | |
| Machining Solutions | 140.8 | | 139.1 | | 1.7 | 1.2% | 125.7 | |
| Number of employees (end of year) ¹⁾ | 1,588 | | 1,548 | | 40 | 2.6% | 1,414 | |
| Automation | 1,000 | | 961 | | 39 | 4.0% | 832 | |
| Machining Solutions | 560 | | 561 | | -1 | -0.1% | 558 | |
| Profitability | | | | | | | | |
| EBITDA ¹⁾ , as % of net sales | 41.3 | 11.0% | 44.3 | 12.0% | -3.0 | -6.9% | 35.5 | 11.5% |
| EBIT ¹⁾ , as % of net sales | 31.2 | 8.3% | 35.3 | 9.5% | -4.1 | -11.6% | 26.4 | 8.5% |
| Operating profit, as % of net sales | 31.9 | 8.5% | 33.4 | 9.0% | -1.5 | -4.5% | 25.8 | 8.3% |
| Net profit, as % of net sales | 27.9 | 7.5% | 28.8 | 7.8% | -0.9 | -3.2% | 24.2 | 7.8% |
| Cash flow | | | | | | | | |
| Free cash flow ¹⁾ , as % of net sales | 48.9 | 13.1% | 29.9 | 8.1% | 18.9 | 63.3% | 16.6 | 5.4% |
| Balance sheet (end of year) | | | | | | | | |
| Total assets | 399.1 | | 374.2 | | 24.9 | 6.7% | 345.9 | |
| Current assets | 283.6 | | 271.5 | | 12.1 | 4.5% | 212.2 | |
| Cash and current financial assets | 123.3 | | 84.1 | | 39.2 | 46.7% | 64.4 | |
| Non-current assets | 115.5 | | 102.8 | | 12.7 | 12.4% | 133.7 | |
| Current liabilities | 161.4 | | 157.0 | | 4.4 | 2.8% | 143.3 | |
| Non-current liabilities | 11.5 | | 13.4 | | -1.9 | -13.9% | 16.6 | |
| Shareholders' equity, as % of total assets | 226.2 | 56.7% | 203.8 | 54.5% | 22.4 | 11.0% | 186.0 | 53.8% |

¹⁾ Alternative performance measures, see pages 138 to 140, or www.mikron.com/apm

Mikron's Financial Year 2024 at a Glance

Net sales and order backlog increased.
Operating profit margin of 8.5%.

Net sales
(in CHF million)

374.1

(2023: 370.2)

Operating profit
(in CHF million)

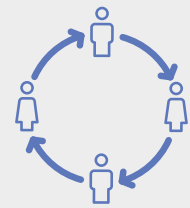
31.9

(2023: 33.4)

Order backlog
(in CHF million)

324.1

(2023: 304.3)



Efficient, modern, and attractive to our existing and future employees.



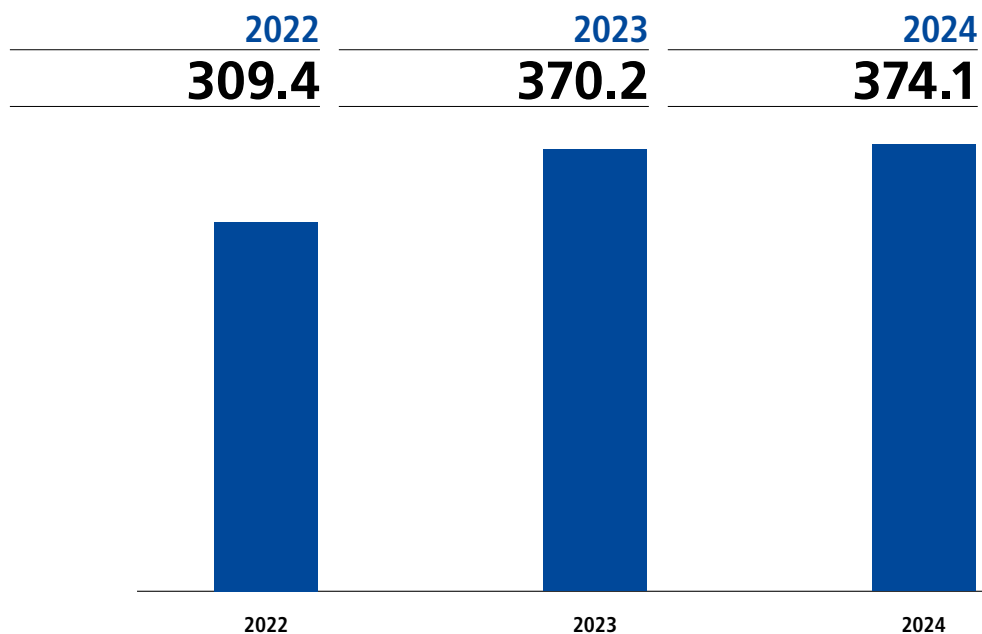
A broad-based culture of sustainability.



Financially strong, free of debt, with an equity ratio of 56.7%.

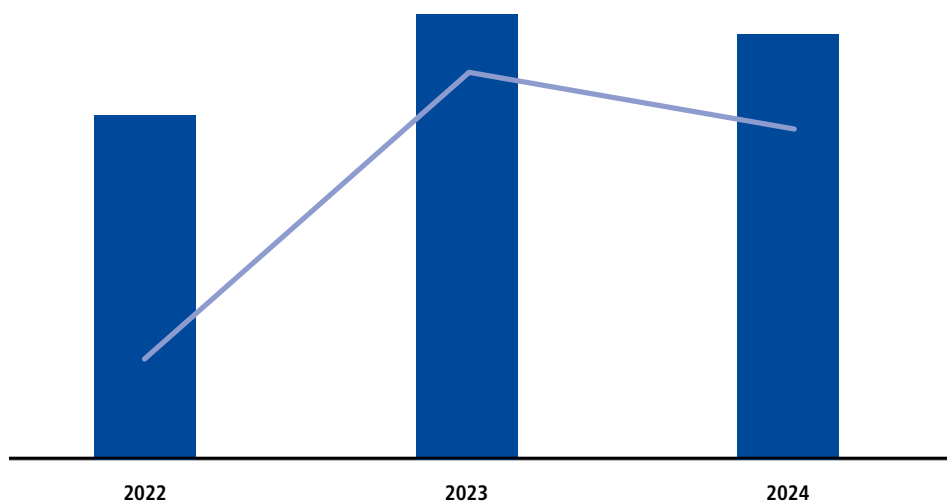
Mikron has become more resilient and less dependent on the short-term cycles.

Net sales (CHF million)



Operating profit

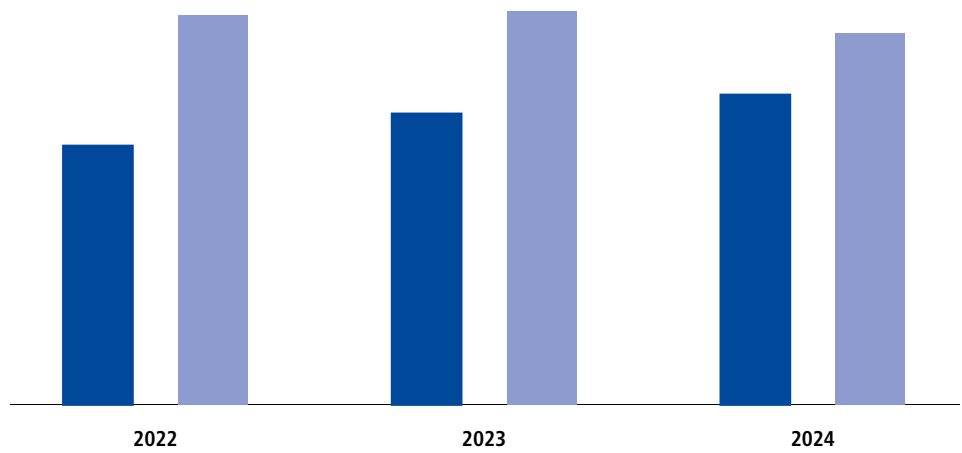
| | | | |
|--------------------------------|------|------|------|
| Operating profit (CHF million) | 25.8 | 33.4 | 31.9 |
| Operating profit margin | 8.3% | 9.0% | 8.5% |



Order backlog Order intake

(CHF million)

| | | | |
|---------------|-------|-------|-------|
| Order backlog | 270.7 | 304.3 | 324.1 |
| Order intake | 408.0 | 412.1 | 388.6 |

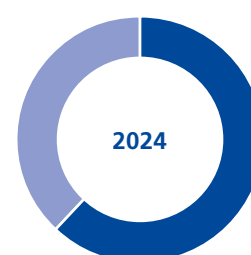


Net sales (CHF million)

| | 2022 | 2023 | 2024 |
|--|--------------|--------------|--------------|
| | 309.4 | 370.2 | 374.1 |

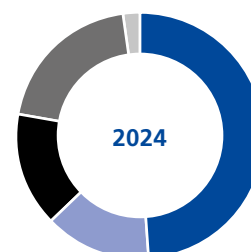
By segment

| | 2022 | 2023 | 2024 |
|----------------------------|------|------|------|
| Automation | 59% | 62% | 62% |
| Machining Solutions | 41% | 38% | 38% |



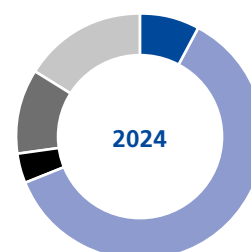
By region

| | 2022 | 2023 | 2024 |
|----------------------|------|------|------|
| Europe | 42% | 47% | 49% |
| Switzerland | 7% | 12% | 14% |
| Asia/Pacific | 20% | 14% | 15% |
| North America | 30% | 25% | 20% |
| Others | 1% | 2% | 2% |



By industry

| | 2022 | 2023 | 2024 |
|-----------------------|------|------|------|
| Automotive | 12% | 7% | 8% |
| Pharma/Medtech | 55% | 57% | 61% |
| Writing | 4% | 5% | 4% |
| Consumer Goods | 9% | 8% | 11% |
| Others | 20% | 23% | 16% |



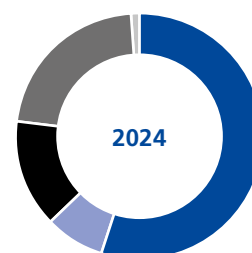
Mikron Automation

Net sales (CHF million)

| | 2022 | 2023 | 2024 |
|--|--------------|--------------|--------------|
| | 183.8 | 231.2 | 233.3 |

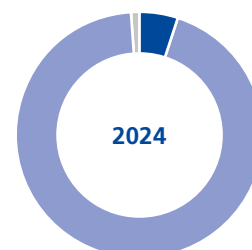
By region

| | | | |
|---------------|-----|-----|-----|
| Europe | 37% | 46% | 55% |
| Switzerland | 2% | 7% | 8% |
| Asia/Pacific | 19% | 12% | 14% |
| North America | 41% | 32% | 22% |
| Others | 1% | 3% | 1% |



By industry

| | | | |
|----------------|-----|-----|-----|
| Automotive | 4% | 3% | 5% |
| Pharma/Medtech | 91% | 90% | 94% |
| Consumer Goods | 3% | 1% | 0% |
| Others | 2% | 6% | 1% |



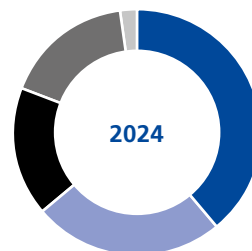
Mikron Machining Solutions

Net sales (CHF million)

| | 2022 | 2023 | 2024 |
|--|--------------|--------------|--------------|
| | 125.7 | 139.1 | 140.8 |

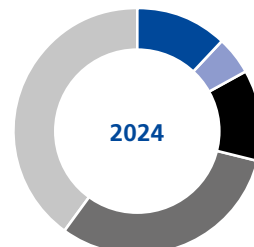
By region

| | | | |
|---------------|-----|-----|-----|
| Europe | 50% | 49% | 39% |
| Switzerland | 15% | 20% | 25% |
| Asia/Pacific | 20% | 17% | 17% |
| North America | 14% | 13% | 17% |
| Others | 1% | 1% | 2% |



By industry

| | | | |
|----------------|-----|-----|-----|
| Automotive | 24% | 15% | 12% |
| Pharma/Medtech | 2% | 2% | 5% |
| Writing | 11% | 13% | 12% |
| Consumer Goods | 18% | 20% | 31% |
| Others | 45% | 50% | 40% |



Mikron in the World

Mikron in North America



Mikron in Europe



Mikron in Asia



| | 31.12.2022 | 31.12.2023 | 31.12.2024 |
|------------------------|--------------|--------------|--------------|
| Total employees | 1,414 | 1,548 | 1,588 |
| Europe | 1,040 | 1,113 | 1,188 |
| North America | 251 | 290 | 245 |
| Asia | 123 | 145 | 155 |

| |
|--------------------------|
| Mikron Automation |
| Mikron Machining |
| Mikron Tool |

Dear Shareholders,

With net sales of CHF 374.1 million, an operating profit margin of 8.5%, and a net profit of CHF 27.9 million, the Mikron Group can look back on a **solid 2024**. Both business segments were able to capitalize on the good order backlog at the beginning of the year and adapt flexibly in order to capitalize on emerging market opportunities.

Like most other organizations, the Mikron Group is affected by **major global challenges** such as currency fluctuations, new regulations, changes in industry structures, and the emergence of new technologies. However, the development of our Group in recent years demonstrates that our strategy is the best course of action. We have become **more resilient and less dependent on the short cycles** of high-volume markets. The main component of this strategy is focusing on key customers whose investment and development plans extend beyond the regular up and down cycles. We have also entered industries that will be in growth cycles in the next few years, and that value partnerships with their suppliers.

The **Mikron Automation** business segment is well positioned in its markets, with major customers from the pharmaceutical and medical technology industries. While the order situation in North America temporarily slowed down during the reporting year, Mikron Automation in Europe successfully managed the high demand and high order backlog despite limited capacity, while waiting for the extension of our lead plant in Boudry in Switzerland, which will come into operation in 2026. The order backlog remains strong, and the mid-term trend is positive. Mikron Automation is also experiencing growth in Asia, with the move to a new, larger facility in China at the beginning of 2024 proving successful.

The **Mikron Machining Solutions** business segment held up well in a very challenging market environment. While most of our competitors had to contend with short-time work, we were able to capitalize on our strong order backlog at the beginning of the year, and score points with innovative new products in the medical technology market. Mikron Machining Solutions strengthened its market position by acquiring DM2, an Italian manufacturer of rotary transfer CNC machines. These are used to produce large parts for fittings and valves. DM2 was successfully integrated during the reporting year, and is an excellent addition to our product portfolio. DM2's contribution to Mikron's sales is not significant in the reporting year, but extends our offering to Mikron's target markets and has potential for growth in the future. The Machining Solutions business segment was also successful in the introduction of innovative tools for drilling and milling special materials, while the insourcing of coating technology at our plant in Agno will have a positive impact on our offering to customers in 2025.

In the year under review, we also achieved further milestones in the consistent **digitalization** of our services for the benefit of our customers worldwide. Our Digital Service solutions are being continuously expanded and refined. With the acquisition of the Swiss startup LYSR in November 2024, we have now insourced AI and algorithm programming to our panel of competence. There is significant potential for further digitalization in the service sector—we are only at the beginning of a comprehensive development.



Left to right: Paul Zumbühl, Chairman of the Board of Directors, and Marc Desrayaud, Chief Executive Officer.

We remain committed to the **strategy** defined in 2022, which remains both valid and appropriate. While we have not identified any weaknesses in our strategy, our solid results give us confidence that we are on the right track. However, we review our approach annually in order to make sure that we remain agile for the future.

At the General Meeting on April 16, 2025, the Board of Directors of Mikron will propose a **distribution to the shareholders** of CHF 0.50 per share (prior year: CHF 0.50).

Mikron's progress is in line with the Group's medium-term planning and strategy. It started the 2025 financial year with a healthy order backlog and a continued strong growth trend in Automation in Europe and Asia. However, it is witnessing a persistent slowdown in the Machining Solutions market in Europe, and no short-term change in the situation for Automation in North America, despite significant tendering activity. As a result, it remains difficult to make a **forecast for 2025**. Mikron expects overall net sales to remain stable in 2025, with an operating profit margin similar to 2024.

We would like to thank our employees for their dedication, our customers for their trust, and you, our valued shareholders, for your loyalty and commitment.

Paul Zumbühl,
Chairman of the Board of Directors

Marc Desrayaud,
Chief Executive Officer

Interview with CEO Marc Desrayaud and CFO Philippe Wirth

“While our strategy has proven successful, the key to lasting achievements lies in the art of continually questioning ourselves”

Mikron can look back on a successful year. Marc Desrayaud, what are you particularly proud of as CEO?

Marc Desrayaud: I am particularly proud of the strong teamwork that we foster in both business segments. Our culture is primarily built on innovation, collaboration, and continuous learning. These values have enabled us to showcase both performance and resilience in a challenging market environment, while successfully managing our high order backlog for 2024 to the satisfaction of our customers. There are still many tasks ahead of us, and we must continue to evolve in order to overcome the challenges that lie ahead. Only by doing so can we ensure that we remain competitive in the future and continue to act as an innovative and reliable partner.

How does the Group manage to deliver excellent results despite the international political tensions and economic uncertainties?

Marc Desrayaud: After implementing our new mid-term planning three years ago, we have been pursuing a long-term strategy aimed at building greater resilience and reducing our dependence on the short cycles of large-volume markets. This approach is intended to ensure healthy, sustainable growth over time. The strategy is proving beneficial now, as large-volume markets are facing significant instability. However, maintaining resilience is an ongoing effort. The core elements of our strategy include focusing on key customers with investment and development plans that extend beyond typical market cycles, entering industries that are expected to grow in the coming years, and cultivating strong, long-term relationships with suppliers. We are also expanding our range of product families and services to increase our presence in selected niche markets. Further-

more, we have made a conscious decision to limit our growth ambitions in the short term, prioritizing stability and sustainable progress.

Which general economic developments have a particular influence on Mikron?

Philippe Wirth: The factors influencing the market today are more diverse than ever: trade conflicts, regulatory requirements, new technologies, and de-/re-localization trends. As a global provider of equipment and solutions, we must remain highly agile and fast in our decision-making in order to successfully navigate these challenges.

How is Mikron meeting these challenges?

Philippe Wirth: The Mikron Group has successfully addressed the market with local solutions for local customers. We do not want to change this, as it ensures intimacy with our customers. However, as a small company in a fast-paced environment, we must build a platform with more harmonized processes and data in order to react quickly on the basis of readily available data and market trends. We also want to enable the sharing of resources more globally. To this end, we have launched several initiatives, and are implementing new HR processes, preparing ourselves for the next generation of SAP, our ERP system, and generally investing in digitalization and AI, which included the acquisition of LYSR in 2024.

How have the Pharma and Medtech markets developed?

Marc Desrayaud: Demand remains exceptionally high in the pharmaceutical and medical sectors. The global development of new solutions is driving growth in our core markets. Our offerings for injection systems in the treatment of



Left to right: Marc Desrayaud, Chief Executive Officer, and Philippe Wirth, Chief Financial Officer.

diabetes (Automation business segment) and the processing of orthopedic solutions (Machining Solutions business segment) are particularly in demand. As production volumes increase, the need for more efficient and cost-effective production concepts grows, making our solutions increasingly attractive. Furthermore, stricter regulatory requirements and the need for Total Quality Management and zero scrap demand sustainable partnerships, which we actively nurture with our customers.

Which new markets did Mikron tap into in 2024?

Marc Desrayaud: In 2024, we successfully expanded into several new markets, including aerospace, semiconductor technology, and diagnostic devices. In the Machining Solutions business segment, we have transitioned many of our production processes to lead-free materials in order to meet the growing regulatory requirements. The MAIA platform in the Automation business segment opens up new opportunities for collaboration with start-ups, and supports the development of innovative applications with scalable assembly processes.

How important are services?

Marc Desrayaud: Service is a key component of our long-term customer relationships. Mikron's solutions are known for their exceptionally long

lifespan and their ability to adapt flexibly to new products. To ensure the productivity of our production lines in the long term, we have been relying on preventive and reactive maintenance for many years, as well as targeted training programs for customers' employees.

How well prepared is Mikron for any new trade barriers?

Marc Desrayaud: There is no such thing as perfect preparation, as it is simply impossible to predict the decisions of the current world leaders. However, our Automation business segment is structured in a way that limits the impact of tariff increases. We supply products in China for the Chinese market, in the USA for the American market, and in Europe for the European market. In contrast, in the Machining Solutions business segment, we primarily produce centrally for the global market, which makes us more vulnerable in this regard.

What are you expecting from the future in general?

Marc Desrayaud: We are looking to the future with confidence. Our strategy has proven successful, and we will continue to follow it. Of course, we will make short-term adjustments to address any market weaknesses and crises. The key to lasting achievements lies in the art of continually questioning ourselves.



HIGHLIGHTS 2024



FEB 24

Mikron strengthens its market position by taking over an Italian machine manufacturer

DM2 from Travagliato near Brescia in Italy manufactures rotary transfer CNC machines, which are used to produce large parts for fittings and valves. The company was founded in 1985 by owner Gianfranco Duina, who was looking for a successor. The acquisition of DM2 by Mikron is a win-win situation for both companies: DM2 secures its future while operating in a global corporation, and Mikron can offer its customers more options in the rotary transfer machine sector. The aim is to gain market share in specific applications not yet covered by Mikron's portfolio. The skilled and experienced employees of DM2 are a perfect match for the ones at Mikron in Agno, in the Swiss canton of Ticino.

MAR 24

Mikron opens a new site in China

To strengthen its presence in Asia, and China in particular, Mikron Automation is moving to new, larger premises in Shanghai. The rented site has more assembly space for customer projects and an innovative office area. Mikron's base in China has extensive expertise in complex and precise assembly processes, and develops scalable solutions for the diverse production requirements of the pharmaceutical and medical technology industries. With over 85 employees and a state-of-the-art environment, Mikron Automation achieves an important milestone in its Asia strategy. Mikron Machining also moves to this new location, ensuring collaboration and the sharing of experience.



JULY 24

IngCH
MINT for our future

Mikron joins IngCH

Only 15% of Swiss students in the disciplines of electrical engineering, mechanical engineering, and IT in Switzerland are women. Mikron is committed to increasing the number of female employees. It is doing this in two ways: within the company itself (see the Sustainability Report on pages 54 to 55) and as a new member of the Swiss initiative IngCH. This promotes MINT (Mathematics, IT, Natural sciences, and Technology) jobs and training for women and young people in general. This is because there is a shortage of skilled workers in this field. For example, IngCH introduces around 3000 secondary school students to the exciting MINT jobs every year. They also hold the “Meitli Technology Days”, which are events just for girls.

AUG 24

Mikron saves a great deal of energy

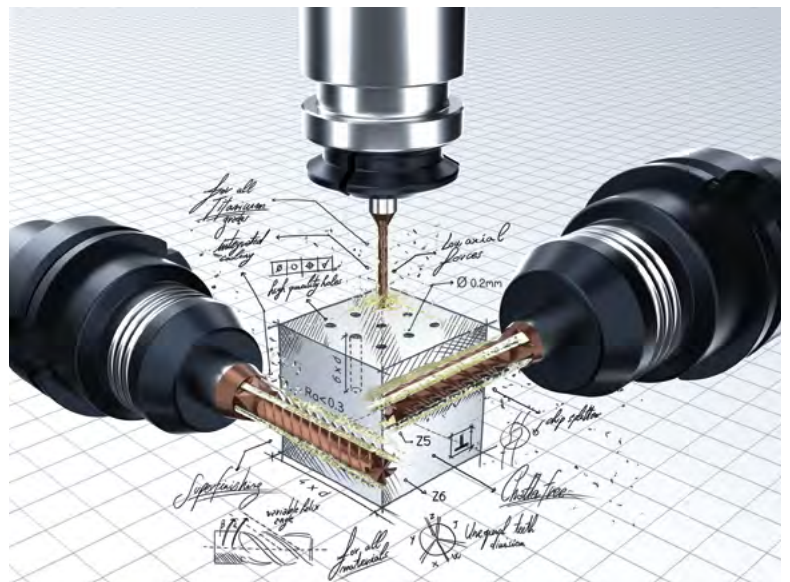
The headquarters of Mikron Machining in Agno, Switzerland, were built in 1965. In August 2024, the company finishes major renovation work on its building. These improvements reduce energy consumption, increase comfort for employees, save on energy costs, and make the place more attractive. The new thermal insulation, the replacement of the old windows, and the updated building technology save 50,000 liters of heating oil, 70 kilowatt-hours of electricity, and 140 tons of CO₂ emissions per year. And the sustainable improvements are not over yet, as there are plans to add solar panels to the roof as well.



SEP 24

Mikron launches three new high-performance cutting tools

At two fairs in late summer 2024, the AMB in Stuttgart, Germany, and the IMTS in Chicago, USA, Mikron Tool shows three innovations: the CrazyDrill Titanium TN/TK, CrazyMill Cool CF, and CrazyMill Cool SF. The CrazyDrill Titanium TN/TK is a high-performance bit for drilling all titanium alloys, even pure titanium. The CrazyMill Cool CF and CrazyMill Cool SF are high-performance end mills, especially for delicate components typically used in the medical, aerospace, and watch industries. CF stands for “chatter-free”, and this end mill enables machining without any chatter. SF means “super-finishing”. This end mill produces surfaces of a very high quality, reducing or even eliminating the work required for polishing.





SEP 24

Mikron starts expansion of its Boudry site

Over the last five years, Mikron Automation has increased the business volume at its Boudry site in Switzerland by more than half. To make room for the now 600 employees, Mikron inaugurated the last extension to its site there three years ago. 2024 sees the groundbreaking ceremony for the next expansion project, called BoudryNext. This will enlarge the production area by an additional 6,200 square meters, bringing the total site in Boudry to a whopping 22,000 square meters—as large as three soccer fields. Mikron Automation plans to hire around 100 new employees with BoudryNext. The building works are scheduled to be completed in 2026. To handle several customer projects during construction, Mikron has added 2,000 square meters on a temporary basis in the Y-PARC in Yverdon-les-Bains, near Boudry. This site is now fully operational.

NOV 24

Mikron is getting stronger in the field of machine learning

LYSR is a dynamic start-up and spin-off of the School of Engineering and Architecture of Fribourg in Switzerland. It has developed a software platform for data analytics and machine learning specialized for industry. The platform is used for process analytics and predictive maintenance. Since November 2024, LYSR has been part of Mikron. With this acquisition, the Group adds more products to its portfolio and improves its skills in artificial intelligence (AI), predictive maintenance, and process improvements to support its customers even better. With LYSR's expertise, Mikron is continuing to drive forward advanced manufacturing.



DEC 24

Mikron Tool introduces key coating technology in Agno

Tools last longer when they are coated, and are much more reliable. In the past, Mikron Tool relied entirely on an external partner for coating. But not any more: in fall 2024, its new coating machines are delivered. By the end of the year, the installation is completed and the training for the coating specialists begins. Now, Mikron Tool can decide which high-performance tools to coat directly at its facility in Agno, Switzerland, using the latest technology, and which tools to have coated by the external partner. By coating many of its tools in-house, Mikron Tool increases its knowledge of the entire production process and reduces the time needed for manufacturing its products.

Strategic Report

Strategic Report

The Mikron Group has defined its strategic goal for 2030 as follows: “We are the market leader in selected core markets with key customers and profitable revenue.” In 2024, Mikron achieved net sales of CHF 374.1 million. As in the previous years, the Group also met its profitability target of 7–10% for the EBIT margin.

Mikron’s mission and positioning

Mikron’s business model provides a solid foundation on which to successfully navigate through the current external environment. Customer needs are at the heart of Mikron’s business model. The Group provides its expertise in order to realize the best solutions for its customers. In doing so, it builds on the following strengths.

| | Mission | Positioning |
|-----------------------------------|---|---|
| Mikron Group | Create value with passion for precision | We offer customer-specific, optimized solutions providing the highest resource efficiency and lowest emissions. Our solutions guarantee reliable and flawless production processes over many decades. |
| Mikron Automation | Leading partner for scalable assembly solutions | We offer integrated assembly solutions including pre- and post-production services in excellent customer projects with competent, local support and short delivery times. Our target customer group values our long-term orientation based on innovation, and our environmental efficiency. |
| Mikron Machining Solutions | <i>Mikron Machining:</i> Leading partner for high-performance transfer machining solutions | We focus on producers of very high volumes. Our core customers operate in selected segments: nipples, writing, Swiss luxury watches, and automotive (e-mobility and connectors). All our products are rooted in excellent Swiss quality and are unique in their precision. We offer customer-specific, optimized solutions providing the highest resource efficiency and the lowest emissions. |
| | <i>Mikron Tool:</i> Leading partner for high-performance cutting tools | Our core customers who produce high-end applications choose us due to our expertise in small cutting tools for difficult-to-cut materials. Driven by our unique problem-solving attitude, we collaboratively develop perfectly fitting tools with our customers for their strategic solutions in our technology centers. Through our tools, the ROIs of our customers’ machines are significantly increased, and the machines’ capacities enhanced. |

Strategic Goal

We are the market leader in selected core markets with key customers and profitable revenue.

Underlying trends

● Industry changes

Transition phase in the automotive industry (from combustion engines to electric motors and others); growth in medical technology driven by the ageing population; recovery in aerospace; energy shortages; lack of resources and talented employees.

● Complexity of the solutions

The solutions offered require multiple competencies and technologies from a single source (integrator); investments must pay off quickly.

● Customization and regionalization

Solutions are becoming increasingly individualized and flexible; new regional market leaders with different needs are emerging.

● Sharing and using data

Customers need to digitize their production data to work more efficiently; the data age has begun.

Strategy components

● Niche segments

Continued focus on niche segments with core applications; further expansion in medical technology; identification and exploitation of new opportunities (e-mobility, aerospace) and maintaining an opportunistic approach in other sectors in order to successfully manage industrial cycles.

● Key technologies

Securing key technologies either through in-house development or through partnerships.

● Expanding product and customer range

Expanding the product range to include complete solutions for high-volume production; further development of after-sales and digital services; acquiring key customers in traditional sales markets and identifying new players in Asia: being globally local.

● Profitable growth

Focus on attracting and retaining talented employees; create an environment that enables profitable growth.

Business model

Led by the vision of “creating value with passion for precision” and Mikron’s mission statement, the Board of Directors periodically reviews the Group’s strategy. Mikron expects sales growth in the magnitude of 5% annually on average. In 2022, Mikron achieved an important milestone and improved its profitability beyond the original mid-term EBIT margin of 5–7%. The Board of Directors reviewed the strategy in August 2022 and set a new profitability target for the EBIT margin to 7–10%.

Mikron’s business model provides a solid foundation on which to successfully navigate through the current external environment. Customer needs are at the heart of Mikron’s business model. The Group provides its expertise in order to realize best solutions for its customers. In doing so, it builds on the following strengths.

Technical reference in its markets

Mikron strives to be the technology leader in all its markets.

Global partner

Proximity to its customers around the globe is essential in order to meet local requirements.

Skilled employees

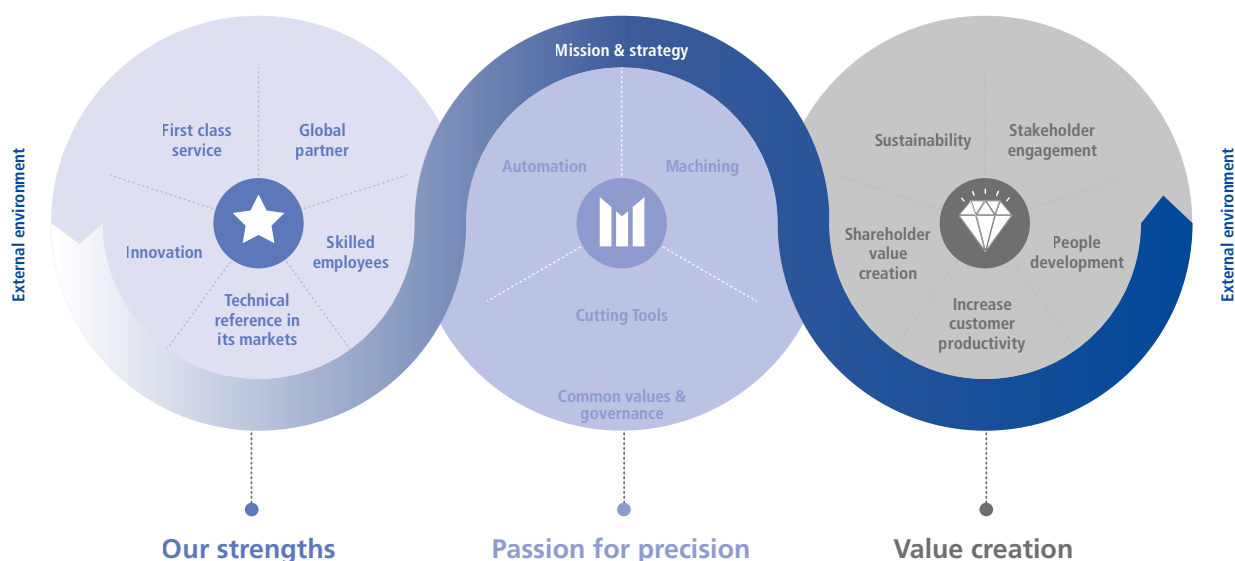
The key to success is our employees with their competencies, skills, experience, and drive for innovation.

First-class service

Continuously supporting customers’ production operations and finding solutions to their needs throughout the whole life cycle are crucial.

Innovation

The systematic development of new solutions for the future is a prerequisite for mastering the challenges ahead. Value creation is the overriding goal of our Group in order to help build a better world



for customers, employees, and shareholders. Based on customer-oriented leadership, our solutions create value for society by improving efficiency, quality, productivity, and sustainability. Continuous dialog with key stakeholders enables us to address their needs and gain insights into changing market requirements, future trends, and global developments. This helps Mikron understand the benefits that stakeholders seek and respond quickly with appropriate solutions.

Embedded in the Group's strategy, the business segments are well positioned:

Mikron Machining Solutions

Mikron Machining Solutions' strategic objectives are to strengthen its leadership position in the rotary transfer machining niche, to expand the service business by introducing additional services and addressing the whole installed machine base, and to grow the cutting tool business. The business segment consists of the two divisions Mikron Machining and Mikron Tool. As an innovative technology leader, the Machining Solutions business segment offers its customers the best-performing solutions for high-volume production. In its niche, Mikron Machining competes mainly against other manufacturers of transfer machines, transfer centers and multi-spindle machining centers. Over time, its exposure to the European market will be reduced as newly developed products are rolled out. The business segment wants its customers to recognize Mikron Machining and Mikron Tool divisions as international providers with the ability to adapt their innovative products quickly to specific needs and to execute projects efficiently with globally aligned key processes.

Mikron Automation

Mikron Automation's strategy aims to provide customers with scalable and customized assembly systems—from the initial idea to the highest-performance solutions. Mikron's expertise and proven track record guarantee the best productivity for assembling customers' products throughout the life cycle. As the partner of choice for global blue-chip customers from the pharmaceutical and medtech industries, it aims to maintain its leadership position in Europe and the US and to strengthen its footprint in Asia. Other customer segments such as the automotive industry, consumer goods, and electronics are expected to contribute to its growth. Aligned processes, world-class project execution and in-depth experience of validation and obtaining all the required approvals (especially FDA) enable the Automation business segment to carry out projects across several sites and thus also deliver projects worth up to CHF 30 million.

Customer satisfaction

The Mikron Group focuses on the needs of its customers, with the aim of establishing and cultivating strong, long-term relationships with them. All strategic and operational initiatives and activities are triggered by Mikron's mission to increase customers' industrial productivity. As in previous years, Mikron actively contacts customers to systematically ask for their opinions and feedback. This customer feedback conveys a very positive picture overall. Besides high-performance turnkey production systems and excellent "Crazy" tools, Mikron offers its customers a broad range of after-sales services fostering long-term partnerships. Mikron asks for and receives suggestions for improvements and refinements in its strategic planning in the form of targeted initiatives, product and process enhancements, and investments in new product developments.

Sustainability

Sustainability and Environmental, Social and Corporate Governance (ESG) are a high priority for the Mikron Group, which acknowledges its responsibility towards people and the environment. Its Sustainability Report is guided by the globally recognized principles of the Global Reporting Initiative (GRI). The Group's aim in this respect is to ensure transparent, standardized, and comparable reporting. For more details see the Sustainability Report on pages 30 to 73.

Employees

Mikron operates in a demanding, highly cyclical and global market, and is exposed to globally active and locally specialized competitors. The key to success is highly skilled and motivated employees who are willing to assume responsibility and work together constructively. This allows the Group to respond to the rapid changes, diverse customer requests, and complexity inherent in the business. Approximately every two years, an independent consultancy for personnel and organizational development assesses the level of employee engagement and enablement. For more details see the Sustainability Report on pages 30 to 73.

The Mikron values

Six values guide Mikron's management and staff in their day-to-day conduct and serve as a common basis on which to do business and develop the company:

Skilled and motivated employees

Success is founded on skilled and motivated employees who are willing to take responsibility and work together constructively. Mikron's employees overcome technical challenges by actively sharing knowledge that results in intelligent, innovative, and high-performance production solutions for its customers.

Responsibility and role model function

The Group honors common agreements and takes responsibility. All employees see themselves as ambassadors of Mikron and show respect and loyalty towards their colleagues, customers, and business partners. Employees of the Mikron Group talk to each other openly and honestly in order to keep each other up to date.

Market and customer focus

Mikron's employees always focus on the needs of its customers, with the aim of establishing and cultivating long-term relationships with them. The Group excels in a competitive market, offering cost-effective and technically optimized solutions for the manufacture of high-precision products in large quantities.

Quality

Quality is all-encompassing. Mikron's employees work independently to the highest level of precision in order to meet all explicit and implicit requirements. The Group continuously improves its products and processes, and invests in new technologies and projects.

Confidentiality

All employees are regularly informed of key developments by their line managers. Outside the company, they are very careful and restrictive with information and ensure that only duly authorized people have access to information.

Focus on targets and results

The Mikron Group has well-defined, demanding quantitative and qualitative targets and devotes all its energy to achieving them. Each employee is aware of the targets—both their own and those of the company—and contributes to their achievement.

For more details see Sustainability Report on pages 30 to 73.

Risk management

Mikron monitors and carefully evaluates the handling of strategic, financial, and operational risks. Likewise, the company accounts for risks related to compliance as well as political and regulatory changes.

A holistic risk management process under the leadership of the Group CFO ensures that risks with a potential impact on the business and financial situation, as well as mitigation actions to handle those risks, are regularly reviewed and presented to the Executive Management and Board of Directors. The functioning of the risk management system and the key risk factors are described in the Corporate Governance Report (pages 86 and 87), while financial risk management is outlined in the Financial Report (pages 117 to 119).

Brand management

The Mikron Group actively manages its umbrella brand and sub-brands. Both the Automation and Machining Solutions business segments attend trade fairs all over the world, where they present their range of systems, products, and solutions. They also maintain customer contact via digital channels and hold various webinars. The Group also uses brochures, a state-of-the-art website including videos, a YouTube channel, and an iPhone/iPad app as brand management tools.

To further strengthen its customer focus, Mikron slightly adapted its branding in the 2023 financial year and introduced individual logos for the three divisions in addition to the Mikron logo, which has been well established for years:



SUSTAINABILITY REPORT 2024





-29%

CO₂eq emissions
compared to 2019



-75%

heating oil consumption
compared to 2019



-50%

used chemicals
compared to 2019



+43%

female employees
compared to 2019



Introduction

About this Report

This report presents Mikron's achievements in the areas of ESG (environmental, social, and governance), highlighting our deep commitment to transparency, information sharing, and corporate responsibility. It also reflects our efforts to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). While this is Mikron's first Sustainability Report aligned with the TCFD guidelines, it is our sixth Sustainability Report overall.

The document outlines the progress we have made in integrating the identification and management of climate-related risks and opportunities into our business strategy and disclosure initiatives, in line with the TCFD recommendations. It explores our strategic vision, highlights the key moments of the year, provides a global perspective on our international presence, and shares details about our corporate social responsibility initiatives and governance practices. Together, these elements provide a clear and comprehensive picture of who we are and how we operate.

Mikron has intensified its commitment to sustainability by aligning more closely with the requirements of the Global Reporting Initiative (GRI) and international ESG standards, improving their overall application.

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Letter to Stakeholders

Dear Stakeholders,

Mikron has been committed to sustainability for many years. Across all our locations, we strive to fulfill our responsibility towards people and the environment, following a path of continuous improvement that is deeply embedded in our corporate culture.

We act as a sustainable company not only because regulations require it, but because we are convinced that embracing sustainability will make us more successful in the future. This year, we are proud to present our new TCFD (Task Force on Climate-related Financial Disclosures) report, an essential tool for analyzing and addressing climate-related risks and opportunities. This initiative enables us to make informed strategic decisions and develop actions aimed at creating a resilient and sustainable future.

Our social commitment, cultivated over 115 years of corporate history, is reflected in the creation of an inclusive and dynamic working environment. We value diversity and promote equal opportunities, recognizing that the dedication of our employees to Mikron's values is the foundation of our success and the driving force behind our sustainability initiatives.

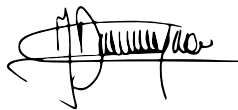
In 2024, we launched the Scope 3 data collection project at Group level to calculate our Scope 3 emissions—a fundamental step in reducing the environmental impact of our value chain. This initiative involved all Mikron's sites, and was supported by targeted meetings to raise employees' awareness of the project's importance and to foster a shared approach to sustainability. The final Scope 3 data will define the basis for further evaluation of our emission reduction initiatives. We plan to align our goals with the standards of the Science Based Targets initiative (SBTi), a global benchmark for decarbonization. This commitment includes the development of a long-term decarbonization plan to significantly reduce emissions and contribute to global efforts to combat climate change.

We sincerely thank all of you—our internal and external stakeholders—for your continued support and trust in our commitment. We are confident that together, we can build a better and more sustainable future for generations to come.

Sincerely,



Paul Zumbühl,
Chairman of the Board of Directors



Marc Desrayaud,
Chief Executive Officer



Left to right: Paul Zumbühl, Chairman of the Board of Directors, and Marc Desrayaud, Chief Executive Officer.

“We are following a path of continuous improvement that is deeply embedded in our corporate culture.”

Memberships and Certifications

Certifications by Site

| | |
|------------------------------|---|
| Mikron Machining Agno | ISO 9001 (2005), ISO 14001 (1999), ISO 45001 (before OHSAS 18001, 2005) |
| Mikron Rottweil | ISO 9001 (2008) |
| Mikron Tool Agno | ISO 14001 (2000), ISO 9001 (2002), ISO 45001 (before OHSAS 18001, 2006) |
| Mikron Boudry | ISO 9001 (1995), ISO 14001 (2007) |
| Mikron Denver | ISO 9001 (2001), ISO 13485 (2022) |
| Mikron Singapore | ISO 9001 (2009) |
| Mikron Shanghai | ISO 9001 (2009) |
| Mikron Kaunas | ISO 9001 (2020), ISO 14001 (2020) |

Memberships

Task Force on Climate-related Financial Disclosures (TCFD)

Mikron adheres to the TCFD framework, ensuring transparency in the management of climate risks and opportunities while aligning with global best practices.

Sustainable Development Goals (SDGs)

Mikron integrates sustainability into its business strategy, contributing to the achievement of the 17 United Nations SDGs.

CDP

Mikron has participated in the CDP questionnaire for three consecutive years, showcasing its efforts to measure and manage its environmental impact.

EcoVadis

- **Mikron Machining Agno:** Bronze Medal (2024)
- **Mikron Automation Denver:** Bronze Medal (2022)

Global Reporting Initiative (GRI)

Mikron prepares its Sustainability Report with reference to the GRI standards.

European Sustainability Reporting Standards (ESRS)

The Report refers to the ESRS, meeting the EU requirements for sustainability reporting.

GOVERNANCE



Governance

Mikron is the leading partner for high-performance production systems designed to manufacture complex and precise components in large volumes. The Group develops, produces, and markets automation solutions, machining systems, and cutting tools that are highly precise, productive, and adaptable. Rooted in the Swiss culture of innovation, Mikron is a global partner for companies in the pharmaceutical, medtech, consumer goods, automotive, and general engineering sectors.

The company operates in various regions worldwide, with facilities located in the key countries for its global market. Each site is fully integrated into the governance and sustainability initiatives, contributing to the achievement of the company's strategic goals.

Human Resources management is at the core of Mikron's corporate governance, demonstrating a strong commitment to wellbeing, diversity, and inclusion. Through targeted policies, the company fosters a collaborative and innovative working environment that values cultural diversity.

Mikron's multicultural workforce, comprising employees of various nationalities, enriches the workplace and promotes an inclusive and inspiring culture.

Compliance and ethical integrity

We are guided by our corporate values in all our thoughts and actions. Our comprehensive compliance management system ensures that we always comply with the rules and laws according to our ethics pillars.

Code of Conduct

In 2022, Mikron published the third edition of its Code of Conduct, available in five languages. The Code addresses topics such as corporate governance, compliance, and ESG (environmental, social, and governance) aspects, emphasizing ethical integrity and diversity inclusion, and setting clear expectations for employees in order to ensure a positive working environment.

The inclusion of a whistleblowing section highlights Mikron's commitment to transparency and ethics. Mikron has established a whistleblowing organization, ensuring confidentiality, protection against retaliation, and the effective handling of reports.

Anti-Corruption Policy

Mikron's Anti-Corruption Policy establishes clear guidelines to prevent unethical practices, and ensures transparency, proper documentation, and compliance with ethical standards. Activities such as gifts, donations, and sponsorships must adhere to defined limits and obtain the necessary approvals. This reflects Mikron's commitment to integrity and corporate responsibility.

Nationalities



| Nationalities | 2023 | 2024 |
|---------------------|------|------|
| Swiss | 35% | 36% |
| French | 5% | 7% |
| Italian | 19% | 20% |
| German | 6% | 5% |
| American | 17% | 16% |
| Asian | 9% | 9% |
| Other nationalities | 9% | 7% |

Commitment to health, safety, and the environment

Mikron is dedicated to ensuring high HSE (health, safety, and environment) standards by embedding sustainability and responsibility into everything it does. Company policies aim to protect employees' health and safety, minimize our environmental impact, and comply with local regulations. These principles guide our daily operations, cultivating a safe and sustainable workplace.

Supplier Code of Conduct

In 2024, Mikron published the first version of its Supplier Code of Conduct (CoC), which establishes ethical and sustainability standards for suppliers with key requirements regarding business integrity, human rights, safety, environmental impact, and quality. Suppliers are key stakeholders in the value chain; with their commitment to the Mikron Supplier CoC they are required to comply with local and international laws, promote responsible practices throughout the supply chain, and collaborate with Mikron to ensure compliance.

IT & AI policy

The regulations on personal data protection and the policy on the responsible use of generative artificial intelligence tools at the Mikron Group set out guidelines to safeguard sensitive information and ensure the ethical use of technology.

The regulations ensure compliance with the LPD and GDPR, governing the processing of personal data while defining rights, responsibilities, and security measures. Meanwhile, the AI policy provides guidance on avoiding sharing confidential data and preventing misuse, thus promoting a responsible and secure approach.

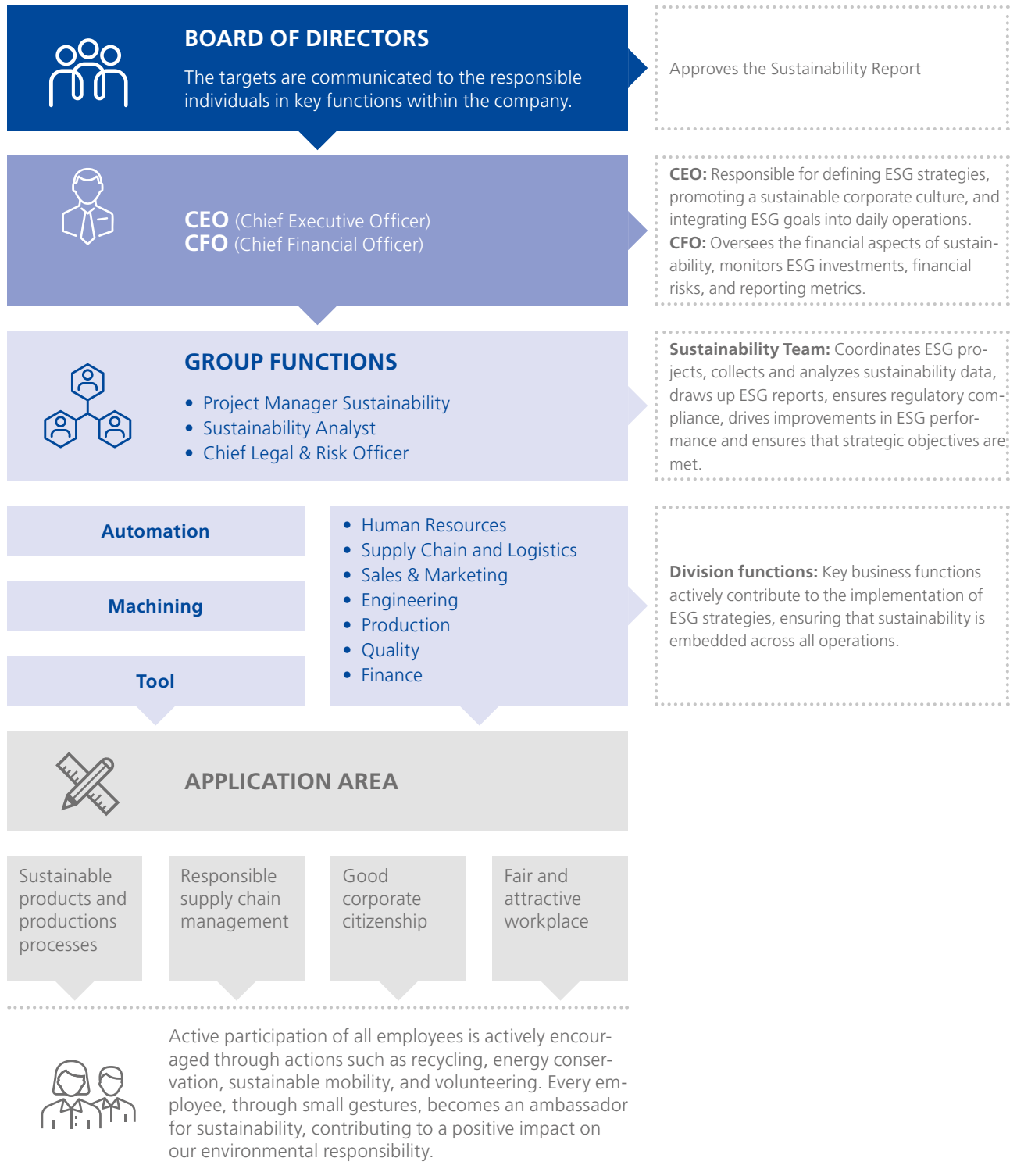
Adherence to Governance Standards on Minerals and Child Labor

In accordance with Article 964J, companies are obliged to adhere to specific standards of diligence and transparency regarding minerals and metals originating from conflict regions, as well as concerning child labor. Mikron commits to excluding the use of minerals such as tin, tantalum, tungsten, gold, and other metals from conflict zones or high-risk areas during production processes and in the creation of its products. Moreover, based on a comprehensive analysis across all Mikron sites, we pledge not to manufacture or market products that may raise reasonable suspicions regarding the exploitation of child labor during their manufacturing or distribution on the market. In its Code of Conduct, Mikron has also explicitly defined a strict ban on both child labor and forced labor for all business partners.

Governance structures

Sustainability is a strategic pillar for Mikron. It is integrated into all our business operations and supported by a solid governance structure. The management of ESG (environmental, social, and governance) topics is entrusted to specific roles that ensure strategic alignment and effective oversight.

Organizational structure with regard to sustainability at Mikron

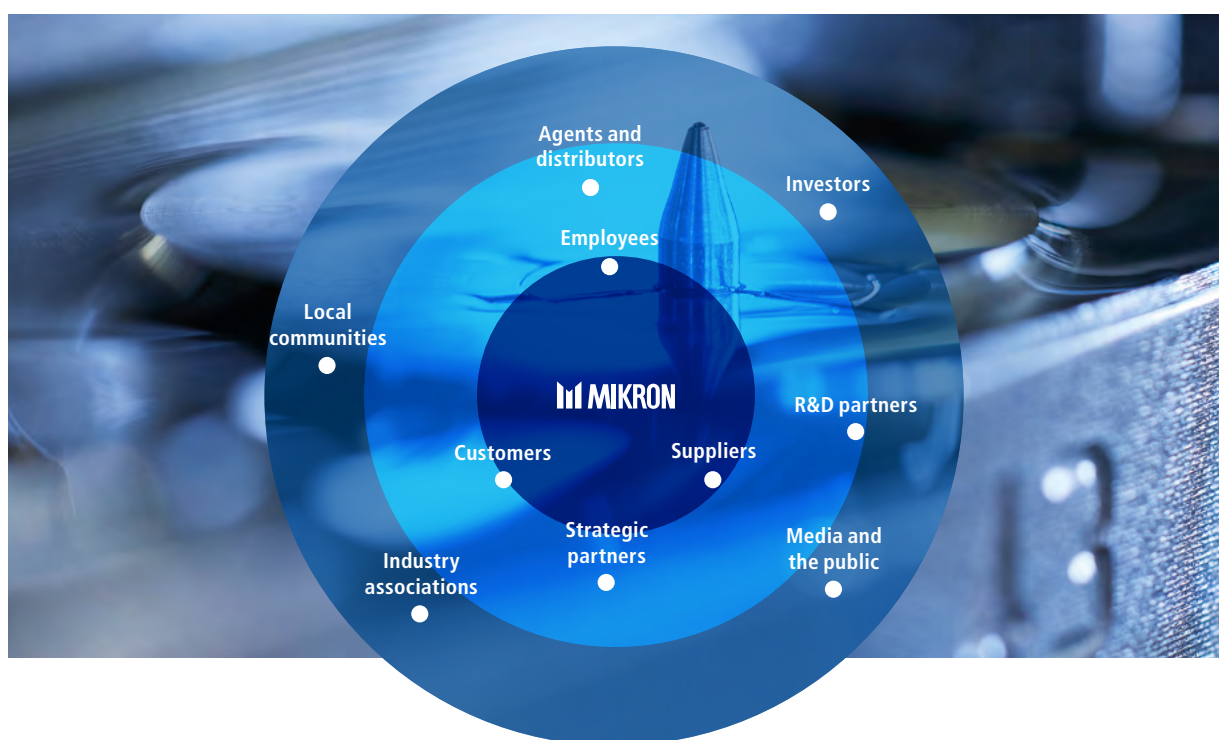


Stakeholders

Stakeholder Map

Mikron has carried out an in-depth analysis to identify its key stakeholder groups and dialog partners. Interviews were conducted with specific stakeholders in order to better understand their needs and expectations.

| Stakeholder | | Our commitment |
|--------------------------------|---|--|
| Customers | Customers are at the heart of our business, and we position ourselves as reliable partners in order to build long-term relationships. | <ul style="list-style-type: none"> – Innovative, high-quality, and customized products and services – Adherence to the Code of Conduct and corporate values – Direct engagement through trade fairs, events, and social media |
| Employees | Employees are the key to Mikron’s success. We cultivate an inclusive and inspiring working environment. | <ul style="list-style-type: none"> – Open dialog between employees and management – Satisfaction surveys and annual evaluations – Digital and in-person training and development opportunities |
| Suppliers | Suppliers are essential partners for sustainable solutions throughout the value chain. | <ul style="list-style-type: none"> – Long-term relationships based on mutual respect – Adherence to the Code of Conduct and ethical practices |
| Strategic partners | We collaborate with strategic partners to develop sustainable solutions for the future. | <ul style="list-style-type: none"> – Innovation projects and strategic market initiatives |
| Agents and distributors | We collaborate with local partners to strengthen our global presence. | <ul style="list-style-type: none"> – Building shared synergies – Long-term partnerships based on ethical principles |
| R&D partners | Research and development are integral to Mikron. We cultivate scientific collaborations to drive innovation. | <ul style="list-style-type: none"> – Collaboration with universities and research institutions – Supporting research projects and hosting students |
| Local communities | Mikron is dedicated to creating a positive impact in the communities in which it operates. | <ul style="list-style-type: none"> – Dialog with local authorities and community initiatives – Site visits and open-door events |
| Media and the public | Clear communication is essential for engaging with our target groups. | <ul style="list-style-type: none"> – Organizing media events – Press releases, social media, and the Mikron website |
| Industry associations | Industry associations are a key part of Mikron’s network. | <ul style="list-style-type: none"> – Membership of local and international organizations – Participation in working groups |
| Investors | Investors and the financial community form the foundation of our growth. | <ul style="list-style-type: none"> – Transparent and regular communications – Direct relationships with analysts and financial institutions |





STRATEGY

Values



We are high-performance teams that work together.

Every employee contributes to Mikron's success. We share our experiences and shape our working environment in such a way that everyone can be successful. Through continuous training, our people develop the necessary competencies and skills for today and tomorrow. Transparent communication and a feedback culture foster teamwork and an environment built on trust. Empowerment and constant challenges move us to take action, and motivate us to step out of our comfort zones.



We honor our commitments.

We take responsibility for our actions and behavior based on our values, policies, and corporate objectives. We are all ambassadors for our company and show respect for, and develop profound trust among our colleagues, customers, and partners. We take and execute decisions professionally and for the good of the company. We fully comply with the legal statutes and behave in a socially and environmentally responsible manner, not because we must, but because we believe in it. Regardless of our titles, we are all leaders and have a responsibility to act as role models.



We partner with our customers.

The needs and expectations of our customers guide the way in which we think and act. We help them to improve their productivity and become more competitive in their markets using innovative solutions. Building long-term business relationships is vital to us. We are confident and only make promises that we can keep. We continuously invest in new products and technologies to meet the needs of our customers and the evolving market. Through digitalization we transform our services, products, and internal processes in order to remain a reliable and competitive partner.



We improve step by step.

Based on our passion for precision, we deliver the quality our customers expect. All within the budget, on time, and in an environmentally safe way. Quality is all-encompassing, including rapid and agile adjustments to new requests, and the constant search for improvements to products, processes, and competencies.



We keep your know-how safe.

We protect our customers' intellectual property and data, and use it only as authorized. Employees have access to the materials required to perform their work, but Mikron is very careful and restrictive with information inside and beyond the walls of our company. We are aware of cyber risks and our vulnerability, and consequently use all communication tools with the utmost care.



We strive for targets and results.

We devote all our energy to achieving our company's objectives. Our success depends on our customers' success. By meeting their expectations, we deliver on our company's objectives, targets, and long-term stability. We set demanding and clearly defined quantitative and qualitative targets. Every employee knows their own targets and those of the company, and what they are expected to contribute. We also monitor and communicate progress within the teams, and work together to initiate the necessary measures in good time, should any deviations be identified.

Sustainable Group Strategy

Evolution of Mikron's ESG strategy



- 2017**
- Beginning of a structured approach to managing environmental, social, and governance (ESG) aspects.
 - Start of monitoring of key indicators, focusing on Mikron's main operational sites.
 - First Sustainability Report: a foundation for monitoring our environmental and social impacts.



- 2020**
- Improved data collection and expanded analysis of indicators.
 - Definition of ESG targets.
 - Beginning of Mikron's support of SDGs.



- 2021**
- Global extension of data collection, including all company sites.
 - Enhanced the completeness of information for more effective ESG management.
 - Overcame the challenges posed by the COVID-19 pandemic.



- 2022**
- Defined specific actions to achieve these objectives.
 - Reached a milestone in our integrated sustainability strategy, combining operational efficiency with social value creation.



- 2023**
- Integration of the Sustainability Report into the Annual Report, with new KPIs and revised corporate values.
 - Defined objectives and actions through 2030.
 - ESG commitment became central to the company's activities, laying the foundation for a long-term strategy.



- 2024**
- ESG has a core role in the business, and is perceived as added value throughout the value chain.
 - Implemented the first data collection for Scope 3 emissions.
 - Report aligned with TCFD guidelines.

Mikron is Committed to



1. Following the sustainability path

Over the years, Mikron's commitment to sustainability has increased significantly. We want to continue to apply the relevant international ESG standards and promote actions to minimize climate change.



2. Making the business sustainable

We are working to decarbonize our operations and engage our suppliers in order to build more sustainable supply chains, implement circularity in design, and develop and deliver energy-efficient products and services.



3. Creating sustainable business growth

Today, ESG topics are embedded in our business operations, as we see this as a competitive advantage, delivering tangible benefits for the company and its stakeholders.



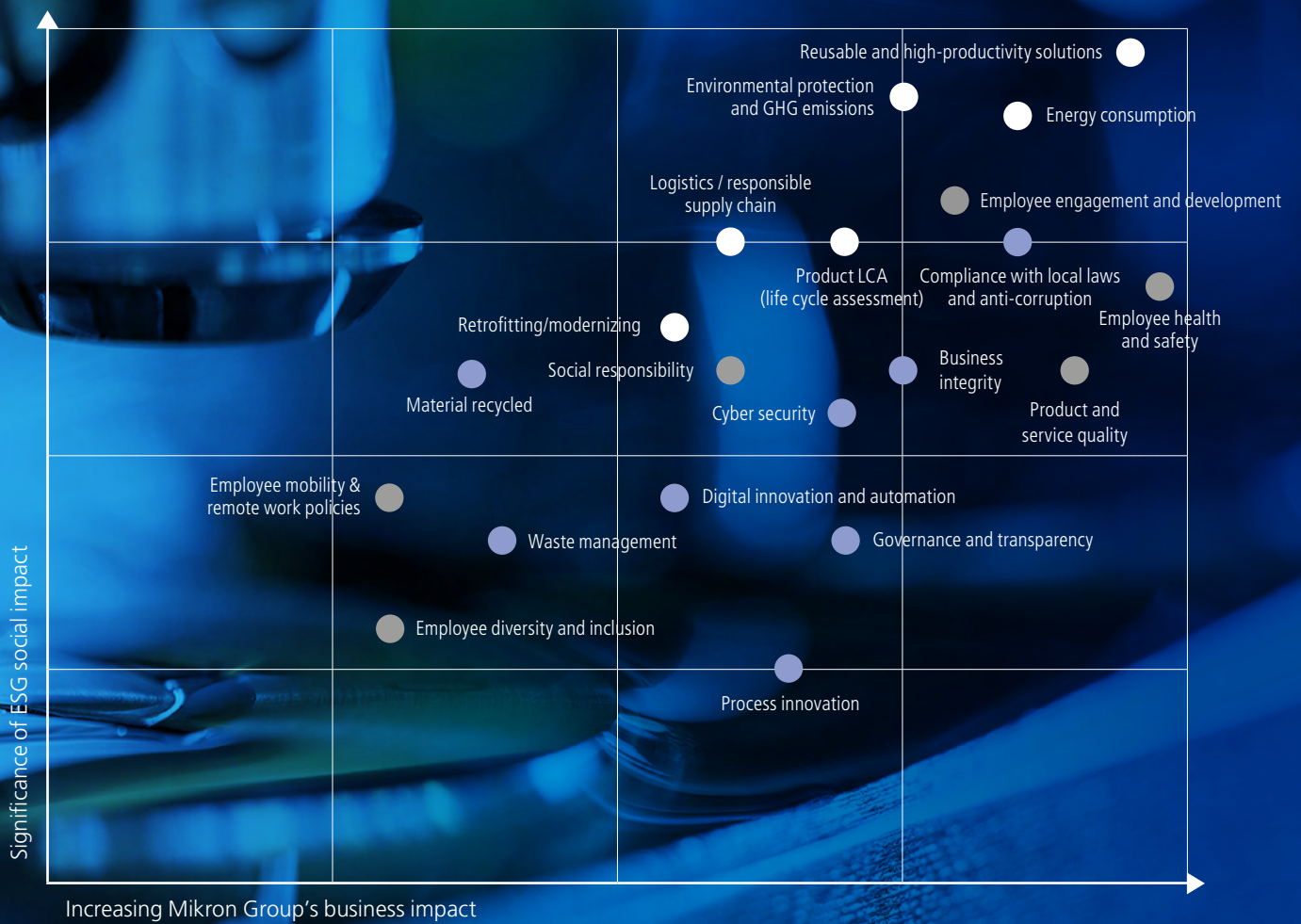
4. Developing a group methodology for data management

Focusing on stable, more reliable data for Scope 1, 2, and 3 will give us a precise picture of our current carbon footprint, as well as clear inputs to help us develop a proper decarbonization plan and company targets aligned with the SBTi targets.



RISK MANAGEMENT

Materiality Map



Workplace
 Innovation
 Environment and marketplace

The Materiality Map is a key tool for identifying and analyzing the most relevant ESG (environmental, social, and governance) topics for Mikron and its stakeholders. This approach integrates sustainability priorities into strategic decisions, fostering long-term value creation.

Building the Materiality Map

The Materiality Map was developed in a participatory process involving key stakeholders via interviews and targeted consultations. Each material topic was assessed on the basis of two main dimensions:

Impact on the business (X-axis)

The relevance of each topic in terms of opportunities, risks, and influence on business performance.

Impact on people and the environment (Y-axis)

The extent to which the material topics affect community wellbeing, environmental health, and shared stakeholder values.

Mikron has identified the material topics that represent strategic priorities for its business and stakeholders. Each topic has been selected to address the challenges that we are facing in our business, helping to reduce the environmental impact, improve social conditions, and encourage business growth.

Most relevant material topics

1. Environmental protection and GHG emissions

Mikron is committed to reducing emissions in order to combat climate change and comply with global regulations.

2. Energy consumption

In a global context that is increasingly focused on energy efficiency, Mikron is dedicated to reducing its energy consumption through optimized processes, innovative technologies, and the use of renewable energy sources wherever possible.

3. Reusable and high-productivity solutions

Mikron designs machinery that combines productivity and reusability, meeting customer needs while reducing resource waste.

4. Product and service quality

Quality is critical, particularly in regulated sectors such as pharmaceuticals and medtech. Providing reliable and high-performance machinery reduces industrial waste and improves customers' operational efficiency, thus strengthening Mikron's reputation as a reliable and innovative partner.

5. Compliance with local laws and anti-corruption practices

Transparency and integrity are fundamental pillars for Mikron, which is committed to upholding high standards of compliance and integrity. We apply all the necessary rules to ensure compliance in every country in which we operate, but we have defined internal regulations based on the best Swiss practices, which are generally more restrictive than local laws. This approach strengthens trust among customers, partners, and stakeholders, reduces legal risks, and enhances global competitiveness.

6. Employee engagement and development

Mikron recognizes that employees are the driving force behind its success. The company fosters a safe, inclusive, and stimulating working environment, promoting training programs, professional development opportunities, and policies aimed at improving satisfaction and productivity.

7. Employee health and safety

Employee health and safety is a top priority. Mikron invests in policies, training, and infrastructure to reduce risks and ensure wellbeing in the workplace.

8. Product LCA (life cycle assessment)

Although not yet fully implemented, the LCA approach is a strategic priority for Mikron. Evaluating the environmental impact of products throughout their life cycle is an integral part of the company's strategy to develop increasingly sustainable solutions aligned with its future objectives.

9. Cyber security

Protecting data and production processes is essential in an increasingly digitalized environment. Mikron implements advanced cybersecurity measures and promotes a culture of digital protection through targeted training programs. Furthermore, we strengthen IT security by protecting data and networks against cyberattacks, and enhance OT security by protecting our machines and the software installed at the client's premises.

10. Retrofitting/modernizing

Mikron is committed to extending the lifespan of existing machinery and tools through retrofitting and modernization practices, thus minimizing material and energy consumption. For customers, this means remaining competitive and technologically up to date with a lower environmental impact.

11. Logistics / responsible supply chain

This year, Mikron introduced its first Supplier Code of Conduct, marking the start of its journey towards a sustainable supply chain. The company promotes responsible practices and collaborates with partners aligned with its values of sustainability, traceability, and transparency.

12. Business integrity

Mikron upholds high standards of transparency and integrity, promoting policies of compliance and fairness. The company adopts a rigorous approach to ensure the trust of its customers, partners, and stakeholders.

13. Social responsibility

The company supports social and environmental initiatives that enhance the quality of life in the areas in which it operates, thus making a positive and lasting impact. Through volunteer programs, local partnerships, and educational projects, Mikron demonstrates its commitment to collective wellbeing and sustainability.

Climate-related Risks and Opportunities

Starting this year, Mikron is aligning with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) and has conducted its first in-depth analysis of ESG risks. This reflects our commitment to balancing operational and strategic challenges with the opportunities presented by environment, social, and governance (ESG) themes.

The risk identification process took place during the annual management meeting and saw the active participation of managers and representatives from key business areas.

The main goal is to identify operational and strategic challenges that could impact the business, developing specific activities to mitigate risks and gather opportunities. Mikron views climate-related risks and opportunities not only as aspects of regulatory compliance, but also as levers to strengthen resilience, enhance operational efficiency, and promote innovative and sustainable solutions.

The following table summarizes the key risks and opportunities identified, categorized by time horizon, and outlines the strategic responses implemented by the company to address these challenges and leverage competitive advantages.

| Time horizon | Risks | Opportunities | Our response |
|--------------------|---|--|--|
| Short term | <ul style="list-style-type: none"> – Extreme weather events that might disrupt operations and supply chains. – Data availability and consistency. – Reputational risk. | <ul style="list-style-type: none"> – Increased demand for more efficient machinery and energy management solutions. – Improve our corporate reputation with specific ESG actions and transparent communications, consolidating stakeholder trust. – Attract and retain customers. – Corporate responsibility in sustainability and strategic positioning for the future. | <ul style="list-style-type: none"> – Monitor regulatory changes and implement actions to ensure compliance, reducing operational risks. – Strengthen ESG transparency, perform LCA analysis to identify areas for improvement, and define ESG targets. |
| Medium term | <ul style="list-style-type: none"> – Increased regulatory pressure to reduce GHG emissions. – Rising costs of adapting to regulations and market demands. – Dependence on suppliers with limited capacity to adapt to sustainability standards. | <ul style="list-style-type: none"> – Innovate and enhance products to meet new sustainability and environmental standards. – Employee satisfaction and retention. – Recycled materials and circular economy. | <ul style="list-style-type: none"> – Invest in innovative technologies to meet emerging regulatory and environmental needs. Improve operational efficiency and sustainability across the supply chain. Define a decarbonization plan. Align objectives with SBTi. |
| Long Term | <ul style="list-style-type: none"> – Introduction of carbon pricing policies, increasing production costs. – Scarcity of key resources and supply instability linked to chronic climate change. – Rising procurement costs and supply chain disruptions. | <ul style="list-style-type: none"> – Cost savings and operational efficiency. – Enhance reputation and brand image. – Community engagement and relationships. – Meet investors' and stakeholders' expectations. | <ul style="list-style-type: none"> – Mikron will invest in low-emission technologies and renewable energy, diversifying supply sources to ensure operational continuity and strengthening resilience to climate impacts. – We will develop sustainable products to meet the demand for low-impact solutions and implement circular economy models to reduce waste and optimize resource use. |

Mikron faces significant challenges related to extreme weather events, stringent regulations, and emission-related costs, which threaten its operations, competitiveness, and production continuity. However, these challenges also present opportunities, such as the growing demand for energy-efficient machinery and sustainable practices.

By investing in innovative technologies, enhancing supply chain sustainability, and adopting low-carbon solutions, Mikron aims to transform risks into opportunities, ensuring resilience and sustainable growth while strengthening stakeholder trust.



METRICS AND TARGETS

Metrics

Human resources

Our employees shape the future of our company with their in-depth expertise and dedication. They are the key to our success and form the core of our strategy.

At the end of the 2024 financial year, the Mikron Group had a total of 1,588 employees (previous year: 1,548 employees). The number of apprentices amounted to 98 employees.

| | 2023 | 2024 |
|--------------------|------|------|
| Apprentices | 95 | 98 |

Employee health and safety

Mikron puts safety first, and attaches great importance to the health of its employees. As in previous years, there were no significant accidents at work in the year under review. The figures in the table include illness/disease, accidents, and accidents that occurred outside of work in Swiss locations. The rate of absenteeism (working hours absent as a proportion of annual working hours) is increased by 3.1% compared to the prior-year figure of 2.3%.

| Absenteeism in Swiss locations* | 2023 | 2024 |
|--|-----------|-----------|
| Hours of absence | 69,134 | 102,308 |
| Hours of work | 3,046,900 | 3,329,844 |
| Rate of absenteeism | 2.3% | 3.1% |

* Changes still need to be made in the US report for the global report.

Employee satisfaction and training

Mikron operates in a demanding, highly cyclical, and global market, and is exposed to globally active and locally specialized competitors. The key to success is highly skilled and motivated employees who are willing to assume responsibility and work together constructively. This allows the Group to respond to the rapid changes, diverse customer requests, and complexity inherent in the business.

Recruitment, retention, and development of our employees, along with encouraging them to share common goals and practices, are priorities across all our locations. Mikron continuously monitors employee well-being; every three years, we conduct an engagement and satisfaction survey—the most recent in 2023 recorded a rating exceeding 75/100. More than half of the employees (FTEs) received structured feedback from their supervisor through appraisal and development forms during the year under review.

Mikron aims to attract and retain employees with the right level of technical qualifications who are able to work in dynamic interdisciplinary teams, have broad language skills, and are willing to travel and work abroad.

Mikron continues to invest in training and education, and has conducted numerous on-site and virtual seminars. This came to a total of 45,930 hours of training, which corresponds to 29 hours per employee.

New apprentices and trainees were taken on in 2024, and further steps were taken to foster the apprentices' culture, including during the pandemic, at our sites in Switzerland and the USA.

The management and leadership training program and specific project managers' training continued.

All employees are regularly invited to online training sessions on the Code of Conduct, and managers are asked to follow their participation. The rate of participation in these ethics, compliance, and security e-training sessions reached 99%.

Phishing email and related awareness online training sessions were conducted regularly during the year under review to increase our resilience to cyber risks and threats.

| Training sessions (hours) | 2023 | 2024 |
|---|-------------|-------------|
| Internal trainings | 32,662 | 23,934 |
| External trainings | 13,568 | 18,119 |
| Trainings in security and health | 1,674 | 3,877 |
| Total annual hours of training | 47,904 | 45,930 |
| Total annual hours of trainings per employee (FTE) | 31 | 29 |

| Employees' turnover | 2023 | 2024 |
|---|-------------|-------------|
| Employees leaving (FTEs) | 138 | 204 |
| Apprentices leaving | 29 | 26 |
| Total leaving | 167 | 230 |
| Turnover rate (excl. apprentices)* | 9.5% | 11.3% |

* Adjusted for restructuring in 2024

Diversity and inclusion

The Mikron Group's management team is keen on promoting diversity within the workforce. The management looks for balanced diversity with a specific focus on competencies and experience at the same time. In local management, diversity is a fundamental element that enriches the social fabric and promotes innovation, valuing and encouraging the participation and inclusion of diverse perspectives, cultures, and backgrounds within the local community.

However, those responsible for recruiting staff are still dependent on the labor and training market. In Switzerland, for example, the number of men with appropriate technical qualifications is considerably higher than the number of women with such skills. The proportion of women pursuing initial training in engineering and technology amounts to 6.9%, with 12.7% studying technical subjects at universities of applied sciences and 31% at regular universities (source: Swiss Federal Statistical Office).

Employee remuneration is based on the role in question, performance, knowledge or skills specific to Mikron (languages, special technological expertise), and experience. Men and women are paid equally for performing the same work. Women account for around 13% of Mikron's staff, and most of them perform tasks related to internal service functions. It is important to note that the conditions for women are in line with the industry average. The economic performance and regional dif-

ferences of the individual companies are also taken into account. It is Mikron's aim to compensate employees fairly and in a way that is comparable to similar internationally active companies.

Mikron also takes the differences that may arise at individual sites into account. For instance, an equal pay approach is applied when a site employs local residents and commuters coming from a neighboring country, as is the case in Agno. In addition, a specific tool was implemented in 2023 for the Swiss entities to evaluate the application of the equal pay approach in accordance with the statutory requirements in Switzerland. The results were audited by an external supervisor and showed overall compliance and an equal approach to salaries for different genders.

| Gender (employees) | 2023 | 2024 |
|---------------------------|-------------|-------------|
| Male | 1,357 | 1,381 |
| Female | 191 | 207 |

Smart working initiatives

In 2018, Mikron had already developed an open approach to smart working, giving employees the opportunity to work from home and achieve a better work-life balance. Naturally, the occurrence of the pandemic in 2020 and its continuation in 2021 further incentivized working from home. Many Mikron employees continue to take advantage of this opportunity to work from home, while ensuring continuous and efficient services to their customers. This has been made possible thanks to Mikron's development of IT solutions that have enabled most employees to work remotely or from home. Indeed, according to some local tax laws, the number of hours worked from home is limited in order to remain subject to the tax regime of the country that regulates the employment contract.

| Smart working initiatives | 2023 | 2024 |
|--|-------------|-------------|
| Home office (hours) | 344,348 | 306,944 |
| Employees (headcount) with flexible time | 935 | 1,229 |
| Employees (headcount) with part time hours | 98 | 113 |
| Days of parental leaves over statutory days | 180 | 90 |

The use of other smart working initiatives such as flexible hours, part-time work, and days of parental leave exceeding the statutory days has increased at Mikron over the years, as the table above shows.

Environmental

For 2024, a more accurate emissions calculation method was used on the basis of market-based convection factors, providing a higher level of precision. The same was applied to 2023 consumptions. As a result, emissions for 2023 are higher than those reported in the previous Sustainability Report.

2023 emissions have been updated in this report, and 2024 results show a decrease of emissions in line with the initiatives implemented for the scope 1, 2, 3.5 reduction.

Scope 1, 2

Emissions have been calculated in accordance with the GHG Protocol methodology, applying a market-based approach for Scope 2 emissions to ensure consistency in reporting. Scope 1 emissions encompass stationary combustion only, while mobile sources and fugitive emissions have been calculated but not disclosed in the report. Scope 2 emissions include those generated from electricity purchased from the national grid.

Environmental key performance indicators

| Consumption | Absolute figures | | Intensity figures (cons. per CHF mio. net sales) | |
|--|------------------|--------|--|--------|
| | 2023 | 2024 | 2023 | 2024 |
| Energy | | | | |
| Electricity (MWh) | 12,100 | 12,370 | 32.68 | 33.07 |
| – Electricity from grid (non renewable) | n/a | 9,461 | n/a | n/a |
| – Electricity from grid (renewable) | n/a | 2,315 | n/a | n/a |
| – Electricity self-produced and consumed (renewable) | n/a | 594 | n/a | n/a |
| Natural gas (MWh) | 1,478 | 2,242 | 3.99 | 5.99 |
| Heating oil (fuel oil, l) | 55,657 | 40,694 | 150.33 | 108.79 |
| Water | | | | |
| Yearly consumption (m ³) | 12,299 | 12,995 | 33.22 | 34.63 |

| Greenhouse gas emissions (Scope I and II, tCO ₂ eq) | Absolute figures | | Intensity figures (cons. per CHF mio. net sales) | |
|--|------------------|--------------|--|-------------|
| | 2023 | 2024 | 2023 | 2024 |
| Energy | | | | |
| Electricity | 1,603 | 1,396 | 4.33 | 3.73 |
| – Electricity from grid (non renewable) | n/a | n/a | n/a | n/a |
| – Electricity from grid (renewable) | n/a | n/a | n/a | n/a |
| – Electricity self-produced and consumed (renewable) | n/a | n/a | n/a | n/a |
| Natural gas | 298 | 454 | 0.80 | 1.21 |
| Heating oil (fuel oil) | 148 | 129 | 0.40 | 0.35 |
| Emissions Scope 1 (excluding Fleet and FGAS) | 446 | 583 | 1.20 | 1.56 |
| Emissions Scope 2 | 1,603 | 1,396 | 4.33 | 3.73 |
| Total Emissions Scope I and II | 2,049 | 1,979 | 5.53 | 5.29 |

Energy and greenhouse gas emissions

As a technology group, we require energy to power our machinery in our testing and production facilities.

Mikron has made significant progress in reducing emissions by installing solar panels at Mikron Boudry and Mikron Tool, adopting new heating and cooling systems, and expanding self-generated photovoltaic energy. These initiatives have substantially reduced CO₂ emissions and increased energy independence. Additionally, Mikron Machining Agno has completed the renovation of its "Palazzina" facility, improving energy efficiency and cutting CO₂ emissions by 140 tons per year. To further support renewable energy, Mikron has also purchased Guarantees of Origin for Mikron Boudry, ensuring that a greater share of its electricity supply comes from certified renewable sources.

The electricity consumption in 2024 was 12,370 MWh (2023: 12,100 MWh) in absolute figures, representing a 2.23% increase (towards a sales increase of 1.05%). Intensity data, which take into account electricity and gas consumption per million Swiss francs of turnover, show a 1.19% increase in consumption in 2023 compared to the previous year. Renewable resources represent 30.75% of the purchased mix.



MBO: Mikron Boudry | MTO: Mikron Tool | MAG: Mikron Machining Agno | MDE: Mikron Denver | MRO: Mikron Monroe

All these initiatives contribute to the journey that Mikron's efforts to achieve an ambitious goal: to reduce our emissions to 1,600 t of CO₂ by 2030, down from 3,300 t of CO₂ in 2019.

Water

Due to the nature of our processes and the fact that water is not used in production, Mikron's water consumption is not particularly significant in terms of impact.

Our water consumption is primarily related to sanitation facilities and kitchens, and to a lesser extent, to the operation of air conditioning systems.

Scope 3

The Group has integrated the monitoring and reduction of GHG emissions as a core pillar of its sustainability strategy. This commitment is reflected in a rigorous assessment of both direct and indirect emissions across its subsidiaries, ensuring continuous oversight and improvement. Driven by evolving stakeholder expectations and regulatory developments, the Mikron Group remains dedicated to advancing its decarbonization efforts and enhancing environmental performance to mitigate climate-related impacts.

Scope 3 Greenhouse Gas (GHG)

The Mikron Group has initiated an assessment of Scope 3 greenhouse gas (GHG) emissions across its subsidiaries. While emissions for waste in operations (Category 5) were previously quantified, the 2023 assessment marks the first structured attempt by Mikron Machining Agno to expand quantification to additional relevant Scope 3 categories.

Environmental key performance indicators

| Consumption | Absolute figures (tons) | | Intensity figures (cons. per CHF mio. net sales) | |
|--|-------------------------|------|--|------|
| | 2023 | 2024 | 2023 | 2024 |
| Waste | | | | |
| Municipal garbage | 87 | 100 | 0.23 | 0.27 |
| Used chemicals | 28 | 33 | 0.08 | 0.09 |
| Other waste (electrical, not recyclable) | 7 | 7 | 0.02 | 0.02 |
| Other non-hazardous and recyclable waste | 211 | 447 | 0.57 | 1.19 |

| Greenhouse gas emissions (Scope 3, tCO ₂ eq) | Absolute figures | | Intensity figures (cons. per CHF mio. net sales) | |
|---|------------------|------|--|------|
| | 2023 | 2024 | 2023 | 2024 |
| Waste | | | | |
| Municipal garbage | 45 | 52 | 0.12 | 0.14 |
| Used chemicals | 81 | 96 | 0.22 | 0.26 |
| Other waste (electrical, not recyclable) | 0 | 0 | 0 | 0.00 |
| Other non-hazardous and recyclable waste | 31 | 44 | 0.08 | 0.12 |
| Scope 3—category 5 (emissions waste) | 157 | 192 | 0.42 | 0.52 |

We now have a structured waste management system, currently primarily focused on cataloguing the types of waste we produce, which serves as the basis for future actions aimed at reducing them.

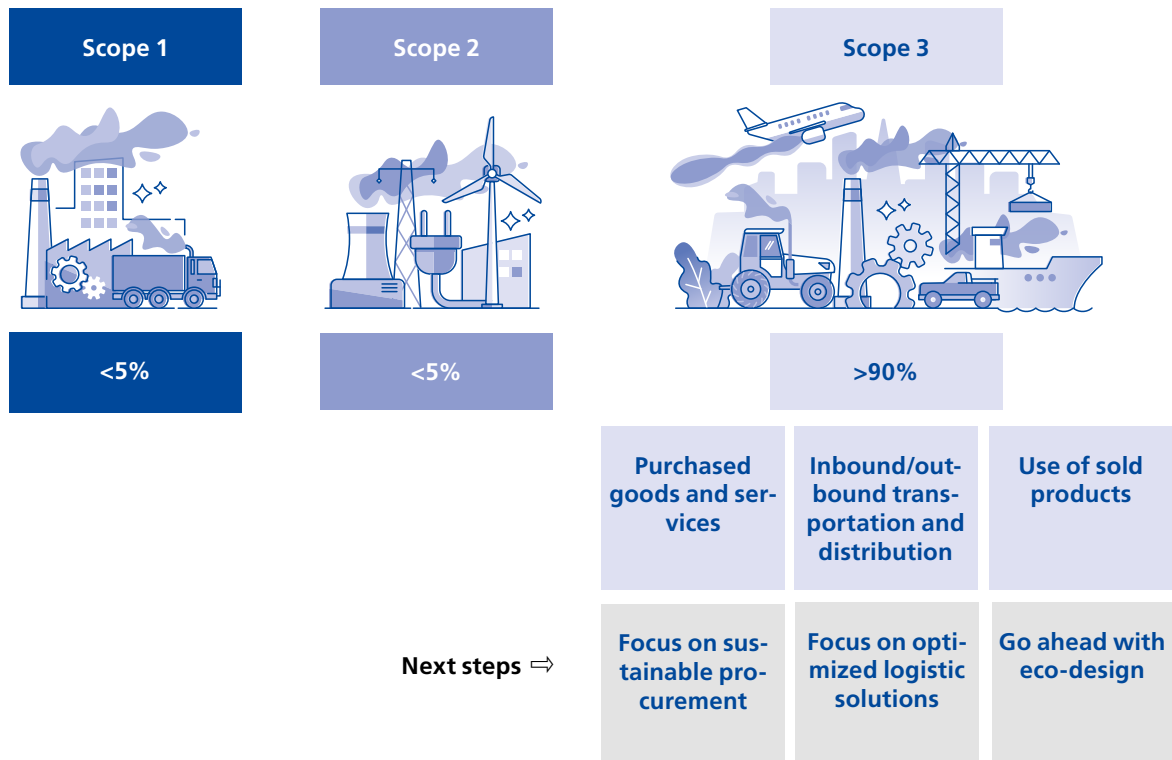
The waste generated includes municipal and residential waste, chemical waste resulting from the use of oils, and other waste related to the nature of manufacturing activities.

The total amount of waste has increased compared to the previous year, mainly due to business growth in Boudry and exceptional activities in Mikron Machining Agno (disposal of 8,000 items in the warehouse and the replacement of the main electrical panel of the building and the basement floor).

This step broadens the Group’s carbon accounting beyond direct (Scope 1) and energy indirect (Scope 2) emissions, aligning with international standards such as the Greenhouse Gas (GHG) Protocol and GRI Sustainability Reporting Standards. This accounting supports the Group’s decarbonization strategy in line with the Science Based Targets Initiative (SBTi).

Given the Mikron Group’s manufacturing operations, Scope 3 emissions are expected to represent the largest share of its total carbon footprint. Based on Mikron Machining Agno’s preliminary assessment, Scope 3 emissions account for over 90% of total emissions, primarily distributed across:

1. Purchased goods and services—Embedded emissions in raw materials and components are a key contributor.
2. Inbound and outbound transportation—Emissions from logistics vary by transport mode, distance, and supply chain structure.
3. Use of sold products—Products with an estimated ten-year lifespan consume electricity, significantly impacting emissions.



This first exercise established a data collection procedure, and an initial methodology based on the GHG Protocol.

This methodology has been applied to the assessment of Scope 3 emissions. The remaining subsidiaries have not yet been included in the calculation but will be incorporated to complete the Mikron Group's GHG inventory for the 2023 and 2024 data by the end of 2025.

The journey started in 2024 emphasizes the Mikron Group's efforts to quantify and monitor emissions with an international and structured, cross-sectoral methodology capable of enhancing the peculiarities of each subsidiary.

Given Scope 3's complexity, data sources and collection, calculations, and supplier engagement will be continuously refined in order to accomplish a more detailed GHG emissions inventory.

Once the Group GHG inventory will be available future efforts will focus on decarbonization strategies such as:

- Sustainable procurement: Strengthening supplier engagement and implementing sourcing strategies to reduce embedded emissions. Supplier engagement and sourcing strategies will be essential for reducing these emissions.
- Low-emissions transportation: Optimizing logistics efficiency solutions.
- Eco-design: Integrating sustainability into product design to lower energy use and environmental impact. Bring forward efforts aimed at enhancing energy efficiency and promoting lower-carbon raw materials in the manufacturing process.

This initiative reinforces the Mikron Group's commitment to mitigating climate-related impacts across its value chain, aligning with global sustainability frameworks to drive a lower-carbon future.

Best Practices

Environment

Mikron Automation

Waste management

Mikron Boudry optimized its waste storage area and implemented comprehensive waste sorting, managed by specialized external companies. Through internal awareness initiatives, 100% of employees now actively participate in waste separation.

Mikron Machining

Refurbishment of the Palazzina building

Mikron Machining Agno has completed the full refurbishment of its headquarters building, the "Palazzina" in Agno, Switzerland. Built in 1965, the building underwent significant renovations as part of an overall plan to improve efficiency. The project will reduce energy consumption and improve employee comfort through the installation of new thermal insulation, replacement of old windows with triple glazing, and overall building modernization. The refurbishment will save 50,000 liters of heating oil and 70 kWh of electricity, and will reduce CO₂ emissions by 140 tons per year. The project will lead to cost savings, better working conditions, and a more attractive appearance for the administrative building. Future plans include the installation of solar panels on the roof to further enhance sustainability. This project is part of Mikron's commitment to innovation and resource optimization, aimed at reducing production costs and improving efficiency.



Reusable and high production solution

Mikron machines demonstrate high longevity, with 80% still operational after ten years and 65% after twenty years. To counter efficiency decreases due to technological evolution, Mikron provides renewal services, including

tool regrinding and spindle retrofitting, within a five to fifteen-year timeframe.

LCA (life cycle assessment)

In 2024, Mikron Machining continued the product LCA analysis that it started in 2023. After an initial round of evaluation and data collection, the analysis was expanded across the entire product portfolio until a tool was developed that could calculate LCA by product as well as by customer application with a good margin of accuracy. Consumption analysis and energy-saving solutions have been and are still being developed as a perfect integration into the digital product package offered by Mikron.

Mikron Tool

Promoting sustainability with solar energy

As part of its ongoing commitment to fighting climate change, Mikron Tool has taken a significant step towards a more sustainable future by supporting the Swiss Confederation's goal of achieving net-zero emissions by 2050.



To achieve this, Mikron Tool installed a state-of-the-art photovoltaic system in collaboration with IngEne, featuring:

1. 596 solar panels
2. 342.7 kWp of power generated
3. Over 1,500 m² of covered surface area

Environmental impact:

1. 52,800 kg of CO₂ avoided annually
2. Equivalent to planting 3,520 trees every year
3. Comparable to the emissions from 475,000 km/year driven by a combustion engine vehicle
4. Annual production target exceeding 380,000 kWh

Innovative technology:

The solar technology implemented generates 12–15% more electricity annually than traditional systems, ensuring exceptional efficiency and innovation.

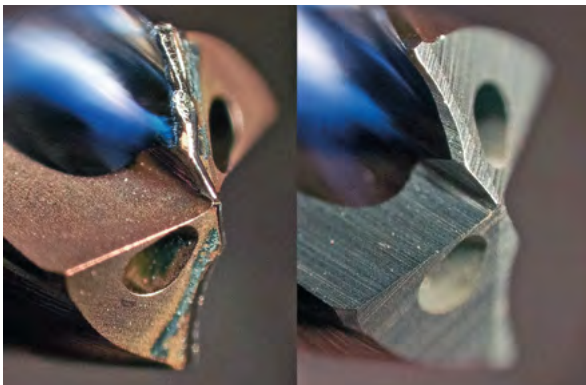
Sustainability and efficiency in tool regrinding

Mikron Tool promotes regrinding as a sustainable solution for extending tool life and reducing environmental impact:

1. Preserves the original geometry and renovates cutting edges.
2. Guaranteed quality: the same machines, grinding wheels, and programs used for original production.
3. Practical solutions: regrinding information is available in Mikron Tool's digital ToolBook.

Environmental impact:

1. Reduces the consumption of critical resources such as cobalt and tungsten.
2. A concrete step towards more ethical and sustainable production.



New electric bike charging stations

Each bike parking space at the Agno site is equipped with an electric charging point, promoting sustainable transport and reducing the environmental impact of commuting.



Mikron Group

Commitment to an eco-friendly lifestyle

Mikron sites in Agno support sustainable transport solutions, such as incentives for rail travelcards.

Social

Mikron Automation

Promoting diversity: Mikron at the Lyvatech Camp 2024

Mikron Automation in Boudry participated in the 2024 Lyvatech Camp, welcoming 46 young women aged 11 to 16 to promote technical careers. During the event, the participants explored Mikron's key professions, such as automation, mechanical design, and industrial vision, through hands-on activities supervised by experts and ambassadors. This initiative, launched in 2015, aims to inspire young women to pursue technical careers and introduce them to apprenticeship programs such as CFC Polymechanic and Industrial IT Technician. This commitment reflects Mikron's dedication to promoting diversity and attracting new talent to the industrial sector.

Robotics project for young people

Mikron Automation Boudry is participating in a robotics project for children aged 11 to 13, focusing on promoting female participation. In collaboration with EPFL and local companies, the courses aim to inspire young women to engage with technology and robotic engineering.

Mikron's commitment on World Diabetes Day

On November 14, World Diabetes Day, Mikron Automation reaffirmed its support for the medical community by providing systems to assemble essential products for the diagnosis and treatment of diabetes, which affects 1 in 10 adults worldwide.

Women in Industry Day

Mikron Automation Denver organized the "Women in Industry Day", during which participants visited the facilities and explored the career opportunities and company culture.



Mikron at the CBSA Event

Mikron Automation Denver participated in the CBSA meeting, connecting with industry leaders and reaffirming its role in delivering advanced automation solutions to foster innovation and growth in the life sciences sector.



Mikron Machining

Pass the Ball of Solidarity

The Mikron Machining team proudly participated in the 17th edition of the charity football tournament "Pass the Ball of Solidarity" in Morbio Inferiore, Ticino. The event was organized by FC Morbio Inferiore to raise funds for SOS-Kinderdorf Schweiz, supporting their education program for children affected by the pandemic in Bharatpur, Nepal. The tournament provided an opportunity for team-building activities while supporting an important cause.



Kayaking

Mikron’s employees participated in kayaking trips on Lake Lugano, starting from Lavena Ponte Tresa. Led by a certified instructor and expert kayakers, the trips combined fun, learning, and team building.



Language training

Language training for Mikron Machining employees continued in 2024 with courses in various languages for individuals and groups. The goal was to improve internal and external communication, promote intercultural understanding, and enhance teamwork, developing the skills needed for success both today and tomorrow.

Technorama

Mikron Machining organized a trip to Technorama for all apprentices, offering them hands-on experiences of natural and technological phenomena. The day combined learning and team building, stimulating the apprentices’ curiosity. This event reflects our commitment to the apprenticeship program, which includes practical training, advanced technology, and high-quality instruction to develop future technical experts.



SUPSI Students

Mikron Machining, Agno, hosted a group of students from SUPSI for a visit that included an overview of the Mikron Group, presentations on Mikron Automation and Mikron Machining in China, and a tour of the production workshop. The students explored our facilities and participated in interactive sessions with experts. Mikron Machining fosters connections with academic institutions, supporting the development of the next generation of professionals. Our thanks go to SUPSI, the students, and Mikron’s employees for making the visit a success.



Students from Franklin University Switzerland

Mikron Machining hosted a group of Executive MBA students from Franklin University Switzerland, showcasing how our systems optimize production costs and resources. The visit to our workshop provided an overview of the high-precision assembly processes. Our thanks go to Franklin University Switzerland and the visitors for their interest.



Mikron Group

Management training

Mikron's Management & Leadership Training program, which started in October and concluded in June, included training on self-awareness, communication, leadership, problem-solving, time management, and decision making, with a final focus on finance and presentation techniques. Continuous training develops the skills needed to tackle future challenges.

Feedback course

The Mikron Machining and Mikron Tool teams in Agno participated in a workshop on the importance of feedback, exploring the role of communication in achieving goals. During the course, we improved our active listening skills and the ability to provide constructive and timely feedback. The focus was on promoting a feedback culture that encourages open dialog and continuous improvement.



HR meeting

HR representatives from Mikron in Europe and the United States met in Boudry to discuss improvements in HR strategy, process alignment, and sharing best practices. During the meeting, they discussed how a modern HR organization can support the "Mikron 2030" vision and future initiatives based on the 2023 employee engagement survey.

Women's Day

Since 2021, the percentage of women in the Mikron Group has increased by more than 10%. Mikron aims to encourage more women into mechanical engineering through events and projects, such as the "Women in Industry Day" at Mikron Automation Denver and the children's robotics program in Boudry. Mikron Machining Agno trains young women in various technical apprenticeships. The contribution of women is essential for the company's future.

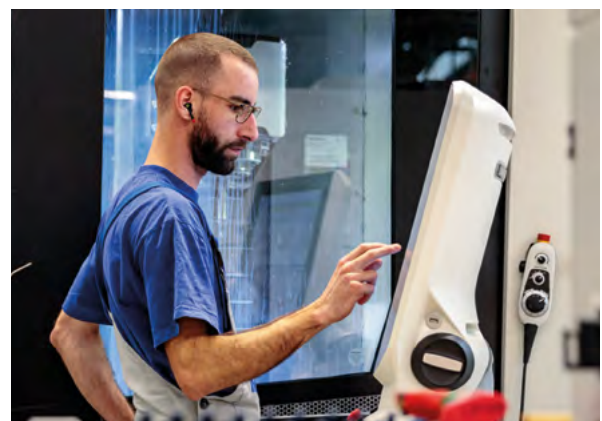


Governance

Mikron Automation

Strengthening the production department

Mikron Boudry has enhanced its production capabilities with two new CNC machines, enabling the processing of large components and complex parts. This expansion aims to strengthen its in-house production and reduce lead times, improving customer satisfaction.



Partnership between Credence MedSystems and Mikron Automation

Credence MedSystems and Mikron Automation have partnered to quickly develop a production solution for a new innovative medical device. The collaboration focuses on responding to market needs, meeting regulatory requirements, optimizing the supply chain, and reducing costs, ultimately improving patient outcomes.

Expansion of services and innovation

Mikron Corporation Denver has added an ISO Class 7 cleanroom to support pharmaceutical and medical device manufacturers. This cleanroom is part of Mikron's Pre-Production Services, which assist in the assembly of products such as Design Verification and Clinical Trial products, reducing the time-to-market and accelerating product development. Mikron has obtained ISO 13485 certification, ensuring high standards for the assembly and functional testing of medical devices. This innovative support helps partners launch products with lower costs and faster timelines.

New factory and 15th anniversary

Mikron Shanghai has reached an important milestone in its history. The inauguration ceremony celebrated not only the opening of a new factory, but also the company's 15th anniversary in Shanghai.

Mikron Tool

Hybrid technology in the production of medical components

The combination of advanced technologies, such as 3D printing with selective laser melting (SLM) and CNC machining, is revolutionizing the production of medical components. Mikron Tool, in collaboration with DMG MORI, has demonstrated the benefits of hybrid manufacturing for creating complex components with high precision requirements.

One significant case study focuses on the production of a titanium glenoid baseplate, used in uncemented shoulder prostheses. Mikron Tool analyzed three production approaches: CNC machining with subsequent coatings, additive manufacturing with post-processing, and a hybrid process combining both technologies. The hybrid approach proved to be the most efficient and advantageous.

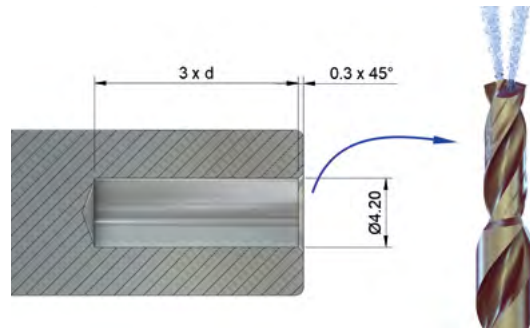
CNC machining ensures precision and excellent surface quality, and is ideal for preparing and finishing the component. On the other hand, 3D SLM printing creates surfaces with outstanding properties for osseointegration, minimizing the need for further processing. The hybrid approach leverages the strengths of both technologies, resulting in faster production, more efficient material usage, and superior quality compared to traditional methods.

With this innovation, Mikron Tool has optimized production times, costs, and quality, reaffirming its position as a leader in advanced medical component manufacturing.



An incredible achievement in the medical industry

17,800 holes drilled in grade 5 titanium with a single tool.



Mikron Group

Digitalization

In 2022, Mikron embarked on a transformation journey by forming a dynamic, multicultural team that leads innovative digital initiatives such as machine cybersecurity, a strong social media strategy, digital services, and robotic process automation. These projects aim to drive Mikron's growth and competitiveness by generating new revenue streams and improving communication. Digitalization also enhances the customer experience by offering faster, more efficient, and personalized services.

Target

Measurable indicators for monitoring progress and results are fundamental to a successful sustainability strategy. Mikron has set six targets, which are monitored through the following set of sustainability KPIs.

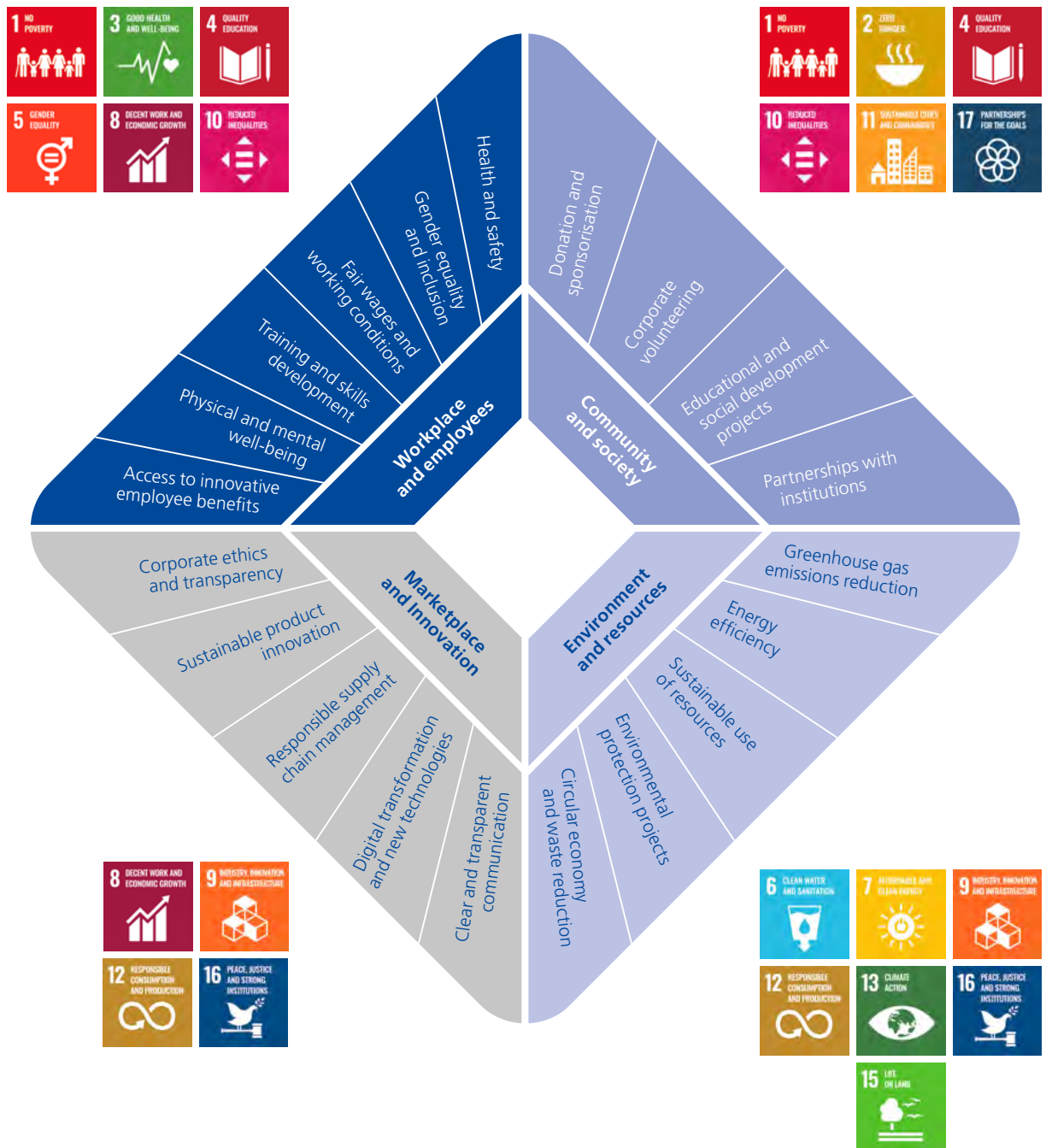


| Area | Targets | ESG KPIs | Actual 2023 | Actual 2024 | Target 2030 | Status/trend |
|------------------------|----------------------------------|--|----------------------|----------------------|--------------------------|---|
| Governance | Building a culture of ESG | ESG targets in Mikron's top management annual objectives | - | 100% | 100% | 👍 |
| | Training participation | % Corporate visited training | IT 95% Ethics 96% | IT 98% Ethics 99% | >97% | 👍 |
| Environment | Energy | Total scope 1/2 tCO ₂ eq | 2,049 | 1,979 | <1,600 | 👎 |
| | | Intensity value Scope 1/2 tCO ₂ eq | 5.53 | 5.29 | <3.5 | 👎 |
| | Sustainable products | Intensity value Scope 3 tCO ₂ eq | 0.63 (waste only) | 0.52 (waste only) | - | Target to be set in 2025 |
| | | R&D projects with CO ₂ impact | - | - | 100% | Target to be evaluated starting in 2025 |
| | | % Signature Supplier Code of Conduct | - | - | 80% of main suppliers | Target to be evaluated starting in 2025 |
| Waste reduction | Waste circular economy | - | - | - | Target to be set in 2025 | |
| Social | Employee practice | % Diversity | 12.4% | 13% | 15% | 👍 |
| | | % Turnover | 9.5% | 11.3% | 8.9% | 👎 |
| | | HSE TAFR value | 4.27 | 3.42 | 1.6 | 👎 |
| | | % Absenteeism | 2.3% | 3.1% | <3% | 👎 |

The background features a close-up, slightly blurred view of a bookshelf. The spines of several books are visible, with varying shades of blue and dark tones. A prominent, bright blue vertical band runs down the right side of the image. A white horizontal band is positioned across the middle, serving as a backdrop for the title text.

APPENDICES

Our Contribution to SDGs



ESRS

In line with the growing focus on corporate sustainability, Mikron has chosen to comply with the ESRS (European Sustainability Reporting Standards) introduced by the European Union under the framework of the CSRD (Corporate Sustainability Reporting Directive). These standards provide a comprehensive framework for sustainability reporting, covering three main areas: environment (E), social (S), and governance (G). Through the ESRS, Mikron ensures transparency and consistency in the information shared, thus strengthening stakeholder trust and enhancing its competitive positioning.

The decision to adopt the ESRS was driven not only by regulatory requirements, but also by the opportunity to improve the management of risks and opportunities related to material topics. In particular, these standards offer valuable tools to identify and address risks related to climate change, resource management, and workforce sustainability, while simultaneously creating opportunities to innovate, reduce costs, and generate shared value.

Environment

| Relevant theme | ESRS | Our commitment |
|---|---|--|
| Environmental Protection and Emissions | ESRS E1—Climate Change | Minimizing industrial emissions through cleaner technologies. |
| GHG Emissions / Energy Consumption | ESRS E1—Climate Change ESRS E2—Energy Consumption and Efficiency | Reduction of greenhouse gas emissions and adaptation / mitigation strategies. Optimization of energy usage and transition to renewable sources. |
| Logistics/Responsible Supply Chain | ESRS E1—Climate Change ESRS E5—Resource Use and Circular Economy | Reducing emissions in logistics and transportation. Optimizing resource use across the supply chain. |
| Material Recycled | ESRS E5—Resource Use and Circular Economy | Promoting recycling and sustainable resource practices. |
| Service—Retrofitting and Modernizing Equipment | ESRS E1—Climate Change ESRS E5—Resource Use and Circular Economy | Modernizing equipment to reduce its environmental footprint. Extending product life cycles and reducing resource extraction through retrofitting. |
| Product LCA (Life Cycle Assessment) | ESRS E1—Climate Change ESRS E5—Resource Use and Circular Economy | Measuring the carbon footprint of products. Improving efficiency in resource use and minimizing waste. |
| Waste Management | ESRS E5—Resource Use and Circular Economy | Effective waste disposal and recycling practices. |

Social

| Relevant theme | ESRS | Our commitment |
|--|---------------------------------|--|
| Employee Mobility & Remote Work | ESRS S1—Own Workforce | Promoting sustainable commuting for employees. |
| Social Responsibility | ESRS S3—Affected Communities | Supporting local communities and fostering strong relationships. |
| Employee Enablement and Engagement | ESRS S1—Own Workforce | Enhancing employee involvement, motivation and satisfaction. |
| Employee Health and Safety | ESRS S1—Own Workforce | Ensuring safe and healthy working conditions. |
| Employee Diversity and Inclusion | ESRS S1—Own Workforce | Encouraging equality and inclusiveness at all levels. |
| Product and Service Quality | ESRS S4—Consumers and End-users | Guaranteeing product safety and high quality for consumers. |

Governance

| Relevant theme | ESRS | Our commitment |
|---|---|--|
| Governance and Transparency | ESRS G1—Governance, Risk Management, and Internal Control | Establishing transparent decision-making processes. |
| Business Integrity | ESRS G2—Business Conduct | Upholding ethical practices and compliance. |
| Compliance with Local Laws and Anti-Corruption Practices | ESRS G2—Business Conduct | Ensuring adherence to laws and anti-corruption practices. |
| Process Innovation | ESRS G1—Governance, Risk Management, and Internal Control | Enhancing efficiency and sustainability through innovation. |
| Digital Innovation and Automation | ESRS G1—Governance, Risk Management, and Internal Control | Streamlining operations via digitalization and automation. |
| Cybersecurity | ESRS G1—Governance, Risk Management, and Internal Control | Safeguarding data and ensuring operational continuity. |
| Reusable and High-Production Solutions | ESRS E5—Resource Use and Circular Economy | Developing durable and reusable solutions to conserve resources. |

GRI

The GRI Content Index provides a clear overview of where to find information on a particular ESG topic. In addition to the references to the relevant places in this ESG Report 2024, there are also page references to the Mikron Annual Report 2024.

| GRI Indicators | Disclosure | Document/Section(s) | Page(s) | |
|--|------------|--|--|----------------|
| GRI 2: General disclosures 2021 | | | | |
| Organization profile | 2-1 | Organization details | Annual Report 2024 / Mikron in the World | 2, 11 |
| | 2-2 | Entities included in the organization's sustainability reporting | Annual Report 2024 / Mikron in the World | 11, 39, 154 |
| | 2-3 | Reporting period, frequency, and contact point | Annual Report 2024 | 2, 30 |
| | 2-7 | Employees | Sustainability Report 2024 / Metrics and Targets (HR) | 39, 53–55 |
| Governance | 2-9 | Governance structure and composition | Annual Report 2024 / Corporate Governance Sustainability Report 2024 / Governance | 75–92 38–42 |
| | 2-19 | Remuneration Policies | Annual Report 2024 / Compensation Report | 93–102 |
| Strategy, policies, and practices | 2-22 | Statement on sustainable development strategy | Sustainability Report 2024 / Strategy | 44–46 |
| | 2-25 | Processes to remediate negative impacts | Sustainability Report 2024 / Risk Management | 51 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | Sustainability Report 2024 / Governance (Code of Conduct) | 38 |
| Stakeholder engagement | 2-27 | Compliance with laws and regulations | Sustainability Report 2024 / Memberships and Certifications | 34–36 |
| | 2-29 | Approach to stakeholder engagement | Sustainability Report 2024 / Stakeholder Map | 42 |
| GRI 3: Material topics 2021 | | | | |
| Disclosures on material topics | 3-1 | Process to determine material topics | Sustainability Report 2024 / Materiality Map | 48–50 |
| | 3-2 | List of material topics | Sustainability Report 2024 / Materiality Map | 48–50 |
| | 3-3 | Management of material topics | Sustainability Report 2024 / Materiality Map | 48–50 |
| GRI 200: Economic performance indicators | | | | |
| Indirect economic impacts | 203-1 | Infrastructure investments and services supported | Sustainability Report 2024 / Best Practices | 61 |
| Anti-corruption | 205-2 | Communication and training about anti-corruption policies and procedures | Sustainability Report 2024 / Governance / Metrics and Targets | 38, 40, 67 |
| GRI 300: Environmental performance indicators | | | | |
| Materials | 301-1 | Materials used by weight or volume | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 301-2 | Recycled input materials used | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 301-3 | Reclaimed products and their packaging materials | Sustainability Report 2024 / Metrics and Targets (Environment) / Best Practices | 56–62 |
| Energy | 302-1 | Energy consumption within the organization | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 302-3 | Energy Intensity | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 302-4 | Reduction of energy consumption | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 302-5 | Reductions in energy requirements of products and services | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| Water and effluents | 303-1 | Interactions with water as a shared resource | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–59 |
| | 303-3 | Water withdrawal | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–59 |
| | 303-4 | Water discharge | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–59 |
| | 303-5 | Water consumption | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–59 |

| | | | | |
|---|---------------------------------------|--|--|--|
| Emissions | 305-1 | Direct (Scope 1) GHG emissions | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 305-3 | Other indirect (Scope 3) GHG emissions | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 305-4 | GHG emissions intensity | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 305-5 | Reduction of GHG emission | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| Waste | 306-1 | Waste generation and significant waste-related impacts | Sustainability Report 2024 / Metrics and Targets (Environment) | 56–60 |
| | 306-2 | Waste by type and disposal method | Sustainability Report 2024 / Metrics and Targets (Environment) | 58–60 |
| | 306-3 | Waste generated | Sustainability Report 2024 / Metrics and Targets (Environment) | 58–60 |
| | 306-4 | Waste diverted from disposal | Sustainability Report 2024 / Metrics and Targets (Environment) | 58–60 |
| Supplier environmental assessment | 308-1 | New suppliers that were screened using environmental criteria | Sustainability Report 2024 / Governance / Target | 40, 67 |
| GRI 400: Social performance indicators | | | | |
| Employment | 401-1 | New employee hires and employee turnover | Sustainability Report 2024 / Metrics and Targets (HR) | 53–55 |
| | 401-3 | Parental leave | Sustainability Report 2024 / Metrics and Targets (HR) | 53–55 |
| | Occupational health and safety | 403-1 | Occupational health and safety management system | Sustainability Report 2024 / Memberships and Certifications / Governance |
| 403-2 | | Hazard identification, risk assessment, and incident investigation | Sustainability Report 2024 / Memberships and Certifications / Metrics and Targets | 36, 53–56 |
| 403-3 | | Occupational health services | Sustainability Report 2024 / Memberships and Certifications / Metrics and Targets | 36, 53–55 |
| 403-5 | | Worker training on occupational health and safety | Sustainability Report 2024 / Metrics and Targets (HR) | 53–55 |
| 403-6 | | Promotion of worker health | Sustainability Report 2024 / Membership and Certifications / Metrics and Targets (HR) | 36, 53–55 |
| 403-8 | | Workers covered by an occupational health and safety management system | Sustainability Report 2024 / Membership and Certifications / Metrics and Targets (HR) | 36, 53–55 |
| Training and education | | 404-1 | Average hours of training per year per employee | Sustainability Report 2024 / Metrics and targets (HR) |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | Sustainability Report 2024 / Metrics and targets (HR) | 53–55, 67 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | Sustainability Report 2024 / Metrics and targets (HR) | 53–55 |
| Diversity and equal opportunity | 405-1 | Diversity of governance bodies and employees | Sustainability Report 2024 / Metrics and Targets (HR) | 53–55 |
| Local communities | 413-1 | Operations with local community engagement, impact assessments, and development programs | Sustainability Report 2024 / Best Practices | 62–64 |
| Supplier Social Assessment | 414-1 | New suppliers that were screened using social criteria | Sustainability Report 2024 / Governance / Target | 40, 67 |
| Customer health and safety | 416-1 | Assessment of the health and safety impacts of product and service categories | Sustainability Report 2024 / Membership and Certifications / Metrics and Targets (Environment) | 36, 56–60 |

Corporate Governance Report

Corporate Governance Report

The Corporate Governance Report describes the main principles and regulations regarding the management and control of the Mikron Group. The report is in accordance with the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange.

1. Group structure and shareholders

1.1 Group structure

1.1.1 Operational group structure

The Mikron Group develops, produces and markets very precise, productive and adaptable automation solutions, machining systems and cutting tools. Rooted in the Swiss culture of innovation, Mikron is a global partner to companies in the pharmaceutical, medtech, consumer goods, automotive, and general engineering industries. The Mikron Group enables its customers to increase quality and industrial productivity. The Group has over 100 years of experience, state-of-the-art technologies, and a global service. The Mikron Group employs a total workforce of about 1,590 around the world.

Mikron is organized as a group of companies. The ultimate parent company is Mikron Holding AG, based in Boudry in the canton of Neuchâtel, Switzerland a holding company under Swiss law which holds directly or indirectly all Mikron companies worldwide. The Mikron Group is organized in two business segments Automation and Machining Solutions.

1.1.2 Listing and capitalization

Mikron Holding AG is the only listed company on SIX Swiss Exchange in Zurich (Security Symbol MIKN/ISIN CH0003390066) and on December 31, 2024 had a market capitalization of CHF 240.7 million.

1.1.3 Non-listed companies belonging to the Mikron Group

The Mikron Group consists of 9 active companies worldwide. The corporate structure and the companies are listed on page 154 of the Annual Report. The Mikron Group's management structure is independent of its legal structure.

1.2 Significant shareholders

The following table illustrates the shareholder structure of Mikron Holding AG. It also lists and names those shareholders who, as at December 31, 2024, hold 3% or more of the voting rights of Mikron Holding AG.

| Shareholders | 31.12.2024 | | 31.12.2023 | |
|---|--|---------------|--|---------------|
| | Number of shares of CHF 0.10 par value each | | Number of shares of CHF 0.10 par value each | |
| Ammann Group Holding AG | 8,166,512 | 48.9% | 8,166,512 | 48.9% |
| Rudolf Maag | 1,213,588 | 7.3% | 1,213,588 | 7.3% |
| Thomas Matter | 900,000 | 5.4% | 850,000 | 5.1% |
| Public shareholders | 6,128,180 | 36.6% | 6,201,575 | 37.0% |
| Board of Directors and Executive Management | 304,464 | 1.8% | 281,069 | 1.7% |
| Total | 16,712,744 | 100.0% | 16,712,744 | 100.0% |

Further information on the corporate structure is given on page 154. Changes in significant shareholdings since January 1, 2024 have been communicated to SIX Stock Exchange in accordance with regulations and published on the following website:

www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders

1.3 Cross-shareholdings

There are no cross-shareholdings consisting of either capital or voting rights.

2. Capital structure

2.1 Capital

The Mikron Group's capital as at December 31, 2024:

| | Registered shares | Par value in CHF | Total in CHF |
|------------------|-------------------|---------------------|-----------------|
| Ordinary capital | 16,712,744 | 0.10 | 1,671,274.40 |

2.2 Capital band and conditional capital

Mikron has neither a capital band nor conditional capital.

2.3 Changes in capital over the last three years

| | | Number of shares | Par value in CHF | Ordinary capital in CHF |
|------|-------------------|------------------|---------------------|----------------------------|
| 2022 | As at January 1 | 16,712,744 | 0.10 | 1,671,274.40 |
| | Change | 0 | 0.10 | 0.00 |
| | As at December 31 | 16,712,744 | 0.10 | 1,671,274.40 |
| 2023 | As at January 1 | 16,712,744 | 0.10 | 1,671,274.40 |
| | Change | 0 | 0.10 | 0.00 |
| | As at December 31 | 16,712,744 | 0.10 | 1,671,274.40 |
| 2024 | As at January 1 | 16,712,744 | 0.10 | 1,671,274.40 |
| | Change | 0 | 0.10 | 0.00 |
| | As at December 31 | 16,712,744 | 0.10 | 1,671,274.40 |

2.4 Shares and participation certificates

The issued registered shares are fully paid in. Each registered share carries one vote at Mikron Holding AG's General Meetings. Voting rights may be exercised only after the shareholder has been entered as a shareholder with voting rights in Mikron Holding AG's share register. All shares have equal dividend rights.

Mikron has not issued any participation certificates.

2.5 Dividend-right certificates

Mikron has not issued any dividend-right certificate ("Genussscheine").

2.6 Limitation on transferability and nominee registrations

2.6.1 Limitations on transferability

Persons acquiring registered shares shall on application be entered in the share register without limitation as shareholders with voting rights, provided they expressly declare themselves to have acquired the said shares in their own name and for their own account.

2.6.2 Exceptions granted in the period under review

As of December 31, 2024 no exceptions had been granted during the period under review.

2.6.3 Admissibility of nominee registrations

Nominees shall be entered in the share register with voting rights without further inquiry up to a maximum of 3% of the outstanding share capital available at the time. Above this limit, registered shares held by nominees shall be entered in the share register with voting rights only if the nominee in question at the application for registration, or thereafter upon request by the Company, makes known the names, addresses and shareholdings of the persons for whose account he is holding 0.3% or more of the outstanding share capital available at the time. The Board of Directors has the right to conclude agreements with nominees concerning their disclosure requirements.

Legal entities or partnerships or other associations or joint ownership arrangements which are linked through capital ownership or voting rights, through common management or in like manner,

as well as individuals, legal entities or partnerships (especially syndicates) which act in concert with intent to evade the entry restriction are considered as one shareholder or nominee.

2.6.4 Procedure and conditions for cancelling privileges and limitations on transferability

The Company may in special cases approve exceptions to the regulations in the Articles of Association. After due consultation with the persons concerned, the Company is further authorized to delete entries in the share register as shareholder with voting rights with retroactive effect if they were made on the basis of false information or if the respective person does not provide the requested information.

2.7 Convertible bonds and options

There are no convertible bonds or options outstanding.

3. Board of Directors

3.1 Members of the Board of Directors

As at December 31, 2024, the company's Board of Directors consists of five members. None of them maintains a significant business relationship with the Group.



Paul Zumbühl
Independent

Dipl. Ing., MBA,
MAS Philosophy
& Management.
Swiss, born in 1957.
Chairman, non-executive.
First elected 2018,
elected until 2025.

Professional background

After working as Sales Manager / Engineer at Symalit AG, Lenzburg (CH), Paul Zumbühl was Managing Director in the Sarna Group (now part of the Sika Group). From 1994 until the end of 1999, he was Head of the Mikron Plastics Technology Division and a member of the Executive Management of the Mikron Group. From January 2000 until the end of April 2021, he was CEO of the Interroll Worldwide Group and has served as its Chairman of the Board of Directors since May 2021.

Paul Zumbühl has a degree in Engineering (Dipl. Ing.) from the Lucerne University of Applied Sciences—School of Engineering. He holds an MBA (Corporate Finance) from the Joint-University-Program of the Universities in Boston, Bern and Shanghai and earned a Master of Advanced Studies in Philosophy + Management from the University of Lucerne. He successfully completed an AMP at the Kellogg Business School of Northwestern University in Evanston/Chicago, USA.

Other activities and vested interests

Publicly traded companies:

- Interroll Holding AG, Chairman of the Board of Directors
- Schlatter Industries AG, Chairman of the Board of Directors

Privately owned companies:

- Zumbühl Management AG, member of the Board of Directors



Andreas Casutt

Independent

Dr. iur., LL.M.
Swiss, born in 1963.
Member, non-executive.
First elected 2013,
elected until 2025.

Professional background

Andreas Casutt joined the law firm Niederer Kraft Frey AG in Zurich in 1993 and was made a partner in 2002. He is a member of its Board of Directors and served as the firm's managing partner from 2006 to 2014. His practice focuses on corporate law mergers & acquisitions, stock exchange law, and employment law.

Andreas Casutt studied law and received his Ph.D. from the University of Zurich (Switzerland) and completed an LL.M. program at the University of Michigan, Ann Arbor (USA).

Other activities and vested interests

Publicly traded companies:

- Siegfried Holding AG, Chairman of the Board of Directors

Privately owned companies:

- maxon international AG (as well as its sister company maxon motor AG), member of the Board of Directors
- Dextra Rechtsschutz AG, member of the Board of Directors
- Format A AG, member of the Board of Directors
- Vanco Switzerland AG, member of the Board of Directors
- Horizon21 AG and its related companies (SO Holding AG, Roymar Corporation SA, Lakeside Services AG, Lakeside Aviation AG, Sole Invest AG, Allwinden Holding AG), various Board mandates
- ImmSell AG, member of the Board of Directors
- ImmOthmar AG, member of the Board of Directors
- TPIO Holding AG, its subsidiary Belleview AG and OPG Online Personals Group AG, Chairman of the Board of Directors
- HEROS Helvetic Rolling Stock GmbH and its subsidiary HEROS America Middle-East Asia GmbH, Managing Director



Hans-Michael Hauser

Independent

MSc Physics, MSc Mathematics,
Engineer, MBA.
German, born in 1970.
Member, non-executive.
First elected 2016,
elected until 2025.

Professional background

Hans-Michael Hauser worked for the Boston Consulting Group (BCG) as Partner and Managing Director in Munich and Zurich from 1995 to 2015. In this function he was responsible for establishing and expanding BCG's consultancy business in the industrial and technology segments. Hans-Michael Hauser is an expert on Software and Technology.

Hans-Michael Hauser holds Master degrees in Mathematics and Physics from University of Stuttgart and an Engineering Degree from École Centrale Paris as well as a Master of Business Administration from J.L. Kellogg Graduate School of Management. Since 2015, Hans-Michael Hauser has been helping companies to develop and launch digital business models through ML Insights AG, the company he founded himself.

Other activities and vested interests

Publicly traded companies:

- None

Privately owned companies:

- ML Insights AG, owner and Managing Director
- HMM Investment GmbH, owner and Managing Director



Alexandra Bendler

Independent

Dr.-Ing., Dipl.-Wirtsch.-Ing.
German, born in 1973.
Member, non-executive.
First elected 2022,
elected until 2025.

Professional background

Dr.-Ing. Alexandra Bendler has many years of experience in industrial consultancy and management in Germany and Switzerland. She was working for the Autoneum Group (formerly Rieter Automotive) in Winterthur from 2008 to 2023, from 2019 as a member of the Group Executive Board and as Head of Business Group Europe. Since 2024, Alexandra Bendler has been leading as Business Unit President of the Automotive Structures and Industry Business and a member of the Executive Committee at Constellium, a global aluminum company.

Other activities and vested interests

Publicly traded companies:

- None

Privately owned companies:

- None



Hans-Christian Schneider

Independent

MSc Microtechnology, MBA.
Swiss, born in 1979.
Member, non-executive.
First elected 2022,
elected until 2025.

Professional background

Hans-Christian Schneider is CEO of the Ammann Group. He joined the Group in August 2009. Since 2010 he has been a member of Board of Directors of Ammann Group Holding AG and serving as CEO since 2013. Before his activity with Ammann Group, he was for four years in a leading position for Process Engineering with Micro Crystal AG (Swatch Group).

He graduated in Microtechnology from Swiss Federal Institute of Technology (EPFL) and is holding an MBA degree from INSEAD.

Other activities and vested interests

Publicly traded companies:

- None

Privately owned companies:

- Ammann Group Holding AG, Executive Vice Chairman of the Board of Directors and other board mandates at its direct or indirect subsidiaries
- SELFRAG AG, member of the Board of Directors
- Futurjns AG, Chairman of the Board of Directors
- Hotel Alpenland AG, Chairman of the Board of Directors
- Swissmem, member of the Board of Directors

3.2 Other activities and vested interests

Please see the above descriptions in Section 3.1 for information on other activities and vested interests of the current directors.

Board of Directors' independence

Mikron's Board of Directors' independence definition is based on the 'Swiss Code of best practice for Corporate Governance' issued by 'Economiesuisse', a Swiss Corporate union, and is complemented by additional criteria of independence by Mikron. In order to be considered as independent at Mikron, a member of the Board of Directors must not:

- Have an executive role
- Have been an employee of the Mikron Executive Management within the last 3 years
- Have been a lead auditor of the company's external audit firm during the past 2 years
- Have major business relations with the company
- Have any other status which the Board of Directors in its fair judgement considers incompatible with independence

3.3 Number of permitted activities outside of Mikron

According to Art 24 of Mikron's Articles of Association, a member of the Board of Directors may hold:

- Up to 5 mandates as member of the Board of Directors or any other superior management or administrative body of publicly traded companies pursuant to Art. 727 para. 1 number 1 CO and,
- up to 10 mandates as member of the Board of Directors or any other superior management or administrative body of big companies pursuant to Art. 727 para. 1 number 2 CO and,
- up to 20 mandates as member of the Board of Directors or any other superior management or administrative body of legal entities that do not meet the above-mentioned criteria.

3.4 Elections and terms of office

Please refer to Section 3.1 above for information relating to the time of first election to office of the Company's current Directors.

Pursuant to the Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of seven members. The term of office shall correspond to the legally permitted maximum term of one year and shall last until the end of the next Annual General Meeting. Re-election is possible provided the relevant member has not reached the age of 70. The Board of Directors will propose to the Annual General Meeting to be held in April 2025 to increase such age limit to 72.

If the office of the Chairman of the Board of Directors is vacant, the Remuneration Committee is not complete, or the Company does not have an Independent Proxy, the Board of Directors shall appoint a substitute for the period until the conclusion of the next Annual General Meeting who—with the exception of the Independent Proxy—must be a member of the Board of Directors.

3.5 Internal organizational structure

3.5.1 Allocation of tasks within the Board of Directors

The tasks of Mikron Holding AG's Board of Directors are defined in the Swiss Code of Obligations, the Articles of Association (www.mikron.com/aoa) and the Organizational Rules (www.mikron.com/or). The procedures of the committees are also set out in the Organizational Rules. The Organizational Rules are reviewed annually after the Annual General Meeting (www.mikron.com/or).

The Board of Directors is entrusted with the ultimate direction of the Company as well as the supervision of the Executive Management. It represents the Company towards third parties and attends to all matters which are not delegated to or reserved for another corporate body of the Company under the law, the Articles of Association or the regulations. It issues guidelines on corporate policy and keeps itself informed about the course of business.

The Board of Directors has the following non-transferable and irrevocable duties according to the Articles of Association:

- To ultimately direct the Company and issue the necessary directives
- To determine the organization
- To organize the accounting, the internal control system, the financial control and the financial planning as well as to perform a risk assessment

- To appoint and recall the persons entrusted with the management and representation of the Company and to grant signatory power
- To ultimately supervise the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Association, regulations and directives;
- To prepare the Annual Report, as well as the General Meeting and to implement the latter's resolutions
- To prepare the compensation report
- To submit an application for a debt restructuring moratorium, and to inform the court in the event of over-indebtedness
- To pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-in shares
- To pass resolutions confirming increases in share capital and regarding the amendments to the Articles of Association entailed thereby
- To examine compliance with the legal requirements regarding the appointment, election and the professional qualifications of the Auditor
- To execute the agreements pursuant to Art. 12, 36 and 70 of the Merger Act
- To pass resolutions regarding other matters that must be assigned to the Board of Directors by law

In addition, the Board of Directors is assigned the following significant duties and competencies under the Organizational Rules

- Decisions on the annual budget and the mid-term planning
- Decisions concerning the purchase and sale of land and real estate, as well as rental agreements involving an obligation above CHF 1 million until the first opportunity to terminate
- Decisions on sureties and pledges of more than CHF 5 million
- Decisions on restructuring of subsidiaries with expected costs, subordination or write-off of loans exceeding CHF 1 million
- Decisions on investments/disposals of production and IT equipment of more than CHF 2 million if budgeted and CHF 1 million if not budgeted
- Decisions on internal developments of more than CHF 2 million

3.5.2 Membership, task and area of responsibility of each committee of the Board of Directors

Two committees were set up to support the Board of Directors: The Audit Committee and the Remuneration Committee. The committees meet regularly and are required to prepare minutes of their meetings and recommendations for perusal at the regular meetings of the Board of Directors. The committees notify the full Board of Directors of urgent matters immediately.

Audit Committee

The members of the Audit Committee in the year under review were the Board members Hans-Michael Hauser (Chairman) and Alexandra Bendler.

The Audit Committee assists the Board of Directors in its overall supervisory role, specifically with regard to the completeness of financial statements, compliance with statutory provisions, evaluating the qualifications of the external auditors and the performance of internal and external auditors.

In particular, the Audit Committee shall conduct the following activities:

- To maintain a comprehensive and efficient audit concept and internal control system (ICS) for Mikron Holding AG and the Mikron Group

- To rate the external and internal auditors in terms of their independence, qualifications and (mandate-related) experience of their employees and to make a proposal to the Board of Directors regarding the election of external and internal auditors
- To assess the systems and scope of the audit approach, as well as the content, clarity and timely completion of reports
- To approve the key audit areas, to review the audit results, to supervise the rectification of any weaknesses identified
- To approve the budget for the external and internal audit activities and non-audit related services of the external auditor exceeding CHF 0.1 million annually
- To monitor compliance with the accounting principles and financial control mechanisms and to regularly examine the Group's risk matrix; to implement measures decided in relation to key risks
- To evaluate and submit proposals to the Board of Directors regarding the approval of the annual and semiannual reports of Mikron Holding AG and the Mikron Group

The Audit Committee's decisions are subject to approval by the full Board of Directors.

Remuneration Committee

The members of the Remuneration Committee in the year under review were the Board members Hans-Christian Schneider (Chairman) and Andreas Casutt.

The General Meeting elects individually at least two but no more than four members of the Board of Directors as members of the Remuneration Committee. The term of office of the members of the Remuneration Committee shall be one year and shall end at the next Annual General Meeting. Re-election is possible.

Subject to and within the scope of the overall compensation approved by the General Meeting, the Remuneration Committee proposes to the Board of Directors the remuneration of its members and proposes or determines the remuneration of the members of Executive Management, both as set out below.

The Remuneration Committee has the following duties:

- To submit proposals to the Board of Directors regarding the compensation scheme of the Mikron Group and to issue corresponding regulations
- To propose to the full Board of Directors targets for the Executive Management
- To submit proposals to the full Board of Directors regarding the approval of the individual compensation of the Chairman of the Board of Directors, the other members of the Board of Directors as well as the maximum individual aggregate compensation of the CEO
- To determine, subject to and within the scope of the overall compensation approved by the General Meeting, the individual compensation (fixed, variable and long-term compensation) of the other members of the Executive Management as well as their further terms of employment and titles
- To propose to the full Board of Directors amendments to the Articles of Association with respect to the compensation scheme for members of Executive Management

3.5.3 Working methods of the Board of Directors and its committees

Board of Directors

The Board of Directors convenes as often as business requires but at least once every quarter. During the 2024 business year, the Board held six meetings which partially have been held virtually. The

physical meetings lasted between three and eight hours, and the virtual meeting half an hour. Except for one short meeting, where one member was not attending, all meetings of the Board of Directors in the year under review were attended by all members.

Approval of the annual financial statements and preparation for the Annual General Meeting normally take place at the first meeting of the year, while the budget and—if applicable—the updated mid-term planning are approved at the final meeting of the year.

The members of Executive Management attended all physical meetings.

The members of the Board of Directors generally receive documentation five working days prior to meetings, allowing them to be properly prepared to discuss the items on the agenda.

The Board of Directors is deemed quorate when an absolute majority of its members is present. Participation via tele/videoconference is regarded as being present. For resolutions concerning confirmation of the successful completion of a capital increase and any ensuing amendment to the Articles of Association, the Board of Directors is deemed quorate when only one member is present.

The Board of Directors adopts resolutions and conducts elections based upon a majority of the votes cast, irrespective of abstentions. In the event of a tie, the Chairman has the casting vote. At the Chairman's request or, in his absence, at the request of the Vice-Chairman, resolutions of the Board of Directors may also be adopted by circular in the form of a letter, fax or e-mail, unless any member requests that the matter be discussed at a meeting.

Audit Committee

The Audit Committee meets two to five times each year. Three meetings were held in the 2024 business year, each lasting two to three hours. All members attended the meetings. The Chairman as well as the CFO and CEO (if needed) on behalf of Executive Management attended the meetings in a consultative capacity. Representatives of the internal auditors and of the external auditors were invited to the meetings as required. The external auditors were partially present at three meetings.

At its first meeting of the year, the Audit Committee normally assesses the annual financial statements in the presence of the external auditors. The summer meeting usually approves the external auditors' audit plan and assesses internal audit reports. At its autumn meeting, if not postponed to the next meeting, the Audit Committee is above all informed of the status of the internal control system (ICS) and the internal audit plan for the following year. The December meeting focuses on discussing the interim reports of the external auditors as well as the risk matrix and the upcoming year-end close.

Remuneration Committee

The Remuneration Committee meets one to four times each year, usually in December and after the results for the financial year have been prepared. Four meetings were held in the 2024 business year, all of which were attended by all members. The meetings lasted about two hours. The members of the Executive Management may be invited but have no right of participation or co-determination on this committee.

3.6 Definition of areas of responsibility

The Board of Directors delegates all management duties to the Executive Management to the extent permitted by law and by the Articles of Association. The Organizational Rules contain details related to the delegation of competencies.

3.7 Information and control instruments vis-à-vis Executive Management

The following measures ensure that the Board of Directors has sufficient information for an adequate decision-making process:

- Full financial statements (income statement, balance sheet and cash flow statement) are reported monthly. These figures, and additional KPIs such as order intake, are consolidated at Group, business segment and legal entity level. They are compared against prior-year figures, the monthly budget and the forecast, which is revised on a quarterly basis, then sent to the Board of Directors following discussion within Executive Management.
- Within the same structure, a mid-term plan spanning three years is prepared every two to three years in addition to the budget and both are presented to the Board of Directors for approval.

By request, other managers from outside Executive Management and external consultants will attend meetings of the Board of Directors and Executive Management to report on their areas of responsibility or special projects.

- Between the meetings of the Board of Directors, internal and external reports may be submitted in to the Board of Directors.
- A risk matrix is drawn up in the segments based on a Group template and updated at least once a year. It quantifies risks based on their likelihood of occurrence and the potential impact on the Group's profitability. A consolidated matrix is reported to the Board of Directors once a year. It notes the report and approves control measures in relation to the key risks. The operational risks are normally discussed once a month at Executive Management meetings. Executive Management reports major emerging risks to the Chairman of the Board of Directors immediately.
- The Audit Committee meets regularly with the CFO, the external auditors and the internal auditors. It coordinates the work of the auditors and receives their reports as well as those of the CFO.
- Executive Management attends the meetings of the Board of Directors.
- The Chairman of the Board of Directors periodically attends Executive Management meetings and holds discussions with the individual members of Executive Management.

Executive Management must notify the Chairman of the Board of Directors immediately when significant unanticipated developments occur. The members of the Board of Directors may request additional information from members of Executive Management.

Once a year, the Board of Directors assesses the performance of its own members, its committees, its Chairman and Executive Management, and approves the targets for the next year.

Risk management system

The Mikron Group applies a consistent groupwide risk assessment system which covers strategic, financial, and operational risks. All identified risks are given a rating (based on the probability of occurrence and the extent of potential losses) and recorded in a risk inventory. Based on this risk inventory, the Board of Directors conducts a review, at least once a year, of whether the risk governance and reduction measures in place are adequate for the company's needs. Ongoing monitoring of the

risk inventory is the responsibility of Executive Management. In addition, accounting and financial reporting risks are monitored and reduced through a suitable internal control system.


Key risk factors

- Mikron operates in highly cyclical markets resulting in a volatile order intake and capacity utilization. Market fluctuations may result from numerous factors beyond the influence of the Group. By offering a diversified product portfolio and operating in different regions and markets, the Group tries to mitigate these risks.
- Mikron is committed to engineering and delivering highly productive and precise machining and automation solutions which usually include a combination of complex technologies and processes. The Group may agree to product specifications, quality and delivery times that are difficult to achieve in certain cases. Non-compliance with contractual requirements or specifications may amount to a material breach of contractual obligations, which may lead to payment of damages or contractual penalties or, in some cases, even the termination of the contract. Strong sales processes and project management are the key to mitigating this risk. Close cooperation and transparent communication with customers make it possible to quickly identify problems and correct them.
- The Group invests significantly in R&D while the development and industrialization of new products takes several years. Changing markets or customer requirements as well as failure of innovations may lead to obsolete products, missed opportunities or even losses. The Group systematically assesses long-term economic and technical trends in all its relevant markets and takes these into consideration when approving innovation and investment programs.

4. Executive Management

4.1 Members of the Executive Management

The following table provides information on each of the members of Executive Management as at December 31, 2024:

| | | |
|---|---|--|
|  | <p>Marc Desrayaud CEO</p> <p>Master in Electronics & Automation (Université de Lyon), Master in Industrial Marketing (ID-RAC Lyon). French, born in 1965. Joined 2021.</p> | <p>Professional background Marc Desrayaud took over as CEO of the Mikron Group effective June 1, 2021. After working in management positions at ABB, Rieter Textile Machinery and Autoneum, Marc Desrayaud has held various positions at Oerlikon between 2012 and 2021, last as Head of Business Unit Balzers Industrial Solutions.</p> <p>Other activities and vested interests None</p> |
|---|---|--|



Rolf Rihs
COO

Dipl. Ing. ETH.
Swiss, born in 1963.
Joined 2002.

Professional background

Rolf Rihs took over as head of the Mikron Automation business segment in 2002, prior to which he worked for the Sulzer Group for eight years in various regions and functions. He was previously a consultant at Helbling Management Consulting working on numerous projects for well-known Swiss companies. Rolf Rihs is president of the Swissmem specialist group "Robotics and Factory Automation".

Other activities and vested interests

Privately owned companies:
– Ceramaret SA, member of the Board of Directors
– Rich. Rihs & Co. AG, Chairman of the Board of Directors



Philippe Wirth
CFO

lic. oec. publ.
Swiss, born in 1972.
Joined 2024.

Professional background

Philippe Wirth joined the Mikron Group as its Chief Financial Officer in 2024. Previously he held various senior finance positions and was Director of a Global Business Transformation Program at METTLER TOLEDO, CFO at Crealogix, and CFO of Gurit.

Other activities and vested interests

None

4.2 Other activities and vested interests

Please see the above descriptions in Section 4.1 for information on other activities and vested interests of the Executive Management.

4.3 Number of permitted activities outside of Mikron

According to Art. 24 of Mikron’s Articles of Association, with the approval of the Chairman of the Board of Directors, a member of the Executive Management may hold:

- Up to 2 mandates as member of the Board of Directors or any other superior management or administrative body of publicly traded companies pursuant to Art. 727 para. 1 number 1 CO and,
- up to 3 mandates as member of the Board of Directors or any other superior management or administrative body of big companies pursuant to Art. 727 para. 1 number 2 CO and,
- up to 5 mandates as member of the Board of Directors or any other superior management or administrative body of legal entities that do not meet the above-mentioned criteria.

4.4 Management contracts

There are no management contracts in place between the Company and any third parties.

5. Compensation, shareholdings, and loans

Rules regarding the principles of compensation, participation plans, loans, credits and pension benefits are set in arts. 24 to 30 of the Articles of Association. The rules regarding the approval of the remuneration by the Annual General Meeting are set forth in art. 13 of the Articles of Association. Further details with respect to all matters regarding compensation, the shareholdings and loans can be found in the Company’s Compensation Report.

6. Shareholders' participation rights

6.1 Voting-right restrictions and representation

Shareholders' rights of participation in the General Meeting are defined by law and the Articles of Association (www.mikron.com/aoa).

Each registered share carries one vote at the General Meeting. There are no shares affording preferential voting rights and Mikron does not impose any voting-right restrictions, except for nominees (see section 2.6).

Shareholders who are unable to attend the Annual General Meeting in person may appoint the independent proxy or someone else as their proxy by giving him/her written authorization to represent them. Shareholders have the option of appointing the independent proxy online until two days before the General Meeting. The Board of Directors determines the requirements regarding proxies and voting instructions.

6.2 Quorums at the General Meeting

The General Meeting passes its resolutions and carries out its elections with an absolute majority of the share votes represented unless the law or the Articles of Association specify otherwise. Abstentions, empty votes or invalid votes will not be taken into account for the calculation of the required majority.

6.3 Convocation of the General Meeting and agenda

Notice of the General Meeting is given by publication in the Swiss Official Gazette of Commerce at least 20 days before the date of the meeting as well as by post or e-mail if the address of the shareholders is recorded in the share register. The notice states the day, time and place of the meeting, the agenda, the proposals of the Board of Directors and the proposals of the shareholders who have requested the General Meeting or that an item be included on the agenda. The notice in the Swiss Official Gazette of Commerce shall state at least the day, time and location and also where the agenda and items can be inspected.

6.4 Inclusion of items on the agenda

One or more registered shareholders that individually or jointly represent ten percent of the registered share capital of the Company may request the Board of Directors to place items on the agenda. Such requests must be submitted to the Chairman of the Board of Directors at least 45 days before the date of the General Meeting and shall be in writing, specifying the items and the proposals.

6.5 Entries in the share register

The Board of Directors keeps a record of the entries in a share register containing the names and addresses of the shareholders and beneficiaries.

The Board of Directors is entitled to refuse or reverse entry in the share register if the applicant supplies false information regarding his or her person or his or her entitlement to the shares or if, when acting in a fiduciary capacity, he or she supplies no information or false information regarding the person of the trustor.

For three days before the Annual General Meeting, up to and including the day of the General Meeting, no entries will be made in the share register.

7. Changes of control and defense measures

7.1 Duty to make an offer

The legal provisions according to Art. 32 (1) of the Swiss Stock Exchange and Securities Trading Act (SESTA) apply. Therefore, any party whose voting rights exceed the 33.33% limit, directly, indirectly or as a result of an agreement with third parties, is obliged to make a public purchase offer.

7.2 Clauses on changes of control

There are no clauses on changes of control in favor of the members of the Board of Directors, Executive Management or other employees.

8. Auditors

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

The auditors conduct their audit in accordance with Swiss law and Swiss auditing standards. The Annual General Meeting elects the auditors for one year at a time. The lead audit partner is rotated every seven years in accordance with Swiss law.

Since 2022, BDO AG, Berne has held the auditing mandate at Mikron Holding AG, its companies and the Mikron Group. Since the 2022 business year, Thomas Bigler, as lead auditor, has been responsible for the mandate.

8.2 Auditing fees

In the 2024 business year, fees of CHF 267,500 for services rendered by BDO in connection with the 2024 annual financial statements and the compensation report of Mikron Holding AG, its subsidiaries and the consolidated financial statements of the Mikron Group, were expensed (2023: CHF 250,000).

The fee budget for the external auditors is assessed by the Audit Committee and based on empirical figures from the previous year, comparisons with similar listed companies and the audit scope considered necessary by the auditors.

8.3 Additional fees

In the 2024 business year, no fees for non-audit-related services were paid to BDO (2023: CHF 12,500).

8.4 Information instruments pertaining to the external audit

The Audit Committee of the Board of Directors takes note of the audit plan and approves the key audit areas for the current year. The Audit Committee is notified in writing of the results of the inter-

in audits. The external auditors inform the Audit Committee and the Board of Directors verbally and in writing of their work and the results of the audit of the annual financial statements.

Executive Management informs the Audit Committee of planned “non-audit” services to be provided by the auditors. The Audit Committee approves individual “non-audit” services exceeding CHF 100,000 annually. The auditors may only provide “non-audit” services if the financial scope or content involved does not affect their independence.

9. Information policy

Mikron Holding AG pursues an up-to-date and transparent information policy for the public and the financial markets, with all interest groups being treated equally.

Key dates

| | |
|---|-------------------|
| End of the business year | December 31, 2024 |
| Announcement of the annual results/Publication of the Annual Report | March 7, 2025 |
| Annual Media and Analyst Conference | March 7, 2025 |
| Annual General Meeting | April 16, 2025 |
| End of the first six months of the business year | June 30, 2025 |
| Announcement of the semiannual results | July 23, 2025 |

The dates are also published on the Mikron Group’s website at www.mikron.com/calendar. Corresponding notices for the Annual General Meeting are also placed in the Swiss Official Gazette of Commerce. Visitors to the website can view the current share price, the Annual Report and all press releases, and subscribe to receive news updates and press releases free of charge (push and pull links).

In addition to publishing its financial results, the Mikron Group keeps the public abreast of current changes and developments. Mikron Holding AG publishes information on events relevant to the share price in accordance with SIX Swiss Exchange regulations regarding ad hoc publicity.

At the Annual General Meeting, the Board of Directors and Executive Management report on the financial statements and the business trend and answer shareholders’ questions.

Should you have any questions, please contact Corporate Communications by telephone (+41 91 610 62 09) or e-mail (ir.mma@mikron.com).

10. Quiet periods

Ordinary blocked period

At Mikron Holding AG, the ordinary blocked periods begin at June 1 and December 1 of the respective year and ends one trading day after the publication of the relevant ad hoc announcement related to the respective half-year report or annual report.

The ordinary blocked period applies to the following persons:

- Members of the Board of Directors of Mikron Holding AG
- Members of Executive Management
- Members of Segment and Division Management, including Segment and Division controlling

- Employees of Group Finance & Controlling
- Any other person whom the CEO or CFO may designate, if such person is involved in preparing, analyzing, reviewing or communicating financial results of Mikron or have access to such information.

The CFO maintains an e-mail distribution list of all blocked persons.

Extraordinary blocked periods

At any time, extraordinary blocked periods may be imposed on special blocked persons. The decision on the commencement and termination of extraordinary blocked periods is made by the Chairman of the Board of Directors or the CEO.

This decision may be made at any time, as circumstances require. The persons subject to a special blocked period must be informed of the decision by the CFO timely. The CFO maintains an e-mail distribution list of all special blocked persons.

There was no special blocked period in 2024.

Effects of blocking periods

During an ordinary blocked period and an extraordinary blocked period, the blocked persons and the special blocked persons, respectively, are prohibited from trading in Mikron shares for their own account or for the account of any person related to them (e.g., their spouse, persons living in the same household, relatives, etc.), or any investment vehicle in which they have a personal financial interest or of which they are a director or manager.

The blocked persons and the special blocked persons must treat the inside information as strictly confidential and may not disclose it to unauthorized third parties.

The CFO and those responsible for investor relations are obligated not to speak with the financial community, the media or analysts during the blocking periods, in order to avoid transmitting price-sensitive information until such information is published by the Company in accordance with the applicable laws and regulations and the Listing Rules of the SIX Swiss Exchange.

Compensation Report

Compensation Report

The Compensation Report contains information on the compensation policy, compensation programs and processes for determining the compensation paid to the Board of Directors and Executive Management of the Mikron Group. It also provides detailed information on compensation paid in 2024.

Compensation policy

Mikron's compensation policy is designed to align the goals of the company and its shareholders with the interests of the Board of Directors, the Executive Management, and all other employees across the whole Group. The compensation policy is intended to enhance Mikron's ability to recruit and retain a talented and high performing workforce. The policy also seeks to motivate Mikron's employees to adopt an entrepreneurial stance; to strive for above-market-average performance, accountability, value creation, and to reward individuals according to predefined targets and objectives.

The table below sets out the key principles of this compensation policy.

| | |
|--|--|
| Fair and transparent The compensation models are simple, clearly structured and transparent. They guarantee fair remuneration that reflects responsibilities and competencies. | Results- and performance-based Part of the remuneration paid is linked directly to the Mikron Group's results and to individual performance. |
| Long-term incentive Part of the compensation can be paid in the form of shares subject to a lock-up period. This gives recipients a share in the company's long-term performance and ensures alignment with shareholder interests, including retention of key personnel. | Geared to the labor market Compensation is geared to the market environment so as to attract and retain talent managers and employees. |

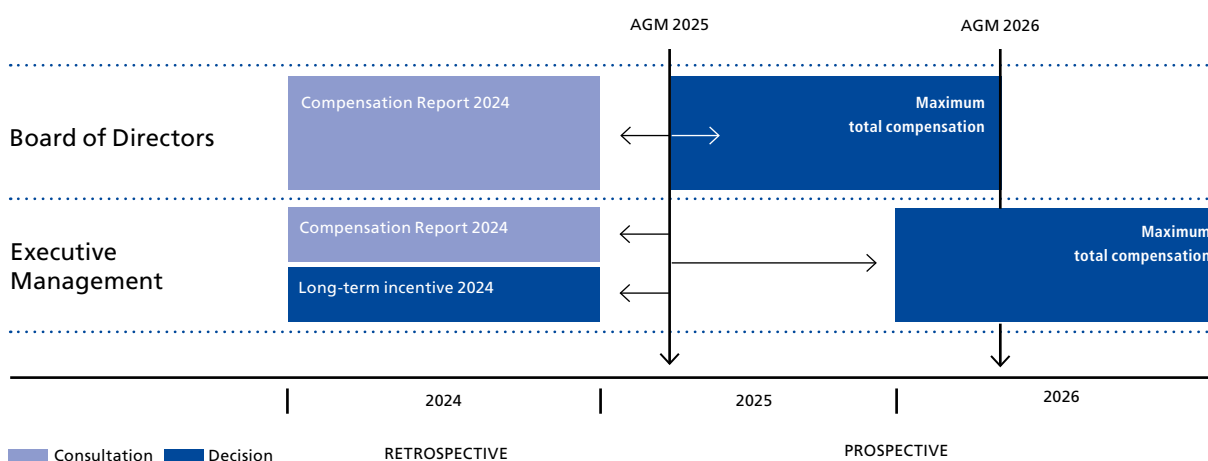
Compensation reporting standards

Unless otherwise indicated, all information disclosed in this Report refers to the fiscal year ending on December 31, 2024. Management compensation is disclosed by applying the accrual principle. This Report follows articles 734-734f of the Swiss Code of Obligations and the Swiss Code of Best Practice for Corporate Governance published by Economiesuisse. It also complies with the Swiss Exchange's Directive on information relating to Corporate Governance.

Compensation governance

Responsibility of the Annual General Meeting of Shareholders

The Annual General Meeting of shareholders (AGM) approves all compensation paid to the members of the Board of Directors as a Group prospectively for the period from the date of the ordinary Annual General Meeting until the next ordinary Annual General Meeting. It furthermore approves the maximum total compensation¹⁾ paid to the members of the Executive Committee for the calendar year following the date of the ordinary Annual General Meeting.



Responsibility of the Board of Directors

The Board of Directors is ultimately responsible for the compensation system and the formulation of the proposals to the Annual General Meeting regarding compensation.

Responsibilities of the Remuneration Committee

Subject to and within the scope of the approved overall compensation by the Annual General Meeting, the Remuneration Committee proposes to the Board of Directors the remuneration of its members and proposes or determines the remuneration of the members of the Executive Management.

The General Meeting elects individually at least two but not more than four members of the Board of Directors as members of the Remuneration Committee. The term of office of the members of the Remuneration Committee is one year and ends at the next Annual General Meeting. Re-election is possible.

The members of the Remuneration Committee in the year under review were the Board members Hans-Christian Schneider (Chairman) and Andreas Casutt.

1) As of the AGM 2025, the shareholders will vote on the maximum total compensation of the Executive Management because the long-term incentive is calculated based on a maximum CHF amount converted to shares. This means the maximum amount is fixed and not dependent on the share price.

Compensation system

Members of the Board of Directors receive a fixed compensation in cash and a fixed amount converted into a number of Company shares blocked for at least three years. Furthermore, a lump sum is paid out as compensation for expenses in accordance with the regulations, which have been approved by the tax authorities.

Members of the Executive Management receive a fixed cash compensation as well as a short-term incentive bonus based on results compared to annual targets set by the Board of Directors (variable cash compensation). The annual targets consist of financial and individual targets which depend on the role of the individual. The achievement is measured against qualitative and quantitative goals. The pay out starts at an achievement of 80% of the target and is capped at 125% of the target. The distribution of the short-term targets for the year 2024 were as follows:

| | M. Desrayaud | P. Wirth | R. Rihs |
|------------------------------|--------------|----------|---------|
| Sales (Group and/or segment) | 30% | 30% | 30% |
| EBIT (Group and/or segment) | 40% | 40% | 40% |
| ESG | 10% | 10% | 10% |
| Individual targets | 20% | 20% | 20% |
| Total | 100% | 100% | 100% |

In addition, the Executive Management participates in a long-term incentive plan, paid out in the form of Company shares (variable share-based compensation). Its payout is dependent on the achievement of the mid-term targets set by the Board of Directors. The pay out starts at an achievement of 80% of the target and is capped at 150% of the target. The achievement is calculated in Swiss Francs and then converted to an amount of Company shares at the current market price at grant date. The shares are blocked for a period of at least three years .

Furthermore, a lump sum is paid out as compensation for expenses in accordance with the regulations, which have been approved by the tax authorities. Expenses that are not covered by the lump sum compensation for expenses pursuant to the expense regulations of the Company are reimbursed against presentation of the relevant receipts. This additional compensation for expenses actually incurred does not need to be approved by the General Meeting. Payments are made in cash. Furthermore, members of the Executive Management are provided with company cars which may also be used for private travel. Expenditure for pension and social security includes employer contributions to social insurance and to the pension fund and senior management pension fund.

The following table summarizes the compensation system of the Executive Management:

| | Instrument | Purpose | Influencing factors | Performance targets |
|---|---|--|--|---|
| Fixed annual basic salary (fixed cash compensation) | Monthly cash compensation | Remuneration for function | Scope and responsibility, individual qualifications and experience | - |
| Short-term incentive bonus (variable cash compensation) | Annual cash compensation | Remuneration for performance | Company results, individual performance | Sales, EBIT, ESG, quantitative and qualitative individual targets |
| Long-term incentive plan (variable share-based compensation) | Locked-up shares (min. 3-year lock-up period) | Share in long-term performance, geared to shareholder interests and retention of key personnel | Contribution to the Group's strategic development | Sales, EBIT, RONA and ESG |
| Pension and benefits | Pension and social security Other benefits | Protection against risks Expenses covered | Standard market practice and position | - |

Management compensation 2024/2023

The following tables show the compensation for the Board of Directors and the Executive Management in 2024 and 2023:

Management compensation 2024

| Audited CHF 1,000 | | Fixed cash compensation | Variable cash compensation | Fixed share- based com- pensation | Variable share-based compensation | Pension and benefits | Total compen- sation |
|-----------------------------------|---------------|----------------------------|-------------------------------|---|---|-------------------------|-------------------------|
| Board of Directors | | | | | | | |
| P. Zumbühl | Chairman | 169 | - | 70 | - | 20 | 259 |
| A. Casutt | Vice-Chairman | 60 | - | 29 | - | 18 | 107 |
| H.-M. Hauser | Member | 46 | - | 22 | - | 15 | 83 |
| A. Bendler | Member | 46 | - | 22 | - | 15 | 83 |
| H.-C. Schneider | Member | 46 | - | 22 | - | 15 | 83 |
| Total Board of Directors | | 367 | - | 165 | - | 83 | 615 |
| Executive Management | | | | | | | |
| M. Desrayaud | CEO | 436 | 87 | - | 110 | 163 | 796 |
| Other members | | 623 | 127 | - | 143 | 324 | 1,217 |
| Total Executive Management | | 1,059 | 214 | - | 253 | 487 | 2,013 |

Management compensation 2023

| Audited CHF 1,000 | | Fixed cash compensation | Variable cash compensation | Fixed share- based com- pensation | Variable share-based compensation* | Pension and benefits | Total compen- sation |
|---------------------------------------|---------------|------------------------------------|---------------------------------------|--|---|---------------------------------|---------------------------------|
| Board of Directors | | | | | | | |
| P. Zumbühl | Chairman | 144 | - | 66 | - | 12 | 222 |
| A. Casutt | Vice-Chairman | 54 | - | 27 | - | 11 | 92 |
| H.-M. Hauser | Member | 42 | - | 21 | - | 9 | 72 |
| A. Bendler | Member | 42 | - | 21 | - | 9 | 72 |
| H.-C. Schneider | Member | 42 | - | 21 | - | 9 | 72 |
| Total Board of Directors | | 324 | - | 156 | - | 50 | 530 |
| Executive Management | | | | | | | |
| R. Rihs | COO | 339 | 83 | - | 537 | 183 | 1,142 |
| Other members | | 729 | 393 | - | 288 | 292 | 1,702 |
| Total Executive Management | | 1,068 | 476 | - | 825 | 475 | 2,844 |

* The value of the shares transferred in 2024 for the former LTI plan (till 2023) was CHF 143,000 higher than the amount disclosed as a result of the increase in share price between year-end and the date the shares were transferred. The amount disclosed is unchanged from the 2023 Compensation Report.

The increase of the total Board of Directors compensation is the result of a general compensation increase for all its members as approved by the Annual General Meeting in 2024.

The decrease in the compensation from 2023 to 2024 of the total Executive Management relates mainly to the appreciation of the fixed number of shares that were granted under the old long-term incentive plan. This plan is discontinued and the new plan as of 2024 foresees a variable Swiss Franc amount that is then converted to restricted shares at the market value at yearend.

There were no transactions with current or former members of the Board of Directors or the Executive Management (or parties closely linked to them) which relate to their former activities as member of these corporate bodies. No loans, securities, advances, or credits were granted to members of the Board of Directors or the Executive Management (or parties closely linked to them). There are no options issued on Mikron shares on December 31, 2024, in the context of a participation program.

Management compensation compared to the amounts approved by the Annual General Meetings

In April 2024, the Annual General Meeting approved a total remuneration payable to the Board of Directors for the period up to the next meeting of a maximum of CHF 700,000. The remuneration disclosed in the table above of CHF 615,000 covers the respective fiscal year and is not equal to the period between the Annual General Meetings. In the period between the Annual General Meetings the total of CHF 700,000 was not exceeded.

In April 2023, the General Meeting approved a total fixed and variable cash compensation plus pension and benefits of a maximum of CHF 2,000,000 which may be paid to Executive Management during the 2024 financial year. The actual remuneration of CHF 1,760,000 is below the approved amount.

In a separate approval the Board of Directors will propose to the next Annual General Meeting to approve an allocation of company shares in the amount of CHF 253,000 for 2024 under the long-term incentive plan.

Going forward the Board of Directors will propose to the Annual General Meeting the total compensation of the Executive Management for the subsequent business year, including the variable share-based compensation under the new revised long-term incentive plan.

Shares held by members of the Board of Directors and by Executive Management

| | | 31.12.2024 | | 31.12.2023 | |
|-----------------------------|---------------|------------------|--------------|------------------|--------------|
| Audited | | Number of shares | Voting power | Number of shares | Voting power |
| Board of Directors | | | | | |
| P. Zumbühl | Chairman | 100,179 | 0.60% | 76,279 | 0.46% |
| A. Casutt | Vice-Chairman | 18,757 | 0.11% | 17,169 | 0.10% |
| H.-M. Hauser | Member | 17,105 | 0.10% | 15,879 | 0.10% |
| A. Bendler | Member | 8,240 | 0.05% | 7,014 | 0.04% |
| H.-C. Schneider | Member | 5,740 | 0.03% | 4,514 | 0.03% |
| Executive Management | | | | | |
| M. Desrayaud | CEO | 42,775 | 0.26% | 42,775 | 0.26% |
| R. Rihs | COO | 108,668 | 0.65% | 76,553 | 0.46% |
| P. Wirth | CFO | 3,000 | 0.02% | 0 | 0.00% |

These figures include shares held by related parties of these persons but exclude the shares held by Ammann Group Holding AG which is disclosed separately.

Functions held by members of the Board of Directors and members of the Executive Management in other companies

Audited

At December 31, 2024, members of the Board of Directors and members of the Executive Management held the following external mandates:

Paul Zumbühl

Publicly traded companies:

- Interroll Holding AG, Chairman of the Board of Directors
- Schlatter Industries AG, Chairman of the Board of Directors

Privately owned companies:

- Zumbühl Management AG, member of the Board of Directors

Andreas Casutt

Publicly traded companies:

- Siegfried Holding AG, Chairman of the Board of Directors

Privately owned companies:

- maxon international AG (as well as its sister company maxon motor AG), member of the Board of Directors
- Niederer Kraft Frey AG, member of the Board of Directors
- Dextra Rechtsschutz AG, member of the Board of Directors
- Format A AG, member of the Board of Directors
- Vanco Switzerland AG, member of the Board of Directors
- Horizon21 AG and its related companies (SO Holding AG, Roymar Corporation SA, Lakeside Services AG, Lakeside Aviation AG, Sole Invest AG, Allwinden Holding AG), various Board mandates
- ImmSell AG, member of the Board of Directors
- ImmOthmar AG, member of the Board of Directors
- TPIO Holding AG, its subsidiary Belleview AG and OPG Online Personals Group AG, Chairman of the Board of Directors
- HEROS Helvetic Rolling Stock GmbH and its subsidiary HEROS America Middle-East Asia GmbH, Managing Director

Hans-Michael Hauser

Publicly traded companies:

- None

Privately owned companies:

- ML Insights AG, owner and Managing Director
- HMM Investment GmbH, owner and Managing Director

Alexandra Bendler

Publicly traded companies:

- Constellium SE, member of the Executive Committee

Hans-Christian Schneider

Publicly traded companies:

- None

Privately owned companies:

- Ammann Group Holding AG, Executive Vice Chairman of the Board of Directors and other board mandates at its direct or indirect subsidiaries
- SELFRAG AG, member of the Board of Directors
- Futurjns AG, Chairman of the Board of Directors
- Hotel Alpenland AG, Chairman of the Board of Directors
- Swissmem, member of the Board of Directors

Marc Desrayaud

None

Rolf Rihs

Privately owned companies:

- Ceramaret SA, member of the Board of Directors
- Rich. Rihs & Co. AG, Chairman of the Board of Directors

Philippe Wirth

None

Report of the Statutory Auditor



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STATUTORY AUDITOR'S REPORT

To the general meeting of Mikron Holding AG, Boudry

Report on the Audit of the Compensation Report according to Art. 734a-734f CO

Opinion

We have audited the Compensation Report of Mikron Holding AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 94 to 100 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the Compensation Report (pages 94 to 100) 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 Responsibility for the Audit of the Compensation 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 Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Compensation 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 Compensation 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 Compensation 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.

Responsibilities of the Board of Directors for the Compensation Report

The board of directors is responsible for the preparation of a Compensation 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 Compensation Report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.



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Auditor’s Responsibilities for the Audit of the Compensation Report

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

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

- Identify and assess the risks of material misstatement in the Compensation 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.

Bern, 6 March 2025

BDO Ltd

Thomas Bigler
 Auditor in Charge
 Licensed Audit Expert

Fabian Mollet
 Licensed Audit Expert

Mikron Group

Financial Report 2024

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Financial Commentary

Mikron achieved net sales of CHF 374.1 million in the 2024 financial year, an increase of 1.0% compared to the prior year. In 2023, growth amounted to 19.7% in a market environment that was challenging, particularly for Machining Solutions in Europe. Operating profit amounted to CHF 31.9 million, which is 4.5% below the prior year. The efficiency losses were caused by a strong regional shift of Automation business, which experienced strong growth in Europe but a sharp decline in North America. With a healthy backlog, Mikron is well positioned at the start of 2025.

Order intake and order backlog

Mikron's order intake for 2024 was CHF 388.6 million, 5.7% below the prior year's result. Automation contributed CHF 265.0 million, a decrease of 4.0%. Solid results in Europe and Asia were offset with a decline in North America. Machining Solutions ended the year with an order intake of CHF 123.7 million, a decrease of 9.1% resulting from a general weakening of the market in Europe contrasting with growth in North America.

Order backlog at December 31, 2024 was CHF 324.1 million, up 6.5% on the prior year. Automation increased its order backlog by 13.6% mainly in Europe and Asia, while Machining Solutions declined by 8.0% due to weaker markets in Europe.

Net sales

Automation

Net sales for Automation amounted to CHF 233.3 million, an increase of 0.9% compared to the prior year. 94% of net sales came from the pharmaceutical and medical technology industries (2023: 90%) with continued strong growth of 20.4% in Europe and 17.2% in Asia. This was offset by a sharp decline of 31.4% in North America, mainly due to a lack of orders. Mikron believes this is temporary, but it is difficult to predict for how long. Therefore, it has made the necessary capacity adjustments in its US operations. In contrast, Mikron created additional temporary production space in Europe and Asia to fulfill the high demand in Automation.

Machining Solutions

Machining Solutions increased net sales by 1.2% to CHF 140.8 million, which is a good result given the difficult market conditions, particularly in Europe. Net sales to the automotive industry continued to decline to 12% of net sales (2023: 15%). Europe and Asia declined by 6.0% and 3.4% respectively, while North America grew by 37.8%.

Total Group

Mikron's net sales amounted to CHF 374.1 million, an increase of 1.0% compared with the prior year. The pharmaceutical and medical technology industries accounted for 61% of net sales (2023: 57%), up 7.6% on the prior year. These industries are also the main drivers of Mikron's 8.8% growth in Europe, while North America was down 17.8%.

Profitability

Mikron's operating profit in 2024 amounted to CHF 31.9 million or 8.5% of net sales, compared to CHF 33.4 million or 9.0% of net sales in the prior year. The main reason for the decline in operating profit is the sharp decline in Automation sales in North America. While the drop in sales was offset by strong Automation sales growth in Europe and Asia, adjusting the US cost structure will involve some time lag into 2025. In addition, temporary production inefficiencies in Europe to cope with the high demand had to be taken into account.

The non-operating result amounted to CHF -0.8 million compared to CHF 1.8 million in the prior year. The loss in 2024 is due to the revaluation of a remaining piece of the investment property in Nidau sold in 2023. The prior-year non-operating result included a gain on the sale of Nidau of CHF 2.2 million.

Mikron's actual tax rate in 2024 was 10.0% compared to 15.2% in the prior year. The reduction is mainly due to a shift of taxable income from high to low-tax jurisdictions.

As a result, net profit in 2024 was CHF 27.9 million compared to CHF 28.8 million last year, a slight decrease of 3.2%. Earnings per share amounted to CHF 1.68 or a decline of 2.9% compared to the prior year.

Free cash flow

Free cash flow in 2024 amounted to CHF 48.9 million compared to CHF 29.9 million in the prior year, which included proceeds of CHF 28.4 million from the sale of the investment property. Adjusted for this item, free cash flow increased by CHF 47.3 million, due primarily to the timing of order intake and related prepayments.

Capital expenditure in 2024 came to CHF 20.6 million (2023: CHF 8.9 million). The 2024 figure included expansion investments of CHF 12.5 million mainly for the increase of our Automation production facility in Boudry, the purchase of machinery to insource the tool coating process, and the procurement of AI software and competency in connection with the acquisition of LYSR, a dynamic start-up and spin-off of the School of Engineering and Architecture of Fribourg, Switzerland (see also page 20).

Balance sheet

Mikron's balance sheet remains healthy. The company is free of net debt and reports an equity ratio of 56.7% as at December 31, 2024 (prior year: 54.5%)

Mikron has a credit agreement with a banking syndicate in the amount of CHF 90.0 million, which is available for bank guarantees to secure customer prepayments and for cash advances. The credit agreement will expire at the end of June 2025. It requires Mikron to achieve certain key financial figures (covenants) which were met.

Distribution to shareholders

At the Annual General Meeting on April 16, 2025, the Board of Directors of Mikron will propose a distribution to the shareholders of CHF 0.50 per share (prior year: CHF 0.50).

Consolidated Financial Statements 2024 of the Mikron Group

Consolidated income statement

| CHF 1,000 | Note | 2024 | | 2023 | |
|--|----------|----------------|---------------|----------------|-------------|
| Net sales | 4 | 374,064 | 100.0% | 370,241 | 100% |
| Change in inventory of finished and unfinished goods | | -9,168 | | -10,039 | |
| Material costs and subcontractors | 5.1 | -118,450 | | -121,839 | |
| Personnel expenses | 5.2 | -152,881 | | -144,595 | |
| Other operating income | 5.3 | 4,747 | | 1,679 | |
| Other operating expenses | 5.3 | -56,974 | | -53,050 | |
| Depreciation of tangible assets | 6.5 | -8,527 | | -8,097 | |
| Amortization of intangible assets | 6.6 | -870 | | -868 | |
| Operating profit | | 31,941 | 8.5% | 33,432 | 9.0% |
| Financial result | 5.4 | -216 | | -1,288 | |
| Ordinary profit | | 31,725 | 8.5% | 32,144 | 8.7% |
| Non-operating result | 5.5 | -760 | | 1,824 | |
| Profit before taxes | | 30,965 | 8.3% | 33,968 | 9.2% |
| Income taxes | 5.6 | -3,089 | | -5,179 | |
| Net profit | | 27,876 | 7.5% | 28,789 | 7.8% |
| Earnings per share (basic and diluted) | 8.2 | 1.68 | | 1.73 | |

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated balance sheet

| CHF 1,000 | Note | 31.12.2024 | | 31.12.2023 | |
|---|------|----------------|---------------|----------------|---------------|
| Current assets | | | | | |
| Cash and cash equivalents | | 113,289 | | 33,960 | |
| Current financial assets | 6.1 | 10,000 | | 50,109 | |
| Accounts receivable | 6.2 | 28,892 | | 28,682 | |
| Other receivables | | 5,299 | | 4,493 | |
| Net assets from customer projects | 6.3 | 46,354 | | 65,736 | |
| Inventories | 6.4 | 73,457 | | 81,514 | |
| Prepayments and accrued income | | 6,315 | | 6,963 | |
| Total current assets | | 283,606 | 71.1% | 271,457 | 72.5% |
| Non-current assets | | | | | |
| Tangible assets | 6.5 | 99,952 | | 87,403 | |
| Intangible assets | 6.6 | 3,487 | | 2,528 | |
| Investment property | 6.7 | 246 | | 940 | |
| Deferred tax assets | 6.9 | 11,826 | | 11,882 | |
| Total non-current assets | | 115,511 | 28.9% | 102,753 | 27.5% |
| Total assets | | 399,117 | 100.0% | 374,210 | 100.0% |
| Current liabilities | | | | | |
| Short-term financial liabilities | 6.10 | 1,009 | | 1,243 | |
| Accounts payable | | 25,963 | | 25,130 | |
| Other payables | | 4,700 | | 3,271 | |
| Net liabilities from customer projects | 6.3 | 92,144 | | 90,335 | |
| Accrued expenses | 6.11 | 25,120 | | 22,751 | |
| Current provisions | 6.12 | 12,475 | | 14,294 | |
| Total current liabilities | | 161,411 | 40.4% | 157,024 | 42.0% |
| Non-current liabilities | | | | | |
| Long-term financial liabilities | 6.10 | 2,058 | | 2,550 | |
| Non-current provisions | 6.12 | 709 | | 359 | |
| Deferred tax liabilities | 6.9 | 8,753 | | 10,472 | |
| Total non-current liabilities | | 11,520 | 2.9% | 13,381 | 3.5% |
| Total liabilities | | 172,931 | 43.3% | 170,405 | 45.5% |
| Shareholders' equity | | | | | |
| Share capital | 6.13 | 1,671 | | 1,671 | |
| Treasury shares | 6.13 | -868 | | -2,012 | |
| Capital reserves | | 87,634 | | 92,466 | |
| Retained earnings | | 137,749 | | 111,680 | |
| Total shareholders' equity | | 226,186 | 56.7% | 203,805 | 54.5% |
| Total liabilities and shareholders' equity | | 399,117 | 100.0% | 374,210 | 100.0% |

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flow

| CHF 1,000 | Note | 2024 | 2023 |
|---|-----------|----------------|---------------|
| Cash flow from operating activities | | | |
| Net profit | | 27,876 | 28,789 |
| Depreciation and amortization | 6.5, 6.6 | 9,397 | 8,965 |
| Revaluation of investment property | 6.7 | 694 | 125 |
| Net gain / loss on sale of non-current assets | 5.3, 5.5 | 203 | -2,288 |
| Change in provisions | 6.12 | -1,748 | 2,480 |
| Change in deferred taxes | 6.9 | -1,356 | 1,246 |
| Share-based compensation | 5.2, 6.13 | -1,600 | 599 |
| Other non-cash items | | 1,499 | 2,862 |
| Change in accounts receivable | | 518 | -6,916 |
| Change in inventories | | 9,043 | -19,139 |
| Change in net assets/liabilities from customer projects | | 23,027 | -7,595 |
| Change in accounts payable | | -1,623 | 82 |
| Change in other receivables, prepayments and accrued income | | 97 | -2,186 |
| Change in other payables and accrued expenses | | 3,392 | 3,450 |
| Cash flow from operating activities | | 69,419 | 10,474 |
| Cash flow from investing activities | | | |
| Purchase of tangible assets | 6.5 | -19,451 | -8,916 |
| Proceeds from sale of tangible assets | 5.3, 6.5 | 126 | 161 |
| Proceeds from government grants for tangible assets | 6.5 | 583 | 393 |
| Purchase of intangible assets | 6.6 | -1,812 | -484 |
| Investments in investment property | 6.7 | 0 | -63 |
| Proceeds from sale of investment property | 5.5, 6.7 | 0 | 28,353 |
| Investments in financial assets | 6.1 | 0 | -15,059 |
| Divestments of financial assets | 6.1 | 40,059 | 126 |
| Acquisition of a consolidated company, net of cash acquired | 2.1 | -129 | 0 |
| Interests received | | 935 | 1,014 |
| Cash flow from investing activities | | 20,311 | 5,525 |
| Cash flow from financing activities | | | |
| Purchase of treasury shares | 6.13 | -654 | -1,618 |
| Sale of treasury shares | 6.13 | 0 | 119 |
| Distribution to shareholders | | -8,274 | -6,616 |
| Repayment of financial liabilities | 6.10 | -1,069 | -400 |
| Repayment of finance lease liabilities | 6.10 | -845 | -1,368 |
| Interests paid | | -107 | -81 |
| Cash flow from financing activities | | -10,949 | -9,964 |
| Net change in cash and cash equivalents | | | |
| Cash and cash equivalents at beginning of period | | 33,960 | 29,203 |
| Currency translation effect on cash and cash equivalents | | 548 | -1,278 |
| Cash and cash equivalents at end of period | | 113,289 | 33,960 |

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

| CHF 1,000 | Note | Share capital | Treasury shares | Capital reserves | Retained earnings | | Total shareholders' equity |
|----------------------------------|------|---------------|-----------------|------------------|---------------------|-------------------------|----------------------------|
| | | | | | Accumulated profits | Translation adjustments | |
| Balance at 01.01.2023 | | 1,671 | -1,654 | 94,814 | 94,892 | -3,701 | 186,022 |
| Net profit 2023 | | | | | 28,789 | | 28,789 |
| Currency translation adjustments | | | | | | -4,993 | -4,993 |
| Distribution to shareholders | | | | -3,308 | -3,308 | | -6,616 |
| Change in treasury shares | 6.13 | | -358 | 361 | | | 3 |
| Share-based compensation | 6.13 | | | 599 | | 1 | 600 |
| Balance at 31.12.2023 | | 1,671 | -2,012 | 92,466 | 120,373 | -8,693 | 203,805 |
| Net profit 2024 | | | | | 27,876 | | 27,876 |
| Currency translation adjustments | | | | | | 2,366 | 2,366 |
| Distribution to shareholders | | | | -4,137 | -4,137 | | -8,274 |
| Change in treasury shares | 6.13 | | 1,144 | -1,798 | | | -654 |
| Share-based compensation | 6.13 | | | 1,103 | | -2 | 1,101 |
| Offset goodwill | 2.1 | | | | -34 | | -34 |
| Balance at 31.12.2024 | | 1,671 | -868 | 87,634 | 144,078 | -6,329 | 226,186 |

The accompanying notes form an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements 2024 of the Mikron Group

1. General information

1.1 Business operations

Mikron Holding AG and its subsidiaries (together the Mikron Group) develop, produce and market highly precise, productive and adaptable automation solutions and machining systems. Rooted in the Swiss culture of innovation, Mikron Group is a global partner to companies in the pharmaceutical, medtech, consumer goods, automotive, and general engineering industries.

The two business segments, Mikron Automation and Mikron Machining Solutions are based in Switzerland (Boudry and Agno). Additional production sites are located in the USA, Germany, Singapore, China, Lithuania, and Italy. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN).

1.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER as a whole, including Swiss GAAP FER 31, applying the principle of historical cost accounting. Exceptions to this rule are deferred taxes that are calculated from valuation differences or tax loss carry-forwards and the applicable tax rate, marketable securities reported as current assets, derivative financial instruments and investment properties, which are reported at fair values.

The accounting and reporting principles applied are unchanged compared to the previous year. The first-time application of *FER 28 Government grants* had no impact on the financial position of the Group as the rules under FER 28 are identical to what Mikron had applied in the past. However, the disclosure requirements included in FER 28 result in additional disclosures in the Group's financial statements. These additional disclosures are also made for the prior year to allow for comparison of the periods.

Swiss GAAP *FER 30 Consolidated financial statements* also applicable for the first time for the 2024 financials, has no material impact on the financial position and the presentation of the financials as the Group was following the rules stipulated therein in the past already, and the Group does not make use of the one-off exemption.

The Group may disclose financial information not mandatory under Swiss GAAP FER if it believes that such disclosure helps the reader to better understand the financial situation or its development. Such additional disclosure is removed again when, in the view of the Group, it is no longer beneficial to the understanding of the financial reporting.

1.3 Events after the balance sheet date

The Board of Directors approved these consolidated financial statements at its meeting of March 6, 2025. The approval of the consolidated financial statements by the Annual General Meeting is scheduled for April 16, 2025.

2. Significant accounting policies

2.1 Consolidation

2.1.1 Scope and method of consolidation

The consolidated financial statements include Mikron Holding AG, Boudry, and all Swiss and foreign subsidiaries which the parent company, directly or indirectly, controls either by holding more than 50% of the voting rights or by some other form of control. These entities are fully consolidated. All

intercompany transactions and relations between the consolidated companies are offset against each other and eliminated. Profits on intercompany transactions are eliminated. Capital consolidation is based on the purchase method applied to the annual financial statements of all consolidated entities, prepared as at December 31 and determined according to uniform accounting policies. The Mikron Group does not have any shareholdings with voting power of less than 50% (prior year: none). The list of Group companies can be found on page 154.

2.1.2 Acquisition of Group companies

New companies acquired by the Mikron Group are reported in the consolidated financial statements from the date of obtaining control. The net assets acquired are valued at actual values and consolidated applying the purchase method. Any difference between the higher purchase price and the net assets acquired (goodwill) is offset against shareholders' equity.

In February 2024, the Group acquired 100% of the shares of DM2 S.r.l., a small Italian manufacturer of rotary transfer CNC machines. In the first consolidation, total assets of CHF 1.6 million were included resulting in a goodwill of CHF 34,000. The acquired company's net sales for 2024 were CHF 0.8 million.

2.2 Segment reporting

The Mikron Group is organized by business segments which are grouped according to the types of products and services they provide.

For the purposes of reporting, the following business segments have been identified:

- Mikron Automation is the leading partner for scalable and customized assembly systems—from the first idea to the highest performance solutions. Mikron's expertise and proven track record guarantee the most productive solution to assemble customer products at each stage of their lifecycle. To date, Mikron Automation has installed more than 4,000 assembly and testing systems worldwide. Its international customers operate in the following markets: pharmaceutical, medtech, automotive, electrical/electronics, consumer goods and construction/building. Mikron Automation currently employs around 1,000 people and is headquartered in Boudry (Neuchâtel), a region that is regarded as the heart of the Swiss watchmaking industry. It also has sites in Denver (USA), Singapore, Shanghai (China), and Kaunas (Lithuania).
- The Mikron Machining Solutions segment comprises the two divisions Mikron Machining and Mikron Tool. The Mikron Machining division is the leading supplier of customized, highly productive machining systems for the manufacturing of complex high-precision components made of metal such as turbocharger housings, injection nozzles and ballpoint pen tips. The Mikron Tool division develops and produces the therefore necessary high-performance cutting tools. These are regarded as some of the best in the world and are also used on other manufacturers' machines. To date, Mikron Machining Solutions has developed and commissioned over 7,000 machining systems. Its international customers operate in the following industries: automotive, electronics and telecommunications, medtech, consumer goods, construction/building and pneumatics and hydraulics. Mikron Machining Solutions employs around 560 people and is headquartered in Agno (Switzerland). It also has sites in Rottweil (Germany), Monroe (USA) and Shanghai (China).
- The Corporate Service segment reports information on Mikron's holding, management and finance companies. The Corporate Service supports the individual Group companies as well as the Board of Directors and Executive Management in their management and control functions. It also reports income and expenses related to a non-operating industrial property including the effects from its sale. Eliminations on Group level are presented together with the Corporate Service.

2.3 Foreign currency translation

Foreign currency transactions are translated into the local currency using the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

The consolidated financial statements are reported in Swiss francs. For consolidation purposes, assets and liabilities are translated into Swiss francs at the exchange rates on the balance sheet date. The income statement and all cash flows are translated at average rates for each period.

Differences between the translation of assets and liabilities and the income statement are recognized in equity. Currency translation differences on long-term intra-Group loans with equity character are likewise taken directly to Group equity.

The most significant exchange rates for the Group in the year under review in Swiss francs were:

| Currency | Average rate 2024 | Average rate 2023 | Closing rate 31.12.2024 | Closing rate 31.12.2023 |
|----------|----------------------|----------------------|----------------------------|----------------------------|
| 1 EUR | 0.95 | 0.97 | 0.93 | 0.94 |
| 1 USD | 0.88 | 0.90 | 0.90 | 0.86 |
| 1 SGD | 0.66 | 0.67 | 0.66 | 0.65 |
| 1 CNY | 0.12 | 0.13 | 0.12 | 0.12 |

2.4 Disclosure of related party transactions

Related parties are defined as companies or persons that exercise significant influence over Mikron or that are controlled by the Group. The Ammann Group, the Board of Directors, Executive Management and the pension fund of Mikron Group are defined as related parties. All significant transactions, outstanding balances and if applicable contingent liabilities are disclosed in note 7.4 and 7.5 to the consolidated financial statements.

2.5 Assets and liabilities

2.5.1 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current bank and postal accounts, as well as term deposits with banks with an original term of no more than 90 days, and are shown at nominal value. Short-term bank overdrafts are deducted from cash and cash equivalents.

2.5.2 Financial assets

Marketable securities, derivative financial instruments and term deposits with original maturities of more than 90 days are reported as current financial assets. Term deposits are valued at nominal value less any impairment. Marketable securities and derivative financial instruments are measured at fair value and any change in fair value is presented in the financial result.

2.5.3 Receivables

Receivables are carried at nominal value. A provision for bad debt is established for cases where the Group faces an objective risk of not collecting the outstanding amount. Factors such as information on financial difficulties experienced by the debtor and overdue payments (more than 30 days overdue) are used to assess the bad debt risk. Changes in the bad debt provision are recognized as other operating expenses.

2.5.4 Inventories

Raw materials and other supplies used in production of standard products are carried at weighted average cost. Supplies for customer projects are valued at standard cost. Finished products are valued at the lower of costs of conversion (standard costs), including directly attributable production costs, or fair value less costs to sell. Settlement discounts are recognized as financial income. Additionally, down-payments from customers are disclosed as a deduction and prepayments to suppliers as an increase of inventories. Provisions are made for slow-moving items. Obsolete items are written off.

2.5.5 Customer projects

Customer projects for machining and assembly systems are accounted for using the “percentage of completion” method. The stage of completion is determined by comparing the costs incurred, based on the work performed to date, with the total estimated costs for the customer project. Revenue corresponding to the so calculated percentage of completion is recognized in the income statement. On the balance sheet, projects in progress—offset by prepayments and progress payments collected from customers—are recognized as net assets or net liabilities from customer projects. For expected losses on customer projects a provision is recognized.

Systems produced without a specific customer contract are capitalized as work in progress and disclosed as inventory. They are measured at the lower of costs of conversion (standard costs), including directly attributable production costs, or fair value less costs to sell. Net sales and profit are recognized at the time of sale only.

2.5.6 Tangible assets

Property consists of production and office buildings. Tangible assets are measured at historical cost and depreciated over their estimated useful lives. The exception to the rule is land, which is not depreciated. Added value expenses are capitalized and depreciated over the corresponding useful life. Expenditure on repairs, maintenance and replacements is charged directly to the income statement.

The straight-line depreciation rates are determined by the expected useful life, taking into account operational use and technical ageing. The estimated useful life for the different categories of tangible assets is as follows:

| | Years |
|----------------------------------|--|
| Real estate | 30—45 |
| Leasehold improvements | over the duration of the lease agreement |
| Equipment and installations | 12—25 |
| Furniture and logistic equipment | 8—12 |
| Machinery | 5—10 |
| Other | 2—7 |

2.5.7 Intangible assets

Intangible assets mainly comprise development costs, software and patents.

Development costs relating to new or significantly improved products and processes are capitalized only when they are technically and commercially feasible and when the Group has sufficient resources for their implementation. Expenses related to smaller development projects or early-stage developments as well as product maintenance are taken to the income statement as an expense.

Capitalized development costs are recognized at cost less accumulated amortizations and impairments (see note 2.5.9). The maximum estimated useful life is 5 years.

Costs for software acquisition and development are capitalized at cost including directly related internal costs. Other intangible assets are reported in the balance sheet at acquisition value less accumulated amortizations and impairments (see note 2.5.9). The estimated useful life of software ranges from 3 to 7 years, for ERP licenses up to 10 years and for patents from 5 to 10 years.

2.5.8 Investment property

Property held as a financial investment includes production and office buildings rented out to third parties. The investment property is reported at market value. The fair value of the property is reviewed annually as per the balance sheet date and adjusted if necessary. Revaluations are recognized in the income statement. The Mikron Group sold the major part of the investment property in 2023.

2.5.9 Impairment of non-current assets

Tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized at the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use (net present value of estimated future cash flows). The recoverable amount is determined for each asset separately or, where this is not possible, for the cash-generating unit to which the asset belongs. A reversal of impairment is recognized if the review of the recoverable amount reveals none or only a reduced impairment. The discount rate used for impairment tests is based on the weighted average cost of capital (WACC) for the Group and is adjusted to the currency of the CGU's cash flows. Other adjustments to the circumstances of the cash generating unit (CGU) tested are made only, if the CGU's risk profile differs significantly from that of the Group as a whole.

In 2024, the Group regarded the reduction in sales and profitability suffered by the US Automation business as an indication for impairment. Consequently, the business, defined as the relevant CGU, was tested for impairment. The test showed that the value in use, determined with a DCF valuation, exceeds the net asset of the CGU. Hence, no impairment needed to be recognized.

2.5.10 Lease contracts

Agreements that substantially transfer all the risks and rewards of ownership to the lessee are accounted for as finance leases. Assets held under finance leases are recognized as tangible assets at the lower of the fair value at the time the lease agreement is concluded and the net present value of the future lease payments. The corresponding liability is included in the balance sheet as a financial liability. Lease payments made are apportioned between financial expenses and reduction of the lease obligation. Assets under finance leases are amortized over their estimated useful lives.

Operating lease payments are treated as operating expenses and charged to the income statement as incurred.

2.5.11 Payables

Payables are measured at nominal values.

2.5.12 Financial liabilities

Short-term and long-term bank borrowings and loans are recognized at nominal value. Derivative financial instruments are measured at fair value and any changes in fair value are presented in the financial result.

2.5.13 Provisions

Provisions are recognized only if the company has a present obligation to a third party as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the obligation can be estimated sufficiently reliably. If the time factor has a significant impact the amount of the provision is discounted.

2.5.14 Deferred taxes

Deferred income taxes are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases and are accounted for using the liability method. Deferred tax assets from capitalized tax loss carry-forwards are valued at the respective applicable tax rate. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are only recognized to the extent that it is probable that future taxable profit will be available to offset against these assets.

Deferred tax assets and liabilities are calculated at the rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) in force at the balance sheet date.

2.5.15 Pension plans

There are pension plans at various Group companies that are aligned with the local laws and requirements in the respective countries. The plans are funded by means of contributions to legally independent pension schemes (foundations, insurance). Annually, the Group evaluates the plans for economic benefits or obligations to be recognized on the balance sheet. The net periodic expense recognized in the income statement equals the contributions made by the employer plus any changes to the economic benefit or obligation.

2.6 Income statement

2.6.1 Revenue recognition

Net sales comprise the sale of products as well as the rendering of services. Sales are recognized if it is probable that the economic benefits will flow to the Group and the amount can be estimated reliably. Sales revenue is recognized upon transfer of the risks and rewards of ownership of the goods to the client. Cash discounts granted to customers are treated as reduction of sales.

Pro rata net sales and profits on projects for customer contracts are recognized in accordance with note 2.5.5 on the basis of the percentage of completion and of the estimated total profit for the project.

Service sales are recognized when the intervention has been completed.

2.6.2 Government grants

Government grants are recognized when there is reasonable assurance that conditions are met and the amount can be determined reliably. Government grants related to assets are recognized as a reduction of the costs of the assets and reduce the depreciation/amortization charge over the useful life of the respective asset. Government grants not related to assets are recognized as other operating income in the year(s) the related expenses are recognized. In the cash flow statement, govern-

ment grants related to assets are disclosed separately in the cash flow from investing activities when collected. Consequently, the cash flow from the purchase of tangible/intangible assets is presented gross. The cash flow from income related government grants is included in the cash flow from operating activities.

2.7 Share-based payments

The Board of Directors is granted a fixed amount converted into shares as part of the annual compensation which are blocked for at least three years. A performance-based number of shares, measured against the financial mid-term plan, are granted to Executive Management and other key personnel at no consideration, refer to note 5.2. The shares to be granted under the long-term incentive plan are valued with the year-end share-price for accrual purposes and re-valuated with the share-price at the grant date. The shares under the long-term incentive plan are transferred to Executive Management after approval by the General Meeting and are blocked for a period of at least three years. Refer to note 6.13 for shares granted to Executive Management and the Board of Directors. No share purchase-plan is in place for Mikron Group employees.

3. Risk management

The Mikron Group applies a central risk assessment system which covers both strategic and operational risks. All identified risks are given a rating (based on probability of occurrence and extent of potential losses) and recorded in a risk inventory. Based on this risk inventory, the Board of Directors conducts a review, at least once a year, of whether the risk governance and mitigation measures in place are adequate for the company's needs. Ongoing monitoring of the risk inventory is the responsibility of Executive Management.

Accounting and financial reporting risks are monitored and reduced through a suitable internal control system.

The Group's activities expose it to a variety of financial risks: market risks (primarily foreign exchange risks), credit risks and liquidity risks. The Group's financial risk management program focuses on reducing financial market risks with the potential to adversely affect its financial performance.

Financial risk management is carried out by the centralized Treasury department in close cooperation with the Group companies on the basis of guidelines issued by the Board of Directors.

3.1 Foreign exchange risks

The Group is globally active and conducts transactions in a variety of currencies. Exchange rate fluctuations can therefore have a significant impact on the result. Exchange rate risks exist in future business transactions, in assets and liabilities recognized on the balance sheet and in net investments in foreign companies with a functional currency other than the Swiss franc.

The Group companies' currency risks stemming from future business transactions are consolidated by Group Treasury and hedged centrally. To neutralize the risk, income in a given foreign currency is offset against expenditure in the same currency. Group Treasury hedges economically between 25% and 100% of the net cash flows in prospect for the next 12 months for EUR and USD. Forward contracts are the main instrument used for hedging. Gains and losses arising from the valuation of forward contracts at fair value are recognized in the financial result. The Group does not apply hedge accounting.

The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risks. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The table below shows the impact at the balance sheet date of a possible shift in the most relevant foreign currency rates against the Swiss franc on the valuation of financial instruments including intra-Group receivables and liabilities. The indicated impacts are based on the assumption that the Swiss franc increases its value against the listed currencies. In the event of a devaluation of the Swiss franc, an inverse impact applies.

| CHF 1,000 | Possible shift in currency rates | Impact on net profit | | Impact on shareholders' equity from translation adjustments | |
|---------------------|-------------------------------------|-------------------------|--------|--|--------|
| | | 2024 | 2023 | 2024 | 2023 |
| Euro (CHF/EUR) | -10% | -2,657 | -2,268 | -465 | -571 |
| US dollar (CHF/USD) | -10% | -1,160 | -1,411 | -4,727 | -4,698 |
| SGD (CHF/SGD) | -10% | -1,845 | -842 | 209 | 383 |

3.2 Interest rate risks

Interest rate risks result from changes in interest rates which could have a negative impact on the Group's financial position, cash flow and earnings situation. Interest rate exposure is basically limited, owing to the low level of external financing and the conservative investment policy. The interest rate exposure is managed centrally. As at December 31, 2024 and 2023 respectively, no derivative financial instruments were being held to hedge interest rate risks.

3.3 Price risks

The Group currently has no material financial instruments which are exposed to changes in market prices.

3.4 Credit risks

Credit risks arise from the possibility that the counterparty to a transaction may not be able or willing to discharge their obligations, thereby causing the Group to suffer a financial loss. Counterparty risks are minimized by only concluding contracts with reputable business partners and financial institutions.

Relationships with customers are subject to credit checks. In addition, Executive Management monitors outstanding payments on accounts receivable through monthly reporting procedures. The necessary allowances are made locally.

3.5 Liquidity risks

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents, the availability of funding from an adequate amount of committed credit facilities, and the ability to close out market positions.

The required flexibility in funding for the project business of the Group is primarily achieved via adequate liquidity reserves. As at the end of the year, significant headroom (cash and cash equivalents, current financial assets and unused credit facilities) is available to the Mikron Group. The existing credit agreement with a bank consortium was increased to CHF 90 million in 2023, which is avail-

able for bank guarantees to secure advance payments from customers and for fixed advances. At December 31, 2024, guarantees of CHF 82.5 million (prior year: CHF 61.8 million) were issued.

Executive Management monitors the Group's liquidity status based on a monthly three months' rolling cash flow forecasts.

The Group's interest-bearing financial liabilities together with negative values of derivative financial instruments are shown in Note 6.10 *Financial liabilities including their maturity profile* and in Note 7.1 *Derivative financial instruments shows the contract values of open derivative financial instruments*.

4. Information by segment

4.1 Information by business segment

| CHF 1,000 | Automation | | Machining Solutions | | Corporate/Eliminations | | Total Group | |
|-------------------------|----------------|----------------|---------------------|----------------|------------------------|-------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Net sales—third party | 233,336 | 231,159 | 140,728 | 139,082 | 0 | 0 | 374,064 | 370,241 |
| Net sales—Group | 2 | 8 | 77 | 54 | -79 | -62 | 0 | 0 |
| Total net sales | 233,338 | 231,167 | 140,805 | 139,136 | -79 | -62 | 374,064 | 370,241 |
| Operating profit | 16,249 | 22,017 | 16,356 | 11,790 | -664 | -375 | 31,941 | 33,432 |

4.2 Sales by region

| CHF 1,000 | Net sales | |
|------------------------|----------------|----------------|
| | 2024 | 2023 |
| Switzerland | 53,494 | 43,525 |
| Europe | 184,141 | 174,887 |
| North America | 75,740 | 92,193 |
| Asia/Pacific | 56,252 | 52,244 |
| Others | 4,437 | 7,392 |
| Total net sales | 374,064 | 370,241 |

The regions represent the geographical region to which the goods were sent or in which services were provided.

4.3 Sales from customer projects

Net sales include CHF 250.2 million recognized based on the percentage of completion, PoC, of customer projects (prior year: CHF 250.1 million), see also notes 2.5.5 and 6.3.

5. Details of the consolidated income statement

5.1 Material costs and subcontractors

| CHF 1,000 | 2024 | 2023 |
|--|-----------------|-----------------|
| Raw materials and components | -113,442 | -115,877 |
| Subcontractors | -5,008 | -5,962 |
| Total material costs and subcontractors | -118,450 | -121,839 |

5.2 Personnel expenses

| CHF 1,000 | 2024 | 2023 |
|---------------------------------|-----------------|-----------------|
| Salaries and wages | -130,508 | -123,842 |
| Social charges | -15,307 | -13,873 |
| Pension expenses | -7,066 | -6,880 |
| Total personnel expenses | -152,881 | -144,595 |

The shares granted to Executive Management and other key personnel in 2024 amounted to a total of CHF 1.1 million. For the number of shares allocated in 2024 refer to note 6.13. The Board of Directors will propose to the next Annual General Meeting an allocation of 34,231 shares to the members of Executive Management as long-term incentive compensation related to the financial year 2024. The allocation of 50,160 shares to the other key personnel for the regular pay-out and 37,324 shares for the conclusion of the current LTI program after the next Annual General Meeting was approved by the remuneration committee. A total amount of CHF 0.6 million was expensed against equity (refer also to note 2.7 and the equity table).

5.3 Other operating income and expenses

| CHF 1,000 | 2024 | 2023 |
|--|----------------|----------------|
| Gains on sale of non-current assets | 86 | 106 |
| Government grants | 727 | 759 |
| Other income | 3,934 | 814 |
| Total other operating income | 4,747 | 1,679 |
| Production- and project-related expenses, including shipping | -17,170 | -17,471 |
| Marketing and sales | -8,398 | -7,671 |
| Real estate | -9,376 | -7,145 |
| Personnel-related expenses, including company cars | -5,989 | -5,915 |
| Information technology | -7,336 | -6,391 |
| Capital and other taxes (excl. income taxes) | -999 | -979 |
| Losses on sale of non-current assets | -289 | -3 |
| Other expenses | -7,417 | -7,475 |
| Total other operating expenses | -56,974 | -53,050 |

The income from government grants mainly relates to compensation received for in-company vocational training for young professionals at the production sites in Switzerland. The amounts were fully collected in the respective year, i.e. the same amounts are included in cash flow from operating activity.

The project-related expenses include the change in provision for future losses from customer projects (see note 6.3).

5.4 Financial result

| CHF 1,000 | 2024 | 2023 |
|-------------------------------------|---------------|---------------|
| Financial income | 5,271 | 7,191 |
| Financial expenses | -5,487 | -8,479 |
| Total financial result | -216 | -1,288 |
| Interest income | 935 | 1,014 |
| Interest expenses | -107 | -81 |
| Total interest result | 828 | 933 |
| Currency translation gains | 4,325 | 6,167 |
| Currency translation losses | -4,541 | -7,635 |
| Other financial income | 11 | 10 |
| Other financial expenses | -839 | -763 |
| Total other financial result | -1,044 | -2,221 |
| Total financial result | -216 | -1,288 |

5.5 Non-operating result

| CHF 1,000 | 2024 | 2023 |
|--|-------------|---------------|
| Rental income | 3 | 442 |
| Income from property-related services | 10 | 604 |
| Total non-operating income | 13 | 1,046 |
| Owner-related expenses | -79 | -793 |
| Expenses for property-related services | 0 | -489 |
| Total non-operating expenses | -79 | -1,282 |
| Revaluation | -694 | -125 |
| Gain on sale of investment property | 0 | 2,185 |
| Total non-operating result | -760 | 1,824 |

5.6 Income taxes

| CHF 1,000 | 2024 | | 2023 | |
|---|---------------|------------|---------------|------------|
| Current income tax | -4,447 | | -3,933 | |
| Deferred income tax | 1,358 | | -1,246 | |
| Total income taxes | -3,089 | | -5,179 | |
| Earnings before taxes | 30,965 | | 33,968 | |
| Income tax at average tax rates | -4,487 | 14% | -6,284 | 19% |
| Income tax at other rates | 80 | | 39 | |
| Impact of non-capitalized loss carry-forwards | -329 | | 263 | |
| Capitalization of tax losses | 0 | | 928 | |
| Tax credits | 369 | | -327 | |
| Change in tax rate | 1,413 | | -105 | |
| Other taxable effects | -135 | | 307 | |
| Total income taxes | -3,089 | 10% | -5,179 | 15% |

The applicable tax rate for the Group is 14% (prior year: 19%). This corresponds to the average income tax rates of the individual Group companies in each jurisdiction.

6. Details of the consolidated balance sheet

6.1 Current financial assets

| CHF 1,000 | Note | 31.12.2024 | 31.12.2023 |
|---------------------------------------|------|---------------|---------------|
| Fixed-term deposits | | 10,000 | 50,059 |
| Derivative financial instruments | 7.1 | 0 | 50 |
| Total current financial assets | | 10,000 | 50,109 |

The fixed-term deposits have an initial term, of more than 90 days but less than one year. Deposits with an initial term of less than 90 days are included in cash and cash equivalents.

6.2 Accounts receivable

| CHF 1,000 | 31.12.2024 | 31.12.2023 |
|----------------------------------|---------------|---------------|
| Accounts receivable | 29,959 | 30,110 |
| Allowance for doubtful accounts | -1,067 | -1,428 |
| Total accounts receivable | 28,892 | 28,682 |

As at the balance sheet date, accounts receivable (including allowance for doubtful accounts) past due for 30 days and more amounted to CHF 3.7 million (prior year: CHF 4.8 million).

6.3 Customer projects

| CHF 1,000 | 31.12.2024 | 31.12.2023 |
|--|----------------|----------------|
| Projects in progress—costs incurred | 250,387 | 239,993 |
| Recognized profits less recognized losses | 71,116 | 71,418 |
| Payments from customers | -367,293 | -336,010 |
| Total net assets and liabilities from customer projects | -45,790 | -24,599 |
| Net assets from customer projects | 46,354 | 65,736 |
| Net liabilities from customer projects | -92,144 | -90,335 |
| Total net assets and liabilities from customer projects | -45,790 | -24,599 |

The stage of completion, determined by the costs incurred to date compared to the total estimated costs, was approximately 51% on December 31, 2024 (prior year: approximately 53%). At the balance sheet date, the Mikron Group had 217 projects in progress (prior year: 223 projects) with an average volume of CHF 2.9 million (prior year: CHF 2.7 million). As at December 31, 2024, there were no retentions by customers (prior year: none).

6.4 Inventories

| CHF 1,000 | 31.12.2024 | 31.12.2023 |
|------------------------------|---------------|---------------|
| Raw materials and components | 36,621 | 44,731 |
| Work in progress | 16,943 | 15,027 |
| Finished and trading goods | 14,554 | 16,878 |
| Prepayments to suppliers | 6,557 | 7,212 |
| Prepayments from customers | -1,218 | -2,334 |
| Total inventories | 73,457 | 81,514 |

The provision for slow-moving inventories amounts to CHF 21.3 million (prior year: CHF 21.6 million).

6.5 Tangible assets

| CHF 1,000 | Undeveloped land | Real estate | Machinery | Equipment and installations | Down payments and assets under construction | Others | Total |
|---------------------------------------|------------------|----------------|----------------|-----------------------------|---|---------------|-----------------|
| At cost | | | | | | | |
| Balance at 01.01.2023 | 3,511 | 119,104 | 81,707 | 19,529 | 2,614 | 2,693 | 229,158 |
| Additions | 0 | 334 | 2,258 | 1,755 | 4,218 | 11 | 8,576 |
| Transfers | 0 | 110 | 1,547 | 83 | -1,835 | 95 | 0 |
| Disposals | 0 | 0 | -2,863 | -796 | 0 | 0 | -3,659 |
| Currency translation adjustments | -30 | -879 | -771 | -344 | -92 | -155 | -2,271 |
| Balance at 31.12.2023 | 3,481 | 118,669 | 81,878 | 20,227 | 4,905 | 2,644 | 231,804 |
| Acquisition of a consolidated company | 0 | 19 | 236 | 71 | 0 | 0 | 326 |
| Additions | 0 | 393 | 1,472 | 1,000 | 17,930 | 84 | 20,879 |
| Transfers | 0 | 136 | 1,646 | 402 | -2,830 | 646 | 0 |
| Disposals | 0 | -1,672 | -2,437 | -550 | 0 | 0 | -4,659 |
| Currency translation adjustments | 18 | 491 | -13 | 132 | 50 | 13 | 691 |
| Balance at 31.12.2024 | 3,499 | 118,036 | 82,782 | 21,282 | 20,055 | 3,387 | 249,041 |
| Accumulated depreciation | | | | | | | |
| Balance at 01.01.2023 | 0 | -63,973 | -58,417 | -16,416 | 0 | -2,181 | -140,987 |
| Depreciation | 0 | -2,677 | -4,047 | -1,277 | 0 | -96 | -8,097 |
| Transfers | 0 | -23 | 0 | 0 | 0 | 23 | 0 |
| Disposals | 0 | 0 | 2,805 | 796 | 0 | 0 | 3,601 |
| Currency translation adjustments | 0 | 207 | 460 | 285 | 0 | 130 | 1,082 |
| Balance at 31.12.2023 | 0 | -66,466 | -59,199 | -16,612 | 0 | -2,124 | -144,401 |
| Depreciation | 0 | -2,581 | -4,200 | -1,557 | 0 | -189 | -8,527 |
| Transfers | 0 | -23 | 0 | 0 | 0 | 23 | 0 |
| Disposals | 0 | 1,383 | 2,397 | 550 | 0 | 0 | 4,330 |
| Currency translation adjustments | 0 | -146 | -165 | -165 | 0 | -15 | -491 |
| Balance at 31.12.2024 | 0 | -67,833 | -61,167 | -17,784 | 0 | -2,305 | -149,089 |
| Net book value | | | | | | | |
| Balance at 31.12.2023 | 3,481 | 52,203 | 22,679 | 3,615 | 4,905 | 520 | 87,403 |
| Balance at 31.12.2024 | 3,499 | 50,203 | 21,615 | 3,498 | 20,055 | 1,082 | 99,952 |
| Of which finance leases | | | | | | | |
| Balance at 31.12.2023 | 0 | 0 | 4,118 | 0 | 0 | 0 | 4,118 |
| Balance at 31.12.2024 | 0 | 0 | 329 | 0 | 0 | 0 | 329 |

In 2024, government grants for machinery in the amount of CHF 0.6 million were recognized and offset against the additions of costs (prior year: CHF 0.4 million for real estate).

At the balance sheet date, the Group had entered into CHF 0.3 million of capital commitments to purchase tangible assets (prior year: CHF 1.5 million) and from the contract with the construction

company for the extension of the Boudry site a commitment of CHF 26.3 million remains. In 2024, the Group acquired no tangible assets (prior year: none) on a financial leasing basis.

6.6 Intangible assets

| CHF 1,000 | Capitalized development costs | Software | Assets under construction | Others | Total |
|---------------------------------------|-------------------------------|----------------|---------------------------|-------------|----------------|
| At cost | | | | | |
| Balance at 01.01.2023 | 3,568 | 21,059 | 925 | 364 | 25,916 |
| Additions | 0 | 209 | 206 | 57 | 472 |
| Transfers | 0 | 921 | -921 | 0 | 0 |
| Disposals | 0 | -27 | 0 | 0 | -27 |
| Currency translation adjustments | -87 | -202 | -5 | 0 | -294 |
| Balance at 31.12.2023 | 3,481 | 21,960 | 205 | 421 | 26,067 |
| Acquisition of a consolidated company | 0 | 0 | 0 | 5 | 5 |
| Additions | 0 | 1,534 | 269 | 0 | 1,803 |
| Transfers | 0 | 99 | -99 | 0 | 0 |
| Disposals | 0 | -224 | 0 | 0 | -224 |
| Currency translation adjustments | 31 | 52 | 3 | 0 | 86 |
| Balance at 31.12.2024 | 3,512 | 23,421 | 378 | 426 | 27,737 |
| Accumulated amortization | | | | | |
| Balance at 01.01.2023 | -3,568 | -19,041 | 0 | -364 | -22,973 |
| Amortization | 0 | -868 | 0 | 0 | -868 |
| Disposals | 0 | 27 | 0 | 0 | 27 |
| Currency translation adjustments | 87 | 188 | 0 | 0 | 275 |
| Balance at 31.12.2023 | -3,481 | -19,694 | 0 | -364 | -23,539 |
| Amortization | 0 | -858 | 0 | -12 | -870 |
| Disposals | 0 | 224 | 0 | 0 | 224 |
| Currency translation adjustments | -31 | -30 | 0 | -4 | -65 |
| Balance at 31.12.2024 | -3,512 | -20,358 | 0 | -380 | -24,250 |
| Net book value | | | | | |
| Balance at 31.12.2023 | 0 | 2,266 | 205 | 57 | 2,528 |
| Balance at 31.12.2024 | 0 | 3,063 | 378 | 46 | 3,487 |
| Of which finance leases | | | | | |
| Balance at 31.12.2023 | 0 | 0 | 0 | 0 | 0 |
| Balance at 31.12.2024 | 0 | 0 | 0 | 0 | 0 |

At the balance sheet date, the Group had entered into CHF 20,000 of capital commitments to purchase intangible assets (prior year: CHF 0.1 million).

6.7 Investment property

| CHF 1,000 | 2024 | 2023 |
|-------------------------------|------------|---------------|
| Balance at January 1 | 940 | 27,170 |
| Capitalized expenditures | 0 | 63 |
| Revaluation | -694 | -125 |
| Sale of investment property | 0 | -26,168 |
| Balance at December 31 | 246 | 940 |
| Original acquisition cost | 246 | 940 |

The Mikron Group sold its property in Nidau, Switzerland that was leased to third parties. Related income and expenses were reported as part of the non-operating result (see note 5.5). For the portion of the land leased under building rights a right of first refusal was exercised and as a result of the related negotiations on the details of the sale the sale of this small portion of the property could not be completed.

The net sales price includes CHF 31,000 (prior year: CHF 0.3 million) capital commitment in relation to the investment property.

6.8 Pension plans

All employees in Switzerland are insured through the Mikron pension fund, which is a foundation under Swiss law and legally independent of the Mikron Group. With a few exceptions, all employees in Switzerland are obliged to join the pension fund. The contributions are based on the annual salary and are accumulated in individual retirement accounts. Upon retirement, a lump-sum benefit may be drawn. Otherwise, a pension is paid out on the basis of a specified conversion factor applied to the accumulated savings.

Economic benefit/economic obligation and pension expenses

| CHF 1,000 | Surplus 31.12.2023 | Economic part of the organization | | Change from prior year in the current result for the period | Contributions concerning the business period | Pension expenses 2023 |
|--------------------------------------|-----------------------|--------------------------------------|------------|---|---|-----------------------------|
| | | 31.12.2023 | 31.12.2022 | | | |
| Pension institutions with surplus | 0 | 0 | 0 | 0 | -5,332 | -5,332 |
| Total | 0 | 0 | 0 | 0 | -5,332 | -5,332 |

| CHF 1,000 | Surplus 31.12.2024 | Economic part of the organization | | Change from prior year in the current result for the period | Contributions concerning the business period | Pension expenses 2024 |
|--------------------------------------|-----------------------|--------------------------------------|------------|---|---|-----------------------------|
| | | 31.12.2024 | 31.12.2023 | | | |
| Pension institutions with surplus | 0 | 0 | 0 | 0 | -5,660 | -5,660 |
| Total | 0 | 0 | 0 | 0 | -5,660 | -5,660 |

The information on the economic benefit as at December 31, 2024 is based on the last annual financial statements of the Mikron pension fund preceding the balance sheet date, i.e. the financial statements as at December 31, 2023. As at December 31, 2023, the Mikron pension fund reported a coverage rate of 116.8% (prior year: 116.8%). According to the pension fund's provisional accounts, the coverage rate is expected to slightly increase in the 2024 financial year. The number of active insureds increased in 2024 by about +5% (prior year: increase of about +5%). Contributions matched pension expenses during the relevant reporting period.

For the employees in countries other than Switzerland there are no material pension plans with an employer's obligation to contribute except for state-run social insurance.

6.9 Deferred taxes

| CHF 1,000 | 2024 | 2023 |
|---|---------------|---------------|
| Statement of changes in deferred tax assets | | |
| Balance at January 1 | 11,882 | 15,452 |
| Acquisition of a consolidated company | 21 | 0 |
| Change in tax rate | -873 | -96 |
| Change in temporary differences and tax credits | 388 | 305 |
| Change in capitalized tax loss-carry-forwards | 122 | -3,061 |
| Currency translation adjustments | 286 | -718 |
| Balance at December 31 | 11,826 | 11,882 |
| Statement of changes in deferred tax liabilities | | |
| Balance at January 1 | 10,472 | 12,080 |
| Change in tax rate | -2,286 | 4 |
| Change in temporary differences | 567 | -1,602 |
| Currency translation adjustments | 0 | -10 |
| Balance at December 31 | 8,753 | 10,472 |

The deferred tax assets result from accumulated tax loss carry-forwards, temporary differences and available tax credits. Due to uncertainties that future taxable profits will be available to offset against these assets, tax loss carry-forwards amounting to CHF 16.2 million (prior year: CHF 28.1 million) were not capitalized. Applying local tax rates the potential tax benefit from non-capitalized tax loss carry-forwards amounts to CHF 4.2 million (prior year: CHF 4.5 million). The deferred tax assets from valuation differences are calculated at local tax rates. The weighted average tax rate is 24%.

Deferred tax liabilities mainly result from temporary differences in the measurement of customer projects and the valuation of inventories. The deferred tax liabilities from valuation differences are calculated at local tax rates. The weighted average tax rate is 13%.

6.10 Financial liabilities

| CHF 1,000 Note | Note | 31.12.2024 | 31.12.2023 |
|---|------|--------------|--------------|
| Short-term financial liabilities | | | |
| Bank borrowings | | 625 | 400 |
| Derivative financial instruments | 7.1 | 292 | 0 |
| Finance lease liabilities | | 92 | 843 |
| Total short-term financial liabilities | | 1,009 | 1,243 |
| Long-term financial liabilities | | | |
| Bank borrowings | | 2,000 | 2,400 |
| Finance lease liabilities | | 58 | 150 |
| Total long-term financial liabilities | | 2,058 | 2,550 |

The bank borrowings mainly consists of a CHF 2.4 million loan in CHF with a fixed interest rate of 1.0% and contractual repayments of CHF 0.4 million per year. The leasing liabilities relate to purchased machines used in production.

| CHF 1,000 | 31.12.2024 | 31.12.2023 |
|--|--------------|--------------|
| Financial liabilities, expiring | | |
| – not later than 1 year | 1,009 | 1,243 |
| – later than 1 year but not later than 3 years | 858 | 950 |
| – later than 3 years | 1,200 | 1,600 |
| Total financial liabilities | 3,067 | 3,793 |

The credit agreement with a bank consortium (refer to note 3.5) was signed in June 2020 and is valid until June 2025. The agreement provides for a credit line that enables the Group to provide bank guarantees and includes a part under which bank loans can be taken out. The contractual covenants have been met since the commencement of the agreement.

6.11 Accrued expenses

| CHF 1,000 | 31.12.2024 | 31.12.2023 |
|-------------------------------|---------------|---------------|
| Accrued expenses | 24,636 | 22,330 |
| Current income taxes payable | 484 | 421 |
| Total accrued expenses | 25,120 | 22,751 |

The accrued expenses mainly consist of accruals in relation to employees' annual leave entitlements, overtime and bonus totaling CHF 11.9 million (prior year: CHF 11.3 million). Additionally, there were outstanding trade payables, and accrued income taxes of CHF 4.8 million (prior year: CHF 2.0 million).

6.12 Provisions

| CHF 1,000 | Warranties | Employee incentive | Project completion | Restructuring | Others | Total |
|---------------------------------------|--------------|--------------------|--------------------|---------------|--------------|---------------|
| Current provisions | | | | | | |
| Balance at 01.01.2023 | 2,499 | 78 | 3,839 | 1,221 | 3,973 | 11,610 |
| Additions | 3,036 | 144 | 2,763 | 102 | 2,688 | 8,733 |
| Utilization | -1,756 | -78 | -1,105 | -195 | -14 | -3,148 |
| Reversal | -820 | 0 | -1,962 | 0 | -3 | -2,785 |
| Reclassification from non-current | 0 | 66 | 0 | 0 | 0 | 66 |
| Currency translation adjustments | -41 | -7 | -74 | -54 | -6 | -182 |
| Balance at 31.12.2023 | 2,918 | 203 | 3,461 | 1,074 | 6,638 | 14,294 |
| Acquisition of a consolidated company | 0 | 0 | 0 | 0 | 10 | 10 |
| Additions | 3,323 | 50 | 2,516 | 0 | 1,330 | 7,219 |
| Utilization | -1,697 | -208 | -771 | -359 | -2,388 | -5,423 |
| Reversal | -1,204 | 0 | -1,357 | -428 | -697 | -3,686 |
| Currency translation adjustments | 14 | 5 | 31 | 5 | 6 | 61 |
| Balance at 31.12.2024 | 3,354 | 50 | 3,880 | 292 | 4,899 | 12,475 |
| Non-current provisions | | | | | | |
| Balance at 01.01.2023 | 0 | 66 | 0 | 702 | 0 | 768 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 |
| Utilization | 0 | 0 | 0 | -153 | 0 | -153 |
| Reversal | 0 | 0 | 0 | -167 | 0 | -167 |
| Reclassification to current | 0 | -66 | 0 | 0 | 0 | -66 |
| Currency translation adjustments | 0 | 0 | 0 | -23 | 0 | -23 |
| Balance at 31.12.2023 | 0 | 0 | 0 | 359 | 0 | 359 |
| Acquisition of a consolidated company | 0 | 188 | 0 | 0 | 31 | 219 |
| Additions | 0 | 17 | 0 | 135 | 0 | 152 |
| Utilization | 0 | 0 | 0 | 0 | -10 | -10 |
| Reversal | 0 | 0 | 0 | 0 | 0 | 0 |
| Currency translation adjustments | 0 | -4 | 0 | -7 | 0 | -11 |
| Balance at 31.12.2024 | 0 | 201 | 0 | 487 | 21 | 709 |

Warranty provisions are related to sales of products and services and are based on experience. The employee incentive provision was related to the long-term incentive plan. The provision for project completion relates to customer projects with final acceptance where remaining work is outstanding before the warranty period starts. The restructuring provision is related to expected costs until the end of the settlement of the obligations from leases and other contracts. The other provision is materially related to expected costs from legal risks of projects.

6.13 Shareholders' equity

Share capital

The share capital as at December 31, 2024 amounts to CHF 1.7 million (prior year: CHF 1.7 million) and consists of 16,712,744 registered shares with a par value of CHF 0.10 per share.

As at December 31, 2024, there are three shareholders with investments of more than 5% in voting rights (Ammann Group Holding AG, Berne 48.9%; Mr. Rudolf Maag, Binningen, 7.3%; Mr. Thomas Matter, Meilen, 5.4%). No other single shareholder holds 5% or more of the voting rights.

Treasury shares

In 2024, the company granted 141,392 treasury shares to Executive Management and other key personnel (prior year: 110,907) and 9,166 treasury shares to the Board of Directors (prior year: 13,272) at no consideration. During 2024, the company acquired 34,000 treasury shares (prior year: 125,000) on the stock market but did not sell any treasury shares (prior year: 8,500). At December 31, 2024, Mikron Holding AG held 49,829 treasury shares (prior year: 166,387).

Reserves

The statutory or legal reserves which may not be distributed amount to CHF 0.9 million (prior year: CHF 0.9 million). In the year under review, foreign currency translation adjustments of CHF 0.1 million (prior year: CHF -0.8 million) on loans with equity character in foreign currencies (EUR and SGD) were posted directly to shareholders' equity.

7. Other notes

7.1 Derivative financial instruments

To economically hedge future business transactions in foreign currencies, the Group uses financial instruments. At the balance sheet date, the Group held the following forward exchange contracts:

| CHF 1,000 | Replacement value | | Contract equivalent | Contract equivalent by due date | | | |
|------------------------------|-------------------|------------|---------------------|---------------------------------|-------------|-----------|--------------|
| | positive | negative | | 0—3 months | 3—12 months | 1—5 years | over 5 years |
| Balance at 31.12.2023 | 50 | 0 | 3,427 | 3,427 | 0 | 0 | 0 |
| Balance at 31.12.2024 | 0 | 292 | 2,481 | 1,717 | 764 | 0 | 0 |

The instruments are denominated in Euros and US dollars.

The replacement values are disclosed as financial assets (note 6.1) or short-term financial liabilities (note 6.10).

7.2 Assets pledged

| CHF 1,000 | 31.12.2024 | 31.12.2023 |
|---|------------|------------|
| Real estate pledged | 55,586 | 49,540 |
| Collateral securities—nominal | 51,700 | 51,700 |
| Loans and mortgages utilized | 2,625 | 2,800 |
| Other assets pledged | 329 | 4,118 |
| Finance lease liabilities (machinery, licenses) | 150 | 993 |

As part of the financing arrangements, the borrower note of one production facility in Switzerland was deposited as collateral for the underlying mortgage agreement.

The credit limit made available by the bank consortium is secured by guarantees of CHF 99.0 million. Additionally, the existing borrower notes on two production sites in Switzerland were deposited as collateral for the credit limits provided by the bank consortium.

In addition, machines and licenses acquired under the terms of leasing agreements were pledged.

7.3 Off-balance sheet lease commitments

| CHF 1,000 | 31.12.2024 | 31.12.2023 |
|---|--------------|---------------|
| Off-balance sheet lease commitments, payable | | |
| – not later than 1 year | 2,511 | 2,261 |
| – later than 1 year but not later than 3 years | 3,636 | 3,773 |
| – later than 3 years but not later than 5 years | 1,671 | 2,187 |
| – later than 5 years | 1,451 | 2,137 |
| Total off-balance sheet lease commitments | 9,269 | 10,358 |

The off-balance sheet lease commitments relate to future minimum lease payments under non-cancelable operating leases for production and office facilities.

7.4 Related party transactions

The transactions with related parties and companies consist of commercial business transactions conducted at standard market conditions. These mainly concern relationships with a small number of customers and suppliers.

| CHF 1,000 | 2024 | 2023 |
|--------------------------|------|------|
| Other operating expenses | -24 | -22 |

| CHF 1,000 | 31.12.2024 | 31.12.2023 |
|--|------------|------------|
| Other current receivables and prepaid expenses | 5 | 5 |
| Accounts payable | 7 | 5 |

The Mikron pension fund owns no shares (prior year: none) of Mikron Holding AG.

7.5 Contingent liabilities

No material contingent liabilities existed at December 31, 2024. The legal cases formerly reported as contingent liability could be settled in 2024 or in one case with a customer a legally binding agreement was reached in January 2025. As per December 31, 2024, the Group's liabilities related to the case are included in provisions.

8. Earnings per share

8.1 Weighted average number of shares

| Number | 2024 | 2023 |
|--|-------------------|-------------------|
| Issued shares at January 1 | 16,712,744 | 16,712,744 |
| Issued shares at December 31 | 16,712,744 | 16,712,744 |
| of which treasury shares | -49,829 | -166,387 |
| Adjusted for weighted average | -27,428 | 56,788 |
| Weighted average number of shares—basic | 16,635,487 | 16,603,145 |
| Effect of dilution | 0 | 0 |
| Weighted average number of shares—diluted | 16,635,487 | 16,603,145 |

8.2 Computation of earnings per share

| CHF 1,000, except for per share information | 2024 | 2023 |
|---|-------------|-------------|
| Net profit | 27,876 | 28,789 |
| Weighted average number of shares—basic | 16,635,487 | 16,603,145 |
| Basic earnings per share | 1.68 | 1.73 |
| Weighted average number of shares—diluted | 16,635,487 | 16,603,145 |
| Diluted earnings per share | 1.68 | 1.73 |

Report of the Statutory Auditor



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STATUTORY AUDITOR'S REPORT

To the general meeting of Mikron Holding AG, Boudry

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mikron Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, the consolidated statement of changes in equity and the 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 (pages 107 to 132 and 154) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and its consolidated results of operations and 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 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.

Key Audit Matters

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.



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| Key Audit Matter | How the Key Audit Matter was addressed in the audit |
|------------------|---|
|------------------|---|

Accounting for customer projects

In 2024, the Mikron Group recognized net assets from customer projects of CHF 46.4 million (11.6% of total assets) and net liabilities from customer projects of CHF 92.1 million (53.3% of total liabilities) in the balance sheet and net sales from customer projects (automation and machining systems) of CHF 250.2 million (66.9 % of total net sales) in the income statement.

The recognition of profits on such contracts in accordance with Swiss GAAP FER 22 "Long-term contracts" is based on the stage of completion of each project. This is measured by reference to the proportion of contract costs actually incurred at balance sheet date compared to the estimated total costs of the contract at completion. Potential losses must be recognized immediately.

In our view, the measurement of customer projects is a key audit matter because of the significance of the project business for the Group and due to the high level of judgment in estimating the forecasted costs as well as net sales for these long-term contracts.

An inappropriate application of the percentage-of-completion method could result in a material variance in the amount recognized in the income statement and balance sheet of the current period.

Refer to notes 2.5.5 "customer projects", 4.3 "sales from customer projects" and 6.3 "customer projects" of the consolidated financial statements 2024.

We obtained an understanding of the relevant processes and control activities (including monitoring of projects).

We also inquired with those responsible for project controlling in order to gain a more in depth understanding of the project portfolio and the related risks and to challenge management's assumptions and estimates in the valuation of projects.

We performed test of controls and, on a sample basis, other substantive procedures of customer projects and their treatment in the consolidated financial statement as follows:

- We examined project reportings and the work performed by the project managers, finance team and management.
- We reconciled estimated total net sales to contractual agreements.
- We compared projects completed in 2024 with previous estimates to analyse the accuracy of estimates.
- We tested prepayments and payments received from customers and the allocation to the corresponding projects.
- We tested the project valuation calculations and reconciled the relevant information to the general ledger.
- We reconciled the threatened losses calculated in the project valuations to the provision recognized in the general ledger.
- We performed procedures to test the allocation of personnel, machining and material costs to corresponding projects.
- We also assessed the presentation and disclosure in the consolidated financial statements 2024.



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Key Audit Matter

How the Key Audit Matter was addressed in the audit

Impairment

Mikron Holding AG conducts impairment tests on intangible assets and tangible assets per cash-generating unit (CGU) whenever there are indications of an impairment.

In our view, this is a key audit matter because of the significant estimates and assumptions management makes as part of the calculation of the recoverable amount of the cash generating unit. The impairment test requires significant management assumptions such as the cash flow forecast, discount rates, long-term growth rate and revenue and cost forecasts.

Auditing these significant assumptions and judgments involved a high degree of auditor judgment and an increased extent of effort, including the need to involve valuation specialists.

Refer to notes 2.5.9 "Impairment of non-current assets".

We assessed management's impairment test based on recoverable amount as follows:

- We gained an understanding of the valuation process and internal control system by reading the valuation documentation and interviewing management and the board of directors.
- We obtained an understanding of the defined cash generating units and whether the definition was appropriate.
- In addition, we concluded whether the discounted cash flow ("DCF") method was an accurate model to conduct an impairment test. We examined the DCF model used with regards to its correct application and the underlying calculations with regards to their feasibility. Concretely, we assessed management's medium-term cash flow forecasts, as derived from its business plans and approved by the Audit committee while considering accuracy of past management forecasts.
- We performed sensitivity analyses.
- Furthermore, we re-performed the mathematical accuracy of the impairment tests.
- We validated the input factors used to calculate the discount rate by means of external sources.
- The methodology of the impairment test and the appropriateness of the discount rate was verified by an internal expert.
- We critically assessed the methodology with the requirements of Swiss GAAP FER and the correct disclosure in the consolidated financial statements.

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 financial statements, the compensation report and our auditor's report 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.



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Responsibilities of the Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with 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.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTSuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 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.

Bern, 6 March 2025

BDO Ltd

Thomas Bigler
Auditor in Charge
Licensed Audit Expert

Fabian Mollet
Licensed Audit Expert

5-Year Financial Summary

in CHF million, except number of employees

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|-------|-------|-------|-------|-------|
| Key performance data | | | | | |
| Order intake ¹⁾ | 388.6 | 412.1 | 408.0 | 305.7 | 267.3 |
| Net sales | 374.1 | 370.2 | 309.4 | 289.5 | 257.8 |
| Order backlog (end of year) ¹⁾ | 324.1 | 304.3 | 270.7 | 176.7 | 161.6 |
| Number of employees (end of year) ¹⁾ | 1,588 | 1,548 | 1,414 | 1,327 | 1,331 |
| Purchase of tangible and intangible assets | 21.3 | 9.4 | 11.3 | 20.4 | 15.3 |
| Earnings | | | | | |
| EBITDA ¹⁾ , as % of net sales | 41.3 | 44.3 | 35.5 | 27.1 | -8.9 |
| EBIT ¹⁾ , as % of net sales | 31.2 | 35.3 | 26.4 | 17.6 | -20.8 |
| Operating profit/loss, as % of net sales | 31.9 | 33.4 | 25.8 | 18.0 | -20.1 |
| Net profit/loss for the year, as % of net sales | 27.9 | 28.8 | 24.2 | 17.0 | -22.1 |
| Cash flow | | | | | |
| Free cash flow ¹⁾ | 48.9 | 29.9 | 16.6 | 31.1 | -5.8 |
| Balance sheet | | | | | |
| Total assets | 399.1 | 374.2 | 345.9 | 300.0 | 277.1 |
| Current assets | 283.6 | 271.5 | 212.2 | 164.6 | 164.7 |
| Non-current assets | 115.5 | 102.8 | 133.7 | 135.4 | 112.4 |
| Current liabilities | 161.4 | 157.0 | 143.3 | 114.2 | 115.6 |
| Non-current liabilities | 11.5 | 13.4 | 16.6 | 20.7 | 16.0 |
| Shareholders' equity, as % of total assets | 226.2 | 203.8 | 186.0 | 165.1 | 145.5 |

1) Alternative performance measures, see pages 138 to 140 or www.mikron.com/apm

Alternative Performance Measures

In external communications, Mikron discloses performance measures that are not defined in Swiss GAAP FER. The description and, where applicable, the calculation of the performance measures are listed below. All values are listed in CHF 1,000.

Order intake

Order intake includes all customer orders for goods and services received from customers, irrespective of whether the goods and services have been delivered or not. Blanket orders are only recognized as order intake when the goods are called off.

Order backlog

The order backlog represents that part of the cumulative past order intake that has not yet been recognized as sales at the current balance sheet date. The order backlog equals the amount of sales that will, applying the current exchange rates of the orders, be realized when all open customer orders are concluded. The order backlog of customer projects managed applying the percentage of completion method corresponds to the order intake less the accrued sales according to the stage of completion of each project.

EBITDA

The earnings before interest, taxes, depreciation and amortization (EBITDA) represent the total of the operating and non-operating result, adding back the depreciation for tangible assets, the amortization for intangible assets and the revaluation of the investment property.

| CHF 1,000 | 2024 | 2023 | Reference |
|--------------------------------------|---------------|---------------|-------------------------------|
| Operating profit | 31,941 | 33,432 | Consolidated income statement |
| + Non-operating result | -760 | 1,824 | Consolidated income statement |
| + Depreciation of tangible assets | 8,527 | 8,097 | Consolidated income statement |
| + Amortization of intangible assets | 870 | 868 | Consolidated income statement |
| + Revaluation of investment property | 694 | 125 | Note 6.7 |
| EBITDA | 41,272 | 44,346 | |

EBIT

The earnings before interest and taxes (EBIT) represent the total of the operating profit and non-operating result.

| CHF 1,000 | 2024 | 2023 | Reference |
|--------------------------|---------------|---------------|-------------------------------|
| Operating profit | 31,941 | 33,432 | Consolidated income statement |
| +/- Non-operating result | -760 | 1,824 | Consolidated income statement |
| EBIT | 31,181 | 35,256 | |

Free cash flow

The free cash flow represents the total of the cash flow from operating activities minus the cash outflow for investments in tangible and intangible assets net of the cash inflow from government grants related to assets and the sale of fixed assets.

| CHF 1,000 | 2024 | 2023 | Reference |
|---|---------------|---------------|-------------------------------------|
| Cash flow from operating activities | 69,419 | 10,474 | Consolidated statement of cash flow |
| - Purchase of tangible assets, net | -19,451 | -8,916 | Consolidated statement of cash flow |
| + Proceeds from government grants for tangible assets | 583 | 393 | Consolidated statement of cash flow |
| + Proceeds from sale of tangible assets | 126 | 161 | Consolidated statement of cash flow |
| - Purchase of intangible assets, net | -1,812 | -484 | Consolidated statement of cash flow |
| - Investment in investment property | - | -63 | Consolidated statement of cash flow |
| Proceeds from sale of investment property | - | 28,353 | Consolidated statement of cash flow |
| Free cash flow | 48,865 | 29,918 | |

Net working capital

The net working capital is the net amount of the current assets and the current liabilities originating from operating activities.

| CHF 1,000 | 2024 | 2023 | Reference |
|--|------------|---------------|----------------------------|
| Accounts receivable | 28,892 | 28,682 | Consolidated balance sheet |
| + Other receivables | 5,299 | 4,493 | Consolidated balance sheet |
| + Net assets from customer projects | 46,354 | 65,736 | Consolidated balance sheet |
| + Inventories | 73,457 | 81,514 | Consolidated balance sheet |
| + Prepayments and accrued income | 6,315 | 6,963 | Consolidated balance sheet |
| - Accounts payable | -25,963 | -25,130 | Consolidated balance sheet |
| - Other payables | -4,700 | -3,271 | Consolidated balance sheet |
| - Net liabilities from customer projects | -92,144 | -90,335 | Consolidated balance sheet |
| - Accrued expenses | -25,120 | -22,751 | Consolidated balance sheet |
| - Current provisions | -12,475 | -14,294 | Consolidated balance sheet |
| Net working capital | -85 | 31,607 | |

Net cash

The net cash is the difference between financial assets and financial liabilities.

| CHF 1,000 | 2024 | 2023 | Reference |
|--------------------------------------|----------------|---------------|----------------------------|
| + Cash and cash equivalents | 113,289 | 33,960 | Consolidated balance sheet |
| + Current financial assets | 10,000 | 50,109 | Consolidated balance sheet |
| +/- Derivative financial instruments | 292 | -50 | Notes 6.1/6.10 |
| – Short-term financial liabilities | -1,009 | -1,243 | Consolidated balance sheet |
| – Long-term financial liabilities | -2,058 | -2,550 | Consolidated balance sheet |
| Net cash | 120,514 | 80,226 | |

Equity ratio

The equity ratio corresponds to the Group's total equity divided by total assets.

| CHF 1,000 | 2024 | 2023 | Reference |
|----------------------------|--------------|--------------|--|
| Total shareholders' equity | 226,186 | 203,805 | Consolidated balance sheet |
| Total assets | 399,117 | 374,210 | Consolidated balance sheet |
| Equity ratio | 56.7% | 54.5% | Total shareholders' equity / total assets |

Number of employees

The number of employees is the total of the full-time equivalent of all employees. The total head-count is higher than the Group's full-time equivalent as not all employees are working full-time.

Information on Share Capital

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Number of shares¹⁾ | | | | | |
| Registered shares | 16,712,744 | 16,712,744 | 16,712,744 | 16,712,744 | 16,712,744 |
| Total | 16,712,744 | 16,712,744 | 16,712,744 | 16,712,744 | 16,712,744 |
| Key figures per share in CHF²⁾ | | | | | |
| Net profit/loss | 1.68 | 1.73 | 1.47 | 1.04 | -1.35 |
| Cash flow from operating activities | 4.17 | 0.63 | 1.67 | 3.09 | 0.56 |
| Shareholders' equity | 13.60 | 12.28 | 11.26 | 10.06 | 8.89 |
| Distribution to shareholders | 0.50 | 0.40 | 0.24 | 0.00 | 0.00 |
| Share price SIX Swiss Exchange | | | | | |
| At December 31 | 14.40 | 15.30 | 8.80 | 7.70 | 5.40 |
| High/low close during business year | 20.00/13.20 | 15.55/8.70 | 9.20/6.40 | 8.08/5.30 | 6.58/4.20 |

¹⁾ All shares are entitled to dividends/distributions.

²⁾ Based on the weighted average number of shares

Trading volume (daily average)

In the 2024 fiscal year the average daily trade volume was 12,632 shares (prior year: 8,307 shares).

Share performance (as %)



Mikron Holding AG

Financial Report 2024

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Financial Statements 2024 of Mikron Holding AG

Income statement

| CHF 1,000 | Note | 2024 | 2023 |
|--|------|---------------|---------------|
| Services and other income | | 3,728 | 3,769 |
| Other operating expenses | | -3,869 | -4,004 |
| Earnings before interest and taxes | | -141 | -235 |
| Gains from revaluation of investments and loans | 2 | 4,346 | 7,215 |
| Other financial income | 3 | 4,989 | 4,173 |
| Total financial income | | 9,335 | 11,388 |
| Losses from revaluation of investments and loans | 2 | 0 | -848 |
| Other financial expenses | 3 | -2,917 | -5,394 |
| Total financial expenses | | -2,917 | -6,242 |
| Profit before taxes | | 6,277 | 4,911 |
| Direct taxes | | -37 | -7 |
| Net profit | | 6,240 | 4,904 |

Balance sheet

| CHF 1,000 | Note | 31.12.2024 | 31.12.2023 |
|---|----------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | | 82,179 | 16,711 |
| Short-term interest-bearing receivables | | 8,941 | 18,435 |
| <i>Due from Group companies</i> | | 8,941 | 18,435 |
| Other current receivables | | 10,832 | 50,901 |
| <i>Due from third parties</i> | | 10,402 | 50,390 |
| <i>Due from Group companies</i> | | 430 | 511 |
| Accrued income and prepaid expenses | | 1,076 | 878 |
| Total current assets | | 103,028 | 86,925 |
| Non-current assets | | | |
| Investments | 2, 4 | 78,024 | 77,497 |
| Financial assets | | 14,675 | 16,238 |
| <i>Loans to Group companies</i> | 2, 5 | 14,675 | 16,238 |
| Total non-current assets | | 92,699 | 93,735 |
| Total assets | | 195,727 | 180,660 |
| Current liabilities | | | |
| Short-term interest-bearing liabilities | | 73,088 | 58,339 |
| <i>Due to Group companies</i> | | 73,088 | 58,339 |
| Other current liabilities | | 479 | 87 |
| <i>Due to third parties</i> | | 337 | 32 |
| <i>Due to Group companies</i> | | 142 | 55 |
| Accrued expenses and deferred income | | 828 | 915 |
| Total current liabilities | | 74,395 | 59,341 |
| Total liabilities | | 74,395 | 59,341 |
| Shareholders' equity | | | |
| Share capital | | 1,671 | 1,671 |
| Legal reserves | | 86,483 | 90,620 |
| <i>Reserves from capital contribution</i> | | 86,483 | 90,620 |
| Profit carried forward | | 27,806 | 26,136 |
| Net profit | | 6,240 | 4,904 |
| Treasury shares | | -868 | -2,012 |
| Total shareholders' equity | 6 | 121,332 | 121,319 |
| Total liabilities and shareholders' equity | | 195,727 | 180,660 |

Notes to the Financial Statements 2024 of Mikron Holding AG

1. Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO, effective since January 1, 2013). Significant financial statement items are accounted for as follows:

Principle of prudence and relationship with fiscal regulations

For replacement purposes and to ensure the long-term prosperity of the company, additional depreciation and valuation adjustments may be made. For the same purposes, the cancellation of depreciation and valuation adjustments that are no longer justified may be dispensed with.

Recognition of revenue

Revenues comprise all proceeds from services rendered by Mikron Holding AG. These revenues are recognized if the amount of revenue can be measured reliably and it is sufficiently probable that the economic benefits will flow to the company.

Services and other income

The services and other income mostly relate to a fee charged to Group companies for the use of the Mikron trademark.

Other operating expenses

The other operating expenses include the costs for the administration of the Group, costs for maintenance of the trademarks and their protection as well as the compensation to the Board of Directors.

Cash and cash equivalents

Cash and cash equivalents include term deposits at banks with a maturity of up to 12 months and are carried at their nominal value.

Loans to and loans from Group companies

Loans to Group companies are valued at cost less impairment and loans from Group companies at their nominal value. For entities with negative equity as per the valuation of the investment an impairment in the same extent is recognized on the respective loans to these Group companies. The short-/long-term classification is evaluated based on the expected cash flows of the individual companies. Maturities of third party financing contracts in the individual Group companies are taken into consideration.

Investments

Investments exclusively comprise investments in Group companies and are reported at cost less impairments. The assessment of the recoverable amount is based on the equity value of the respective subsidiary in accordance with Swiss GAAP FER. If the equity is lower than the book value, the recoverable amount of these investments is assessed with a valuation model.

Foreign currencies

Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following exchange rates:

| Currency | Average rates 2024 | Closing rates 31.12.2024 |
|----------|-----------------------|-----------------------------|
| 1 EUR | 0.95 | 0.93 |
| 1 USD | 0.88 | 0.90 |
| 1 SGD | 0.66 | 0.66 |
| 1 CNY | 0.12 | 0.12 |

The closing rates are the exchange rates prevailing on December 31 and are used for translating monetary balance sheet items into Swiss francs; transactions conducted in the course of the year are translated to Swiss francs at the average rate of the respective month as an approximation of the exchange rate as per the day of the transaction. As an indication the unweighted average rates for the 2024 financial year are disclosed.

2. Financial income and expenses from investments and revaluation of loans

| CHF 1,000 | 2024 | 2023 |
|---|--------------|--------------|
| Gains from revaluation of investments and loans | 4,346 | 7,215 |
| Total financial income from investments and loans | 4,346 | 7,215 |
| Losses from revaluation of investments and loans | 0 | -848 |
| Total financial expenses from investments and loans | 0 | -848 |
| Net financial income from investments and revaluation of loans | 4,346 | 6,367 |

3. Other financial income and expenses

| CHF 1,000 | 2024 | 2023 |
|--|---------------|---------------|
| Interest income from Group companies | 2,212 | 1,666 |
| Interest income from third parties | 918 | 991 |
| Currency translation gains | 1,118 | 1,366 |
| Other financial income | 741 | 150 |
| Total other financial income | 4,989 | 4,173 |
| Interest expense to Group companies | -1,464 | -1,417 |
| Currency translation losses | -925 | -3,491 |
| Other financial expenses | -528 | -486 |
| Total other financial expenses | -2,917 | -5,394 |
| Net other financial expenses/income | 2,072 | -1,221 |

4. Major investments

Please refer to page 154.

5. Subordinated loan

Loans to Group companies include subordinated loans amounting to CHF 6.0 million (prior year: CHF 5.8 million).

6. Statement of shareholders' equity

| CHF 1,000 | Share capital | Reserves from capital contribution | Treasury shares | Profit carried forward | Shareholders' equity |
|---|---------------|------------------------------------|-----------------|------------------------|----------------------|
| Balance at 01.01.2023 | 1,671 | 93,928 | -1,654 | 29,083 | 123,028 |
| Net profit 2023 | | | | 4,904 | 4,904 |
| Proceeds/payments for change in treasury shares | | | -358 | 361 | 3 |
| Distribution to shareholders | | -3,308 | | -3,308 | -6,616 |
| Balance at 31.12.2023 | 1,671 | 90,620 | -2,012 | 31,040 | 121,319 |
| Net profit 2024 | | | | 6,240 | 6,240 |
| Proceeds/payments for change in treasury shares | | | 1,144 | 903 | 2,047 |
| Distribution to shareholders | | -4,137 | | -4,137 | -8,274 |
| Balance at 31.12.2024 | 1,671 | 86,483 | -868 | 34,046 | 121,332 |

In 2024, the company granted 141,392 treasury shares to Executive Management and other key personnel (prior year: 110,907) and 9,166 treasury shares to the Board of Directors (prior year: 13,272) at no consideration. During 2024, the company acquired 34,000 treasury shares (prior year: 125,000) on the stock market, and did not sell any treasury shares (prior year: 8,500). At December 31, 2024, Mikron Holding AG held 49,829 treasury shares (prior year: 166,387 shares).

7. Significant shareholders and their investment

As at December 31, 2024, there were three shareholders with investments of more than 5% in voting rights (Ammann Group Holding AG, Bern 48.9%; Rudolf Maag, Binningen 7.3%; Thomas Matter, Meilen 5.4%). No other single shareholder holds 5% or more of the voting rights. Ammann Group Holding AG is represented on the Board of Directors by Hans-Christian Schneider.

8. Shares held by members of the Board of Directors and Executive Management

| | 31.12.2024 | | 31.12.2023 | |
|---|------------------|--------------|------------------|--------------|
| | Number of shares | Voting power | Number of shares | Voting power |
| Board of Directors | | | | |
| P. Zumbühl, Chairman | 100,179 | 0.60% | 76,279 | 0.46% |
| A. Casutt, Vice-Chairman | 18,757 | 0.11% | 17,169 | 0.10% |
| H.-M. Hauser, Member | 17,105 | 0.10% | 15,879 | 0.10% |
| A. Bandler, Member | 8,240 | 0.05% | 7,014 | 0.04% |
| H.-C. Schneider, Member | 5,740 | 0.03% | 4,514 | 0.03% |
| Executive Management | | | | |
| M. Desrayaud, CEO | 42,775 | 0.26% | 42,775 | 0.26% |
| R. Rihs, COO | 108,668 | 0.65% | 76,553 | 0.46% |
| P. Wirth, CFO (since April 1, 2024) | 3,000 | 0.02% | n/a | n/a |
| J. Perez Freije, CFO (until March 31, 2024) | n/a | n/a | 40,886 | 0.24% |

9. Debt guarantees, guarantee obligations and liens in favor of third parties

Collateral for third-party liabilities

| CHF 1,000 | 31.12.2024 | 31.12.2023 |
|---------------------------------------|------------|------------|
| Guarantees in favor of bank syndicate | 99,000 | 99,000 |
| Guarantees for Group companies | 40,586 | 59,616 |

10. Number of employees

In 2024 and 2023 the number of full-time equivalents did not exceed 10 on an annual average basis.

11. Release of hidden reserves

No hidden reserves were released in the 2024 financial year (prior year: CHF 2.9 million).

Proposed Appropriation of Retained Earnings and Capital Reserves

Retained earnings

The Board of Directors proposes to the Annual General Meeting of Shareholders that the profit carried forward of CHF 34.0 million for the year ended December 31, 2024 be appropriated as follows:

| CHF 1,000 | 2024 | 2023 |
|--|---------------|---------------|
| Profit carried forward at the beginning of the period | 26,903 | 25,775 |
| Excess in proceeds from sale of treasury shares | 903 | 361 |
| Net profit | 6,240 | 4,904 |
| Profit carried forward available to the General Meeting | 34,046 | 31,040 |

| CHF 1,000 | 2024 Motion of the Board of Directors | 2023 Resolution of the General Meeting |
|---|---|--|
| Profit carried forward available to the General Meeting | 34,046 | 31,040 |
| Distribution to shareholders | -4,166 | -4,137 |
| Carried forward | 29,880 | 26,903 |

Reserves from capital contribution

The Board of Directors also proposes to the Annual General Meeting of Shareholders that a portion of the reserves from capital contribution be allocated as follows:

| CHF 1,000 | 2024 Motion of the Board of Directors | 2023 Resolution of the General Meeting |
|--|---|--|
| Reserves from capital contribution | 86,483 | 90,620 |
| Allocation to voluntary retained earnings and distribution to shareholders | -4,166 | -4,137 |
| Carried forward | 82,317 | 86,483 |

Report of the Statutory Auditor



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STATUTORY AUDITOR'S REPORT

To the general meeting of Mikron Holding AG, Boudry

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mikron Holding AG (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 143 to 150 and 154) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

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

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



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Key Audit Matter

How the Key Audit Matter was addressed in the audit

Valuation of investments

As of 31 December 2024, Mikron Holding AG recognized investments of CHF 78.0 million. This corresponds to 39.9 % of total assets.

Investments in group companies are recognized at historical cost less any adjustments for impairments. The recoverable amount of these investments is assessed with a valuation model. The individual equity value of the subsidiaries in accordance with Swiss GAAP FER, if higher than the carrying amount of the investment, is deemed to represent the recoverable amount.

In our view, this is a key audit matter due to the significance of the account balance.

Refer to the company's accounting principles summarized in note 1 as well as note 2 regarding re-valuation of investments of the financial statements 2024.

In order to assess the valuation of investments at 31 December 2024 we tested management's assessment of the recoverability of material investments as follows:

The valuation of investments were calculated on the basis of a net asset value analysis based on the Swiss GAAP FER net assets of the respective group company. In doing so, we analyzed whether the value of the investment is covered by the net asset value.

In the event of any changes in the value of investments, we have also verified the proper recognition in the income statement.

We also assessed the presentation and disclosure in the statutory financial statements.

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's report 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.

Responsibilities of the Board of Directors for the Financial Statements

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

In preparing the financial statements, the board of directors is responsible for assessing the 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.



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Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 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.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the board of directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Bern, 6 March 2025

BDO Ltd

Thomas Bigler
Auditor in Charge
Licensed Audit Expert

Fabian Mollet
Licensed Audit Expert

Group Companies/ Investments Mikron Holding AG

| Local Currency 1,000 | Activity | Currency | Share capital | | Shareholding direct | | Shareholding indirect | |
|--|----------|----------|---------------|--------|---------------------|------|-----------------------|------|
| | | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Switzerland | | | | | | | | |
| Mikron Holding AG, Boudry | 1 | CHF | 1,671 | 1,671 | | | | |
| Mikron Switzerland AG, Boudry | 1, 2, 3 | CHF | 12,000 | 12,000 | 100% | 100% | | |
| Germany | | | | | | | | |
| Mikron Germany GmbH, Rottweil | 2, 3 | EUR | 383 | 383 | 100% | 100% | | |
| Mikron Berlin GmbH, Berlin (in liquidation) | 2, 3 | EUR | 515 | 515 | 100% | 100% | | |
| Lithuania | | | | | | | | |
| UAB Mikron Kaunas, Kaunas | 2, 3 | EUR | 1,800 | 1,800 | 100% | 100% | | |
| Singapore | | | | | | | | |
| Mikron Singapore Pte. Ltd., Singapore | 2, 3 | SGD | 6,781 | 6,781 | 100% | 100% | | |
| P.R. China | | | | | | | | |
| Mikron Industrial Equipment (Shanghai) Co., Ltd., Shanghai | 2, 3 | CNY | 26,238 | 26,238 | | | 100% | 100% |
| Mikron Tool (Shanghai) Co., Ltd., Shanghai | 2, 3 | CNY | 403 | 403 | 100% | 100% | | |
| USA | | | | | | | | |
| Mikron Corp. Denver, Englewood | 2, 3 | USD | 10 | 10 | | | 100% | 100% |
| Mikron Corp. Monroe, Monroe | 3 | USD | 3,500 | 3,500 | 100% | 100% | | |
| Italy | | | | | | | | |
| DM2 S.r.l., Travagliato | 2, 3 | EUR | 100 | | 100% | | | |

Activity

1 = Management/Service

2 = Production/Development

3 = Sales/Service

