

Invitation to the Annual
General Meeting on Tuesday,
23 April 2024, in Biel

Including short version of 2023 Annual Report

Content

3	A warm welcome
4	Program Annual General Meeting
5	Agenda and Proposals
11	Organizational information
12	2023 Annual Report – Short version
13	Key figures
17	Management Report (excerpt)
21	Consolidated Financial Statements
22	Income statement
23	Balance sheet
24	Cash flow statement
25	Notes
26	Corporate Governance and Compensations
29	Share performance
30	The Mikron Group

A warm welcome

Dear Shareholders,

The Mikron Group can look back on a successful 2023 with an increase in net sales of 20% and an improvement of EBIT from CHF 26.4 million to CHF 35.3 million (+34%). All three Mikron Group divisions were able to capitalize on the strong demand from their key target markets.

Following the significant investments made in recent years, the **Mikron Automation** business segment is well positioned, with major customers from the pharmaceutical and medical technology industries. The sites in Boudry (Switzerland) and Denver (USA) were fully utilized throughout 2023 and are geared towards further growth. At the same time, the prospects for our location in China are also favorable, where we moved into a new, larger facility towards the end of 2023 to support the execution of orders in the coming years.

After a period of repositioning, **Mikron Machining** was able to increase sales again, and to close the year with a high order backlog and again an improved result. The pressure on our customers to reduce consumption and use new materials speaks in favor of Mikron's machining solutions. The division succeeded in winning new long-term projects, and in identifying new applications for its machining solutions. Thanks to the broad range of industries and applications that we cover with energy-saving and resource-efficient solutions, we are able to maintain sales at a good level.

The **Mikron Tool division** was able to maintain last year's high sales level despite a negative currency impact. With new innovations including the world's smallest milling cutter and high demand overall for its high-performance cutting tools, the division once again operated highly profitably and saw constant growth in the pharmaceutical and medical technology industries.

The short version of the Annual Report (see pages 12 to 29) contains a review of the 2023 financial year. The full Annual Report is available in English on our website. For an online version, see www.report.mikron.com.

Please use the enclosed form to register to attend the Annual General Meeting or appoint a proxy. Alternatively, you may vote electronically. The relevant information can be found on the "Registration/appointment of proxy" form.



Paul Zumbühl
Chairman of the Board of Directors

Program of the Annual General Meeting

Date and Place

Tuesday, 23 April 2024
Kongresshaus Biel, Zentralstrasse 60

Program

3.00 p.m. Doors open, registration and security clearance

3.30 p.m. Annual General Meeting commences

Welcome address
Paul Zumbühl, Chairman of the Board of Directors

2023 financial year and outlook 2024
Paul Zumbühl, Chairman of the Board of Directors
Marc Desrayaud, CEO Mikron Group
Javier Perez Freije, CFO Mikron Group

Questions from shareholders

Regular agenda items
Paul Zumbühl, Chairman of the Board of Directors

approx. 5.30 p.m. Annual General Meeting ends

Agenda and Proposals

1. 2023 Annual Report

1.1 Management Report, Financial Statements of Mikron Holding AG and Consolidated Financial Statements 2023 of the Mikron Group; reports of the statutory auditor

Proposal

The Board of Directors proposes the approval of the Management Report, the Financial Statements of Mikron Holding AG and the Consolidated Financial Statements 2023 of the Mikron Group.

Remarks

According to the law and the company's Articles of Association, the Annual General Meeting is responsible for approving the Group Management Report, the Annual Financial Statements and the Consolidated Financial Statements. A comprehensive review of the 2023 financial year is included in the 2023 Annual Report (available in English at www.mikron.com/financial-reports), which also contains the reports of the statutory auditor, information on corporate governance, and the Compensation Report. A short version of the Annual Report can be found on pages 12 to 29 of this invitation.

1.2 Advisory vote on the Compensation Report 2023

Proposal

The Board of Directors proposes that the Compensation Report 2023 be approved.

Remarks

An advisory vote will be held in accordance with Art.13 of the Articles of Association. The Compensation Report (pages 103 to 114 of the 2023 Annual Report) outlines the principles and elements of the remuneration payable to the Board of Directors and Group Management. It details the remuneration paid in the year under review to the members of the Board of Directors and Group Management, and shows their shareholdings in Mikron Holding AG.

1.3 Sustainability Report

Proposal

The Board of Directors proposes the approval of the Sustainability Report 2023.

Remarks

The Sustainability Report (pages 45 to 85 of the 2023 Annual Report) describes the company's sustainability performance in its six target areas and beyond. The report also includes several case studies and examples of how Mikron is making progress on its sustainability journey.

2. Discharge of members of the Board of Directors and Group Management

Proposal

The Board of Directors proposes to discharge the members of the Board of Directors and Group Management for the 2023 financial year.

Remarks

According to the law and the Company's Articles of Association, the General Meeting of Shareholders is responsible for the discharge of the members of the Board of Directors and the Group Management.

3. Appropriation of retained earnings, allocations, and appropriation of reserves from capital contributions

in CHF 1,000

Profit carried forward from previous year	25,775
Excess in proceeds from sale of treasury shares	361
Profit for the year	4,904
Profit carried forward	31,040

Proposal

The Board of Directors proposes:

3.1 a distribution for 2023 of CHF 0.25 per share from retained earnings and to allocate reserves from capital contributions

in the amount of CHF 0.25 per share to voluntary retained earnings in accordance with the resolution, and to set a distribution for 2023 of CHF 0.25 per share free of withholding tax.

3.2 to carry forward the remaining retained earnings as of 31 December 2023.

Remarks

The Board of Directors proposes to the Annual General Meeting a distribution of CHF 0.25 per share from retained earnings and a withholding tax-free distribution for 2023 of CHF 0.25 per share from the reserves from capital contributions. Based on 16,546,357 shares, this results in a total amount of CHF 4,136,589.25 from retained earnings and CHF 4,136,589.25 from the reserves from capital contributions. No dividend is paid on treasury shares held by Mikron Holding AG. Prior to this, reserves from capital contributions in the amount of CHF 0.25 per share with a par value of CHF 0.10 each are to be allocated to the voluntary retained earnings in accordance with the resolution. Provided that the Annual General Meeting approves the proposal, payment will be made on 29 April 2024. The last trading day entitling to receive the distribution is 24 April 2024. As of 25 April 2024, the shares will be traded ex dividend.

4. Relocation of the registered office (Revision Art. 1 of the Articles of Association)

Proposal

The Board of Directors proposes to relocate the registered office of Mikron Holding AG from Biel to Boudry in the Canton of Neuchâtel (Switzerland) and to amend the Articles of Association as follows (deletions are marked in red, crossed-out font and new additions in blue, underlined font):

Art. 1 Corporate Name, Registered Office

Under the corporate name

*Mikron Holding AG
(Mikron Holding Ltd.)
(Mikron Holding Inc.)
(Mikron Holding SA)*

*a Company exists pursuant to Art. 620 et seq. of the Swiss Code of Obligations (hereinafter "CO") having its registered office in **Biel Boudry**. The duration of the Company is unlimited.*

Remarks

Based on the current structure of the Mikron Group, the Board of Directors considers the relocation to be advantageous (from a business and strategic perspective).

5. Elections relating to the Board of Directors

5.1 Members of the Board of Directors

Proposal

The Board of Directors proposes that the following be elected for a term of one year until the conclusion of the Annual General Meeting 2025:

- 5.1.1 Paul Zumbühl, Swiss (born in 1957)
- 5.1.2 Andreas Casutt, Swiss (born in 1963)
- 5.1.3 Hans-Michael Hauser, German (born in 1970)
- 5.1.4 Alexandra Bendler, German (born in 1973)
- 5.1.5 Hans-Christian Schneider, Swiss (born in 1979)

Remarks

According to the law and the Company's Articles of Association, the General Meeting of Shareholders is responsible for electing the members of the Board of Directors. With the conclusion of the Annual General Meeting on 23 April 2024, the one-year term of office of all members of the Board of Directors ends. All members of the Board of Directors are standing for re-election.

For more information on the current members of the Board of Directors standing for re-election, please see the 2023 Annual Report, Compensation Report section, pages 106 and 107.

5.2 Chairman of the Board of Directors

Proposal

The Board of Directors proposes the election of Paul Zumbühl as Chairman of the Board of Directors for a term of one year until the conclusion of the Annual General Meeting 2025.

Remarks

According to the law and the Articles of Association of the Company, the General Meeting is responsible for electing the Chairman of the Board of Directors. As the term of office of the Chairman of the Board of Directors ends with the conclusion of the Annual General Meeting of 23 April 2024, he must be re-elected by the Annual General Meeting of Shareholders.

5.3 Members of the Remuneration Committee

Proposal

The Board of Directors proposes the election of the following members of the Remuneration Committee for a term of one year until the conclusion of the Annual General Meeting 2025:

- 5.3.1 Andreas Casutt, Swiss (born in 1963)
- 5.3.2 Hans-Christian Schneider, Swiss (born in 1979)

Remarks

According to the law and the Company's Articles of Association, the General Meeting of Shareholders is responsible for electing the members of the Remuneration Committee. Only members of the Board of Directors may be elected. At the Annual General Meeting 2024, the term of office of the members of the Remuneration Committee ends. They are standing for re-election. The Board of Directors intends to appoint Hans-Christian Schneider as Chairman of the Compensation Committee if he is re-elected as a member of the Board of Directors by the Annual General Meeting.

6. Approval of the total future remuneration payable to the Board of Directors and Group Management

6.1 Remuneration payable to the Board of Directors

Proposal

The Board of Directors proposes the approval of the total remuneration payable to the members of the Board of Directors for the period up to the next Annual General Meeting of maximum CHF 700,000.

Remarks

According to the law and the Articles of Association of the Company, the Annual General Meeting is responsible for approving the compensation of the Board of Directors. The proposed total amount allows for a maximum remuneration of the Board of Directors for the term of office from the Annual General Meeting 2024 to the Annual General Meeting 2025 in the amount of CHF 700,000 (previous year: CHF 600,000). The maximum total amount for the five members of the Board of Directors for the term of office until the next Annual General Meeting comprises the basic fee (including remuneration for work on the Board Committees), lump-sum expenses, as well as all contributions to social security. The total remuneration will be rendered in the form of allocated shares of Mikron Holding AG and otherwise in the form of cash amounts. The shares to be allocated are blocked for at least 3 years.

The remuneration actually paid will be disclosed in the Compensation Report for the 2024 financial year and be the subject of the related advisory vote to be held at the Annual General Meeting in 2025.

6.2 Remuneration payable to Group Management

Proposal

The Board of Directors proposes that the following be approved as remuneration payable to Group Management:

- 6.2.1 The total fixed and performance-related remuneration that may be paid to Group Management during the 2025 financial year of maximum CHF 2.0 million.
- 6.2.2 The allocation of 53,908 shares for the past financial year 2023 and for the pay-out of the accumulated Long-Term Incentive basket (LTI basket) for the ending LTI Plan, which valued with the share price of CHF 18.25 on 15 March 2024, corresponds to a value of CHF 983,807.25

Remarks

According to the law and the Company's Articles of Association, the Annual General Meeting is responsible for approving the compensation of the Group Management. The proposed total amount of CHF 2.0 million is related to the compensation of the three members of Group Management for the financial year 2025. In addition, an allocation of 34,231 shares under the LTI Plan 2021 to 2023 will be applied for the 2023 financial year. As this program ended in 2023, the pay-out of the accumulated LTI basket will result in an additional allocation of 19,677 shares.

The maximum total amount of CHF 2.0 million is made up of the following amounts for the respective compensation components:

- Basic remuneration: CHF 1.2 million. The Board of Directors will stipulate the actual remuneration for 2025 at the end of 2024.
- Variable remuneration: CHF 0.4 million, subject to maximum target achievement by all members of Group Management.
- Pension fund contributions and supplementary benefits, as well as employer contributions to social insurance: CHF 0.4 million. The amount of the effective obligations depends, among other factors, on the basic and variable remuneration effectively paid, on the age structure of the members of Group Management, and on the insurance contributions.

The remuneration actually paid in relation to proposal 6.2.1 will be disclosed in the Compensation Report for 2025 and be the subject of the related advisory vote to be held at the Annual General Meeting in 2026.

7. Election of the independent proxy

Proposal

The Board of Directors proposes the re-election of Urs Lanz, notary and ad-

vocate from Nidau, as the independent proxy until the conclusion of the Annual General Meeting 2025.

Remarks

According to the law and the Company's Articles of Association, the Annual General Meeting is responsible for electing the independent proxy.

8. Election of the statutory auditor

Proposal

The Board of Directors proposes the election of BDO AG, Bern, as statutory auditor for the 2024 financial year.

Remarks

According to the law and the Company's Articles of Association, the General Meeting of Shareholders is responsible for electing the auditors.

Organizational information

Annual Report

The Annual Report (Management Report, Financial Report of Mikron Holding AG and of the Mikron Group) as well as the auditor's reports for 2023 are available for inspection at the company's administrative offices at Güterstrasse 20, 4900 Langenthal, Switzerland.

The Annual Report is available on the website www.mikron.com as a PDF file and can also be viewed in an online version at www.report.mikron.com. The invitation to the Annual General Meeting is also available on the website for viewing and downloading.

Right to vote

Those shareholders of Mikron Holding AG entered in the share register as "with voting rights" on 17 April 2024 are entitled to vote. No entries will be made in the share register from 18 to 23 April 2024.

Conduct of the Annual General Meeting and appointment of proxy

Shareholders can order an admission card or authorize a proxy by using the document "Registration/Power of Attorney" enclosed with this invitation. The admission cards will be sent out as of 27 March 2024.

Shareholders are requested to return the document and, if applicable, the instruction form as soon as possible to Share-CommServices AG, Europastrasse 29, CH-8152 Glattbrugg. In addition, shareholders may alternatively register online or authorize a proxy until 4.00 p.m. on 21 April 2024. Information on the online platform and your personal access data can be found in the document Registration/Power of Attorney. Shareholders who do not wish to participate in person in the Annual General Meeting may, in accordance with the law and the Articles of Association, be represented as follows:

- by a person authorized by them in writing, or
- by the independent proxy, Mr. Urs Lanz, notary and attorney-at-law, Hauptstrasse 54, CH-2560 Nidau.

Note

The General Meeting will be held in German.

Biel, March 2024

Mikron Holding AG
Mühlebrücke 2
CH-2502 Biel
Tel. +41 32 321 72 00
Fax +41 32 321 72 01
ir.mma@mikron.com

2023 Annual Report
Short version

Key figures

CHF million, except number of employees	2023		2022		+/-	
Key performance data						
Order intake ¹⁾	412.1		408.0		4.1	1.0%
Machining Solutions	136.1		169.0		-32.9	-19.5%
Automation	276.1		239.0		37.1	15.5%
Net sales	370.2		309.4		60.8	19.7%
Machining Solutions	139.1		125.7		13.4	10.7%
Automation	231.2		183.8		47.4	25.8%
Order backlog (end of year) ¹⁾	304.3		270.7		33.6	12.4%
Machining Solutions	99.1		101.8		-2.7	-2.7%
Automation	205.1		168.8		36.3	21.5%
Research and development	7.3		6.5		0.8	12.3%
Number of employees (end of year) ¹⁾	1,548		1,414		134	9.5%
Machining Solutions	561		558		3	0.5%
Automation	961		832		129	15.5%
Earnings						
EBITDA ¹⁾ , as % of net sales	44.3	12.0%	35.5	11.5%	8.8	24.8%
EBIT ¹⁾ , as % of net sales	35.3	9.5%	26.4	8.5%	8.9	33.7%
Machining Solutions	11.8	8.5%	9.3	7.4%	2.5	26.9%
Automation	22.0	9.5%	17.5	9.5%	4.5	25.7%
Operating result, as % of net sales	33.4	9.0%	25.8	8.3%	7.6	29.5%
Profit for the year, as % of net sales	28.8	7.8%	24.2	7.8%	4.6	19.0%
Cash flow						
Cash flow from operating activities (incl. changes in net working capital), as % of net sales	10.5	2.8%	27.6	8.9%	-17.1	-62.0%
Balance sheet (end of year)						
Balance sheet total	374.2		345.9		28.3	8.2%
Current assets	271.5		212.2		59.3	27.9%
Cash and current financial assets	84.1		64.4		19.7	30.6%
Non-current assets	102.8		133.7		-30.9	-23.1%
Current liabilities	157.0		143.3		13.7	9.6%
Long-term liabilities	13.4		16.6		-3.2	-19.3%
Shareholders' equity, as % of balance sheet total	203.8	54.5%	186.0	53.8%	17.8	9.6%

1) Alternative performance measures, see 2023 Annual Report, pages 148 to 150, or www.mikron.com/apm

Mikron Group

2022

2023

Net sales

Total amount CHF 309.4 million

CHF 370.2 million

By segment



41%
59%

Machining Solutions 38%
Automation 62%



By region



42%
7%
20%
30%
1%

Europe 47%
Switzerland 12%
Asia/Pacific 14%
North America 25%
Others 2%



By industry



12%
55%
4%
9%
20%

Automotive 7%
Pharma/Medtech 57%
Writing 5%
Consumer Goods 8%
Others 23%



2022

2023

EBIT

CHF 26.4 million

CHF 35.3 million

Oder backlog*
Order intake

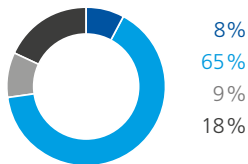
CHF 270.7 million
CHF 408.0 million



CHF 304.3 million
CHF 412.1 million



Employees*



Total 1,414

Europe 8%
Switzerland 64%
Asia/Pacific 9%
North America 19%



Total 1,548

* At the end of the year

Mikron's Financial Year 2023 at a Glance

Net sales increased by 20%.
EBIT improved by 34%.

EBIT
(in CHF million)
35.3
(2022: 26.4)

Profit
(in CHF million)
28.8
(2022: 24.2)

Order backlog
(in CHF million)
304.3
(2022: 270.7)



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



A broad-based culture of sustainability.



Mikron is financially strong, flexible and resilient.

All three divisions have the potential to further develop and expand their market position.

Management Report (excerpt)

The Mikron Group again improved its earnings situation in the past financial year. Both business segments increased annual net sales and achieved good results. Strong demand in all of Mikron's key markets, above-average growth in the Automation division, sales growth in the Machining division, and the Tool division's good positioning were the key factors behind this pleasing performance. The Group's net sales rose from CHF 309.4 million to CHF 370.2 million (+19.7%). At CHF 412.1 million, order intake surpassed the previous year's record figure of CHF 408.0 million (+1.0%). The Group's EBIT for 2023 amounts to CHF 35.3 million (2022: CHF 26.4 million, +33.7%), and the profit for the year is CHF 28.8 million (2022: CHF 24.2 million, +19.0%). The non-operating property in Nidau (Switzerland) contributed CHF 1.8 million to the Group's EBIT, including a one-off positive effect of CHF 2.2 million resulting from the sale of the property.

All three divisions of the Mikron Group again performed well in the 2023 financial year and achieved some important development targets on their way to realizing their growth and profitability ambitions on a sustainable basis. They made good use of the strong demand from their key target markets such as the pharmaceutical and medical technology industries, the watchmaking sector, and the writing industry. The importance of the combustion engine as a sales market for Mikron is now limited.

In the Mikron Automation business segment, the manufacturing capacity is fully utilized. The next expansion phase at the Boudry plant (Switzerland) is being analyzed. In Denver, Mikron Automation has rented additional manufacturing space, and in Shanghai the division will move its Chinese headquarters to larger premises in the first quarter of 2024.

The Mikron Machining division was able to further improve its result due to higher sales, while the Mikron Tool division once again brought numerous innovations to market maturity, including the world's smallest milling cutter. Mikron Tool was able to maintain the prior year's record level in sales as well as constant growth in the pharmaceutical and medical technology industries.

Development of key figures

Order intake and net sales

The Mikron Group reported order intake of CHF 412.1 million in 2023, representing another increase of 1.0% compared with the prior year (CHF 408.0 million).

Posting annual net sales of CHF 370.2 million, the Mikron Group exceeded the prior-year re-

sult of CHF 309.4 million by 19.7%. Europe remains Mikron's most important market, with 59% (including Switzerland) of total net sales in 2023 (2022: 49% including Switzerland). Accounting for a share of 25%, North America remains in second place (previous year: 30%). The strongest market segment remains the pharmaceutical and medical technology sectors at 57% (previous year: 55%). The automotive industry contributed 7% (prior year: 12%) to total net sales.

Order backlog and capacity utilization

At CHF 304.3 million, the Mikron Group reported a high order backlog at the end of 2023, that was up 12.4% on the prior-year figure (end of 2022: CHF 270.7 million). Capacity utilization was high in all three divisions throughout the year.

Profitability

In the 2023 financial year, the Mikron Group again improved its EBIT and profit figures. Compared with the previous year, Mikron increased its EBIT from CHF 26.4 million to CHF 35.3 million (+33.7%). It includes a one-off positive effect of CHF 2.2 million resulting from the sale of a non-operating property in Nidau (Switzerland). The Group thus achieved an EBIT margin of 9.5% for 2023 (2022: 8.5%). The profit increased from CHF 24.2 million to CHF 28.8 million (+19.0%). Profit per share for 2023 came to CHF 1.73 (prior year: CHF 1.47). The Mikron Group's return on net assets (RONA) for the 2023 financial year is an impressive 23.8%.

Innovation and key investments

Following the completion of several development projects, in 2023 Mikron invested another CHF 7.3 million (prior year: CHF 6.5 million) in the development or enhancement of new products and product platforms. These figures include personnel expenses, material costs, and other operating expenses, and represent 2.0% of net sales (prior year: 2.1% of net sales). This does not include day-to-day innovation activities, which are triggered by customer projects and are required to develop new specific assembly or machining processes.

Under its strategic digitalization initiative, in recent years, Mikron has systematically developed, tested, and integrated digital and connectivity-related services and solutions commonly summarized as "Industry 4.0" into existing and new products, processes, and service offerings. The Mikron Machining division, for example, now offers five different state-of-the-art digitalization modules to its customers:

- miConnector – for data sharing with customers' PDAs (personal digital assistant)
- miMachine – for monitoring and analyzing machine and peripheral device data throughout the life cycle
- miMaintenance – for customized maintenance tailored to effective use
- miTool – an advanced tool monitoring system for high-precision part production on Mikron high-performance machining systems or any other machining system.
- miEnergy – for efficient energy consumption management

In order to further strengthen its customer focus, Mikron has slightly adapted its branding and introduced divisional logos for Mikron Automation, Mikron Machining, and Mikron Tool.

Mikron Automation

In the Mikron Automation business segment, demand from its most important sales market, the pharmaceutical and medical technology industries, remained high at all times during the year under review. Following successful fiscal years in 2021 and 2022, the business segment succeeded in further improving its profitability. Mikron Automation's high order intake was characterized by multiple orders from market-leading pharmaceutical companies. Overall, capacity utilization was very good throughout the course of the year. In Asia, business was not as dynamic as in the previous year. However, Mikron Automation again achieved a good profitability level in Asia.

Key figures for Mikron Automation

At CHF 231.2 million, the Mikron Automation business segment exceeded the net sales for the 2022 financial year (CHF 183.8 million) by 25.8%. At CHF 276.1 million, Mikron Automation's order intake again reached a high level and outperformed the previous year's figure of CHF 239.0 million by 16%. The resulting order backlog of CHF 205.1 million at the end of 2023 was 21.5% higher than that at the end of 2022 (CHF 168.8 million). Mikron Automation posted EBIT of CHF 22.0

million (2022: CHF 17.5 million) and an EBIT margin of 9.5% (2022: 9.5%).

53% of Mikron Automation's sales came from Europe (2022: 39% including Switzerland), 32% from North America (2022: 41%) and 12% from Asia (2022: 19%). The business segment again significantly strengthened its market position in the pharmaceutical and medical technology industries. 90% of sales came from this area in 2023 (2022: 91%).

Mikron Machining Solutions

In the Machining Solutions business segment, the Mikron Machining and Mikron Tool divisions generated higher sales than in the previous year.

The exceptionally high order intake in the previous year, when the **Mikron Machining division** was able to acquire numerous long-term orders, led to a significant increase in annual sales in 2023. New orders for lead-free applications in the electronics and consumer industries, as well as other non-automotive applications, contributed to the diversification of the Machining division. After further growth in the first half of 2023, service volumes were down slightly in the second half of the year. The new Mikron Machining management team headed by Matteo Castiglioni was able to position the division in a market niche that allows for constant profitability. Expertise in applications other than the combustion engine and in new markets forms the backbone of this successful transition.

In the **Mikron Tool division**, demand for its high-performance cutting tools remained at a high level. The division increased sales outside the automotive industry in particular by ramping up sales with new products for applications in the pharmaceutical and medical technology industries, and once again achieved good profitability. In parallel, its work with distributors is developing positively and allowing broad market access. Following the retirement of Markus Schnyder, the successful long-term head of Mikron Tool, the new management team under Elio Lupica is now working to further expand Mikron Tool's strong market position with strategic vision and a great desire for innovation.

Key figures for Mikron Machining Solutions

At CHF 139.1 million, net sales in the Mikron Machining Solutions business segment in 2023 exceeded those of the 2022 financial year (CHF 125.7 million) by 10.7%. At CHF 136.1 million, the Mikron Machining Solutions order intake did not reach the record figure of 2022 (CHF 169.0 million, -19.5%). However, the resulting order backlog at the end of the year still amounted to a considerable CHF 99.1 million (end of 2022: CHF 101.8 million). Mikron Machining Solutions posted EBIT of CHF 11.8 million (2022: CHF 9.3 million) and an EBIT margin of 8.5%.

69% of Mikron Machining Solutions' net sales came from Europe (2022: 65% including Switzerland), 13% from North America (2022: 14%) and 17% from Asia (2022: 20%). The business segment achieved 20% of its

net sales in the consumer goods industry (2022: 18%), 15% in the automotive industry (2022: 24%), 13% in the writing industry (2022: 11%), and 10% in the industrial and building industries (2022: 9%).

Outlook for the Mikron Group

The Mikron Group's progress is in line with the Group's medium-term planning and strategy. Mikron started the 2024 financial year in a good position with a sound cost structure, a solid order backlog in both business segments, and an intact demand trend in all key sales markets. However, it remains difficult to provide a forecast for fiscal 2024. The global economic situation remains unstable, particularly as the world is currently characterized by polarizing narratives, global conflicts, and armed clashes. The Mikron Group is expecting overall sales to remain stable in 2024 and a similar operating result margin to 2023.

Consolidated Financial Statements 2023 of the Mikron Group

Consolidated income statement

CHF 1,000	2023		2022	
Net sales	370,241	100%	309,442	100%
Change in work in progress / finished goods	-10,039		-136	
Material costs and subcontractors	-121,839		-104,512	
Personnel expenses	-144,595		-129,100	
Other operating income	1,679		2,043	
Other operating expenses	-53,050		-43,372	
Depreciation of tangible assets	-8,097		-7,649	
Amortization of intangible assets	-868		-966	
Operating result	33,432	9.0%	25,750	8.3%
Financial result	-1,288		-839	
Ordinary result	32,144	8.7%	24,911	8.1%
Non-operating result	1,824		682	
Profit before taxes	33,968	9.2%	25,593	8.3%
Income taxes	-5,179		-1,392	
Profit	28,789	7.8%	24,201	7.8%
Net earnings per share – undiluted	1.73		1.47	
Net earnings per share – diluted	1.73		1.47	

Consolidated balance sheet

CHF 1,000	31.12.2023		31.12.2022	
Current assets				
Cash and cash equivalents	33,960		29,203	
Current financial assets	50,109		35,158	
Accounts receivable	28,682		22,768	
Inventories	81,514		64,046	
Net assets from customer projects	65,736		51,571	
Other current receivables	4,493		3,114	
Prepaid expenses	6,963		6,326	
Total current assets	271,457	72.5%	212,186	61.3%
Non-current assets				
Tangible assets	87,403		88,171	
Intangible assets	2,528		2,943	
Investment property	940		27,170	
Deferred tax assets	11,882		15,452	
Total non-current assets	102,753	27.5%	133,736	38.7%
Total assets	374,210	100.0%	345,922	100.0%
Current liabilities				
Short-term financial liabilities	1,243		1,776	
Accounts payable	25,130		25,351	
Net liabilities from customer projects	90,335		81,333	
Short-term provisions	14,294		11,610	
Other current liabilities	3,271		1,917	
Accrued expenses	22,751		21,266	
Total current liabilities	157,024	42.0%	143,253	41.4%
Long-term liabilities				
Long-term financial liabilities	2,550		3,799	
Long-term provisions	359		768	
Deferred tax liabilities	10,472		12,080	
Total long-term liabilities	13,381	3.5%	16,647	4.8%
Shareholders' equity				
Share capital	1,671		1,671	
Treasury shares	-2,012		-1,654	
Capital reserves	92,466		94,814	
Retained earnings	111,680		91,191	
Total shareholders' equity	203,805	54.5%	186,022	53.8%
Total liabilities and shareholders' equity	374,210	100.0%	345,922	100.0%

Consolidated statement of cash flow

CHF 1,000	2023	2022
Cash flow from operating activities		
Profit	28,789	24,201
Depreciation and amortization	8,965	8,615
Revaluation of investment property	125	429
Net gain (-) / loss (+) on sale of non-current assets	-2,288	-279
Changes in provisions	2,480	-3,374
Changes in deferred taxes	1,246	-1,366
Share-based compensation	599	431
Other non-cash items	2,862	1,953
Movement in accounts receivable	-6,916	-3,417
Movement in inventories	-19,139	-10,839
Movement in net assets/liabilities from customer projects	-7,595	2,939
Movement in accounts payable	82	11,060
Movement in other receivables and prepaid expenses	-2,186	-1,070
Movement in other current liabilities and accrued expenses	3,450	-1,635
Cash flow from operating activities	10,474	27,648
Cash flow from investing activities		
Investments in tangible assets	-8,523	-10,953
Divestments of tangible assets	161	367
Investments in intangible assets	-484	-337
Investments in investment property	-63	-84
Divestments of investment property	28,353	0
Investments in financial assets	-15,059	-35,000
Divestments of financial assets	126	61
Interest received	1,014	11
Cash flow from investing activities	5,525	-45,935
Cash flow from financing activities		
Purchase of treasury shares	-1,618	0
Sale of treasury shares	119	0
Distribution to shareholders	-6,616	-3,946
Increase (+) / repayment (-) of financial liabilities	-400	-400
Repayment (-) of finance lease liabilities	-1,368	-1,683
Interest paid	-81	-101
Cash flow from financing activities	-9,964	-6,130
Effect of exchange rate changes on cash and cash equivalents	-1,278	-487
Net cash flow	4,757	-24,904
Increase (+) / decrease (-) of cash and cash equivalents	4,757	-24,904
Cash and cash equivalents at beginning of period	29,203	54,107
Cash and cash equivalents at end of period	33,960	29,203

Notes

1. General information

Mikron Holding AG is a limited company under Swiss law, domiciled in Biel. Its shares are listed on the SIX Swiss Exchange.



The full 2023 Annual Report can be viewed on the Mikron website:

www.mikron.com/financial-reports
An online version is available under www.report.mikron.com

2. Accounting principles

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER. However, the data presented in the short version of this report should be read in conjunction with the full Annual Report for the year 2023. This short version does not fulfill all the disclosure requirements of Swiss GAAP FER nor are the accounting principles set out.

3. Scope of consolidation

The consolidated financial statements include Mikron Holding AG, Biel, 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.

Corporate Governance und Compensations

The full Corporate Governance and Remuneration Reports are part of the detailed Annual Report. This is available on the Mikron website (www.mikron.com/financial-reports).

Corporate structure

Based in Biel, Mikron Holding AG is organized as a holding company under Swiss law and directly or indirectly holds all Mikron companies worldwide. Mikron Holding AG is listed on SIX Swiss Exchange in Zurich (Security Symbol MIKN/ISIN CH0003390066) and on 31 De-

cember 2023 had a market capitalization of CHF 255.7 million. The Mikron Group is organized by business segments.

The business segments are structured according to market, product and service type and encompass all the functions required by an in-

Principles of the Mikron Group 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 lockup 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.

dependent company, such as sales, development, production, logistics and administration. The centralized special departments, such as Accounting and Controlling, Treasury, Corporate Communications and Corporate IT Services, are part of the Corporate Service, which supports the individual companies as well as the Board of Directors and Group Management in their management and control functions. Among other things, the Corporate Service reports the income and expenditure related to an industrial property that is not required for operations and is rented out to third parties.

The Mikron Group consists of 9 active companies worldwide. The corporate structure and the companies are listed on page 163 of the Annual Report. The Mikron Group's management structure is independent of its legal structure.

Board of Directors

The Board of Directors is entrusted with the ultimate direction of the Company as well as the supervision of the 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 duties 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 company's Board of Directors consists of five members. None of them maintains a significant business relationship with the Group.

- **Paul Zumbühl**, Dipl. Ing., MBA, AMP, Swiss, born in 1957, Chairman, non-executive, first elected 2018, elected until 2024
- **Andreas Casutt**, Dr. iur., LL.M., Swiss, born in 1963, Member, non-executive, first elected 2013, elected until 2024
- **Hans-Michael Hauser**, MSc Physics, MSc Mathematics, Engineer, MBA, German, born in 1970, member, non-executive, first elected 2016, elected until bis 2024
- **Alexandra Bendler**, Dr. Ing., German, born in 1973, Member, non-executive, first elected 2022, elected until 2024
- **Hans-Christian Schneider**, MSc Microtechnology, MBA, Swiss, born in 1979, Member, non-executive, first elected 2022, elected until 2024

Group Management

The Board of Directors delegates the task of operational management to the members of Group Management. Group Management comprises the CEO, the CFO and the segment head Automation.

- **Marc Desrayaud**, CEO, Head of Mikron Machining Solutions, French, born in 1965, joined 2021
- **Rolf Rihs**, Head of Mikron Automation, Swiss, born in 1963, joined 2002
- **Javier Perez Freije**, CFO, Spanish, born in 1975, joined 2018

Auditors

The Annual General Meeting elects the auditors for one year at a time. Since 2022, BDO AG, Berne, has held the auditing mandate at Mikron Holding AG, its companies and the Mikron Group.

Significant shareholders

The following table illustrates the shareholder structure of Mikron Holding AG. It also lists and names those shareholders who, as at 31 December 2023, hold 3% or more of the voting rights of Mikron Holding AG.

Compensation policy

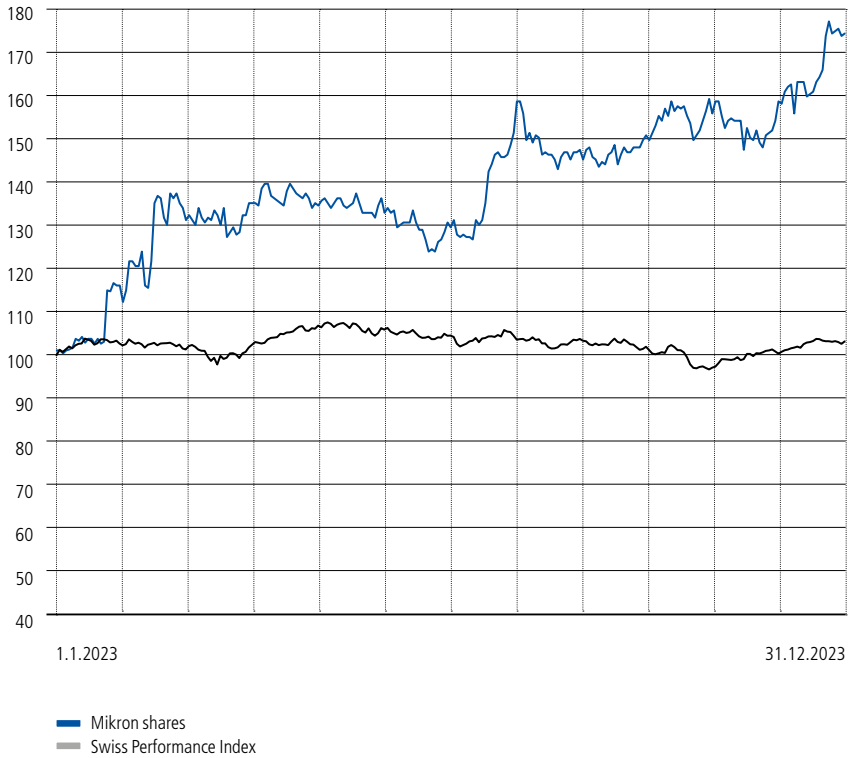
Overall responsibility for defining the basic principles of compensation lies with the General Meeting. The Board of Directors determines compensation within the boundaries defined by the General Meeting. It approves the compensation paid to members of the Board of Directors, the Board Chairman and the entire Group Management.

The remuneration for the financial year 2023 can be found in the detailed Annual Report.

Shareholders	31.12.2023		31.12.2022	
	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%	6,999,700	41.9%
Rudolf Maag	1,213,588	7.3%	2,348,588	14.1%
Thomas Matter	850,000	5.1%	736,000	4.4%
Alfons Niedhart	n/a	<3.0%	514,092	3.1%
Public shareholders	6,201,575	37.0%	5,891,752	35.2%
Board of Directors and Group Management	281,069	1.7%	222,612	1.3%
Total	16,712,744	100.0%	16,712,744	100.0%

Share performance

in %



The Mikron Group

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 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 and Lithuania. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN). The Mikron Group employs a total workforce of around 1,550.

Mikron Holding AG
Mühlebrücke 2
CH-2502 Biel

Phone +41 32 321 72 00
Fax +41 32 321 72 01

ir.mma@mikron.com

Published in English and German

March 2024, © Copyright Mikron Holding AG
Mikron® is a trademark of Mikron Holding AG, Biel (Switzerland).

Except for the historical information contained herein, the statements in this document are forward-looking statements that involve risks and uncertainties.

