

Annual Report 2023

CREATING TOGETHER



komax

The Komax Group is a pioneer as well as market and technology leader in automated wire processing solutions. Serial production machines, customer-specific systems, quality assurance modules, test systems, networking solutions, and services are all provided on a one-stop basis. The Komax Group aims to further expand its leading position and set the pace on the trends that are important today, such as automation, e-mobility, and autonomous driving. To this end, it is channeling above-average investment into research and development.

The Komax Group has ambitious growth and profitability targets. Through its business strategy, which is geared toward long-term success, the Komax Group aims to create sustainable value for all stakeholders.

KEY FIGURES

752¹ million
revenues in CHF
(2022: 606 million)

68² million
EBIT in CHF
(2022: 72 million)

¹ Excluding one-time effect (CHF +10.9 million).

² Excluding one-time effects (CHF +5.0 million).

8.55 basic earnings per
share in CHF
(2022: 12.11)

55.1% equity ratio
(2022: 53.2%)

51.7 free cashflow
in CHF million
(2022: 17.6 million)

3 490 employees as at 31.12.
(31.12.2022:
3 390 employees)

7.56 tCO₂e emissions per
CHF 1 million revenues (Scope
1 and Scope 2, market-based)

11.0% employee
turnover rate

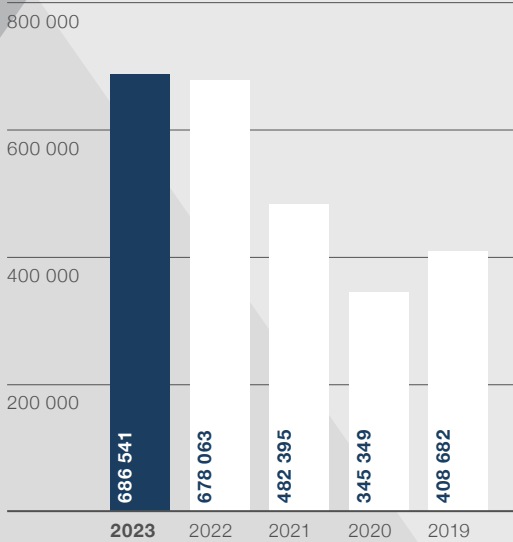
19% of electricity is generated from
renewable energy sources

68% of material processed
is renewable

KEY FIGURES FIVE-YEAR OVERVIEW

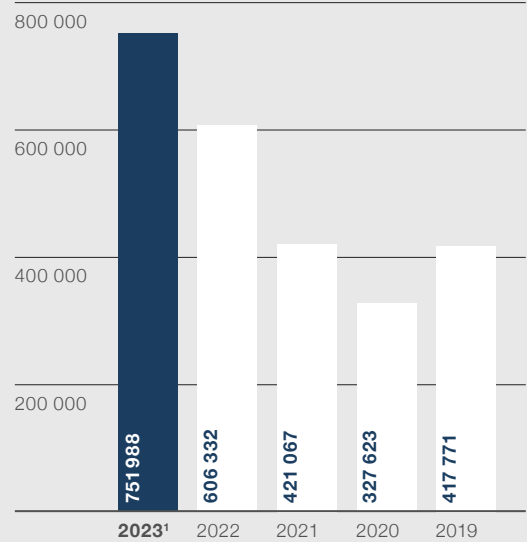
Order intake

in TCHF



Revenues

in TCHF

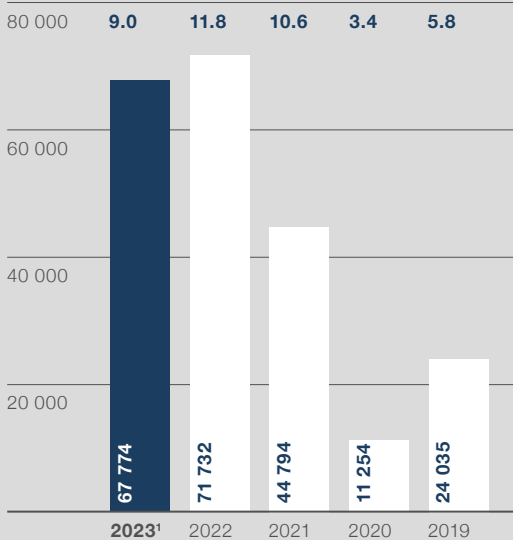


¹ Excluding one-time effect (CHF +10.9 million).

Operating profit (EBIT)

in TCHF

EBIT in % of revenues

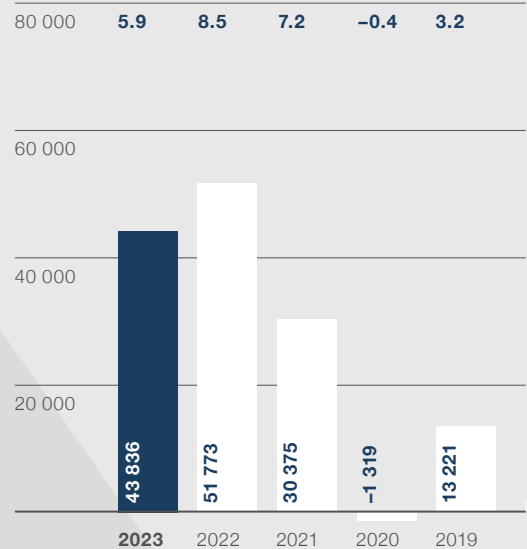


¹ Excluding one-time effects (CHF +5.0 million).

Group earnings after taxes (EAT)

in TCHF

EAT in % of revenues



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MANAGEMENT REPORT

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DEAR SHAREHOLDER

The 2023 financial year was characterized by a challenging market environment. This was reflected in the order intake and – in the second half of the year – also in revenues, as customers increasingly pushed back investment projects. Thanks to the growth in revenues resulting from the combination with Schleuniger, the Komax Group delivered a revenue result that was significantly higher than in the already very strong previous year. The long-term trend toward automation remains intact, and – with its Strategy 2028 – the Komax Group is ready to harness the opportunities that present themselves and secure further profitable growth.

Economic and geopolitical uncertainties made themselves felt in the Komax Group's 2023 financial year. Among other factors, higher interest rates in key sales markets and the muted development of the market in China impacted on customers' willingness to invest. This reticence became increasingly pronounced as the year went on. Bolstered by the combination with Schleuniger, the result was a 1.3% increase in order intake to CHF 686.5 million (2022: CHF 678.1 million).

Significant increase in revenues

The Komax Group started the reporting year with record order books of CHF 306.3 million. This was due in particular to additional orders resulting from the shift in production capacities

owing to the war in Ukraine. By the end of the year, this figure had been worked down to CHF 208.2 million, a solid order backlog for the Komax Group. A key factor in the marked 24.0% increase in revenues to CHF 752.0 million (2022: CHF 606.3 million) was Schleuniger's first full-year contribution, following a contribution of just four months in the 2022 financial year. Accordingly, the revenue increase consisted of strong acquisition-driven growth of 30.6% and an organic contraction of 3.5%. The foreign currency effect was negative at -3.1%. The one-time effect from the completion of the sale of the building at the Rotkreuz production site in Switzerland in 2023 is not included in this figure. If one-time effects are factored in, revenues increased to CHF 762.9 million.

Revenue development in Asia lower than expected

The trend toward a higher level of automation in wire processing continued in the year under review. The Komax Group is operating in a growth market. Rising wage costs, a shortage of skilled labor, miniaturization in wires, and increasingly stringent quality requirements are encouraging customers to look more and more to automation for solutions. As a consequence of the difficult economic situation, however, market performance varied from region to region in the reporting year. Business activity continued to lag well behind expectations in China in particular. In Asia/Pacific, the Komax Group recorded a contraction of 6.4% in revenues, with its share of revenues generated in this region declining to 16.6% (2022: 22.0%). By contrast, growth in other regions – North/South America (+55.6%), Europe (+29.3%), and Africa (+6.0%) – was substantial in many cases, due above all to the combination with Schleuniger. This was the case in the Americas, too, where the market position in the Industrial & Infrastructure market segment was strengthened significantly through the combination.

Profitability shaped by multiple factors

The deferral of investment decisions by customers primarily affected the Komax Group's high-margin volume business, which explains why the impact on the operating result was significant. Operating profit (EBIT) totaled CHF 67.8 million for full-year 2023, down 5.5% on the previous year (2022: CHF 71.7 million). The EBIT margin stood at 9.0% (2022: 11.8%). If two one-time effects are factored in – the sale of a building in Rotkreuz (EBIT increase of CHF 11.1 million) and the closure of the site in Jettingen (EBIT reduction of CHF 6.1 million) – EBIT rises to CHF 72.8 million. Including the one-time effects, Group earnings after taxes (EAT) amounted to CHF 43.8 million (2022: CHF 51.8 million), corresponding to a year-on-year change of –15.3%.

Structure optimizations and integration of Schleuniger

The companies in the Schleuniger Group were successfully integrated into the Komax Group business units in 2023. The organizational focus in the year under review was on optimizing the global distribution and service network. The Komax and Schleuniger distribution channels

were merged to enable customer needs to be addressed in the best possible way and allow the portfolio to be offered on a one-stop basis from a single source. As part of this, Komax Portugal was sold to distribution partner Estanflux in Spain, which now covers the entire Iberian Peninsula. In addition, the Komax Group acquired the Alcava Group, Schleuniger's distribution partner in France, Morocco, and Tunisia, thereby further strengthening the market position in these growth markets. Optimizations were completed in 2023, with the exception of a few countries. The Komax Group is also working on analyzing its product portfolio and its production locations. In 2023, it ceased operations at Komax Testing Brasil in Colombo, Brazil, and implemented the first steps for the closure of Schleuniger GmbH's branch office in Jettingen, Germany.

Additional service thanks to the acquisition of WUSTEC

To expand its offering in the growing Industrial & Infrastructure market segment, in 2023 the Komax Group acquired German company WUSTEC, a specialist in automated wire prefabrication. WUSTEC operates a digital platform that allows companies active in control cabinet and machine building to order prefabricated, labeled wire sets that will be delivered within 48 hours.

Very high free cash flow

The Komax Group has a solid financial basis that contributes to the further development of the Group as a whole and offers security in a challenging market environment. As at 31 December 2023, shareholders' equity totaled CHF 390.6 million (31 December 2022: CHF 416.6 million), with an equity ratio of 55.1% (2022: 53.2%). Free cash flow rose significantly to CHF 51.7 million (2022: CHF 17.6 million). Net debt decreased from CHF 105.5 million (2022) to CHF 92.9 million, with the debt factor (net debt divided by average EBITDA) still only at 1.00 (31 December 2022: 1.19).

Changes on the Board of Directors

After serving on the Board of Directors for twelve years, Kurt Haerri will not be standing for re-election at the 2024 Annual General Meeting due to term-of-office limitations. The Board of Directors and the Executive Committee wish to thank him most sincerely for his substantial

commitment to the Komax Group. The Board is proposing that Annette Heimlicher be elected as a new member of the Board of Directors. Annette Heimlicher has been CEO of the Contrinex Group since 2012 and has a wealth of business experience at an internationally active industrial company headquartered in Switzerland. The Contrinex Group is a global technology leader in smart sensors for complex automation and Smart Factory applications.

Distribution of CHF 3.00

To take account of the volatile and challenging business environment, the Board of Directors is proposing to the Annual General Meeting a dividend of CHF 3.00 (previous year: CHF 5.50). Half of this amount will be distributed from capital contribution reserves, and will therefore be tax-free for natural persons domiciled in Switzerland who hold the shares as part of their private assets.

Strategy 2028 sets ambitious targets

The Komax Group formulated its Strategy 2028 in the year under review and has set ambitious targets. Its aim is to continue to grow profitably and achieve revenues of CHF 1.0–1.2 billion in 2028, alongside EBIT of CHF 120–160 million. This corresponds to annual average growth in revenues of 6–9%. Given that the level of automation in wire processing has to date not exceeded 20%, there is enormous growth potential, and the Komax Group intends to make full use of this. To do so, it is focusing on expanding business in Asia, extending its service offering, and increasing the proportion of revenues generated by non-automotive business. ESG (Environmental, Social, Governance) is an integral part of the strategy. The Komax Group has set itself 13 non-financial targets that are set out for the first time in an ESG Report in accordance with GRI Standards.

Outlook


The weaker market development that made itself increasingly noticeable toward the end of 2023 is persisting, and the Komax Group started the new financial year with a lower order backlog than in the previous year. It is confident, however, that the trend toward automation will continue unabated, and hence so, too, the demand for its solutions. The Komax Group will continue to drive the integration process forward in 2024, optimizing additional structures so as to be best equipped to implement its 2028 growth strategy.

The market is currently showing signs of extreme volatility, as it is still beset by a number of economic and geopolitical uncertainties. Consequently, visibility in terms of the development of business is very low, and no forecast for the 2024 financial year can be made as yet.

Yours sincerely,



Dr. Beat Kälin
Chairman of the
Board of Directors



Matijas Meyer
CEO

CREATING TOGETHER

Trust-based customer relationships are the key to success for the Komax Group. Together with long-standing customers, such as Turkish automotive supplier Nursan, the Group has been continually driving the advancement of wire processing automation.

Worldwide, the Komax Group has several thousand customers in the three market segments Automotive, Industrial & Infrastructure, and Aerospace & Railway. The automotive market is by far the largest market for the Komax Group, accounting for approximately 75% of revenues. Over decades, it has fostered close relationships with its customers, helping them systematically take the automation of their production processes to the next level and thereby enabling them

to strengthen their competitiveness through greater cost efficiency and quality improvements.

Nursan – a wiring systems expert on a growth trajectory

Founded in 1976 in Güngören near Istanbul in Türkiye, Nursan, with its approximately 8 000 employees, is now a major manufacturer of wiring systems for the automotive industry. Nursan uses, among other things, machines from the



Nursan's "Plant 1" in Tavşanlı, Istanbul, Türkiye.



The biggest manufacturing site, Nursan's "Plant 1" in Tavşanlı, İstanbul, Türkiye, produces wire harnesses for up to 750 000 vehicles each year. Among the machines it uses to do this are Sigma 688 twisting machines, Komax's Alpha series crimp-to-crimp-machines, and the CrimpCenter from Schleuniger.

Komax Group to produce a broad range of wire harnesses, primarily for cars and light commercial vehicles, but also for trucks, buses, and tractors. To this end, there are currently around 170 fully and semi-automatic wire processing machines from Komax und Schleuniger in operation, as well as the 4Wire CAO MES (Manufacturing Execution System) from DiIT GmbH. The company manufactures at nine sites in Türkiye and Bulgaria. Annually, wire harnesses for up to 750 000 vehicles are produced at the Turkish site in Tavşanlı alone.

Nursan increased revenues by more than 35% from 2021 to 2023. The Komax Group worked closely with the company, supporting it in its growth trajectory with its products and services. The wire harness expert is targeting continued strong growth in the future, and can count on the Komax Group as its partner of choice.

Long-term partnership between Nursan and the Komax Group

The trust-based partnership between the Komax Group and Nursan stretches back over three decades and is strengthened by regular exchanges

between the companies and the Komax Group's representative agent in Türkiye. Reliability on deadlines, quality, and service are important pillars of this partnership. In the reporting year, the two former Schleuniger and Komax representative agents together created Binova, a new firm that, going forward, will be Nursan's direct point of contact for all products and services of the Komax Group and will work closely with it.

OVERVIEW OF NURSAN

- Founded in 1976 in Güngören, İstanbul, Türkiye
- Headcount of approximately 8 000
- Revenues of around EUR 338 million in 2023
- Nine production sites in Türkiye and Bulgaria
- Globally active automotive manufacturers as customers
- Around 170 machines from Komax and Schleuniger in operation

Interview with Ahmet Arslan

Deputy General Manager at Nursan Kablo Donanımları & Nursan Otomotiv EOOD.

Ahmet Arslan, how do you see the long-term trend toward automation in wire processing and what do you consider to be the main drivers for this?

The long-term trend toward automation in wire processing is motivated by many factors, such as the need for increased productivity, cost reduction, and quality improvements, as well as customization flexibility, safety, global competition, and supply chain resilience. Sustainability and the challenge of addressing skills shortages are coming on top of these trends. These factors drive industries to adopt automated systems for enhanced efficiency and competitiveness.

What does this mean for the automotive industry specifically?

Increasing use of electrical components and partially autonomously controlled vehicles make wire processing much more complicated. New production methods and the use of advanced technology will become much more important, even inevitable. We believe that we will get the best results with the best partners, so we are planning to continue this journey with the Komax Group in the future, as we have done in the past.

Can you name the biggest challenges in your wire processing business?

The biggest challenges in automated wire processing include high initial investment costs, the adaptation of employees to automated processes, integration complexities, cybersecurity concerns, and maintenance issues. Successfully navigating these challenges while leveraging the opportunities arising from the trends I mentioned above can lead to long-term success in the wire processing business.

What are the advantages of automated wire processing for Nursan compared to manual work?

Solutions for automated wire processing, such as the Komax Group's, provide us with advantages such as enhanced speed, precision, cost reduction, continuous production, improved safety,



Interview with Ahmet Arslan.

flexibility, and data analysis capabilities. They ensure consistent quality and scalability for large-scale production, while minimizing human fatigue. With initial investments and maintenance taken into account, a balanced integration of automated and manual processes can optimize manufacturing efficiency for Nursan.

How relevant is sustainability at Nursan and how do you implement it?

Sustainability is integral for Nursan to ensure environmental responsibility and operational efficiency. Implementation strategies include, among others, investing in energy-efficient machines, selecting sustainable materials, minimizing waste, fostering a green supply chain, conducting life cycle assessments, reducing emissions, engaging employees, and ensuring regulatory compliance. These initiatives collectively position Nursan as a socially responsible and environmentally conscious manufacturing entity.

What do you appreciate most about working with the Komax Group?

The Komax Group delivers the most advanced wire processing technology, and we are eagerly implementing it into our production processes. We get fast and reliable technical support, sufficient spare parts, less waste, and efficient traceability. Together with the long lifetime and durability of the machines and the advanced safety features, we can maintain consistent wire processing, ultimately increasing the satisfaction of our own customers.

How can the Komax Group support Nursan in the future?

We are pleased with the production capacity and quality we have achieved together with the Komax Group and we would like to take this even further in the future. To support Nursan even better, the Komax Group could provide more customized solutions and trainings, enhanced technical support, and implement features like remote monitoring. Frequent updates, more sustainable machines, and Industry 4.0 integration could enhance Nursan's efficiency and success in wire processing.

“The Komax Group’s solutions for automated wire processing provide us with advantages such as enhanced speed, precision, cost reduction, continuous production, improved safety, flexibility, and data analysis capabilities. They ensure consistent quality and scalability for large-scale production, while minimizing human fatigue.”

Ahmet Arslan, Deputy General Manager at Nursan



Komax wire processing machines in operation at Nursan.

Continuous development of customer-oriented solutions

The Komax Group takes feedback from customers very seriously and strives to take quality, productivity, and flexibility in wire processing to new levels at all times. It is constantly improving its customer service with elements such as bespoke Value Creation Packages for customers and the ongoing optimization of its service network. It is also working on the introduction of eco-design checks for all products newly developed as of 2025, so as to ensure greater sustainability in design. With the implementation of its vision of the networked factory, SMART FACTORY by KOMAX (▶ page 48–50), the Komax Group is developing a number of additional solutions and services in various areas, with the aim of generating added value for its customer base across the customer journey.

INTERVIEW

The integration of Schleuniger made very good progress in 2023. Even in the current challenging market situation, the Komax Group remains confident that it can leverage the existing growth potential and achieve its 2028 targets.

Matijas Meyer, the 2023 financial year did not develop as well as had been anticipated at the beginning of the year under review.

Why was that?

Matijas Meyer: We recorded lower revenues in China in particular and received fewer orders than planned. We were on track for much of the year in Europe and North/South America. It was only toward the end of 2023 that our customers became noticeably more reticent about investing. Consequently, we fell just short of our original revenue target by CHF 20 million, or 2.5%.

Why did this shortfall of CHF 20 million reduce the EBIT margin so significantly?

Matijas Meyer: Our EBIT development depends very much on the product mix. Since the losses we sustained were primarily in our volume business, this had a disproportionately high impact on our EBIT figure. The strong appreciation in the Swiss franc in the second half of December was a further negative factor.

In 2023, almost 10% more vehicles were manufactured than in 2022. Why did the Komax Group not benefit even more from this increase in the number of wires needing to be processed?

Matijas Meyer: In 2022, Komax and Schleuniger received extraordinary orders totaling around CHF 100 million due to the outbreak of war in Ukraine. As this is where 7–8% of Europe's wire harnesses are manufactured, the automotive industry needed to protect its supply chain and consequently built up additional production capacities in other countries, in Eastern Europe and North Africa in particular. Over the course of 2023 it became apparent that there was excess capacity, as a large number of wire harn-

esses continued to be manufactured in Ukraine. Our customer base was able to use this to cover part of the growth in the vehicles manufactured without ordering additional machines from us.

Beat Kälin, the automotive market also grew in China, where the war in Ukraine has no direct impact. Is the Komax Group's positioning in China sufficiently strong to participate in this growth?

Beat Kälin: The Komax Group is our industry's number one in terms of revenues in China, too. Our customers there include a number of global and local wire harness manufacturers as well as a few big automotive manufacturers. If you compare the size of the market with our revenues in China, however, then it becomes apparent that our position is much stronger in other regions. This being the case, China is a focus area in our Strategy 2028, which we approved in 2023. We did this for two reasons: first, China offers us a great deal of growth potential and, second, the Chinese competition is becoming increasingly stronger.

How did this manifest itself in 2023?

Beat Kälin: Some of our customers are applying a second-source strategy, buying wire processing machines from a number of suppliers. Given that Schleuniger is no longer available as an option in addition to Komax, our customers are increasingly looking to Chinese providers. This intensifies the competitive situation, especially if only prices are being compared. Which all becomes relative as soon as the machines offered by the Komax Group and its competitors are compared in detail. This is why we have considerable challenges to meet in China to enable us to defend our position.



CEO Matijas Meyer (left) and Chairman of the Board of Directors Beat Kälin.

What does this mean in terms of strategy?

Beat Kälin: We have to be even closer to our customers in China, as speed is a key competitive factor. What this means specifically is that we increasingly manufacture the products destined for China and the wider Asian market directly in China and adapt them in line with local requirements. The Komax Group has already been manufacturing products and producing applications in China for years, and so it has the necessary experience. The combination with Schleuniger has also brought us additional expertise, with the manufacturing site in Tianjin. This will be further reinforced in the future. In other words, the localization of machines for the Asian market that I mentioned earlier will take place in Tianjin. The steps to implement this are already underway.

Will this be enough to increase the market share in China?

Beat Kälin: Our strategic focus areas encompass a whole host of measures to enable us to

achieve our targets. Alongside the aforementioned localization, we would be open, for example, to acquisition-driven reinforcement in China if we were convinced that a company could make a material contribution to our sustainable, profitable growth strategy.

How is the integration of Schleuniger progressing?

Matijas Meyer: Overall, I am very satisfied. A number of teams are already so well blended that, for outsiders, it is probably no longer possible in many places to discern whether an individual employee originally came from Komax or Schleuniger. We migrated the Schleuniger companies to the Komax IT environment in 2023, thereby facilitating collaboration among employees.



“The optimization of the product portfolio will help to steadily reduce complexity and bring down maintenance costs.”

Matijas Meyer, CEO

What proved to be particularly important in the integration process in 2023?

Matijas Meyer: The top priority was not to lose any customers. We achieved that. Last year already, we managed to optimize almost the entire distribution network, which was an important factor in this. Prior to the combination, Schleuniger worked with 36 distributors worldwide. Although Komax also works with distributors, it has a far higher number of its own companies that take care of distribution and service locally. Now the focus has shifted to working out a solution for each individual country, so that ultimately all products from the entire Komax Group can be offered on a one-stop basis from a single source. Where there was both a Komax and a Schleuniger distributor in a country, it was

not always easy to find a solution, but we have already come a long way.

Have you so far focused exclusively on distribution structures?

Matijas Meyer: Absolutely not. We also carried out an intensive analysis of the product portfolio, which has become even more comprehensive following the combination with Schleuniger. There is some overlap in individual product segments, and we are working on these. We are applying a "best of" strategy here, which means taking products off the market on a gradual basis. The remaining products will be developed further, some of them incorporating functions from products that have been discontinued. The optimization of the product portfolio will help to steadily reduce complexity and bring down maintenance costs, but it will take a few years before this process is complete.

The Komax Group announced its Strategy 2028 in 2023. Where does the strategy place the focus for achieving the targets set?

Beat Kälin: We want to continue to grow robustly and profitably, achieving revenues of CHF 1.0–1.2 billion in 2028, alongside an operating result of CHF 120–160 million. This corresponds to annual average growth in revenues of 6–9%. To meet this target, we have defined various focus areas. We have to expand the service business, which has consisted primarily of the spare parts business to date. As already mentioned, we also need to extend our business in Asia – in China in particular, but also in India. In addition, there is still considerable automation potential that we could better leverage in the Aerospace & Railway and Industrial & Infrastructure market segments. It is also crucial that we continue to bring onto the market solutions that offer our customers a genuine competitive edge, by – for instance – significantly increasing automation or ensuring quality assurance along the entire value chain.

ESG is an integral component of the new strategy for the first time. Why only now?

Beat Kälin: Environmentally sustainable business practices along with socially oriented and responsible company management have been anchored as core elements in our strategy for a good few years now. What's new is that we are now grouping these concepts together under the umbrella term "ESG" and communicating

more clearly that this forms the framework of our strategy. As part of this, we have defined 13 non-financial targets that we aim to achieve by 2028. We have also significantly expanded our ESG reporting and issued an ESG Report in accordance with GRI Standards.

What topics will be a high priority for you in 2024?

Matijas Meyer: The market situation is very challenging at the moment, as customers continue to be reticent about investing. This means we have to intensify our distribution activities and, wherever possible, reduce costs. We already started to do this in the second half of 2023. Alongside these aspects, a central element in my view is the implementation of our Strategy 2028. We have set ourselves ambitious financial targets and – as I see it – nothing has changed in terms of our ability to achieve them.

What makes you so confident despite the current difficulties in the market situation?

Matijas Meyer: We are operating in a growth market, as the trend toward automation is essentially intact. Since only 20% of wire processing is carried out by machines, there is enormous growth potential for us. The targeted revenues of over one billion Swiss francs in 2028 looks a long way off from where we are standing now, but at no point did we ever expect growth between 2024 and 2028 to be linear. The coming years will bring a number of exciting product launches, and these – coupled with many other strategic initiatives – will help us achieve our targets. On top of this, we will continue to optimize the Komax Group structurally so as to make the best possible use of the potential offered to us through the combination with Schleuniger.

“The Komax Group is our industry’s number one in terms of revenues in China, too.”

**Beat Kälin,
Chairman of the Board of Directors**



MEGATRENDS ACCELERATE GROWTH

Global cross-sectoral megatrends and developments in the Komax Group's principal market, the automotive industry, are accelerating the growth of the company. Changes in the labor market, environmental awareness, and the rising complexity of end products, as well as a corresponding increase in quality requirements, are all fueling a steady rise in demand for automation solutions.

The various megatrends that are becoming increasingly harmonized across the three market segments of the Komax Group stand in contrast to the persistently low level of automation at the factories of wire manufacturers. The lion's share of wire processing (approx. 80%) is still done by hand. Manual production is facing increasing challenges that can be overcome by means of process automation.

Rising wage costs

Due to wage cost considerations, customers currently produce the majority of their wire harnesses in emerging markets. In the long term, however, it is likely that today's low-wage countries will see a further rise in wage costs, prompting a further rise in automation. Geopolitical uncertainties are another factor here. The repercussions of global events of recent years – from the coronavirus pandemic and difficulties in international supply chains to the war in Ukraine and

developments in the Middle East – are prompting a rethink by customers of the Komax Group. They are looking to shorten their supply chains with a view to strengthening security of supply. However, if wire processing were to be repatriated to countries with higher personnel costs, headcount would have to be reduced in order to offset this additional expenditure. And this in turn would only be possible with a significant rise in the degree of production automation.

Growing shortage of skilled labor

For several years now, a growing shortage of skilled personnel has been a feature of the international labor market. Particularly in technical positions and in assembly line work of the kind that plays such an important role for the customers of the Komax Group, finding sufficient personnel to match business growth has become an increasing challenge. This development, too, will prompt investment in automation solutions.

GROWTH DRIVERS OF THE KOMAX GROUP

Automation

Cross-sectoral drivers

Rising wage costs



Traceability



Lack of skilled workers



Miniaturization



Automotive industry drivers

More wires per vehicle



Simplifying of wire harnesses



Autonomous driving



E-mobility



Vehicle production

Rising number of vehicles manufactured

CAGR 5–6%¹

+

CAGR 1–3%¹CAGR 6–9%¹¹ Compound annual growth rate of the Komax Group 2023–2028.**Miniaturization continues to make inroads**

Another factor driving automation is the ongoing miniaturization of wires. Wire cross-sections are becoming ever smaller, which makes manual processing difficult or even impossible.

Increasing complexity necessitates seamless traceability

Particularly in the sphere of transportation, be it in cars, planes, or public transport, the complexity of systems is on the rise as a result of technological progress. The autonomous driving trend coupled with end customers' needs for greater security, comfort, and entertainment are resulting in an increasing number of wires, as well as new wire types.

The rising complexity of wire harnesses in end products is increasing in step with the quality demands placed on wire manufacturing. The rapid proliferation of the zero-error tolerance principle means there is a growing need for

quality assurance systems. These test systems guarantee the highest possible functionality of wire harnesses and electronic assemblies. Manual processes are increasingly ill-suited to these greater demands, and the potential sources of error are multiplying accordingly. However, defective wire harnesses require considerable time and expense to repair or replace once they have been installed, which inevitably comes at the cost of productivity and profitability. Moreover, functional defects in electronic systems can lead to serious reputational damage.

An important criterion of quality assurance is therefore the seamless traceability of the individual process steps. Only in this way can any flaws at the production stage be rapidly identified and eliminated. Intelligent automation solutions, quality assurance tools, and systems for testing wire harnesses before they are installed in end products help guarantee the efficiency, safety, and consistently high quality of the production

process. This has been widely recognized, not least by automotive manufacturers, which is why they are increasingly calling on their suppliers to increase the degree of automation in their production processes.

Cross-sectoral automation trend

Based on market analysis being gathered for Strategy 2028, the Komax Group is expecting automation alone to lead to an average annual growth rate of 5–6% (➤ page 25). In other words, the cross-sectoral automation trend is going to be by far the most important driver of business in the three market segments of the Komax Group over the next few years.

Growth drivers in the automotive industry

Even after the combination with Schleuniger, the Komax Group generates the bulk of its revenues in the automotive industry (approx. 75%), and therefore benefits from the long-term global megatrends of this industry. These include growing environmental awareness among consumers and the need for greater safety and comfort in vehicles. On top of this, a global megatrend toward affordable vehicles is emerging. Despite the growing complexity of vehicles, individual mobility has to remain within the means of consumers if it is to be a feasible option for as many people as possible.

Rising number of vehicles being manufactured

After the slump of 2019/2020, global automotive manufacturing is back on a growth trajectory. According to S&P Global Mobility analysis, some 90 million cars and light commercial vehicles were manufactured worldwide in 2023. The volume of production has therefore increased significantly (2022: 82 million vehicles). For the next five years (2024–2028), S&P Global Mobility is predicting an average annual growth rate in vehicle production volumes of just over 1% (more on market development: ➤ page 40 onwards).

More wires per vehicle

Innovations in vehicle construction, new functionalities, and an ever-rising fit-out level in all vehicle classes are leading to a further increase in demand for the wires produced for each vehicle. The electrical systems in today's compact passenger cars already comprise as many as 1 300 wires, 2 300 crimp contacts, and 300 plug

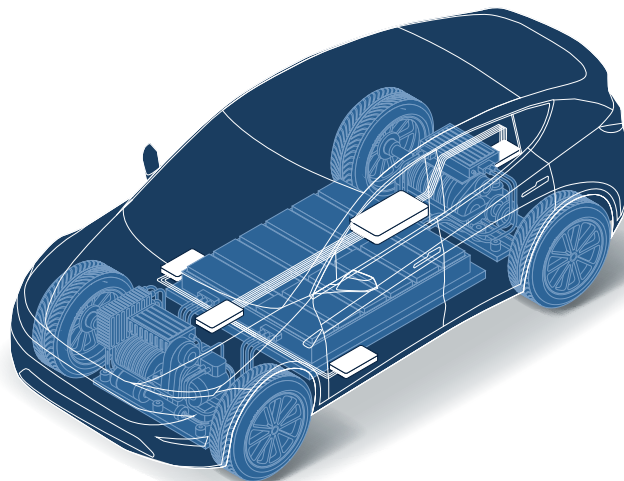
connectors. Premium vehicles require as many as 2 100 wires, up to 4 000 crimp contacts, and over 500 plug connectors. This is several times as many as in vehicles built two decades ago.

E-mobility calls for new wire processing solutions

Growing environmental awareness among consumers and the associated target of emission-free vehicles are some of the megatrends that will underpin the business of the Komax Group in the long term. In addition, the need for a more sustainable approach to the use of the Earth's resources is being increasingly boosted by regulatory measures. For example, from 2035 onwards, no new passenger cars with diesel or petrol engines will be registered in the European Union (➤ page 42). In the most important market segment for the Komax Group – the automotive industry – the shift from combustion engine vehicles to e-mobility plays a key role. New types of high-voltage cables will have to be processed for these hybrid and electric vehicles (➤ page 43). This is an opportunity for the Komax Group to create further unique selling propositions and thus additional sales opportunities.

Simplifying wire harnesses through zonal architecture

The aforementioned cross-sectoral growth drivers (➤ page 19) are leading to specific developments in the automotive industry to facilitate the automated production of wire harnesses. A number of automotive manufacturers and suppliers are seeking to radically simplify the wire harness. The Komax Group is involved in such projects (➤ page 51), and is demonstrating what changes are needed to wire harnesses in order to facilitate a greater degree of automation in the production process. The goal is a zonal electrical system with several smaller wire harnesses rather than one big, complex one. Wire length is reduced overall, but not necessarily the number of wires used, and this is the key element for the Komax Group. Simpler wire harnesses with shorter wires are easier to produce on an automated basis, and will help ramp up the degree of automation. Efforts to simplify wire harnesses should also generate cost savings. Individual mobility has to remain affordable for consumers. This requires greater cost efficiency in manufacturing, which is in turn increasing the pressure to automate wire processing further.

ZONAL ARCHITECTURE OF THE WIRE HARNESS IN THE VEHICLE

The zonal architecture of the wire harness in the vehicle uses zone control units (shown as white boxes in the diagram) to divide the wire harness into several small harnesses with short wires, which are easier to automate.

Autonomous driving

A further trend is the growing degree of interconnectedness. It is not just vehicle infotainment systems that are becoming ever more wide-ranging and complex. Integrated information systems, fed by dozens of sensors, are paving the way for the emergence of autonomous driving. This will further increase the number of wires that have to be produced and installed in vehicles.

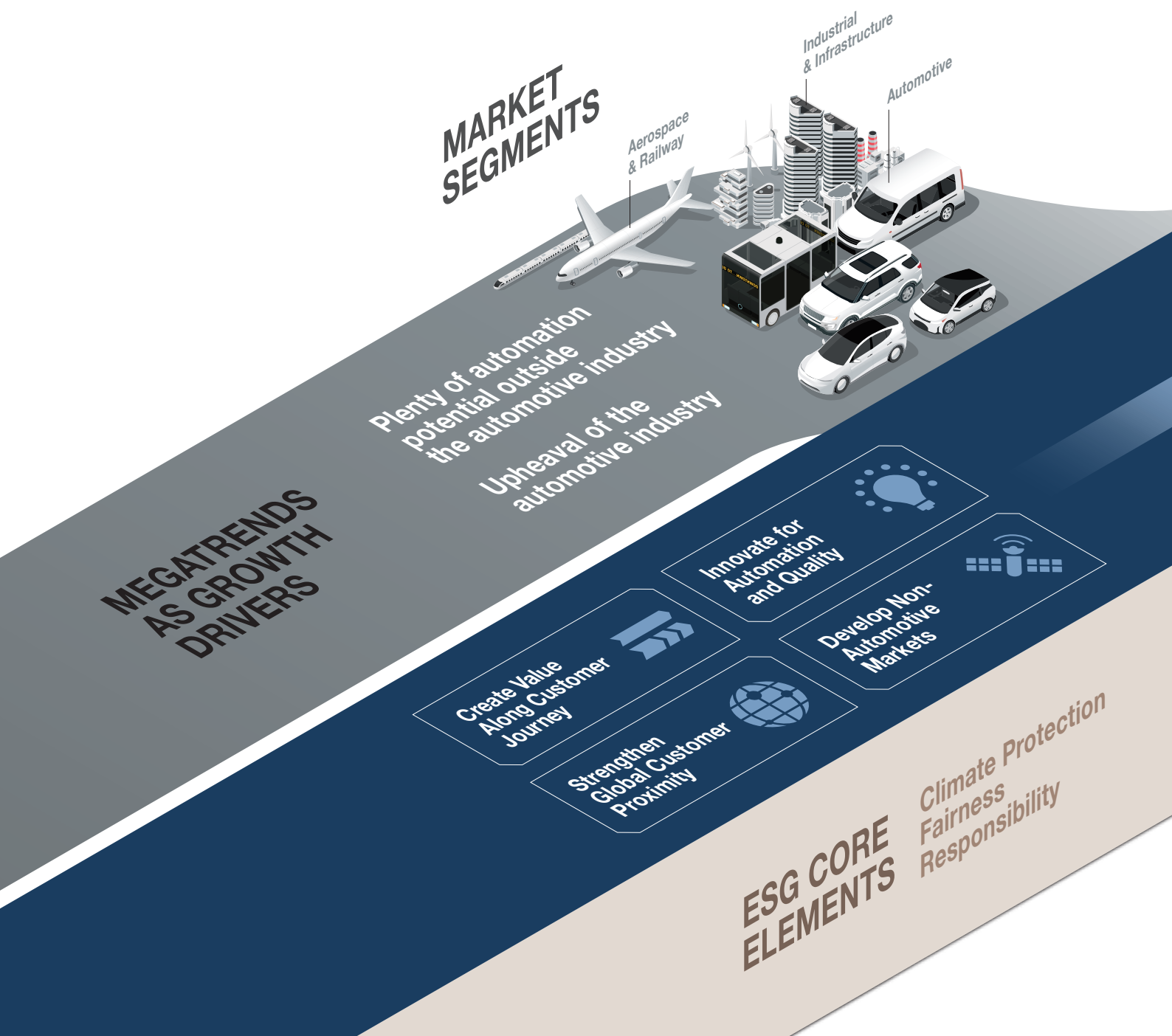
These developments in the automotive industry are opening up significant growth opportunities for the Komax Group, above and beyond the existing cross-sectoral growth drivers. The Group expects to be able to generate an average of 1–3% growth annually over the next five years as a result of the growing number of vehicles produced.

Long-term trend toward automation intact in all market segments

As a result of these various drivers, the Komax Group finds itself in a growth market in which customers are increasingly investing in automation solutions. These customers are aware that there is no way of side-stepping the trend toward automation. In the coming years, too, global megatrends will contribute to the gradual increase in the automation of wire processing.

STRATEGY 2028

The Komax Group develops state-of-the-art technological solutions for automated wire processing in three market segments. In order to achieve above-average profitability and sustainable growth, it pursues four strategic priorities with its new Strategy 2028. The corporate purpose, the core values, and the ESG approach form the basis of these.



1.0 – 1.2
CHF billion
revenue

120 – 160
CHF million
EBIT

2028
FINANCIAL
TARGETS

Enormous
automation
potential

90%

PURPOSE &
FIVE CORE
VALUES

Innovation
Quality
Customer Focus
Responsibility
Success

“We are looking at an Eldorado scenario in automation. Through the combination with Schleuniger, we have established a market position from which we will be able to best exploit the opportunities that arise in the coming five years and beyond.”

Matijas Meyer, CEO Komax Group

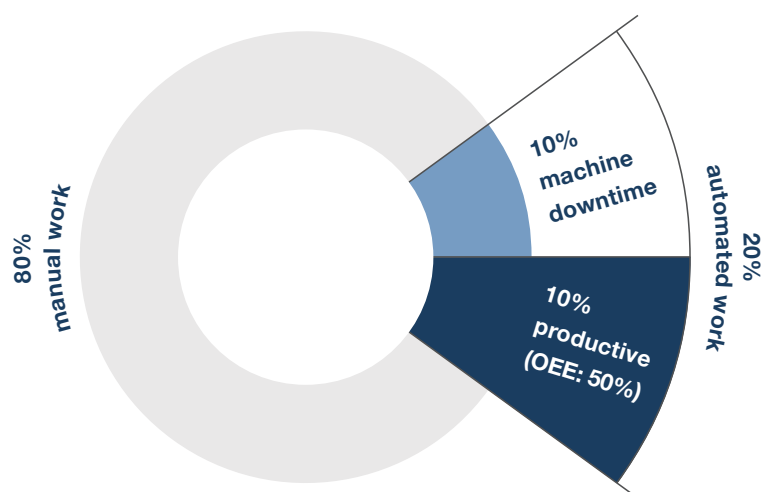
The Komax Group offers its customers cutting-edge technical solutions for automated wire processing in three market segments – Automotive, Aerospace & Railway, and Industrial & Infrastructure – and continuously strives to improve its competitiveness. Above-average profitability and sustainable growth are important objectives in this context. These go hand-in-hand with environmentally conscious, socially aware, and responsible conduct toward all stakeholder groups. In order to achieve its objectives, the Komax Group pursues four market-oriented strategic priorities, which are in turn supported by three strategic initiatives. The Komax Group specializes in innovative solutions for all wire processing applications and for the testing of wire harnesses. The emphasis is on processes such as

measuring, cutting, stripping, crimping, taping wires, and block loading. The Komax Group offers its customers fully automated and semi-automated serial production models as well as customer-specific systems (for all degrees of automation and individualization), which optimize processes while increasing productivity. These are supplemented by an extensive range of quality assurance modules, testing devices, and networking solutions for the reliable and efficient production of wire harnesses. Digital services that increase the availability of installed systems and test their productivity also form part of the range, as does intelligent software. All of this provides ideal conditions for customers of the Komax Group to consolidate and increase their competitive advantage.

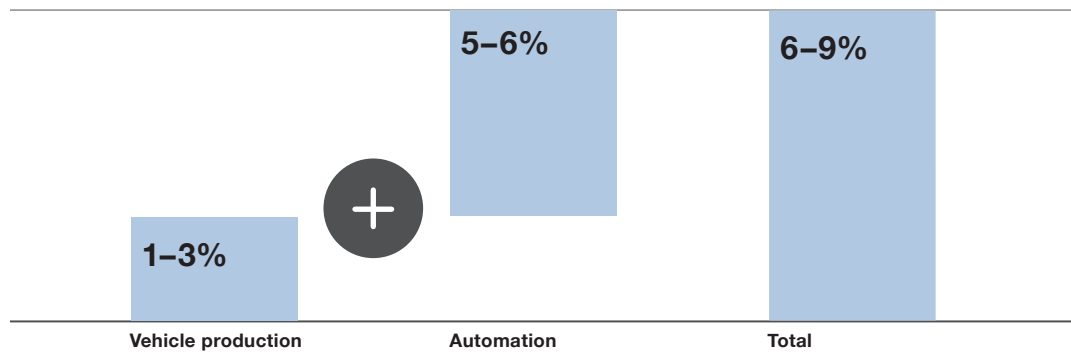
AUTOMATION POTENTIAL IN THE OVERALL MARKET

Automated work vs. manual work

The overall equipment effectiveness (OEE) of customers amounts to just 50%, which provides the Komax Group with a further 10% of automation potential. Thus, the total automation potential in the market is around 90%.



Automation drives the Komax Group's growth



90%
automation
potential

Increasing the degree of automation and overall system effectiveness

The Komax Group has considerable growth potential, as wire processing is currently no more than 20% automated. Manual work, which still accounts for 80% of wire processing, is increasingly losing its commercial viability due to various factors (► pages 18–21). In addition, there is still a significant amount of optimization potential in the work already carried out by machines. Due to time-intensive setup and changeover processes, which are becoming more common due to the persistent decline in batch sizes, the wire processing machines of customers can be inactive for as much as half of the working day. Bearing in mind that their overall equipment effectiveness (OEE) amounts to just 50%, the optimization potential actually works out at 90% rather than just 80%. The Komax Group is keen

to exploit this potential over the longer term, and it is therefore the key driver for the ambitious Strategy 2028.

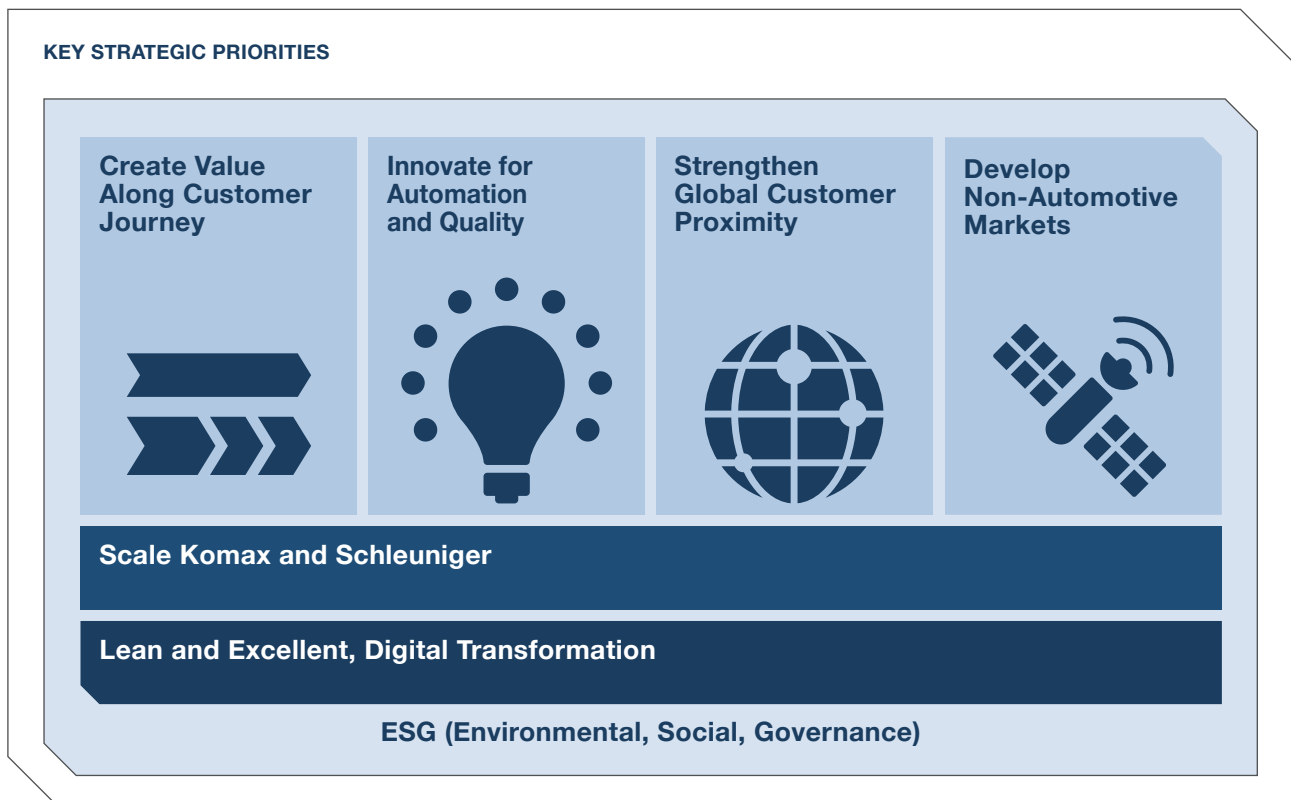
Following the combination with the Schleuniger Group at the end of August 2022, the Komax Group analyzed the new situation in detail. This was necessary, as comprehensive due diligence prior to the combination was impossible due to the competition situation. This analysis formed the starting point for the further development of the existing strategy for the period 2024 to 2028, as well as for the definition of financial targets. In order to achieve its targets, the Komax Group is striving to achieve average annual revenue growth of 6–9%. The trend of automation is the key growth driver, accounting for some 5–6%. The rising number of vehicles manufactured contributes a further 1–3% to growth.

“The Komax Group has the necessary market knowledge, specialist expertise, and resources to successfully implement the defined key strategic priorities. The Board of Directors firmly believes that it has charted the right strategic course for the Komax Group to ensure continued success and the ability to build on its market and technology leadership in the future.”

Beat Kälin, Chairman of the Board of Directors

FOUR KEY STRATEGIC PRIORITIES

In order to achieve its set targets, the Komax Group must grow faster than the market. To this end, the Board of Directors has approved four key strategic priorities for market development: Create Value Along Customer Journey, Innovate for Automation and Quality, Strengthen Global Customer Proximity, and Develop Non-Automotive Markets. In addition, two strategic initiatives address issues that are important to the attainment of profitability targets and the financing of growth: Scale Komax and Schleuniger, and Lean and Excellent, Digital Transformation. The overall picture is complemented by the ESG strategic initiative, which forms a framework for sustainable action by the Komax Group.



Create value along customer journey

The Komax Group is keen to generate value right from the first moment of customer contact. Customer contact starts with the offer phase, encompasses delivery and installation of the machinery, and extends to servicing across the entire life cycles of products. Thanks to many decades of experience and its proximity to its customers (➤ pages 30/31), the Komax Group understands their needs and already offers them a comprehensive range of innovative and reliable automation solutions. The offering covers the most capital-intensive and critical processes of customer value chains – from measuring and cutting wires to the taping process, and finally the testing of the completed wire harness

(➤ page 55). The Komax Group therefore has by far the broadest portfolio of solutions on the market, which means that it can address a whole range of customer needs in a targeted way. The expansion of the service business lies right at the heart of this initiative, as up until now it has been largely limited to the replacement parts business. A key element here is the development of value creation packages – all-encompassing, worry-free packages in which customers receive not just the machinery itself, but also an array of services such as technical support, training, and financing offers (➤ page 33).

8–9%
of revenues
invested in
research and
development

Innovate for automation and quality

The Komax Group is keen to remain innovative, and to achieve and extend a technological edge over its competitors. Here, the focus is on solutions that significantly increase automation while at the same time guaranteeing the utmost quality in all areas of processing. This gives customers the assurance that the quality will be there at the first go if they use Komax machines for their production. But in the event that they have doubts nonetheless, the goal is for them to have full traceability throughout the production process.

The Komax Group invests 8–9% of its revenues in research and development so that it can offer state-of-the-art products and services on an ongoing basis. Together with Schleuniger, the Komax Group therefore possesses a degree of innovative strength that is unique in the market. It uses this to increase the productivity and flexibility of its customers, thereby providing them with additional competitive advantages. The Komax Group will continue to make numerous technological innovations available to its customers, which can often facilitate dramatic efficiency increases in automated wire processing. A good example is the automatic tool changer based on IQC technology in the Alpha 650 crimp-to-crimp machine, which reduces change-over times from around 15 minutes to less than a minute.

Strengthen global customer proximity

The Komax Group has 30 engineering and production sites located in Europe, Asia, North and South America, and Africa. It provides sales and service support in more than 60 countries through its subsidiaries and independent agents, which gives it a unique global presence. The Komax Group has set itself the goal of being close to its customers so that it can provide outstanding service combined with the shortest possible response and supply times. It is therefore determined to expand its global reach in a targeted way – be it through acquisitions, the establishment of new locations, or the expansion of existing sites.

There is a strong focus on Asia, as the Komax Group generates a below-average proportion of revenues in this region given the sheer size of this market, which is the source of more than half of all annual global vehicle production volumes. As a result of a phase of weakness in China,

this region accounted for just 16.6% of Group revenues in the reporting year. The need for automation solutions in Asia is substantial, not least due to the rapid proliferation of e-mobility. This is true not just of China, but also of India and Southeast Asia. The Komax Group possesses the greatest innovative strength in its industry, as well as the resources to harness the opportunities that present themselves in Asia. This also includes the further localization in Asia of products that were originally developed in Switzerland.

Develop non-automotive markets

The Komax Group currently generates some 75% of its revenues with customers active in the automotive industry. Market estimates indicate that some 60% of globally processed wiring is used in automotive manufacturing. This high proportion is explained by the fact that the automotive industry is without equal when it comes to standardization and automation.

However, numerous wires are processed in all sorts of other markets too, which presents considerable automation potential. The Komax Group concentrates most of its efforts on two additional market segments (▶ page 39) that have synergy potential with the core business: Aerospace & Railway and Industrial & Infrastructure. In both segments there is plenty of automation potential that the Komax Group is keen to exploit further in the future. Thanks to its combination with Schleuniger, it has acquired greater opportunities to do just that, by reaching additional customers outside of the automotive industry. Many opportunities can also be found in the industrial and infrastructure area, where the Komax Group offers comprehensive digital solutions for control cabinet builders, for example. As these markets offer attractive longer-term growth potential, the Komax Group is seeking to achieve increasingly greater penetration so that its non-automotive share of revenues can be increased on a step-by-step basis.

25%
revenues with
non-automotive
customers

30
engineering and
production sites
globally

STRATEGIC INITIATIVES

In order to support these four strategic priorities in a targeted way, the Board of Directors has defined three initiatives.

Scale Komax and Schleuniger

Not only does the combination of the Schleuniger Group with the Komax Group generate growth, it also opens up numerous opportunities to design structures and processes more efficiently. The focus is on the targeted exploitation of the respective strengths of Komax and Schleuniger in order to make the best possible use of the potential arising from the combination.

The Komax Group has integrated all companies of the Schleuniger Group into its existing business unit structure, and has restructured its organization to some extent in order to be ideally positioned to implement Strategy 2028. This will enable the Komax Group to further develop over the coming years by ensuring the best of both worlds. Among other things, this includes the further optimization and adjustment of both the distribution and service network and the product portfolio, as well as the exploitation of countless newly acquired cross-selling opportunities thanks to the much larger customer base.

Lean and Excellent, Digital Transformation

As the corporate goals of the Komax Group are geared around both longevity and sustainability, streamlined organizational and process structures are needed, as well as the determination to improve these continuously. The efficient design of the entire value chain can reduce the use of valuable resources such as materials, energy, innovative output, and time. As the commercial

environment of the Komax Group is subject to continuous change, it must adjust to this development and deliver the corresponding improvements on an ongoing basis. A key element in increasing efficiency in this area is digital transformation. The Komax Group is currently in the process of building up a digital twin of its value chain – from procurement to assembly, delivery, and service. The transparency that results will enable further improvement potential to be identified and the reaction speed of the Komax Group in the market to be increased. The ongoing optimization of proprietary processes and supply chains as well as internal and external digitalization are therefore key factors in safeguarding high profitability and financing growth going forward.

Environmental, Social, Governance (ESG)

ESG – environmentally sustainable business practices along with socially oriented and responsible corporate governance – forms the framework for the Komax Group's strategy. This should become even more tangible and visible in the future with the implementation of the newly developed ESG strategy and the fulfillment of various non-financial targets. More on this can be found in the ESG report, in which the Komax Group discloses comprehensive key figures on consumption levels, emissions, and social issues in accordance with the international GRI standard (► pages 60–101).

MID-TERM TARGETS

The Komax Group wants to increase its value on an ongoing basis through profitable growth. It has therefore set itself ambitious targets for growth and profitability by 2028.

1.0–1.2

revenues 2028 in CHF billion

120–160

EBIT 2028 in CHF million

By 2028, the Komax Group aims to be generating revenues of CHF 1.0–1.2 billion. The extent to which the lower end of this bandwidth can be exceeded will primarily depend on any acquisition activities, which will be focused on Asia and the optimization of the distribution and service network. With targeted annual average revenue growth of 6–9%, the Komax Group will be able to at least maintain its market share and possibly expand it further.

The Komax Group has a broad portfolio of innovative solutions. In addition, the combination with Schleuniger and the optimizations of corporate processes (either planned or already implemented) will facilitate additional efficiency increases. Rising revenue figures and an advantageous product mix will enable the Komax Group to deliver disproportionately high increa-

ses in profitability. It is therefore seeking to achieve EBIT of CHF 120–160 million for the 2028 fiscal year. Thanks to a business strategy that is geared toward long-term success, the Komax Group creates sustainable value that will benefit investors too.

Financial stability

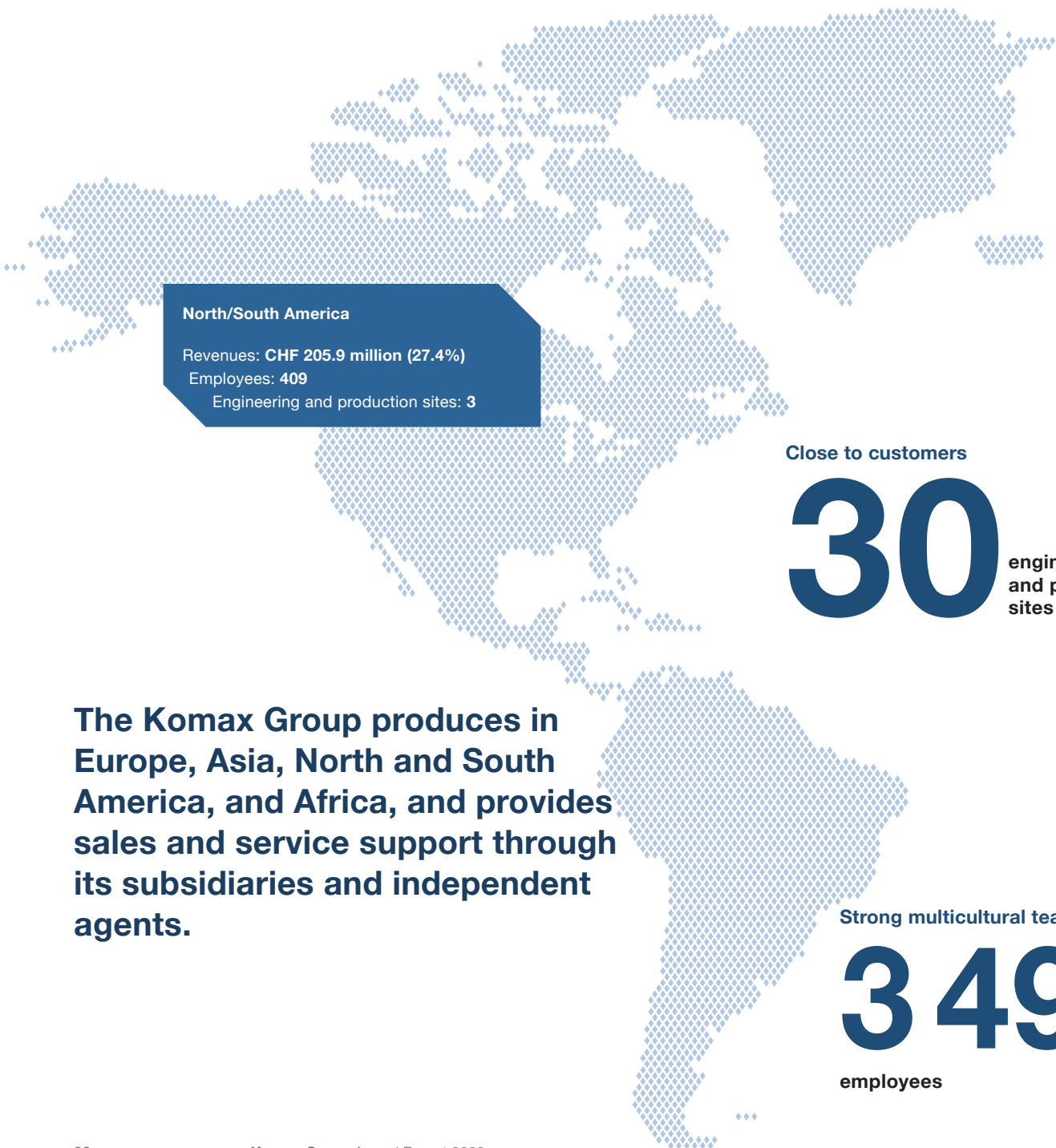
Safeguarding financial stability is a further key strategic element for the long-term success of the Komax Group. It is distinguished by its robust equity base and strong profitability. The equity ratio amounts to 55.1% while the debt factor (net debt divided by average EBITDA) stands at 1.00. This solid foundation enables the Komax Group to systematically pursue opportunities to develop further, and offers security in challenging times.

Komax Group key figures

in CHF million	2023 ¹	2022
Revenues	752.0	606.3
EBIT	67.8	71.7
Payout ratio (in % of EAT)	35.1	54.5

¹ Excluding one-time effects (revenues: CHF +10.9 million; EBIT: CHF +5.0 million).

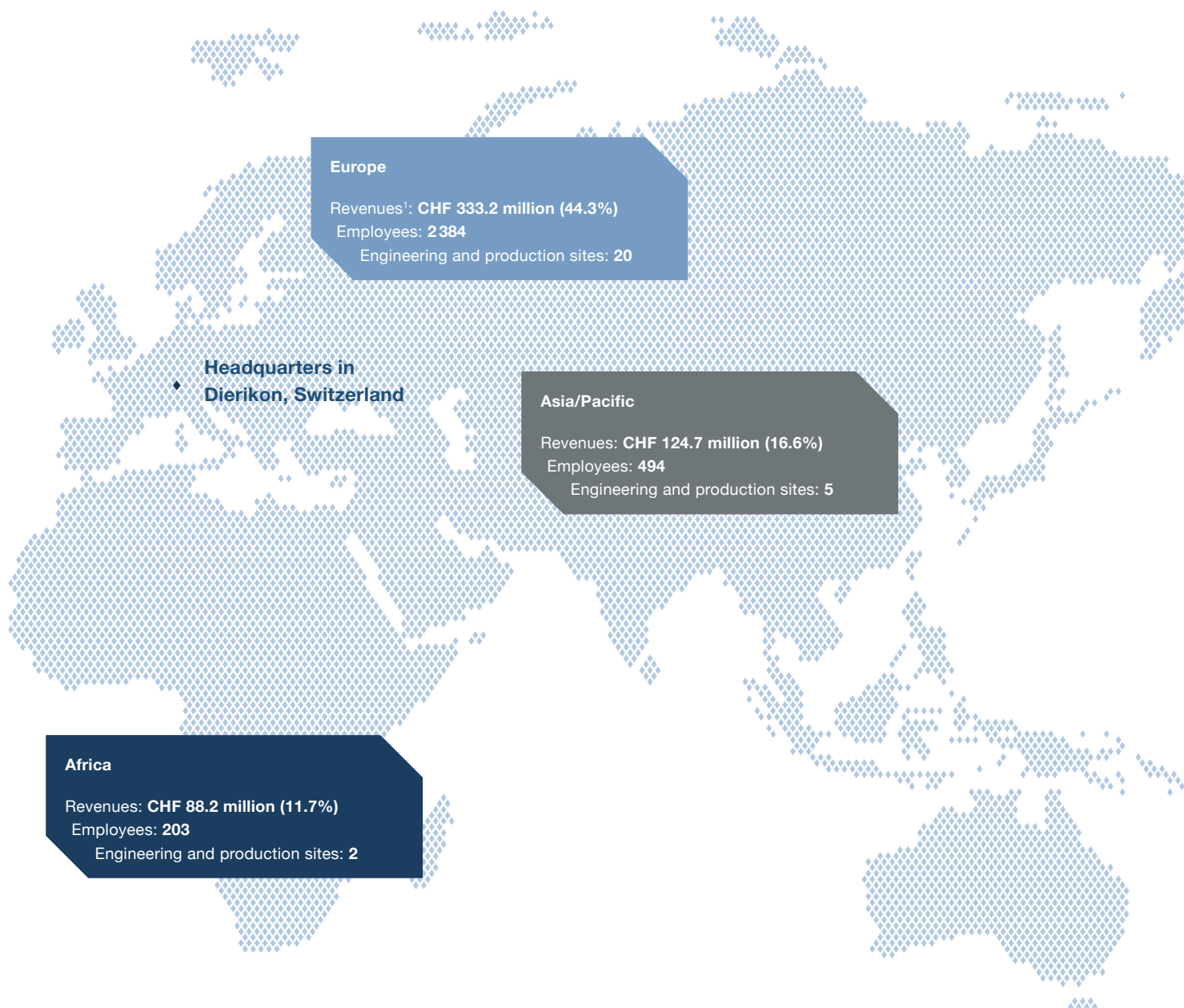
AROUND THE WORLD



Unique distribution and service network

60

countries with sales
and service support



¹ Excluding one-time effect (CHF +10.9 million).

CUSTOMER PROXIMITY – REAL AND DIGITAL

Being close to customers in both the real and digital sense is crucial to the success of the Komax Group. This is the only way to facilitate short response and supply times, as well as comprehensive service. This is why the Komax Group combines, true to its motto “global local” – global production with a unique local distribution, engineering, and service network across all continents –, with its tailored digital offerings.

The Komax Group has 30 engineering and production sites across the continents of Europe, North and South America, Asia, and Africa, at which 3 490 employees produce standardized products, customer-specific systems, and testing systems (► pages 30/31). With its unique sales and service network, the Komax Group can always provide efficient and competent support to its locally and globally active customers. It provides sales and service support via subsidiaries and independent agents in over 60 countries. Around 380 employees work in the international service organization.

The Komax Group expanded its presence in the markets of Europe, North America, and Asia through its combination with Schleuniger in 2022, acquiring eleven additional companies and numerous distribution partners spread across all continents. In addition, it strengthened its distribution and service activities in the reporting year with the acquisitions of WUSTEC and the Alcava Group.

In order to properly service its much larger customer base and offer the right solutions from a single source, the focus in the reporting year

lay on the analysis and optimization of the distribution and service network. This involved reviewing local market strategies and eliminating cases of overlap in distribution structures. It included situations where a country had both a Komax distribution partner and a Schleuniger distribution partner, but also where a Schleuniger distribution partner joined a market area with a local Komax company. The optimization of the structure of the distribution service network was completed by the end of 2023 – with the exception of just a few countries where negotiations are still being finalized. Individual solutions were arrived at for each individual country, for example the combination of Schleuniger and Komax distribution partners, the spin-off of a distribution partner, or the acquisition of such a partner.

The latter was the case for the Alcava Group, with its companies Lintech, Malintech, and Tulin-tech. Thanks to this acquisition, which took effect on 1 October 2023, the Komax Group has expanded its distribution and service network in France, Morocco, and Tunisia. Alcava has been distributing the products of the Schleuniger Group in these countries for more than 15 years.

A different solution was found for the Iberian Peninsula (Spain and Portugal): Here, the Komax Group sold its company Komax Portugal to Estanflux, Komax's long-time representative in Spain. This had the effect of strengthening this proven distribution partner, as Estanflux will now cover the entire Iberian Peninsula and thus ensure that customers receive even more flexible and focused support in these markets.

The optimization of the service and distribution network will be completed in 2024, with the aim of ensuring a dedicated contact partner in every country capable of offering solutions of the Komax Group from a single source. In order to ensure alignment with changing customer needs, the Komax Group also regularly scrutinizes its global production structure and under-

takes modifications where necessary. For example, in the reporting year this resulted in the closure of Komax Testing Brasil and the Jettinigen site of Schleuniger GmbH in Germany.

Further development of digital customer proximity

In addition to personal contact with the employees of the Komax Group, customers also want to be able to call up product information, put service requests or place an order swiftly, simply, and digitally. The Komax Group helps them to do just that, providing them with a number of digital solutions. In order to meet customer needs in both the digital and the real world, the Komax Group has adopted an omnichannel approach.

“We pursue an omnichannel approach so that we can offer all our customers the best possible customer experience. We serve them personally and digitally across all channels so as to be able to generate genuine added value at all times.”

Tobias Rölz, Executive Vice President, Market & Digital Services

The Komax Group laid the foundations for the improvement of the digital customer experience the previous year with its new website (www.komaxgroup.com). This forms the basis for its 24/7 online service in the form of a self-service platform. Another key milestone was reached in 2023 with the online service ticketing system on the new “myKomax” customer portal, which was developed on the basis of customer feedback. This enables customers to log in to their customer area via the website in order to deal with maintenance orders or warranty cases, for example. A pilot phase is currently running with a handful of specially selected customers. This customer portal offers greater transparency, accelerates processing times of orders and inquiries, and helps further increase customer satisfaction. This is an important step on the road to the self-service boutique of the SMART FACTORY by KOMAX (▶ page 49). The new online service ticketing system and the “myKomax” customer portal will be continuously expanded over the coming years.

Thanks to its customer proximity, the Komax Group has its finger on the pulse of industry. This

is crucial for the Group if it is to deploy its experience of almost 50 years to develop high-quality, innovative automation solutions for local needs in global markets. In addition, international orientation also helps mitigate the repercussions of currency fluctuations. The Komax Group seeks to ensure that costs and revenues are generated in the same currencies to the greatest extent possible.

Value Creation Packages – comprehensive worry-free packages for customers

The Komax Group partners its customers across the entire product life cycle. To this end, it offers them all-encompassing solution concepts known as Value Creation Packages. In addition to the machines themselves, these provide customers with service agreements for individual machines or entire production sites, technical support, training, digital solutions, and financing offers such as leasing or pay-per-use concepts.

A key element here is the “Komax Care” service agreement concept. This offers a broad-based spectrum of services comprising advice,

installation, training, maintenance, repairs, and the renovation or expansion of customer systems, thereby helping them to get the very best from their machinery investments when it comes to productivity, availability, and quality. The concept was fine-tuned in 2023 to align it even more closely with different customer needs.

Digital products and services – such as the MES (Manufacturing Execution System) 4Wire Px from DiIT or Komax Connect – can likewise be incorporated into the Value Creation Packages. These enable customers to create additional value across the entire life cycle of their machines through efficient production planning and monitoring.

Moreover, the recycling of machinery is also to be enabled in the future so that customers can be offered services across the whole product life cycle, in keeping with the circular economy concept.

Expansion of value chain in the industrial area with WUSTEC

With its acquisition of WUSTEC at the beginning of 2023, the Komax Group acquired a specialist in automated wire prefabrication, particularly for the industrial sphere. WUSTEC, which is head-



The Value Creation Packages of the Komax Group.

quartered in Germany's Black Forest region, has developed a digital platform that, among other things, enables companies active in control cabinet and machine building to order prefabricated wire sets in any quantity online. In other words, the Komax Group can offer its customers a rapid and efficient service with a digital solution that can speed up production.

“With WUSTEC’s cloud-based Wiremaster software, we can significantly streamline data transmission and requirements matching between us and our customers. This enables us to adhere to the tightest possible delivery times and respond flexibly to customer wishes.”

Matijas Meyer, CEO Komax Group

Training to boost productivity

A well-trained workforce can help to minimize outages through user or maintenance error and shorten machinery configuration times. This translates into increased productivity as well as goods of higher and more consistent quality. Through the Komax Academy and the Schleuniger University, the Komax Group empowers its customers to operate and maintain their machines and testing systems flawlessly. For many years

now, the Komax Academy and Schleuniger University have offered on-site teaching at numerous locations of the Komax Group, tailored to different customer needs and levels of experience. In addition, customers have the option of attending more than 360 training modules online in up to 13 languages. Every year, hundreds of customers make use of this offering to increase their specialist skills.

Products and services from a single source – experienced locally

The Komax Group enhances customer proximity through its presence at trade fairs and events throughout the world. Here, it presents its latest developments in automated wire processing and actively fosters exchange of ideas in respect of key themes in the industry.

In 2023, for example, customers had the opportunity to attend live demonstrations by the Komax Group at WirePro Expo in Shanghai, China, in March and at the leading US trade fair EWPTC in Milwaukee, Wisconsin, in July. Moreover, the US Komax company, based in Brookfield, Wisconsin, embarked on a roadshow with a pickup truck and trailer. This drove across the country, making numerous stops at customer locations. Among other things, it exhibited the new Alpha 520 (▶ page 53). In numerous discussions, the Komax team was able to present to its customers the vision of the SMART FACTORY by KOMAX and unveil various innovations and digital solutions.

In November, Komax and Schleuniger staged a shared presence at trade fairs in Germany for the first time – namely productronica in Munich, SPS in Nuremberg, and Komax SLE's In-House Show in Grafenau. Thousands of visitors explored the worlds of innovation and technology on these trade fair days. Whole value chains rather than just individual products were under the spotlight. By joining forces with Schleuniger, the Komax Group now boasts a uniquely wide range of products and services spanning the Komax, Schleuniger, adaptronic, Cirris, DiIT, and WUSTEC brands. Customers thus benefit from all solutions right across the value chain from a single source. Other trade fairs at which the Komax Group will exhibit can be found at www.komaxgroup.com/en/trade-fairs.



Visitors to the trade fair were able to experience first-hand how solutions from the Komax Group increase productivity and flexibility and deliver quality at the first go.



The Komax Group presented its product brands at the productronica trade fair in November 2023 in Munich, Germany.



The Komax Group's automation solutions were presented to an enthusiastic international audience.

THE BRAND WORLD OF THE KOMAX GROUP

komax

komax ■ **Schleuniger** ■ **adaptronic** **CIRRIS** **Di.IT** **WUSTEC** ■ **LINTECH**

The brand world of the Komax Group

A key success factor for the Komax Group is its strong brand. The brand strategy is therefore a vital element in the implementation of Strategy 2028. As an innovative market leader, the Komax Group is confident and performance-oriented. The Komax brand stands for competence, quality, and functionality, and represents the company as a reliable and enthusiastic partner and a pioneer for a shared voyage of discovery with its stakeholder groups. The Komax Group pursues a multi-brand strategy. In addition to the Komax brand, the portfolio also includes the product brands Schleuniger, adaptronic, Cirris, DiIT, and (since 2023) WUSTEC. The Lintech brand of the newly acquired distribution organization Alcava SAS has likewise been part of the Komax Group since 2023.

The overall brand identity is characterized by pioneering spirit, technological leadership, a

commitment to high quality, and a partner-based relationship with customers. The presentation of the individual product brands is uniformly modern across all product groups, with a high recognition factor.

The company's consistent implementation of clear product design with an emphasis on user-friendliness and a first-class customer experience has won the Komax Group multiple awards over the years. The conferral of the 2023 Red Dot Design Award for the Schleuniger Strip Series B300 is just the latest example.

In order to facilitate uniform treatment of the individual brands for both internal and external stakeholder groups, the Komax Group created a brand portal in the reporting year (www.komaxgroup.com/en/brands).



Strip Series B300 wins Red Dot Design Award 2023

The portable Strip Series B300 stripping machine was singled out for the 2023 Red Dot Award for product design. In addition to its intuitive functionality, the stylish look of the B300 also caught the eye of the jury.



reddot winner 2023

MARKETS

The Komax Group primarily focuses on three market segments. The core business is the Automotive market segment, which accounts for some 75% of revenues. In the Aerospace & Railway and Industrial & Infrastructure market segments, the Komax Group is continuously strengthening its presence and exploiting the synergy potential with the core business. All segments benefit from the global service network and the services of the Komax Group.

Following the combination with the Schleuniger Group, the Komax Group analyzed the four market segments in place at the time – Automotive, Aerospace, Industrial, and Data/Telecom – in considerable detail for the elaboration of the new Strategy 2028, tightening the focus of its segmentation. The Automotive market segment remained unchanged. Also unaffected was the objective of further strengthening the non-automotive market segments, particularly in cases where developments in these areas might be valuable for the evolution of the automotive portfolio. The analysis showed that trends in the automotive and non-automotive markets are increasingly overlapping.

In order to address these markets in an even more targeted way, the Komax Group optimized the focus of its market segments, including their sub-segments. This involved expansion of the Aerospace market segment to cover rail transportation (“Railway”) and a broadening of the Industrial market segment to include the Infrastructure area. Among other things, this encompasses the infrastructures of energy provider networks and those required for e-mobility, such as charging stations for electric vehicles. The Data/Telecom market is now covered by the Industrial & Infrastructure market segment, and no longer addressed through its own segment.

Automotive

The automotive segment is by far the most important market segment for the Komax Group. There are a number of reasons for this. In no other industry is the volume of wires to be processed so large. With a production output of around 90 million vehicles per year, each containing on average some 1 700 wires with 3 200 crimp contacts, the demand for automation solutions is enormous. This is because the number of wires per vehicle is continually rising owing to an increase in electrical functions. Although the automotive industry has no peer when it comes to the degree of standardization and automation in the production process, there is still plenty of potential for additional automation steps, as around 80% of wire harnesses are still manufactured by hand.





Aerospace & Railway

Issues such as safety, lightweight construction, and lower emissions have been at the forefront of developments in aerospace for many years. The Komax Group can draw on the experience acquired in these areas when it comes to its core business too, as these themes continue to grow in importance in the automotive industry. Thanks to the companies Komax France, adaptronic, and Cirris, the Komax Group possesses a great deal of aerospace expertise. There is very little automation of wire processing in the aerospace industry, and the entry barriers for suppliers are very high. This market segment also now includes the Railway area, as the level of automation is low here, too, and the corresponding need for automated wire processing is rising steadily. Compared to Aerospace, the cables processed here are simpler and lend themselves more easily to automation. The Komax Group would like to expand its market share further in this area.

Industrial & Infrastructure

The experience gained in the automotive industry can be put to good use by the Komax Group in all sorts of other markets. For example, the trend toward increasing automation of wire processing is evident in industrial areas such as energy infrastructure (e.g. e-mobility and renewable energies), building automation, robotics, and mechanical engineering. The processing of wires for industrial and infrastructure applications such as electric control cabinets often involves working with very small batches. In order for automation to nevertheless be commercially viable in this context, the Komax Group offers its customers a broad selection of products from its various brands. These include specific machines such as the Zeta, which manufacture all the various wires that are needed automatically, ensuring that they are in the right sequence and of the right length. This has the effect of reducing manual labor to a minimum. Manual processes such as cutting, stripping, marking, and sleeve insertion are rendered obsolete. Automation of this kind has proven its worth in the area of wire processing in the automotive industry for many years, and is now increasingly finding its way into industrial applications.



Automotive production grows sharply in 2023

The largest sales market of the Komax Group continued its recovery in 2023. Global vehicle production increased significantly. Difficulties in connection with supply bottlenecks were for the most part overcome. The long-term trends of growing numbers of vehicles, e-mobility, and rising automation in the wire processing business remained intact. This was evident from the growing number of vehicles manufactured – an important growth driver for the Komax Group. According to analysis conducted by S&P Global Mobility, around 90 million cars and light commercial vehicles were manufactured worldwide in 2023. Production volumes were well above the level recorded in 2022 (82 million vehicles), and also slightly above the pre-pandemic figure recorded in 2019. However, volumes were still well below the peak figure achieved in 2017, when 95 million vehicles were produced.

Increase in vehicle production in all regions

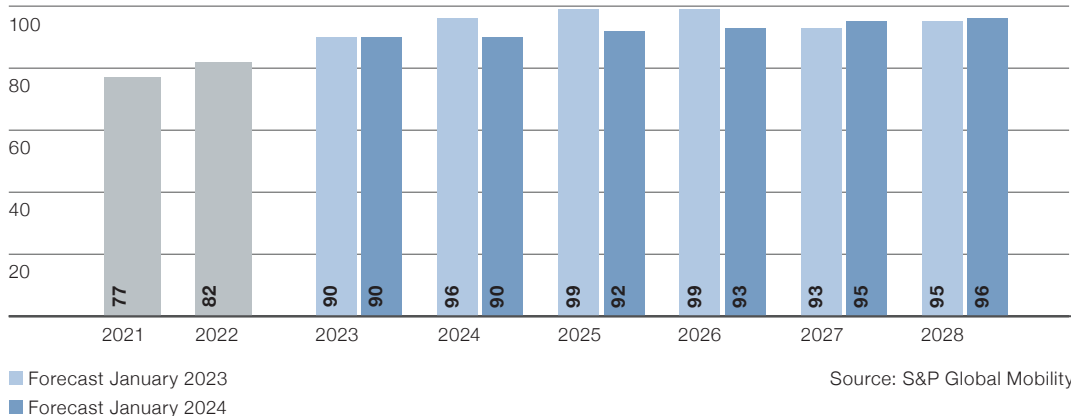
Compared with the previous year, all regions saw growth in the number of vehicles manufactured in 2023. In Europe, 17.8 million vehicles were manufactured, representing an increase of 2.0 million vehicles, or 12.5%. Asia recorded a similar development, with 51.4 million vehicles manufactured (4.3 million vehicles or 9.0% more than in 2022), with the relative growth of Japan and Korea combined (14.5%) working out significantly greater than that of China (9.4%). In North/South America, production volumes came in at 18.6 mil-

lion vehicles, a rise of 8.4% or 1.4 million vehicles. China remains by far the world's biggest automotive producer. In the year under review, 28.9 million vehicles were manufactured in China, corresponding to 32.1% of global vehicle production. A further 22.5 million vehicles were produced in other Asian countries, which means that some 57% of total vehicle production took place in Asia. Vehicle production has been steadily shifting to Asia since 2019, when 52% of all cars and light commercial vehicles were manufactured there.

Growth forecasts point to investment restraint in key markets

Inflation remained at a high level in key markets, which explains why leading central banks such as the Fed, the ECB, and the SNB once again pushed through several rises in their key interest rates in the reporting year following 2022. The rises in interest rates in the key sales markets for the Komax Group were significant in some cases, and duly weighed on customers' willingness to invest. This, together with the geopolitical uncertainties in Eastern Europe, the Middle East, and Asia, cast a cloud over the outlook for the global economy. In the automotive market, growth forecasts for the next few years were significantly scaled back over the course of the year due to the expected economic slowdown. For the next five years (2024–2028), S&P Global Mobility is predicting an average annual growth rate in vehicle production volumes of just over 1%.

Number of passenger cars and light commercial vehicles produced
in millions



The analysts at S&P Global Mobility are expecting diverging regional developments in 2024 in terms of production volumes. While no growth is expected from China, in large parts of the world, the factors referred to above are expected to lead to slight declines (Europe –2.0%, South-east Asia –1.4%). These dips will only be partly offset by the American markets (North America +1.1%, South America +3.0%), meaning that S&P Global Mobility is expecting global production volumes to come in at around 90 million vehicles. Therefore, the analysts are not expecting global growth in production volumes before 2025. China is regarded as the key driver.

Subdued investment activity

Over the course of 2023, the Komax Group increasingly felt a general reticence to invest as a result of the above-mentioned factors. Whereas in EMEA and North/South America this tendency did not become apparent until the end of the year, the world's largest automotive market – China – lagged well behind expectations for a period of several months. As a consequence, the Komax Group started 2024 with a significantly lower order backlog than at the beginning of 2023. The focus is now on further increasing efficiency in the company and achieving even greater customer proximity to give extra impetus to the implementation of Strategy 2028. With the optimizations achieved in 2023, the Komax Group has already taken the first important steps in this regard.

Step-by-step normalization of the supply chain situation

Difficulties in supply chains – a key negative factor in the automotive industry in past years – increasingly normalized over the course of 2023. Automotive manufacturers made adjustments to their supply chains. According to a study produced by the Capgemini Research Institute, they were able to reduce their order backlogs dating from the coronavirus crisis period by around 60%. The war in Ukraine exacerbated the situation in the automotive industry temporarily, as this country is responsible for around 7–8% of all wire harnesses produced in Europe. However, the problem was largely defused over the course of 2022 through the establishment of additional capacity in other countries, particularly in Eastern Europe and North Africa, and the fact that production in Ukraine

did not collapse. The Komax Group started 2023 with a number of the resulting extraordinary orders on its books, which enabled it to post a record order backlog figure at the start of the reporting year. Thanks to the improvement in supply chain reliability, the company was able to work through its order book steadily over the first half of the year, bringing it back down to a level in keeping with that of prior years.

Increasing resilience of supply chains

Strengthening the resilience of supply chains in the face of unforeseeable external factors will remain an important theme in the industry over the coming years. One strategy is the phenomenon of “nearshoring”, in which automotive manufacturers and suppliers relocate their supply chains closer to their sources of production in order to minimize risks. According to the Capgemini Research Institute study, procurement from distant lands (offshoring) has declined by 22% since 2021. This development is also accelerating the trend toward the automation of wire processing, and will therefore drive the Komax Group's business forward in the medium term. An example of how the Komax Group is supporting this trend is its involvement in the Next2OEM project together with automotive manufacturers and partners (▶ page 48).

According to the Capgemini Research Institute, the proportion of a vehicle's value accounted for by semiconductors and sensors has increased by some 50% over the last two years on the back of increasing demand for software-based functions and services. Moreover, this figure is expected to rise further between 2023 and 2025. While this is positive for automated wire processing, it also entails increased demand for semiconductors. Although the availability of semiconductors continued to improve in 2023, this issue can be expected to have an impact on the automotive industry in 2024, too. A number of manufacturers are still confronted by shortages that cannot be fully resolved in the short term.

Overcoming supply chain difficulties was also a challenge for the Komax Group in 2023. However, it dealt with this problem very successfully overall thanks to careful planning and professional supplier management, and was able to make its supply chains significantly more robust.

Accelerated trend toward automation

The various geopolitical and macroeconomic factors have in no way changed the trend toward greater automation in wire processing. This trend continued in 2023. The lion's share of wire processing continues to be done by hand, particularly in low-wage countries in Eastern Europe, North Africa, Central America, and Asia. Geopolitical uncertainties, rising wage costs in the medium term, and an increasing shortage of skilled labor provide wire manufacturers with strong incentives to invest in automation.

In addition, the above-mentioned trend toward shortening supply chains is having the effect of bringing automotive suppliers closer to manufacturers. This is only possible by increasing the degree of automation, as wages in countries where automotive production takes place tend to be higher than those at the production sites of wire manufacturers. The Komax Group is observing this trend toward shorter supply chains not just in the automotive industry, but also in the Industrial & Infrastructure market segment in the US, for example.

Automotive industry undergoing radical change

The automotive industry has been going through a process of radical change for a number of years now. Alternative drivetrains, digitalization, and autonomous driving are playing a key role, which in turn necessitates very sizeable investments from automotive manufacturers. The modern driver has attractive alternatives to diesel and petrol engines, with electric, hybrid, and plug-in hybrid vehicles. In particular, automotive groups have communicated ambitious multi-billion plans in the e-mobility sector, announcing a number of further new electric vehicles in the coming years.

This is in line with national plans to reduce greenhouse gas emissions, an essential step if the targets of initiatives such as the Paris Agreement on climate change and the European Green Deal launched by the EU Commission are to be achieved. In the reporting year, the EU reaffirmed its ban on newly registered cars and light commercial vehicles powered by petrol or diesel from 2035. The only exemption in this regard is for vehicles powered by climate-neutral, synthetically produced fuels ("e-fuels"). EU legislation to tighten the CO₂ fleet reduction target is forcing automotive manufacturers to

bring down the entire CO₂ output of all cars sold by them within a single year – i.e. for the complete fleet – on a step-by-step basis. From 2035, CO₂ emissions for new passenger cars and light commercial vehicles will have to be reduced to zero. The mid-term emission reduction targets for 2030 were set at 55% for cars and 50% for light commercial vehicles.

In 2022, California – the largest automotive market in the US – likewise issued a ban on the sale of new petrol cars from 2035. A number of other federal states have since announced similar plans. The Biden Administration has set the target of ensuring that 50% of all new vehicle sales in the United States are electric from 2030 onward. China likewise wants to increase the proportion of electric cars to 50% of all newly sold vehicles by 2035. In other words, the drive toward emission-free mobility is in full swing.

The Komax Group is supporting the transition to e-mobility

Numerous automotive manufacturers have now set a date from which they intend to cease production of combustion-powered vehicles in Europe: Opel from 2028, Ford, Volvo, and Fiat from 2030, and Hyundai from 2035. In Norway, VW will be selling exclusively electric cars from 2024. In the US, GM has announced its intention to eliminate the emissions of pickup trucks – highly popular vehicles among the US public – by 2035.

Of the approximately 90 million vehicles produced in 2023, no fewer than 14.3 million were electric, i.e. pure battery electric vehicles (BEVs) or plug-in hybrid electric vehicles (PHEVs). The biggest player here is China, which accounts for more than 60% of overall production. Compared with the prior year, in which 10.8 million electric vehicles (BEVs and PHEVs) were produced, this represents an increase of around 32%. Electric vehicles increased their share of overall automotive production from 13.2% to 16.0% in 2023, almost double the proportion achieved in 2021 (8.5%). Growth recorded a slight year-on-year dip in 2023, among other things due to the end of subsidies for electric vehicles in certain countries, and accordingly fell just short of the forecasts published by S&P Global Mobility a year ago. Nonetheless, the upward trend remains unmistakable.

Given the impending bans on combustion engines and the plans of major automotive manufacturers, this development is set to continue

over the coming years. S&P Global Mobility expects almost 19 million plug-in hybrid and electric vehicles to be produced in 2024, which would equate to 21% of global vehicle production. By 2028 this figure is set to rise to more than 41 million, or some 43% of global vehicle production. This would equate to an annual average growth rate in electric vehicle production of more than 20% between 2024 and 2028.

The Komax Group is well positioned to accompany this transition. It will participate in growth on the one hand thanks to its portfolio of solutions for the processing and testing of high-voltage cables, and on the other because new electric vehicle models frequently have state-of-the-art assistance and infotainment systems. All these systems require a large number of special cables, creating additional sales opportunities for the Komax Group. China is by far the largest and fastest-growing market for electric vehicles. With its Strategy 2028, the Komax Group is sharpening its focus on targeted growth in this market.

Automation trend in the Industrial & Infrastructure market segment

Thanks to the strong positioning of Schleuniger in the Industrial & Infrastructure market segment, the business combination has significantly expanded the customer base of the Komax Group in this area. With the new Strategy 2028, the Industrial & Infrastructure and Aerospace & Railway market segments aim to drive forward strategic development, thereby cushioning the volatility of business in the Automotive segment to some extent.

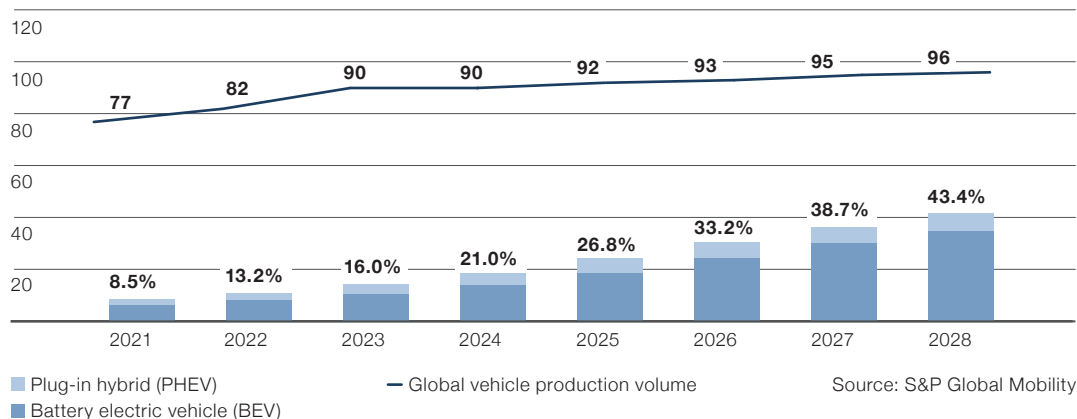
In the Industrial & Infrastructure market segment, the need for automation remains considerable and business is less volatile. This was already apparent in the difficult years following 2020, when this market segment experienced a drop in revenues that was much less pronounced than for customers in the automotive industry. Industrial customers such as control cabinet manufacturers, for instance, are seeking to enhance productivity through increased automation. Back in 2020, the Komax Group launched the Smart Cabinet Building Initiative together with other leading technology companies with a view to optimally harnessing automation potential in the area of control cabinet construction (▶ page 52).

One important factor in this market segment is the shortage of qualified personnel. In the industrial sector, production is typically based close to the relevant OEMs, and thus also in high-price countries. The sharp spike in inflation has led to significant cost pressure here, and automation is the obvious solution. Moreover, automation is also being accelerated in the industrial area by energy transition, such as through projects in the context of the Green New Deal (USA) and European Green Deal. Funding programs and subsidies in infrastructure for renewable energies – such as photovoltaic and wind power, heat pumps, and charging stations for electric vehicles – are supporting growth.

Growth potential in Aerospace & Railway

The Aerospace market segment continued to recover in 2023. According to the International

Proportion of global vehicle production volume accounted for by electric vehicles
in millions



Air Transport Association (IATA), total air traffic, measured in revenue passenger kilometers (RPK), increased by 36.9% compared to 2022. Worldwide, air traffic in 2023 was thus only slightly below the level of 2019 before the Covid-19 pandemic. This phenomenon is also being accompanied by an ongoing rise in global aircraft deliveries. For example, Airbus delivered 611 aircraft in 2021, 661 in 2022, and 735 in 2023, an industry record. The automation of wire processing is still not particularly advanced in this market segment, and this opens up opportunities for the Komax Group that it will put to good use.

The Railway market has been volatile in recent years according to the Global Rail Index. A sharp slowdown in demand was observed in 2023. However, the degree of automation in this market, too, is comparatively low, and the necessary applications lend themselves much more easily to automation here than in the aerospace segment. In this market, the Komax Group has opened up new opportunities in the Quality Solutions area with Cirris and adaptronic, and sees good growth potential here.

Challenging market environment in 2023

The 2023 financial year was characterized by a challenging environment. Among other things, economic and geopolitical uncertainties, interest rate rises in key sales markets, and the muted development of the Chinese market impacted on the willingness of customers to invest. The overall order intake amounted to CHF 686.5 million, or +1.3% compared with the strong previous year (CHF 678.1 million), with organic growth clearly in negative territory.

Significant increase in revenues

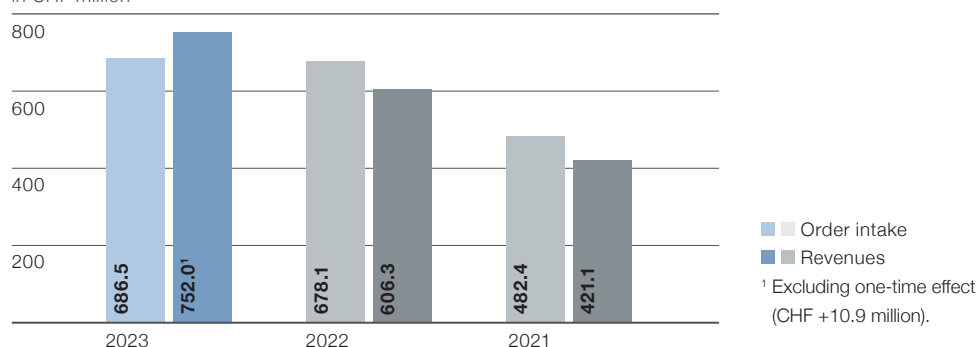
Thanks to revenue growth from the combination with Schleuniger, the Komax Group delivered a significant year-on-year rise in revenues of 24.0% to CHF 752.0 million (2022: CHF 606.3 million). Schleuniger contributed to revenues for the full year for the first time (2022: four months). The one-time effect from the completion of the sale of the building at the Rotkreuz production site in Switzerland in 2023 is not included in this figure. If one-time effects are factored in, revenues increased to CHF 762.9 million.

As a consequence of the difficult economic situation, market performance varied from region to region in the reporting year. Business activity continued to lag well below expectations in China in particular. In Asia/Pacific, the Komax Group recorded a contraction of 6.4% in revenues, with its share of revenues generated in this region declining to 16.6% (2022: 22.0%). By contrast, growth in other regions – North/South America (+55.6%), Europe (+29.3%), and Africa (+6.0%) – was substantial in many cases, due above all to the combination with Schleuniger. In the Americas it was significantly greater than the organic contribution, resulting in a stronger market position in the Industrial & Infrastructure market segment.

The breakdown of revenues by currency changed as follows between 2022 and 2023: The proportion of revenues in EUR declined from 47.0% to 45.1%, but still represents the highest share of Group revenues. The revenue share booked in USD rose significantly to 25.3% (2022: 18.8%), whereas the proportion accounted for by CNY declined from 13.6% to 9.9% due to the weak Chinese market. The share of revenues

Order intake and revenues

in CHF million



booked in other currencies declined slightly to 19.7% (changes and sensitivities of key currencies: ► page 166, Financial Report).

Outlook 2024

The weaker market development that made itself increasingly noticeable toward the end of 2023 is persisting, and the Komax Group started the new year with a lower order level than in the previous year. It is confident, however, that the trend towards automation will continue unabated,

and hence so, too, the demand for its solutions. The Komax Group will continue to drive the integration process forward in 2024, optimizing additional structures so as to be best equipped to implement its 2028 growth strategy.

The market is currently showing signs of extreme volatility, as it is still beset by a number of economic and geopolitical uncertainties. Consequently, visibility in terms of the development of business is very low, and no forecast for the 2024 financial year can be made as yet.

Revenues by region¹

in TCHF	2023	2022	+/- in %
Europe	333 188 ²	257 641	29.3
Asia/Pacific	124 670	133 157	-6.4
North/South America	205 956	132 364	55.6
Africa	88 174	83 170	6.0
Total	751 988²	606 332	24.0

¹ A percentage breakdown of revenues by region can be found on pages 30/31.

² Excluding one-time effect (CHF +10.9 million).

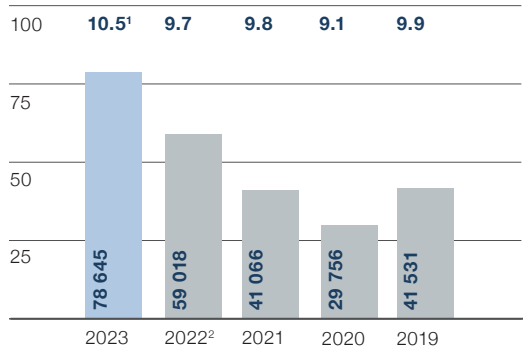
MARKET-LEADING INNOVATIVE STRENGTH

As the market leader in automated wire processing, the Komax Group possesses unparalleled innovative strength in the industry. Continuously bringing innovations to the market and thus helping its customers gain genuine competitive advantages is of paramount strategic importance. For that reason, the Komax Group channels some 8–9% of its revenues into research & development every year.

10.5%
of 2023 revenues
invested in
research and
development

There is enormous growth potential for the Komax Group in the markets for automated wire processing (► page 24). Long-term megatrends such as e-mobility and autonomous driving along with growth drivers such as miniaturization, rising wage costs, and a shortage of specialist personnel offer numerous opportunities. What's more, the further automation of processes along the value chain and of digital services can significantly improve the efficiency of the machinery bases customers already have installed.

Expenditure on R&D
in TCHF



¹ Excluding one-time effect on revenues.

² The Schleuniger Group was consolidated as of 1 September 2022. Accordingly, four months of Schleuniger's R&D expenditure are included in the financial year 2022.

In order to exploit these opportunities and offer its customers innovative solutions on an ongoing basis, the Komax Group has for many years been investing above-average sums in new developments, the optimization of the existing portfolio, and the expansion of its service spectrum. It has channeled CHF 250.0 million into this activity since 2019, thereby cementing its leading position in the automation of wire processing and helping to actively shape the radical transition in its key market, the automotive industry. In 2023, the Komax Group invested a total of CHF 78.6 million or 10.5%¹ (2022: CHF 59.0 million or 9.7%) of revenues in research and development. This amount comprises both investment in internal development services (CHF 67.4 million) and in the development services of third parties (CHF 11.2 million). As a consequence of the combination of Komax and Schleuniger and the commitment to driving forward various innovation projects, more than the targeted 8–9% of revenues was invested in research and development in 2023. These are crucial upstream investments that will allow the Komax Group to leverage additional unique selling propositions and secure competitiveness. The innovative output of the Komax Group was recognized in the form of multiple awards in 2023.

2023 AWARDS FOR INNOVATION

**Komax Group wins Swiss Manufacturing Award 2023**

Since 2019, the Institute of Technology Management of the University of St.Gallen has recognized the innovative achievement of a successful industrial company in Switzerland each year with the Swiss Manufacturing Award. In 2023, the Komax Group was selected from a large number of candidates.

**Komax Group recognized as one of the most innovative companies in Switzerland**

In conjunction with the market research company Statista, in September 2023 the Swiss business magazines Bilanz and PME ranked the Komax Group as one of the 30 most innovative companies in Switzerland.

**Zeta 620 wins the SBB Innovation Award 2023**

The magazine SCHALTSCHRANKBAU gave its Innovation Award to the Zeta 620 wire assembly machine in March 2023. The decision was made by an independent jury consisting of representatives of the control cabinet construction business, teaching and research, and the trade press.

**B340 strip series takes podium place at productronica**

In November 2023, Schleuniger's B340 stripping machine series was ranked in third place for the 2023 productronica innovation award at productronica in Munich, the leading European trade fair for automation.

724
employees in
R&D and
engineering

Unparalleled innovative strength

As at 31 December 2023, the Komax Group had a workforce of 368 employees (2022: 360 employees) working in research and development, the majority of whom (220 employees) were based in Switzerland. The lion's share of R&D expenditure is therefore incurred in this country. In addition, the Komax Group has development units in Belgium, China, Germany, France, Japan, Singapore, Hungary, and the US. There are also 356 engineers (2022: 353) who make an important contribution through the development of

customer-specific applications. The personnel costs of these engineering employees are not included in research and development expenses where these individuals have worked directly on customer projects.

The Komax Group continues to seek to invest 8–9% of revenues in research and development. Since the combination of Komax and Schleuniger, it enjoys even greater innovative strength. This enables market opportunities to be better exploited, while customers can be provided with innovative solutions for their needs more swiftly.

“Together with Schleuniger we possess a degree of innovative strength that is unique in the market, which we use to support our customers with new products and services to facilitate the ongoing increase in the level of automation.”

Matijas Meyer, CEO Komax Group

Bundling of skills and overhaul of product portfolio

As part of the integration of the Schleuniger Group into the Komax Group, the heavily expanded product portfolio as well as all development projects were subjected to analysis in the reporting year. This focused on areas where there is overlap and how the different skills of both companies can be optimally exploited. Moreover, progress already made in ongoing projects was amalgamated in 2023. The key strategic objectives of Komax and Schleuniger are now the further bundling of skills and resources in research and development, as well as the overhaul and optimization of the product portfolio.

For example, the analysis revealed some overlap in the area of smaller benchtop cutting and stripping machinery. The Schleuniger Group has traditionally been strong in this area, but Komax, too, has a competitive market offering with its Mira range. In keeping with a “best of both worlds” strategy, only the products that best meet requirements will be continued in the future. Innovations contained in the other machines will likewise be taken over to ensure that the entire body of expertise of Schleuniger and Komax is incorporated into future generations of benchtop machinery. Another example is the fast-growing high-voltage area, where the Komax Group pursues a similar strategy and is merging product groups to create new and even better solutions.

Integration processes of this kind will have the effect of improving innovative strength and efficiency significantly, while at the same time freeing up capacity. The competitiveness of the Komax Group will be elevated to a new level in the longer term. This will enable the company to offer technologically leading products and services on an ongoing basis, increase the efficiency and reliability of customer processes, and thereby create additional competitive advantages for these customers.

SMART FACTORY by KOMAX

The trend towards digitalization is in full swing, particularly in the automotive industry. More digitalization also means more data, more electrification, and more wiring and cabling. This is good for the business of the Komax Group, but presents its customers with growing challenges. A wide range of components and products are becoming increasingly intelligent and, at the same

time, more complex on the electronic side. The miniaturization of contact systems is continuing, adding a further layer of complication to manual production steps. Compounding this problem are ever-rising personnel costs along with a global shortage of skilled labor.

Customers of the Komax Group have to deliver consistently high quality and reliability despite rising complexity and higher personnel expenses, while the same time keeping costs as low as possible. The Komax Group helps them to meet these growing challenges. Specifically, the Komax Group has developed a vision for how wire manufacturing can be optimized in the future – the SMART FACTORY by KOMAX. It features five components (► page 49).

Greater productivity and flexibility for customers

When developing new products and services, the Komax Group focuses on the optimization of various value chains. With its solutions, the Komax Group can increase the degree of automation of its customers, which in turn has the effect of increasing their productivity and flexibility, while at the same time maintaining quality at the first go.

Actively driving forward industry trends

As the technology leader in automated wire processing, the Komax Group strives to actively shape key developments in its three market segments and thereby advance automation further. To this end, it partners with other leading companies in various organizations and initiatives.

Next2OEM – development of a digitalized, automatic value chain

The range of functions available in modern vehicles is continually expanding: driver assistance systems, comfort functions, infotainment packages, and new powertrains are well-known examples of this. What this in turn means for the wire harness is an increase in weight, cost, and complexity. The share of work undertaken manually in the production of wire harnesses stands at more than 80%, hence production is only commercially viable in low-wage countries, which means long transport routes. An additional complication here is the rise in supply chain uncertainties. Safeguarding these rather unsustainable value chains is a further challenge for automotive manufacturers. ►

next2OEM

THE FIVE COMPONENTS OF THE SMART FACTORY BY KOMAX – OUR VISION OF WIRE PROCESSING IN THE FUTURE

Real-Time Quality Audits

The Komax Group enables real-time quality audits. Quality data is collected using IoT technology, stored in the cloud, and processed in a user-friendly manner. This means that customers can produce quality reports immediately and easily, and thereby demonstrate compliance with quality requirements at any time and trace processes.

No Operator Influence

The Komax Group develops fully automatic, networked solutions in order to minimize operator influence. For customers this means a reduction in both personnel costs and dependency on labor. Moreover, productivity and transparency are improved while quality remains consistently high.

On-Demand Service

The Komax Group offers solutions and services on demand. These include performance- or usage-based payment for systems, financing and leasing services, and procurement of production capacities to handle production peaks, for example. This enables customers to reduce their capital requirement and increase flexibility, stability, and responsiveness.



Self-Optimizing Factory

The self-optimizing factory improves productivity while also reducing quality costs. To achieve this, the Komax Group provides cloud-based algorithms based on production and behavioral data. Customers therefore significantly improve machine utilization while at the same time reducing their quality costs.


Self-Service Boutique

The Komax Group offers access to a digital self-service boutique. Customers benefit from services such as product and spare parts ordering, web-based training, software downloads and upgrades, license management, plus analysis and optimization tools. This means they can access the services of the Komax Group at any time, from anywhere, and get a customized picture of their business.



More information on the SMART FACTORY by KOMAX can be found in this video: komaxgroup.com/en/expertise/smart-factory

In all five components, the Komax Group is working continuously on implementing the vision of the SMART FACTORY by KOMAX. After the first steps were taken in previous years, 2023 then saw further developments in all areas:

**NO OPERATOR
INFLUENCE**


Operator influence in wire processing must be kept to a minimum if the goal is to achieve the ultimate in precision and process quality. For example, in addition to the development of fully automatic tooling change systems (Alpha 650), the new Sigma 438 twisting machine allows UTP wires to be produced in sequence. A variety of different wire bundles can be produced successively with no tooling changes, which significantly reduces manual changeover times, particularly in the case of small batches. Pre-assembly stages such as the taping of the wires and the assembly of fixing clips can likewise be automated with the use of robots.

**SELF-
OPTIMIZING
FACTORY**

Software plays a crucial role in the improvement of productivity and quality in wire processing. The MES solutions 4Wire CAO (cutting area optimization) and 4Wire Px from DiIT were specially developed for the wire-processing industry. These control and optimize complex assembly processes in customer cutting areas, thereby improving OEE (overall equipment effectiveness). Moreover, they can be easily integrated into existing IT infrastructures through variable interfaces. When these are combined with Komax Connect, customers can further increase productivity on the basis of comprehensive real-time information.

**SELF-SERVICE
BOUTIQUE**

With the launch of its new website (www.komaxgroup.com), the Komax Group laid the basis in the previous year for its 24/7 online service offering in the form of a self-service platform. A further milestone was reached in 2023 with the online service ticketing system on the new “myKomax” customer portal. This offers greater transparency, accelerates processing times of orders and inquiries, and helps to further increase customer satisfaction. A pilot phase is currently underway with a few customers.

**ON-DEMAND
SERVICE**

The Komax Group offers not just machinery and software but also holistic solution concepts. In addition to the machines themselves, new value creation packages encompass service agreements for individual machines or entire production sites, technical support, training, and financing offers such as leasing or pay-per-use concepts. In addition, the digital platform of the firm WUSTEC, which was acquired in 2023, enables companies active in control cabinet and machine building to order prefabricated wire sets in any quantity online. In this way, the Komax Group offers convenient solutions for all customer requirements.

**REAL-TIME
QUALITY
AUDITS**

For customers of the Komax Group, documenting production and quality information seamlessly is becoming ever more important. With the software solutions 4Wire Px, 4Wire CAO, and Komax Connect, comprehensive product data can be captured, stored, and analyzed in order to guarantee complete traceability at all times, which is of huge assistance in quality audits. The Komax Group's broad spectrum of quality solutions and the multitude of data that these generate form the basis for real-time quality audits.

As a driver of innovation and market leader in automated wire processing, the Komax Group is implementing its vision of the SMART FACTORY by KOMAX on an ongoing basis. In doing so, it is raising the quality, productivity, and flexibility of wire processing to a new level. This helps to open up optimization potential and minimize risks. Together with its customers, the Komax Group works intensively on making life simpler, more convenient, and safer.

SOLUTIONS TO INCREASE PRODUCTIVITY AND FLEXIBILITY IN DIFFERENT VALUE CHAINS

Batch production with IQC Technology

With crimping machines, changing crimp applicator, terminal, and contacts for a new order is time-consuming. The revolutionary IQC technology massively simplifies and accelerates set-up and changeover. The error rate drops drastically, while productivity increases by up to 50%.

Sequence production of different wire harness variants

Using a one-piece flow approach, different wire harness variants can be produced sequentially on the same machine without any changeover, which facilitates lower inventories, more rapid delivery times, and simple design alterations, with all the key steps in wire harness production optimized.

Data wire – processing solutions

Data wires are playing an increasingly important role in vehicles, given the focus on driving safety. This being the case, ensuring a high quality in wire processing is also extremely important. Thanks to its innovative solutions, the Komax Group offers the quality that is needed, at the first go – with a minimized level of material waste.

Scalable platforms for high-voltage applications

The Komax Group develops scalable platforms (including the Lambda series) to meet the rising demand for high-voltage applications in e-mobility and the non-automotive area. These cover all key process steps from cutting to testing, and can service high production volumes.

High mix – low volume: variable solutions for small batches

The Komax Group's broad product portfolio offers cost-efficient automation solutions for high-quality production of multiple-variant applications in small batches. This is part and parcel of the day-to-day work of small and mid-sized wire harness manufacturers, in particular.

Digital solutions for control cabinet construction

Digital, fully automated workflow systems cut production times by up to 80% for customers in the industrial segment. This results in a substantial reduction in costs and an increase in efficiency. Just as valuable is WUSTEC's service for the external production of wire sets.

Production planning – software solutions for all customer needs that steer processes in all areas of production, from cutting to testing.

Service – comprehensive service offerings such as Komax Care and Komax Connect help to create added value across the entire life cycle of the machines.

› The Next2OEM project, which was sponsored by BMWK (German Federal Ministry for Economic Affairs and Climate Action, economic package 35c, www.bmwk.de) on the basis of a resolution by the German parliament, is now developing a digitalized and automated value chain, extending from the development of the wire harness and its production through to assembly in the vehicle bodywork. The aim here is to promote “nearshoring”, i.e. the repatriation of wire harness production back to Germany. As part of this project, the Komax Group has been working since 2023 with Audi and a number of other partners, namely Artiminds, Bär, Kostal, Kromberg & Schubert, Semantic PDM, Stefani, TE Connectivity, and the Friedrich Alexander University of Erlangen-

Nuremberg. The project is designed to show how a high level of automation can master the various challenges, increase quality at a low cost, and design value chains in a more sustainable way.



VWS4LS – making wire harness production fit for the future

Another project sponsored by the BMWK on the basis of a resolution of the German parliament is the so-called asset administration shell for the wire harness (VWS4LS). The Komax Group in Germany has been collaborating since 2021 with its partners Coroplast, Dräxlmaier, Festo, Kostal Kontaktsysteme, Kromberg & Schubert, Kuka, Mercedes-Benz, Siemens, and Wezag on this project. VWS4LS implements the administration

shell as a digital twin across the entire product life cycle of the wire harness in a vehicle – from cross-company collaborative development through to final removal. Among other things, this results in an OPC UA Companion Specification, which creates a standardized interface for the wire processing industry. This is designed to facilitate the communication of machines with a manufacturing execution system (MES) and thereby simplify the interaction of various production processes. In a first step, the partners agreed on standardized cutting room processes. In the future, a shared digital twin will be created to allow all sorts of different machines to be operated with standardized digital processes.

ARENA2036

ARENA 2036 – zonal architecture for the wire harness

The wire harness is currently one of the most laborious, complex, and expensive individual components in any vehicle, and is therefore of crucial importance to the entire automotive industry. The move to e-mobility and autonomous driving is changing the requirements for the design and manufacture of the wire harness. For automotive groups this means significant investment. Their suppliers must develop solutions for new customer needs. In keeping with the zonal approaches that apply in wire harness architecture, the wire harnesses of the future need to be designed in a modular way, with the smallest possible component diversity. Several compact wire harnesses with shorter wires are less complex, more cost-efficient to produce, and above all more conducive to automation than one large wire bundle. And this is what the Komax Group is committed to.

In ARENA2036 (www.arena2036.de), various interdisciplinary teams are researching how automotive production might work in the future. As part of the wire harness standardization initiative, the Komax Group is working with leading-name automotive manufacturers and their suppliers to draw up design guidelines for wire harnesses that lend themselves easily to automation. The goal is to enshrine these design guidelines in a newly created DIN norm together with Germany's Automotive Industry Association (VDA). These recommendations should help automotive manufacturers to develop wire harnesses that can be assembled in a highly automated, process-secure, and commercially viable way.

Digitalization with Industry 4.0 and the Industrial Ethernet of Things

In the Open Industry 4.0 Alliance, the Single Pair Ethernet System Alliance, and the SPE Industrial Partner Network, the Komax Group is driving forward digitalization together with renowned partners from various sectors. The Open Industry 4.0 Alliance works in a specifically targeted way on a framework for communication between different machines. This could see the likes of digital interfaces and remote monitoring feed through into the development of new solutions for the Komax Group, which is particularly important for the SMART FACTORY by KOMAX. Single Pair Ethernet (SPE) is the infrastructure basis that facilitates the Industrial Ethernet of Things and Industry 4.0. Together with its partners, the Komax Group wants to promote SPE technology and create a common market standard. To this end, it cultivates a lively exchange of views and benefits from the transfer of expertise.

Smart Cabinet Building Initiative – comprehensive solutions for control cabinet construction

In the Industrial & Infrastructure market segment, the Komax Group is active in the control cabinet construction area, among others. There is plenty of automation potential here, which the Komax Group – together with four other technology companies, namely Armbruster Engineering, nVent Hoffman, Weidmüller, and Zuken – is keen to exploit through the Smart Cabinet Building Initiative (www.smart-cabinet-building.com). The aim of this initiative is to network technology and expertise across all process steps to deliver comprehensive solutions for control cabinet construction. This would enable working stages that have so far taken place chronologically to be executed in parallel, thereby saving both time and costs. The Komax Group and its partners will further increase automation and therefore the efficiency of control cabinet construction so that customers can remain productive despite the shortage of skilled personnel.

EXAMPLES OF CURRENT INNOVATIONS

Thanks to its targeted investment in research and development, the Komax Group succeeds in bringing a variety of new products, product enhancements, and services to market every year. It demonstrated its technological leadership in 2023, unveiling numerous new products at various trade fairs (► page 35).



Alpha 520 – a crimp-to-crimp machine optimized for high-mix production

The Komax Group presented its fully automatic Alpha 520 wire processing machine directly to customers right across the US as part of its Komax Roadshow 2023. This machine is optimized for high-mix production, and its pronounced flexibility makes it ideally suited to customers who produce a variety of batch sizes with a wide spectrum of wire lengths, cross-sections, and end designs. The simple setup and changeover process guarantees economically viable production even with small batches. Integrated monitoring and verification functions improve productivity and simplify operation. Even non-standardized modules can be integrated without impairing the underlying software structure, which allows for further standard software upgrades.



Lambda 141 – compact, high-quality processing of high-voltage cables

With the Lambda 141 the Komax Group has expanded its portfolio for the high-voltage sphere with a compact and multifaceted machine at entry level. It features quick-change tooling and three cable processing modules with an integrated cleaning unit, and can execute tasks such as cutting, shield folding, and rotary stripping of insulation. At around 20 seconds, the production time per wire is very low. Operating the Lambda 141 is simple and involves a 10-inch touchscreen. Its MES interface allows seamless integration into manufacturing systems, while the swift tooling changeover ensures minimal downtime and flexibility of production. The Lambda 141 therefore delivers decisive added value for customers in the high-voltage area.



Sigma 688 LTT – perfect twisting of even the smallest wire cross-sections

The twisting of pairs of wires, e.g. for vehicle sensors and infotainment, is the simplest, most cost-effective way of reducing electromagnetic interference. In order to save weight, wires are becoming ever thinner. With the new Sigma 688 LTT (low torsion twisting), the Komax Group introduced a new automatic machine in 2023 that can perfectly twist two individual wires with small cross-sections measuring as little as 0.13 mm² to create unshielded twisted pairs (UTP). The Sigma 688 LTT features an innovative reverse torque unit, whereby small grippers at the respective wire end reverse the rotation that occurs in the individual wire during twisting. The result is a compactly twisted wire with exceptionally stable geometric properties that customers can produce at a consistently high level of quality.



New cutting and stripping machine series E300/E400

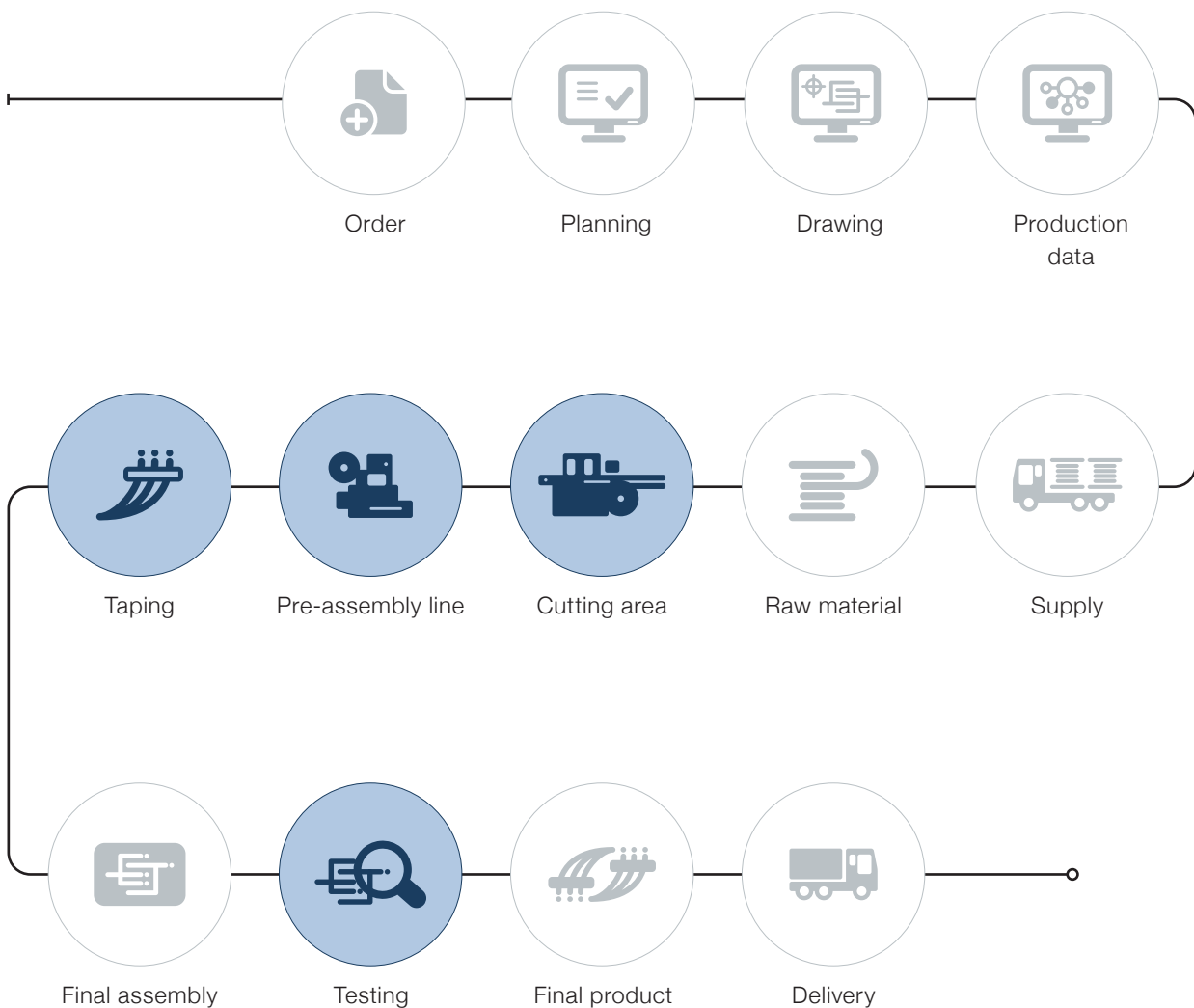
In 2023, Schleuniger introduced a new generation of cutting and stripping machines for smaller wire diameters with its E300 and E400 series. The E300 processes diameters of 0.3 mm up to 8.0 mm, while the E400 works with diameters up to 12.5 mm. Both machines can be used in all sorts of ways – such as with industrial applications, control cabinets, household devices, in the automotive and aviation industries, telecommunications, and consumer electronics. Operation is intuitive and involves a 10-inch touchscreen interface. What's more, the setup process is short thanks to pre-set standard values for the most common wire types. The actively guided software support for eliminating errors minimizes downtime and increases process reliability. The Cut & Strip Family E300 and E400 process stranded wires, tubing, ribbon and multiconductor cables, and insulation such as PVC (polyvinylchloride), PUR (polyurethane), and Teflon in high-precision quality.

In the 2023 financial year, the Komax Group continuously rolled out innovations, presenting the numerous solutions of the Komax, Schleuniger, adaptronic, Cirris, DiIT, and WUSTEC brands simultaneously in Munich, Nuremberg, and Grafenau. Customers of the Komax Group will be able to benefit from this increase in innovative strength with further new products over the coming years.

SOLUTIONS ALONG THE VALUE CHAIN

The majority of customers of the Komax Group are wire harness manufacturers whose business consists of processing individual wires – predominantly by hand – into wire harnesses and delivering these to vehicle manufacturers (OEMs). The Komax Group offers its customers a wide range of solutions and systems for the automated and efficient processing of wires and for the taping and testing of wire harnesses. These are used in the cutting room, at the pre-assembly stage, and when taping and testing.

In addition, the Komax Group supports its customers throughout the value chain – from planning through to delivery – with its Manufacturing Execution System (MES) solutions. This software automates the planning, controlling, monitoring, and analysis of all resources and production processes. This has the effect of optimally deploying machines, materials, and employees, so that wire harnesses can be completed to deadline, as well as to the requisite quality.



- Komax Group automation solutions
- MES – Manufacturing Execution System

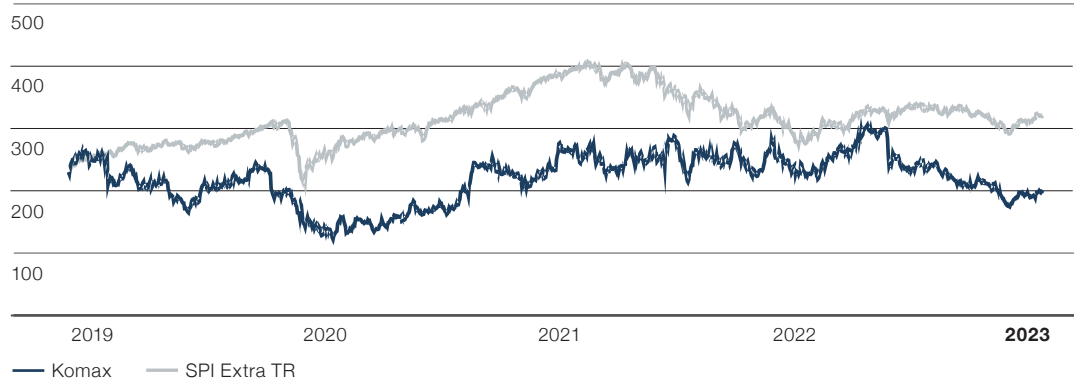
SHARE INFORMATION

The Komax Group cultivates a policy of open and transparent communication with its investors. It allows shareholders to participate in the company's success through its sustainable dividend policy.

Over the course of 2023, the daily closing price of the Komax share ranged between CHF 174.40 and CHF 305.50. At year end the share price closed at CHF 200.50, a substantial –22.1% below the prior-year level (closing price previous year: CHF 257.50). Over the same period, the SPI Extra rose by 6.5%. In a five-year comparison over the period 2018–2023, the SPI Extra recorded strong growth of 39.4%, whereas the Komax share recorded a decline of 12.8%.

Share price development (31 December 2018 – 31 December 2023)

in CHF



LISTING

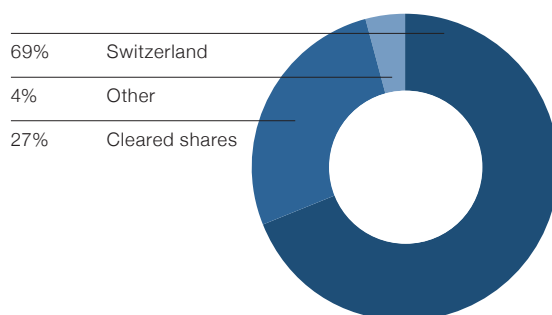
Komax Holding AG is listed on SIX Swiss Exchange. The market capitalization of the Komax Group at the end of 2023 was CHF 1.0 billion (31.12.2022: CHF 1.3 billion).

ISIN	CH0010702154
Security number	1070215
Bloomberg code	KOMN SW
Thomson Reuters code	KOMN.S

GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDINGS

The majority of shares not held in Switzerland are held in Germany, the United Kingdom, and the United States.

As at 31 December 2023



BREAKDOWN OF SHAREHOLDERS BY NUMBER OF REGISTERED SHARES HELD

	31.12.2023	31.12.2022
1-100	3 960	3 469
101-1 000	1 775	1 600
1 001-10 000	227	218
10 001-100 000	29	29
> 100 000	3	4
Total shareholders	5 994	5 320

The shareholder base increased significantly by 674 persons to 5 994 shareholders in 2023. Over the last five years, however, the shareholder base has remained broadly the same size (-0.5%).

Free float

The free float as defined by SIX Swiss Exchange stands at 75% (31 December 2022: 75%).

DISCLOSURE OF SHAREHOLDINGS / SIGNIFICANT SHAREHOLDERS

Under Art. 120 of the Financial Market Infrastructure Act (FinMIA) anyone who acquires or sells equity securities on their own account and thereby attains, falls below, or exceeds the threshold of 3, 5, 10, 15, 20, 25, 33 1/3, 50, or 66 2/3% of the voting rights in a company (whether or not such rights may be exercised) is subject to a reporting obligation. Information on these significant shareholders: > page 104.

The reporting obligation applies to anyone who directly, indirectly, or in concert with third parties acquires or disposes of shares in a company incorporated in Switzerland whose equity securities are listed in whole or in part in Switzerland. It also applies to anyone who can exercise the voting rights attached to such equity securities at their own discretion. Disclosure must be made to the company and stock exchanges on which the equity securities in question are listed.

DIVIDEND POLICY

3.00
CHF dividend

The Board of Directors pursues a sustainable dividend policy that takes account of the ambitious growth targets of the Komax Group. The implementation of Strategy 2028 requires substantial investment, such as in acquisitions, for example. In order to drive forward this investment and to take account of the volatile and challenging business environment, the Board of Directors is recommending a break from the very high payout ratios of recent years for the time being (2022 financial year: 54.5%). It is proposing to the Annual General Meeting of 17 April 2024 distribution of a dividend of CHF 3.00 per share (2022: CHF 5.50), corresponding to a payout ratio of 35.1%. Of this amount, CHF 1.50 will be distributed from capital contribution reserves, and will therefore be tax-free for natural persons domiciled in Switzerland who hold the shares as part of their private assets. Due to a statutory requirement, a maximum of half of the total distribution may take place from capital contribution reserves.

FINANCIAL CALENDAR

Annual General Meeting	17 April 2024
Half-year results 2024	13 August 2024
Investor Day	22 November 2024
Preliminary information on 2024 financial year	21 January 2025

KOMAX REGISTERED SHARE: KEY DATA

		2023	2022	2021	2020	2019
Share capital as at 31 Dec.	in TCHF	513	513	385	385	385
Number of shares as at 31 Dec.	No.	5 133 333	5 133 333 ¹	3 850 000	3 850 000	3 850 000
Average number of outstanding shares	No.	5 124 960	4 273 799	3 843 440	3 845 655	3 843 352
Key data per share						
Par value	CHF	0.10	0.10	0.10	0.10	0.10
Basic earnings	CHF	8.55	12.11	7.90	-0.34	3.44
EBITDA	CHF	18.14	20.81	15.70	6.85	9.58
EBIT	CHF	14.21	16.78	11.65	2.93	6.25
Shareholders' equity	CHF	76.09	81.15	68.81	61.42	63.53
Distribution	CHF	3.00 ²	5.50	4.50	0.00	0.00
Payout ratio	%	35.1 ²	54.5	57.0	0.0	0.0
Dividend yield as at 31 Dec.	%	1.5 ²	2.1	1.8	0.0	0.0
Share price development						
Highest price	CHF	305.50	288.00	276.60	238.80	264.00
Lowest price	CHF	174.40	214.00	177.30	122.00	165.10
Closing price as at 31 Dec.	CHF	200.50	257.50	253.00	176.30	236.40
Average daily trading volume	No.	6 968	6 419	8 846	15 809	16 802
P/E (price-earnings ratio) as at 31 Dec.		23.5	21.3	32.0	-518.5	68.7
Total return per share						
Distribution from prior-year profit	CHF	5.50	4.50	0.00	0.00	7.00
Change in value	CHF	-57.00	4.50	76.70	-60.10	6.40
Total (total return)	CHF	-51.50	9.00	76.70	-60.10	13.40
Annual return ³	%	-20.00	3.56	43.51	-25.42	5.83

¹ A capital increase for 1 283 333 shares took place within the framework of the combination between Komax and Schleuniger in 2022. Following an exchange of shares, Metall Zug AG became the Komax Group's single biggest shareholder (see page 105).

² Proposal of Board of Directors of Komax Holding AG: distribution of CHF 3.00 per registered share.

³ Versus prior-year end closing price.

Further information on the Komax registered share can be found at www.komaxgroup.com.

ESG REPORT

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SUSTAINABLE, SOCIAL, AND RESPONSIBLE

Environmentally sustainable business practices along with socially oriented and responsible company management are core elements of the Komax Group's corporate strategy. They are incorporated into both the Komax Group's long-term targets and its operating activities. The Komax Group is determined to develop its competencies in questions of sustainability on an ongoing basis. With the new Strategy 2028, sustainability (ESG) will form an integral part, with specific targets that are set out in this ESG Report.

DEAR READER

Countless events in the recent past have shown once again how important it is to adopt a responsible approach in dealing with each other and the resources available to us. The coronavirus pandemic and wars in both Europe and the Middle East are just a few examples of this. Global warming is real, and in some cases has had massive repercussions for human life and the business activity of companies. The Komax Group is one such company. It takes responsibility and plays its part in preserving the quality of life of coming generations. That is why it seeks to create value on a long-term, sustainable basis.

We are a fair and reliable partner for all stakeholders at all times. Where our workforce is concerned, we offer an appreciative working environment, and our products are long-lasting, energy-efficient, and of a high quality. We attach considerable value to environment-friendly production and the prudent use of resources. This is because we want to help our customers shrink their environmental footprint. But this is nothing new: The Komax Group has been an advocate of responsible business practices in keeping with ESG for decades.

We took a major step forward in this respect in 2023. To provide the framework for the Group-wide, strategic implementation of ESG, sustainability was incorporated into the Articles of Association at the 2023 Annual General Meeting in line with a proposal from the Board of Directors. In addition, in April 2023 the Board of Directors appointed a Sustainability and Innovation Committee, which supports the Board of Directors and the Executive Committee in sustainable corporate development, strengthens our innovative capacity, and oversees sustainability reporting.

ESG is an integral component of the Komax Group's new Strategy 2028. To this end, the Komax Group carried out an in-depth materiality analysis in 2022 at the instruction of the Board of Directors so as to identify central themes. Taking this analysis as a basis, we developed 13 long-term targets in 2023 that will bring us closer – step by step – to our vision of a fair, responsible, and climate-neutral organization. In step with this, we have broken our ESG targets down into three core elements: Fairness, Responsibility, and Climate Protection. Our focus will be on the areas where we can have the biggest impact. The operational implementation of ESG as an overarching initiative in all business areas is already being executed under the stewardship of CEO Matijas Meyer. An important first step here was the improvement of data quality in 2023. Following the Komax Group's publication of comprehensive ESG data for the first time for 2022 with its ESG Short Report, we were able to improve data quality further in the reporting year. This now allows us to provide you with additional information.

This ESG Report gives you an insight into our strategy, our targets, and how we intend to achieve them. It was drawn up in accordance with the GRI Standards and broken down by the themes that are important to us. The sections that are relevant for the vote at the Annual General Meeting were approved by the Board of Directors in keeping with the requirements of Swiss legislation (the Swiss Code of Obligations) and will be submitted to the Annual General Meeting to be held on 17 April 2024 for approval. Details are listed on page 101 of this report. We look forward to continuing to present you in the future with detailed annual updates on the progress we are making in the form of a comprehensive ESG Report.

Yours sincerely,



Dr. Beat Kälin
Chairman of the Board of Directors



Dr. Andreas Häberli
Chairman of the Sustainability and
Innovation Committee

SCOPE OF THE ESG REPORT

Komax Holding AG publishes comprehensive financial results twice a year, in English and German: for the first half in August and for the full year in March, in the form of media releases and annual/half-year reports in PDF format. The ESG Report is an integral part of annual reporting and is published together with the Annual Report. This is the first ESG Report published in accordance with the GRI guidelines. The corresponding GRI index is available on the website of the Komax Group (www.komaxgroup.com/en/annualreport2023/gri-index). In addition, an ESG Short Report was published to coincide with Investors' Day on 28 September 2023.

The present report encompasses the period from 1 January to 31 December 2023, and was published on 12 March 2024. The publication dates can be found in the financial calendar on the Komax Group website (www.komaxgroup.com/en/invest-in-komax/financial-calendar). The scope of consolidation of ESG reporting is identical to that of our financial reporting. Data and qualitative statements relate to the entire Komax Group as per the list of equity holdings on pages 171–172 of the Financial Report, other than where explicitly stated otherwise. The Alcava Group was acquired with effect from 1 October 2023 (▶ page 168, Financial Report). This acquisition was not taken into consideration, other than where indicated differently. Certain data elements such as those relating to energy and material consumption, fuels, waste, and recycling were obtained for a nine-month period and extrapolated in a linear way to cover the twelve-month period. In order to facilitate an expedient comparison with the previous year, data for the entire 2022 calendar year was also taken into account for the Schleuniger Group. This was done even though the consolidation of Schleuniger did not take place until the beginning of September 2022.

The ESG Report was drawn up in compliance with Art. 964a et seq. of the Swiss Code of Obligations (SCO), as well as in accordance with the GRI Standards and the GHG Protocol. The Komax Group takes its cue from globally recognized standards. Based on a materiality analysis, the Komax Group has defined the relevant targets for its sustainable development. Using this as a basis, it wants to contribute to the realization of the global targets of the Sustainable Development Goals (SDGs) of the United Nations. Of the 17 SDGs, it has defined the following seven goals as those to which it can make the greatest possible contribution:



In the ESG report, the logo of each of the seven targets is placed next to a section that explains how one aspect of the Komax Group is contributing to the corresponding SDG.

Contact partner for ESG matters:

Roger Müller

Vice President Investor Relations / Corporate Communications

Phone +41 41 455 04 55

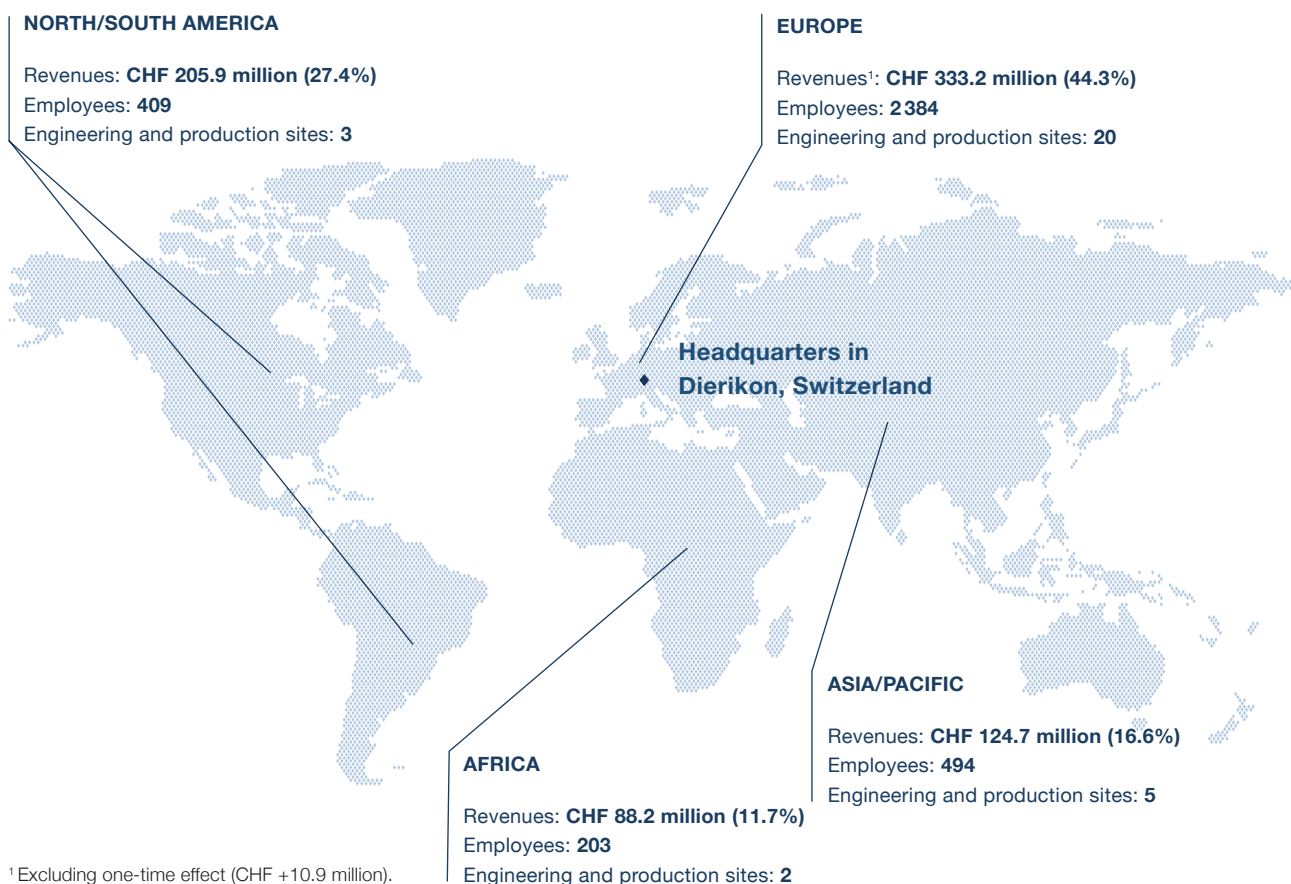
roger.mueller@komaxgroup.com

The Komax Group at a glance

The Komax Group has some 3 500 employees, and is a pioneer as well as market and technology leader in automated wire processing solutions. It offers serial production machines, customer-specific systems, quality assurance modules, test systems, networking solutions, and services for the processing of all sorts of wires, including for the production of wire harnesses in vehicles. Headquartered in Dierikon, Switzerland, the Komax Group is active in three market segments – Automotive, Aerospace & Railway, and Industrial & Infrastructure. The Automotive market segment is the key market, accounting for 75% of revenues. The headquarters of the Komax Group can be found at Industriestrasse 6, 6036 Dierikon, Switzerland. Worldwide, the Komax Group has 30 engineering and production sites, and offers sales and service support in more than 60 countries.

The Komax Group aims to further expand its market position and set the pace on the trends that are important today, such as automation, e-mobility, and autonomous driving. To this end it has defined ambitious growth and profitability targets. Through its business strategy, which is geared toward long-term success, it aims to create sustainable value (► page 22 onwards).

In its market environment, the Komax Group is impacted by a number of megatrends. Key among these is the trend toward greater automation on the part of customers of the Komax Group. In addition, the rising number of vehicles manufactured is an important growth driver. Further details on these megatrends and the markets: ► pages 18–21 and 38–45 of the Annual Report 2023.





Final assembly of the Alpha machine series at the headquarters in Dierikon, Switzerland.

Corporate purpose of the Komax Group

For decades now, the Komax Group has been known for innovative products and its leading market position. At the same time, it also wants to contribute to the sustainable development of society. The corporate purpose of the Komax Group can be summarized in just a few words:

As a driver of innovation and market leader in automated wire processing, we develop and produce intelligent, reliable, and optimally cost-effective wiring solutions for smart mobility and smart city applications. We work closely with our customers to make life simpler, more convenient, and safer.

The Komax Group understands smart mobility to mean the increasingly multifaceted nature of the mobility offering for end customers. Be it bikes, cars, or public transport – many of these forms of mobility are increasingly relying on electrical drive systems and a higher number of electronic components. Wherever electricity is used, wires are required, and wherever wires are installed, areas of application arise for the Komax Group. Smart city solutions support the optimum usage of this mobility spectrum, e.g., through traffic guidance systems or intelligent electricity usage, distribution, and storage systems. All these solutions need cables, be it for transmitting power or transferring data. The Komax Group helps with the production of these on the basis of high-quality, automated, resource-conserving processes, thereby also contributing to these megatrends.

Five core values

All business processes in the Komax Group are aligned with five core values. These core values are fundamental elements of the identity of the Komax Group, and are enshrined in its Code of Conduct. They form the basis for environmentally sustainable business development as well as socially oriented and responsible corporate governance.

THE FIVE CORE VALUES OF THE KOMAX GROUP



INNOVATION

As a pioneering and visionary company, we ensure that our business activity has a long-term focus. We are always open to new ideas and regularly re-examine our approach. This includes looking beyond our immediate concerns. We are willing to take risks – on the basis of knowledge and understanding – in order to reinforce our leadership in terms of innovation. Following new paths can lead to mistakes. We realize and tolerate this because it gives us an opportunity to become even better. We are increasing our lead by continuing to press ahead with innovations proactively, quickly, and determinedly while remaining committed to our usual high quality standards.



CUSTOMER FOCUS

The varying needs of our customers are at the center of our activities. We listen to them carefully and ask the right questions. Understanding their requirements enables us to keep on improving. We strive to ensure that our solutions offer our customers added value, so that they can increase their efficiency and productivity and thus gain a competitive advantage. We are close to our customers, communicate actively, and foster friendly, long-term relationships and partnerships based on respect and esteem.



SUCCESS

We pursue ambitious targets and make an effort to achieve them every day. As a market and technology leader we make high demands of ourselves and strive to find the best solution for our customers. Our long history of success encourages us to continue the success story and create sustainable value. This benefits our customers, employees, and investors. We want all these stakeholders to share equally in our success. We nurture competent, committed employees who enable us to retain loyal, satisfied customers.



QUALITY

Our day-to-day work is driven by quality and a willingness to examine what we do critically. We provide our customers with solutions that fully meet our quality requirements and supply what we have agreed. This commitment lies at the heart of our long-term, trusting customer relationships. Our efforts to keep on getting better include always delivering the agreed quality and actively asking customers how we can improve further. It is clear to us that this creates trust, which is of inestimable value.



RESPONSIBILITY

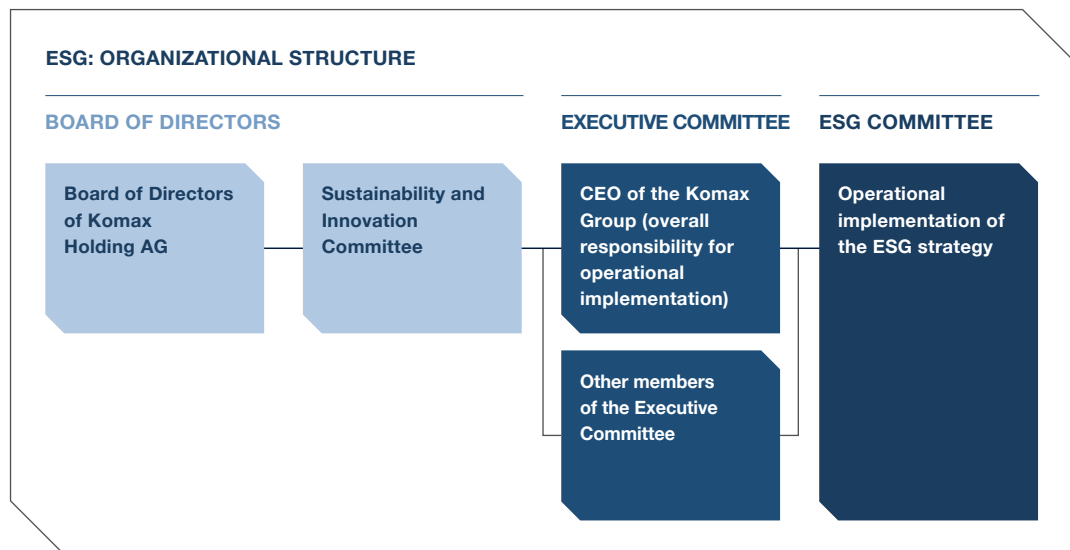
We take our responsibility toward our customers, employees, and investors seriously and act as a reliable, trustworthy partner. Our integrity and ability to keep to our agreements and meet our deadlines make us stand out from the crowd. We keep our word and ensure that our partners and colleagues do so too. A strong sense of shared responsibility is important to us and we are careful to foster it. We take responsibility for our actions, make decisions, and carry them out. If we pass our responsibility on to others, we do so deliberately and ensure that they assume it in turn.

Embedding ESG in the Komax Group

ESG was defined as one of the key strategic targets of the Komax Group by the Board of Directors back in 2022. Key ESG metrics have been compiled and documented since 2021. The Komax Group firmly anchored ESG in the company when developing its Strategy 2028. Part of this involved the comprehensive revision of the Articles of Association at the Annual General Meeting on 12 April 2023, including the introduction of Article 2a, "Sustainability", which underscores the principle of sustainability already being applied by the Komax Group. The new Articles of Association also take account of current best practice in corporate governance.

Following the 2023 Annual General Meeting, the Board of Directors also set up a Sustainability and Innovation Committee. This committee informs and advises the Board of Directors regularly on new developments in the different areas of ESG and monitors sustainability reporting (► pages 111/112, Corporate Governance).

The CEO has overall responsibility for the operational execution of the ESG strategy. He drives this forward together with the Vice President Investor Relations / Corporate Communications, who steers and supervises its implementation into the business processes centrally. Another development in the reporting year was the initiation of an ESG Committee with senior managers from various areas such as Group Legal and Compliance, Global Human Resources, Global Operations & Supply Chain, etc., in order to provide broad-based support with implementation at an operating level and ensure that the various ESG initiatives progress according to plan.



In order to ensure sustainable business practices, the Komax Group has for many years implemented certain Codes of Conduct (for employees, suppliers, and partners) and has a number of Group-wide and local guidelines in place, such as in the areas of procurement, workplace safety, and data protection. In keeping with the new ESG targets, these are to be enhanced with guidelines on topics such as human rights, corruption, and bribery – in alignment with the UN's Guiding Principles on Business and Human Rights.

As a consequence of the consistent strategic anchoring of ESG in the Komax Group, members of the Executive Committee will be set individual ESG targets annually from 2024 onward, with these targets based on the ESG targets laid down in the context of Strategy 2028. The degree of target attainment will be a criterion for the amount of variable compensation paid (cash bonus). The Komax Group will also continue to broaden and optimize reporting on its ESG activities on an ongoing basis. The focus here will be on data compilation and data quality.

The Komax Group is a member of various industry organizations. For example, as part of ARENA2036 and the project next2OEM, interdisciplinary teams are researching how automotive production might work in the future. Potential solutions for digitalization in wire processing are being developed together with other companies as part of the Open Industry 4.0 Alliance, the

SPE Industrial Partner Network, and the Single Pair Ethernet System Alliance. Together with other leading technology companies, the Komax Group is looking for holistic solutions for industrial control cabinet construction as part of the Smart Cabinet Building Initiative, with a view to optimally exploiting the considerable automation potential in this area (► pages 48–52).

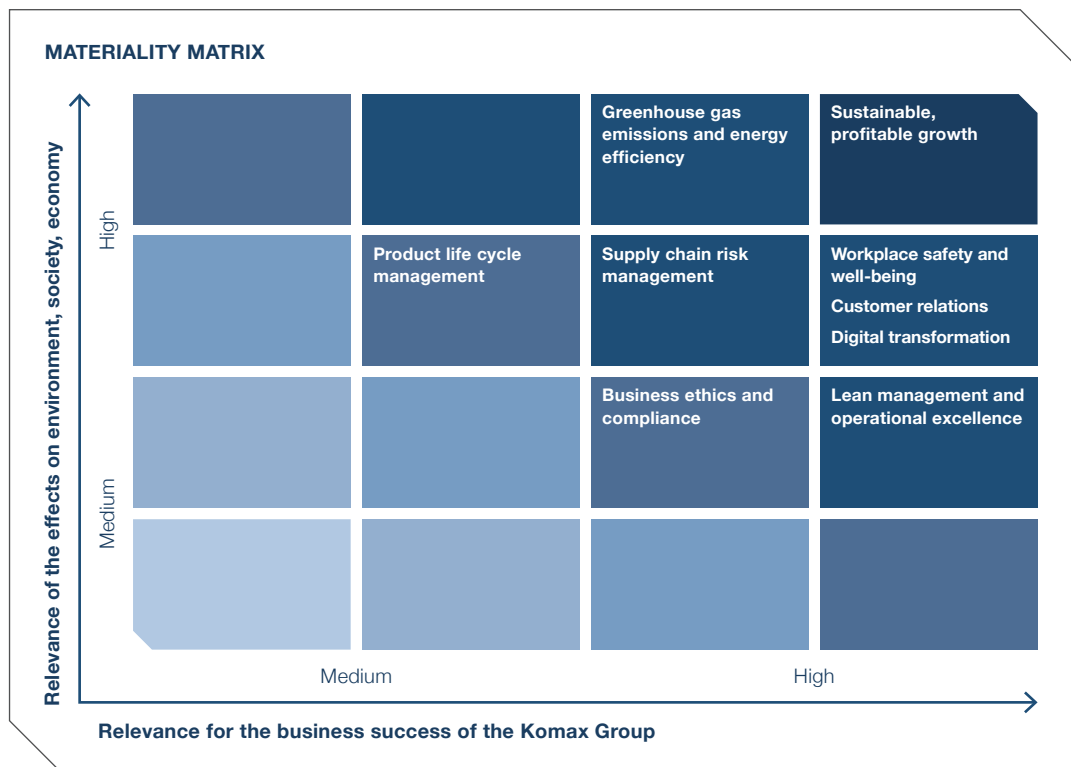
MATERIALITY ANALYSIS

In its business activities, the Komax Group is on the one hand influenced by the various trends, risks, and opportunities that have an impact on long-term business success. In addition, through its activities it has its own impact on the environment, the economy, and society. In order to identify the key interacting and influencing factors, the Komax Group carried out a comprehensive double materiality analysis in 2022. This forms the basis for the ESG strategy.

The materiality analysis encompasses the following stages:

- Internal analysis in all relevant topic areas
- Semi-structured interviews with customers, analysts, investors, proxy advisors, and representatives from peer companies
- Semi-structured interviews with representatives from the Executive Committee and the Board of Directors, and intensive discussions with both bodies
- Internal online survey on the topic of ESG, in which more than 25% of all Komax Group employees participated
- Feedback from external sustainability experts
- Validation by the Executive Committee and the Board of Directors

This analysis produced nine themes that are material to the Komax Group. These were evaluated by the Executive Committee and the Board of Directors and set out in a materiality matrix in such a way as to demonstrate the relevance of the impact of business activities on the environment, society, and the economy, as well as the relevance for the business success of the Komax Group.



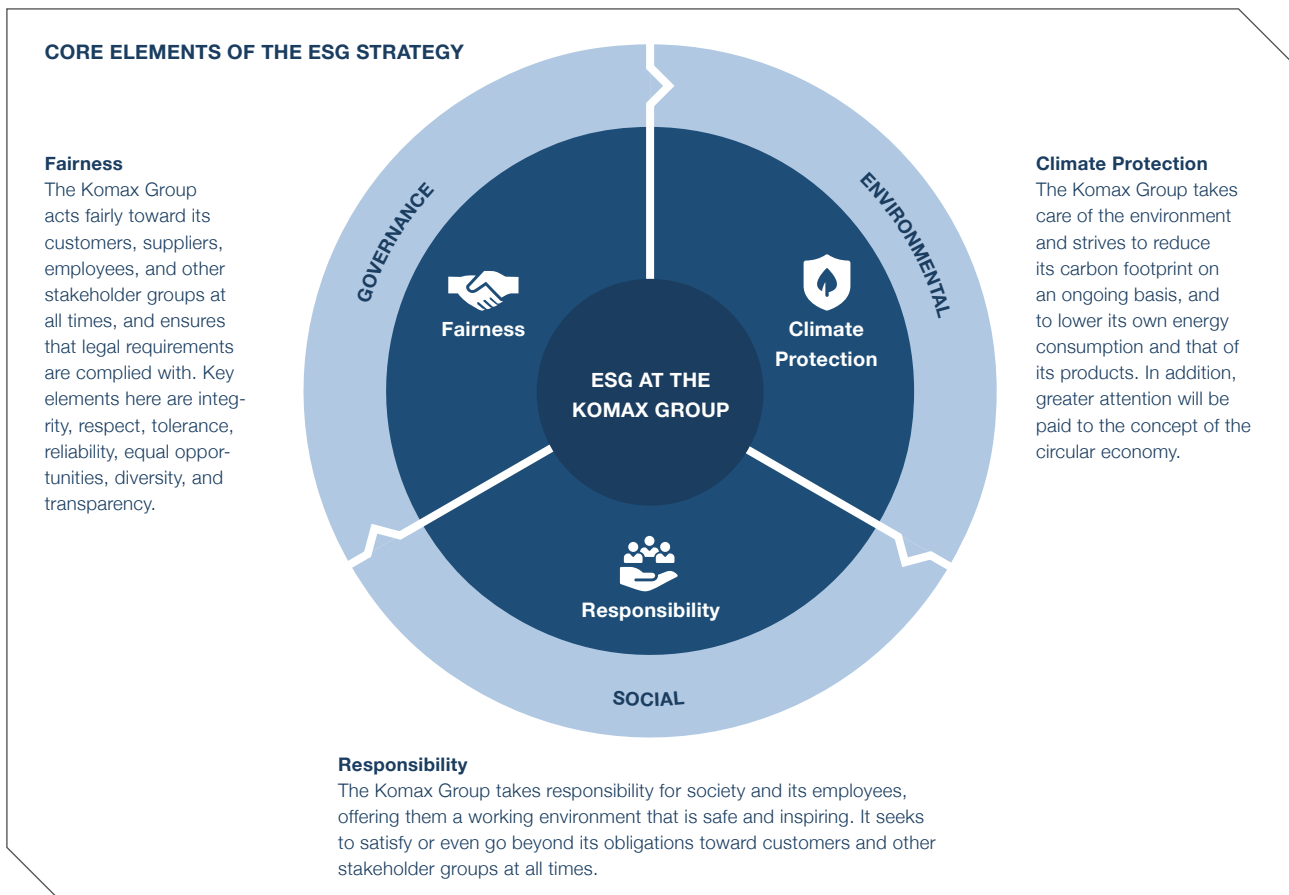
ESG STRATEGY

ESG – an integral component of Strategy 2028

Following the combination with the Schleuniger Group at the end of August 2022, the Komax Group analyzed the new situation in detail and developed the strategy in place for the period 2024 to 2028 (► pages 22–29). At the heart of the revised strategy are four key, market-oriented strategic priorities: Create Value Along Customer Journey, Innovate for Automation and Quality, Strengthen Global Customer Proximity, and Develop Non-automotive Markets. In addition, two strategic initiatives address issues that are important to the attainment of profitability targets and the financing of growth: Scale Komax and Schleuniger, and Lean and Excellent, Digital Transformation. The overall picture is complemented by the ESG strategic initiative, which forms a framework and the foundation for sustainable action by the Komax Group. In this area, the Komax Group has greater ambitions than just meeting regulatory requirements. This explains why ESG is a strategic component and a part of the overall brand strategy (► page 37).

Core elements of the ESG strategy

With the new Strategy 2028, the Komax Group is embedding ESG topics even more consistently in its business processes. As part of this, it has defined three focus areas – Fairness, Responsibility, and Climate Protection – with which it intends to concentrate in particular on its customers, employees, suppliers, and the planet. The Komax Group has a long-term ambition for each of these focus areas, and has defined 13 overarching targets for the next five years based on the materiality analysis. In order to attain these targets, various strategic initiatives are being pursued and comprehensive reporting established.



ESG TARGETS 2024–2028

 Climate Protection

Greenhouse gas emissions and energy efficiency

Steady CO₂ emissions (Scope 1 and Scope 2) by 2028, despite strong growth.



Reduction in energy consumption by 2% per year (in MWh per CHF 1 million in revenues).



¹ Excluding one-time effect on revenues (CHF +10.9 million).

50% of electricity consumption from renewable sources by 2028.



Product life cycle management

Eco-design check for all newly developed products from 2025.

The Komax Group started preparations for implementing eco-design checks in 2023.

Implementation of the circular economy concept through the creation of recycling options – all products recyclable from 2028.

The Komax Group is testing various concepts for offering customers the possibility of recycling the products sold to them at the end of these products' useful lifespan.

 Fairness

Workplace safety and well-being

Realization of the vision of zero workplace accidents – accident rate to be halved by 2028.

Baseline is the average LTIR ratio for 2022 and 2023: 4.2.

Employee motivation level above average compared with peer industrial companies at all sites (data collected in a three-year cycle via ValueQuest survey).



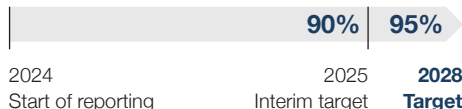
Customer relations

Above-average customer satisfaction in an industry comparison.

The Komax Group is working on a concept that will allow customer satisfaction data to be captured on a continuous basis Group-wide from 2025.

On-time delivery achieved on over 90% of all orders from 2025, rising to over 95% from 2028.

The Komax Group is working on processes and the systematic capture of data at all production sites to report a Group-wide metric from 2025.



 Responsibility

Business ethics and compliance

100% of employees complete and pass Code of Conduct training courses at least every two years.

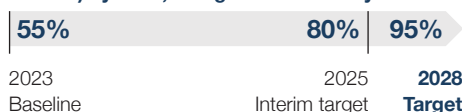
Regular Code of Conduct training is planned for 2024.

Introduction of guidelines on human rights, bribery, and corruption by the end of 2024.

The Komax Group is working on various Group-wide guidelines that are expected to come into force by the end of 2024.

Supply chain risk management

Code of Conduct signed by 80% of suppliers (by purchasing volume) by 2025, rising to over 95% by 2028.



Annual audit of existing and/or potential new suppliers based on a risk matrix approach.

The risk matrix approach shall be implemented in 2024.

SUSTAINABLE, PROFITABLE GROWTH



The Komax Group aims to achieve sustainable and profitable growth. By this it means the all-encompassing, long-term development of the Komax Group and its environment with the aim of creating value not just in the economic sense, but also in an environmental and social sense. As an international business, the Komax Group is bound up with a dense network of stakeholders whose further development it influences both directly and indirectly. It bears responsibility for these stakeholders in many different ways, and can best meet that responsibility through sustainable, value-creating business development. It therefore takes care to ensure that it has a robust financial base and pursues a long-term strategy so that future generations can also benefit from the impact of the Komax Group. It fundamentally rejects any notion of making profits at the cost of the environment and society. It attaches considerable value to environment-friendly production and the responsible use of natural resources, and offers its employees an appreciative working environment. Far from being empty phrases, these principles have been applied by the Komax Group for decades.

The goal of growing both sustainably and profitably is to be pursued further through Strategy 2028, which was formulated in 2023. In achieving this goal, the Komax Group pursues four strategic priorities, which are in turn supported by strategic initiatives. The Komax Group has set itself ambitious financial targets to be achieved by 2028, namely generating revenues of CHF 1.0–1.2 billion and EBIT of CHF 120–160 million. Strategy 2028 is set out in detail on pages 22–29 of the Annual Report 2023. Information on the market segments and market development can be found on pages 38–45 of the Annual Report.

Ensuring financial stability

The Komax Group requires financial stability if it is to grow sustainably. It is distinguished by its robust equity base and strong profitability. Its equity ratio is 55.1%. This solid foundation enables the Komax Group to systematically pursue opportunities to develop further, and offers security in challenging times.

The Komax Group secures its debt financing through a long-term syndicated loan facility, which provides financial freedom of maneuver for sustainable company development, as well as facilitating acquisitions. This has been linked to an ESG component since December 2022. A bonus/malus system based on the ESG rating was agreed with the banks making up the syndicate.

Another means of securing long-term growth is stability in the shareholder base. Through its combination with Schleuniger in 2022, the Komax Group secured a new anchor shareholder with a long-term orientation in the form of Metall Zug AG, which held 25% of shares in the reporting year.

Growth and profitability of the Komax Group in a five-year comparison¹

in TCHF	2023 ²	2022	2021	2020	2019
Revenues	762 923	606 332	421 067	327 623	417 771
Operating profit (EBIT)	72 808	71 732	44 794	11 254	24 035
in % of revenues	9.5	11.8	10.6	3.4	5.8
Group earnings after taxes (EAT)	43 836	51 773	30 375	-1 319	13 221
in % of revenues	5.7	8.5	7.2	-0.4	3.2
Equity ratio in % ³	55.1	53.2	51.4	52.3	50.8
Basic earnings per share in CHF	8.55	12.11	7.90	-0.34	3.44

¹ A complete five-year comparison can be found on page 194 of the Annual Report.

² Including one-time effects (revenues: CHF +10.9 million; EBIT: CHF +5.0 million).

³ Equity attributable to equity holders of the parent company.

INTERACTIONS BETWEEN THE KOMAX GROUP AND ITS ENVIRONMENT

In its activities, the Komax Group is influenced by trends, risks, and opportunities in its key markets, as well as by global developments. Its actions also have an impact on its environment.

Economic risks and opportunities

Among the principal economic risks identified by the Komax Group are the economic environment and the situation with regard to competitors. Beyond these, there are further risks that are set out in the following chapters on the themes that are material to the Komax Group.

Geopolitical uncertainties and regional or global economic downturns represent a risk for the Komax Group. As a manufacturer of industrial capital goods, the Komax Group is partially reliant on how the economy in its main markets – and in the automotive market in particular – is developing. In difficult market phases, its customers are more reluctant to invest, and tend to delay or put off investment decisions. This means that the Komax Group's business is subject to a certain degree of volatility. Added to this is an average visibility in the markets of around three months, which restricts reaction times to major changes. Only part of these market risks can be reduced.

On the other hand, the economic development process also offers opportunities. This is because every downturn phase is followed by a period of significant catch-up in capital expenditure on the part of customers. The goal is to be ready for this, so as to derive the maximum possible benefit and secure a high order intake. For this to be possible, it is important for the Komax Group to be close to its customers at all times (➤ page 32 onwards) so that it can react to any developments that start to emerge. Achieving a high level of flexibility in production planning is also key to being able to ramp up production capacities and facilitate short supply times if there is a sharp increase in demand.

The situation with regard to competitors also represents a certain degree of risk, since the market is increasingly shifting toward Asia, where the majority of competitors are located. Asia also offers major opportunities for the Komax Group, as this region has to date had the lowest share of revenues in proportion to the size of the market. The Komax Group's market-leading innovative strength (➤ page 46 onwards) gives it the opportunity to grow and create further unique selling propositions, not least because the Komax Group is active in a growth market. The degree of automation among its customer base is still much too low. Consequently, the need for automation solutions from the Komax Group and its peers will remain significant for a number of years.

The Komax Group has a comprehensive risk management system (➤ pages 95/96). Business risks are countered by intensive monitoring and analysis of market developments as well as by sets of encompassing guidelines. This is explained in detail in the following themes that are material to the Komax Group. Risks are insured or other solutions implemented wherever it makes sense.

Economic contribution

High-quality wire processing is of great importance in the market segments addressed by the Komax Group. The wire harness is the largest electrical component in vehicles as well as other customer applications. It is highly complex, and errors in production can rapidly lead to comprehensive, expensive recalls. This is bad not just for the vehicle driver, but also for the automotive manufacturer and its suppliers. In 2023, some 90 million vehicles were produced. At around 20%, the degree of automation in wire processing is still low, but growing requirements in respect of quality and traceability as well as the increasing trend of nearshoring (➤ pages 18–21 and 41) call for an increasing amount of automation in the long term. The Komax Group has a very strong market position with by far the largest market share in the industry (around 40%). It is therefore an innovation driver in automated wire processing.

The Komax Group wants to help resolve a number of global challenges with its current business model. Automation facilitates higher quality as well as safety in production processes and end products. It reduces the quantity of rejects as well as wear and tear, thereby reducing the intensity of resources and costs at the production stage. Automated processes also improve workplace safety. Ultimately, they offer a solution to the increasing shortage of skilled personnel and help ensure the long-term success of customers. Details on the corporate purpose of the Komax Group: ➤ page 65.

In its environment, for example in respect of employees, suppliers, and communities, the Komax Group makes a significant contribution. Material expenses amounted to CHF 272.2 million in 2023, with personnel expenditure coming in at CHF 277.0 million. The Komax Group devoted some 1% of this personnel expenditure to the training of its workforce.

Given its global structure, the Komax Group pays taxes in many different countries. It carries out its business on the basis of operational not tax considerations. In this, compliance with local tax legislation is the responsibility of the local companies. The Komax Group pays taxes where they fall due. In the year under review, the Komax Group paid a total of CHF 17.1 million in income taxes.

Sustainable dividend policy

The Komax Group pursues a sustainable dividend policy that takes account of its ambitious growth targets and allows shareholders to participate in its success. For the 2023 financial year, the Board of Directors is proposing to the Annual General Meeting of 17 April 2024 a dividend of CHF 3.00 per share (2022: CHF 5.50), corresponding to a payout ratio of 35.1%.

Cleantech – contributing to clean mobility

According to S&P Global Mobility, over 30% of new cars around the world will be powered by electricity from 2026. With its innovative solutions for the processing of high-voltage cables for electric vehicles, the Komax Group is making an important contribution to this transition. Its center of competence for e-mobility in Hungary is seeing a clear and substantial increase in demand for automation solutions for the processing of high-voltage cables thanks to the fast-growing market for electric and hybrid vehicles. The serial production of complex high-voltage cables in the necessary quantities requires great precision and efficiency. For this reason, the automation of these processes is becoming ever more important. For many years now, the Komax Group has been able to offer a portfolio of solutions covering the entire value chain – from the processing of high-voltage cables through to the testing of the final harnesses – and it continues to expand this portfolio. Included in its portfolio are solutions for processing individual high-voltage cables, alongside machines that enable entire wire harnesses to be manufactured for electric vehicles on a fully automated basis. In addition, adaptronic in particular offers systems for the testing of high-voltage cables (current innovations: > pages 46–55).



Supporting local communities

In keeping with its corporate purpose, the Komax Group is keen to make a contribution to society, and to make life simpler, safer, and more convenient. It achieves this not only through its business strategy, but also by actively supporting a whole range of projects, including in the spheres of education, sport, culture, and social well-being. The corresponding activities are organized and implemented on a decentralized basis at the level of individual companies (projects: > page 92).

LEAN MANAGEMENT AND OPERATIONAL EXCELLENCE

If the corporate goals of the Komax Group in the area of longevity and sustainability are to be achieved, streamlined organizational and process structures are required, as is a constant willingness to improve. This is where Lean Management and Operational Excellence come in. The efficient design of the entire value chain across all company areas can dramatically reduce the waste of valuable resources such as materials, energy, innovative output, and time. The Komax Group's business environment is continuously changing, which necessitates ongoing adjustments and improvements. In this environment, inefficient or outdated processes and structures can rapidly lead to the loss of employees and customers, as well as giving rise to high costs, particularly as almost a third of all staff are employed in Switzerland, a high-price country. This would increase any number of operational, financial, legal, and social risks as detailed in this report, and thereby impair commercial success, as well as negating the Komax Group's positive impact on its environment. Lean Management and Operational Excellence are key to the mindset of the Komax Group, which is why, for example, 26 employees in Switzerland completed the Lean Six Sigma Green Belt certification process in 2023.

The Komax Group is keen to make use of all opportunities open to it in order to improve on an ongoing basis. At Board of Directors level, the Sustainability and Innovation Committee explores the themes of technology, innovation, and sustainability in depth. It reviews new developments and the resulting risks and opportunities several times a year, and supports the Executive Committee on the strategic development of these themes.

At an operating level, relevant market developments are analyzed by the corresponding business units together with the Global Operations & Supply Chain area, and depending on the outcome are then taken into consideration by the Komax Group where feasible. Among other things, this involves peer group comparisons, exchanges of views with customers, suppliers, and research institutes, and in some cases also the assistance of external consultancy firms.

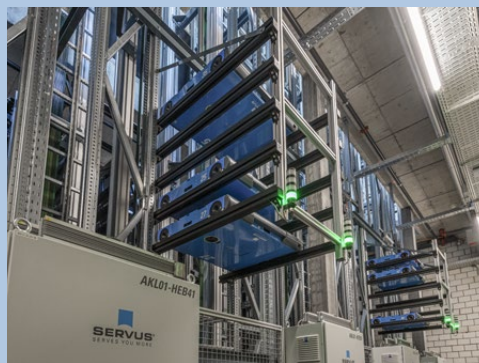
Moreover, development and production processes are optimized on an ongoing basis. The Komax Group has put in place a process-oriented organization in this respect, in which the entire life cycle of a product is considered right from the very start. With its KOP (“Komax optimizes processes”) program, it pursues ongoing improvement management in keeping with the Kaizen principle. For example, even at the product development stage care is taken to ensure that the number of different screws for a machine are minimized in order to reduce the workload and the number of tools and replacement parts required at the later assembly stage and service. Every process is closely observed and scrutinized. By way of example: Is the anodization of surfaces really necessary, or could this step be dispensed with for the benefit of the environment? Could a machine be built in such a way that it can then be sent to the customer with less packaging?

Based on training and ongoing thematization, the Komax Group promotes process-optimized thinking on the part of its employees, encouraging them to scrutinize the status quo and contribute new ideas. Among other things, this includes project management methods such as Scrum and Kanban. At Komax in Switzerland, for example, ideas in some departments are discussed in daily 15-minute meetings and tested as quickly as possible. Special bonuses are awarded to staff for particularly effective improvements.

In the 2023 reporting year, the main focus of activity was the integration of the Schleuniger Group and the associated optimization of numerous processes in almost all company areas (➤ pages 32/33; ➤ pages 46–55).

AUTOMATED SMALL PARTS WAREHOUSE IN DIERIKON

At its headquarters in Switzerland, the Komax Group operates an automated, robot-supported small parts warehouse system, which supplies all levels of the vertical factory in Dierikon with materials. Employees on any floor can order the items they require via a dedicated screen. This is then delivered by autonomous transport robots from the warehouse in the basement, which is home to up to 21 000 containers with various items. This logistical solution saves costs, is energy-efficient, and facilitates work at the assembly stage.



DIGITAL TRANSFORMATION

The switch from analog processes to digital systems has been taking place in all sorts of different walks of life for many years now. For a business like the Komax Group, this presents numerous opportunities as well as risks that need to be addressed. On the one hand, all sorts of processes can be designed much more efficiently through the digital medium; on the other, employees need to be properly trained in the handling of digital possibilities in order to guarantee data protection and cybersecurity. This is an area that harbors not just financial risk but also considerable reputational risk for the Komax Group. In addition, the Komax Group drives forward digitalization for its customers so that they can differentiate themselves from their competitors with their solutions. The Komax Group is seeking to leverage potential in this area in a targeted way with its Strategy 2028. For that reason, it has been implementing both internal and external digital transformation for years. The development of software and digital services is of crucial importance for the Komax Group in this context. This is evident from the fact that more than a half of employees in Research and Development are working on this aspect.

SMART FACTORY by KOMAX

Customers of the Komax Group have to deliver consistently high quality and reliability despite rising complexity and higher personnel expenses, while the the same time keeping costs as low as possible. Specifically, the Komax Group has developed a vision for how wire manufacturing can be optimized in the future – the SMART FACTORY by KOMAX. This encompasses five components that the Komax Group is working on continuously (➤ page 49).

Digitalization of internal processes increases efficiency

For the Komax Group, the basis for external digital transformation is the digitalization of internal processes, as well as the Group-wide updating and standardization of data and systems. For example, the rollout of a standardized customer relationship management system for all companies was completed in the reporting year. In addition, the step-by-step introduction of a new ERP system over a period of several years was continued, with a number of locations going live in the reporting year. This ERP renewal process will be continued in 2024, while this year will also see the introduction of a standardized global HR management system, among other things. The progress made in digitalization projects over the last few years has improved data quality, increased transparency, and helped to make business activity more efficient generally.

Measures to protect against cyber risks

To avoid the benefits of digitalization being overshadowed by new risks, the Komax Group continuously analyzes cyber risks as part of its internal risk management process (➤ page 163, Financial Report). It derives measures from this activity to ensure that all its own data, as well as that of customers, suppliers, and employees, is protected to the greatest extent possible. The measures are further developed and implemented by the Head Global IT Security and the team on an ongoing basis. In addition to detailed data protection guidelines, the Komax Group has also implemented technical security measures such as the encryption and pseudonymization of data, data logging/recording, and access restrictions. It has improved data security with the assistance of external partners through regular penetration tests (simulated external attacks), and has round-the-clock monitoring in place 365 days a year thanks to its Security Operations Center (SOC). In addition, all publicly accessible services have been scanned for potential weaknesses on a monthly basis since 2022.

Komax is also certified under the “Trusted Information Security Assessment Exchange” (TISAX) standard, which addresses the secure processing of information received from business partners, and data protection between automotive manufacturers and their suppliers in accordance with the EU’s General Data Protection Regulation (GDPR). Existing security measures are adjusted on an ongoing basis in line with technological developments. All employees are obliged to participate in regular cybersecurity training. There were no substantiated complaints in respect of data theft, data abuse, or the loss of customer data during the reporting period. Further information on governance can be found in the Corporate Governance section of the 2023 Annual Report (➤ pages 102 to 120).

CLIMATE PROTECTION – CARING FOR THE ENVIRONMENT

A key part of the Komax Group's ESG strategy is reducing its carbon footprint while reducing its own energy consumption and that of its products. It also intends to implement the circular economy concept, thereby making its products recyclable.



GREENHOUSE GAS EMISSIONS AND ENERGY EFFICIENCY

Tackling the ongoing issue of climate change is a global challenge that equally affects nations, institutions, and companies, as well as each and every individual. The Paris Agreement of 2015 envisages limiting global warming to a maximum of 1.5°C, but at any rate to well below 2°C compared with the preindustrial era. The key element in the attainment of these targets is the reduction of greenhouse gas emissions, above all CO₂ emissions.

As a responsible business, the Komax Group plays its part here, which is essential if it is to meet various requirements in the form of regulatory guidelines and the desire for greater transparency on the part of investors, customers, suppliers, and the wider public. As a global business with subsidiaries all around the world, a comprehensive logistics network, around 3500 employees, and a key position in the automotive supply chain among others, the Komax Group has an obligation to make its own contribution to the attainment of climate targets. It therefore engages actively with the various regulatory requirements of its stakeholders. By reducing total energy consumption and increasing energy efficiency, the Komax Group can bring down its CO₂ emissions, contribute to the attainment of the above-mentioned climate targets, save costs, secure the trust of both customers and investors, and increase its appeal to new employees. The reduction of CO₂ emissions and the boosting of energy efficiency in business activities are therefore crucial themes.

In order to reduce its CO₂ emissions, the Komax Group has incorporated three specific targets into its ESG strategy. Its focus lies on the substitution of fossil fuels with renewable energies and the reduction of total energy consumption through an increase in energy efficiency in the operations of its various production sites. The latter is to be achieved above all through optimization of the energy consumption of buildings, of the equipment and machinery used, and of logistics, as well as by sensitizing employees to the issue of saving energy. In particular, the managing directors of the large production companies are to be given enhanced responsibility through the setting of annual targets aimed at reducing CO₂ emissions. The Vice President Investor Relations / Corporate Communications is responsible for monitoring the effectiveness of the measures taken and providing support to the individual companies. Progress is measured once a year through a comprehensive data-gathering exercise and then analyzed by the ESG Committee headed by the CEO.

Strong growth with steady CO₂ emissions by 2028

The Komax Group is seeking to achieve revenue growth of up to 60% by 2028. But despite this strong growth, the CO₂ emissions it causes either directly (Scope 1) or indirectly (Scope 2) are to remain steady. By 2028, the Komax Group has set itself the goal of compensating for the additional CO₂ emissions caused by its growth through a range of measures on an ongoing basis, thereby keeping CO₂ emissions at 2023 levels (▶ page 70). Regular monitoring of the status quo is the first step on the road to the long-term goal of climate neutrality.

With this in mind, the Komax Group has been systematically compiling the direct and indirect emissions data of its companies ever since the 2021 financial year. The Komax Group currently has 30 engineering and production sites worldwide. In 2023, its sites produced total emissions of 5 687 tCO₂e, of which 51.5% related to its own sources (Scope 1) and 48.5% to procured energy

(electricity and district heating – Scope 2). The main drivers of emissions are electricity consumption at production sites, the use of energy for heating purposes, and the use of fuel to power Group-owned vehicles. The lion's share of CO₂ emissions is generated in Germany (26%), followed by the USA (16%) and Switzerland (13%). The emissions intensity (market-based) amounted to 7.56 tCO₂e of emissions per CHF 1 million of revenues (2022: 7.01 tCO₂e of emissions per CHF 1 million of revenues). The 2023 financial year forms the basis for the attainment of the climate targets of the Komax Group.

The Komax Group has set itself the target of keeping CO₂ emissions (Scope 1 and Scope 2) steady up to 2028 despite its ambitious revenue growth target.

Preparing for the measurement of Scope 3 emissions

Scope 3 emissions, i.e., all upstream and downstream emissions such as those produced along supply chains, are not yet fully measured due to the complexity of these supply chains. The Komax Group is extending the measurement of all relevant emissions data in stages, and is actively incorporating suppliers into this process.

CO₂ emissions and energy consumption¹

Scope		Unit	2023	2022	Unit	2023	2022
Scope 1²		tCO₂e	2 929	2 866	MWh	13 528	12 588
	Heating and fuel	tCO₂e	2 929	2 866	MWh	13 087	12 588
	Heating oil	tCO ₂ e	67	92	MWh	247	338
	Natural gas	tCO ₂ e	1 407	1 127	MWh	6 943	5 562
	Diesel	tCO ₂ e	946	1 030	MWh	3 721	4 053
	Gasoline	tCO ₂ e	509	617	MWh	2 176	2 635
	Own energy sources³	tCO₂e	0	n. a.	MWh	441	n. a.
	Solar electricity produced	tCO ₂ e	0	n. a.	MWh	590	n. a.
	Solar electricity sold	tCO ₂ e	0	n. a.	MWh	-149	n. a.
	Solar electricity consumed	tCO ₂ e	0	n. a.	MWh	441	n. a.
Scope 2⁴		tCO₂e	2 757	3 238	MWh	13 381	13 401
	Electricity and heat	tCO₂e	2 757	3 238	MWh	13 381	13 401
	Electricity (purchased)	tCO ₂ e	2 493	3 064	MWh	11 909	12 437
	District heating ⁵	tCO ₂ e	265	173	MWh	1 473	964
Scope 1+2		tCO₂e	5 687	6 104	MWh	26 909	25 989

¹ The greenhouse gas inventory was prepared in accordance with the Greenhouse Gas Protocol.

² Emission factors from "DEFRA 2023" for the year 2023 and "DEFRA 2022" for the year 2022 were used for the calculation of emissions from heating fuels and motor fuels.

³ Electricity from our own photovoltaic systems, collected for the first time in 2023.

⁴ Emissions for 2023 and 2022 are reported as "market-based." The corresponding emission factors come from local electricity suppliers. The "location-based" calculation results in 3 419 tCO₂e (2023) and 3 064 tCO₂e (2022). The corresponding emission factors come from "IEA 2023" for 2023 and "IEA 2022" for 2022.

⁵ Emission factors from "DEFRA 2023" for 2023 and "DEFRA 2022" for 2022 were used to calculate emissions from the purchase of heat.

Emissions intensity: emissions per revenue unit and employee

	Unit	2023	2022
Per revenue unit¹	tCO₂e/CHF 1 million	7.56	7.01
Scope 1	tCO ₂ e/CHF 1 million	3.89	3.71
Scope 2 ²	tCO ₂ e/CHF 1 million	3.67	3.30
Per employee³	tCO₂e/FTE	1.71	1.66
Scope 1	tCO ₂ e/FTE	0.88	0.88
Scope 2 ²	tCO ₂ e/FTE	0.83	0.78

¹ Excluding one-time effect on revenues (CHF +10.9 million) in 2023.

² The intensities for 2023 and 2022 are reported according to the "market-based" approach.

³ Average full-time equivalents of the reporting year.

Energy intensity: energy consumption per revenue unit and employee

	Unit	2023	2022
Per revenue unit¹	MWh/CHF 1 million	35.78	42.86
Per employee²	MWh/FTE	8.10	10.54

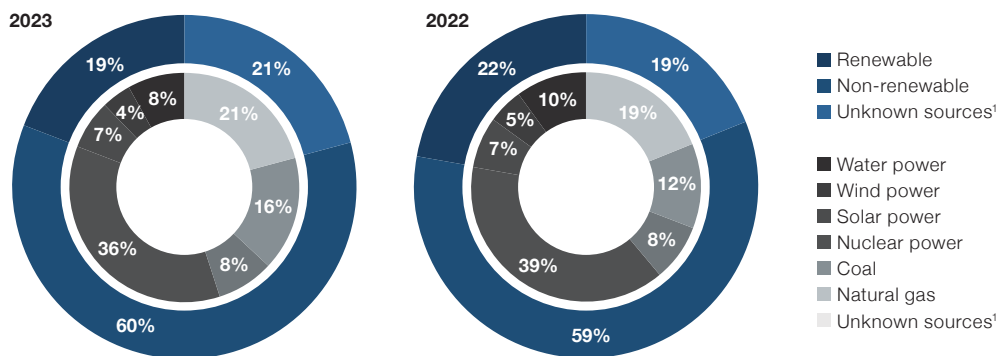
¹ Excluding one-time effect on revenues (CHF +10.9 million) in 2023.

² Average full-time equivalents of the reporting year.

50% of electricity consumption from renewable energy sources by 2028

The greatest lever for the Komax Group as it seeks to reduce its CO₂ emissions (Scope 1 and Scope 2) is the consumption of energy at its various sites. Here it is increasingly focusing on renewable energies such as solar or hydropower and replacing fossil energy fuels with carbon-neutral solutions. In 2023, 19% of all energy consumed originated from renewable energy sources, which represents a small year-on-year decrease (2022: 22%).

Electricity mix



¹ Information about the power mix is not yet available for some locations.

The Komax Group has set a target for 50% of its total electricity consumption to come from renewable energy sources by 2028.

The Komax Group has set itself the target of obtaining 50% of its total electricity consumption from renewable energy sources by 2028. The majority of machinery sold (approx. 60% of revenues) is manufactured in Switzerland, which is why the proportion of all energy consumed by the Komax Group is correspondingly high in this country. At the Swiss production locations, the Komax Group is already drawing electricity from its own photovoltaic systems, from “blue” electricity (which is derived 100% from hydropower), and from natural power obtained through Central Switzerland’s RegioMix scheme. At present, five Komax Group sites have their own photovoltaic systems, which produced approx. 590 MWh (2022: approx. 220 MWh) of solar energy in 2023. This equates to almost 5% of the Komax Group’s total electricity consumption. There was a significant increase in the production of solar power in the reporting year, which was predominantly the result of a new photovoltaic system being installed at the Burghaun site of Komax Taping Germany. In addition, the building at the Dierikon location purchased in 2021 was fitted with a photovoltaic system encompassing 600 m² in 2023. Over the next few years, numerous projects are planned to increase the proportion of renewable energies further, such as through further photovoltaic systems and changes in the energy mix of local suppliers.

Reduction in energy consumption by 2% per year (as a proportion of revenues) through sustainable site development

In 2023, the Komax Group consumed a total of 26 909 MWh of energy (2022: 25 989 MWh). The energy intensity amounted to 35.78 MWh per CHF 1 million of revenues (2022: 42.86 MWh per CHF 1 million of revenues). From 2024, energy consumption as a proportion of revenues is to be brought down by 2% annually.

The Komax Group has set a target of reducing its energy consumption in relation to revenues by 2% per year.

In order to achieve its emissions targets, the Komax Group is continuously reducing energy consumption at its locations. The company relies on district heating based on a low-carbon wood-chip heating system for its own buildings at its headquarters. The heating for the new building occupied in 2020, the building acquired in 2021, and existing facilities therefore has a small carbon footprint. Energy consumption is to be brought down further through renovations of older production sites.

Reduction of emissions in production and logistics

A major proportion of the value creation delivered by the Komax Group lies in engineering services. The majority of components are manufactured and supplied by third parties, which means that actual production at the Komax Group primarily comprises the assembly of components. The Komax Group generates a low level of emissions with its own production facilities (Scope 1 and Scope 2) compared to other industrial companies. A significant proportion of emissions originates in its supply chains (Scope 3). The Komax Group is aware of this, and is currently analyzing these supply chains and building up a database so that sustainability can be measured and improved throughout the entire value creation process in the future.

Sensitizing employees to energy themes

Another key element is the involvement of all employees worldwide in sustainability matters. The Komax Group will be launching an internal campaign with various measures in order to sensitize its workforce to the need to be mindful in the consumption of electricity and other resources. The details of this initiative are still being worked out.

A contribution to the reduction of CO₂ emissions is already being made at the Swiss sites of Cham, Dierikon, and Rotkreuz by the mobility bonus, which is available to more than 800 employees. All staff at these locations who forgo motorized private transport on their journey to and from work receive monthly bonuses of up to CHF 100.



PRODUCT LIFE CYCLE MANAGEMENT

The Komax Group understands product life cycle management to mean consideration of all environmentally relevant aspects of its products over their entire life cycles. This starts at the development stage and continues into production, encompassing the materials and energy required at this point. This is followed by the period of use at customer production sites, which encompasses servicing activities and ends with product disposal. The Komax Group manufactures several thousand machines every year, which require tons of steel and aluminum as well as wood for packaging. In order to conserve resources and at the same time help customers to reduce their carbon footprint, the Komax Group strives to offer products that are as efficient and long-lasting as possible. In some cases these will be used for decades. In Europe in particular, CO₂ thresholds are putting pressure on automotive manufacturers to reduce the emissions of their vehicles in order to avoid fines and reputational damage. Since it is part of the automotive industry supply chain, the onus is on the Komax Group to contribute to the reduction of the carbon footprint of vehicles. It also needs to be able to provide its customers with product emission data going forward in order to avoid competitive disadvantages arising.

The Komax Group pursues three key approaches to mitigate the environmental repercussions of its products across their life cycles. First, it ensures that its customers receive resource-sparing finished products that are free of any contaminants or conflict materials. Within the organization, the development and production areas are responsible for this aspect. They in turn are supported by the global procurement team (contaminant-free and conflict-mineral-free materials) as well as Group Legal and Compliance, which defines the legal framework. In addition, the Komax Group is driving forward measures at its production sites to reduce energy consumption in the manufacturing process and promote the transition to renewable energies (► pages 78 and 81).

Second, a focus has been placed on reducing the use of resources in new developments in order to permanently bring down the energy consumption of machines during their operation. And third, the Komax Group is working on solutions for the recycling of its products. These approaches will be supported by the high quality and longevity of the products themselves. The Group's own global service network and its collaboration with partners ensures that these machines are professionally maintained. This has a positive impact on their performance, value retention, and lifespan, as well as saving resources.

Materials usage

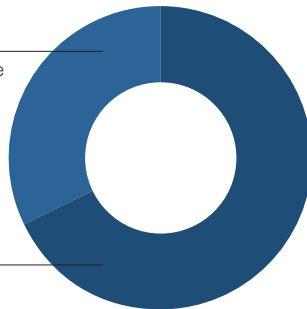
Resource	Unit	2023	%	2022	%
		Consumption	Share	Consumption	Share
Renewable¹	metric ton	1 228	68	1 468	67
Wood	metric ton	1 135	63	1 359	62
Cardboard	metric ton	93	5	109	5
Non-renewable	metric ton	570	32	735	33
Steel	metric ton	252	14	321	15
Aluminum	metric ton	244	14	243	11
Copper	metric ton	61	3	157	6
Filling (plastic, expanded polystyrene/ EPS, etc.)	metric ton	13	1	14	1
Total¹	metric ton	1 798	100	2 203	100

¹ Including packaging materials.

Materials used

2023

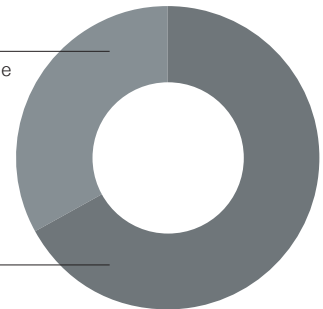
32% non-renewable



68% renewable

2022

33% non-renewable



67% renewable

DEALING WITH PACKAGING MATERIAL AT THE DIERIKON SITE, SWITZERLAND

Every year, the Komax Group dispatches some 1 000 machines and any number of replacement parts to all corners of the world from its headquarters in Dierikon, Switzerland. In 2023, this required some 700 tons (2022: 850 tons) of wood, which Komax obtains from a nearby biosphere reserve in the canton of Lucerne. This is a naturally renewable area of forest. The wood is heat-treated prior to delivery to Komax to remove bacteria and other damaging microorganisms, thus ensuring that the packaging does not end up threatening local flora and fauna at the target destination due to the importing of alien species. The Komax Group adopts a careful approach to packaging material generally. Suppliers are requested to keep packaging to an absolute minimum and never to use materials containing toxic or other hazardous substances.



Sustainable resource management in production

On the production side, the Komax Group seeks to increase its energy efficiency on an ongoing basis. Highly automated, state-of-the-art production systems are used for the strategically important components that the Komax Group manufactures in-house. For example, in Dierikon alone Komax invests around CHF 1 million annually in the renewal of its machinery portfolio for parts production. Energy efficiency and environmental friendliness are key decision-making criteria, alongside investment volumes, when it comes to procuring new systems. The careful and efficient use of resources has high priority. Production systems are based on lean management concepts, which are designed to avoid errors and minimize waste. Wherever possible, waste materials, and wastewater are recycled or disposed of appropriately. What's more, optimization programs are designed to ensure that waste volumes are reduced on an ongoing basis.

Water usage

		2023	2022
	Unit	Consumption	Consumption
Europe	m ³	22 826	19 186
Asia/Pacific	m ³	3 642	4 156
North/South America	m ³	14 504	18 321
Africa	m ³	1 088	1 014
Global water usage	m³	42 060	42 677

The level of water usage is low due to the Komax Group's business model.

Waste

Source	Unit	Waste	Waste diverted from disposal	Recycling rate in % ³
2023				
Non-hazardous waste	metric ton	966	613	63
Scrap metal	metric ton	293	272	93
Paper and cardboard	metric ton	217	195	90
Mixed industrial waste ¹	metric ton	456	146	32
Hazardous waste	metric ton	76	15	20
Waste oil, solvent, ink, coolant, sludge, etc.	metric ton	76	15	20
Total waste	metric ton	1 042	628	60
2022				
Non-hazardous waste²	metric ton	1 690	915	54
Scrap metal	metric ton	477	291	61
Paper and cardboard	metric ton	474	445	94
Mixed industrial waste ¹	metric ton	739	179	24
Hazardous waste	metric ton	82	22	27
Waste oil, solvent, ink, coolant, sludge, etc.	metric ton	82	22	27
Total waste	metric ton	1 772	937	53

¹ All other non-hazardous waste, incl. PET, glass, batteries, etc.

² In 2022, the non-hazardous waste generated was exceptionally high due to a renovation at the Thun site, Switzerland, as well as due to inaccuracies in data collection at some locations.

³ The amount of waste recycled and the resulting recycling rate are partly based on estimates. The Komax Group plans to implement uniform processes to measure the recycling rate in the future.

Reduction of energy consumption in new developments

Since the machines of the Komax Group operate over long periods, in some cases even over decades, they have an impact on the environment. With more than 50 000 installed machines worldwide, there is long-term potential to contribute to global climate targets in this area – even if this potential is low due to the modest consumption of energy. When developing new machines going forward, the Komax Group will focus even more strongly on reducing their electricity consumption during the lifetimes of these machines with customers.

Eco-design check from 2025

What matters here is not just electricity consumption, but also minimizing the environmental repercussions of a product over its entire life cycle. For this reason, the Komax Group is working on the introduction of an eco-design check that it intends to apply to all newly developed products from 2025 onward. Among other things, the aim is to preserve or improve the longevity, repairability, and reusability of its products, as well as reduce the consumption of energy and other resources.

The Komax Group has set itself the target of putting all newly developed products through an eco-design check from 2025 onwards.

Focus on circular economy

Another important issue when considering the life cycle of machines is the point at which they have reached the end of their operational lives. The Komax Group has yet to focus on this aspect. This is set to change, as the Komax Group attaches great importance to the concept of the circular economy as a core element of designing its business activity in a more resource-sparing and energy-efficient way. At the beginning of 2024, the Komax Group embarks on an analysis of the prerequisites for being able to offer its customers recycling solutions for the machinery they have bought. The goal is for customers to be able to recycle all machines sold by Komax from 2028 onward.

The Komax Group has set itself the target of taking the concept of the circular economy into account, and enabling the recycling of all products as of 2028.

Over the longer term, the Komax Group is aiming not only to run its own business in a climate-neutral way, but also to help its customers reduce their carbon footprints. Its business model is helpful here, as automating processes can help to save resources – such as in the area of taping wire bundles, where customers of the Komax Group use up to 25% less adhesive tape than they would with manual processing.

Certifications and integrated management systems

The majority of the Komax Group's production locations are ISO 9001 certified. Moreover, multiple sites that together house a third of the entire workforce have ISO 14001 certification. These have integrated management systems that exhaustively cover all company processes. The sites of Komax AG and Komax Romania Trading S.R.L., at which more than 20% of all employees of the Komax Group work, additionally have ISO 45001 certification and therefore management systems that encompass health protection and workplace safety. The Komax Group works continuously on the implementation of management systems, and over the next few years will be looking to achieve further certifications at its Thun site in Switzerland and at the Radevormwald site in Germany, among others.

21
sites with
ISO 9001
certification

Country	Company	Certification
China	Komax (Shanghai) Co., Ltd.	ISO 9001
	Schleuniger Machinery (Tianjin) Co., Ltd.	ISO 9001
Germany	adaptronic Prüftechnik GmbH	ISO 9001 ISO 14001
	Komax SLE GmbH & Co. KG	ISO 9001 ISO 14001 DE AEOC 104360
	Komax Testing Germany GmbH	ISO 9001 ISO 14001
	Schleuniger GmbH	ISO 9001
	WUSTEC GmbH Co. KG	ISO 9001
France	Komax Laselec SAS	ISO 9001
Mexico	Komax de México, S. de R.L. de C.V.	ISO 9001
	Komax Testing México, S. de R.L. de C.V.	ISO 9001
Austria	Komax Austria GmbH	ISO 9001
Romania	Komax Romania Trading S.R.L.	ISO 9001 ISO 14001 ISO 45001
Switzerland	Komax AG	ISO 9001 ISO 14001 ISO 45001
	Schleuniger AG	ISO 9001
Singapore	Komax Singapore Pte. Ltd.	ISO 9001
Czech Republic	Komax Czech Republic Trading s.r.o.	ISO 9001
Tunisia	Komax Testing Tunisia sarl	ISO 9001
Türkiye	Komax Testing Türkiye Test Sistemleri San. Ltd. Şti.	ISO 9001
Hungary	Komax Hungary Kft.	ISO 9001
USA	Cirris Inc.	ISO 9001
	Komax Corporation	ISO 9001

RESPONSIBILITY – TAKING RESPONSIBILITY FOR PEOPLE

As the global market leader, the Komax Group is part of many local communities. As such, it bears a particular responsibility – toward its 3500 employees, their families, the environment in which they live, and also its customers.

OVERVIEW AND SOCIAL KEY FIGURES

At the end of 2023, the Komax Group employed 3 490 people worldwide (2022: 3 390). As a result of the combination with the Schleuniger Group, 1 070 new staff joined in 2022. There was no significant fluctuation in headcount in 2023. The majority of employees have permanent, full-time employment contracts. Personnel expenses in the year under review amounted to CHF 277.0 million (2022: CHF 209.3 million).

In 2023, the Komax Group employed the majority of its workforce in Switzerland (1 045 employees), followed by Germany (859), the USA (278), China (272), and Türkiye (150).

Employees by area and region

2023	Switzerland ¹	Europe ¹	America ¹	Asia ¹	Africa ¹	Total
Production	365	522	94	176	113	1 270
Research and development	220	100	21	27	0	368
Engineering	75	201	24	40	16	356
Marketing and sales	188	229	101	107	28	653
Service	42	112	107	89	29	379
IT	68	36	9	4	0	117
Administration ²	87	139	53	51	17	347
Total headcount as at 31 December 2023	1 045	1 339	409	494	203	3 490

2022	Switzerland	Europe	America	Asia	Africa	Total
Production	397	512	122	136	102	1 269
Research and development	224	94	19	23	0	360
Engineering	75	190	39	35	14	353
Marketing and sales	180	199	105	90	20	594
Service	46	113	106	85	21	371
IT	65	35	7	5	0	112
Administration ²	83	125	56	54	13	331
Total headcount as at 31 December 2022	1 070	1 268	454	428	170	3 390

¹ The individual companies and their locations are listed on pages 171–172.

² Including management.

Social key figures¹

The Komax Group significantly expanded the degree of detail in its 2023 data survey to include social key figures. For this newly compiled data (▶ table, page 87) there is no prior-year comparison.

	Unit	2023	2022
Employees as at 31 December²	FTE	3 369	3 267
Employees as at 31 December³	Headcount	3 490	3 390
of which male		2 766	2 713
of which female		724	677
Full-time employees		3 059	2 977
of which male		2 502	2 491
of which female		557	486
Part-time employees		431	413
of which male		264	222
of which female		167	191
Permanent employees		3 384	3 187
of which male		2 685	2 546
of which female		699	641
Temporary employees		106	138
of which male		81	113
of which female		25	25
Contractors ⁴		93	65
of which male		80	54
of which female		13	11
Apprentices, trainees		177	154
of which male		135	125
of which female		42	29
Voluntary turnover rate ⁵	%	11.0	8.2
Personnel expenses	in CHF million	277.0	209.3

¹ The Alcava Group, acquired in 2023, is included in the social key figures.

² FTE (full-time equivalents) of all employees directly employed by the Komax Group, with the exception of apprentices, trainees, cleaning staff, and external employees on their own account (contractors).

³ Headcount of all employees directly employed by the Komax Group, with the exception of apprentices, trainees, cleaning staff, and external employees on their own account.

⁴ Employees without an employment contract with the Komax Group are mainly temporary workers and cleaning staff.

⁵ Changes initiated by employees.

The Komax Group's fluctuation rate has been at a pleasingly low level for many years, and shows that employees enjoy their work at the Komax Group. In 2023 this figure stood at 11.0% (2022: 8.2%). Viewed over the longer term, this is a high figure for the Komax Group and is connected with the currently volatile market environment and the growth of the Group.

Women made up 20.7% of the Komax Group workforce in 2023 (2022: 20.0%), which is a good level for a technology company. The main reason for the low proportion of women is the significant number of technical jobs and digital occupations in which the Komax Group sees most growth.

	Unit	2023
Employees as at 31 December¹	Headcount	3 490
Employee well-being²		
Response rate for employee engagement survey	%	87
Motivation score	x/100 points	75/100
Feel like ambassadors of the Komax Group	%	61
Internal promotions	Headcount	118
Diversity and inclusion		
Employees below 30 years of age	Headcount	645
Employees between 30–50 years of age	Headcount	1 969
Employees above 50 years of age	Headcount	876
Proportion of women	%	20.7
Hires and departures of employees		
Hires		701
of which male		545
of which female		156
Departures		617
of which male		492
of which female		125
Retirements		43
of which male		37
of which female		6
Education and training		
Training professions	Number	24

¹ Headcount of all employees directly employed by the Komax Group, with the exception of external employees on their own account (contractors), as well as apprentices, trainees, and cleaning staff.

² The Komax Group applies a staggered approach over three years: Each year a selected number of Group companies participate in the survey. Therefore the results shown are a consolidation over a three-year period (2021–2023). Results of the former Schleuniger Group companies are not included since the survey in these companies was conducted prior to the combination with the Komax Group.

WORKPLACE SAFETY AND WELL-BEING

Ever since the coronavirus pandemic – and even before in some cases – the labor markets at the locations of the Komax Group have been confronted by the trends of rising wage costs and a shortage of specialist labor. Another important factor in this context is the current generation change in various developed countries, with the high birth years of the 1950s and 1960s (“baby boomer” generation) now reaching retirement age and the subsequent low-birth generations increasingly dominating the labor market. This has made it very challenging for companies to find the right employees, hence the competition between employers to attract qualified personnel is becoming ever fiercer.

The Komax Group is adapting to this changed situation, offering an attractive and motivating working environment for both existing and new staff. Otherwise it would run the risk of not having the number of employees necessary to deliver the planned growth and implement its innovation projects. The ability to attract and retain talented and motivated staff is absolutely critical for a strongly growing company like the Komax Group. Through active and sustainable personnel management, the Komax Group can increase its appeal as an employer and foster a diverse and committed workforce. This explains why motivated and satisfied employees are a core part of the ESG strategy.

The Komax Group has set itself two goals in this context – an above-average level of employee motivation, and safety at the workplace with the accompanying vision of zero occupational accidents. Spearheaded by the Vice President Global Human Resources and the local HR heads, the Komax Group is pursuing various approaches for creating an attractive, inclusive working environment that

can attract and retain the necessary specialist personnel all around the world. This includes fair employment conditions such as market-appropriate salaries, social benefits, and where possible also flexible working hours, which benefits the social environment of employees. It also comprises a comprehensive training and professional development program (➤ page 90). Moreover, the Komax Group has implemented a Code of Conduct globally that lays down rules for fair, appreciative, and respectful interactions between staff as part of the Komax culture. The success of the various measures is scrutinized through regular surveys of employees in the individual companies (➤ page 89).

As a second objective, the Komax Group is determined to realize its vision of zero occupational accidents, and in a first step has incorporated the halving of the accident rate by 2028 into its strategy as an ESG target. Workplace safety and health protection are currently treated in different ways locally, depending on the size and function of the company in question. Depending on the individual situation, responsibility may lie with the local CEO, the quality assurance or workplace safety expert, or the head of production. In particular, the Komax Group relies on numerous preventative measures to further improve safety at the workplace and contribute to the health of its employees.

An attractive employer

The Komax Group's excellent reputation as an attractive employer is based above all on its special corporate culture. It offers staff a healthy, safe working environment that promotes diversity and tolerance, while at the same time opening up opportunities to work in an international environment, shape the industry, and drive forward the success of company and individual alike. Here the Komax Group aligns itself with three principles: the opportunity to actively shape things, responsibility, and solidarity.

SCOPE TO CREATE CHANGE – WE FACILITATE DEVELOPMENT

We give our employees the room to pursue their tasks and develop as individuals. Everyone counts. The status quo should be challenged, the proven further developed and something new created.

RESPONSIBILITY – WE TAKE AND DELEGATE RESPONSIBILITY, WHICH FORMS COMMITMENT BETWEEN US

Room to maneuver requires commitment and shared responsibility on the part of every employee. We challenge our employees. Everyone has to answer for their performance.

TOGETHERNESS – WE MAINTAIN AN INSPIRING TOGETHERNESS

We maintain a valued working atmosphere with an international character. A sense of togetherness is very important to us. Every employee is part of the whole. The strong sense for community models our team culture, which is characterized by mutual respect and togetherness.

The workplace environment is characterized by equality of opportunity and appreciative collaboration.

INTELLIGENT PLANT CONCEPT IN DIERIKON

At its newly renovated building in Dierikon, Switzerland, the Komax Group has embraced the intelligent plant concept of “Oxygene at Work.” This increases the quality of air in the building, which in turn promotes concentration and employee health. In addition, some 1.2 tons of CO₂ are compensated for annually, as “Oxygene at Work” plants two trees for every plant in the building. For the Komax Group project, this works out at 304 trees.



Fair employment conditions

The Komax Group pays salaries in line with market rates, and offers social benefits typical for the sector and the relevant country. Independently reviewed and certified pay comparison analysis at the Swiss locations has confirmed that the Komax Group pays women and men equal salaries for work of equal value. Fair pay is of crucial importance to the Komax Group. In addition, where feasible it offers flexible working time models such as part-time and home working.

All employees of the Komax Group receive an assessment of their performance at least once a year. This assessment takes place in a fair and transparent way in a face-to-face discussion, where possible. Employees likewise have the opportunity to evaluate their own line manager. Moreover, goals and further professional development are discussed with the majority of employees, and time is taken to listen to their wishes and concerns.

Above-average motivation of employees

The Komax Group conducts surveys at its global locations every three years to gain a picture of staff satisfaction, among other things. The surveys are evaluated and globally benchmarked on a staggered basis by the service provider ValueQuest in order to make the results of different countries comparable. This involves the local results of individual Komax Group companies being compared with a local peer group made up of various other industrial companies. The aim is for employee motivation to be assessed as being in the upper quartile of the value scale (i.e., above 75 points) in each case. Based on the results of these surveys, measures are developed and implemented in each company by the relevant senior managers working together with Human Resources and various other departments.

In the 2021–2023 survey period, 2 001 employees in 32 countries took part, which represents an impressive response rate of 87%. With an average of 75 out of a hundred points, they display a high degree of motivation, slightly above that of the industrial peer group (74 points). Motivation was higher than in the peer group in 23 of the 32 surveyed companies. 61% of employees stated that they viewed themselves as ambassadors for the Komax Group and felt a very strong tie to both the company and their work. This is a pleasingly high figure. The current survey does not yet include the companies of the former Schleuniger Group. It will be extended to incorporate these employees over the next few years.

The Komax Group’s target is to achieve above-average employee motivation at all its sites compared with other industrial companies.



Comprehensive training and professional development opportunities

As part of its active staff development policy, the Komax Group supports individual training and development for its employees, both on the job and financially. These opportunities range from management seminars, advanced training events on site, webinars, and free-to-use LinkedIn Learning accounts, through to financial support for external training and development. Around 1% of all personnel expenses are channeled into these activities each year, which in 2023 amounted to around CHF 3 million. Over the last four years, employees in the Komax Academy alone completed almost 6 000 online courses. Employees in Switzerland can also use their working hours to attend LinkedIn learning courses, for example. In 2023, 132 employees made use of this opportunity and spent a total of 381 hours on personal training via LinkedIn.

Major investment in tomorrow's professionals

The Komax Group is a firm believer in investing to help young people make their professional start. In 2023, 83 apprentices were undergoing training (2022: 82 apprentices) at the sites in Switzerland, while the equivalent figure in Germany was 70 apprentices (2022: 51 apprentices). During their training, young people get an insight into the various departments' activities and thus get to know and understand the numerous processes that take place in a company. The Komax Group has state-of-the-art workstations as well as well-equipped mechanical workshops and assembly areas for the specific apprenticeship subjects. Budding professionals are supervised by trainers who possess strong technical and teaching skills, as well as sensitivity to the social needs of young people. In the reporting year, Komax in Switzerland was rewarded for its high training quality with the ICT Education & Training Award 2023 for best training center in the area of information and communication technology (ICT).

The Komax Group provides additional support to its young employees even after their initial training. In order to gain a better understanding of the needs of younger colleagues (up to the age of 30) and thereby provide them with more targeted support, it founded the Young Community in Switzerland in 2018 – an informal, cross-divisional network comprising more than 70 employees of the under-30 generation. This offers a platform on which they can communicate their needs in respect of their employer and working environment, as well as draw up potential solutions for any issues. The Young Community's steering committee discusses the relevant themes with the CEO of the Komax Group once a year, and acts as a direct line of communication between younger employees and their employer throughout the year. A multifaceted program involving workshops, specialist talks, and events is spread across the year. The Komax Group is convinced that the valuable ideas and suggestions coming from the Young Community can help it to develop further as an employer and provide new stimuli. This is vital, not least if it is to remain attractive to young, talented employees in an increasingly digitalized world of work.

PARTICIPATING IN NATIONAL FUTURE DAY IN SWITZERLAND

Every year, the Swiss locations take part in National Future Day, on which companies give students from grades 5 to 7 an insight into various professions. In 2023, 50 boys and girls took part and learned about the role of polymechanics, automation technicians, logistics specialists, business administrators, and IT specialists. In addition, they acquired an idea about how their career might start with the Komax Group. In this way, young people are supported in their quest for a career while making a contribution toward countering the shortage of specialist labor in the medium term.



Preparation for the third phase of life

The Komax Group also cares about older employees who are entering the third phase of their lives, i.e. retirement. At seminars designed to prepare them for retirement, issues such as estate planning, health in old age, structuring daily life, and financial security in old age are discussed.



Health and safety have the highest priority

The health and safety of the Komax Group's workforce are key factors in its quest for operational excellence. It satisfies the legal requirements governing working conditions in every country in which it operates. The majority of production locations have integrated management systems that cover all company processes, the environment, health protection, and workplace safety. Among others, the management systems used in the Komax Group companies for workplace safety are governed by ISO 45001, OHRIS, WENFIS, and OSHA guidelines. More than half of all employees of the Komax Group are covered by workplace safety management systems.

Key figures on safety and health¹

	Unit	2023 ¹	2022 ¹
Occupational fatalities	number	0	0
Occupational accidents	number	24	30
Lost Time Incident Rate (LTIR) ²		3.66	4.79

¹ Due to incomplete data, the company Komax Testing México was not included.

² Number of occupational accidents with lost time (1 day or more) per 1 million working hours.

The Komax Group companies offer their employees a variety of programs locally to promote health. Internal processes are regularly scrutinized for health and safety risks, and employees at the individual production sites are made aware of potential workplace risks in a targeted way. For example, employees at the Swiss locations received training on the topic of workplace safety and health protection at least once a year. The low number of occupational accidents over a period of many years is testimony to the success of these measures.

Based on a combination of the management systems for safety and health protection and the risk management function of Komax Group, all risks are evaluated and the corresponding measures derived. As production for the most part consists of assembly and the completion of machinery, the most common threats are slight crush injuries and cuts. The Komax Group has set itself the goal of further reducing occupational accidents on a continuous basis, as it pursues the vision of accident-free operations.

The Komax Group has set itself the target of halving the number of occupational accidents¹ by 2028.

¹ Lost Time Injury Rate (LTIR): number of lost time accidents per million working hours. The baseline is the average for 2022 and 2023: 4.2.

Actively promoting health

In addition, the Komax Group actively promotes the health of its employees at its various locations. At Komax in Switzerland, for example, employees benefit from the health-promoting initiative "fit@work." The focal points are movement, nutrition, and relaxation. The Komax Group helps its employees to improve their physical and mental fitness with a multifaceted offering that encompasses free sports offers (such as "Bodypump" or participation in the Swiss City Marathon), fruit initiatives, workshops, and specialist talks. The content of the program is adjusted to employee needs in response to feedback from the health survey carried out every three years.

Furthermore, in 2023 the Komax Group collaborated with the “Friendly Workspace” project to conduct an analysis of occupational health management in order to deliver further process improvements. As an additional offering, a comprehensive case management service is available for employees suffering long-term illnesses. The Komax Group offers a number of free support options, and works closely with external consultants and coaches. In addition, a number of health check-up days for employees were held during the reporting year.

Support for local projects at the various locations

The Komax Group is interested in the wellbeing of more than just its employees. In keeping with its corporate purpose, it is keen to make a contribution to society, and to make life simpler, safer, and more convenient. It achieves this not only through its business strategy, but also by actively supporting a whole range of projects in the local communities where it is active. The following overview provides a selection of projects that were pursued by the Komax Group in 2023.

Social projects

PROJECTS (SELECTION)	DESCRIPTION
Solar Butterfly	The Solar Butterfly project (www.solarbutterfly.org), the brainchild of visionary Louis Palmer, combines the key themes of e-mobility and environmental protection, including the responsible use of natural resources. Not only is the Komax Group providing financial support to the CO ₂ -free journey of this mobile home around the world, which started back in 2022, it also played an important role in the construction of the Solar Butterfly. At the assembly stage, apprentices from the Automation and Mechanics areas took on tasks such as the wiring of solar panels, working in the area of pneumatics and drive technology, and the configuration and programming of control panels.
Supporting the next generation of talent with the initiatives “A fascination with technology” and “MINT on the move,” as well as the Swiss Youth in Science Foundation	Switzerland has long suffered from a shortage of young people entering the MINT professions (mathematics, IT, natural sciences, technology). The Komax Group is therefore supporting the initiatives “A fascination with technology” and “MINT on the move” in cantons Lucerne and Zug. In addition, it also takes part in the girls@science and boys@science study weeks organized by the Swiss Youth in Science Foundation, which are designed to encourage young people to enter the MINT professions (equivalent to STEM).
TRANSfair	At its site in Thun, Switzerland, the Komax Group supports TRANSfair Gastronomy, a social enterprise offering people facing acute challenges above all due to mental problems professional integration at a supervised workplace, which simultaneously provides them with a clear daily structure.
Catie’s Closet Drive	In the US, Drive Schleuniger collected clothing for the project Catie’s Closet (www.catiescloset.org), which donates these items to students in need.
Integration Day	In April 2023, Komax SLE collaborated with the local job center to host an Integration Day for refugees from Ukraine. The aim was to provide them with insights into company processes and discuss ways of joining the Komax Group.
Kiva	Schleuniger companies in the US and Mexico supported the Kiva project (www.kiva.org) in 2023 with loans directed at people in need in Mexico City, Ghana, and Rwanda.
Inclusion Factory	Komax in Shanghai employs people with disabilities and was one of the first partners of the Inclusion Factory, a Chinese inclusion enterprise that helps disabled people to find work and thereby secure a place in society.
Employee voluntary work	A number of companies of the Komax Group provide all employees with up to eight hours of their working time each year to devote to a charitable initiative of their choice.

CUSTOMER RELATIONS

The Komax Group sells industrial capital goods to its customer base, which is made up of big global companies, regional mid-sized companies, and many different small firms. Intensive, bespoke customer service is the foundation for a trust-based partnership, and hence business success. Any loss of this trust due to poor customer service or defective products could have significant economic consequences for the Komax Group, with a knock-on effect for its staff. This is why outstanding customer relationships are essential for the Komax Group.

For the Komax Group, several elements play an important part in nurturing and improving its relationships with customers. These include customer proximity through a global service and distribution network, high delivery dependability, high product quality across the entire life cycle of a product, as well as training through increases in productivity.

Customer proximity through a global distribution and service network

The Komax Group has 30 engineering and production sites worldwide and employs around 380 service staff. It provides sales and service support via subsidiaries and independent agents in over 60 countries. The customer base is broad-based and spans the entire globe. In its main market segment, Automotive, the Komax Group has primarily large international customers with production sites around the world. Here, physical proximity to customers is key, as it is the only way to ensure short response and supply times, as well as provide comprehensive service. The Komax Group expanded its presence in Europe, North America, and Asia through its combination with Schleuniger. In the year under review, the global distribution and service network was optimized under the leadership of the Executive Vice President Market & Digital Services and tailored even more intensively to local customer requirements (▶ page 32 onwards). The adjustments will be completed in 2024. The Komax Group will then offer the services of a dedicated contact person in each country for all customers' solutions. A key element for a high level of trust and satisfaction among customers is delivery dependability. Consequently, the Komax Group channels its efforts into increasing this to a high level on an ongoing basis.

The Komax Group has set itself the target of delivering over 90% of all orders on time from 2025, rising to over 95% from 2028.

No Group-wide single metric for on-time delivery was collated in the year under review yet, which is why no figures can be stated for 2023.

High level of productivity as the cornerstone of customer trust

Some of the Komax Group's products are in use over decades (▶ page 80). They have to function safely over a long lifespan. As a result, the safety and smooth functioning of each individual machine is thoroughly tested before being handed over to customers, and then installed on customers' premises either by the Komax Group or with intensive assistance from it. Comprehensive training programs with the Komax Academy, online help, and other assistance enable customers to use products and services safely and efficiently (▶ page 34). The Komax Group ensures service beyond the end of agreed contractual guarantee periods, as well as the availability of upgrades and replacement parts. It does this so as to safeguard the safety and smooth functioning of its products over the long term. Thanks to their modular construction, the machines can generally be adapted to changing needs.

By applying internationally harmonized standards, the Komax Group achieves CE conformity for its products. The CE marking indicates that the manufacturer affirms their product's conformity with the legal requirements in Europe and thereby with stringent health and safety protection standards. The Komax Group deploys a team of CE experts from a number of areas, who see projects through from the development stage to validation and thus CE approval. Incorporated into machines are various protective measures, such as guards and emergency stop functions, designed to keep operators safe.

PLEXIGLAS HOODS AS A SAFETY FEATURE

Modular machines such as those in the Alpha, Lambda, and Omega series have Plexiglas hoods that can be raised and lowered automatically and protect operators during operation.



These measures are proving extremely effective, as no cases of products or services having a health or safety impact were reported to the Komax Group for the period under review.

Measuring the development of customer satisfaction in the future

The Komax Group aims to regularly measure the levels of customer satisfaction, something which does not yet take place on a Group-wide basis. Among the aspects it aims to measure are customer loyalty, for instance, and how well the Komax Group is satisfying expectations.

Such measurements are necessary to assess attainment of a further target:

The Komax Group aims to achieve above-average levels of customer satisfaction in an industry comparison.

The basis for this was laid in 2023. Feedback will be obtained wherever the Komax Group has a touchpoint with customers – such as in advisory or sales activities, or during trade fairs. Customer feedback on potential areas of improvement is particularly valuable to the Komax Group and is incorporated into new developments.

FAIRNESS – ACTING FAIRLY AND ETHICALLY

Ensuring good corporate governance is a top priority for the Komax Group. The Komax Group maintains its good name through a corporate and communication culture characterized by integrity and impeccable business ethics, safeguarding sustainable value creation in the interests of all stakeholders over the long term.

BUSINESS ETHICS AND COMPLIANCE

The Komax Group is a globally active group with strong growth. Interacting ethically and responsibly with its stakeholder groups at all times is vital to the Komax Group. Customers, employees, shareholders, creditors, suppliers, and the public in general have high expectations when it comes to transparency, trustworthiness, timely communication, and integrity. The bigger a company, the greater the demands on it – and the more complex it is to satisfy these demands on an ongoing basis. Combinations such as with the Schleuniger Group, where a number of companies are to be integrated, give rise to new challenges in respect of corporate culture and governance. Missteps can damage the reputation and thus the business success of the Komax Group, which would also impact on the share price. At the same time, a healthy corporate and business culture opens up new opportunities to attract customers, investors, and employees. This is why the Komax Group places an emphasis on good business ethics and compliance.

The Komax Group pursues an approach that permits no concessions or exceptions when it comes to ethical and fair business conduct and compliance. It complies with global as well as local regulatory requirements in the countries in which it operates. The individual units regularly examine current developments, as does Group Legal, and factor these into guidelines and policies as well as into training on the Code of Conduct, for example. All units have various processes aimed at ensuring compliance with the rules. Responsibility lies with the respective process owner, who is advised by and receives support from Group Legal and Compliance. The Komax Group is currently working on expanding its compliance structure so as to ensure that it continues to act fairly and ethically in all areas in the future too.

Responsible risk management

Comprehensive risk management is a key element of good corporate governance. The potential and actual risks associated with the Komax Group's commercial activities are systematically identified, analyzed, monitored, and managed on an annual basis through an institutionalized risk management function. These risks are amalgamated into groups according to their nature. They include general external risks, business risks, financial risks, risks arising in connection with corporate governance and trade compliance, as well as IT risks. The risks captured number over 150 in total, and these are mapped in a risk matrix based on the likelihood of them occurring and the extent of their potential impact. ESG risks are also addressed. These will be analyzed on an even more comprehensive basis in future, so as to assess in detail the potential impact for the Komax Group as well as the environment, society, and the economy (▶ page 72).

The Executive Committee is responsible for the operational side of risk management, whereby specially appointed process owners are assigned responsibility for the management of key individual risks. These process owners take specific measures and monitor their implementation. Every year, the Executive Committee informs the Board of Directors' Audit Committee of the risks identified and the measures taken as part of risk management activities. ESG risks are also discussed with the Sustainability and Innovation Committee. The Board of Directors uses this as a basis for a risk assessment (carried out once a year). The Executive Committee develops this risk assessment further and introduces measures designed to eliminate or mitigate the risks.

The Komax Group has not yet incorporated long-term global climate risks into its risk management. This will be done in the coming years, taking the ESG strategy as a basis.

Code of Conduct

The Komax Group's business ethics are based on its five core values (► page 66) as well as the Code of Conduct that has been in place for many years. The sustainable development of the Komax Group's business is one of the targets defined in the Code of Conduct, as is the rejection of seeking profit at the expense of the environment. It was approved by the Board of Directors and is binding for all Komax Group employees. It is built on the ethical principles that the Komax Group has been applying for decades. The code defines key rules of conduct for dealing with confidential information and living up to essential core values such as reliability, credibility, integrity, equality of opportunity, health and safety, and sustainability. It is published in 16 languages and reviewed at regular intervals (www.komaxgroup.com/organization). New employees receive special training in this area in order to make them aware of these rules of conduct, and all employees have to repeat this training on a regular basis.

The Komax Group aims to ensure that in future all employees will attend Code of Conduct training at least once every two years, and that 100% of the participants will complete it successfully.

Participation in and the results from the Code of Conduct training are evaluated by the Komax Group, and measures are derived therefrom as necessary.

Violations of this code are not tolerated, and will have corresponding consequences for the employees concerned. This applies both to those who have broken the rules and all those who knew about the breaches but failed to report them. Anyone who becomes aware of a violation may report this to their direct line manager, to the next-highest line manager, to the HR department, or to the independent external whistleblowing service (codeofconduct@ssrlaw.ch). Two violations were ascertained during the period under review. These resulted in internal disciplinary measures within the Komax Group, but no court cases ensued. Audit and reporting procedures regularly survey the existence of court cases and violations on a Group-wide basis.

Combating corruption

The business activity of the Komax Group is based on the quality of its services and on integrity. It therefore robustly rejects any form of bribery and other forms of corruption. Employees do not accept or offer any monetary gifts, regardless of the amount involved. Gifts in kind and invitations are allowed only if they do not exceed negligible advantages that are common business practice and do not generate any undue advantage. These basic rules are laid down in the Code of Conduct of the Komax Group, the Code of Conduct for suppliers and the Code of Conduct for business partners, agents, and distributors. This is particularly important as – due to its customer structure – the Komax Group also does business in countries with a comparatively high corruption risk ranking as

defined in Transparency International's Corruption Perceptions Index (CPI). Corruption risks are reviewed at regular intervals within the framework of risk management. In the period under review, as in the previous year, no corruption risks of significance were ascertained and there were no known cases of corruption within the Komax Group. In order to reinforce and communicate more clearly the Komax Group's rigorous stance in respect of corruption, bribery, and human rights, it will implement Group-wide guidelines by the end of 2024.

In order to provide detailed instructions concerning individual topics covered by the Code of Conduct, the Komax Group has set itself the target of implementing guidelines on the themes of human rights, corruption, and bribery throughout the Group by the end of 2024.

SUPPLY CHAIN RISK MANAGEMENT

For the Komax Group, sustainability in the supply chain encompasses the socially and ecologically responsible procurement of raw materials, components, packaging, and services, as well as appropriate risk management. A significant proportion of the value creation delivered by the Komax Group lies in engineering services and the assembly of components in the production of machines. The majority of these components are manufactured and supplied by third parties. This exposes the Komax Group to various risks in procurement. There is the risk that conflict materials are used, that human rights are violated, and that energy and scarce raw materials are used wastefully in supply chains. There are also legal risks – ranging from compliance with local and international statutory requirements and standards to bribery and corruption. These open up further potential risks in terms of the reputation and business success of the Komax Group. Strict trade compliance management and the responsible management of its supply chains make it possible for the Komax Group to reduce these risks and foster stable relationships with suppliers over the long term. This way it can make a positive contribution to sustainable supply chains and their impact on the environment and society.

The Komax Group has a Global Procurement Team that is responsible for global procurement issues. This team liaises with the specialists at the production sites who take care of sourcing the necessary materials and components locally. The Komax Group aims to meet the challenges in supply chains with trust, transparency, and checks. To this end, it has issued various guidelines, measures, and targets, which are reviewed and revised on an ongoing basis.

Code of Conduct for suppliers

In its commercial relationships, the Komax Group sets great store by respect, decency, social responsibility, and consistent adherence to international guidelines and laws. For this reason, it has drawn up special codes of conduct for both suppliers and business partners, and where possible makes compliance with these codes a contractual obligation. Key elements here include compliance with the law, a ban on corruption and bribery, fair competition, and the respecting of human rights. Violations of the Code of Conduct are consistently admonished and may result in immediate termination of a contract.

At the end of the year under review, 55% of the suppliers of the Komax Group (measured in terms of procurement volume) had signed the Code of Conduct for suppliers. This figure is low since a complete overhaul of the Code of Conduct was launched in the reporting year, meaning that the "old" code could no longer be rolled out to the companies joining the Komax Group from the Schleuniger Group. It is planned that the new Code of Conduct will be issued to all suppliers of the Komax Group over the course of 2024. With this move, the Komax Group aims to secure a high level of reliability and has defined a corresponding ESG target.

The Komax Group aims to ensure that 80% of its suppliers (measured by purchasing volume) will have signed the Code of Conduct by 2025. At least 95% of suppliers (by purchasing volume) should have signed the Code of Conduct by 2028.

Due diligence obligations in relation to minerals and metals from conflict areas as well as to child and forced labor

The Komax Group categorically rejects any form of forced or child labor. All of its production sites are located in countries that are signatories to the ILO conventions on forced labor or the Abolition of Forced Labour Convention (USA). The Code of Conduct for suppliers and the Code of Conduct for business partners, agents, and distributors prohibit suppliers from breaching the ILO conventions governing child labor and forced labor in the hiring of their workforce.

In 2023, the Komax Group initiated a new policy for the upstream supply chain and implemented further checks in relation to child labor and conflict minerals/metals in accordance with Art. 964j of the Swiss Code of Obligations and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). These checks came to the conclusion that the import and processing quantities for minerals and metals had not been reached, and either identified a low risk in relation to child labor or could not find reasonable grounds to suspect child labor, meaning that the Komax Group is exempted from the due diligence and reporting obligations. The Komax Group will continue to monitor the topic closely as part of its supply chain risk management.

Long-term partnerships and regular audits

The Komax Group's aim is to achieve long-term partnerships with suppliers that are characterized by sustainable business activity and corresponding products. This is reviewed through audits. New and existing partners are evaluated and/or audited according to the same criteria. These include the integration status of sustainable business processes (ESG), quality, price, procurement chain, and deadline reliability, as well as production processes.

In order to evaluate the sustainability of its supply chain even more efficiently and take appropriate measures, the Komax Group has been working with EcoVadis since 2021 and is striving to expand its auditing activities.

The aim of the Komax Group is to select existing and/or potential new suppliers each year for auditing based on a risk matrix approach.

Supply chain risk management and trade compliance

The Komax Group's risk management addresses a number of procurement and compliance risks (➤ page 95; ➤ page 163 onwards, Financial Report). It has a trade compliance team whose duties include carrying out regular training courses on issues such as export controls, embargoes, current Incoterms, and customs and tax legislation.

Transparency in the supply chains

The Komax Group currently does not have comprehensive transparency in its supply chains. Consequently, one of the next steps is to build up a detailed record of additional relevant data. This comprises resource management, emissions (Scope 3), and governance issues. There are plans to also incorporate Scope 3 information into ESG targets in the future.

EFFICIENT PROCUREMENT THROUGH CONSOLIDATED SUPPLY MANAGEMENT

In collaboration with Bossard, a leading logistics company for industrial assembly and connection solutions, the Komax Group is reducing its annual CO₂ emissions at its headquarters in Switzerland through “C-parts procurement.” These are materials with a low item value and high procurement volume, such as screws. As the Komax Group is part of the broad network of Bossard customers who share a common supplier base, shipments and transport routes can be consolidated. This also reduces fuel consumption. Overall, the Group’s CO₂ emissions are around a quarter lower than without the consolidation of deliveries through Bossard.



OUTLOOK

By anchoring ESG in its new strategy and defining and publishing the first-ever non-financial targets, in September 2023 the Komax Group clearly expressed the importance it attaches to ensuring a sustainable, social, and responsible approach. It has been doing business in this way for decades. The Komax Group is aware that more will need to be done over the coming years if it is to satisfy the various demands placed on it by both its stakeholders and by itself, as well as meet its ESG targets.

By formulating an ESG strategy and integrating it into its overall Strategy 2028, the Komax Group has taken the first important step on this path. Over the coming years, many different ESG initiatives will be implemented, and the focus will be on the even more intensive involvement of employees and further stakeholder groups in ESG topics.

As a consequence of the rigorous anchoring of ESG at strategy level, starting 2024 the members of the Executive Committee are assigned individual ESG targets, the achievement of which will play a role in the amount of variable compensation awarded. The Komax Group will also continue to broaden and optimize reporting on its ESG activities on an ongoing basis. The focus here will be on data collection. In addition, the next ESG Report will incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

ADDITIONAL INFORMATION

GRI index

The GRI index associated with this ESG report is available on the website of the Komax Group (www.komaxgroup.com/en/annualreport2023/gri-index).

Organizational structure

The management structure and composition of the Komax Group is set out in the Corporate Governance Report. The Komax Group integrated ESG into its Strategy 2028 as a strategic initiative in 2023. The tasks, obligations, and powers of the Board of Directors, its Chair, and the Committees are set out in detail in the Articles of Association, the Organizational Regulations of Komax Holding AG, and in the Regulations for the Remuneration Committee, the Audit Committee, and the Sustainability and Innovation Committee. These also define the rights, obligations, and competencies of the CEO and Executive Committee. The relevant regulations are reviewed on a regular basis and amended where necessary. Further information on the organizational structure is available on the Komax Group's website (www.komaxgroup.com/en/about-komax/organization).

Governance

Information on corporate governance can be found in the Corporate Governance Report (▶ pages 102–120).

Compensation

All information on the compensation paid to the Board of Directors and the Executive Committee is available in the Compensation Report (▶ pages 121–140).

Approach to stakeholder engagement

The stakeholders of the Komax Group are its employees and their families, customers in the B2B area, suppliers, partners, the financial community, the media, the local communities at the Komax Group's sites, legislators and the regulatory authorities, as well as the public in general.

The Komax Group includes these stakeholder groups both digitally and physically. To this end, it maintains a global website and a number of country-specific websites in several languages, which provide contact forms and details of points of contact in addition to a whole range of other information.

Customers have their own online portals, where they can share information directly with the Komax Group. In addition, the Komax Group takes part in a number of trade fairs and specialist events (▶ page 35) and is part of various partnerships such as ARENA2036 and the Smart Cabinet Building Initiative (▶ page 48 onwards).

The financial community and all other stakeholders are included by means of comprehensive reporting via media releases, annual and semi-annual reports, as well as physical and virtual events. This also encompasses a mailing service for those who are interested in receiving information (▶ page 120). The Komax Group proposes many different information and communication channels for employees. These include internal notices on topics of relevance, an intranet, live and online events such as webinars, and the video-based Komax Talk, where the CEO and the Executive Committee talk about current developments. Komax Stories are also available to all those who are interested – this is the Komax Group's news portal (www.komaxgroup.com/en/stories).

Collective bargaining agreements

The Komax Group does not have any employees under collective agreements.

Political contributions

In principle, the Komax Group does not make donations to political parties, political organizations, or individuals who hold political office or are standing as candidates for political office.

STATEMENT FROM THE BOARD OF DIRECTORS AND SCO REFERENCE TABLE

The Board of Directors of Komax Holding AG is responsible for the production of the non-financial 2023 report (ESG Report) in accordance with the applicable legislation. The ESG Report 2023 contains the information on non-financial issues required by the Swiss Code of Obligations (SCO). The table below shows where the non-financial issues in accordance with Art. 964b SCO can be found. The Board of Directors has approved them.

Requirement Art. 964b	Section of the non-financial report	Page
Description of the business model	The Komax Group at a glance	64
	ESG strategy	69
	Sustainable, profitable growth	71
Environmental matters	ESG targets 2024–2028	70
	Greenhouse gas emissions and energy efficiency	76
	Product life cycle management	80
	Supporting local communities	73
Social issues	Taking responsibility for people	85
	Workplace safety and well-being	87
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	Business ethics and compliance	95
	Workplace safety and well-being	87
Employee-related issues	Business ethics and compliance	95
	Business ethics and compliance	95
Respect for human rights	Supply chain risk management	97
	Supply chain risk management	97
Combating corruption	Business ethics and compliance	95
	Supply chain risk management	97
Policies, measures, risks	Interactions between the Komax Group and its environment	72

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Ensuring good corporate governance is vital to the Komax Group. It safeguards business and social success over the long term by means of sustainable value creation in the interest of customers, shareholders, staff, creditors, suppliers, and the public, as well as through the provision of transparent, rapid, and simultaneous information to all stakeholder groups. The Komax Group takes as its starting point the principles and regulations of the Swiss Code of Best Practice of *économie-suisse* and the Directive on Information Relating to Corporate Governance (Directive Corporate Governance, DCG) of SIX Exchange Regulation, and gives an account of developments in this area each year in its Annual Report. The key elements are laid down in the Articles of Association, the Organizational Regulations, the Regulations on the Remuneration Committee, the Audit Committee, and the Sustainability and Innovation Committee, as well as in the Code of Conduct. The Articles of Association of Komax Holding AG were amended by the Annual General Meeting of 12 April 2023 to fulfil the requirements of the revised Swiss law on companies limited by shares and to reflect current best practice in the area of corporate governance. They are available on the Komax Group website (www.komaxgroup.com/organization).

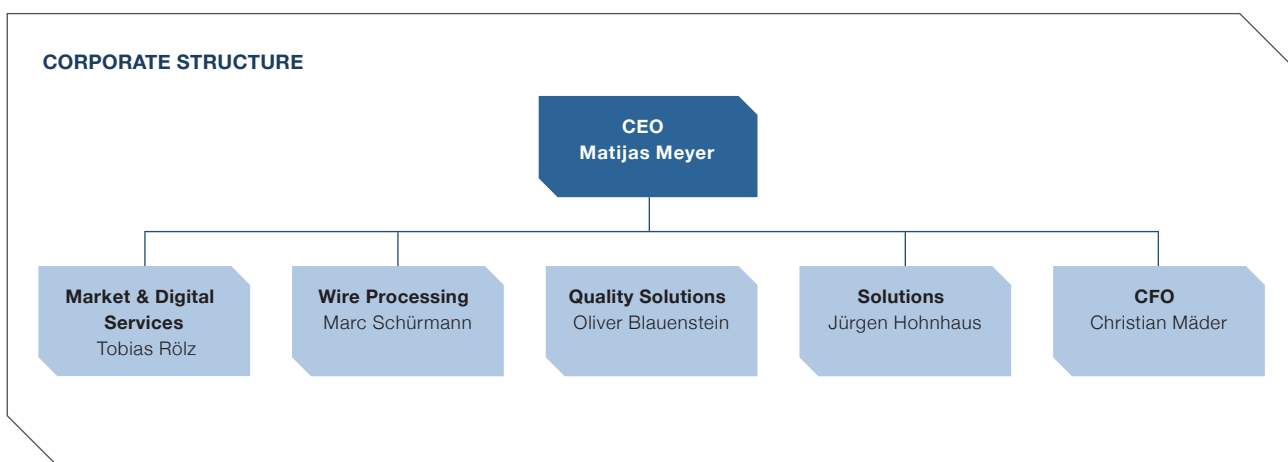
The Board of Directors shapes corporate governance through the guidance and principles it issues to ensure a forward-looking, sustainable leadership culture that is in compliance with the law and inspires a responsible entrepreneurial approach. The interests of the stakeholder groups that are influenced by the Komax Group are also taken into consideration in the ESG components (Environmental, Social, Governance). To this end, the Komax Group cultivates regular exchange with its stakeholder groups.

1 CORPORATE STRUCTURE AND SHAREHOLDERS

Corporate structure

Komax Holding AG is the holding company of the Komax Group. Its headquarters are in Dierikon, Switzerland. Details on the place of listing, market capitalization, security number, and ISIN are set out on page 56 (“Share information”). The Komax Group includes Komax Holding AG and its 59 subsidiaries in 21 countries (► pages 171 and 172). With the exception of Komax Holding AG, no companies with listed participation securities form part of the scope of consolidation.

The Board of Directors of Komax Holding AG appoints and oversees the Executive Committee, which is headed up by the CEO. Alongside the CEO and the CFO, the Executive Committee is comprised of the heads of the four business units.



Major shareholders

Shareholders whose share of the company's share capital exceeds or falls below the thresholds of 3, 5, 10, 15, 20, 25, 33 1/3, 50, and 66 2/3% have a reporting obligation under the Financial Market Infrastructure Act (FinMIA). According to the disclosure reports submitted, the company had the following major shareholders holding more than 3% of the votes as at 31 December 2023:

Shareholder/shareholder group	Number of shares 31.12.2023	Share in % 31.12.2023 ¹
Metall Zug AG, Zug, Switzerland	1 283 333 ²	25.00
abrdn plc, Edinburgh, UK	207 322 ³	4.04
Max Koch, Meggen, Switzerland	190 285 ⁴	3.71

¹ The calculation is based on the 5 133 333 registered shares listed in the Commercial Register as at 31 December 2023.

² Notification of breach of 20% threshold on 6 September 2022.

³ Notification of position falling below 5% threshold on 7 September 2022.

⁴ Notification of position falling below 5% threshold on 13 March 2018.

All shareholdings reported to Komax Holding AG and the Disclosure Office of SIX Swiss Exchange during the 2023 financial year as per Art. 120 of the Financial Market Infrastructure Act have been published on SIX Swiss Exchange AG's electronic publication platform and can be viewed at www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html. An overview of the composition of shareholders as at 31 December 2023 can be found on page 57 of the Annual Report.

Cross-shareholdings

There are no shareholder agreements and there are also no cross-shareholdings with other companies – nor with customers, suppliers, or partners, or with companies in which members of either the Board of Directors or Executive Committee hold a position. The Komax Group has no majority shareholder and there are no cross-involvements among the Board of Directors. The avoidance of conflicts of interest is an integral component of each of the Komax Group's stakeholder relationships in respect of its governing bodies. In addition, the Executive Committee implemented a set of regulations that all members of staff who could be involved in conflicts of interest must sign.

2 CAPITAL STRUCTURE

Capital

in CHF	
Ordinary capital	513 333.30
Conditional capital	0.00
Authorized capital	0.00

Further details are provided in the sections below.

Capital band and conditional capital in particular

The capital band was introduced at the Annual General Meeting of 12 April 2023. It allows for greater flexibility in adjusting capital and in the procedures for capital increases and capital reductions. The Board of Directors decided not to make use of the full scope of the new options available. Consequently, the capital band is limited to a timeframe of three years and the extent of capital increases to a maximum of 10% of share capital. The Board of Directors excludes capital reductions.

The Komax Group thus has a capital band ranging from CHF 513 333.30 (lower limit) to CHF 564 666.60 (upper limit). Within the limits of the capital band, the Board of Directors is empowered to increase the share capital until 12 April 2026, or until the capital band has been fully used, at any time or from time to time and in any (partial) amounts. A capital increase may take place by the issue of up to 513 333 fully paid-up registered shares with a nominal value of CHF 0.10 each. In the event of an issue of new shares, the subscription or acquisition of these shares and any subsequent transfer of shares are subject to Sections 5 and 6 of the Articles of Association. Further information on the structuring of the capital band can be found in the Articles of Association of Komax Holding AG (www.komaxgroup.com/organization).

Neither at 31 December 2023 nor at 31 December 2022 was there any conditional capital. No capital increases were carried out within the framework of the capital band.

Capital changes

In 2022, the Komax Group carried out a capital increase and subsequent exchange of shares within the framework of the combination with the Schleuniger Group. By means of the authorized capital increase of 30 August 2022 in accordance with the agreement on contributions in kind and acquisition of assets, Komax Holding AG took over from Metall Zug AG 250 000 registered shares of Schleuniger AG and a loan to Schleuniger AG in the amount of CHF 70 367 000, for a total value of CHF 206 367 000. In return, Metall Zug AG was issued with 1 283 333 new registered shares with a par value of CHF 0.10 each (► page 170, Financial Report).

Details of capital changes in the years 2022 and 2023 can be found on page 144 of the Financial Report. The corresponding information for 2021 can be found on page 107 in the financial section of the 2022 Annual Report (www.komaxgroup.com/publications).

Shares, participation certificates, and bonus certificates

As at 31 December 2023, Komax Holding AG had fully paid-up capital of CHF 513 333.30 and distributed over 5 133 333 registered shares with a par value of CHF 0.10 each. Each registered share entitles the holder to vote at the Annual General Meeting as long as the shareholder is listed in the share register as a “voting shareholder” (see also “Restrictions on transferability of shares and nominee registrations”). Registered shares are fully entitled to receive dividends. Komax Holding AG has not issued any participation certificates or bonus certificates.

Restrictions on transferability of shares and nominee registrations

The Komax Holding AG share register is divided into the categories of “non-voting shareholders” and “voting shareholders.” “Non-voting shareholders” may exercise all property rights, but not the right to vote or rights associated with that of voting. “Voting shareholders” may exercise all rights associated with the share (see Articles of Association, www.komaxgroup.com/organization).

Komax Holding AG’s Articles of Association empower the Board of Directors to refuse entry in the share register if the acquirer does not expressly declare, at the request of the Board, that the shares were acquired in their own name and for their own account. Nominees are listed in the share register as “non-voting shareholders.” After hearing the affected party, Komax Holding AG may delete entries in the share register if such entries occurred in consequence of false statements by the acquirer. The acquirer must be informed of the deletion immediately. No exemptions were granted in respect of the transfer restrictions in the year under review.

Convertible bonds and options

Komax Holding AG has no outstanding convertible bonds and there are no option programs for employees.

Management transactions

The Listing Rules of SIX Swiss Exchange stipulate a disclosure obligation for management transactions. The Board of Directors has issued a set of regulations to comply with these provisions. Members of the Board of Directors and Executive Committee have a disclosure obligation toward the company in this respect. Two notifications were submitted in the 2023 financial year (2022: no notifications). Disclosures are published on the SIX Swiss Exchange website and may be consulted there (www.ser-ag.com/de/resources/notifications-market-participants/management-transactions.html).

3 BOARD OF DIRECTORS

The Board of Directors comprised seven individuals as at 31 December 2023. No member of the Board of Directors was a member of the Executive Committee in the three financial years prior to the reporting period, and no member of the Board of Directors has any material business relationship with any Group companies.

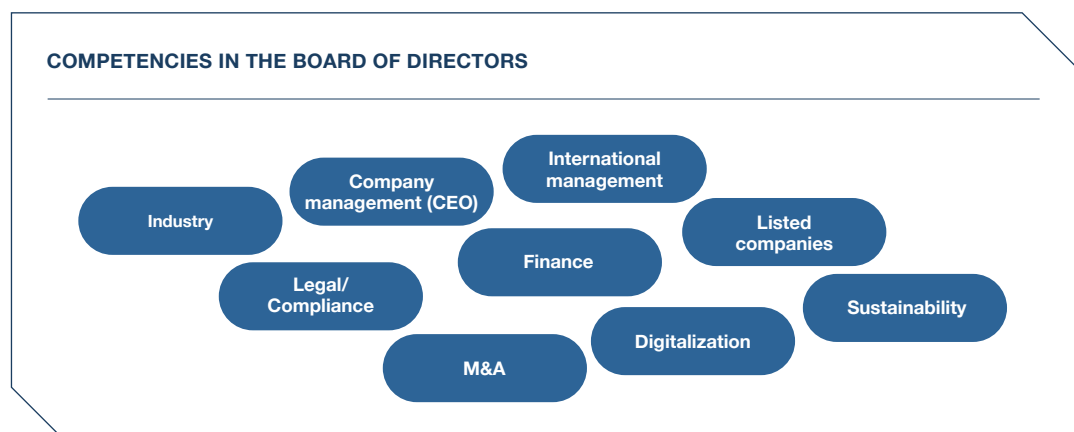
Members of the Board of Directors

	Appointed	Term expires	Participation in meetings during the financial year
Beat Kälin, Chairman	2015	2024	100%
David Dean, Vice Chairman	2014	2024	100%
Andreas Häberli	2017	2024	100%
Kurt Haerri	2012	2024	100%
Mariel Hoch	2019	2024	100%
Roland Siegwart	2013	2024	100%
Jürg Werner	2022	2024	100%

There are no cross-involvements among the Board of Directors. Biographies of the individual Board members and details of their other activities and interests are provided on pages 108–110 of the Annual Report.

Competencies in the Board of Directors

The Board of Directors should cover a broadly diversified range of expertise so as to be able to fulfil its role in all matters that are of importance for the Komax Group. Thanks to the members making up its body, in the 2023 financial year it had expertise in and/or experience of the following areas:



Statutory regulations with respect to the number of permissible activities

In accordance with the Articles of Association, the number of permissible mandates of members of the Board of Directors in comparable roles at other companies with a commercial purpose and which are not controlled by the company or do not control the company is a total of nine additional mandates for listed and non-listed companies. The number of additional mandates at listed companies is limited to four as long as this does not involve any breach of statutory provisions and in particular the due diligence obligations of the Board of Directors.

Mandates in different legal entities that are under common control or under the same beneficial ownership count as a single mandate. Mandates undertaken by a member of the Board of Directors at the behest of a Group company or to exercise an office under public law are not covered by the restriction on additional mandates described above.

The assumption of mandates other than those stipulated above is permissible without numerical restriction, as long as these mandates are unremunerated and do not interfere with the fulfilment of the obligations of the member of the Board of Directors vis-à-vis the company. The reimbursement of expenses does not count as compensation.

Election and term of office

According to the Articles of Association, the Board of Directors consists of three to seven members. It is composed of independent, non-executive members, who are elected individually by the Annual General Meeting for a term lasting until the end of the next Annual General Meeting. The Annual General Meeting also elects the Chair. Members may be re-elected. There is no restriction on the length of a member's term of office, although members usually step down after a term of 12 years at the most. The Articles of Association provide no regulations regarding the appointment of the Chair and the members of the Board of Directors that deviate from statutory provisions.

Kurt Haerri will not be standing for re-election at the next Annual General Meeting on 17 April 2024 due to term-of-office limitations. The Chair and all other members of the Board of Directors are being proposed for re-election. In addition, the Board of Directors is proposing that Annette Heimlicher be elected as a new Board member.

Internal organization

The internal organization of Komax Holding AG, i.e. the tasks and competencies of its executive bodies, is set out in the Organizational Regulations available on the website of the Komax Group (www.komaxgroup.com/organization).

The Board of Directors consists of the Chair and a maximum of six other Board members. The Chair is elected by the Annual General Meeting; the Board of Directors organizes itself in respect of the other members. If the office of Chair becomes vacant during the period of office, the Board of Directors will nominate a new person as Chair for the remaining period of office, whereby this person must be an existing member of the Board.

The Chair is responsible for chairing meetings. At the invitation of the person chairing the meetings, the Board of Directors meets as often as business requires, but no less than four times per year. Each member of the Board of Directors is also entitled to request that a meeting be called to discuss a particular topic. In this case, the Chair convenes the meeting within 14 days of receiving the request.

The Board of Directors is deemed to have a quorum if a majority of its members (votes) are present. The resolutions of the Board of Directors are adopted by a majority of votes. In the event of a tie, the Chair casts the deciding vote. All resolutions are minuted. The Board of Directors can pass its resolutions using electronic means or in writing on hard copy provided no member calls for verbal discussion.

Seven ordinary meetings of the Board of Directors were held in 2023. All members attended all of the meetings. On average, these meetings lasted around seven hours. However, these average times pertain to the actual duration of the meetings themselves, and do not take into account the preparatory and follow-up work done by the individual members. Two resolutions by circular letter were also formulated in the year under review.



BEAT KÄLIN (1957)
Non-executive, independent member, and Chairman of the Board of Directors since 2015, elected until 2024, Swiss citizen, resident in Birmensdorf (CH).

Member of the Board of Directors of listed company Huber+Suhner AG, Pfäffikon ZH and member of the Board of Directors of CabTec Holding AG, Rotkreuz.

Beat Kälin holds a master's degree and a doctorate in engineering from ETH Zurich. He also holds an MBA from INSEAD. From 1987 to 1997 he held various management positions in the Elektrowatt Group; from 1998 to 2004 he was a member of the Group Executive Board of SIG Schweizerische Industrie-Gesellschaft Holding AG; from 2004 to 2006 he was a member of the Board of Management responsible for the Packaging Technology Division at Robert Bosch GmbH, Stuttgart (DE). He was COO of the Komax Group from 2006 to 2007, and CEO from 2007 to 2015. In the last three years, Beat Kälin has not been a member of the Executive Committee or had any material business relationships with the Komax Group.



DAVID DEAN (1959)
Non-executive, independent member of the Board of Directors since 2014, Vice Chairman since 2019, elected until 2024, Swiss citizen, resident in Penang (MY).

Member of the Board of Directors of listed company Bossard Holding AG, Zug, of Metall Zug AG, Zug, and Burckhardt Compression Holding AG, Winterthur, and a member of the Board of Directors of the Brugg Group AG, Brugg.

David Dean is an expert in accounting and controlling. He holds a federal diploma and is a certified accountant. Furthermore, he has also completed management training at Harvard Business School and IMD Lausanne. David Dean works as a professional board director. From 1992 to 2019 he worked for the Bossard Group – from 2005 to 2019 as CEO, from 1998 to 2004 as CFO, and from 1992 to 1997 as Corporate Controller. Prior to this, from 1990 to 1992 he worked as Corporate Controller and member of the Group Executive Board of a leading global logistics company, and from 1980 to 1990 held various management functions in auditing and management consultancy at Pricewaterhouse Coopers AG. In the last three years, David Dean has not been a member of the Executive Committee or had any material business relationships with the Komax Group.



ANDREAS HÄBERLI (1968)
Non-executive, independent member of the Board of Directors since 2017, elected until 2024, Swiss citizen, resident in Bubikon (CH).

Chairman of the Board of Directors of PhenoSign AG, Bubikon, member of the Board of Directors of listed company Kardex Holding AG, Zurich, as well as a member of the Industrial Advisory Board, ETH Zurich, and the Swissmem Research Commission, Zurich.

Andreas Häberli holds a master's degree in electrical engineering from ETH Zurich. He then went on to obtain a doctorate (Dr. sc. techn.) at ETH Zurich's Laboratory for Physical Electronics. Since July 2023, Andreas Häberli has been Co-CEO of PhenoSign AG. From 2003 to 2023 he held various management roles at the dormakaba Group (formerly Kaba Group) – from 2011 as Chief Technology Officer (CTO) and a member of the Executive Committee. He was a member of the Executive Board of Sensirion AG from 1999 to 2003, and worked for Invox Technology (USA) from 1997 to 1999. In the last three years, Andreas Häberli has not been a member of the Executive Committee or had any material business relationships with the Komax Group.



KURT HAERRI (1962)
Non-executive, independent member of the Board of Directors since 2012, elected until 2024, Swiss citizen, resident in Birrwil (CH).

Member of the Board of Directors of Bertschi Holding AG, Dürrenäsch, 4B AG, Hochdorf, as well as member of the Board of the Swiss-Chinese Chamber of Commerce (Head of the MEM Industry Chapter), Zurich, and President of Gemeindienststiftung Emmen.

Kurt Haerri holds a degree in mechanical engineering from Lucerne University of Applied Sciences as well as an Executive MBA HSG from the University of St.Gallen. He has been working for Schindler since 1987, with a short interruption in 2021. He currently heads a task force on new installations in the USA. Previous roles included Global Head of High-Rise Business as well as Marketing & Sales at the Schindler Group. He was based in China for Schindler from 1996 to 2003 and 2017 to 2019, and headed a global growth program in the China, India, Southeast Asia, and US markets from 2020 onwards. Kurt Haerri was the President of the Swiss-Chinese Chamber of Commerce from 2006 to 2013. He was also responsible for the Asia module of an Executive MBA program at ETH Zurich. In the last three years, Kurt Haerri has not been a member of the Executive Committee or had any material business relationships with the Komax Group.



MARIEL HOCH (1973)
Non-executive, independent member of the Board of Directors since 2019, elected until 2024, Swiss and German citizen, resident in Zurich (CH).

Member of the Board of Directors of listed company Comet Holding AG, Flamatt, and of SIG Group AG, Neuhausen am Rheinfl, member of the Board of Directors of MEXAB AG, Lucerne, as well as member of the Foundation Boards of the Irene M. Staehelin Stiftung, Zurich, the Orpheum Foundation for the Advancement of Young Soloists, Zurich, the Law and Economics Foundation St.Gallen, and the Schörling Foundation, Lucerne.

Mariel Hoch obtained a PhD (Dr. iur.) from the University of Zurich and was admitted to the Zurich Bar in 2005. Since 2002, she has been with the law firm Bär & Karrer AG in Zurich, where she specializes in M&A transactions and advises listed companies on corporate and regulatory matters. Mariel Hoch has been a partner since 2012. In the last three years, Mariel Hoch has not been a member of the Executive Committee or had any material business relationships with the Komax Group.



ROLAND SIEGWART (1959)
Non-executive, independent member of the Board of Directors since 2013, elected until 2024, Swiss citizen, resident in Schwyz (CH).

Member of the Board of Directors of Evatec Holding AG, Trübbach, of NZZ Media Group (AG for the Neue Zürcher Zeitung), Zurich, and of Voliro AG, Zurich; he is also Chairman of the Board of Trustees of Gebert Rüt Stiftung, Basel, Vice Chairman of the Board of Trustees of the Kick Foundation, Basel, and member of the Foundation Board of the BlueLion Foundation, Zurich.

Roland Siegwart holds a master's degree in mechanical engineering as well as a doctorate from ETH Zurich. He was Professor of Microrobotics at EPFL Lausanne from 1996 to 2006, and Vice President of Research and Corporate Relations at ETH Zurich from 2010 to 2014. He has been Professor of Robotics at ETH Zurich since July 2006 and Co-Director of the Wyss Translational Center Zurich, a joint research center of ETH Zurich and the University of Zurich, since 2015. In the last three years, Roland Siegwart has not been a member of the Executive Committee or had any material business relationships with the Komax Group.



JÜRIG WERNER (1956)
Non-executive, independent member of the Board of Directors since 2022, elected until 2024, Swiss citizen, resident in Hedingen (CH).

Member of the Board of Directors of listed company V-ZUG AG, Zug, member of the Board of Directors of the Haag-Streit Holding AG, Köniz, and a member of the Industrial Advisory Board, ETH Zurich; elected full member of the Swiss Academy of Engineering Sciences (SATW), Zurich.

Jürg Werner holds a degree in electrical engineering from ETH Zurich. He then went on to obtain a doctorate (Dr. sc. techn.) from ETH Zurich's Institute for Quantum Electronics. He has a postgraduate diploma in business management from Lucerne University of Applied Sciences and Arts. From 2013 to 2020 he was CEO of Metall Zug AG. Prior to this he worked for V-ZUG AG between 1996 and 2013 – from 2010 to 2013 as CEO, in 2010 as COO, and from 1996 to 2009 as Head of Development. Before joining V-ZUG AG he held management roles at companies in the US and Switzerland. In the last three years, Jürg Werner has not been a member of the Executive Committee or had any material business relationships with the Komax Group.

Self-evaluation

The Board of Directors regularly undertakes a comprehensive evaluation of its own work and that of its committees in order to reflect and improve on an ongoing basis. A structured questionnaire dealing with topics such as the strategy process, cooperation, the flow of information, success planning, and risk management is used to collate and analyze assessments, suggestions, and criticisms from each individual member of the Board of Directors. The results are then evaluated in terms of both quality and quantity at a Board meeting, with the insights gained being implemented continuously. In addition, the Board of Directors periodically considers the option of an external evaluation and scrutinizes the composition of the Board.

Overview of meetings and committees of the Board of Directors

	Members	Number of ordinary meetings	Number of extra-ordinary meetings	Attendance rate in meetings	Average meeting duration ¹	Additional frequent participants
Board of Directors	All	7	0	100%	7.0 hours	CEO, CFO
Remuneration Committee	Roland Siegwart (Chair), Beat Kälin, Andreas Häberli	2	2 ²	100%	5.0 hours	CEO, CFO, Vice President Global Human Resources
Audit Committee	David Dean (Chair), Kurt Haerri, Mariel Hoch	3	0	100%	3.5 hours	CEO, CFO
Sustainability and Innovation Committee	Andreas Häberli (Chair), Roland Siegwart, Jürg Werner	2	0	83% ³	3.5 hours	CEO, CFO, Executive Vice President Market & Digital Services, Vice President Investor Relations / Corporate Communications

¹ These average times do not include the preparatory and follow-up work done by the individual members

² The purpose of the two extraordinary meetings was to evaluate Kurt Haerri's succession as a member of the Board of Directors.

³ Roland Siegwart was unable to participate in one of the two meetings due to a professional commitment abroad.

Committees

Within the Board of Directors, there are three committees that are exclusively made up of non-executive members. To strengthen the focus on the strategic principle of sustainable corporate development even further, the Board of Directors established a Sustainability and Innovation Committee in April 2023.

– Remuneration Committee

This committee amalgamates the tasks of the remuneration and nomination committee. The Remuneration Committee consists of a maximum of three non-executive members. The Committee is elected by the Annual General Meeting. The members' term of office ends with the conclusion of the next Annual General Meeting. Re-election is permissible. The Board of Directors is proposing to the Annual General Meeting of 17 April 2024 that the three existing members be re-elected.

The Articles of Association provide no regulations regarding the appointment of Committee members that deviate from statutory provisions. If a member leaves the company prior to completing their term of office, the Board of Directors will appoint a replacement from among its number for the remaining period of office.

The Remuneration Committee meets as often as business requires, but at least twice a year. The invitation, which contains details of the agenda items, is issued in writing at least ten days prior to the meeting. The CEO, other members of the Executive Committee, and members of the statutory auditors or other specialists may attend these meetings in an advisory capacity. The members of the Executive Committee are not present when their own remuneration is discussed.

The Committee Chair reports to the Board of Directors on the activities of the Committee after every meeting. The minutes of Committee meetings are made available to the members of the Board of Directors.

The detailed tasks and competencies of the Remuneration Committee are formulated in a set of Regulations for the Remuneration Committee. They are summarized in the Compensation Report (➤ pages 125/126).

– Audit Committee

The Committee consists of a maximum of three non-executive members of the Board of Directors and assists the Board with its supervisory duties relating to corporate governance.

The tasks of the Audit Committee include the overall supervision of the external and internal auditors, as well as financial reporting. It meets at least twice a year. The Audit Committee sets out the scope and schedule of the audits to be carried out by the two auditing bodies and also coordinates their work. It likewise checks the work they produce and their independence. With regard to external auditors, it approves the fees paid and formulates recommendations in respect of nominations or changes at the General Meeting. The Audit Committee also examines non-financial reporting.

Both the external and internal auditors draw up a report on their audit work, and the Audit Committee monitors the implementation of the audit findings. Furthermore, the Audit Committee evaluates the reliability of the internal control system and risk management, and acquires a picture of the extent to which statutory and internal regulations are being adhered to (compliance).

The CEO and the CFO both attend all meetings of the Audit Committee. The external auditor is invited to attend. The CFO represents the internal audit unit. Both bodies have access to the minutes of the meetings of the Board of Directors and Executive Committee. The detailed tasks and competencies of the Audit Committee are set out in the Organizational Regulations for the Audit Committee.

– Sustainability and Innovation Committee

The Committee consists of a maximum of three non-executive members of the Board of Directors and supports it in matters pertaining to sustainable corporate development as well as in reinforcing the Komax Group's technological leadership. It meets at least two times a year.

The Sustainability and Innovation Committee's tasks include expanding the themes of technology, innovation, and sustainability, and supporting and advising the Executive Committee on the strategic development of these themes. The Committee also defines the targets and key performance indicators (KPIs) used to measure the work done in the area of innovation and sustainability, monitors the Komax Group's sustainability principles and reporting, and submits corresponding proposals to the Board of Directors. Further information on the ESG organizational structure: ➤ page 67, ESG Report.

Overall responsibility for the tasks and competencies assigned to the three committees essentially remains with the Board of Directors.

Definition of areas of responsibility

According to Art. 716a (1) Swiss Code of Obligations and the Articles of Association of Komax Holding AG, the tasks and obligations to be fulfilled by the Board of Directors include:

- Overall management of the company and issuance of the necessary directives
- Defining the company's organizational structure
- Determining the principles of accounting, financial controlling, and financial planning
- Appointing and removing the persons entrusted with managing and/or representing the company
- Ultimate supervision of the persons entrusted with managing the company, specifically with respect to prevailing legislation, the Articles of Association, regulations, and directives
- Producing the Annual Report and the Compensation Report, making preparations for the Annual General Meeting, and executing the resolutions passed by the Annual General Meeting
- Monitoring solvency
- Submitting an application for a moratorium on debt enforcement and informing a court in the event of excessive indebtedness
- Passing resolutions on supplementary contributions for shares not fully paid in
- Resolutions for the approval of capital increases and the resulting amendments to the Articles of Association

The tasks, obligations, and powers of the Board of Directors, its Chair, and the Committees are set out in detail in the Articles of Association, the Organizational Regulations of Komax Holding AG, and in the Regulations for the Remuneration Committee, the Audit Committee, and the Sustainability and Innovation Committee. These also define the rights, obligations, and competencies of the CEO and Executive Committee. The relevant regulations are reviewed on a regular basis and amended where necessary. The most recent adjustments have been in force since 3 March 2023. To the extent permitted by law and by the Articles of Association, the Board of Directors has delegated operational management of the company to the CEO of the Komax Group. The Executive Committee is made up of the CEO, CFO, and four further members. The members of the Executive Committee are appointed by the Board of Directors at the proposal of the Remuneration Committee.

Information and control instruments in respect of the Executive Committee

The CEO informs the Board of Directors at each ordinary meeting about the course of business, important and critical transactions, and the status of the tasks delegated to the Executive Committee. In addition, the key data generated by the management information system (MIS) is discussed at length with the CEO and CFO at these meetings. The Board of Directors is provided with full details of the current course of business and the financial situation of the Group by means of monthly digital reports between each meeting. In addition, the Chair of the Board of Directors and the CEO are in regular contact to discuss important matters of company policy.

The risks in connection with business activities are systematically mapped, analyzed, monitored, and managed each year using an institutionalized risk management system. These risks are amalgamated into groups according to their nature. They involve general external risks, business risks, financial risks, risks arising in connection with ESG and compliance, as well as IT and reputational risks. Further information on risk management: ▶ pages 72 and 95/96, ESG report, and ▶ page 163 onwards, Financial Report.

The Executive Committee is responsible for the operational side of risk management, whereby specially appointed process owners are assigned responsibility for the management of key individual risks. These process owners take specific measures and monitor their implementation. Every year, the Executive Committee informs the Audit Committee of the risks identified and the measures taken as part of risk management activities. ESG risks are discussed with the Sustainability and Innovation Committee. Each year, the Board of Directors uses this as a basis for its risk assessments and introduces measures designed to eliminate or mitigate risks. The Executive

Committee reports immediately to the Board of Directors on critical business transactions with potential or actual negative impacts on the Komax Group or its stakeholder groups that have come to light as a result of complaints procedures or other proceedings and/or have been identified by the Komax Group in its companies or its business relationships, and these are discussed within the framework of the Board of Directors and committee meetings.

The MIS of the Komax Group is organized as follows: Each subsidiary's key balance sheet and profit and loss figures are compiled and consolidated once a month. The subsidiaries' balance sheets, income statements, cash flow statements, and a number of other financial and non-financial indicators are compiled and consolidated on a quarterly, half-yearly, and yearly basis. A comparison is then made with the previous year and the budget. The budget forecast is checked for attainability against the quarterly statements for each individual company and on a consolidated basis. The attainment of ESG targets is reviewed once a year by means of the detailed collation and consolidation of ESG data.

Using key controls, the internal control system (ICS) ensures proper and efficient management, safeguards assets, monitors solvency, prevents and identifies offences and errors, and ensures accurate and complete accounting records as well as timely preparation of reliable financial information. A report setting out the results of these investigations and the corresponding measures taken is submitted to the Audit Committee. The ICS and regular reviews of the ICS ensure early identification and minimization of risks, weak points, and gaps in security. An additional aim is to make employees more aware of and acquainted with the key risks.

The internal audit function evaluates the effectiveness of the ICS as well as of management and monitoring processes. It also supports the Executive Committee in the risk management process. Internal audit duties are performed by the Finance and Accounting unit of Komax Management AG, Dierikon. This unit scrutinizes the individual operating units of the Group and the various business areas of the parent entity at regular intervals, and on the basis of an annually updated audit plan. The internal auditors report the results of their investigations to the Audit Committee. The Audit Committee reviews and approves the scope of the audit, the audit plan, and the corresponding responsibilities. It also decides on any measures to be implemented as a result of internal audit findings.

4 EXECUTIVE COMMITTEE

As at 31 December 2023 the Executive Committee comprised the CEO, the CFO, and four further members. Oliver Blauenstein joined the Executive Committee on 1 January 2023 as Executive Vice President for the Komax Group's activities in the area of Quality Solutions. Andreas Wolfisberg, CFO since 1996, stepped down from the Executive Committee with effect from 30 September 2023 and retired on 31 December 2023. Christian Mäder has been the new CFO since 1 October 2023.

Members of the Executive Committee

	Function exercised since
Matijas Meyer, CEO	2015
Christian Mäder, CFO	2023
Oliver Blauenstein	2023
Jürgen Hohnhaus	2020
Tobias Rölz	2020
Marc Schürmann	2019

Other activities and interests

Aside from the mandates listed on pages 115 and 116, the members of the Executive Committee did not exercise any activities on management or supervisory bodies of significant Swiss and foreign corporate entities, institutions, or foundations under private or public law outside the Komax Group as at 31 December 2023.





MATIJAS MEYER (1970)
CEO since 2015, member of the Executive Committee since 2010, with the Komax Group since 2007, Swiss citizen, resident in Ebikon (CH).

Matijas Meyer holds a degree in engineering from ETH Zurich and an MBA from Cranfield University (UK). From 1998 to 2004, he worked in product development at OC Oerlikon/ESEC and from 2005 to 2006 in product management at Tornos SA. He joined the Komax Group in 2007, heading the French production and development site in Rousset until 2010. He then took over as Head of the Wire business Unit and was appointed as a member of the Komax Executive Committee. He has been CEO of the Komax Group since 2015.



CHRISTIAN MÄDER (1969)
CFO since 2023, member of the Executive Committee since 2023, with the Komax Group since 2023, Swiss citizen, resident in Källiken (CH).

Member of the Board of Directors of O. Kleiner AG, Wohlen.

Christian Mäder is a Swiss Certified Expert in Accounting and Controlling. He has held various management roles at international companies (KPMG, AFRY) since 1993. He worked for the Swisslog Group from 2000 to 2015, and as CFO and member of the executive management team for ten of these years. From 2015 to 2023, Christian Mäder was CFO of the Artemis Group, and he held additional roles as Chairman of the Board of Directors of Franke Holding AG, Vice Chairman of the Board of Directors of Feintool International Holding AG, and CEO/President of the Artemis Asset Management Group. He joined the Komax Group in August 2023 and has been CFO and thus a member of the Executive Committee since October 2023.



OLIVER BLAUENSTEIN (1971)
Executive Vice President, member of the Executive Committee since 2023, with the Komax Group since 2023, Swiss citizen, resident in Zurich (CH).

Chairman of the Foundation Board of Stiftung Benefit, Zurich.

Oliver Blauenstein holds a degree in electrical engineering from ETH Zurich, where he also obtained a doctorate. From 2004 to 2006 he was Head of Product Management and Engineering at Altec Electronic AG, going on to become Chief Technology Officer (CTO) for the Jaquet Technology Group AG until 2008. From 2008 to 2022, he held various management positions at ABB in Switzerland, Italy, and China. Most recently, he was Division Manager Process Automation Energy Industries at ABB. Oliver Blauenstein joined the Komax Group in 2023 and is a member of the Executive Committee. He heads up the Komax Group's Quality Solutions Business Unit.



JÜRGEN HOHNHAUS (1967)
Executive Vice President, member of the Executive Committee since 2020, with the Komax Group since 2019, German and Swiss citizen, resident in Riedholz (CH).

Jürgen Hohnhaus holds a degree in mechanical engineering and obtained his doctorate from the University of Stuttgart's Institute for Metal Forming Technology. From 2000 to 2008 he held various management positions at Dieffenbacher GmbH + Co. KG in Eppingen (DE). Subsequently and until 2017 he was Chief Technology Officer and a member of the Executive Committee at the Bystronic Group. From 2018 to 2019, he headed the Products division at the Güdel Group. Jürgen Hohnhaus joined the Komax Group in 2019 and has been a member of the Executive Committee since 2020. He heads up the Solutions Business Unit, which focuses primarily on customer-specific solutions for wire processing.



TOBIAS RÖLZ (1977)
Executive Vice President, member of the Executive Committee since 2020, with the Komax Group since 2017, German and Swiss citizen, resident in Thal (CH).

Tobias Rölz has a University of Applied Sciences (FH) degree in business informatics and a Kellogg-WHU Executive MBA. From 2002 to 2008, he worked for Continental AG, leading groupwide IT projects and managing international teams at various locations in Germany and China. He was then in various IT management positions at Hilti AG in Schaan (LI) and Buchs until 2017, most recently as Head of IT Workplace & Application Services. Tobias Rölz joined the Komax Group in 2017 and headed the Global IT & Digital Business department. In 2020, he took over the Market & Digital Services Business Unit and became a member of the Executive Committee.



MARC SCHÜRMAN (1971)
Executive Vice President, member of the Executive Committee since 2019, with the Komax Group since 1995, Swiss citizen, resident in Zug (CH).

Member of the Board of Directors of Abnox AG, Cham.

Marc Schürmann graduated as a business technician and has an Executive MBA through the Rochester-Bern executive program. He joined the Komax Group in 1995, initially as a service technician and then held various management positions in Switzerland and abroad. Among his various positions, Marc Schürmann worked for Komax France for five years and was Managing Director of Komax China in Shanghai for two years. From 2010 to 2017, he was a member of the Executive Committee of the Wire Business Unit of the Komax Group, latterly as Head of Marketing, Sales & Service. He has headed the Wire Processing Business Unit since 2018 and is Managing Director of Komax AG in Switzerland. Marc Schürmann has been a member of the Executive Committee since 2019.

Statutory regulations with respect to the number of permissible activities

In accordance with the Articles of Association, the number of permissible mandates of the members of the Executive Committee in comparable roles at other companies with a commercial purpose and which are not controlled by the company or do not control the company shall be a total of four additional mandates for listed and non-listed companies, with the number of additional mandates at listed companies limited to two as long as this does not involve any breach of statutory provisions and in particular the applicable due diligence obligations and the duty of loyalty.

Mandates in different legal entities that are under common control or under the same beneficial ownership count as a single mandate. Mandates undertaken by a member of the Executive Committee at the behest of a Group company are not covered by the additional mandate restrictions set out here.

Executive Committee members may not accept any of the above-mentioned mandates without the prior written approval of the Board of Directors. The assumption of mandates other than those stipulated above is permissible without numerical restriction, as long as these mandates are unremunerated and do not interfere with the Executive Committee member's fulfilment of his obligations vis-à-vis the company. The reimbursement of expenses does not count as compensation.

The notice period for open-ended contracts that form the basis for compensation for members of the Executive Committee amounts to a maximum of 12 months. There are no contracts of fixed duration.

Management contracts

No management agreements exist with companies or natural persons outside of the Group in relation to transferred management responsibilities.

5 COMPENSATION, SHAREHOLDINGS, AND LOANS

Details of compensation, shareholdings, and loans are set out in the Compensation Report (► pages 121–140).

6 SHAREHOLDER PARTICIPATION RIGHTS

The fundamental participation rights of shareholders are set out in the Swiss Code of Obligations (CO) and supplemented by the provisions of the company's Articles of Association. There are no regulations on participation in the Annual General Meeting that deviate from statutory provisions. The Articles of Association of Komax Holding AG are available in electronic form on the website (www.komaxgroup.com/organization).

Shareholders may ask questions about agenda items and the company at the General Meeting. They can also request information on particular aspects relating to the company outside of the General Meeting, and can share their opinions on issues such as sustainable corporate development, social matters and matters of company policy with the company. Investor Relations / Corporate Communications should be contacted for this (► page 120).

Voting rights and representation restrictions

Shareholders registered in the Komax Holding AG share register are entitled to vote – each share is entitled to one vote. Komax Holding AG treasury shares do not confer the right to vote. Legal entities and groups with joint legal status which are connected through capital, voting rights, management, or in some other manner, along with all natural persons, legal entities, and groups with joint legal status which act in concert by virtue of agreement, syndicate, or in some other manner, are regarded as one person for the purposes of this provision. Representation by the independent proxy remains reserved.

Shareholders may be represented at the Annual General Meeting by a representative of their choice on the basis of a written power of attorney, and by the independent proxy on the basis of electronic or written power of attorney. The Chair of the Annual General Meeting shall decide on the permissibility of representation. The independent proxy is elected by the Annual General Meeting up until the end of the next Annual General Meeting. The Articles of Association provide no regulations regarding the appointment of the independent proxy that deviate from statutory provisions.

Statutory quorums

The Annual General Meeting votes and passes its resolutions with the majority of votes represented, unless prevailing legislation or the Articles of Association contain mandatory provisions under which resolutions have to be passed in a different way. In addition to the resolutions specified in CO Art. 704, under the Articles of Association of Komax Holding AG, a two-thirds majority of votes cast and a majority by value of shares voted is required to dismiss members of the Board of Directors.

Convocation of the Annual General Meeting of shareholders and agenda

The convocation of the Annual General Meeting is governed by applicable law. It must be convened no later than 20 days prior to the chosen date by written letter or electronically in text form to the shareholders entered in the share register through publication in the “Swiss Official Gazette of Commerce” (“Schweizerisches Handelsamtsblatt”). Shareholders who individually or collectively have at least 0.5% of the share capital or of the votes at their disposal can request that items be placed on the agenda for discussion by submitting the proposed motions in writing within the deadline published by the company or that a proposal regarding an agenda item be included in the notice to attend the shareholders’ meeting.

Entries in the share register

Any person acquiring shares is listed in the share register as a “shareholder without voting rights” or a “shareholder with voting rights.” Only persons with a valid entry under one of these two headings shall be deemed to be shareholders.

Invitation to the Annual General Meeting

All shareholders registered in the Komax Holding AG share register as at 5:00 p.m. on 10 April 2024 are entitled to vote in respect of the number of shares registered in their name at the Annual General Meeting of 17 April 2024. Registered shares sold between this date and the Annual General Meeting do not confer the right to vote. The admission ticket and ballot documentation will be forwarded following completion of the registration process. Shareholders who acquire shares in the days prior to the closure of the share register and whose registration application is received by the Komax Holding AG share register no later than 5:00 p.m. on 10 April 2024 will receive their invitation subsequently. The invitation will set out the date, start time, type, and place of the General Meeting, the name and address of the independent proxy, as well as the proposals of the Board of Directors together with a brief explanation of the proposed motions.

7 CHANGES TO CONTROL AND DEFENSE MEASURES

Duty to make an offer

Upon reaching or exceeding a threshold of 33 $\frac{1}{3}$ %, a shareholder or a group of shareholders acting in concert with one another must submit an offer to all shareholders of the company to purchase their shares (Art. 135 FinMIA). The Articles of Association do not contain any opting-out or opting-up regulations.

Clauses on change of control

At the Komax Group, change-of-control clauses are not included in employment contracts. However, the members of the Board of Directors, Executive Committee, and middle management are entitled to exercise their share-based remuneration in part or in full, without regard to the applicable time limits, in the event of a change in control.

8 AUDITORS

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

PricewaterhouseCoopers AG, Basel, has been the statutory auditor of Komax Holding AG and the Komax Group's consolidated financial statements since 1994. The Komax Group put its audit mandate back out to tender in 2021, and following detailed analysis decided not to change its auditor. The mandate will be put out to tender again in 2026 at the latest. Pursuant to the provisions of the Swiss Code of Obligations, the lead auditor is replaced after a maximum term of seven years. The lead auditor has been responsible for the audit mandate since 2017.

Audit fee

PricewaterhouseCoopers invoiced the Komax Group CHF 772 114 in the 2023 financial year for services in connection with auditing the annual statements of Komax Holding AG and the Group companies, as well as the consolidated statements of the Komax Group.

Additional fees

During the 2023 financial year, PricewaterhouseCoopers invoiced additional fees amounting to a total of CHF 305 313. This breaks down into fees of CHF 89 548 for tax and legal advice and CHF 215 765 for transaction services and other consultancy fees.

Information instruments of the external audit

The Audit Committee is responsible for evaluating the external auditors, who submit an audit report to the Board of Directors and senior management. At least two consultations are held each year between the external auditors and the Audit Committee, at which the material findings for each company (management letters) and the consolidated financial statements covered by the audit report are discussed in detail. The auditors also explain the audits conducted (audit and review) for each company along with recent changes in Swiss GAAP FER standards and their impact on the Komax Group's consolidated annual statements. The services provided by the statutory auditors are evaluated by the Audit Committee on the basis of the quality of reporting and the audit reports, the implementation of the audit plan, and the level of cooperation with the internal audit team. The independence of the auditors is verified by comparing the fee for additional services charged by the external auditors with the audit fee, taking into account the scope of these additional services.

9 INFORMATION POLICY

Komax Holding AG informs all stakeholders transparently, rapidly, and simultaneously. The CEO, CFO, and the Vice President Investor Relations / Corporate Communications are available as contact partners for information purposes.

The consolidated financial statements are compiled in conformity with Swiss GAAP FER standards. Komax Holding AG publishes comprehensive financial results twice a year, for the first half and the full year, in the form of media releases and annual/half-year reports in PDF format. The publication dates and the date of the Annual General Meeting are available in the financial calendar on the Komax Group website (www.komaxgroup.com/en/invest-in-komax/financial-calendar). Media and analyst conferences are held at least once a year. In addition to the financial results, shareholders and the financial markets are also regularly informed of significant changes and developments. Komax Holding AG publishes facts relevant to its share price in conformity with the disclosure policies of SIX Swiss Exchange Ltd (ad hoc publicity, Art. 53 of the Listing Rules). The Listing Rules can be downloaded at www.ser-ag.com. The official publication for company notices is the "Swiss Official Gazette of Commerce" ("Schweizerisches Handelsamtsblatt").

Information on elements such as share price development, annual and half-year reports, the financial calendar, the minutes from the most recent Annual General Meeting, media releases, and Komax Holding AG's Articles of Association and Organizational Regulations are available at www.komaxgroup.com/en/invest-in-komax. Anyone who wishes to receive all media releases of Komax Holding AG by email should sign up to the mailing list on the Komax Group's website (www.komaxgroup.com/en/media/mailling-list).

Contact

Komax Holding AG
Roger Müller
Vice President Investor Relations / Corporate Communications
Industriestrasse 6, 6036 Dierikon, Switzerland
Phone +41 41 455 04 55
roger.mueller@komaxgroup.com

10 TRADING BLACKOUT PERIODS

The Board of Directors has issued rules to prevent insider trading. For the Board of Directors, the Executive Board, the Managing Directors of all companies of the Komax Group, and various other employees – particularly those from the finance area – who are in possession of price-relevant information, specific blackout periods will apply to the trading of Komax shares. The general trading blackout periods each year will be from 1 January and 1 July until two stock market trading days after the publication of the annual and half-year reports respectively.

The Chair of the Board of Directors and the CEO are also entitled to define trading blackout periods for selected persons in individual cases. These might include, for example, persons involved in a project with the potential to influence the price of Komax shares. No exceptions to these rules were granted in the year under review.

COMPENSATION REPORT

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This Compensation Report explains the philosophy behind the compensation concept of the Komax Group, the compensation policy, the compensation systems, as well as the principles used to determine the compensation of the Board of Directors and the Executive Committee of Komax Holding AG. In addition, the compensation paid in 2023 is disclosed in detail, including a comparison with the previous year. The Compensation Report has been drawn up in accordance with the provisions of the Swiss Code of Obligations, the Directive on Corporate Governance (DCG) of SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

1 INTRODUCTION BY THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholder,

Although the rising trend in the automation of wire processing has continued unabated, the markets were volatile in the year under review and posed a significant challenge for the Komax Group. Given the difficult economic environment, customers in China in particular were more reticent about investing in automation solutions than they had been in the previous year, which explains why this region recorded a substantially weaker result.

For its part, the integration of the Schleuniger Group into the Komax Group is continuing on schedule. A particular area of focus for the Remuneration Committee was the personnel situation. This is because, with the addition of the new employees through the combination with the Schleuniger Group, the Komax Group now has additional expertise and specialist knowledge, which it intends to leverage. The Remuneration Committee thus focused intensively on organizational structures and succession planning, with a view to strengthening the extended Komax Group and ensuring an optimal structure.

By anchoring ESG in the new Strategy 2028 and defining the first-ever non-financial targets, the Komax Group is clearly expressing the importance it attaches to ensuring a sustainable, social, and responsible approach. This also has an impact on the compensation policy: from 2024, the members of the Executive Committee will be given individual ESG targets, the achievement of which will constitute a criterion for determining the amount of the annual variable compensation element (cash bonus).

The Board of Directors established the Sustainability and Innovation Committee following the Annual General Meeting in 2023. The Committee supports the Board with sustainable corporate development and reinforces the Komax Group's leadership position in terms of innovation. The Board of Directors also focused on finding a successor for Kurt Haerri, who will not be standing for re-election in 2024 given that he has already served for twelve years and due to the restriction in place on possible terms of office. In Annette Heimlicher, the Board has found a proven management figure as successor. Annette Heimlicher will be proposed for election at the 2024 Annual General Meeting.

2023 saw the addition to the Executive Committee of two very experienced managers with extensive leadership experience. Oliver Blauenstein has been responsible for the Komax Group's Testing activities since 1 January 2023, as Head of the Quality Solutions Business Unit. CEO Matijas Meyer had managed this business unit on an ad interim basis in 2022. Christian Mäder joined the Group in August 2023 and took over as CFO in October 2023. He succeeded Andreas Wolfisberg, who retired at the end of the year under review. To ensure independent oversight of the Executive Committee, the members of the Board of Directors receive a fixed compensation amount, which is regularly reviewed to ensure market conformity through a peer comparison with other listed, internationally active Swiss industrial companies of comparable size and complexity.

With regard to the compensation system for the Executive Committee, the Komax Group consistently applies its pay-for-performance philosophy. In addition to a fixed base salary, members receive variable compensation which is largely determined by the commercial success of the company and the performance achievement level in respect of the targets set for the individual Executive Committee members. The remuneration policy of the Komax Group has been moderate for many years, and will remain so going forward.

You will be able to vote on this Compensation Report at the Annual General Meeting of Shareholders on 17 April 2024 and express your opinion on our compensation system as well as on the proposed maximum possible total compensation. This is very important to us. The current members of the Remuneration Committee will stand for re-election at the Annual General Meeting.

Yours sincerely



Prof. Dr. Roland Siegwart

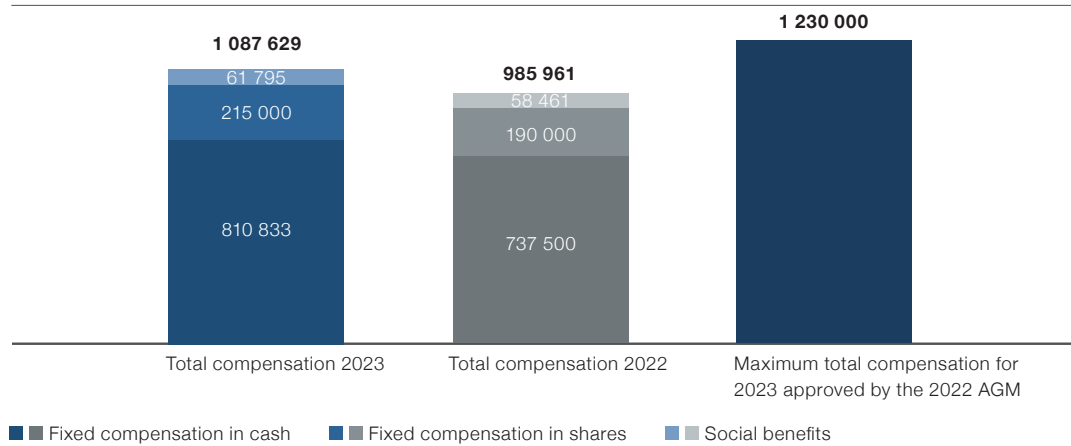
Chairman of the Remuneration Committee

2 COMPENSATION IN THE 2023 FINANCIAL YEAR AT A GLANCE

Compensation of the Board of Directors

In order to ensure their independence in their supervisory function, members of the Board of Directors receive a fixed proportion of their compensation in cash plus a fixed proportion in restricted shares. In 2023, the total compensation of the Board of Directors amounted to CHF 1.1 million, and was therefore in line with the maximum amount of CHF 1.23 million approved for the 2023 financial year at the 2022 Annual General Meeting.

in CHF

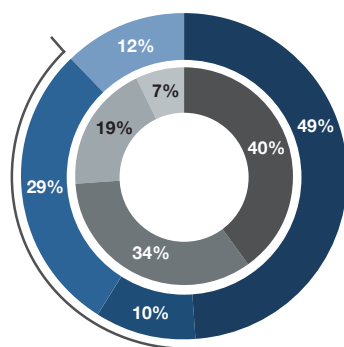


Compensation of the Executive Committee

The compensation of the members of the Executive Committee consists of a fixed base salary, a variable cash bonus, and a long-term incentive system in the form of performance share units (PSUs) with a three-year vesting period. In 2023, the total compensation of the Executive Committee amounted to CHF 3.8 million, and was therefore well below the maximum overall amount of CHF 6.0 million approved for the 2023 financial year at the 2022 Annual General Meeting.

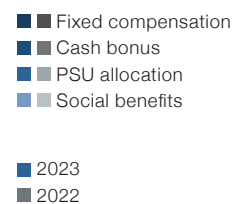
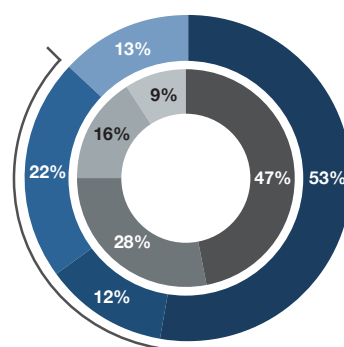
CEO

Variable compensation 2023: 39%



Total other members of the Executive Committee

Variable compensation 2023: 34%



3 COMPENSATION PHILOSOPHY OF THE KOMAX GROUP

The Komax Group pursues a long-term business strategy with a view to creating lasting value for the good of all stakeholder groups. Above-average profitability and sustainable growth are key objectives here. This goes hand-in-hand with environmentally conscious, socially aware, and responsible conduct towards all stakeholder groups.

The compensation philosophy is designed to be in alignment with this corporate strategy and the nature of the Komax Group's business model. The compensation amounts paid to the Executive Committee should be attractive in order to acquire and retain outstanding managers while at the same time setting incentives for the long-term success of the Komax Group. In addition, it should be fair, transparent, and proportionate. To this end, the Komax Group has created a compensation system that offers a balance of short-term and long-term as well as fixed and variable components. It adheres to both commercial and ethical principles in equal measure.

Principles of the Komax Group's compensation philosophy – what matters to us

WE ...

- Pursue a clear pay-for-performance approach involving a mix of fixed and variable compensation.
- Align compensation with the commercial success of the Komax Group and the individual performance of Executive Committee members.
- Pay only performance-related bonuses, not guaranteed bonuses.
- Regularly align performance-related compensation with shareholder interests.
- Focus on sustainable success through a long-term incentive system in order to harmonize the interests of management and the long-term interests of shareholders.
- Are committed to fair compensation that is based on job profile, responsibility, competence, and experience.
- Provide transparency with regard to structure and the payment of compensation.
- Ensure that compensation is in line with market rates through regular external analysis of similar positions in comparable companies in order to attract and retain top-quality managers.
- Define clearly measurable targets for each Executive Committee member.
- Define ceilings for compensation in order to ensure moderation.
- Do not pay severance compensation ("golden parachutes").
- Do not reward short-term profit maximization and inappropriately high risks at the cost of long-term company success.
- Restrict notice periods for Executive Committee members to a maximum of twelve months.

The Komax Group is a globally active technology company in the machinery industry, and primarily sells industrial capital goods. Its business model is subject to economic fluctuations. These are reflected in the variable component of compensation in order to reflect the Komax Group's strict pay-for-performance approach. As the company has its headquarters in Switzerland, the compensation of the Board of Directors and Executive Committee is also aligned with that of other internationally active Swiss industrial companies.

As is the case for other employees, the compensation of the Executive Committee is based on job profile, responsibility, competence, and experience. There are key differences in the amounts of variable compensation. The cash bonus for the Executive Committee is higher than that of other employees who receive variable compensation, in order to ensure a direct link between business development and individual performance. Furthermore, a long-term incentive system dependent on the financial success of the company is in place in the form of performance share units. The Komax Group takes care to ensure that the compensation of members of the Executive Committee is in reasonable proportion to that of other employees, as well as in line with market rates.

It also strives to achieve diversity on its Board of Directors in respect of age, gender, professional background, etc., and is keen that the members should cover the broadest possible set of skills. The Komax Group does not yet fulfil the statutory requirement for a 30% quota of women on the Board of Directors, which entered into force in Switzerland in 2021, and will take this factor into consideration when filling future vacancies. At the Annual General Meeting on 17 April 2024, Annette Heimlicher will be proposed as Kurt Haerri's successor. If elected, this will increase the quota of women on the Board to 28.6%.

4 TASKS AND COMPETENCIES OF THE REMUNERATION COMMITTEE

The overall responsibility for the tasks and competencies assigned to the Remuneration Committee, such as resolutions regarding compensation policy, the fundamental structuring of the compensation system, and the proposed compensation put before the Annual General Meeting, lies with the Board of Directors. Under the Articles of Association, Organizational Regulations, and Regulations of the Remuneration Committee of Komax Holding AG, the Remuneration Committee is the supervisory body for staff and compensation policy within the Komax Group. The Committee amalgamates the tasks of a remuneration and nomination committee:

- Development and regular review of staff policy and compensation policy, including the principles of variable compensation and participation programs.
- Annual review of, and proposals for, the maximum total compensation payable to the Board of Directors and the Executive Committee, as well as preparation of the related proposals to the Annual General Meeting.
- Proposal on the individual compensation amounts payable to members of the Board of Directors and the CEO within the limits approved by the Annual General Meeting.
- Resolutions on the compensation payable to the other members of the Executive Committee within the limits approved by the Annual General Meeting.
- Succession planning for the Board of Directors, Executive Committee, and other key functions.
- Annual assessment of the independence of the members of the Board of Directors.
- Annual assessment of the performance of the CEO and the members of the Executive Committee.
- Preparation of the Compensation Report.

Delineation of competencies

	CEO	Committee	Board of Directors	Annual General Meeting
Compensation policy, including the principles of variable compensation and participation programs		proposes	approves	
Maximum total compensation for the Board of Directors and the Executive Committee		proposes	submits	approves (binding vote)
Individual compensation of the members of the Board of Directors		proposes	approves	
Evaluation of the performance of the CEO		proposes	approves	
Compensation of the CEO		proposes	approves	
Evaluation of the performance of the other members of the Executive Committee	proposes	approves		
Individual compensation of the other members of the Executive Committee	proposes	approves		
Compensation Report		proposes	approves	confirms (advisory vote)

The Committee monitors and regularly discusses trends and developments in the area of compensation, including any changes to statutory provisions or changes to provisions on corporate governance.

Under the Articles of Association, the Remuneration Committee consists of a maximum of three non-executive members of the Board of Directors. The Committee is elected by the Annual General Meeting. The members' term of office ends with the conclusion of the next Annual General Meeting. Re-election is permissible. The 2023 Annual General Meeting elected Roland Siegwart (Chairman), Andreas Häberli, and Beat Kälin to the Committee. The Remuneration Committee meets as often as business requires, but at least twice a year, generally in March and in December.

Overview of meetings of the Remuneration Committee in the 2023 reporting year

	Ordinary meetings		Extraordinary meetings ¹
	March	December	September
Total	1	1	2
Topics addressed			
Individual performance evaluation of the CEO and other members of the Executive Committee and determination of variable compensation	•		
Determination of compensation for the individual members of the Board of Directors	•		
Proposal to the Annual General Meeting for the total amount of compensation for the Board of Directors and Executive Committee for the 2023 financial year	•		
Determination of the individual performance targets of the CEO and other members of the Executive Committee	•		
Approval of the Compensation Report	•		
Personnel issues (including succession planning, talent management)		•	
Corporate governance		•	
Review of compensation and organizational regulations		•	
Recruitment of a new member of the Board of Directors			•

¹ The purpose of the two extraordinary meetings was to evaluate Kurt Haerri's succession as a member of the Board of Directors.

In the reporting year, the Committee held two ordinary meetings and two extraordinary meetings; in each case all members were present. Meetings lasted five hours on average. The Chair of the Committee may invite the CEO and other members of the Executive Committee to meetings in an advisory (non-voting) capacity. However, they do not take part in discussions concerning their own performance and compensation. The Committee Chair reports to the full Board of Directors on the activities of the Committee after every Committee meeting and, where necessary, proposes adjustments to the compensation system. The minutes of Committee meetings are made available to all members of the Board of Directors.

Furthermore, the Committee may call in external individuals in a consulting capacity and draw on their assistance when fulfilling its duties. No external consultants were called during the year under review.

5 PROVISIONS OF THE ARTICLES OF ASSOCIATION ON COMPENSATION

In compliance with the provisions designed to prevent excessive remuneration in Listed Companies Limited by Shares (according to the Swiss Code of Obligations), the Articles of Association contain provisions relating to remuneration, which are reproduced below in abbreviated form (as an excerpt) and set out in detail in Articles 13 and 25 of the Articles of Association.

Principles for the compensation of members of the Board of Directors

- Members of the Board of Directors receive fixed compensation in cash as well as in shares under the company's employee participation program.
- The calculated value (fair value) of the shares at the time of allocation may not exceed the amount of compensation paid in cash.
- The Board of Directors determines the conditions that apply to shares.
- The lock-in periods amount to at least three years.

Principles for the compensation of members of the Executive Committee

- Members of the Executive Committee receive a fixed base salary, variable performance-related compensation, and shares under the company's employee participation program.
- The Board of Directors determines the conditions for the performance-related compensation component on an annual basis. These are linked to the attainment of one or more performance criteria, whereby these criteria are either company-related or individual in nature.
- The target amount may not exceed 50% of the annual fixed compensation. If targets are not attained, the performance-related compensation may fall to zero. If all targets are significantly exceeded, it may go up to a maximum of 100% of the annual fixed compensation.
- The Board of Directors determines the conditions that apply to shares/performance share units. The calculated value (fair value) of the shares at the time of allocation may not exceed 100% of the annual fixed compensation.
- The lock-in periods amount to at least three years.

Binding vote on the compensation paid to the Board of Directors and Executive Committee

- The Annual General Meeting holds a separate vote each year on the total amount of compensation payable to the Board of Directors and to the Executive Committee.
- The vote has binding effect, and applies for the coming financial year to the relevant total maximum amounts that may be paid to members of the Board of Directors and the Executive Committee.

Additional sum for payments to members of the Executive Committee appointed after the binding vote of the AGM

- The additional amount for payments to persons newly appointed to the Executive Committee after the binding vote of the Annual General Meeting on payments may not exceed 30% of the approved total amount of compensation payable to the Executive Committee.

Pension benefits

- The pension benefits of members of the Executive Committee are only paid within occupational domestic and foreign pension plans provided by the company or its Group companies.
- The benefits for the insured persons and the employer contributions are solely drawn from the above-mentioned plans and/or corresponding regulations.
- Retirement benefits are provided solely within the context of the company's ordinary pension plans.

The Articles of Association of Komax Holding AG can be found at www.komaxgroup.com/organization. They also set out the number of permissible mandates that may be held by members of the Board of Directors and Executive Committee in comparable roles at other companies with a commercial purpose. These activities can be found in the profiles (► pages 108–116, Corporate Governance).

6 PRINCIPLES OF THE COMPENSATION POLICY

6.1 BOARD OF DIRECTORS

The members of the Board of Directors only receive fixed compensation. This ensures that they are independent in their supervision of the Executive Committee. Their compensation is paid in cash and restricted shares, thereby ensuring alignment with the long-term interests of shareholders. The amount of compensation reflects the importance of the mandate in question, and is based on the typical levels of compensation paid to board members of other listed Swiss industrial companies of comparable size and complexity. To this end, market analysis is commissioned by the Remuneration Committee at regular intervals. The last analysis in 2019 showed that the compensation of the members of the Board of Directors was in line with the market. The compensation of this body was not adjusted in 2023.

6.2 EXECUTIVE COMMITTEE

The compensation policy for the members of the Executive Committee is determined by the Board of Directors. It is geared toward key principles that take into account the corporate strategy of the Komax Group, which is designed to deliver profitable growth, as well as the company's wider values with respect to sustainability and social responsibility. The compensation system is intended to provide an incentive to create and preserve value for shareholders.

The compensation paid to the Executive Committee is determined on the basis of the following key factors:

Practice of competitors

The Komax Group reviews the market conformity of the compensation paid to the Executive Committee and other senior managers every three years using benchmarks based on comparable roles at other internationally active Swiss industrial companies listed on the SIX Swiss Exchange. The last benchmarking exercise was carried out in 2022 by Willis Towers Watson and encompassed 21 companies with a comparable complexity, size, and geographical reach to the Komax Group from the sectors of systems and mechanical engineering, automation, chemicals, electrical engineering, logistics, and supply engineering. The sources used for the benchmark are publicly accessible data such as compensation reports and the Ethos study on remuneration in Swiss companies. The results indicate a need for target compensation amounts to be increased. This is addressed in several stages since 2023.

Performance

The basis is the financial performance of the company and its relevant business areas, as well as the attainment of individual targets agreed as part of the annual performance management process.

Available financial resources of the company and market situation

Budget-related considerations, inflation, and wage trends in local markets are all incorporated into the evaluation.

7 STRUCTURE OF THE COMPENSATION SYSTEM

7.1 BOARD OF DIRECTORS

The members of the Board of Directors only receive fixed compensation. To strengthen the alignment of their interests with the long-term interests of shareholders, their compensation is paid partly in cash and partly in restricted shares. The amount of the total compensation depends on the responsibilities of the individual, the time taken up by their mandate and their additional roles on the committees of the Board of Directors. It is based on the structure set out below.

Fixed fees for the Board of Directors

in CHF	Basic annual fee	Annual allocation of restricted shares ¹
Chair of the Board of Directors	217 500	60 000
Vice Chair of the Board of Directors	90 000	30 000
Member of the Board of Directors	90 000	25 000
Chair of a committee	10 000	0
Member of a committee	5 000	0

¹ Fixed amount in CHF, is divided by the share price as per allocation date (average closing price over the last 40 trading days prior to allocation) and rounded up to the nearest number of full shares.

Compensation is calculated according to the term of office. This begins with the election of the individual members to the Board of Directors at the Annual General Meeting and lasts until the subsequent Annual General Meeting. In the event of a member leaving or joining the Board of Directors in between Annual General Meetings, the amount of compensation is based on the term of office actually served during that year.

The amount of the defined basic fee is based on the assumption that the Board of Directors will meet six times annually and each committee will meet twice. It covers all ordinary and extraordinary meetings of the Board of Directors and the Committees.

The basic annual fee in cash is paid out in April and December for the current calendar year. Restricted shares are allocated at the end of the member's period of office shortly before the Annual General Meeting. The lock-in period is three years. In the event of resignation from office as a result of retirement, death, or disability, the entitlement to restricted shares is calculated pro rata temporis. In such cases, the lock-in period may be either continued or rescinded at the discretion of the Board of Directors. In the event of a change in company control, the lock-in period is automatically rescinded.

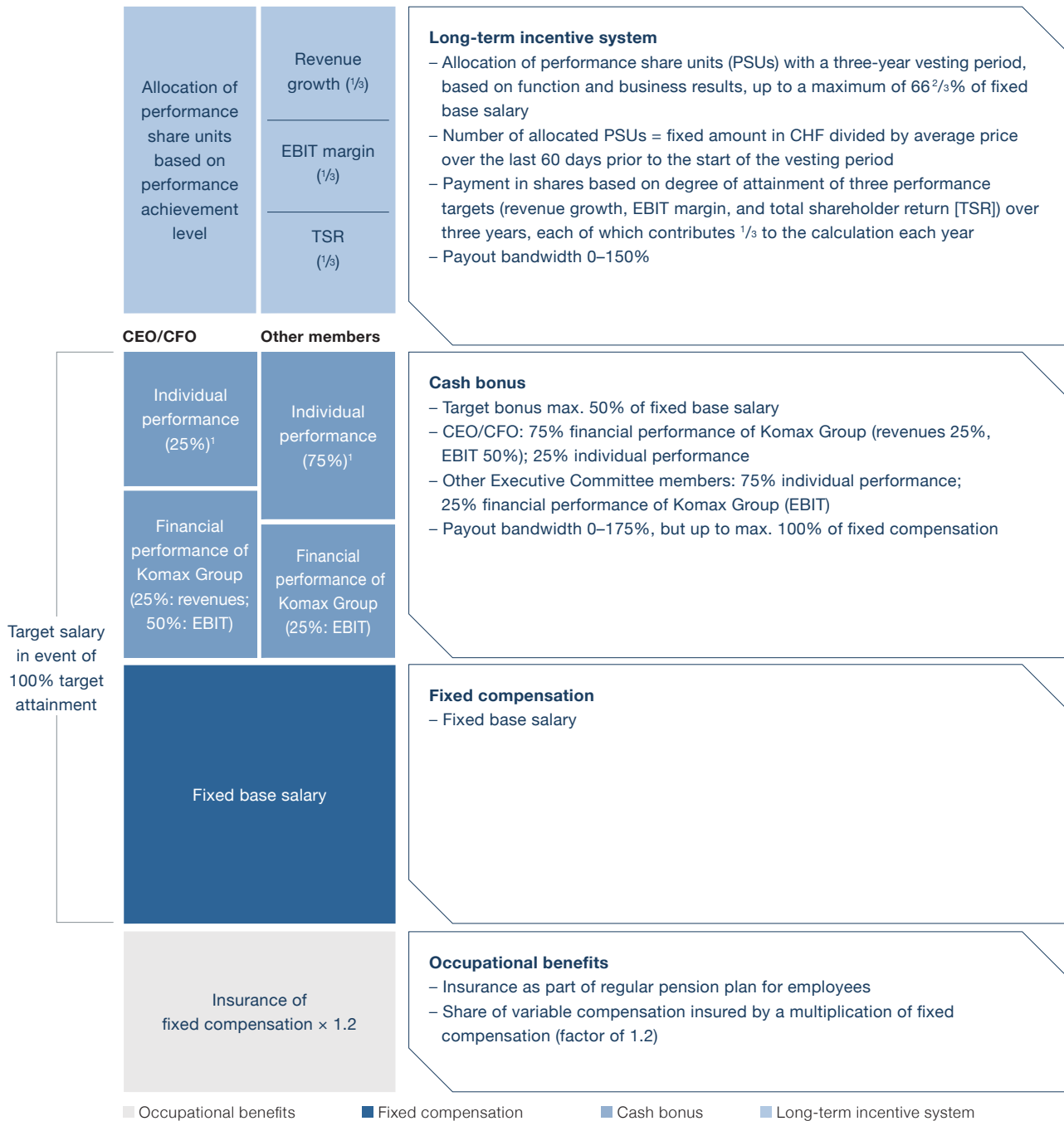
Additional compensation may be paid for exceptional efforts that cannot be considered part of ordinary activity by the Board of Directors. No additional compensation of this kind was granted in 2023.

The compensation granted to members of the Board of Directors is subject to the standard social security deductions. Members of the Board of Directors do not participate in the staff pension plan of the Komax Group.

7.2 EXECUTIVE COMMITTEE

In keeping with the principles of performance orientation and alignment with the long-term interests of shareholders, the CEO and the other members of the Executive Committee receive a fixed salary component, a variable, performance-related cash bonus, a long-term incentive component in the form of performance share units, and occupational benefits.

Overview of the compensation system for the Executive Committee



¹ Attainment of the Executive Committee's individual quantitative targets can fall anywhere within a bandwidth of 0% to 200%.

	Purpose	Driver	Performance criterion	Period	Instrument
Fixed compensation	Attract, retain, motivate	Function, market comparability	–	Ongoing	Monthly cash payments
Cash bonus	Pay for performance	Financial and individual performance	Revenues, EBIT, individual objectives	One year	Yearly cash payment
Long-term incentive system	Align with shareholder interests, pay for performance	Function	Revenue growth, EBIT margin, total shareholder return (TSR)	3 years	Performance share units (PSUs)
Occupational benefits	Protect against risks	Market comparability	–	Ongoing	Retirement savings/ insurance plan

a) Fixed compensation

For all members of the Executive Committee, the fixed compensation component comprises the fixed base salary and a fixed company car allowance in keeping with the current expense regulations. Expense allowances are not included, as these are not considered compensation. The fixed salary component and the cash bonus for 100% target attainment form what is known as the target salary. The target salary is determined on the basis of the following factors:

- the tasks and responsibilities of the individual functions;
- the standard market compensation rate for the function in question (external benchmark);
- an internal peer comparison taking into account the proportionality of internal wage structures;
- the individual profile of the function holder, e.g. skills, experience, and performance;
- the company's available financial resources.

b) Cash bonus

The cash bonus depends on the financial performance of the company and the attainment of the individually agreed objectives in the year under assessment. The target amount (target bonus) may not exceed 50% of the annual fixed base salary for the CEO and all other members of the Executive Committee. The cash bonus is paid out in April of the following year.

CEO and CFO

The cash bonus payable to the CEO and CFO is calculated as follows: 75% on the basis of the financial performance of the Komax Group (Group revenues 25% and Group EBIT 50%) and 25% on the basis of individual performance. The Board of Directors determines the performance achievement level and the amount of the cash bonus payable to the CEO annually on the recommendation of the Remuneration Committee. Taking this as a basis, the Remuneration Committee then defines the performance achievement level and the cash bonus of the CFO. If performance objectives are not attained, the cash bonus may fall to zero. If all objectives are significantly exceeded, the cash bonus may amount to a maximum of 175% of the target bonus, but no more than 100% of annual fixed compensation.

Other members of the Executive Committee

The cash bonus payable to the other members of the Executive Committee is calculated as follows: 25% on the basis of the financial performance of the Komax Group (Group EBIT) and 75% on the basis of individual performance. The performance achievement level and corresponding bonuses are determined by the Remuneration Committee on the recommendation of the CEO. If performance objectives are not attained, the cash bonus may fall to zero. If all objectives are significantly exceeded, the cash bonus may amount to a maximum of 175% of the target bonus, but no more than 100% of annual fixed compensation.

Financial and individual target attainment

The attainment of the financial targets set for the Komax Group is evaluated after the end of the financial year. It may fall anywhere within a bandwidth of 0% to 200%.

The individual performance component of the individual members of the Executive Committee is based on the attainment of personal objectives agreed as part of the annual performance management process. These objectives may be both quantitative (financial) and qualitative (above all strategic) in nature. Strategic objectives may encompass, for example, the opening up of new markets, the development of new products, the further development of a business unit, the improvement of the Komax Group's reputation, or the management of key projects or management objectives. A further element from 2024 is ESG targets, which are based on the ESG targets set out in Strategy 2028 (► page 70). Attainment of individual objectives is evaluated after the end of the financial year – it may fluctuate within a range of 0% to 100%.

In order to avoid the Komax Group suffering any competitive disadvantages, the Board of Directors has resolved not to disclose the financial and individual objectives in detail. Any detailed communication of these objectives would allow competitors to acquire in-depth insight into the Komax Group's strategy, which could in turn jeopardize implementation of this strategy. The annually defined objectives are generally very ambitious, and are designed to help the Komax Group achieve its mid-term financial targets.

c) Long-term incentive system

To ensure that the interests of the Executive Committee are aligned with long-term shareholder interests, the Komax Group has a long-term incentive system linked to the company's financial performance. This plan comprises performance share units (PSUs) with a three-year vesting period that are dependent on the attainment of performance targets over a period of three years and the continuation of the employment relationship. Since the 2022 financial year, performance targets have been structured over a broad base with three performance indicators with equal weighting: revenue growth, EBIT margin, and total shareholder return (TSR). For the purpose of calculating the TSR performance factor, the deviation of the TSR of the Komax Group from the mean TSR of a peer group is relevant. The peer group is made up of twelve internationally active Swiss industrial companies listed on the SIX Swiss Exchange and included in the SPI Extra. They are machinery companies and/or suppliers to the automotive industry. Under the plans initiated prior to the 2021 financial year, the average RONCE figure set by the Board of Directors over three years was the determining performance indicator.

Performance targets and share price development are key to the calculation of the payout factor of the allocated performance share units (PSUs), and take into account the nature and volatility of the Komax Group's business in the relevant reporting period even in the elements of the compensation that are aligned with long-term development. The company's clear pay-for-performance philosophy is thus consistently implemented.

The Board of Directors determines the allocation amounts in CHF, taking account of the importance of the function and its impact on corporate results.

Calculation of PSU allocation

The number of PSUs allocated is calculated by dividing a fixed CHF amount by the average closing share price during the 60 days preceding the start of the vesting period. The allocation may amount to a maximum of 66 2/3% of the fixed base salary. The effective payment at the end of the three-year vesting period is made in shares and is dependent on the performance factor, which in turn is based on achievement of the targets for revenue growth, EBIT margin, and total shareholder return set by the Board of Directors. Each of these values has a weighting of 1/3. The overall performance factor is calculated based on the sum of the performance factors for the three individual years, with each year weighted 1/3. The payout factor may range from 0% to 150%. The actual value of the allocation at the end of the vesting period therefore depends on the payout factor and the development of the share price over the course of the vesting period.

Shares are definitively issued according to the following vesting rules:

- Performance factor below threshold value: 0% of PSUs are converted into shares (forfeiture rate of 100%).
 - Performance factor on target: 100% of PSUs are converted into shares.
 - Performance factor at maximum performance level: 150% of PSUs are converted into shares (cap).
- The payout factor between the threshold value, the target level, and the cap is obtained by linear interpolation.

$$\text{Number of shares allocated at time of vesting} = \text{Number of PSUs originally granted to the individual in question} \times \text{Payout factor (0–150\%)}$$

Duration of plan

Plan period (2023–2025)

2023 plan year	2024 plan year	2025 plan year
Sum of performance factors (revenue growth, EBIT margin, TSR) for the three individual years		

1 January 2023

Allocation of PSUs

31 December 2025

End of the vesting period

(payout factor between 0% and 150%)

In the event of any termination of employment, pro rata vesting applies at the ordinary vesting date. The calculation is based on the number of whole months that have elapsed within the vesting period until the departure date. Dismissals for cause are excluded from this; in such cases, all unvested PSUs are immediately forfeited and become worthless. In the event of a change in control, accelerated pro rata vesting applies. The calculation is based on the number of whole months that have elapsed by the date of change in control. This date is determined at the discretion of the Board of Directors.

The Remuneration Committee reviews the variable compensation system regularly in order to align compensation with the implementation of the corporate strategy as closely as possible.

d) Occupational benefits

Members of the Executive Committee are insured under Komax Group's ordinary pension scheme in Switzerland. The amount insured is the annual fixed compensation multiplied by a factor of 1.2 in order to additionally insure at least a proportion of the variable compensation. Contributions are graduated by age, and are shared equally between the insured person and the employer. The benefits of the plan go beyond the statutory requirements of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans, and are in line with the market practice of other industrial companies in Switzerland.

e) Other provisions in employment contracts

The employment contracts of members of the Executive Committee are concluded for an indefinite period and stipulate a maximum notice period of twelve months. They do not contain any severance agreement or change of control provisions.

8 COMPENSATION AND SHAREHOLDINGS OF THE BOARD OF DIRECTORS IN 2023

Section 8.1 of the Compensation Report was audited by the company's external auditor.

8.1 COMPENSATION

In 2023, the seven members of the Board of Directors received total compensation of CHF 1 087 629 (2022: CHF 985 961), of which CHF 810 833 was paid out in cash (2022: CHF 737 500), CHF 215 000 in the form of restricted shares (2022: CHF 190 000), and CHF 61 795 as social benefit contributions (2022: CHF 58 461). Contributions to pension plans amounted to CHF 0 (2022: CHF 0). Total compensation was therefore in line with the maximum amount of CHF 1.23 million approved for the 2023 financial year at the 2022 Annual General Meeting.

in CHF		Basic annual fee ¹	Allocation of restricted shares ²	Social benefits ³	Total compensation 2023	Total compensation 2022
Beat Kälin	Chairman	222 500	60 000	9 098	291 598	295 848
David Dean	Member	100 000	30 000	9 617	139 617	139 656
Andreas Häberli	Member	101 667	25 000	9 355	136 022	128 868
Kurt Haerri	Member	95 000	25 000	8 832	128 832	128 868
Mariel Hoch	Member	95 000	25 000	8 832	128 832	128 868
Roland Siegwart	Member	103 333	25 000	9 486	137 819	132 463
Jürg Werner	Member	93 333	25 000	6 575	124 909	31 390
Total Board of Directors		810 833	215 000	61 795	1 087 629	985 961

¹ Basic annual fee in cash (incl. expense allowance).

² Fixed amount in CHF, is divided by the share price as per allocation date (average closing price over the last 40 trading days prior to allocation) and rounded up to the nearest number of full shares. The share price applied in 2023 was CHF 285.45.

³ Includes mandatory employer contributions to social insurance.

No compensation was paid to former members of the Board of Directors for the 2022 and 2023 financial years. Komax Group companies had not granted any guarantees, loans, advances, or credits to members of the Board of Directors or parties closely linked to such persons as at 31 December 2023. No members of the Board of Directors or persons closely linked to them are or were involved in Komax Group transactions outside their normal duties.

8.2 HOLDINGS OF SHARES AS AT 31 DECEMBER 2023

As at the end of 2022 and 2023, the members of the Board of Directors had the following holdings of shares in the company:

Assets in units		31.12.2023	31.12.2022
		Shares	Shares
Beat Kälin	Chairman	11 012	10 802
David Dean	Member	1 648	1 543
Andreas Häberli	Member	622	534
Kurt Haerri	Member	3 421	3 333
Mariel Hoch	Member	434	346
Roland Siegwart	Member	2 562	2 474
Jürg Werner	Member	55	0
Total Board of Directors		19 754	19 032

9 COMPENSATION AND SHAREHOLDINGS OF THE EXECUTIVE COMMITTEE IN 2023

Sections 9.1 and 9.3 of the Compensation Report were audited by the company's external auditor.

9.1 COMPENSATION AT GRANT VALUE

In 2023, the six members of the Executive Committee received total compensation of CHF 3 831 285 (2022: CHF 3 696 071). Of this amount, CHF 2 002 543 was paid as fixed compensation (2022: CHF 1 643 860), CHF 440 391 as cash bonuses (2022: CHF 1 109 161), CHF 910 000 granted as performance share units (2022: CHF 630 000), and CHF 478 350 comprised social security and pension fund contributions (2022: CHF 313 050). The Executive Committee consisted of six members in 2023 (2022: five members). Oliver Blauenstein took up the previously vacant position of Head of the Quality Solutions Business Unit on 1 January 2023. In addition, Christian Mäder took over as CFO and Member of the Executive Committee on 1 October 2023, succeeding Andreas Wolfisberg, who stepped down as CFO on 30 September 2023 in light of his retirement at the end of the year under review. Total compensation for the Executive Committee was therefore in line with the maximum amount of CHF 6.0 million approved for the 2023 financial year at the 2022 Annual General Meeting.

in CHF		Fixed compensation ¹	Cash bonus ²	PSU allocation (plan period 2023–2025) ³	Social benefits ⁴	Total compensation 2023	Total compensation 2022
Matijas Meyer ⁵	CEO	509 950	108 400	300 000	124 940	1 043 290	1 282 595
Total other members of the Executive Committee ⁶		1 492 593	331 991	610 000	353 410	2 787 995	2 413 476
Total Executive Committee		2 002 543	440 391	910 000	478 350	3 831 285	3 696 071

¹ Expense allowances are not included in the fixed compensation as these are not considered compensation.

² Bonus for 2023, payment in April 2024.

³ Fixed amount in CHF, is divided by the share price as per allocation date (average closing price over the last 60 trading days prior to allocation) and rounded up to the nearest number of full shares. The share price applied in 2023 was CHF 245.64.

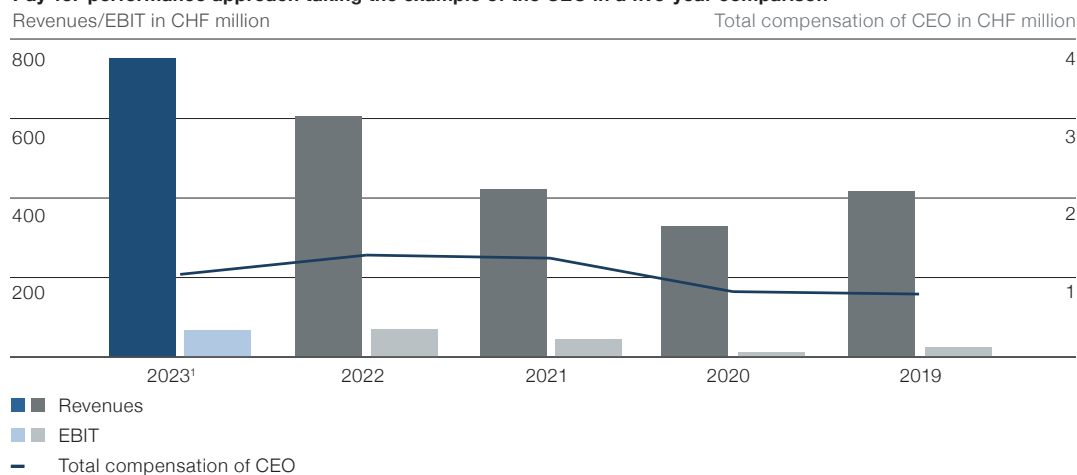
⁴ Includes mandatory employer contributions to social insurance of CHF 92 496 as well as contributions to occupational benefits (BVG). This amount entitles members of the Executive Committee to draw the maximum state-insured pension benefits in the future.

⁵ Highest compensated member of Executive Committee in 2023.

⁶ In 2022, the Executive Committee consisted of the CEO and only four other members, which affected the level of compensation in 2022.

9.2 NOTES ON COMPENSATION

Pay-for-performance approach taking the example of the CEO in a five-year comparison



¹ Excluding one-time effects (revenues: CHF +10.9 million; EBIT: CHF +5.0 million).

The 2023 financial year was characterized by a challenging environment. Among other things, economic and geopolitical uncertainties, interest rate rises in key sales markets, and the muted development of the Chinese market impacted on the willingness of customers to invest. This became particularly apparent from the middle of the year onward, with both revenues and EBIT remaining below the Komax Group's expectations. The integration of Schleuniger into the Komax Group was intensively driven forward in 2023, with many projects – such as the optimization of the sales and service network, as well as improvements to the corporate structure – being completed before the year was out. In addition, the Executive Committee worked intensively on the new Strategy 2028, which was unveiled in September 2023. Individual performance across a range of projects had an influence on the variable compensation paid to members of the Executive Committee, as did the financial development of the Komax Group.

Relation of variable to fixed compensation

In 2023, the CEO's cash bonus amounted to 21% of fixed compensation (2022: 85%). This payout level is due to the development of revenues and EBIT and the attainment of individual objectives. For the other members of the Executive Committee, the cash bonus amounted to 22% of fixed compensation (2022: 60%). The PSUs granted to the CEO in the year under review corresponded to 59% of the annual fixed compensation (2022: 49%) and 41% for the other members of the Executive Committee (2022: 34%). The cash bonus and PSU allocation are in line with the provisions of the company's Articles of Association, which allow for a maximum level of 100% of the annual fixed base salary for each element of variable compensation.

The overall variable compensation of the CEO in 2023 amounted to 80% of the annual fixed compensation (2022: 134%) and that of the other members of the Executive Committee to 63% (2022: 93%). Further details on the participation plans can be found in the notes to the consolidated financial statements on pages 173–175.

Former members of the Executive Committee

For the 2023 financial year, no compensation was paid to members of the Executive Committee who left the company. Komax Group companies had not granted any guarantees, loans, advances, or credits to members of the Executive Committee or parties closely linked to such persons as at 31 December 2023. No members of the Executive Committee or persons closely linked to them are or were involved in Komax Group transactions outside their normal duties.

9.3 REALIZED COMPENSATION

Performance Share Units

The annually allocated performance share units (PSUs) are paid out to the members of the Executive Committee in the form of shares after a three-year vesting period. In 2023, this payout took place for the period 2020–2022. The members of the Executive Committee received shares with a total value of CHF 864 736 (allocation amount on 1 January 2020: CHF 518 667, relevant share price: CHF 219.65). In 2022, shares with a total value of CHF 147 974 were remunerated.

The 2020–2022 allocation plan had a performance factor of 150.0%, made up of the average RONCE figure over three years. Over the plan period of 2020 to 2022, the Komax share price rose from CHF 219.65 to CHF 244.00. The value appreciation, determined from the share price development and performance factor, therefore amounted to 66.7%.

Performance share units in a three-year comparison

	Price at point of allocation in CHF	Price at point of conversion in CHF	Performance factor	Value development of allocated share packages
2018–2020	295.00	230.80	47.8%	–62.6%
2019–2021	265.51	241.00	40.1%	–63.6%
2020–2022	219.65	244.00	150.0%	66.7%

Performance factors from the 2021–2023 plan period

Since the 2021–2023 plan period, new performance indicators have been applied for the calculation of shares paid to the members of the Executive Committee for the allocated PSUs (► page 130). These recorded mixed developments over the three years, resulting in a performance factor of 114.9% for the overall plan period. These shares will be paid out in 2024.

	Financial performance (revenue growth and EBIT margin) ¹	Total shareholder return (TSR)	Overall performance factor
2021	150.0%	150.0%	150.0%
2022	150.0%	150.0%	150.0%
2023	66.9%	0.0%	44.6%
Average 2021–2023	122.3%	100.0%	114.9%

¹ Revenue growth and EBIT margin are weighted equally.

Total compensation

The total compensation figure for 2023 of CHF 3 786 021 (2021: CHF 3 214 045) is significantly below the maximum amount of CHF 6 000 000 approved at the 2022 Annual General Meeting (2022: CHF 5 200 000).

in CHF	Fixed compensation ¹	Cash bonus ²	PSU allocation (plan period 2020–2022)	Social benefits ³	Total compensation 2023	Total compensation 2022
Matijas Meyer ⁴ CEO	509 950	108 400	366 732	124 940	1 110 022	1 105 377
Total other members of the Executive Committee ⁵	1 492 593	331 991	498 004	353 410	2 675 999	2 108 668
Total Executive Committee	2 002 543	440 391	864 736	478 350	3 786 021	3 214 045

¹ Expense allowances are not included in the fixed compensation as these are not considered compensation.

² Bonus for 2023, payment in April 2024.

³ Includes mandatory employer contributions to social insurance of CHF 92 496 as well as contributions to occupational benefits (BVG). This amount entitles members of the Executive Committee to draw the maximum state-insured pension benefits in the future.

⁴ Highest compensated member of Executive Committee in 2023.

⁵ In 2022, the Executive Committee consisted of the CEO and only four other members, which affected the level of compensation.

9.4 HOLDINGS OF SHARES AS AT 31 DECEMBER 2023

As at the end of 2022 and 2023, the members of the Executive Committee had the following holdings of shares in the company:

Assets in units		31.12.2023 Shares	31.12.2022 Shares
Matijas Meyer	CEO	6 494	4 991
Christian Mäder ¹	CFO	250	n. s.
Oliver Blauenstein ²	Executive Vice President	0	n. s.
Jürgen Hohnhaus	Executive Vice President	0	0
Tobias Rölz	Executive Vice President	514	113
Marc Schürmann	Executive Vice President	1 083	537
Andreas Wolfisberg ³	CFO	n. s.	939
Total Executive Committee		8 341	6 580

¹ Member of the Executive Committee since 1 October 2023.

² Member of the Executive Committee since 1 January 2023.

³ Member of the Executive Committee until 30 September 2023.

As regards the personnel changes within the Executive Committee, no severance payments or payments for taking up office were made, in line with the compensation philosophy of the Komax Group.

10 MANDATES OUTSIDE THE KOMAX GROUP

Pursuant to Art. 734e of the Swiss Code of Obligations, the comparable roles of the Members of the Board of Directors and Executive Committee at companies with a commercial purpose are set out below. More detailed information on individual profiles can be found in the Corporate Governance Report (► pages 108–110 and 115–116).

Overview of the mandates of the Board of Directors and the Executive Committee 2023

	Mandates
Board of Directors	
Beat Kälin	CabTec Holding AG and Huber+Suhner AG (Member of the Board of Directors)
David Dean	Bossard Holding AG, Burckhardt Compression Holding AG, Brugg Group AG, and Metall Zug AG (Member of the Board of Directors)
Andreas Häberli	PhenoSign AG (Chairman of the Board of Directors) and Kardex Holding AG (Member of the Board of Directors)
Kurt Haerri	4B AG and Bertschi Holding AG (Member of the Board of Directors)
Mariel Hoch	Comet Holding AG, MEXAB AG, and SIG Group AG (Member of the Board of Directors)
Roland Siegwart	Evatec Holding AG, NZZ Media Group, and Voliro AG (Member of the Board of Directors)
Jürg Werner	Haag-Streit Holding AG and V-ZUG AG (Member of the Board of Directors)
Executive Committee	
Matijas Meyer	none
Christian Mäder	O. Kleiner AG (Member of the Board of Directors)
Oliver Blauenstein	none
Jürgen Hohnhaus	none
Tobias Rölz	none
Marc Schürmann	Abnox AG (Member of the Board of Directors)



Report of the statutory auditor to the General Meeting of Komax Holding AG, Dierikon.

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

Opinion

We have audited the remuneration report of Komax Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the sections marked 'audited' on pages 134 to 138 of the remuneration report.

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

Basis for opinion

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

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

Other information

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

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

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

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

Board of Directors' responsibilities for the remuneration report

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

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 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 remuneration report.

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

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

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

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

PricewaterhouseCoopers AG



Thomas Brüderlin
Licensed audit expert
Auditor in charge



Korbinian Petzi
Licensed audit expert

Basel, 11 March 2024

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CONSOLIDATED INCOME STATEMENT

in TCHF	Notes	2023	%	2022	%
Net sales		743 165		599 170	
Other operating income	1.2	19 758		7 162	
Revenues	1.2	762 923	100.0	606 332	100.0
Change in inventory of unfinished and finished goods		-16 322		36 204	
Cost of materials		-272 175		-269 676	
Gross profit		474 426	62.2	372 860	61.5
Personnel expenses	1.3	-277 021		-209 268	
Depreciation on property, plant, and equipment	2.4	-13 718		-12 454	
Depreciation on intangible assets	2.5	-6 460		-4 753	
Other operating expenses	1.3	-104 419		-74 653	
Operating profit (EBIT)		72 808	9.5	71 732	11.8
Financial result	1.4	-11 884		-6 892	
Group earnings before taxes (EBT)		60 924	8.0	64 840	10.7
Income taxes	1.5	-17 088		-13 067	
Group earnings after taxes (EAT)		43 836	5.7	51 773	8.5
Of which attributable to:					
– Shareholders of Komax Holding AG		43 836		51 773	
– Non-controlling interest		0		0	
Basic earnings per share (in CHF)	1.6	8.55		12.11	
Diluted earnings per share (in CHF)	1.6	8.53		12.06	

CONSOLIDATED BALANCE SHEET

in TCHF	Notes	31.12.2023	%	31.12.2022	%
Assets					
Cash and cash equivalents		76 237		82 735	
Securities		21		12	
Trade receivables	2.1	143 278		182 752	
Other receivables	2.1	23 566		25 899	
Inventories	2.2	193 592		204 743	
Accrued income and prepaid expenses	2.3	11 334		10 055	
Assets held for sale	2.4	0		16 686	
Total current assets		448 028	63.2	522 882	66.7
Property, plant, and equipment	2.4	222 919		218 696	
Intangible assets	2.5	19 300		19 760	
Deferred tax assets	1.5	17 190		20 612	
Other non-current receivables	2.6	1 480		1 556	
Total non-current assets		260 889	36.8	260 624	33.3
Total assets		708 917	100.0	783 506	100.0
Liabilities					
Current financial liabilities	3.1	4 013		12 382	
Trade payables		27 486		35 017	
Other payables	2.7	70 366		82 442	
Current provisions	2.7	5 364		5 207	
Accrued expenses and deferred income	2.7	37 049		46 413	
Total current liabilities		144 278	20.4	181 461	23.1
Non-current financial liabilities	3.1	165 172		175 877	
Other non-current liabilities		2 246		2 117	
Deferred tax liabilities	1.5	6 625		7 462	
Total non-current liabilities		174 043	24.5	185 456	23.7
Total liabilities		318 321	44.9	366 917	46.8
Share capital	3.2	513		513	
Capital surplus		334 475		348 591	
Treasury shares	3.2	-3 656		-1 015	
Retained earnings		59 264		68 500	
Equity attributable to shareholders of Komax Holding AG		390 596	55.1	416 589	53.2
Total liabilities and shareholders' equity		708 917	100.0	783 506	100.0

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

in TCHF	Notes	Share capital	Premium	Treasury shares	Goodwill offset	Currency differences	Other retained earnings	Total retained earnings	Sharehol- ders' equity of Komax Holding AG
Balance as at 1 January 2022		385	22 113	-1 888	-90 619	-19 510	354 423	244 294	264 904
Group earnings after taxes							51 773	51 773	51 773
Capital increase		128	326 478					0	326 606
Dividend paid							-17 303	-17 303	-17 303
Share-based payments				873			1 086	1 086	1 959
Goodwill offset with shareholders' equity	4.2				-200 027			-200 027	-200 027
Currency translation differences recorded in the reporting period						-11 323		-11 323	-11 323
Balance as at 31 December 2022		513	348 591	-1 015	-290 646	-30 833	389 979	68 500	416 589
Balance as at 1 January 2023		513	348 591	-1 015	-290 646	-30 833	389 979	68 500	416 589
Group earnings after taxes							43 836	43 836	43 836
Distribution out of reserves from capital contributions			-14 116					0	-14 116
Dividend paid							-14 116	-14 116	-14 116
Purchase of treasury shares	3.2			-4 738				0	-4 738
Share-based payments				2 097			-521	-521	1 576
Goodwill offset with shareholders' equity	4.2				-21 265			-21 265	-21 265
Currency translation differences recorded in the reporting period						-17 170		-17 170	-17 170
Balance as at 31 December 2023		513	334 475	-3 656	-311 911	-48 003	419 178	59 264	390 596

CONSOLIDATED CASH FLOW STATEMENT

in TCHF	Notes	2023	2022
Cash flow from operating activities			
Group earnings after taxes		43 836	51 773
Adjustment for non-cash items			
– Taxes	1.5	17 088	13 067
– Depreciation and impairment of property, plant, and equipment	2.4	13 718	12 454
– Depreciation and impairment of intangible assets	2.5	6 460	4 753
– Profit (–) / loss (+) from sale of non-current assets ¹		–11 754	62
– Expense for share-based payments		1 576	1 959
– Net financial result	1.4	11 884	6 892
Interest received and other financial income		1 180	1 341
Interest paid and other financial expenses		–11 275	–6 484
Taxes paid		–14 877	–7 097
Increase (+) / decrease (–) in provisions		476	–431
Increase (–) / decrease (+) in trade receivables		34 252	–35 607
Increase (–) / decrease (+) in inventories		2 077	–24 776
Increase (+) / decrease (–) in trade payables		–9 834	1 398
Increase (–) / decrease (+) in other net current assets		–22 741	19 706
Total cash flow from operating activities		62 066	39 010
Cash flow from investing activities			
Investments in property, plant, and equipment	2.4	–20 842	–8 836
Sale of property, plant, and equipment		29 265	414
Investments in intangible assets	2.5	–7 693	–4 245
Sale of intangible assets		1 477	0
Investments in Group companies and participations ²	4.2	–13 277	–9 280
Sale of Group companies		692	0
Sale of associated companies		0	559
Total cash flow from investing activities		–10 378	–21 388
Free cash flow ³		51 688	17 622
Cash flow from financing activities			
Increase (+) / decrease (–) in current financial liabilities		–8 712	5 000
Increase (+) / decrease (–) in non-current financial liabilities		–12 079	29 490
Distribution out of reserves from capital contributions		–14 116	0
Dividend paid		–14 116	–17 303
Purchase of treasury shares	3.2	–4 738	0
Total cash flow from financing activities		–53 761	17 187
Effect of currency translations on cash and cash equivalents		–4 425	–2 745
Increase (+) / decrease (–) in funds		–6 498	32 064
Cash and cash equivalents at 1 January		82 735	50 671
Cash and cash equivalents at 31 December		76 237	82 735

¹ Mainly profit from property held for sale.

² Less cash and cash equivalents acquired.

³ No Swiss GAAP FER defined key figure, see note 5.5.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Headquartered in Dierikon, Switzerland, Komax Holding AG (parent company), together with its subsidiary companies (the Komax Group), is a pioneer and market leader in the field of automated wire processing, providing customers with innovative, future-oriented solutions in any situation that calls for precise contact connections.

These consolidated financial statements were adopted by the Board of Directors of Komax Holding AG on 11 March 2024 and released for publication. Their approval by the Annual General Meeting, scheduled for 17 April 2024, is pending.

Accounting policies

The consolidated financial statements of the Komax Group are based on the individual financial statements of the Group companies, compiled in accordance with uniform standards, as at 31 December 2023. The consolidated financial statements have been drawn up in accordance with the entire existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations). Furthermore, the provisions of Swiss company law have been complied with. The consolidated financial statements are based on the principle of historic acquisition cost (with the exception of securities and derivative financial instruments, which are recorded at their fair values), and have been drawn up under the “going concern” assumption.

The accounting and valuation principles relevant to an understanding of the annual financial statements are described in the relevant explanatory notes.

Key recognition and measurement assumptions

Preparation of the consolidated financial statements requires the Board of Directors and Group Management to make estimates and assumptions, whereby such estimates and assumptions have an effect on the accounting principles applied and are reflected in the amounts stated under assets, liabilities, income, expenses, and related disclosures. Their estimates and assumptions are based on past experience and on various other factors deemed applicable in the current situation. These form the basis for reporting those assets and liabilities that cannot be measured directly from other sources. The actual values may differ from these estimates. The following material estimates are included in the consolidated financial statements:

	Page
Recognition of revenue according to the POC method	149
Current and deferred income taxes	153
Impairment of property, plant, and equipment	157
Impairment of intangible assets and goodwill	161
Contingent consideration	162
Provisions	162

Key events of the reporting period

2023 was characterized by a challenging market environment. This was reflected both in the order intake and from mid-year onward in revenues as customers increasingly began to delay their investment projects. The long-term trend toward automation is intact, and with its strategy 2028 the Komax Group is ready to seize the opportunities that present themselves and generate further profitable growth.

Economic and geopolitical uncertainties had an impact on the 2023 financial year for the Komax Group. Among other things, interest rate rises in key sales markets and sluggish market development in China made customers reluctant to invest. As the year progressed, this became increasingly apparent when it came to making investment decisions. As a result, the order intake for the full year amounted to CHF 686.5 million or +1.3% compared with the strong prior year (CHF 678.1 million). Revenues came in at CHF 762.9 million (2022: CHF 606.3 million), equivalent to an increase of 25.8%. The operating result (EBIT) stood at CHF 72.8 million (2022: CHF 71.7 million). Group earnings after taxes (EAT) came in at CHF 43.8 million (2022: CHF 51.8 million), a change of -15.3% year on year. The sale of the building at the production site in Rotkreuz, Switzerland, contributed CHF 11.1 million on the EBIT, while expenses incurred in connection with the closure of the Jettingen location in Germany impacted the EBIT in an amount of CHF -6.1 million.

The companies of the Schleuniger Group were successfully integrated into the Komax Group in 2023. The organizational focus in the reporting year lay on optimization of the global distribution and service network. The distribution channels of Komax and Schleuniger were amalgamated in order to facilitate the best possible response to customer needs and enable the portfolio to be offered from a single source. Among other things, this involved Komax Portugal being sold to distribution partner Estanflux in Spain, which now covers the entire Iberian Peninsula. In addition, the Komax Group also acquired Alcava Group, Schleuniger's distribution partner in France, Morocco, and Tunisia, thereby further strengthening the Group's market position in these growth markets. With the exception of a few countries, the optimization measures were completed in 2023.

In order to expand its offering, the Komax Group acquired a specialist in automated wire prefabrication in 2023 in the form of the German company WUSTEC. Thanks to WUSTEC's digital platform, companies active in control cabinet and machine building can order prefabricated, labeled wire harnesses for delivery within 48 hours.

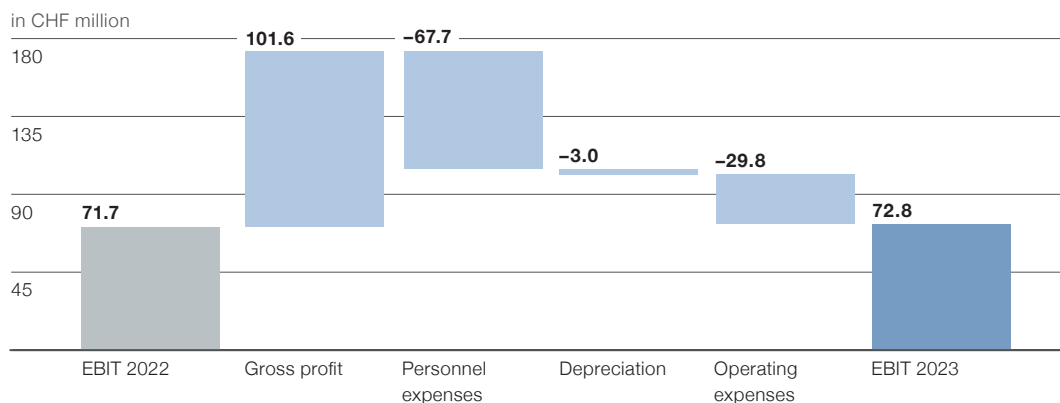
Events after the balance sheet date

No significant events occurred between the balance sheet date and the approval of the consolidated financial statements by the Board of Directors on 11 March 2024 which might adversely affect the information content of the 2023 consolidated financial statements or which would require disclosure.

1 PERFORMANCE

In this section, we provide details of the 2023 result of the Komax Group. In addition to earnings per share, we also provide details of revenues, expenses, the financial result, and taxes.

The operating profit (EBIT) of the Komax Group increased from CHF 71.7 million in 2022 to CHF 72.8 million in 2023. The chart below illustrates the year-on-year change between the current reporting period and the prior year.



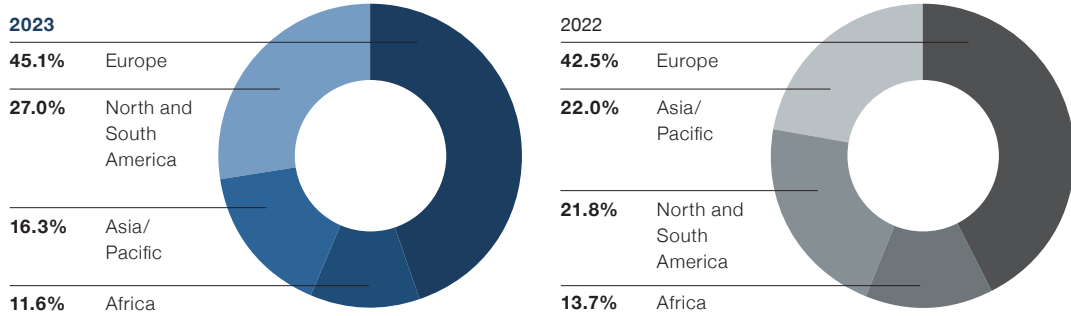
1.1 Segment information

The Komax Group is a global technology company that focuses on markets in the automation sector. As a manufacturer of innovative and high-quality solutions for the wire processing industry, the Komax Group helps its customers implement economical and safe manufacturing processes, especially in the automotive supply sector. All Group companies are active in wire processing, have a uniform customer base, and are centrally managed. The Board of Directors and the Group Executive Committee, which make the key strategic and operating decisions, manage the Komax Group primarily on the basis of the financial statements of the individual companies, the management information system, and the consolidated financial statements. Due to the commercial similarity and interconnections between the Group companies, the Komax Group presents its business in amalgamated form as a single segment, in accordance with Swiss GAAP FER 31.

1.2 Revenues

a) Revenues by region

The percentage breakdown of revenues by region is as follows:



b) Construction contracts

In the current reporting period, revenues of CHF 14.6 million (2022: CHF 6.3 million) were recorded from long-term construction contracts on the basis of the POC method.

c) Other operating income

in TCHF	2023	2022
Own work capitalized	1 969	2 811
Government grants	1 506	1 215
Gains from the disposal of non-current assets ¹	11 862	218
Other income	4 421	2 918
Total other operating income	19 758	7 162

¹ Mainly profit from property held for sale.

In the current period, revenues from the rental of operational buildings of CHF 0.8 million (2022: CHF 0.8 million) were recognized in other income.

Key recognition and measurement assumptions

Automated assembly and production contracts are measured according to the POC method, provided the assessment meets the requirements of Swiss GAAP FER 22 "Long-term contracts." Although projects are assessed monthly and in good faith in accordance with comprehensive project management guidelines, subsequent corrections may be required. These corrections are made in the following period and may have a positive or negative impact on revenue in this period.

RECOGNITION AND MEASUREMENT

Revenue recognition The Komax Group's consolidated income statement is compiled using the nature of expense method. Net sales comprise the fair value of considerations received or receivable for the sale of goods and services in the course of ordinary business activities after deducting VAT, returns, discounts, and price reductions, and eliminating intragroup sales. Revenues are recognized as described below. For any intermediated transactions, only the value of services provided by Komax itself is reported. Transactions with a number of individually identifiable component parts are recorded and valued separately.

Sale of goods Revenue from the sale of goods is recognized when risk and rewards of ownership have been transferred to the buyer. All expenses connected with sales are recognized on an accrual basis.

Sale of services Revenue from the sale of services is recognized in accordance with progress on the service according to the ratio of completed to still outstanding services to be performed during the financial year in which the services are rendered.

Manufacturing contracts Manufacturing contracts in the automated assembly and production business units, involving the customer-specific manufacture of systems, are valued according to the percentage of completion method (POC) in accordance with Swiss GAAP FER 22. On the balance sheet, these are reported either under "Trade receivables" or "Other payables," depending on the degree to which they are underfinanced or overfinanced. The percentage of completion is calculated according to the "cost-to-cost method" (costs incurred in relation to the overall estimated costs of the contract). Anticipated project losses are recognized in full in the income statement. Any costs of debt capital are capitalized provided debt capital is raised for the purpose of financing the project and its costs can be directly attributed to a manufacturing contract.

Government grants Government grants are recognized if it is likely that the payments will be received and the Komax Group can fulfil the conditions attached to such subsidies. These are recognized in "Other operating income" regardless of when payment is received and on a pro rata basis in the period in which the associated costs are incurred, and charged to the income statement as an expense. Grants in the form of short-time working compensation are offset against personnel expenses. Grants relating to an asset are deducted from the carrying amount.

1.3 Expenses

a) Personnel expenses

in TCHF	2023	2022
Wages and salaries	-221 189	-166 650
Share-based payments settled with equity instruments	-1 576	-1 999
Share-based payments settled in cash	-158	-761
Social security and pension contributions	-42 915	-30 796
Other personnel costs (in particular training and development)	-11 183	-9 062
Total personnel expenses	-277 021	-209 268

b) Other operating expenses

in TCHF	2023	2022
Expenditure on operating equipment and energy	-4 974	-4 064
Rental expenses	-7 787	-3 943
Repair and maintenance expenses	-30 034	-21 121
Third-party services for development expenses	-11 186	-9 517
Representation and marketing expenses	-18 600	-13 584
Legal and consultancy expenses	-12 028	-6 605
Shipping and packaging expenses	-9 705	-9 976
Expenditure on administration and sales	-7 216	-3 658
Insurance	-2 701	-1 904
Expenses from the liquidation of fixed assets	-188	-281
Total other operating expenses	-104 419	-74 653

Leases with the Komax Group as lessee

Only in exceptional cases does the Komax Group act as a lessee in financial lease agreements. A financial lease arises when the lessor transfers virtually all the risks and benefits associated with ownership of the leasing object to the lessee. At the beginning of the contract term, the object in question is recorded on the balance sheet as both an investment asset and a liability at its fair value or (if lower) at the net cash value of future leasing payments. Every lease installment is broken down into financing costs on the one hand and repayment of the residual debt on the other, so the interest rate remains constant for the residual liability. Financing costs are booked directly to the income statement as an expense. Capitalized leasing objects are depreciated over their estimated economically useful life, or (if lower) over the contractual period in question.

An operating lease agreement arises when a substantial proportion of the risks associated with ownership remains with the lessor. Payments for operating leasing agreements are booked to the income statement as an expense in a linear way for the entire duration of the agreement.

1.4 Financial result

in TCHF	2023	2022
Interest result (net)	-5 186	-3 106
Exchange rate translation differences (net)	-6 698	-3 893
Result from associated companies	0	107
Total financial result	-11 884	-6 892

1.5 Taxes

a) Income taxes

in TCHF	2023	2022
Current income taxes	-12 312	-11 487
Deferred tax income (+) / tax expenses (-)	-4 776	-1 580
Total income taxes	-17 088	-13 067

Analysis of the tax rate

in TCHF	2023	%	2022	%
Group earnings before taxes (EBT)	60 924		64 840	
Expected tax expenses	-12 985	21.3	-13 598	21.0
Impact of non-capitalized tax-loss carry forwards	-5 379	8.8	-2 231	3.4
Utilization of non-capitalized tax-loss carry forwards	866	-1.4	2 325	-3.6
Effect of changes in tax rate	-84	0.1	167	-0.3
Tax credits / charges from prior years	142	-0.2	123	-0.2
Effect of non-deductible expenses	-420	0.7	-1 533	2.4
Effect of non-taxable income	1 112	-1.8	2 207	-3.4
Non-reclaimable withholding taxes	-543	0.9	-428	0.7
Others	203	-0.3	-99	0.2
Effective tax expenses	-17 088	28.0	-13 067	20.2

As the Group operates internationally, its income taxes are dependent on a number of different tax jurisdictions. The expected income tax rate is equivalent to the weighted average of tax rates of those countries in which the Group is active. Due to the composition of the taxable income of the Group, as well as changes in local tax rates, this Group tax rate varies from year to year.

The expected tax rate based on the ordinary result was 21.3% (2022: 21.0%).

b) Deferred tax assets and liabilities

in TCHF	31.12.2023	31.12.2022
Property, plant, and equipment / intangible assets	13 458	14 275
Trade receivables and inventories ¹	6 017	5 866
Provisions	2 875	3 018
Other items	1 463	2 825
Total deferred tax assets (gross)	23 813	25 984
Offset against deferred tax liabilities	-6 623	-5 372
Balance sheet deferred tax assets	17 190	20 612
Property, plant, and equipment / intangible assets	8 391	8 135
Trade receivables and inventories	2 867	3 434
Provisions	1 399	1 077
Other items	591	188
Total deferred tax liabilities (gross)	13 248	12 834
Offset against deferred tax assets	-6 623	-5 372
Balance sheet deferred tax liabilities	6 625	7 462
Net deferred tax assets (+) / tax liabilities (-)	10 565	13 150

¹ Including unrealized intragroup profit.

The non-capitalized and unused tax-loss carry forwards expire as follows:

in TCHF	Within 5 years	After more than 5 years	Total
Expiry of unutilized tax-loss carry forwards			
31 December 2023	12 954	76 497	89 451
31 December 2022	7 857	71 897	79 754

This results in a deferred tax claim (not recognized in the balance sheet) for as yet unutilized tax-loss carry forwards of CHF 19.4 million (31 December 2022: CHF 18.3 million) as well as CHF 3.2 million (31 December 2022: CHF 3.5 million) in non-recognized tax credits.

Key recognition and measurement assumptions

In determining the assets and liabilities from current and deferred income taxes, estimates must be made on the basis of existing tax laws and ordinances. Numerous internal and external factors may have favorable or unfavorable effects on the assets and liabilities from income taxes. These factors include changes in tax laws and ordinances, as well as the way they are interpreted, in addition to changes in tax rates and the total amount of taxable income for the particular location. Any changes may affect the assets and liabilities from current and deferred income taxes carried in future reporting periods.

RECOGNITION AND MEASUREMENT ANSATZ UND BEWERTUNG

Deferred taxes Deferred and future tax expenses are calculated on the basis of the comprehensive liability method. This method is based on the tax rates and tax regulations applicable on the balance sheet date or which have in essence been enacted and are expected to apply at the time the deferred tax claim is realized or the deferred tax liability is settled. Deferred and future taxes are calculated on the basis of the temporary differences in value between the individual balance sheets and balance sheets for tax purposes. Such differences primarily exist in the case of non-current assets, inventories, and some provisions. Deferred tax assets are recognized in the amount corresponding to the probability that the Group companies in question will generate sufficient future taxable income to absorb the relevant positive differences in the tax assets.

Loss carry forwards Future tax savings from offsettable tax-loss carry forwards are not capitalized. The use of these tax-loss carry forwards is recorded upon realization.

Temporary differences on investments in subsidiaries and associates Deferred tax liabilities are not provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference cannot be determined by the Group and it is consequently probable that the temporary difference will not reverse in the foreseeable future.

1.6 Earnings per share (EPS)

in CHF	2023	2022
Group earnings (attributable to shareholders of Komax Holding AG)	43 835 911	51 773 064
Weighted average number of outstanding shares	5 124 960	4 273 799
Basic earnings per share	8.55	12.11
Group earnings (attributable to shareholders of Komax Holding AG)	43 835 911	51 773 064
Weighted average number of outstanding shares	5 124 960	4 273 799
Adjustment for dilution effect of share-based compensation plans	15 012	19 080
Weighted average number of outstanding shares for calculating diluted earnings per share	5 139 972	4 292 879
Diluted earnings per share	8.53	12.06

RECOGNITION AND MEASUREMENT

Earnings per share Basic earnings per share are calculated by dividing the consolidated Group earnings after taxes (EAT) by the average number of shares outstanding during the fiscal year, excluding treasury shares. Diluted earnings per share are calculated by adding all option rights and non-vested equity rights which would have had a dilutive effect to the average number of shares outstanding.

2 OPERATING ASSETS AND LIABILITIES

In this section we describe the current and non-current operating assets and liabilities. Among other things, this includes further details on receivables, inventories, tangible assets, and intangible assets.

2.1 Current receivables

a) Trade receivables

in TCHF	31.12.2023	31.12.2022
Trade receivables	139 367	183 673
less provision for impairment	-1 263	-2 124
Accruals for construction contracts (POC)	11 239	5 283
less prepayments for construction contracts (POC)	-6 065	-4 080
Total	143 278	182 752

Overdue trade receivables that had not been written down amounted to CHF 50.3 million on 31 December 2023 (31 December 2022: CHF 60.1 million). Their maturity structure is set out in the following table:

in TCHF	Number of days					Total
	1-30	31-60	61-90	91-120	>120	
As at 31 December 2023	20 961	8 126	4 817	3 574	12 854	50 332
As at 31 December 2022	27 199	11 353	9 275	2 746	9 479	60 052

b) Other receivables

In addition to prepayments to suppliers of CHF 1.6 million (31 December 2022: CHF 2.3 million), other receivables mainly comprise credits due from government organizations (tax authorities) and bills receivable.

RECOGNITION AND MEASUREMENT

Current receivables

Receivables are recorded at nominal value. Impaired receivables are value-adjusted on an individual basis; no flat-rate value adjustments are calculated for the remaining portfolio.

For manufacturing contracts of systems, the inventory includes all costs associated with the systems as well as the production costs. The order costs comprise all costs attributable to the contract from the date the order is received until the balance sheet date. The order proceeds per manufacturing contract are recorded as at 31 December according to the POC.

2.2 Inventories

in TCHF	31.12.2023	31.12.2022
Manufacturing components and spare parts	129 351	123 138
Semi-finished goods / work in process	35 002	47 141
Finished goods	49 882	53 770
Gross value inventories	214 235	224 049
less impairment	-20 643	-19 306
Inventories	193 592	204 743

RECOGNITION AND MEASUREMENT

Inventories

Inventories are valued at the lower of acquisition/production costs and net market value. Acquisition/production costs encompass all direct and indirect expenses incurred in bringing inventories to their current location or state (full costs). Discounts are treated as acquisition price reductions. For all inventory components, the ascertainment of value is undertaken for the most part in accordance with the FIFO method. The current market price in the sales market in question is assumed when determining net market value. Movement analyses are also carried out and items that do not move over a longer period of time will be impaired.

2.3 Accrued income and prepaid expenses

in TCHF	31.12.2023	31.12.2022
Prepaid services	4 404	3 450
Prepayments for current taxes	1 949	773
Others	4 981	5 832
Total accrued income and prepaid expenses	11 334	10 055

2.4 Property, plant, and equipment

in TCHF	Undeveloped property	Land	Buildings	Machines and equipment	Other tangible fixed assets	Assets under construction	Total proper- ty, plant, and equipment
Costs							
As at 31 December 2021	1 444	27 120	160 058	56 632	14 064	2 112	261 430
Additions	0	0	464	4 031	2 559	1 782	8 836
Disposals	0	0	-1 313	-823	-949	0	-3 085
Change in scope of conso- lidation	0	4 779	37 831	4 631	1 018	1 090	49 349
Reclassifications	0	0	9	1 282	294	-1 585	0
Currency differences	0	-259	-2 378	-1 055	-537	-61	-4 290
As at 31 December 2022	1 444	31 640	194 671	64 698	16 449	3 338	312 240
Additions	0	0	6 405	7 872	3 442	3 123	20 842
Disposals	0	0	0	-1 220	-1 549	0	-2 769
Change in scope of conso- lidation	0	363	932	745	179	0	2 219
Reclassifications	0	0	852	2 011	-39	-2 824	0
Currency differences	0	-508	-3 168	-2 393	-731	-79	-6 879
As at 31 December 2023	1 444	31 495	199 692	71 713	17 751	3 558	325 653
Depreciation							
As at 31 December 2021	0	0	-40 314	-34 857	-10 757	0	-85 928
Additions	0	0	-6 194	-4 555	-1 705	0	-12 454
Disposals	0	0	1 259	575	813	0	2 647
Reclassifications	0	0	828	54	0	0	882
Currency differences	0	0	338	641	330	0	1 309
As at 31 December 2022	0	0	-44 083	-38 142	-11 319	0	-93 544
Additions	0	0	-5 949	-5 638	-2 131	0	-13 718
Disposals	0	0	0	1 412	1 146	0	2 558
Reclassifications	0	0	0	0	0	0	0
Currency differences	0	0	37	1 564	369	0	1 970
As at 31 December 2023	0	0	-49 995	-40 804	-11 935	0	-102 734
Book values							
As at 31 December 2021	1 444	27 120	119 744	21 775	3 307	2 112	175 502
As at 31 December 2022	1 444	31 640	150 588	26 556	5 130	3 338	218 696
As at 31 December 2023	1 444	31 495	149 697	30 909	5 816	3 558	222 919

Key recognition and measurement assumptions

A test is performed at least once a year to determine whether there are any indications of impairment of property, plant, and equipment. If there are indications of impairment, impairment tests are carried out for the corresponding property, plant, and equipment. To determine whether impairment exists, estimates are made of the expected future cash flows arising from use. Actual cash flows may differ from the discounted future cash flows based on these estimates.

RECOGNITION AND MEASUREMENT**Property, plant, and equipment**

Property, plant, and equipment are accounted for at historical acquisition or production cost less accumulated depreciation. Borrowing costs incurred during the construction phase through the financing of assets under construction are part of the acquisition cost if they are material. Depreciation is linear over the expected service lifetime.

DEPRECIATION PERIOD

Asset category	Years
Machinery	7–10
Tools	7
Measuring, testing, and controlling devices	5
Operating installations	10
Warehouse installations	10–14
Vehicles	5–8
Office equipment	3–10
Information technology	3–5
Solar systems	20
Factory buildings	33
Office buildings	40
Land	no depreciation

2.5 Intangible assets

a) Movements in intangible assets

in TCHF	Software	Patents and customer base	Software in implementation	Total intangible assets
Costs				
As at 31 December 2021	36 188	5 239	3 574	45 001
Additions	2 689	0	1 556	4 245
Disposals	-256	0	0	-256
Change in scope of consolidation	6 266	0	364	6 630
Reclassifications	2 901	0	-2 901	0
Currency differences	-462	13	-76	-525
As at 31 December 2022	47 326	5 252	2 517	55 095
Additions	6 171	0	1 522	7 693
Disposals	-2 072	-200	0	-2 272
Change in scope of consolidation	152	0	0	152
Reclassifications	1 416	0	-1 416	0
Currency differences	-763	-103	-53	-919
As at 31 December 2023	52 230	4 949	2 570	59 749
Depreciation				
As at 31 December 2021	-26 345	-4 765	0	-31 110
Additions	-4 511	-242	0	-4 753
Disposals	218	0	0	218
Currency differences	310	0	0	310
As at 31 December 2022	-30 328	-5 007	0	-35 335
Additions	-6 230	-230	0	-6 460
Disposals	585	200	0	785
Currency differences	464	97	0	561
As at 31 December 2023	-35 509	-4 940	0	-40 449
Book values				
As at 31 December 2021	9 843	474	3 574	13 891
As at 31 December 2022	16 998	245	2 517	19 760
As at 31 December 2023	16 721	9	2 570	19 300

b) Goodwill

Goodwill is offset against Group shareholders' equity upon the acquisition of a subsidiary or the interest in an associated company. Assuming a useful life of five years for trading companies acquired and ten years for production operations acquired (including the Schleuniger Group acquired in 2022), plus depreciation on a straight-line basis, the theoretical capitalization of goodwill would have the following impact on the consolidated balance sheet:

in TCHF	2023	2022
Historical costs as at 1 January	288 544	89 039
Additions	21 265	200 027
Currency differences	-2 244	-522
Historical costs as at 31 December	307 565	288 544
Theoretical accumulated depreciation as at 1 January	-69 649	-56 439
Theoretical depreciation	-27 059	-13 337
Currency differences	1 132	127
Theoretical accumulated depreciation as at 31 December	-95 576	-69 649
Theoretical net book value as at 31 December	211 989	218 895

The additions to goodwill comprise goodwill from the acquisitions of WUSTEC and Alcava Group, as well as the changes to goodwill in connection with the final purchase price allocations from the quasi-merger with Schleuniger Group in the 2022 financial year.

The capitalization and depreciation of goodwill would have the following theoretical impacts on shareholders' equity and Group earnings after taxes:

in TCHF	31.12.2023	31.12.2022
Shareholders' equity according to balance sheet	390 596	416 589
Theoretical capitalization of net book value of goodwill	211 989	218 895
Theoretical tax impacts	886	270
Theoretical shareholders' equity	603 471	635 754
in TCHF	2023	2022
Group earnings after taxes (EAT) according to income statement	43 836	51 773
Theoretical goodwill depreciation	-27 059	-13 337
Theoretical tax impacts	68	67
Theoretical Group earnings after taxes (EAT)	16 845	38 503

Key recognition and measurement assumptions

Intangible assets and goodwill are tested for impairment if indicators reflect a possible impairment. To determine whether impairment exists, estimates are made of the expected future cash flows arising from use. Actual cash flows may differ from the discounted future cash flows based on these estimates.

RECOGNITION AND MEASUREMENT

Software	Purchased software licenses are capitalized at acquisition or production cost plus costs incurred in readying them for use. The total acquisition cost is amortized on a linear basis over three to eight years. Costs associated with the development or maintenance of software are recorded as expenses at the time they are incurred.
Patents	Patents are recognized at historical acquisition cost less cumulative amortization. Acquisition costs are written down in a linear way over patent life.
Research and development	Research and development expenditure is fully charged to the income statement. These costs are contained in the positions "Personnel expenses" and "Other operating expenses."
Goodwill	Companies acquired over the course of the year are revalued and consolidated at the point of acquisition in keeping with standardized Group principles. The difference between the acquisition cost (including material transaction costs) and the prorated fair value of the net assets acquired is described as goodwill. Any potentially existing but not previously capitalized intangible assets taken over as part of the acquisition – such as brands, technology, rights of use, or customer lists – are not separately recognized, but remain subsumed under goodwill. Goodwill can also arise from investments in associated companies, whereby this amounts to the difference between the acquisition cost of the investment and the prorated fair value of the net assets acquired. The goodwill resulting from acquisitions is directly offset against Group shareholders' equity. If the purchase price contains components that are dependent on future results, these components are estimated as accurately as possible at the point of acquisition and then capitalized. In the event of deviations when the purchase price is definitively settled at a later date, the goodwill offset against shareholders' equity is adjusted accordingly. In case of disposal, acquired goodwill offset with equity at an earlier date is to be considered at original cost to determine the profit or loss recognized in the income statement.

2.6 Other non-current receivables

As at 31 December 2023 and as at 31 December 2022, other non-current receivables include mainly paid rent deposits and capitalized financing costs.

2.7 Other liabilities

a) Other payables

in TCHF	31.12.2023	31.12.2022
Prepayments by customers	34 103	47 372
Current income tax liabilities	8 492	10 664
Prepayments for construction contracts (POC)	4 600	11 684
Less accruals for construction contracts (POC)	-2 657	-11 255
Commissions not yet invoiced to agents	7 686	8 509
Other positions ¹	18 142	15 468
Total other payables	70 366	82 442

¹ Includes, among other things, liabilities against government organizations (tax authorities and social contributions).

Key recognition and measurement assumptions

For the determination of the fair value of a contingent consideration, profit and revenue forecasts and the current exchange rates are used, which might result in a higher or lower fair value measurement. The continued employment of certain selling shareholders has also been assumed.

b) Current provisions

in TCHF	2023	2022
Total as at 1 January	5 207	2 657
Additional provisions	3 127	3 002
Amounts utilized during the year	-2 418	-1 403
Unused amounts reversed	-391	-633
Currency differences	-187	-143
Change in scope of consolidation	26	1 727
Total as at 31 December	5 364	5 207

Current provisions are warranty provisions that include material and personnel costs in relation to warranty work.

Key recognition and measurement assumptions

In relation to machines and systems already delivered, the Komax Group calculates the necessary warranty provisions on the balance sheet date on the basis of analysis and estimates. The actual costs may differ from the provisions stated. Any differences may affect the provision carried for warranty events in future reporting periods and therefore the reported result for the period.

RECOGNITION AND MEASUREMENT**Provisions**

Provisions are formed if the Group has a current legal or constructive obligation arising from an event in the past, if it appears probable that the asset base will be negatively impacted by settlement of the obligation, and if the amount of the provision can be reliably determined. Provisions for warranties are based on past payments, revenues in prior years, and current contracts. The Komax Group normally gives a one-year warranty on machines and systems.

c) Accrued expenses and deferred income

in TCHF	31.12.2023	31.12.2022
Accrual for bonuses	6 892	11 772
Accrual for holiday and overtime	7 107	6 519
Accrual for other personnel expenses	4 427	6 565
Commission payments to representatives	1 963	3 479
Invoices not yet received	6 420	7 496
Other accruals	10 240	10 582
Total accrued expenses and deferred income	37 049	46 413

3 CAPITAL AND FINANCIAL RISK MANAGEMENT

In addition to details on shareholders' equity, details are also provided on financial risk management at the Komax Group.

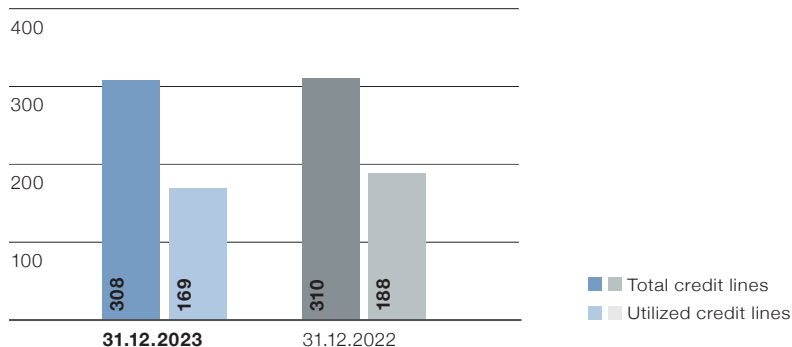
3.1 Financial liabilities

in TCHF	Currency	31.12.2023	31.12.2022
Bank liabilities	CHF	163 500	175 000
Bank liabilities	EUR	5 685	13 259
Total financial liabilities		169 185	188 259

Komax Holding AG finalized an agreement with a bank syndicate for a credit line of CHF 247.5 million (31 December 2022: CHF 250.0 million). Additionally, there are further local creditlines for subsidiaries, with the available maximum amounting to CHF 60.0 million (31 December 2022: CHF 60.0 million). As at 31 December 2023 the Group has drawn on this credit limit to the amount of CHF 169.2 million (31 December 2022: CHF 188.3 million).

Credit lines Komax Group

in CHF million



The maturities of the financial liabilities (without interest) are as follows:

in TCHF	less than 1 year	1-5 years	over 5 years	Total
As at 31 December 2023	4 013	163 724	1 448	169 185
As at 31 December 2022	12 812	3 574	171 873	188 259

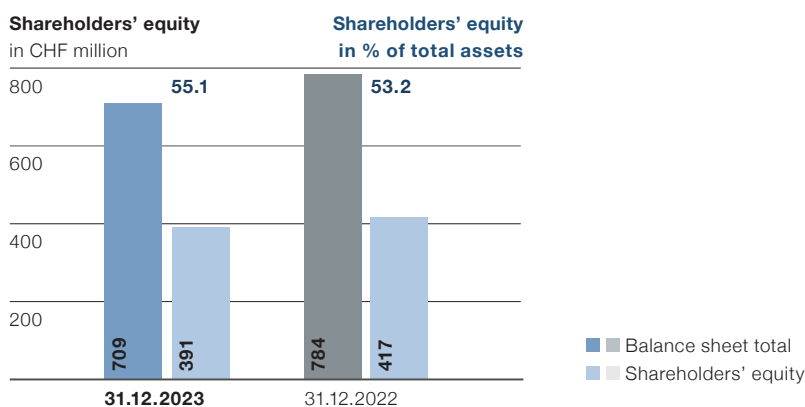
Of the financial liabilities of CHF 169.2 million as at 31 December 2023 (31 December 2022: CHF 188.3 million), CHF 163.5 million (31 December 2022: CHF 170.0 million) relate to the syndicated loan with a term until 31 January 2028. The average interest rates 2023 for the syndicated loan is 2.44% (2022: 1.62%).

RECOGNITION AND MEASUREMENT**Financial liabilities**

Financial liabilities comprising bank loans, mortgages, and bonds are valued at amortized cost. Financial liabilities are recorded as current liabilities in the balance sheet unless the Group has the unconditional right to defer settlement of the liability to a point in time at least twelve months after the relevant balance sheet date.

3.2 Shareholders' equity

This section shows the change in shareholders' equity compared to the prior year.



a) Share capital

Balance sheet date	Number of shares	Par value in CHF	Share capital in CHF
31 December 2023	5 133 333	0.10	513 333.30
31 December 2022	5 133 333	0.10	513 333.30
31 December 2021	3 850 000	0.10	385 000.00

All registered shares are fully paid up.

b) Treasury shares

	2023			2022		
	Number	Average price in CHF	Purchase costs (avg.) in TCHF	Number	Average price in CHF	Purchase costs (avg.) in TCHF
Total as at 1 January	4 651	218.17	1 015	8 653	218.17	1 888
Purchases	20 200	234.55	4 738	0	0.00	0
Transfer (share-based compensation)	-9 055	231.58	-2 097	-4 002	218.17	-873
Total as at 31 December	15 796	231.43	3 656	4 651	218.17	1 015

Both at the end of the reporting year and at the end of the prior-year period, all treasury shares were envisaged for share-based compensation programs. All treasury shares are held by Komax Holding AG. Neither the other Group companies nor the staff pension scheme of Komax AG hold any shares of Komax Holding AG.

c) Conditional capital

There was no conditional capital either as at 31 December 2023 or as at 31 December 2022.

d) Capital band

The company has a capital band ranging from CHF 513 333.30 (lower limit) to CHF 564 666.60 (upper limit). There was no increase in share capital as at 31 December 2023.

e) Reserves

The non-distributable reserves amounted to CHF 7.3 million as at 31 December 2023 (31 December 2022: CHF 7.6 million).

RECOGNITION AND MEASUREMENT

Treasury shares Treasury shares are recognized at the average weighted cost of acquisition, including the transaction costs assignable to them, and are then offset against shareholders' equity. When treasury shares are sold or issued, the consideration received is credited to shareholders' equity.

Issuance of shares Costs that are directly assignable to the issuance of new shares are recognized in shareholders' equity in net form as a deduction from the issue proceeds.

Preferred shares No preferred shares have been issued to date.

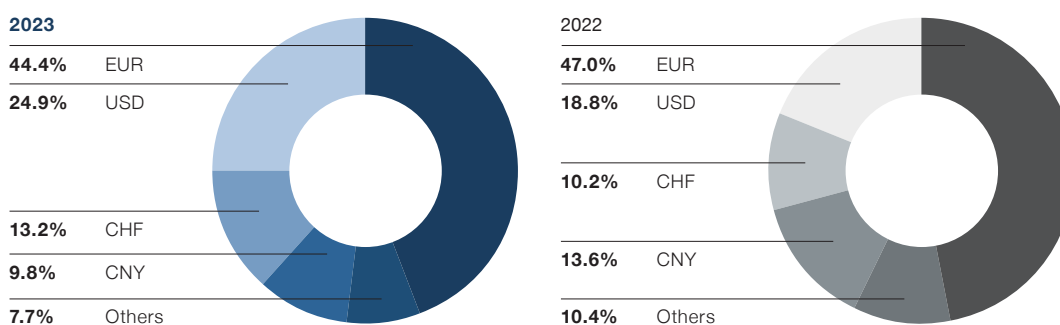
3.3 Financial risk management

Through its business activities, the Komax Group is exposed to various financial risks, for example currency, credit, liquidity, and interest rate risks. The Group's overall risk management strategy is focused on the unpredictability of developments in the financial markets and is intended to minimize the poten-

tial negative impact on the Group's financial position. The Group uses derivative financial instruments to protect itself against interest rate, currency, and credit risks. Risk management is conducted by the finance department of Komax Management AG in conformity with the guidelines issued by the Board of Directors. These guidelines set out procedures for the use of derivatives as well as for dealing with foreign currency, interest rate, and credit risks. The guidelines are binding for all subsidiaries of the Komax Group.

a) Currency risk

The Komax Group operates internationally and is therefore exposed to a variety of foreign exchange risks. Foreign currency risks arise from future cash flows, assets, and liabilities recognized in the balance sheet, and investment in foreign companies. Komax Group generates its revenues in the following currencies:



The most important year-end and average exchange rates were as follows:

Currency	Year-end rate 31.12.2023	Average rate 2023	Year-end rate 31.12.2022	Average rate 2022
EUR	0.940	0.990	0.990	1.020
USD	0.850	0.910	0.930	0.960
CNY	0.120	0.130	0.134	0.145

The Komax Group is mainly exposed to currency risks relating to the EUR, the USD, and the CNY. Assuming that the average rates against the CHF had been 10% lower or higher and that all other parameters remained largely unchanged, the EBIT margin would have been changed as follows:

	Change EBIT margin 2023	Change EBIT margin 2022
EUR/CHF average rate +/-10%	+/-0.6%-pt.	+/-1.1%-pt.
USD/CHF average rate +/-10%	+/-1.1%-pt.	+/-0.7%-pt.
CNY/CHF average rate +/-10%	+/-0.5%-pt.	+/-0.6%-pt.

b) Credit risk

Credit risks may exist with regard to bank account balances, derivative financial instruments, and receivables from customers. The Komax Group regularly reviews the independent ratings of financial institutions. Moreover, all risks pertaining to cash and cash equivalents are further minimized by using a variety of banks rather than one single bank.

c) Capital risk

In the management of its capital, the Komax Group pays special attention to ensuring that the Group is able to continue to operate, that shareholders receive an appropriate return for their risks, and that financial ratios are optimized, taking the cost of capital into account. To achieve these targets, the Komax Group may adjust its dividend payment, issue new shares, or sell assets in order to scale back its debt.

d) Liquidity risk

Prudent liquidity risk management involves maintaining sufficient reserves of cash and cash equivalents and liquid securities as well as financing capacity through an adequate volume of approved lines of credit. The amount of cash required for operations is reviewed annually and monitored on a continuous basis by the finance department. Given the business environment in which the Komax Group operates, it is also essential for the Group to maintain the necessary financing flexibility by maintaining sufficient unused lines of credit.

e) Interest rate risk

Neither at 31 December 2023 nor at the prior year's balance sheet date did the Komax Group possess any assets that were subject to any material rate of interest. The Group's financial risk policy is to finance long-term investments with long-term liabilities, which gives rise to an interest rate risk. If there is a significant interest rate risk, the related cash flow risks are hedged through interest rate swaps.

4 GROUP STRUCTURE

This section contains details on the scope of consolidation, including any changes (acquisitions, business areas to be discontinued). The list of investments also includes all directly and indirectly held investments as at 31 December 2023.

4.1 Scope of consolidation

The consolidated financial statements incorporate the individual financial statements of Komax Holding AG, Switzerland, and its subsidiaries.

As explained under note 4.2, the Komax Group carried out two acquisitions in 2023. WUSTEC, a company active in automated wire prefabrication, was acquired in early 2023, and this acquisition was followed in October 2023 by the Alcava Group, with the companies Lintech, Malintech, and Tulintech. The Alcava Group has been distributing Schleuniger Group products in Morocco, Tunisia, and France for over 15 years whereas the Schleuniger Group has been part of the Komax Group since 2022. The Komax Portugal subsidiary was sold to distribution partner Estanflux in Spain effective 1 July 2023.

The prior-year period saw the founding of Komax Testing India Pvt. Ltd., including the takeover of the testing systems production business of its Indian customer Dhoot Transmission Pvt. Ltd. by means of an asset deal, as well as the takeover of the Schleuniger Group by means of a quasi-merger.

RECOGNITION AND MEASUREMENT

Subsidiaries	Subsidiaries are fully consolidated if Komax Holding AG exercises control over their financial and business policies. As a rule, this is the case if Komax Holding AG directly or indirectly holds more than 50% of the subsidiary's voting capital.
Date of consolidation	Subsidiaries are included in the consolidated financial statements from the date on which the Group assumes control. They are deconsolidated from the date on which control is ceded.
Intragroup eliminations	Intragroup transactions, intragroup balances, and unrealized gains or losses from transactions between Group companies are eliminated from the scope of consolidation.

4.2 Business combinations

a) Acquisitions 2023

in TCHF	WUSTEC	Alcava Group	Total
Acquired net assets at fair value			
Cash and cash equivalents	858	3 822	4 680
Trade receivables	460	4 179	4 639
Other receivables	34	294	328
Inventories	993	1 208	2 201
Accrued income and prepaid expenses	9	105	114
Property, plant, and equipment	693	1 588	2 281
Intangible assets	159	0	159
Deferred tax assets	1 273	206	1 479
Total assets	4 479	11 402	15 881
Current financial liabilities	-76	-157	-233
Trade payables	-135	-4 458	-4 593
Other payables	-574	-2 080	-2 654
Current provisions	0	-34	-34
Accrued expenses and deferred income	-802	-315	-1 117
Non-current financial liabilities	-1 678	-287	-1 965
Deferred tax liabilities	0	-209	-209
Total liabilities	-3 265	-7 540	-10 805
Acquired net assets	1 214	3 862	5 076
Acquisition costs	117	175	292
Contingent consideration	2 000	0	2 000
Transferred cash and cash equivalents	2 864	14 801	17 665
Total consideration	4 981	14 976	19 957
Goodwill	3 767	11 114	14 881
Transferred consideration	-2 981	-14 976	-17 957
Acquired cash and cash equivalents	858	3 822	4 680
Net cash flow 2023	-2 123	-11 154	-13 277

WUSTEC

The Komax Group acquired WUSTEC at the start of 2023. This company has been providing its customers with services in automated wire prefabrication for over 20 years. Headquartered in the Black Forest region of Germany, WUSTEC has a workforce of 30 people and has developed a digital platform that facilitates the ordering of prefabricated wire harnesses.

Alcava Group

The Komax Group acquired the Alcava Group, with the companies Lintech in France, Malintech in Morocco, and Tulintech in Tunisia, effective 1 October 2023. Alcava has been distributing products of the Schleuniger Group in the three above-mentioned countries for more than 15 years. This acquisition will enable the Komax Group to strengthen its market position.

b) Acquisitions 2022 including final purchase price allocation in the year 2023

in TCHF	Testing India Pvt. Ltd.	Schleuniger Group	Total
Acquired net assets at fair value			
Cash and cash equivalents	1	22 632	22 633
Trade receivables	255	45 312	45 567
Other receivables	76	5 275	5 351
Inventories	271	74 095	74 366
Accrued income and prepaid expenses	0	6 289	6 289
Property, plant, and equipment	193	49 156	49 349
Intangible assets	6	6 624	6 630
Investments in associates	0	452	452
Deferred tax assets	2	14 328	14 330
Other non-current receivables	0	282	282
Total assets	804	224 445	225 249
Current financial liabilities	-22	-479	-501
Trade payables	-62	-12 572	-12 634
Other payables	0	-21 583	-21 583
Current provisions	0	-10 959	-10 959
Accrued expenses and deferred income	0	-16 806	-16 806
Non-current financial liabilities	0	-5 567	-5 567
Deferred tax liabilities	0	-3 653	-3 653
Total liabilities	-84	-71 619	-71 703
Acquired net assets	720	152 826	153 546
Value of the shares issued by Komax Holding AG	0	326 608	326 608
Liabilities assumed by Komax Holding AG from Metall Zug AG	0	30 633	30 633
Acquisition costs	0	1 436	1 436
Transferred cash and cash equivalents	1 280	0	1 280
Total consideration	1 280	358 677	359 957
Goodwill	560	205 851	206 411
Transferred cash and cash equivalents	-1 280	0	-1 280
Cash and cash equivalents acquired	1	22 632	22 633
Payment of assumed liabilities against Metall Zug AG	0	-30 633	-30 633
Net Cash flow 2022	-1 279	-8 001	-9 280

Testing India Pvt. Ltd.

In the first half of 2022, the Komax Group acquired the testing systems production business of its Indian customer Dhoot Transmission Pvt. Ltd. by means of an asset deal in connection with the founding of Komax Testing India Pvt. Ltd. The purpose of this new company is to consistently harness opportunities in the testing business in the Indian market and provide customers with solutions more rapidly. The acquired company generated revenues of CHF 0.4 million from 1 March 2022 to 31 December 2022. The repercussions of this acquisition for Group earnings after taxes in the year 2022 are negligible.

Schleuniger Group

In order to secure long-term competitiveness and continue to consistently drive forward the automation of wire processing with cutting-edge products and solutions, Komax and Schleuniger combined on 30 August 2022. To this end, Metall Zug AG brought its Wire Processing division, the Schleuniger Group, into Komax Holding AG and received a stake of 25% in Komax Holding AG in return. The transaction was effected through a quasi-merger. This involved Komax Holding AG creating 1 283 333 new shares through a capital increase and then assigning these shares to Metall Zug AG in exchange for the Schleuniger shares. The new shares were listed on SIX Swiss Exchange as of 31 August 2022, thus increasing the number of listed registered shares of Komax Holding AG to 5 133 333.

There were revaluation effects on the following balance sheet items: "Trade receivables", "Inventories", "Property, plant, and equipment", "Deferred tax assets", "Deferred tax liabilities", and "Provisions".

The value of the shares newly issued by Komax Holding AG amounts to CHF 326.6 million, and is calculated by multiplying the number of newly created shares by the stock market price at the point of transaction.

Goodwill amounts to CHF 205.9 million, and was offset against equity pursuant to Swiss GAAP FER 30 "Consolidated financial statements".

The acquired Schleuniger group generated revenues of CHF 84.1 million and Group earnings after taxes of CHF 2.6 million between 1 September 2022 and 31 December 2022.

4.3 Investments in associates

As at 31 December 2023 and 31 December 2022, the Komax Group held no investments in associated companies. In December 2022, the 20% stake held by Schleuniger AG in the British company Laser Wire Solutions was sold.

RECOGNITION AND MEASUREMENT

Investments in associates

Companies in which the Komax Group holds at least 20% of voting rights but in which it has a stake of less than 50% or on which it exerts a key influence in other ways are recognized by the equity method, and initially recorded at the corresponding acquisition cost.

4.4 Direct and indirect equity participation of Komax Holding AG as at 31 December 2023¹

Company	Place	Purpose ²		Ordinary capital
Switzerland				
Komax AG	Dierikon, Switzerland	E D M P S	CHF	5 000 000
Komax Management AG	Dierikon, Switzerland	G	CHF	100 000
Schleuniger AG	Thun, Switzerland	E D M P S	CHF	2 500 000
Europe				
adaptronic Prüftechnik GmbH	Wertheim, Germany	E D M P S	EUR	300 000
Alcava SAS	Villebon-sur-Yvette, France	H	EUR	37 000
Artos Engineering France S.à.r.l.	Treillières, France	S	EUR	182 939
DilT GmbH	Krailling, Germany	E D M S	EUR	103 000
Komax Austria GmbH	Vienna, Austria	S	EUR	36 336
Komax Belgium nv	Beerse, Belgium	E D M P S	EUR	60 760
Komax Consult Deutschland GmbH	Nuremberg, Germany	R	EUR	30 000
Komax Czech Republic Trading s.r.o.	Brno, Czech Republic	S	CZK	200 000
Komax France SA	Toulouse, France	E D M P S	EUR	1 057 280
Komax Hungary Kft.	Budakeszi, Hungary	E D M P S	HUF	10 000 000
Komax Kabelverarbeitungs-Systeme Deutschland GmbH	Nuremberg, Germany	S	EUR	400 000
Komax Romania Trading S.R.L.	Bucharest, Romania	S	RON	2 200 000
Komax SLE GmbH & Co. KG	Grafenau, Germany	E D M P S	EUR	5 700 000
Komax SLE Verwaltungs GmbH	Grafenau, Germany	A	EUR	25 000
Komax Slovakia s.r.o.	Bratislava, Slovakia	S	EUR	6 639
Komax Taping GmbH & Co. KG	Burghaun, Germany	E D M P S	EUR	100 000
Komax Taping Verwaltungs GmbH	Burghaun, Germany	A	EUR	25 000
Komax Testing Beteiligungs GmbH	Porta Westfalica, Germany	H	EUR	4 000 000
Komax Testing Bulgaria EOOD	Yambol, Bulgaria	E M P S	BGN	600 000
Komax Testing Germany GmbH	Porta Westfalica, Germany	E D M P S	EUR	1 764 700
Komax Testing Romania S.R.L.	Bistrita, Romania	E S	RON	110 152
Komax Testing Türkiye Test Sistemleri San. Ltd. Şti.	Ergene/Tekirdağ, Türkiye	E M P S	TRY	14 950 000
Lintech SAS	Villebon-sur-Yvette, France	S	EUR	100 000
Schleuniger GmbH	Radevormwald, Germany	E D M P S	EUR	27 000
Schleuniger Messtechnik GmbH	Sömmerda, Germany	E D P S	EUR	25 000
SCI Femto	Villebon-sur-Yvette, France	A	EUR	2 000
WUSTEC GmbH & Co. KG	Dunningen-Seedorf, Germany	E M P S	EUR	20 000
WUSTEC Verwaltungs GmbH	Dunningen-Seedorf, Germany	A	EUR	25 000
Africa				
Komax Maroc Sàrl.	Mohammédia, Morocco	S	MAD	10 000 000
Komax Testing Maroc Sàrl.	Tangier, Morocco	E M P S	MAD	2 100 000
Komax Testing Maroc FT Sàrl.	Tangier, Morocco	E M P S	EUR	2 300 000
Komax Testing Tunisia sarl	Tunis, Tunisia	E M P S	TND	366 000
Malintech Sarl	Tangier, Morocco	S	MAD	100 000
Malintech W.P.S	Tangier, Morocco	S	EUR	4 000
Tulintech Sarl.	Sousse, Tunisia	S	TND	150 000

Company	Place	Purpose ²		Ordinary capital
North/South America				
Cirris Inc.	Salt Lake City, USA	E D M P S	USD	0
Komax Comercial do Brasil Ltda.	São Paulo, Brazil	S	BRL	200 000
Komax Corporation	Buffalo Grove, USA	E D M P S	USD	1 000 000
Komax de México, S. de R.L. de C.V.	Irapuato, Mexico	S	MXN	3 000
Komax Holding Corporation	Buffalo Grove, USA	H	USD	8 160 000
Komax Testing Brasil Ltda.	Colombo, Brazil	A	BRL	362 500
Komax Testing México, S. de R.L. de C.V.	Irapuato, Mexico	E P	MXN	3 000
Komax Testing US Co.	El Paso, USA	S	USD	1 000 000
Komax York Inc.	Buffalo Grove, USA	A	USD	150
Laselec Inc.	Grand Prairie, USA	S	USD	1
Schleuniger Inc.	Manchester, USA	M S	USD	200 000
Schleuniger, S. de R.L. de C.V.	Queretaro, Mexico	M S	MXN	3 000
Asia				
Komax Automation India Pvt. Ltd.	Gurgaon, India	S	INR	10 000 000
Komax Distribution (Thailand) Co., Ltd.	Bangkok, Thailand	S	THB	42 300 000
Komax Japan K.K.	Tokyo, Japan	D M P S	JPY	90 000 000
Komax (Shanghai) Co., Ltd.	Shanghai, China	D M P S	USD	12 210 000
Komax Singapore Pte. Ltd.	Singapore	D P S	SGD	8 600 000
Komax Testing India Pvt. Ltd.	Pune, India	E M P S	INR	98 200 100
Schleuniger Japan Co.	Tokyo, Japan	M S	JPY	200 000 000
Schleuniger Machinery (Tianjin) Co., Ltd.	Tianjin, China	D P S	CNY	20 000 000
Schleuniger Trading (Shanghai) Co., Ltd.	Shanghai, China	M S	CNY	10 863 620

¹ All investments are 100% and fully consolidated.

² A = Administration, D = Research and Development, E = Engineering, G = Group services and management, H = Holding of equity interests, M = Marketing, P = Production, R = Regional services, S = Sales

5 OTHER INFORMATION

This section contains all the information not addressed in the previous sections, e.g., information on employee benefits and share-based compensation.

5.1 Employee benefits

in TCHF		2023	2022
	Surplus cover as per FER 26	Economic share within the Group	Economic share within the Group
Pension plans with surplus cover	18 224	0	0
Total	18 224	0	0

in TCHF	Change compared to prior year / expense of reporting period	Contributions accrued for the period	2023	2022
			Employee benefits expenditure in personnel expenses	Employee benefits expenditure in personnel expenses
Pension plans with surplus cover	0	7 176	7 176	5 310
Total	0	7 176	7 176	5 310

The employee benefits expenditure stated only comprises contributions made to the benefit schemes at the expense of the company.

The pension plans with surplus cover are related to the staff pension scheme of Komax AG in Switzerland. The coverage rate amounted to 108.0% as at 31 December 2023 (31 December 2022: 108.3%). The actuarial calculations are based on a technical interest rate of 1.75% (31 December 2022: 1.75%) as well as the technical basis of BVG 2020 (31 December 2022: BVG 2020).

There were no material employer contribution reserves as at 31 December 2023 or as at 31 December 2022.

RECOGNITION AND MEASUREMENT

Employee benefits The key companies are based in Switzerland, where employee benefits are amalgamated in a legally independent foundation regulated by the Federal Law on Old-Age, Survivors' and Disability Insurance (BVG). No significant pension plans are managed abroad. The ascertainment of any surplus or shortfall in respect of Swiss pension plans is undertaken on the basis of the annual financial statements of the corresponding pension schemes in accordance with Swiss GAAP FER 26. Any benefit arising from employer contribution reserves is recognized as an asset. The capitalization of an additional economic benefit (as a result of a pension scheme having surplus cover) is not intended, nor are the prerequisites for such a step met. An economic obligation is carried as a liability if the prerequisites for the creation of a provision are met.

5.2 Share-based compensation

The Komax Group has the following share-based compensation agreements:

a) Komax Performance Share Unit Plan (PSU)

The equity-settled plan for the executive management comprises PSUs with a three-year vesting period which are dependent on the attainment of a performance target and the continuation of the employment relationship. The number of PSUs allocated is calculated by dividing a fixed amount by the average closing share price during the 60 days preceding the start of the vesting period. The actual payout at the end of the vesting period is made in shares compared to the target figure determined in advance by the Board of Directors. The allocation of the number of shares depends equally on one third of revenue growth, EBIT margin, and TSR (total shareholder return) compared with a peer group. The payout multiplier may range from 0% to 150%. The actual value of the allocation at the end of the vesting period is therefore dependent on the payout multiplier and the development of the share price over the course of the vesting period. In the event of any termination of the employment relationship, pro rata vesting applies at the ordinary vesting date.

Terms of outstanding rights as at 31 December 2023

		2021–2023	2022–2024	2023–2025
Number of outstanding rights		6 495	3 507	4 797
Vesting period		3 years	3 years	3 years
Allocation		2024	2025	2026
Fair value on the day of granting	CHF	171.21	245.99	245.64
Total fair value at allocation	TCHF	1 112	863	1 178

b) Komax Long-term Share Incentive Plan

The equity-settled plan for managers is not currently linked to profitability conditions, and includes a three-year vesting period. The number of shares allocated is calculated by dividing a fixed amount by the average closing share price during the 60 days preceding the start of the vesting period. The actual payout at the end of the vesting period takes the form of shares. In the event of any termination of the employment relationship, pro rata vesting applies at the ordinary vesting date.

Number of rights	2023	2022
Total as at 1 January	7 058	6 806
Granted on 1 January	3 775	2 156
Forfeited	-431	-74
Transferred to participants	-2 221	-1 830
Total as at 31 December	8 181	7 058

The fair value on the day of granting amounted to CHF 245.64 (2022: CHF 245.99).

c) Komax Long-term Cash Incentive Plan

The cash-settled plan for managers is currently not linked to profitability conditions, and includes a three-year vesting period. The actual payout at the end of the vesting period is determined at the end of the performance period, and is based on the multiplication of the allocation amount by the share price performance factor (ratio of final share price to starting share price).

Number of rights	2023	2022
Total as at 1 January	5 219	5 048
Granted on 1 January	2 441	1 464
Forfeited	-58	0
Transferred to participants	-1 953	-1 293
Total as at 31 December	5 649	5 219

The fair value on the day of granting amounted to CHF 245.64 (2022: CHF 245.99).

d) Komax Restricted Share Plan

Restricted shares are allocated to Board members at the end of their period of office shortly before the Annual General Meeting (equity-settled plan); the lock-in period is three years. In the event of resignation from office as a result of retirement, death, or disability, the entitlement to restricted shares is calculated on a pro rata temporis basis. In such cases, lock-in periods may be either continued or rescinded at the discretion of the Board of Directors. In the 2023 financial year, 722 shares (2022: 744 shares) with a fair value of CHF 256.00 (2022: CHF 260.20) on the date of granting were allocated to the Board of Directors.

RECOGNITION AND MEASUREMENT**Share-based
compensation**

All share-based compensation granted to staff is estimated at fair value as per the date it is granted, and is charged evenly across the vesting period to the corresponding income statement positions within the operating result. In the case of compensation plans involving remuneration in the form of equity instruments, the expense of the granted compensation is booked as an increase in shareholders' equity, and any funds received from the exercise of this compensation following the vesting period are booked as a change in shareholders' equity. The fair value of the amount that is to be paid to employees in respect of share appreciation rights and settled in the form of cash is booked as an expense with a corresponding increase in debt over the period in which employees acquire unrestricted access to these payments.

5.3 Related party transactions**Transaction with related companies**

in TCHF	2023	2022
Sale of goods and services	59	37
Various expenses	18	71
Trade receivables as at 31 December	0	2
Other payables (current and non-current) as at 31 December	0	45

Related party transactions relate to members of the Board of Directors, members of the Executive Committee, pension funds, and key shareholders, as well as companies controlled by the same.

5.4 Off-balance-sheet transactions**a) Contingent liabilities**

As at 31 December 2023 and 31 December 2022, there were no contingent liabilities nor performance guarantees. Other guarantees of CHF 16.9 million were granted as at 31 December 2023 (31 December 2022: CHF 15.9 million); these almost exclusively comprise guarantees granted to customers for advance payments.

b) Ownership restrictions for own liabilities

in TCHF	31.12.2023	31.12.2022
Book value real estate	75 992	73 018
Lien on real estate	58 193	56 732
Utilization	49 068	52 568

The pledged assets will be used to secure own liabilities.

c) Contractual obligations

As at 31 December 2023, contractual obligations existed with respect to the acquisition of property, plant, and equipment amounting to CHF 0.2 million (31 December 2022: CHF 1.3 million). Future liabilities arising from rental agreements and from operating lease agreements amount to CHF 6.0 million due in 2024 and CHF 6.2 million due in 2025–2028 (31 December 2022: CHF 4.3 million due in 2023 and CHF 7.0 million due in 2024–2027).

5.5 Other key accounting principles

a) Key figures not defined under Swiss GAAP FER

By stating its free cash flow in the cash flow statement, the Komax Group is reporting an item that is not in conformity with Swiss GAAP FER but is nonetheless a key figure for the Komax Group, as well as being widely used and recognized. This key figure is an amalgamation of cash flow from operating activities and cash flow from investing activities. In the income statement, the Komax Group discloses the revenues as an additional subtotal that is not defined under Swiss GAAP FER. This subtotal includes other operating income in addition to net sales and is used for the calculation of important key figures. As gross profit is an important key figure for the Komax Group, the corresponding interim total is reported separately in the income statement. Gross profit comprises revenues (net sales and other operating income) minus the cost of materials and changes in the inventory of unfinished and finished products.

b) Currency conversion

RECOGNITION AND MEASUREMENT

Functional currency and reporting currency

Items included in the financial statements of each entity are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). The consolidated financial statements are presented in CHF, which is the functional currency of the parent company, Komax Holding AG.

Transactions and balances

Foreign currency transactions are translated into the functional currency at the rate prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Group companies

The earnings and balance sheet figures of foreign business units with a functional currency other than the Swiss franc are translated to Swiss francs as follows:

- a) Assets and liabilities are translated at the exchange rate on the balance sheet date for each such date.
- b) Revenues and expenses are translated at the weighted average exchange rate for each income statement.
- c) All exchange rate gains and losses are recognized in shareholders' equity and reported on a separate line within retained earnings.

Exchange rate differences arising from the translation of net investments in foreign business units are recognized under comprehensive income. When a foreign company is sold, these exchange rate differences are reported in income as part of the gain or loss from the sale.

c) Other important accounting policies**RECOGNITION AND MEASUREMENT**

Cash and cash equivalents	Cash and cash equivalents include banknotes, sight deposits, and other current, highly liquid financial assets with an original maturity of no greater than three months. Utilized current account overdrafts are shown on the balance sheet as payables to credit institutions under current financial liabilities.
Trade payables	Trade payables are valued initially at fair value, which is normally the amount originally invoiced, and subsequently measured at amortized cost.
Non-operating properties	Investment property encompasses land and buildings held with a view to generating rental income or for purposes of capital appreciation, and not for internal production purposes, the delivery of goods, or the provision of services, administrative purposes, or sales in the context of ordinary business activity. Investment property is valued at acquisition or construction cost less cumulative depreciation.
Transactions with minorities	Changes in ownership interests in subsidiaries are recognized as equity capital transactions provided control remains intact.
Impairment of non-monetary assets	Assets subject to planned amortization are also tested for impairment if events or changes in circumstances create a presumption that the carrying value can potentially no longer be realized. An impairment is recorded in the amount by which the asset's carrying value exceeds its realizable value. The realizable value is the greater of the asset's fair value less disposal costs and its use value.



Report of the statutory auditor to the General Meeting of Komax Holding AG, Dierikon

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Komax Holding AG and its subsidiaries (the Group), which comprise the consolidated income statement, the consolidated balance sheet as at 31 December 2023, the consolidated statement of shareholders' equity and the consolidated cash flow statement for the year then ended, and notes on the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 142 to 177) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

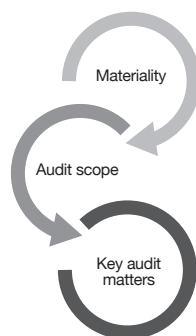
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law 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.

Our audit approach

OVERVIEW

Overall Group materiality: CHF 4 450 000



We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

As key audit matter the following area of focus has been identified:
– Revenue recognition in the appropriate period

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 4 450 000
Benchmark applied	Net sales
Rationale for the materiality benchmark applied	We chose net sales as the benchmark for determining materiality. This benchmark takes into account the volatility of the business environment and is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 445 000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The consolidated financial statements include within their scope 60 entities.

We identified 11 Group companies in 7 countries for which, in our opinion, an audit of the complete financial information was necessary on the grounds of their size or risk characteristics, contributing to 51% in Group set sales. Additional assurance was derived from the audit of account balances for two Group companies (17% of the Group's net sales). For a total of four Group companies, specified procedures were performed, covering another 13% of the Group's net sales. Furthermore, for further six Group companies audits of the statutory financial statements were timely performed.

Five of the group companies within the described audit scope were audited by non-PwC firms. None of the Group companies excluded from our audit of the consolidated financial statements accounted individually for more than 2% of Group net sales.

To provide appropriate guidance to and monitor the work of the auditors of the Group companies, the Group audit team performed selected reviews of the audit working papers and held telephone conferences with the auditors of the Group companies.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

REVENUE RECOGNITION IN THE APPROPRIATE PERIOD

Key audit matter

How our audit addressed the key audit matter

We consider revenue recognition in the appropriate period to be a key audit matter because of the scope for judgement involved in determining, as required, exactly when the risks and rewards associated with goods delivered and services rendered are transferred in accordance with the Swiss GAAP FER accounting requirements.

On the basis of the agreed delivery terms (incoterms), the expected average delivery times until the effective transfer of the risks and rewards of ownership to the customer and taking into account special cases (e.g. delivery delays), Komax realises revenue from sales of goods in the period in which it transfers the risks and rewards of ownership.

Please refer to page 149, note 1.2 on the consolidated financial statements.

We checked on a sample basis that revenue was recognised in the correct period for the months of December 2023 and January 2024. For the selected samples, we assessed the underlying Incoterms and in selected cases checked the average delivery times. Furthermore, in case possible, we tested operating effectiveness of cut-off controls performed by management. We concluded that the criteria for revenue recognition in the appropriate period in accordance with the Swiss GAAP FER requirements were complied with in the consolidated financial statements for the year ended 31 December 2023.

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 remuneration report and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

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

PricewaterhouseCoopers AG



Thomas Brüderlin
Licensed audit expert
Auditor in charge



Korbinian Petzi
Licensed audit expert

Basel, 11 March 2024

BALANCE SHEET OF KOMAX HOLDING AG

in TCHF	31.12.2023	%	31.12.2022	%
Assets				
Cash and cash equivalents	671		420	
Other current receivables third parties	678		0	
Other current receivables Group	4 919		3 683	
Financial loans Group	77 919		113 898	
Accrued income / prepaid expenses	595		344	
Total current assets	84 782	13.4	118 345	18.3
Financial investments Group	155 324		154 876	
Participations in subsidiaries	393 251		374 758	
Total non-current assets	548 575	86.6	529 634	81.7
Total assets	633 357	100.0	647 979	100.0
Liabilities and shareholders' equity				
Trade payables	393		518	
Current interest-bearing liabilities Group	1 770		1 795	
Current interest-bearing liabilities third parties	0		11 435	
Other current liabilities Group	38		34	
Other current liabilities third parties	1 880		0	
Accrued expenses / deferred income	482		1 132	
Provisions	358		529	
Total current liabilities	4 921	0.8	15 443	2.4
Non-current interest-bearing liabilities third parties	116 000		120 000	
Total non-current liabilities	116 000	18.3	120 000	18.5
Total liabilities	120 921	19.1	135 443	20.9
Share capital	513		513	
Capital contribution reserves	192 934		207 050	
Other statutory capital reserves	2 000		2 000	
Statutory profit reserves	100		100	
Voluntary profit reserves	289 771		303 097	
Retained earnings	1		22	
Earnings after taxes	30 773		769	
Treasury shares	-3 656		-1 015	
Total shareholders' equity	512 436	80.9	512 536	79.1
Total liabilities and shareholders' equity	633 357	100.0	647 979	100.0

INCOME STATEMENT OF KOMAX HOLDING AG

in TCHF	2023	2022
Dividend income	36 591	20 457
Other financial income	8 285	6 069
Other operating income	1 128	1 510
Total income	46 004	28 036
Financial expenses	-8 189	-6 351
Compensation	-1 014	-953
Other operating expenses	-3 096	-4 288
Value adjustment on participations	-2 188	-4 018
Value adjustment on financial assets group	-358	-11 300
Direct taxes	-386	-357
Total expenses	-15 231	-27 267
Earnings after taxes	30 773	769

NOTES ON THE 2023 FINANCIAL STATEMENTS OF KOMAX HOLDING AG

1 PRINCIPLES

1.1 General

These annual financial statements were drawn up according to the provisions of Swiss accounting law (Section 32 of the Swiss Code of Obligations). The key valuation principles applied other than those prescribed by law are described below. Here it should be remembered that use has been made of the option to create and release hidden reserves for the purpose of securing the company's lasting prosperity.

As Komax Holding AG draws up a set of consolidated financial statements in line with a recognized accounting standard (Swiss GAAP FER), it has elected not to include in these financial statements – in keeping with statutory guidelines – explanatory notes on interest-bearing liabilities and audit fees, as well as the presentation of a cash flow statement.

1.2 Financial investments

Financial investments comprise non-current financial loans. Granted loans are valued at the respective balance sheet date, whereby unrealized losses are accounted for but unrealized gains are not recorded (impairment principle).

1.3 Participations

To assess impairment, similar participations are grouped together. If there are indications of impairment, the value is assessed and, if necessary, adjusted to a lower recoverable amount.

1.4 Treasury shares

Treasury shares are recorded at the time they are acquired as minus items in shareholders' equity, at acquisition cost. In the event of a later resale, the profit or loss is recognized in the income statement as financial income or financial expense.

1.5 Share-based compensation

If treasury shares are used for the share-based compensation of Board members, the difference between the acquisition cost and the actual payment to Board members when the shares are allocated is booked to compensation.

2 INFORMATION ON BALANCE SHEET AND INCOME STATEMENT POSITIONS

2.1 Assets

Other current receivables from Group companies increased by a total of CHF 1.2 million. This balance sheet item contains open interest receivables in respect of subsidiary companies.

The Group's current financial loans decreased by a total of CHF 36.0 million. This balance sheet item likewise encompasses the current account loan of Komax Holding AG to Komax AG, Switzerland.

Financial investments comprise non-current financial loans and participatory loans.

2.2 Liabilities

The "Current interest-bearing liabilities third parties" and "Current interest-bearing liabilities Group" items comprise current financial loans reported by subsidiary companies and banks.

The provisions relate to taxes on earnings and capital taxes as well as open tax claims in respect of corporation tax to be paid on the basis of the holdings in Germany.

In the previous 2022 financial year, Komax Holding AG secured long-term freedom of financial maneuver by agreeing a new syndicated loan facility. The agreement, which has a term of just over five years (December 2022 to January 2028), increases the credit line from CHF 187.0 million to CHF 250.0 million, with the option of adding a further CHF 60.0 million. CHF 116.0 million of this credit line was being utilized as at 31 December 2023. The rate of interest is linked to an ESG component. In other words, the Komax Group has agreed a bonus/malus system based on the company's ESG rating with the syndicate of six banks (lead bank: Zürcher Kantonalbank).

In accordance with the applicable capital contribution principle, capital contributions (share premiums) made after 31 December 1996 are disclosed in the separate equity item "Statutory capital reserves." Repayments to shareholders from this account are treated in the same way as the repayment of nominal capital and is therefore tax-free for natural person domiciled in Switzerland who hold the shares as part of their private assets.

2.3 Income

Dividend income amounted to CHF 36.6 million in the year under review (2022: CHF 20.5 million).

Other financial income includes interest income on granted loans as well as realized and unrealized exchange rate gains on cash and cash equivalents, and loans in foreign currency.

Other operating income comprises billed amounts for holding fees and licenses, as well as incidental revenues of third parties and the Group.

2.4 Expenses

The “Financial expenses” item comprises, among other things, interest expenses and commissions, securities losses, unrealized and realized exchange rate losses on cash and cash equivalents, and loans in foreign currency.

Compensation comprises compensation paid to the Board of Directors.

The “Other operating expenses” item includes patents and license costs, advisory and legal expenses, investor relations expenses, representation expenses, insurance premiums, and other operating expenditure items.

Direct taxes include expenses for taxes on earnings and corporation tax.

3 COMPANY AND LEGAL FORM, REGISTERED OFFICE

Company: Komax Holding AG
 Legal form: Aktiengesellschaft (company limited by shares)
 Registered office: Dierikon, canton Lucerne, Switzerland

4 FULL-TIME EMPLOYEES

Komax Holding AG does not have any employees.

5 PARTICIPATIONS

The direct and indirect participations of Komax Holding AG are set out in the consolidated financial statements on pages 171 and 172.

6 TREASURY SHARES

Details of the treasury shares of Komax Holding AG are provided in the consolidated financial statements on page 165.

7 CONTINGENT LIABILITIES

in TCHF	31.12.2023	31.12.2022
Joint liability for Group taxation value-added tax	p.m.	p.m.
Guarantees		
in EUR	8 228	13 671
in USD	388	0
in CHF	450	641
Total	9 066	14 312

From the total contingent liabilities of CHF 9.1 million (31 December 2022: CHF 14.3 million), CHF 9.1 million (31 December 2022: CHF 14.3 million) are contingent liabilities in favor of subsidiaries.

8 MAJOR SHAREHOLDERS

As at 31 December 2023, the company had the following major shareholder holding more than 5% of the votes:

Shareholder/shareholder group as at 31.12.2023	No. of shares	Share in % ¹
Metall Zug AG, Zug, Switzerland	1 283 333	25.000

Shareholder/shareholder group as at 31.12.2022	No. of shares	Share in % ¹
Metall Zug AG, Zug, Switzerland	1 283 333	25.000

¹ The calculation is based on the 5 133 333 registered shares listed in the Commercial Register as at 31 December 2023 (31 December 2022: 5 133 333 registered shares).

9 EXTERNALLY REGULATED CAPITAL REQUIREMENTS (COVENANTS)

The Group's financial liabilities are generally subject to the following externally regulated capital requirement (covenant) as per the syndicated loan agreement:

The debt factor may not exceed 3.25 either at 31 December 2023 or thereafter at each quarter-end balance sheet date. Non-compliance with the debt factor as a key metric is permissible on one occasion for no more than a total of four successive quarters up until the expiry date, as long as the self-financing ratio amounts to at least 50% at the end of the quarter(s) in question.

The Komax Group complied with those requirements as at 31 December 2023. Within the scope of the syndicated loan agreement, Komax Holding AG guarantees the liabilities of any member of the Komax Group.

10 NET RELEASE OF HIDDEN RESERVES

The total amount of the net released hidden reserves amounted to CHF 3.2 million (2022: CHF 0.0 million).

11 CAPITAL BAND

The company has a capital band ranging from CHF 513 333.30 (lower limit) to CHF 564 666.60 (upper limit). The Board of Directors is authorized, within the scope of the capital band, to increase the share capital at any time or on an occasional basis and in an unlimited number of (partial) amounts until 12 April 2026 or until the capital band has been fully used up. A capital increase may take place by the issue of up to 513 333 fully paid-up registered shares with a nominal value of CHF 0.10 each. There was no increase in share capital as at 31 December 2023.

PROPOSAL FOR THE APPROPRIATION OF PROFIT

The Board of Directors proposes the following appropriation of profit:

in CHF	31.12.2023	31.12.2022
Balance carried forward from previous year	815	21 546
Earnings after taxes	30 773 377	768 844
Withdrawal from capital contribution reserves	7 700 000	14 116 666
Release of free profit reserves	0	13 326 276
Total at the disposal of the Annual General Meeting	38 474 192	28 233 332
Distribution from capital contribution reserves of CHF 1.50 per registered share (2022: CHF 2.75) which is not subject to withholding tax ¹	7 700 000	14 116 666
Dividend of CHF 1.50 gross per registered share (2022: CHF 2.75) ¹	7 700 000	14 116 666
Allocation to free profit reserves	23 000 000	0
Profit carried forward	74 192	0
Total	38 474 192	28 233 332

¹ The distribution requirement applies to all outstanding registered shares.



Report of the statutory auditor to the General Meeting of Komax Holding AG, Dierikon

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Komax Holding AG (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes on the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 183 to 188) 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.

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 2500000
Benchmark applied	Net assets
Rationale for the materiality benchmark applied	We chose net assets as the benchmark for materiality considerations because the Company primarily holds investments and grants loans to Group companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 250 000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

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

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

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

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

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

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

PricewaterhouseCoopers AG



Thomas Brüderlin
Licensed audit expert
Auditor in charge



Korbinian Petzi
Licensed audit expert

Basel, 11 March 2024

FIVE-YEAR OVERVIEW

in TCHF		2023	2022	2021	2020	2019
Order intake		686 541	678 063	482 395	345 349	408 682
Income statement						
Revenues		762 923	606 332	421 067	327 623	417 771
Gross profit		474 426	372 860	265 907	199 860	258 930
in % of revenues		62.2	61.5	63.2	61.0	62.0
EBITDA		92 986	88 939	60 343	26 340	36 837
in % of revenues		12.2	14.7	14.3	8.0	8.8
Operating profit (EBIT)		72 808	71 732	44 794	11 254	24 035
in % of revenues		9.5	11.8	10.6	3.4	5.8
Group earnings after taxes (EAT)		43 836	51 773	30 375	-1 319	13 221
in % of revenues		5.7	8.5	7.2	-0.4	3.2
Depreciation		20 178	17 207	15 549	15 086	12 802
Research and development		78 844	59 018	41 066	29 756	41 531
in % of revenues		10.3	9.7	9.8	9.1	9.9
Balance sheet						
Current assets		448 028	522 882	313 895	253 219	288 867
Non-current assets		260 889	260 624	200 996	198 870	192 369
Current financial liabilities		4 013	12 382	7 478	7 106	17 188
Non-current financial liabilities		165 172	175 877	141 597	137 169	136 504
Total liabilities		318 321	366 917	249 987	215 603	236 632
in % of total assets		44.9	46.8	48.6	47.7	49.2
Share capital		513	513	385	385	385
Shareholders' equity ¹		390 596	416 589	264 904	236 486	244 604
in % of total assets		55.1	53.2	51.4	52.3	50.8
Total assets		708 917	783 506	514 891	452 089	481 236
Net cash (+) / net indebtedness (-)		-92 927	-105 512	-98 391	-92 426	-106 224
Cash flow statement						
Cash flow from operating activities		62 066	39 010	33 006	41 766	41 287
Investments in non-current assets		28 535	13 081	38 062	25 811	54 448
Free cash flow		51 688	17 622	-5 492	15 435	-36 886
Employees						
Headcount as at 31 December	No.	3 490	3 390	2 121	2 095	2 211
Revenues per employee ²		230	246	215	177	197
Share details						
Shares ³	No. 1 000	5 133	5 133	3 850	3 850	3 850
Par value	CHF	0.10	0.10	0.10	0.10	0.10
Highest price	CHF	305.50	288.0	276.60	238.80	264.00
Lowest price	CHF	174.40	214.0	177.30	122.00	165.10
Closing price as at 31 December	CHF	200.50	257.50	253.00	176.30	236.40

¹ Equity attributable to equity holders of the parent company.

² Calculated on the basis of the average headcount.

³ Changes resulting from the exercising of option rights and capital increases.

Komax Holding AG

Investor Relations / Corporate Communications
Industriestrasse 6
6036 Dierikon
Switzerland

communication@komaxgroup.com
komaxgroup.com

Financial calendar

Annual General Meeting	17 April 2024
Half-year results 2024	13 August 2024
Investor Day	22 November 2024
Preliminary information on 2024 financial year	21 January 2025

Forward-looking statements

The present Annual Report contains forward-looking statements in relation to the Komax Group, which are based on current assumptions and expectations. Unforeseeable events and developments could cause actual results to differ materially from those anticipated. Examples include: changes in the economic and legal environment, the outcome of legal disputes, exchange rate fluctuations, unexpected market behavior on the part of our competitors, negative publicity, and the departure of members of management. The forward-looking statements are pure assumptions, made on the basis of information that is currently available.

This Annual Report is available in English and German. The original German version is binding.

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NeidhartSchön AG, Zürich

Christoph Stalder Zürich

Daniel Allemann, Zürich

Photography Board of Directors and

Executive Committee:

Pius Amrein, Rothenburg

Komax Holding AG

Industriestrasse 6
6036 Dierikon
Switzerland

Phone +41 41 455 04 55
komaxgroup.com