FINANCIAL REPORT

Consolidated financial statements 142

Consolidated income statement 142
Consolidated balance sheet 143
Consolidated statement of shareholders' equity 144
Consolidated cash flow statement 145
Notes on the consolidated financial statements 146
General information 146
Performance 148
Operating assets and liabilities 155
Capital and financial risk management 163
Group structure 167
Other information 172
Report on the audit of the consolidated financial statements 178

Financial statements of Komax Holding AG 183

Balance sheet of Komax Holding AG 183
Income statement of Komax Holding AG 184
Notes on the 2023 financial statements of Komax Holding AG 185
Proposal for the appropriation of profit 189
Report on the audit of the financial statements 190

Five-year overview 194

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	Shareholders' 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.

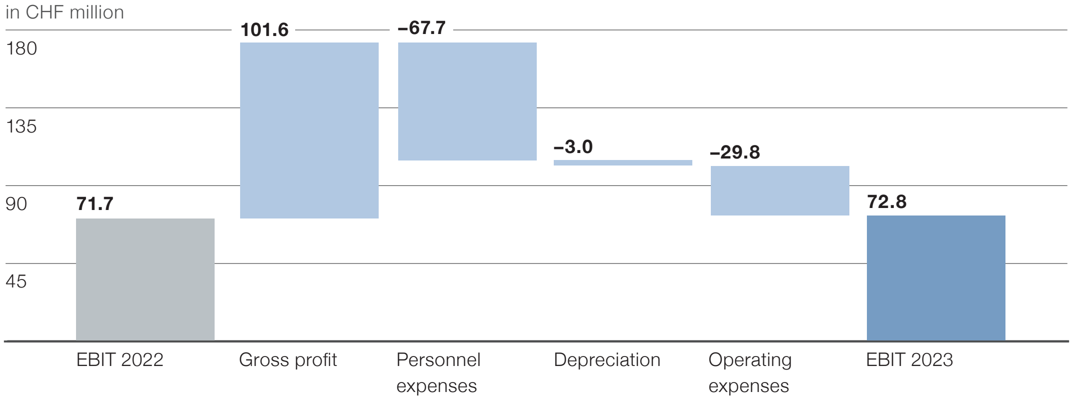
Events after the balance sheet date

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.

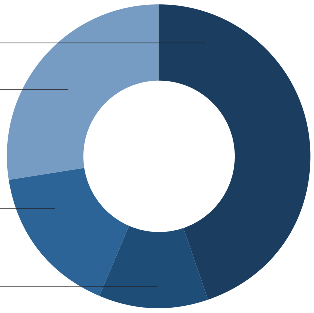
1.2 Revenues

a) Revenues by region

The percentage breakdown of revenues by region is as follows:

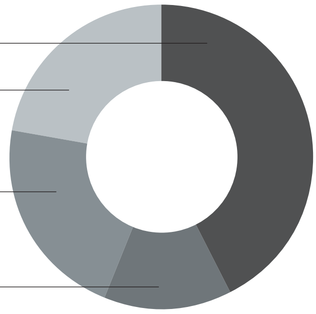
2023

45.1%	Europe
27.0%	North and South America
16.3%	Asia/ Pacific
11.6%	Africa



2022

42.5%	Europe
22.0%	Asia/ Pacific
21.8%	North and South America
13.7%	Africa



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					
	1–30	31–60	61–90	91–120	>120	**Total**
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 property, 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 consolidation	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 consolidation	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

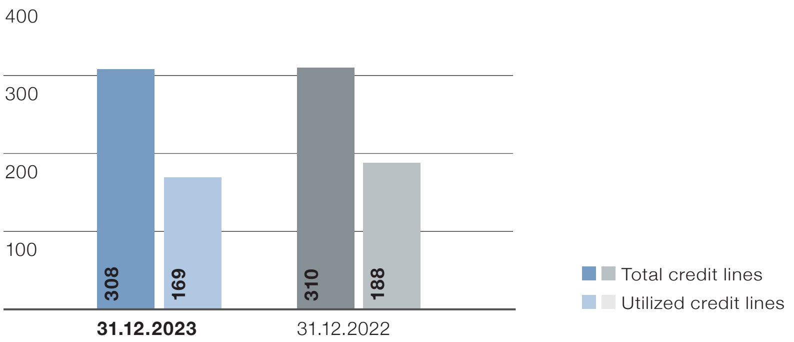
In addition to details on shareholders' equity, details are also provided on financial risk management at the Komax Group.

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

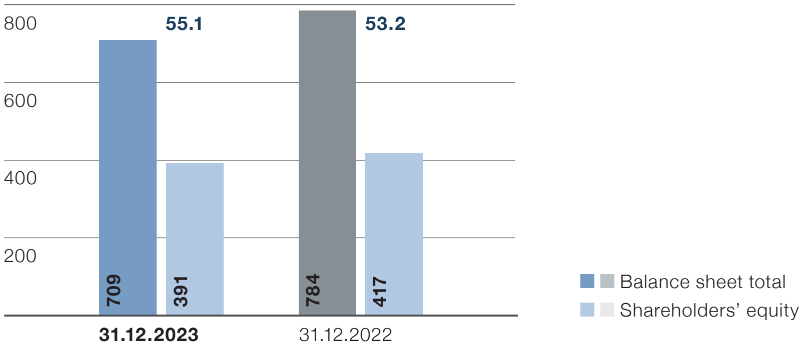
Financial liabilities Financial liabilities comprising bank loans, mortgages, and bonds are valued at amortized cost. Financial liabilities are recorded as current liabilities in the balance sheet unless the Group has the unconditional right to defer settlement of the liability to a point in time at 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.

Shareholders' equity
in CHF million

Shareholders' equity in % of total assets



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

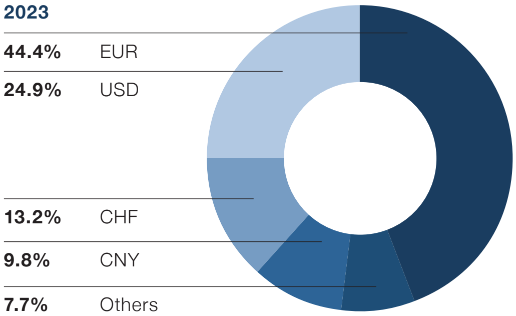
Treasury shares	Treasury shares are recognized at the average weighted cost of acquisition, including the transaction costs assignable to them, and are then offset against shareholders' equity. When treasury shares are sold or issued, the consideration received is credited to shareholders' equity.
Issuance 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.

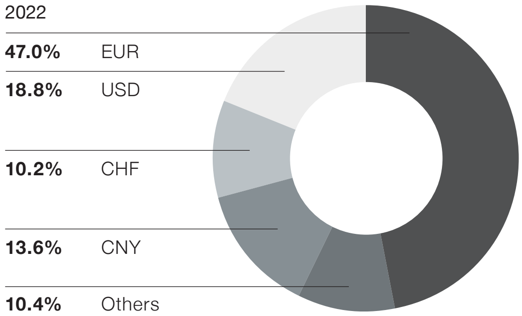
3.3 Financial risk management

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 potential 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 2023[1]

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			2023	2022
	Change compared to prior year / expense of reporting period	Contributions accrued for the period	**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

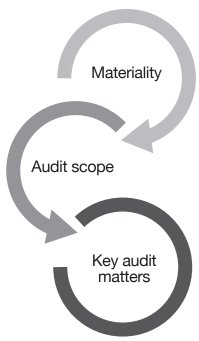
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent 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 (imparity 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 2 500 000
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 250000 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.

Imprint
Publisher:
Komax Holding AG, Dierikon

Design and realization:
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