

INVITATION TO THE ORDINARY ANNUAL GENERAL MEETING

**WEDNESDAY
14 APRIL 2021
10:00 A.M.**

Venue

Komax Holding AG
Industriestrasse 6, 6036 Dierikon

komax

In accordance with the Swiss Federal Council's COVID-19 Ordinance 3, the Board of Directors of Komax Holding AG has decided that, in 2021, the Annual General Meeting will take place without any shareholders physically present. They will be able to exercise their powers in respect of voting and electing solely via the independent proxy.

Shareholders can submit questions by e-mail to communication@komaxgroup.com by Friday, 9 April 2021. These questions will be answered during the Annual General Meeting and will be minuted accordingly.

The invitation to the Annual General Meeting on 14 April 2021 is also available in German. The original German-language version is the only binding version.

Enclosures

- Agenda for the Annual General Meeting
- Power of attorney (with instruction sheet on the reverse) and login details for issuing power of attorney for voting representation instructing the independent proxy on the exercising of voting rights
- Short Report for the 2020 financial year
- Reply envelope

The detailed Annual Report comprising

- Review of 2020
 - 2020 Financial Statements of Komax Holding AG with Auditor's Report and recommendations
 - 2020 Consolidated Financial Statements with Auditor's Report and recommendations
 - 2020 Compensation Report with Auditor's Report
- can be found at www.komaxgroup.com/annual-report.

DEAR SHAREHOLDER

The coronavirus pandemic posed a significant challenge for the Komax Group in 2020 and had a substantial impact on the result for the year. The slump in demand in the automotive industry triggered a sizeable decrease in order intake and revenues. The Board of Directors is proposing to the Annual General Meeting that no dividend be distributed.

The automotive industry, in which Komax generates around 80% of its revenues, was drastically affected by the coronavirus pandemic in 2020. Many automotive plants were shut down for a number of weeks, operating at reduced capacity utilization levels over several months. This resulted in only 74 million vehicles being produced worldwide in 2020 according to analyses by IHS Markit, a drop of some 15 million versus 2019. This marked decline in production volumes left many Komax customers facing excess capacities. As a consequence, they significantly scaled back their investments in automation solutions, which correlate directly to the number of vehicles produced.

Its broad product portfolio and customer proximity allowed Komax to keep the decline in demand within limits, however, and it recorded an order intake of CHF 345.3 million. This represents a decrease of 15.5% on the previous year (CHF 408.7 million). Customer demand remained solid in particular for solutions linked to new technologies such as autonomous driving and e-mobility, and/or which play a role in further increasing the level of automation in wire processing. Revenues were down 21.6% to CHF 327.6 million (2019: CHF 417.8 million). This revenue result was attributable to a sizeable organic decline (-20.8%), acquisition-driven growth (+2.6%), and negative foreign currency effects (-3.4%). The market situation improved gradually from mid-2020 on, so much so that both order intake (first half 2020: CHF 143.8 million, second half 2020: CHF 201.5 million) and revenues (first half 2020: CHF 145.2 million, second half 2020: CHF 182.4 million) were

significantly higher in the second half of the year than in the first, with the last few months of 2020 in particular contributing to this increase.

Solid financial foundation

Given the lack of volume business in particular in 2020, a business which makes a disproportionately high contribution to Komax's operating profit (EBIT), EBIT declined by 53.2% to CHF 11.3 million (2019: CHF 24.0 million). The EBIT margin narrowed from 5.8% to 3.4%, with negative foreign currency effects accounting for a contraction of 1.2 percentage points in the margin compared with the previous year. In the first half of 2020, when the market situation was even worse, EBIT amounted to CHF -4.7 million (second half 2020: CHF 16.0 million). Since Komax reacted swiftly, putting in place comprehensive cost-saving measures as early as the first quarter of the year, it was able to mitigate the negative financial repercussions.

Group earnings after taxes (EAT) decreased by 110.0% to CHF -1.3 million (2019: CHF 13.2 million). Both the financial result of CHF -8.9 million (2019: CHF -4.9 million) and the extraordinary tax rate of 156.7% (2019: 31.1%) weighed on the result. The tax rate can be attributed to the fact that Komax does not capitalize tax-loss carry forwards. Over the medium term, Komax is expecting a tax rate in the vicinity of 20%.

2020 confirmed that Komax has a solid financial foundation that gives it operating flexibility even in challenging market environments. As at 31 December 2020, shareholders' equity totaled CHF 236.5 million (2019: CHF 244.6 million), while the equity ratio stood at 52.3% (2019: 50.8%).

Waiver of dividend

In accordance with its strategic goals, every year Komax seeks to distribute 50%–60% of Group earnings after taxes to its shareholders. Since this result was negative in 2020, the Board of Directors is proposing to the Annual General Meeting that the distribution of a dividend be waived.

Komax Holding AG
On behalf of the Board of Directors



Dr. Beat Kälin
Chairman

Dierikon, 15 March 2021

ORDINARY ANNUAL GENERAL MEETING OF KOMAX HOLDING AG

Agenda and proposals of the Board of Directors

1. Approval of the Annual Report as well as the financial statements of Komax Holding AG and consolidated financial statements for the 2020 financial year

The Board of Directors proposes approval.

As auditor to Komax Holding AG, PricewaterhouseCoopers AG, Basel, recommends in its reports to the Annual General Meeting that the consolidated financial statements and annual financial statements of Komax Holding AG be ratified without reservation.

2. Discharge of the Board of Directors and Executive Committee

The Board of Directors proposes that the activities of its members as well as the activities of the members of the Executive Committee in the 2020 financial year be ratified (in a single vote for all members of the Board of Directors and the Executive Committee).

3. Appropriation of profit for the 2020 financial year

The Board of Directors proposes to the Annual General Meeting the following appropriation of profit:

in CHF

Balance carried forward from the previous year	176 830
Profit after taxes	14 747 274

Total at the disposal of the Annual General Meeting	14 924 104
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Allocation to free reserves	14 800 000
Profit carried forward	124 104

Total	14 924 104
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4. Elections

4.1 Re-elections to the Board of Directors

The Board of Directors proposes individual votes for the re-election of

- Dr. Beat Kälin as Chairman of the Board of Directors
- David Dean as member of the Board of Directors
- Dr. Andreas Häberli as member of the Board of Directors
- Kurt Haerri as member of the Board of Directors
- Dr. Mariel Hoch as member of the Board of Directors
- Prof. Dr. Roland Siegwart as member of the Board of Directors

for a period of office extending until the conclusion of the next ordinary Annual General Meeting.

4.2 Re-elections to the Remuneration Committee

The Board of Directors proposes individual votes for the re-election of

- Dr. Andreas Häberli as member of the Remuneration Committee
- Dr. Beat Kälin as member of the Remuneration Committee
- Prof. Dr. Roland Siegwart as member of the Remuneration Committee

for a period of office extending until the conclusion of the next ordinary Annual General Meeting.

4.3 Election of the independent proxy

The Board of Directors proposes the election of the law firm Tschümperlin Lötscher Schwarz AG, Lucerne, as independent proxy until the conclusion of the next Annual General Meeting.

Tschümperlin Lötscher Schwarz AG is represented by Thomas Tschümperlin (born 1956), lawyer and notary, Lucerne. Neither Thomas Tschümperlin nor any lawyers working at Tschümperlin Lötscher Schwarz AG maintain any close relationships with management bodies or significant shareholders of Komax Holding AG. Nor do they have any significant commercial relationships with Komax Holding AG that go beyond the mandate of acting as independent proxy.

4.4 Re-election of the external auditors

The Board of Directors proposes that PricewaterhouseCoopers AG, Basel, be appointed auditors for a period of one year.

PricewaterhouseCoopers AG, Basel, have been statutory auditors to Komax Holding AG and auditors of the Komax Group's consolidated financial statements since 1994. PricewaterhouseCoopers AG, Basel, have confirmed to the Board of Directors of Komax Holding AG that they have the required independence to carry out such a mandate.

5. Compensation

5.1 Advisory vote on the Compensation Report for the 2020 financial year

The Board of Directors proposes that the Compensation Report for the 2020 financial year be approved in a non-binding advisory vote.

Notes on the proposal

The Compensation Report provides an overview of the compensation principles and programs applicable to the Board of Directors and the Executive Committee of Komax, as well as details related to the compensation awarded to these two bodies for the 2020 financial year. The vote on the Compensation Report 2020 is consultative and is conducted in line with the recommendations of the "Swiss Code of Best Practice for Corporate Governance".

The Compensation Report can be found as a separate chapter in the 2020 Annual Report and online at www.komaxgroup.com/annual-report.

5.2 Approval of the total compensation payable to the Board of Directors for the 2022 financial year

The Board of Directors proposes that the total compensation payable to the Board of Directors for the 2022 financial year, amounting to a maximum of CHF 1 100 000, be approved.

Notes on the proposal

The proposed amount of compensation payable for the 2022 financial year includes the basic annual fee and share-based compensation (incl. compensation for work on both committees of the Board of Directors). It is based on a body size of six members, and can be broken down as follows:

in CHF	
Basic annual fee in cash ¹	900 000
Share-based compensation ²	200 000
Total³	1 100 000

¹ Contains flat-rate expenses and employer contributions to social insurance amounting to around CHF 65 000.

² Market value at the time of allocation. This figure does not take into consideration changes to the share price during the lock-in period.

³ The proposed total compensation amounts do not fully utilize the limits specified in the Articles of Association.

The compensation actually awarded, including the non-binding breakdown of individual compensation components listed in the table above, will be disclosed in the 2022 Compensation Report and submitted to shareholders at the 2023 Annual General Meeting for an advisory vote. The amount of compensation payable to the Board of Directors will be approved in accordance with Section 13 of the Articles of Association and in compliance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO). The principles of compensation are set out in Section 25 of the Articles of Association. You will also find further details in the 2020 Compensation Report.

5.3 Approval of the total compensation payable to the Executive Committee for the 2022 financial year

The Board of Directors proposes that the total compensation payable to the Executive Committee, amounting to a maximum of CHF 5 200 000 for the 2022 financial year, be approved.

Notes on the proposal

The proposed maximum amount of compensation payable for the 2022 financial year can be broken down as follows:

in CHF	
Fixed compensation in cash	2 100 000
Variable compensation (cash bonus) ¹	1 450 000
Performance Share Units (PSUs) ²	1 250 000
Social benefits ³	400 000
Total^{4,5}	5 200 000

¹ Maximum variable compensation at maximum performance achievement level.

² The compensation amount of PSUs is calculated on the basis of a fixed allocation amount and the share price at the time of allocation. This figure assumes maximum performance achievement, under which the target number of originally allocated PSUs is multiplied by a payout factor of 150%. This figure does not take into consideration changes to the share price during the vesting period.

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

⁴ With effect from 1 July 2020, an additional member was appointed to the Executive Committee.

⁵ The proposed total compensation amounts do not fully utilize the limits specified in the Articles of Association.

The compensation actually awarded, including the non-binding breakdown of individual compensation components listed in the table on page 6, will be disclosed in the 2022 Compensation Report and submitted to shareholders at the 2023 Annual General Meeting for an advisory vote. The amount of compensation payable to the Executive Committee will be approved in accordance with Section 13 of the Articles of Association and in compliance with ERCO. The principles of compensation are set out in Section 25 of the Articles of Association. You will also find further details in the 2020 Compensation Report.

Further information

Documents

The 2020 Annual Report (including the 2020 Compensation Report), the 2020 Auditor's Reports, the minutes of the last Annual General Meeting, and the proposals of the Board of Directors have been available for inspection by shareholders at the registered office of the company in Dierikon since 16 March 2021. The Annual Report (including the Compensation Report) can also be found at www.komaxgroup.com/annual-report and ordered online.

Voting entitlement

All shareholders entered in the share register at 5:00 p.m. on 7 April 2021 are entitled to vote in respect of the number of shares registered in their name at that time. Shareholders who were entered in the share register as at 10 March 2021 will receive an invitation. They are requested to sign the proxy form and return it by 12 April 2021 at the latest. Shareholders who acquire shares after 10 March 2021 and whose registration application is received by the Komax Holding AG share register no later than 5:00 p.m. on 7 April 2021 will receive their invitation subsequently. Shareholders who dispose of their shares before the Annual General Meeting are no longer entitled to vote.

Representation and power of attorney

In accordance with the COVID-19 Ordinance 3 of the Federal Council, the Board of Directors has decided that the Annual General Meeting will take place without any shareholders present. Shareholders will be able to exercise their powers in respect of voting and electing solely via the independent proxy, lawyer Thomas Tschümperlin, Tschümperlin Lötscher Schwarz AG, Löwenstrasse 3, P.O. Box 6770, 6000 Lucerne 6, Switzerland. Shareholders who wish to be represented at the meeting by the independent proxy are requested to sign the power of attorney on the registration slip and return it. In conjunction with the power of attorney, shareholders may issue instructions on how voting should be carried out by the independent proxy.

If no instructions are issued with respect to the proposals contained in the invitation and/or no general instructions are given, the independent proxy will exercise the relevant votes on the corresponding resolution in favor of the proposal of the Board of Directors.

Issue power of attorney and voting instructions electronically

Shareholders can issue power of attorney for voting representation and instruct the independent proxy on the exercising of voting rights electronically at www.netvote.ch/komax. Login details will be sent to shareholders together with the proxy form for the Annual General Meeting. Electronic instructions may be issued no later than 12:00 a.m. (CEST) on 12 April 2021.

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