A close-up photograph of a man with a full beard and short dark hair, wearing a light-colored work jacket. He is focused on operating a complex industrial machine, with his hands on various components. The background is a blurred industrial setting with blue lighting.

Invitation to the Annual
General Meeting 2023
Including short version of Annual Report 2022

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A warm welcome

Dear Shareholders,

Mikron can look back on a successful 2022 financial year in a positive market environment. Our Group was able to continue the positive development from 2021 and further improve its key figures year-on-year. The significant increase in volumes and earnings, to which all business units contributed, confirms that Mikron is on the right track both strategically and operationally. Overall, the Group's net sales increased from CHF 289.5 million to CHF 309.4 million (+6.9%), while EBIT rose by 50.0% to CHF 26.4 million and the EBIT margin increased to 8.5% of net sales (2021: 6.1%). These pleasing results are especially remarkable in view of the major challenges our Group faced in the year under review: a lack of availability on the raw material and supplier markets, material price increases and massive energy price hikes demanded flexible solutions and decisive action. All three divisions succeeded in this respect thanks to proactive discussions with customers and suppliers and a careful pricing policy.

The Mikron Automation business segment took advantage of the continued strong demand from the pharmaceutical and medtech industries and further improved its profitability. In the Machining Solutions business segment, the Mikron Machining division continued the positive sales trend from the second half of 2021. Mikron Tool realized several new product developments for applications in the medical technology industries and reduced its exposure to the automotive industry.

The short version of the Annual Report (see pages 12 to 29) contains a review of the 2022 financial year. The full Annual Report is available in English on our website. For an online version, see www.report.mikron.com.

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



Paul Zumbühl
Chairman of the Board of Directors

Program of the Annual General Meeting

Date and Place

Wednesday, 26 April 2023

Kongresshaus Biel, Zentralstrasse 60

Program

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

3.30 p.m. Annual General Meeting commences

Welcome address

Paul Zumbühl, Chairman of the Board of Directors

2022 financial year and outlook 2023

Paul Zumbühl, Chairman of the Board of Directors

Marc Desrayaud, CEO Mikron Group

Javier Perez Freije, CFO Mikron Group

Questions from shareholders

Regular agenda items

Paul Zumbühl, Chairman of the Board of Directors

approx. 5.30 p.m. Annual General Meeting ends

Agenda and Proposals

1. Annual Report 2022

1.1 Management Report, Financial Statements of Mikron Holding AG and Consolidated Financial Statements 2022 of the Mikron Group; reports of the statutory auditor

Proposal

The Board of Directors proposes the approval of the Management Report, the Financial Statements of Mikron Holding AG and the Consolidated Financial Statements 2022 of the Mikron Group.

Remarks

According to the law and the company's Articles of Association, the Annual General Meeting is responsible for approving the Group management report, the annual financial statements and the consolidated financial statements. A comprehensive review of the 2022 financial year is included in the Annual Report 2022 (available in English only at www.mikron.com/reports), which also contains the reports of the statutory auditor, information on corporate governance, and the Compensation Report. A short version of the Annual Report can be found on pages 12 to 29 of this invitation.

1.2 Advisory vote on the Compensation Report 2022

Proposal

The Board of Directors proposes that the Compensation Report 2022 be approved.

Remarks

An advisory vote will be held in accordance with Art.13 of the Articles of Association. The Compensation Report (pages 65 to 71 of the Annual Report 2022) outlines the principles and elements of the remuneration payable to the Board of Directors and Group Management. It details the remuneration paid in the year under review to the members of the Board of Directors and Group Management, and shows their shareholdings in Mikron Holding AG.

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

Proposal

The Board of Directors proposes to discharge the members of the Board of Directors and Group Management for the 2022 financial year.

Remarks

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

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

in CHF 1,000

| | |
|--|---------------|
| Profit carried forward from previous year | 25,014 |
| Shortfall in proceeds from sale of treasury shares | -160 |
| Profit for the year | 4,229 |
| Profit carried forward | 29,083 |

Proposal

The Board of Directors proposes:

- 3.1 a distribution for 2022** of CHF 0.20 per share from retained earnings and to allocate reserves from capital contributions in the amount of CHF 0.20 per share to voluntary retained earnings in accordance with the resolution, and to set a distribution for 2022 of CHF 0.20 per share free of withholding tax.
- 3.2 to carry forward the remaining retained earnings** as of 31 December 2022.

Remarks

The Board of Directors proposes to the Annual General Meeting a distribution of CHF 0.20 per share from retained earnings and a withholding tax-free distribution for 2022 of CHF 0.20 per share from the reserves from capital contributions. Based on 16,538,678 shares, this results in a total amount of CHF 3,307,735.60 from retained earnings and CHF 3,307,735.60 from the reserves from capital contributions. No dividend is paid on treasury shares held by Mikron Holding AG. Prior to this, reserves from capital contributions in the amount of CHF 0.20 per share with a par value of CHF 0.10 each are to be allocated to the voluntary retained earnings in accordance with the resolution. Provided that the Annual General Meeting approves the proposal, payment will be made on 3 May 2023. The last trading day entitling to receive the distribution is 28 April 2023. As of 29 April 2023, the shares will be traded ex dividend.

4. Revision of the Articles of Association

Proposal

The Board of Directors proposes the amendment of the Articles of Association in the following articles:

4.1 Restriction on transferability (Art. 6)

4.2 General Meeting and shareholders' rights (Art. 8, 9, 10, 14, 21)

4.3 Board of Directors and remuneration (Art. 13, 16, 18, 19, 24, 25, 31)

Remarks

The Board of Directors proposes to amend the Articles of Association of Mikron Holding AG in order both to meet the requirements of the revision of the Swiss Code of Obligations that came into force on January 1, 2023, and to reflect current best practice in the area of corporate governance. For explanations of the proposals and the text of the proposed revised Articles of Association, please refer to the enclosure "Explanations of the Board of Directors on the Revision of the Articles of Association".

The wording of the proposed amendments to the Articles of Association can be found in the enclosure to the invitation, as a comparison of the current version and the proposed new version of the Articles of Association.

Articles not included in the enclosure will remain unchanged. The invitation with enclosure concerning the proposed revision of the Articles of Association is also available online at www.mikron.com/agm.

5. Elections relating to the Board of Directors

5.1 Members of the Board of Directors

Proposal

The Board of Directors proposes that the following be elected for a term of one year until the conclusion of the Annual General Meeting 2024:

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

Remarks

According to the law and the Company's Articles of Association, the General Meeting of Shareholders is responsible for electing the members of the Board of Directors. With the conclusion of the Annual General Meeting on 26 April 2023, the one-year term of office of all members of the Board of Directors ends.

All members of the Board of Directors are standing for re-election.

For more information on the current members of the Board of Directors standing for re-election, please see the Annual Report 2022, Corporate Governance section, page 50.

5.2 Chairman of the Board of Directors

Proposal

The Board of Directors proposes the election of Paul Zumbühl as Chairman of the Board of Directors for a term of one year until the conclusion of the Annual General Meeting 2024.

Remarks

According to the law and the Articles of Association of the Company, the General Meeting is responsible for electing the Chairman of the Board of Directors. As the term of office of the Chairman of the Board of Directors ends with the conclusion of the Annual General Meeting of 26 April 2023, he must be re-elected by the Annual General Meeting of Shareholders.

5.3 Members of the Remuneration Committee

Proposal

The Board of Directors proposes the election of the following members of the Remuneration Committee for a term of one year until the conclusion of the Annual General Meeting 2024:

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

Remarks

According to the law and the Company's Articles of Association, the General Meeting of Shareholders is responsible for electing the members of the Remuneration Committee. Only members of the Board of Directors may be elected. At the Annual General Meeting 2023, the term of office of the members of the Remuneration Committee ends. They are standing for re-election. The Board of Directors intends to appoint Andreas Casutt as Chairman of the Compensation Committee if he is re-elected as a member of the Board of Directors by the Annual General Meeting.

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

6.1 Remuneration payable to the Board of Directors

Proposal

The Board of Directors proposes the approval of the total remuneration payable to the members of the Board of Directors for the period up to the next Annual General Meeting of maximum CHF 600,000.

Remarks

According to the law and the Articles of Association of the Company, the Annual General Meeting is responsible for approving the compensation of the Board of Directors. The proposed total amount allows for a maximum remuneration of the Board of Directors for the term of office from the Annual General Meeting 2023 to the Annual General Meeting 2024 in the amount of CHF 600,000 (previous year: CHF 600,000). The maximum total amount for the five members of the Board of Directors for the term of office until the next Annual General Meeting comprises the basic fee (including remuneration for work on the Board Committees), lump-sum expenses, as well as all contributions to social security. The total remuneration will be rendered in the form of allocated shares of Mikron Holding AG and otherwise in the form of cash amounts. The shares to be allocated are blocked for at least 3 years.

The remuneration actually paid will be disclosed in the Compensation Report for the 2023 financial year and be the subject of the related advisory vote to be held at the Annual General Meeting in 2024.

6.2 Remuneration payable to Group Management

Proposal

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

- 6.2.1. The total fixed and performance-related remuneration that may be paid to Group Management during the 2024 financial year of maximum CHF 2.0 million.
- 6.2.2 The allocation of 30,185 shares for the past financial year 2022, which valued with the share price of CHF 11.70 on 17 March 2023, corresponds to a value of CHF 353,164.50.

Remarks

According to the law and the Company's Articles of Association, the Annual General Meeting is responsible for approving the compensation of the Group Management. The proposed total amount of CHF 2.0 million is related to the compensation of the three members of Group Management for the financial year 2024. In addition, an allocation of shares under the Long-Term Incentive Plan for the financial years 2021 to 2023 will be applied for the 2022 financial year.

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

- Basic remuneration: CHF 1.2 million. The Board of Directors will stipulate the actual remuneration for 2024 at the end of 2023.
- Variable remuneration: CHF 0.4 million, subject to maximum target achievement by all members of Group Management.
- Pension fund contributions and supplementary benefits, as well as employer contributions to social insurance: CHF 0.4 million. The amount of the effective obligations depends, among other factors, on the basic and variable remuneration effectively paid, on the age structure of the members of Group Management, and on the insurance contributions.

The remuneration actually paid in relation to proposal 6.2.1 will be disclosed in the Compensation Report for 2024 and be the subject of the related advisory vote to be held at the Annual General Meeting in 2025.

7. Election of the independent proxy

Proposal

The Board of Directors proposes the re-election of Urs Lanz, notary and advocate from Nidau, as the independent proxy until the conclusion of the Annual General Meeting 2024.

Remarks

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

8. Election of the statutory auditor

Proposal

The Board of Directors proposes the election of BDO AG, Bern, as statutory auditor for the 2023 financial year.

Remarks

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

Organizational information

Annual Report

The Annual Report (Management Report, Financial Report of Mikron Holding AG and of the Mikron Group) as well as the auditor's reports for 2022 are available for inspection at the company's administrative offices at Güterstrasse 20, 4900 Langenthal, Switzerland.

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

Right to vote

Those shareholders of Mikron Holding AG entered in the share register as "with voting rights" on 20 April 2023 are entitled to vote. No entries will be made in the share register from 21 to 26 April 2023.

Conduct of the Annual General Meeting and appointment of proxy

Shareholders can order an admission card or authorize a proxy by using the document "Registration/Power of Attorney" enclosed with this invitation. The admission cards will be sent out as of 6 April 2023.

Shareholders are requested to return the document and, if applicable, the instruction form as soon as possible to Share-CommServices AG, Europastrasse 29, CH-8152 Glattbrugg. In addition, shareholders may alternatively register online or authorize a proxy until 4:00 p.m. on 24 April 2023. Information on the online platform and your personal access data can be found in the document Registration/Power of Attorney. Shareholders who do not wish to participate in person in the Annual General Meeting may, in accordance with the law and the Articles of Association, be represented as follows:

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

Note

The General Meeting will be held in German.

Biel, March 2023

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

Annual Report 2022
Short version

Key figures

| CHF million, except number of employees | 2022 | | 2021 | | +/- | |
|--|-------|-------|-------|-------|-------|--------|
| Key performance data | | | | | | |
| Order intake ¹⁾ | 408.0 | | 305.7 | | 102.3 | 33.5% |
| Machining Solutions | 169.0 | | 135.4 | | 33.6 | 24.8% |
| Automation | 239.0 | | 170.5 | | 68.5 | 40.2% |
| Net sales | 309.4 | | 289.5 | | 19.9 | 6.9% |
| Machining Solutions | 125.7 | | 112.9 | | 12.8 | 11.3% |
| Automation | 183.8 | | 176.7 | | 7.1 | 4.0% |
| Order backlog ¹⁾ | 270.7 | | 176.7 | | 94.0 | 53.2% |
| Machining Solutions | 101.8 | | 61.1 | | 40.7 | 66.6% |
| Automation | 168.8 | | 115.6 | | 53.2 | 46.0% |
| Research and development | 6.5 | | 6.6 | | -0.1 | -1.5% |
| Number of employees (end of year) ¹⁾ | 1,414 | | 1,327 | | 87 | 6.6% |
| Machining Solutions | 558 | | 542 | | 16 | 3.0% |
| Automation | 832 | | 780 | | 52 | 6.7% |
| Earnings | | | | | | |
| EBITDA ¹⁾ , as % of net sales | 35.5 | 11.5% | 27.1 | 9.4% | 8.4 | 31.0% |
| EBIT ¹⁾ , as % of net sales | 26.4 | 8.5% | 17.6 | 6.1% | 8.8 | 50.0% |
| Machining Solutions | 9.3 | 7.4% | 2.5 | 2.2% | 6.8 | 272.0% |
| Automation | 17.5 | 9.5% | 15.8 | 8.9% | 1.7 | 10.8% |
| Operating result, as % of net sales | 25.8 | 8.3% | 18.0 | 6.2% | 7.8 | 43.3% |
| Profit for the year, as % of net sales | 24.2 | 7.8% | 17.0 | 5.9% | 7.2 | 42.4% |
| Cash flow | | | | | | |
| Cash flow from operating activities (incl. changes in net working capital), as % of net sales | 27.6 | 8.9% | 50.7 | 17.5% | -23.1 | -45.6% |
| Balance sheet (end of year) | | | | | | |
| Balance sheet total | 345.9 | | 300.0 | | 45.9 | 15.3% |
| Current assets | 212.2 | | 164.6 | | 47.6 | 28.9% |
| Cash and current financial assets | 64.4 | | 54.5 | | 9.9 | 18.2% |
| Non-current assets | 133.7 | | 135.4 | | -1.7 | -1.3% |
| Current liabilities | 143.3 | | 114.2 | | 29.1 | 25.5% |
| Long-term liabilities | 16.6 | | 20.7 | | -4.1 | -19.8% |
| Shareholders' equity, as % of balance sheet total | 186.0 | 53.8% | 165.1 | 55.0% | 20.9 | 12.7% |

1) Alternative performance measures, see Annual Report 2022, pages 107 to 109, or www.mikron.com/apm

Mikron Group

2021

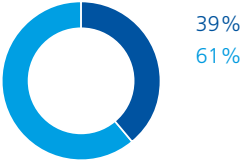
2022

Net sales

Total amount CHF 289.5 million

CHF 309.4 million

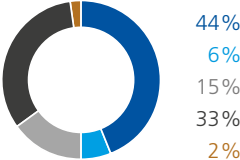
By segment



Machining Solutions 41%
Automation 59%



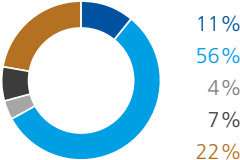
By region



Europe 42%
Switzerland 7%
Asia/Pacific 20%
North America 30%
Others 1%



By industry



Automotive 12%
Pharma/Medtech 55%
Writing 4%
Consumer goods 9%
Others 20%



2021

2022

EBIT

CHF 17.6 million

CHF 26.4 million

Order intake
Order backlog*

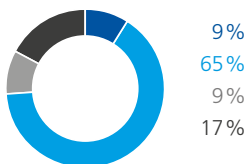
CHF 305.7 million
CHF 176.7 million



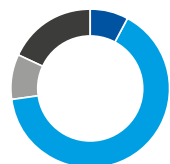
CHF 408.0 million
CHF 270.7 million



Employees*



Europe 8%
Switzerland 65%
Asia/Pacific 9%
North America 18%



* At the end of the year

Mikron's Financial Year 2022 in a Nutshell

Order intake increased significantly.
Profitability improved markedly.

EBIT
(in CHF million)
26.4
(2021: 17.6)

Profit
(in CHF million)
24.2
(2021: 17.0)

Order backlog
(in CHF million)
270.7
(2021: 176.7)



The Mikron teams at all locations once again did a great job.



Mikron has further strengthened its broad-based culture of sustainability.



Future-oriented infrastructure projects were successfully implemented.

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

Management Report (excerpt)

The Mikron Group significantly improved its earnings situation in the past financial year. Both business segments succeeded in increasing annual net sales and achieving strong results. High demand in all key markets, the continued good performance of the Automation and Tool divisions and higher sales in the Machining division were the key factors in this gratifying development. The Group's net sales rose from CHF 289.5 million to CHF 309.4 million (+6.9%) and order intake from CHF 305.7 million to CHF 408.0 million (+33.5%). The Group's EBIT for 2022 amounts to CHF 26.4 million (2021: CHF 17.6 million, +50.0%), and the profit for the year is CHF 24.2 million (2021: CHF 17.0 million, +42.4%).

Group business review

All three divisions of the Mikron Group performed well in the 2022 financial year and achieved some important development targets. At Mikron Automation, the expanded plant in Boudry is now fully operational, with completely reorganized manufacturing processes and material flows. The Mikron Machining division succeeded in improving its result due to higher sales and the completed consolidation of all activities into one building in Agno, while the Mikron Tool division realized several new product developments for applications in the pharmaceutical and medical technology industries and opened the extension to the production building in Agno.

To cope with increasing inflation, all three divisions analyzed prices regularly and implemented all the necessary price adjustments. Thanks to pro-active discussions with suppliers, as well as solutions found with custom-

ers, the raw material and energy price increases did not significantly impact Mikron's profitability. Due to the high down payments from customers, the exchange rate impact with a stronger Swiss franc and weaker euro remained limited for Mikron in the year under review.

Board of Directors

At the Mikron Group's 2022 Annual General Meeting shareholders elected Alexandra Bendler and Hans-Christian Schneider as new members of the Board of Directors. They replaced the two long-standing members of the Board of Directors, Eduard Rikli and Patrick Kilchmann, who were no longer available for re-election. Industrial engineer Alexandra Bendler (Dr.-Ing.) is a full-time member of the Group Executive Board and is responsible for the Europe Business Group at automotive supplier Autoneum. Hans-Christian Schneider

(MSc. in microtechnology and MBA) has been CEO of the Ammann Group in Langenthal since 2013. Both new Board members have integrated very well into the Board during the year under review.

Development of key figures

Order intake and net sales

The Mikron Group reported order intake of CHF 408.0 million in 2022, representing an increase of 33.5% compared with the prior year (CHF 305.7 million). Posting annual net sales of CHF 309.4 million, the Mikron Group exceeded the prior year result of CHF 289.5 million by 6.9%. Europe remains Mikron's most important market, with 49% (including Switzerland) of total net sales in 2022 (2021: 50% including Switzerland). Accounting for a share of 30%, North America remains in second place (previous year: 33%). The strongest market segment by far remains the pharmaceutical and medtech sector at 55% (previous year: 56%). The automotive industry contributed 12% (prior year: 11%) to total net sales.

Order backlog and capacity utilization

At CHF 270.7 million, the Mikron Group's order backlog at the end of 2022 was 53.2% higher than the prior-year figure (CHF 176.7 million). As some of these orders are long-term projects, a significant portion of the order backlog from the end of 2022 will not impact the Mikron Group's sales until 2024. Capacity utilization was high in all three divisions throughout the year.

Profitability

In the 2022 financial year, the Mikron Group succeeded in significantly improving its EBIT and profit. Compared with the previous year, Mikron increased its EBIT from CHF 17.6 million to CHF 26.4 million (+50.0%) and achieved an EBIT margin for 2022 of 8.5% (2021: 6.1%). The Group improved its annual profit from CHF 17.0 million to CHF 24.2 million (+42.4%). The profit per share for 2022 came to CHF 1.47 (prior year: CHF 1.04).

Innovation and key investments

After the completion of several development projects, in 2022, Mikron invested another CHF 6.5 million (prior year: CHF 6.6 million) in the development or enhancement of new products and product platforms. These figures include personnel expenses, material costs and other operating expenses, and represent 2.1% of net sales (prior year: 2.3% of net sales). This does not include daily innovation activities, which are triggered by customer projects and are required to develop new specific assembly or machining processes.

Mikron offers all kinds of digital and connectivity-related services and solutions commonly summarized as "Industry 4.0". In recent years, such technologies have been systematically developed, tested and integrated into existing and new products, processes and service offerings. In the year under review, the Mikron Group further intensified the digitalization of industry and services.

Mikron Automation

In the Mikron Automation business segment, demand from its most important sales market, the pharmaceutical and medtech industries, remained high at all times during the year under review. Following the successful fiscal year 2021, the business segment succeeded in further improving its profitability. Mikron Automation's record order intake of was characterized by multiple orders from a market-leading pharmaceutical company. Overall, capacity utilization was very good throughout the course of the year. In China, however, business was still impacted by the Covid pandemic-driven lockdowns. In Boudry, the new state-of-the-art assembly hall was fully operational.

Key figures for Mikron Automation

At CHF 183.8 million, the Mikron Automation business segment exceeded the net sales for the 2021 financial year (CHF 176.7 million) by 4.0%. At CHF 239.0 million, Mikron Automation's order intake reached a record high level and outperformed the previous year's figure of CHF 170.5 million by 40.2%. The resulting order backlog of CHF 168.8 million at the end of 2022 was 46.0% higher than that of the end of 2021 (CHF 115.6 million). Mikron Automation posted EBIT of CHF 17.5 million (2021: CHF 15.8 million) and an EBIT margin of 9.5% (2021: 8.9%).

39% of Mikron Automation's sales came from Europe (including Switzerland), 41% from North America and 19% from Asia. The

business segment again significantly strengthened its market position in the pharmaceutical and medical technology industry. 91% of sales came from this area in 2022.

Mikron Machining Solutions

In the Machining Solutions business segment, the Mikron Machining division noted a continuation of the increased demand from the second half of 2021. This concerns the watch industry and the writing industry as well as new applications from the automotive industry outside of the combustion engine. Demand also increased in the service sector. Mikron Machining consolidated its activities into one building in Agno and further progressed its repositioning.

At Mikron Tool division, demand for its sophisticated cutting tools remained at a high level. Mikron Tool developed new products for applications in the pharmaceutical and medical technology industries to increase sales outside the automotive industry.

Key figures for Mikron Machining Solutions

At CHF 125.7 million, the Mikron Machining Solutions business segment exceeded net sales for the 2021 financial year (CHF 112.9 million) by 11.3%. Mikron Machining Solutions' order intake rose to CHF 169.0 million (2021: CHF 135.4 million, +24.8%). The resulting order backlog of CHF 101.8 million at the end of 2022 was 66.6% higher than at the

end of 2021 (CHF 61.1 million). Mikron Machining Solutions posted EBIT of CHF 9.3 million (2021: CHF 2.5 million) and an EBIT margin of 7.4% (2021: 2.2%).

Outlook for the Mikron Group

Despite this favorable starting position with a high order backlog at the end of 2022, concrete forecasts remain difficult. The global economic situation continues to be fragile. Supply bottlenecks and sharply rising prices will continue to keep us busy. In addition, there is the war in Ukraine with its effects that are difficult to assess. Finally, the Covid pandemic is not yet over in all parts of the world. In recent months, the Mikron Group has demonstrated its resilience and coped well with global crises. This gives us confidence: consistent in the pursuit of our goals, flexible in their implementation – we will continue to follow the path we have chosen. For the 2023 financial year, we expect to achieve again a similar EBIT margin as for 2022.

Consolidated Financial Statements 2022 of the Mikron Group

Consolidated income statement

| CHF 1,000 | 2022 | | 2021 | |
|---|----------------|-------------|----------------|-------------|
| Net sales | 309,442 | 100% | 289,455 | 100% |
| Change in work in progress / finished goods | -136 | | -8,220 | |
| Material costs and subcontractors | -104,512 | | -87,775 | |
| Personnel expenses | -129,100 | | -121,762 | |
| Other operating income | 2,043 | | 1,833 | |
| Other operating expenses | -43,372 | | -46,394 | |
| Depreciation of tangible assets | -7,649 | | -8,114 | |
| Amortization of intangible assets | -966 | | -1,014 | |
| Operating result | 25,750 | 8.3% | 18,009 | 6.2% |
| Financial result | -839 | | -850 | |
| Ordinary result | 24,911 | 8.1% | 17,159 | 5.9% |
| Non-operating result | 682 | | -444 | |
| Profit before taxes | 25,593 | 8.3% | 16,715 | 5.8% |
| Income taxes | -1,392 | | 295 | |
| Profit | 24,201 | 7.8% | 17,010 | 5.9% |
| Net earnings per share – undiluted | 1.47 | | 1.04 | |
| Net earnings per share – diluted | 1.47 | | 1.04 | |

Consolidated balance sheet

| CHF 1,000 | 31.12.2022 | | 31.12.2021 | |
|---|----------------|---------------|----------------|---------------|
| Current assets | | | | |
| Cash and cash equivalents | 29,203 | | 54,107 | |
| Current financial assets | 35,158 | | 427 | |
| Accounts receivable | 22,768 | | 19,618 | |
| Inventories | 64,046 | | 53,440 | |
| Net assets from customer projects | 51,571 | | 28,642 | |
| Other current receivables | 3,114 | | 4,109 | |
| Prepaid expenses | 6,326 | | 4,303 | |
| Total current assets | 212,186 | 61.3% | 164,646 | 54.9% |
| Non-current assets | | | | |
| Tangible assets | 88,171 | | 87,724 | |
| Intangible assets | 2,943 | | 3,603 | |
| Investment property | 27,170 | | 27,515 | |
| Deferred tax assets | 15,452 | | 16,551 | |
| Total non-current assets | 133,736 | 38.7% | 135,393 | 45.1% |
| Total assets | 345,922 | 100.0% | 300,039 | 100.0% |
| Current liabilities | | | | |
| Short-term financial liabilities | 1,776 | | 2,109 | |
| Accounts payable | 25,351 | | 16,968 | |
| Net liabilities from customer projects | 81,333 | | 55,049 | |
| Short-term provisions | 11,610 | | 15,198 | |
| Other current liabilities | 1,917 | | 2,716 | |
| Accrued expenses | 21,266 | | 22,183 | |
| Total current liabilities | 143,253 | 41.4% | 114,223 | 38.1% |
| Long-term liabilities | | | | |
| Long-term financial liabilities | 3,799 | | 5,604 | |
| Long-term provisions | 768 | | 750 | |
| Deferred tax liabilities | 12,080 | | 14,392 | |
| Total long-term liabilities | 16,647 | 4.8% | 20,746 | 6.9% |
| Shareholders' equity | | | | |
| Share capital | 1,671 | | 1,671 | |
| Treasury shares | -1,654 | | -2,601 | |
| Capital reserves | 94,814 | | 96,516 | |
| Retained earnings | 91,191 | | 69,484 | |
| Total shareholders' equity | 186,022 | 53.8% | 165,070 | 55.0% |
| Total liabilities and shareholders' equity | 345,922 | 100.0% | 300,039 | 100.0% |

Consolidated statement of cash flow

| CHF 1,000 | 2022 | 2021 |
|---|----------------|----------------|
| Cash flow from operating activities | | |
| Profit | 24,201 | 17,010 |
| Depreciation and amortization | 8,615 | 9,128 |
| Revaluation of investment property | 429 | 397 |
| Net gain (-) / loss (+) on sale of non-current assets | -279 | -220 |
| Changes in provisions | -3,374 | -1,231 |
| Changes in deferred taxes | -1,366 | -2,029 |
| Share-based compensation | 431 | 1,111 |
| Other non-cash items | 1,953 | 862 |
| Movement in accounts receivable | -3,417 | -604 |
| Movement in inventories | -10,839 | 2,867 |
| Movement in net assets/liabilities from customer projects | 2,939 | 23,471 |
| Movement in accounts payable | 11,060 | -4,146 |
| Movement in other receivables and prepaid expenses | -1,070 | 2,339 |
| Movement in other current liabilities and accrued expenses | -1,635 | 1,786 |
| Cash flow from operating activities | 27,648 | 50,741 |
| Cash flow from investing activities | | |
| Investments in tangible assets | -10,953 | -19,517 |
| Divestments of tangible assets | 367 | 724 |
| Investments in intangible assets | -337 | -838 |
| Divestments of intangible assets | 0 | 4 |
| Investments in investment property | -84 | 0 |
| Investments in financial assets | -35,000 | -187 |
| Divestments of financial assets | 61 | 2,000 |
| Interest received | 11 | 26 |
| Cash flow from investing activities | -45,935 | -17,788 |
| Cash flow from financing activities | | |
| Distribution to shareholders | -3,946 | 0 |
| Increase (+) / repayment (-) of financial liabilities | -400 | -15,049 |
| Repayment (-) of finance lease liabilities | -1,683 | -1,890 |
| Interest paid | -101 | -414 |
| Cash flow from financing activities | -6,130 | -17,353 |
| Effect of exchange rate changes on cash and cash equivalents | -487 | 87 |
| Net cash flow | -24,904 | 15,687 |
| Increase (+) / decrease (-) of cash and cash equivalents | -24,904 | 15,687 |
| Cash and cash equivalents at beginning of period | 54,107 | 38,420 |
| Cash and cash equivalents at end of period | 29,203 | 54,107 |

Notes

1. General information

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



The full Annual Report 2022 can be viewed on the Mikron website:

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

2. Accounting principles

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER. However, the data presented in the short version of this report should be read in conjunction with the full annual report for the year 2022. This short version does not fulfill all the disclosure requirements of Swiss GAAP FER nor are the accounting principles set out.

3. Scope of consolidation

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

Corporate Governance und Compensations

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

Corporate structure

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

cember 2022 had a market capitalization of CHF 147.1 million. The Mikron Group is organized by segments.

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

Principles of the Mikron Group compensation policy

Fair and transparent

The compensation models are simple, clearly structured and transparent. They guarantee fair remuneration that reflects responsibilities and competencies.

Results- and performance-based

Part of the remuneration paid is linked directly to the Mikron Group's results and to individual performance.

Long-term incentive

Part of the compensation can be paid in the form of shares subject to a lockup period. This gives recipients a share in the company's long-term performance and ensures alignment with shareholder interests, including retention of key personnel.

Geared to the labor market

Compensation is geared to the market environment so as to attract and retain talent managers and employees.

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

The Mikron Group consists of 9 active companies worldwide. The corporate structure and the companies are listed on page 122 of the Annual Report 2022. The Mikron Group's management structure is independent of its legal structure.

Board of Directors

The Board of Directors is entrusted with the ultimate direction of the Company as well as the supervision of the Management. It represents the Company towards third parties and attends to all matters which are not delegated to or reserved for another corporate body of the Company under the law, the Articles of Association or the regulations. It issues guidelines on corporate policy and keeps itself informed about the course of business. The duties of Mikron Holding AG's Board of Directors are defined in the Swiss Code of Obligations, the Articles of Association (www.mikron.com/aoa) and the Organizational Rules (www.mikron.com/or).

The company's Board of Directors consists of five members. None of them maintains a significant business relationship with the Group.

- **Paul Zumbühl**, Dipl. Ing., MBA, AMP, Swiss, born in 1957, Chairman, non-executive, first elected 2018, elected until 2023
- **Andreas Casutt**, Dr. iur., LL.M., Swiss, born in 1963, Member, non-executive, first elected 2013, elected until 2023
- **Hans-Michael Hauser**, MSc Physics, MSc Mathematics, Engineer, MBA, German, born in 1970, member, non-executive, first elected 2016, elected until bis 2023
- **Alexandra Bendler**, Dr. Ing., German, born in 1973, Member, non-executive, first elected 2022, elected until 2023
- **Hans-Christian Schneider**, Msc Microtechnology, MBA, Swiss, born in 1979, Member, non-executive, first elected 2022, elected until 2023

Group Management

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

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

Auditors

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

Compensation policy

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

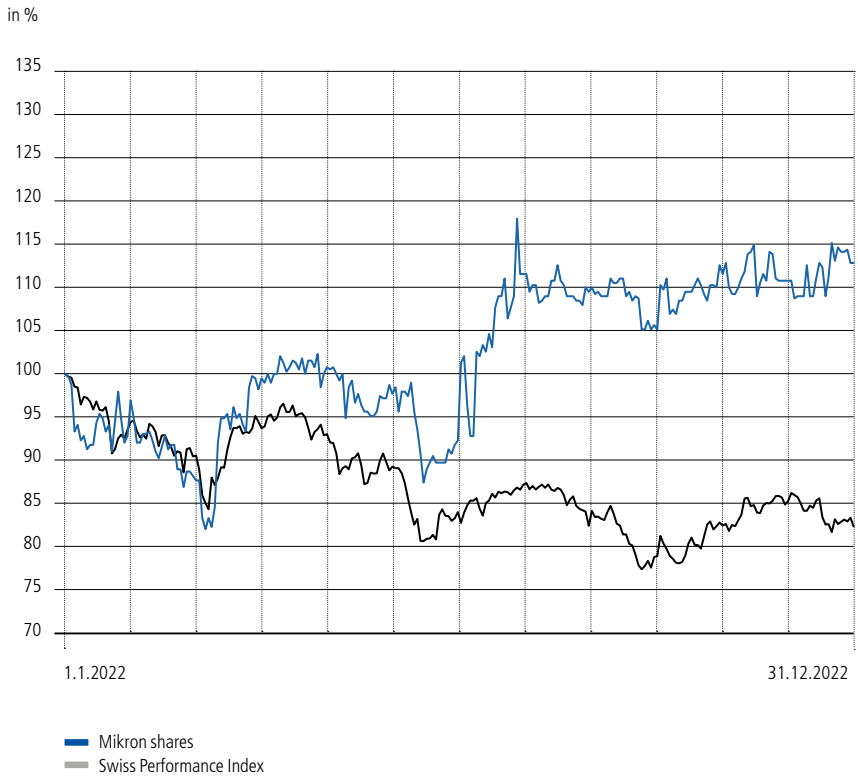
The remuneration for the financial year 2022 can be found in the detailed Annual Report.

Significant shareholders

The following table illustrates the shareholder structure of Mikron Holding AG. It also lists and names those shareholders who, as at 31 December 2022, hold 3% or more of the voting rights of Mikron Holding AG.

| Shareholders | 31.12.2022 | | 31.12.2021 | |
|---|--|---------------|--|---------------|
| | Number of shares of CHF 0.10 par value each | | Number of shares of CHF 0.10 par value each | |
| Ammann Group Holding AG | 6,999,700 | 41.9% | 6,999,700 | 41.9% |
| Rudolf Maag | 2,348,588 | 14.1% | 2,348,588 | 14.1% |
| Thomas Matter | 736,000 | 4.4% | 588,044 | 3.5% |
| Alfons Niedhart | 514,092 | 3.1% | 514,092 | 3.1% |
| Public shareholders | 5,891,752 | 35.2% | 6,065,177 | 36.3% |
| Board of Directors and Group Management | 222,612 | 1.3% | 197,143 | 1.2% |
| Total | 16,712,744 | 100.0% | 16,712,744 | 100.0% |

Share performance



The Mikron Group

The Mikron Group develops, produces and markets highly precise, productive and adaptable automation solutions, machining systems and cutting tools. Rooted in the Swiss culture of innovation, Mikron is a global partner to companies in the pharmaceutical, medtech, consumer goods, automotive, and general engineering industries. The Mikron Group enables its customers to increase quality and industrial productivity. The Group has over 100 years of experience, state-of-the-art technologies, and a global service. The two business segments Mikron Automation and Mikron Machining Solutions are based in Switzerland (Boudry and Agno). Additional production sites are located in the USA, Germany, Singapore, China and Lithuania. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN). The Mikron Group employs a total workforce of around 1,400.

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