

Metall Zug Group

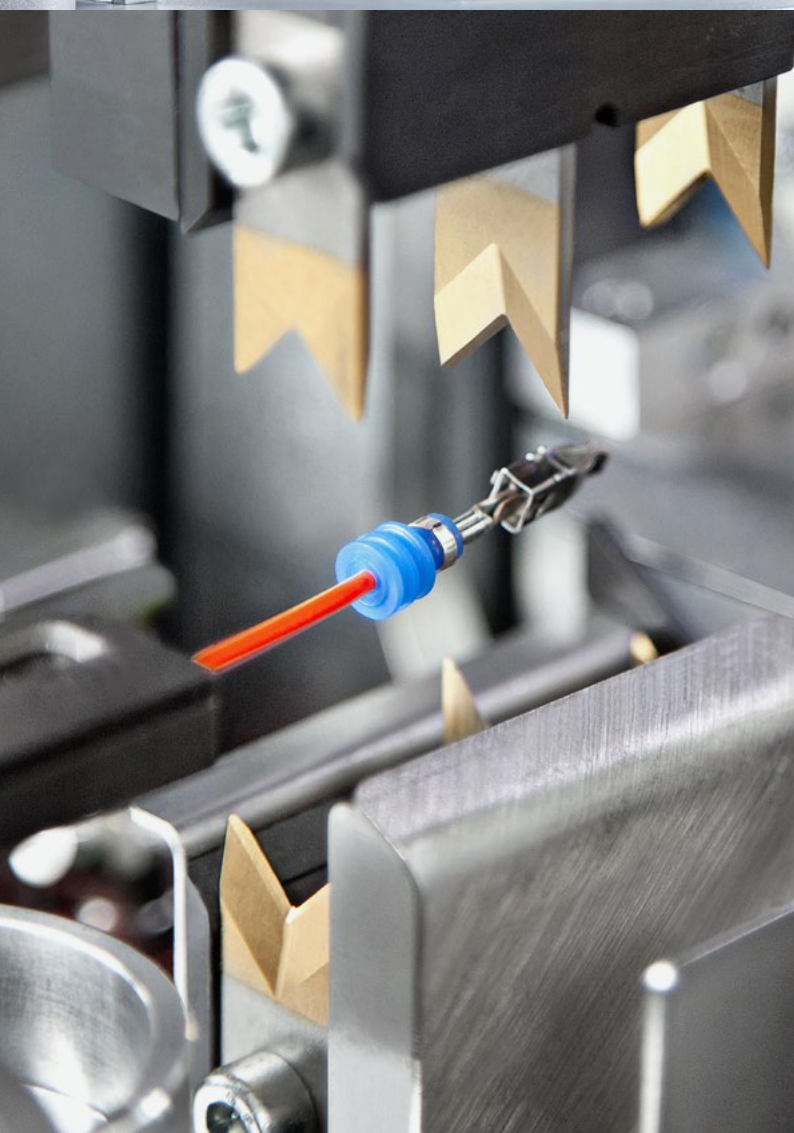
Annual Report 2021

Quality Competence Innovative strength

Metall Zug comprises five Business Units:

- Infection Control*
- Medical Devices*
- Wire Processing*
- Technologycluster & Infrastructure*
- Others (Belimed Life Science, Gehrig Group, Metall Zug AG)*

The pursuit of innovation and quality at Metall Zug, together with the commitment to operational efficiency and sustainability, underpin the day-to-day work in the business units. Its dedicated employees worldwide, its leading-edge products and associated services form the basis for the business success of Metall Zug. The Group companies' ranges thus contribute to their customers' success.



The Metall Zug Group

Metall Zug, a group of industrial companies headquartered in Zug, comprised five Business Units and had a workforce of around 3 300 at the end of 2021.

The holding company Metall Zug AG is listed in the Swiss Reporting Standard of SIX Swiss Exchange in Zurich (type B registered shares: securities number 3 982 108, ticker symbol METN).

Infection Control



Belimed Group

The Belimed Infection Control Group is one of the leading global suppliers of innovative cleaning, disinfection and sterilization solutions, which are mainly used in hospitals.

Medical Devices



Haag-Streit Group

The Haag-Streit Group develops, produces and distributes high-quality products and services for diagnostics and microsurgery, mainly in the field of ophthalmology. The Group's other activities cover applications in the fields of pulmonology and measuring instruments.

Wire Processing



Schleuniger Group

The Schleuniger Group develops, produces and distributes semiautomatic and fully automatic machines for the processing of all types of wires and cables. The spectrum of applications ranges from cutting and stripping to crimping, sealing, twisting, tinning and printing through to quality control and process and test automation. In addition, Schleuniger offers software packages to optimize machine efficiency and utilization for complex applications and connect high-quality, traceable data along the entire process chain.

Technologycluster & Infrastructure



Tech Cluster Zug AG / Urban Assets Zug AG

The Technologycluster & Infrastructure Business Unit is developing V-ZUG's original site in the city of Zug with the aim of creating a technology cluster in Zug North that will serve various needs of modern urban development. The Business Unit makes a significant contribution to reducing the carbon footprint of the Metall Zug Group through its sustainable energy supplies and mobility solutions.

Others



Belimed Life Science

Belimed Life Science develops, produces and distributes innovative cleaning, disinfection and sterilization systems and solutions, primarily for use in the pharmaceutical industry.



Gehrig Group AG

Gehrig Group AG is a leading supplier of professional appliances and integrated solutions for the hotel and catering industry, care homes and hospitals in Switzerland. Its product offering ranges from dishwasher and cooking technology to cleaning agents and care systems, and is rounded out by a nationwide customer service operation which is available seven days a week.



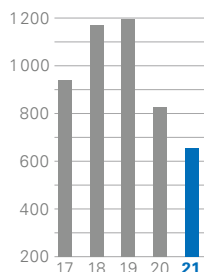
Metall Zug AG

Metall Zug AG is the holding company of the Metall Zug Group. It provides management and financing services to the Business Units.

Key Figures at a Glance

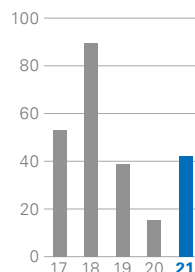
Net sales

CHF million



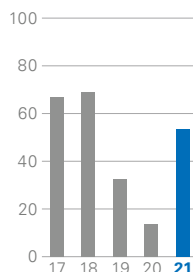
Operating income (EBIT)

CHF million



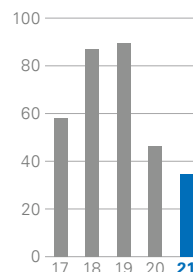
Net income

CHF million

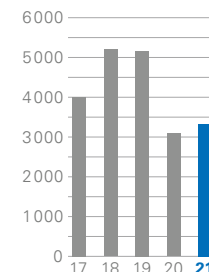


Investments

CHF million



Employees



Mettl Zug Group

in CHF million

Performance

	2021 ¹⁾	2020 ¹⁾	2019	2018	2017
Net sales ²⁾	661.9	823.5	1 195.7	1 169.5	936.7
Personnel expenses	-303.0	-365.8	-491.4	-472.2	-393.0
Research and development	-60.4	-75.1 ³⁾	-106.7	-98.0	-85.9
Operating income (EBIT)	42.3	15.5	38.8	89.3	53.0
Financial result	17.6	4.4	4.2	-3.5	30.4
Taxes	-6.6	-4.0	-10.6	-16.9	-16.6
Net income	53.3	13.5	32.3	68.9	66.8
Sales development in % ²⁾	-19.6	-31.1	2.2	24.9	-0.3
of which foreign currency impact in % ²⁾	-0.1	-1.7	-0.5	0.5	0.0
of which acquisition & divestment impact in % ²⁾	1.7	1.0	2.8	21.4	0.8
of which impact from spin-off of V-ZUG Group in % ²⁾	-31.7	-23.6			
Organic sales development in % ²⁾	10.5	-6.8	-0.1	3.0	-1.1
Cash flow from operating activities	48.9	60.2	56.9	88.0	90.1
in % of net sales	7.4	7.3	4.8	7.5	9.6

Invested Capital

	2021	2020	2019	2018	2017
Total assets	715.6	635.2	1 083.1	1 108.2	1 187.7
Current assets	378.9	316.7	605.4	681.6	842.0
in % of total assets	52.9	49.9	55.9	61.5	70.9
Net cash ⁴⁾	77.7	67.6	151.0	221.7	525.1
in % of total assets	10.9	10.6	13.9	20.0	44.2
Fixed assets	336.8	318.5	477.8	426.6	345.6
in % of total assets	47.1	50.1	44.1	38.5	29.1
Total liabilities	199.4	152.3	320.6	339.8	268.1
in % of total assets	27.9	24.0	29.6	30.7	22.6
Shareholders' equity	516.2	482.9	762.5	768.4	919.6
in % of total assets	72.1	76.0	70.4	69.3	77.4
Investments	34.7	46.1	89.3	86.9	58.2
Employees	3321	3090	5 165	5 204	4 015

Mettl Zug AG

in CHF million

	2021	2020	2019	2018	2017
Total assets	927.0	915.5	975.0	961.2	858.3
Total liabilities	617.5	601.2	635.5	622.7	523.6
Shareholders' equity	309.6	314.4	339.5	338.4	334.7
Net income	2.8	8.0	32.4	38.1	40.6
Dividend in CHF per type B registered share	30.00 ⁵⁾	17.00	74.02 ⁶⁾	70.00	70.00

¹⁾ The V-ZUG Group was spun-off on June 25, 2020. Therefore, the performance figures 2021 are not comparable to 2020 and the 2020 figures are not comparable to previous years.

²⁾ The key figure net sales has been reported since 2021 (previously gross sales). The previous years have been adjusted accordingly. As part of this change, net sales were redefined and the reporting year 2020 was restated. This effect increased organic growth by 1.0% in 2020.

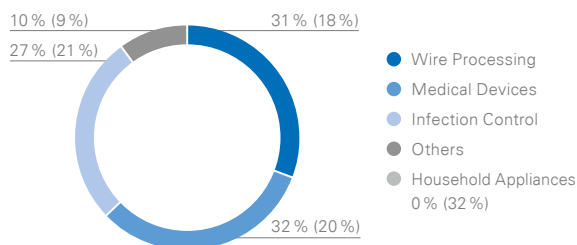
³⁾ As part of the conversion of the income statement to the income statement by function, the functional cost allocation was redefined in 2021 and the reporting year 2020 was restated.

⁴⁾ The calculation of the Net cash position can be found in Note 25, page 95.

⁵⁾ According to the proposal of the Board of Directors to the General Meeting of Shareholders.

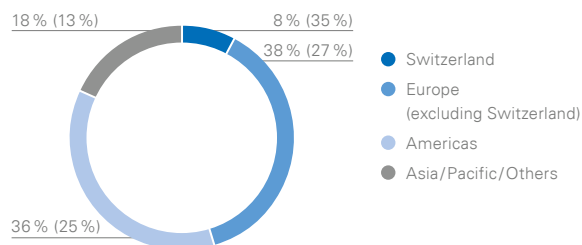
⁶⁾ Includes a cash dividend of CHF 17.00 and a dividend in kind of CHF 57.02.

Net sales by Business Unit, in %



(Previous year in brackets)

Net sales to third parties by region, in %



(Previous year in brackets)

Business Units

in CHF million	2021	2020	2019	2018	2017
Infection Control					
Net sales ¹⁾	180.2	176.3	182.8	199.2 ²⁾	190.1 ²⁾
Operating income (EBIT)	2.6	8.9	0.9	-10.5	-34.2
Employees (FTE)	993	990	1 002	1 186	1 197
Medical Devices					
Net sales	215.2	169.6	204.9	178.5 ³⁾	
Operating income (EBIT)	24.6	-4.4	16.5	21.6 ³⁾	
Employees (FTE)	943	928	964	973	
Wire Processing					
Net sales	206.2	150.0	201.4	214.5	175.7
Operating income (EBIT)	14.6	-6.0	9.8	28.9	22.3
Employees (FTE)	994	862	942	913	750
Technologycluster & Infrastructure					
Net sales	0.0	0.0	0.0		
Operating income (EBIT)	2.5	5.2	-12.5		
Employees (FTE)	22	22	14		
Others⁴⁾					
Net sales ¹⁾	68.4	75.6	76.1		
Operating income (EBIT)	-2.1	-1.1	-5.4		
Employees (FTE)	369	288	303		
Household Appliances					
Net sales ¹⁾		261.5 ⁵⁾	543.6	539.0	534.0
Operating income (EBIT)		12.9 ⁵⁾	29.6	48.3	65.4
Employees (FTE)		0 ⁵⁾	1 940	2 102	2 039

¹⁾ Includes sales with other Business Units.

²⁾ The years up to and including 2018 contain the business activities of Belimed Life Science, which have been included in the Others reporting segment since January 1, 2019.

³⁾ The Haag-Streit Group was acquired in 2018. Accordingly, the financial year includes the consolidation period from March 1, 2018 to December 31, 2018.

⁴⁾ Contains the Belimed Life Science Group, Gehrig Group AG and Metall Zug AG (Corporate).

⁵⁾ The Household Appliances Business Unit, which forms the V-ZUG Group, was spun-off on June 25, 2020.

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Improvement in operating income. Further step in transformation process initiated through merger of Schleuniger and Komax.

Metall Zug generated net sales of CHF 661.9 million in 2021. After deducting the prior year sales of CHF 261.5 million of the V-ZUG Group, which was spun off in June 2020, this equates to an increase of 17.8 % year-on-year. The operating income (EBIT) climbed to CHF 42.3 million and net income came to CHF 53.3 million.

After Metall Zug completed an important step in the implementation of its strategy by spinning off V-ZUG in 2020, the planned merger of Schleuniger and Komax now marks a further milestone along the way.

Dear Shareholders,

Strong Increase in Sales and Pleasing Improvement in the Operating Income

Metall Zug generated net sales of CHF 661.9 million in 2021. After deducting the prior year sales of CHF 261.5 million of the V-ZUG Group, which was spun off in June 2020, this equates to an increase of 17.8 % year-on-year. Adjusted for currency effects of –0.3 % and acquisition and divestment effects of 2.5 %, organic growth came to 15.6 %.

The increase reflects the recovery of the relevant markets, an adjustment to the effects of the pandemic, and a certain catch-up effect. This applies to the medical devices and automotive industry markets and, above all, to the US market.

Metall Zug posted EBIT of CHF 42.3 million (previous year: CHF 15.5 million). The prior-year figure included V-ZUG's EBIT contribution for the first half of 2020 of CHF 12.9 million and the gain on property transactions of CHF 5.8 million. EBIT was thus CHF 45.5 million higher than the adjusted EBIT for the previous year (CHF –3.2 million).

EBIT was positively affected primarily by the significant rise in sales in the Wire Processing and Medical Devices Business Units. These Business Units increased their EBIT significantly year-on-year.

The financial result amounted to CHF 17.6 million (previous year: CHF 4.4 million) and includes the pro rata net income of V-ZUG, in which Metall Zug holds a 30 % stake. Net income

amounted to CHF 53.3 million (previous year: CHF 13.5 million, including the full contribution of the Household Appliances Business Unit for the first half of 2020 and the pro rata net income for the second half of 2020).

Strong Cash Flow from Operating Activities

Metall Zug generated cash flow from operating activities of CHF 48.9 million in the reporting year. This represents an improvement of CHF 14.1 million on the previous year's adjusted cash flow from operating activities (previous year: CHF 60.2 million or CHF 34.8 million when adjusted for the CHF 25.4 million in cash flow recorded by the Household Appliances Business Unit in the first half of 2020), which is primarily attributable to the significant increase in net result.

The net cash position came to CHF 77.7 million as of December 31, 2021 (previous year: CHF 67.6 million).

The income statement is now presented by function of expense (previously: nature of expense). The previous year's figures have therefore been adjusted in line with the new presentation format, whereby EBIT and net result remain unchanged.

Infection Control Demonstrates Resilience

The Infection Control Business Unit (Belimed Group) posted net sales of CHF 180.2 million in the reporting year (previous year: CHF 176.3 million) and EBIT of CHF 2.6 million (previous year: CHF 8.9 million, or CHF 3.1 million, leaving aside the positive one-time effects from property transactions). Belimed Infection Control held up well in 2021 in a difficult market envi-

ronment. While the figures for 2021 lag behind expectations, they nevertheless show that the Business Unit was able to weather the difficult market situation caused by the restrictions and pressures associated with COVID-19 by demonstrating resilience.

Medical Devices – Significant Upswing

In 2021, the Medical Devices Business Unit (Haag-Streit Group) posted net sales of CHF 215.2 million (previous year: CHF 169.6 million). The market experienced a noticeable upward trend in the reporting year, leading to a much higher order intake that outpaced sales. Following the acquisition of VRmagic, sales of training and simulation equipment positively surpassed expectations. EBIT came to CHF 24.6 million in the year under review (previous year: CHF –4.4 million). This is attributable to the increase in sales, as well as improved margins, costs savings and one-time effects of net CHF 3.4 million.

Wire Processing Benefits from New Trends and Technological Orientations

The Wire Processing Business Unit (Schleuniger Group) posted net sales of CHF 206.2 million in the reporting year (previous year: CHF 150.0 million). Although recovery in the automotive industry was limited, new trends and technologies such as e-mobility (high voltage cables) and self-driving vehicles (data cables) drove demand. Order intake grew at a faster pace than sales. EBIT came to CHF 14.6 million (previous year: CHF –6.0 million). The general growth in sales, a significant improvement in the Process Automation segment and the impact of the cost-cutting measures introduced the year before were all contributing factors to this healthy result.

Technologycluster & Infrastructure – Potential becomes visible

The Technologycluster & Infrastructure Business Unit concluded the design studies competition process for SHL-Süd-tor in spring 2021 when the submission by Penzel Valier AG architects was announced as the winning project. The project will have to be redesigned – as a timber and concrete building rather than an entirely wooden structure – to take account of changed requirements of the users and authorities, which will delay its construction by around 12 months.

Construction work on the Mobility Hub Zug Nord, with just under 600 parking spaces, is proceeding on schedule and on budget. It is expected to come into operation in July 2022.

Construction of the Multi Energy Hub at Tech Cluster Zug is progressing according to plan. In addition to solar energy, waste heat, ground water and lake water are also to be used as sources of energy. This means that the entire site, including any connected third-party customers, can switch to a carbon-neutral energy supply from the 2022/2023 heating period.

Reporting Segment Others

Belimed Life Science Group, Gehrig Group AG and Metall Zug AG are grouped together in the Others reporting segment. The reporting segment posted net sales of CHF 68.4 million in the reporting year (previous year: CHF 75.6 million) and an EBIT of CHF –2.1 million (previous year: CHF –1.1 million). This negative EBIT resulted from the inclusion of Metall Zug AG (Corporate), which in particular bears costs for central management functions and services.

Order intake at Belimed Life Science was considerably higher than in the previous year. This reflects the increase in demand from the pharma industry, and in particular for tests and vaccines. The supply situation for electronic components caused delays in the retrofit business and, particularly also in the delivery of new customer projects. Consequently, sales fell to CHF 38.6 million (previous year: CHF 44.6 million). However, despite additional expenses entailed by the difficult supply situation, substantial IT infrastructure investments, increased freight costs and, above all, the cost of establishing its own service organization, Belimed Life Science achieved a positive EBIT result.

At Gehrig Group, sales declined as a consequence of the renewed COVID-19 restrictions in the hotel, restaurant and catering sector, falling to CHF 29.8 million (previous year: CHF 30.9 million). Thanks to a slight improvement in margins year-on-year and very strict cost management, EBIT inched into positive territory.

Further Transformation Step – Merger of Schleuniger and Komax

In 2019, Metall Zug communicated its new strategy, in which Metall Zug was to transform itself into a holding company with substantial investments in attractive Swiss industrial enterprises. Consequently, V-ZUG was spun off in 2020 and publicly listed as an independent company, with Metall Zug retaining a 30 % stake ever since. The planned merger of Schleuniger with Komax, which was announced on February 9, 2022, marks a further milestone in implementing this strategy.

Metall Zug intends to merge its Wire Processing Business Unit, the Schleuniger Group, into the Komax Group in exchange for a 25 % interest in Komax Holding AG. Metall Zug AG and Komax Holding AG have signed an agreement to this effect. The transaction cannot be completed until the general meeting of shareholders of Komax Holding AG approves the necessary capital increase and the relevant competition authorities give their consent.

As anchor shareholder, Metall Zug intends to hold its stake in Komax as a long-term investment.

Like the Schleuniger Group, the Komax Group is a globally active Swiss company specializing in automated wire processing. Komax manufactures series and customer-specific machinery, quality assurance modules, test systems and networking solutions that cover the automotive, aerospace, telecom/datacom and industrial market segments.

At present, various trends can be observed in the market, especially in the fields of automation, digitalization and self-driving vehicles, all of which present numerous opportunities. The merger will strengthen both parties' competitiveness. Together, Komax and Schleuniger will have the additional know-how and resources required to take full advantage of these sector-specific trends. Metall Zug aims to make the most of these highly promising opportunities through its 25 % stake in Komax.

Heinz M. Buhofer, Peter Terwiesch and Sandra Emme Not Standing for Reelection to the Board of Directors

Heinz M. Buhofer has occupied various leading roles within the Metall Zug Group over the past few decades. Thanks to his visionary entrepreneurial spirit, he has been seminal in shaping and changing the face of Metall Zug. For example, his vision for the Tech Cluster Zug has enabled V-ZUG to continue developing at its home base in the city of Zug. The idea behind the vertical factory concept was to enable V-ZUG to significantly increase its capacity on just one-third of its current floor area while at the same time opening up the freed-up space to other uses. Everything he did was driven by his belief in sustainability. It was therefore out of the question for Heinz M. Buhofer that the entire Tech Cluster Zug would be powered by anything other than locally produced renewable energy. He brought the same innovative ideas to his vision for the Multi Energy Hub Zug. Heinz M. Buhofer has never been

guided by fashion trends, and has steadfastly refused to be swayed by opinion-makers, voting rights consultants and other advisers primarily interested in promoting recommendations and advice based on standardized models or concepts. Heinz M. Buhofer was also the driving force behind the spin-offs and public listings of Zug Estates and V-ZUG as independent companies. In this way he created substantial value for many stakeholders, but especially for Metall Zug AG shareholders, and enabled these two companies to pursue their own development paths.

The Board of Directors would like to thank Heinz M. Buhofer for his commitment, his energy and passion, and his exemplary dedication to human qualities and values, and wishes him all the best for the future.

In addition to Heinz M. Buhofer, Peter Terwiesch and Sandra Emme will also not be standing for reelection to the Board of Directors. Peter Terwiesch, a member of the Group Executive Committee of ABB, was first elected to the Board of Directors of Metall Zug AG in 2010. Despite his involvement with ABB, Peter Terwiesch always showed a tremendous availability and depth of detail for Metall Zug's concerns and brought his broad industry experience and analytical acumen to the discussions in the Board of Directors. Sandra Emme was elected to the Board of Directors of Metall Zug AG in 2019. In the past three years, she has made a very positive contribution to the Board's progress regarding digitalization and transformation processes. Her analytical skills in the field of cybersecurity helped the Metall Zug Group to react to various incidents rapidly and professionally, and to implement the measures required to ensure that its IT systems were continuously improved. The Board of Directors would like to thank Peter Terwiesch and Sandra Emme for their invaluable commitment to the Metall Zug Group, and wishes them all the best.

Sustainability as Part of the Strategy

Metall Zug views sustainability as a strategic priority. The slogan 'Driven by value, aiming for success' has been part of the corporate strategy for years: all those in positions of responsibility act with a view to success and in line with the Metall Zug values. Any success can only really be counted as such if it is sustainable and has been achieved with due respect for society and without tarnishing the reputation of the Metall Zug Group.

Moreover, a team from Metall Zug AG has been helping the Business Units to formulate and implement their sustainability strategies since fall 2018. The implementation and progress of measures is regularly reviewed by a steering committee made up of the CEOs of the Business Units and the Executive Board of Metall Zug. In addition, a strategy body comprising members of the Board of Directors and subject-matter experts has been meeting since 2021 to discuss sustainability strategy and prospects. The main European sites defined new measures in the reporting year and recorded key figures for the first time.

Metall Zug's Swiss sites have already achieved carbon-neutrality by reducing internal emissions and offsetting the remaining footprint with carbon-reduction projects. However, the Metall Zug Group is aiming to achieve a global net zero emissions target in the medium term. As well as reducing CO₂, this also calls for projects with negative emissions. Therefore, the remaining emissions from the sites are to be offset in the future by means of absorption projects that are more cost-intensive, such as site-appropriate reforestation or new technologies for capturing and storing CO₂.

Since 2018, the Business Units have paid CHF 2.6 million into the internal CO₂ fund. These funds are earmarked for disbursement to innovative, efficient project proposals, such as the H2 fuel project in Zug, building renovation measures, the use of new materials and e-mobility.

An employee survey was held across all Business Units worldwide for the first time. It achieved a very good response rate of 82 %. Measures were subsequently defined with the aim of further developing cooperation, values and culture as well as communication and development potential for employees.

Dividend Proposal

The Board of Directors will propose to the General Meeting of Shareholders of April 29, 2022 a cash dividend in the amount of CHF 3.00 gross per type A registered share (previous year: CHF 1.70) and CHF 30.00 gross per type B registered share (previous year: CHF 17.00); this is 76 % higher than the previous year's cash dividend.

Acknowledgements

COVID-19 caused us a lot of concern and brought a lot of changes in the last two years. The Board of Directors is aware that this has affected our employees and our customers in all kinds of different ways. All the more reason for us to thank everyone for all their hard work, flexibility and creativity in this challenging environment.

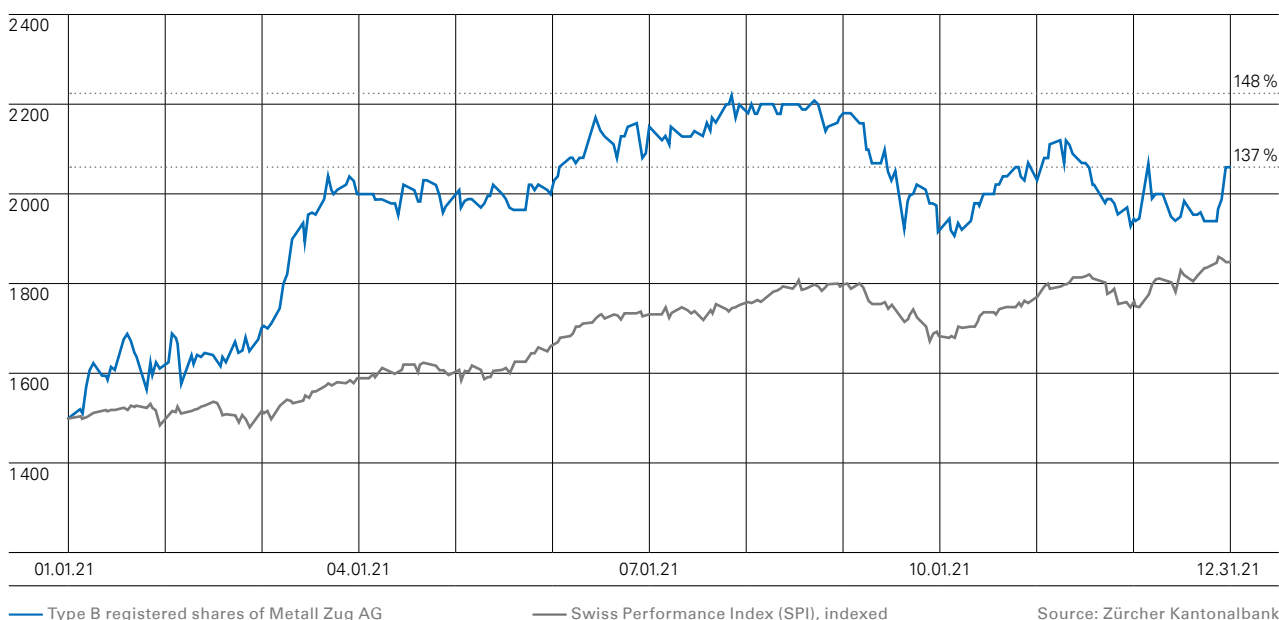
And we would naturally also like to thank you, dear shareholders, for your continuing trust and allegiance with our company.

Martin Wipfli
Chairman of the Board of Directors

Share Information

Metall Zug AG has two categories of shares. The type A registered shares (Swiss securities number 209 262) are not listed, the type B registered shares are listed in the Swiss Reporting Standard of SIX Swiss Exchange in Zurich (Swiss securities number 3 982 108, ticker symbol METN).

Performance of type B registered shares



The Board of Directors is proposing to the General Meeting of Shareholders of April 29, 2022 that a cash dividend be distributed in the amount of CHF 3.00 gross per type A registered share and CHF 30.00 gross per type B registered share.

The proposed dividend for the 2021 financial year is 76.5 % higher than the cash dividend approved for distribution for the 2020 financial year.

If the general meeting accepts this proposal, a total of CHF 13.5 million (previous year: CHF 7.7 million) will be paid out to shareholders. No dividend is to be paid for treasury shares held by Metall Zug AG.

Important dates

April 29, 2022
General Meeting of Shareholders

May 5, 2022
Payment of dividend

August 11, 2022
Publication of half-year results

Number of shares

		2021	2020	2019	2018	2017
Type A registered shares	par value CHF 2.50	1 948 640	1 948 640	1 948 640	1 948 640	1 948 640
Type B registered shares	par value CHF 25.00	255 136	255 136	255 136	255 136	255 136

Figures per type A registered share

in CHF

Net income attributable to shareholders of Metall Zug AG	10.88	3.19	6.52	14.16	15.08
Cash flow from operating activities	10.87	13.38	12.64	19.56	20.02
Shareholders' equity	114.71	107.31	169.45	170.75	204.36
Dividend	3.00 ¹⁾	1.70	7.40 ²⁾	7.00	7.00

Figures per type B registered share

in CHF

Net income attributable to shareholders of Metall Zug AG	108.83	31.93	65.18	141.59	150.77
Cash flow from operating activities	108.70	133.79	126.36	195.60	200.19
Shareholders' equity	1 147.09	1 073.10	1 694.52	1 707.53	2 043.56
Dividend	30.00 ¹⁾	17.00	74.02 ²⁾	70.00	70.00
Dividend yield (in %) ³⁾	1.46	1.13	3.40	2.80	1.89
Total shareholder return (in %) ⁴⁾	38.47	2.99	-10.00	-30.47	16.27
Stock market price ⁵⁾ High	2 220	1 653	1 986	2 635	2 902
Low	1 500	888	1 294	1 574	2 132
At year-end	2 060	1 500	1 473	1 689	2 497

Market capitalization⁶⁾

in CHF million	At year-end	927	675	981	1 125	1 663
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¹⁾ According to the proposal of the Board of Directors to the General Meeting of Shareholders.

²⁾ The amount includes a cash dividend of CHF 1.70 per type A registered share or CHF 17.00 per type B registered share and a dividend in kind of CHF 5.70 per type A registered share or CHF 57.02 per type B registered share. The latter corresponds to the allocation of 1 registered share of V-ZUG Holding AG per type A registered share (10 registered share of V-ZUG Holding AG per type B registered shares) at book value.

³⁾ Proposed or resolved dividend divided by stock market price at year-end.

⁴⁾ Change of year-end stock market price compared to the previous year in addition to the resolved dividend divided by the year-end stock market price of the previous year. For 2020 calculated on the basis of the stock market prices adjusted for the spin-off of V-ZUG Holding AG (factor 0.67568).

⁵⁾ Amounts before 2020 adjusted for the spin-off of V-ZUG Holding AG (factor 0.67568). The factor is calculated based on the stock market price after the spin-off (CHF 1 500) divided by the stock market price before the spin-off (CHF 2 220) per type B registered share.

⁶⁾ Conversion of type A registered shares (ratio 1:10) on the basis of the year-end share price of type B registered shares. The years 2017 to 2019 are calculated based on the effective year-end share prices at that time (without adjustment for V-ZUG Holding AG).

Strategy

Metall Zug AG is a listed Swiss industrial holding company with an entrepreneurial family as its main shareholder. Metall Zug adopts a decidedly long-term perspective. By focusing its Business Units and holdings on industrial enterprises with premium and precision products in attractive markets, Metall Zug creates sustainable added value for its shareholders.

The Metall Zug Group is a holding company with investments in industrial enterprises that have the potential to generate added value. The Business Units are largely able to implement their strategies independently and act with speed. This gives the Metall Zug Group and its Business Units great strategic flexibility and allows them to make the most of their growth potential.

As part of Metall Zug's strategy, Business Units may be hived off, allowing Metall Zug to confine itself to the role of strategic anchor shareholder. This process of making Business Units independent may result in shares in these Business Units being distributed to the shareholders of Metall Zug AG. Accordingly, the Business Units might be turned into directly listed companies. Metall Zug AG will continue to hold a significant ownership interest in the independent Business Units and ensure that business development is synonymous with long-term value creation.

Entrepreneurial Freedom and Independence

Metall Zug achieves an optimum balance between conservative financial policies and entrepreneurial ambition. Thanks to its financial strength and conscious diversification, Metall Zug is able to act autonomously and make independent decisions – even during economically difficult periods.

Economies of Diversity

Metall Zug taps into the diversity of its Business Units and holdings as a source of innovation, benchmarks and best practice. The entrepreneurial freedom and clear focus of those units and holdings is a key element in its success. The Group companies each have their own market presence – including their own, independent brands.

Business Development and Growth

The Business Units and holdings seek to achieve sustainable and profitable growth by delivering innovation and high-quality products and services, as well as by extending the offering along the value chains of their customers.

Investment opportunities for external growth are primarily being sought within the existing Business Units.

Driven by Value, Aiming for Success

All those in positions of responsibility act with a view to success and in line with the Metall Zug values: any success can only really be counted as such if it is sustainable and has been achieved with due respect for society and without tarnishing the reputation of the company in question and the Metall Zug Group as a whole.

The company follows the basic principle of acting with a long-term view in order to create sustainable success for all its stakeholders, including customers, employees and shareholders. Long-term success takes priority over maximizing short-term profit.

Development of Established Real Estate

With its industrially based real estate, Metall Zug creates optimal framework conditions for the industrial activities of its Business Units and holdings.

Metall Zug is also developing the original V-ZUG main site in the city of Zug with the aim of creating a Tech Cluster in Zug North. The development of the site aims to incorporate the various needs of modern urban development. An ecosystem of innovative technologies and services, with diverse networking opportunities between users, is to be created.

Sustainability

Metall Zug views sustainability as a strategic, intrinsically motivated priority.

With regard to durable and resource-saving products, environmentally friendly and material-efficient production, responsible procurement and logistics, and as a committed employer, Metall Zug aims to assume a pioneering role.

Metall Zug understands its corporate responsibility to mean ensuring a future for its business beyond the next generation by addressing social, organizational and environmental issues.

On the whole, Metall Zug follows its own agenda regarding sustainability. Its main aim is not simply to tick off the checklists drawn up by sustainability agencies. Instead, it wants to play a leading role, based on the deeply rooted principle of fair business practices and with innovative ideas.

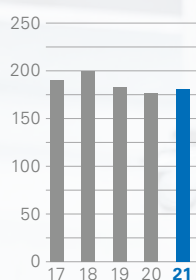
Lowering CO₂ emissions is a key element of Metall Zug's sustainability strategy. The Metall Zug Group aims to achieve a global net zero emissions target in the medium term by pursuing a strategy based on transparency and innovation. The initial focus is on making the most of the potential for decarbonization in its own sphere of influence. In the future, Metall Zug intends to offset the remaining emissions specifically with negative emissions technologies (NETs), such as site-appropriate reforestation projects or new technologies for capturing and storing CO₂.

Employees are fundamental to the company's success. That is why Metall Zug aims to develop its own managers and skilled workers, and to secure their services in the long term. The main activities here are stepping up promotion and succession planning, strengthening the leadership culture, improving satisfaction among employees and taking preventive action on employee health and safety.

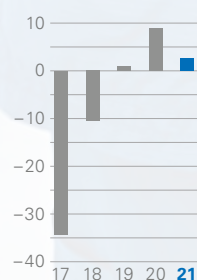
Infection Control



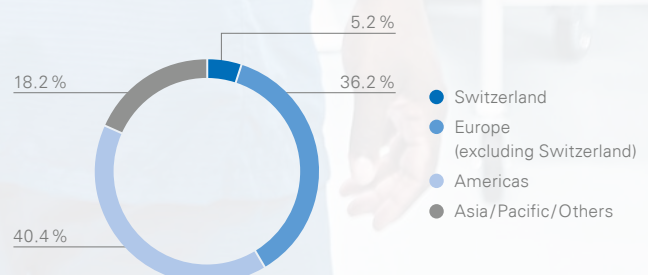
Net sales
CHF million



Operating income (EBIT)
CHF million



Net sales to third parties by region, in %



The Belimed Group is a leading provider of medical and surgical instrument sterilization, disinfection, and cleaning product and service solutions. The company, headquartered in Zug (Switzerland), can look back on over 50 years of history. Belimed is continually evolving its technology-driven portfolio and constantly seeking innovative ways to improve reliability, efficiency, and sustainability in hospital central sterile supply departments (CSSDs). The company has branch offices in nine countries worldwide and is represented in over 80 countries thanks to a strong distribution network.

Belimed employees see themselves as engineers of confidence: they listen to their customers and find the right solutions for their challenges, while at the same time creating optimal conditions for improving their overall work environment. The company's sterile workflow solutions cover the complete spectrum from planning and design to market-leading equipment and consumables right through to professional servicing and data connectivity options. Belimed also provides education and training opportunities for customers.

The company's focus is to instill confidence within its customers; empowering them to advance medical care and protect the lives of patients and staff.

Belimed Infection Control has around 1 000 employees worldwide, including 8 trainees.

Infection Control

in CHF million	2021	2020	2019	2018²⁾	2017²⁾
Net sales	180.2	176.3¹⁾	182.8	199.2	190.1
Net sales development in %	2.2	-3.5	-8.2	4.8	-6.9
of which foreign currency impact in %	-0.1	-3.9	-0.8	1.1	0.1
of which acquisition & divestment impact in %	0.0	0.0	0.0	0.0	0.1
Organic net sales development in %	2.3	-0.4 ¹⁾	-7.4	3.7	-7.1
Net sales to third parties	172.8	168.0	170.4	197.3	188.1
Switzerland	9.0	12.2	7.9	11.6	16.1
Europe (excluding Switzerland)	62.6	61.9	57.2	77.3	73.6
Americas	69.7	62.6	70.4	73.0	65.3
Asia/Pacific/Others	31.4	31.3	34.9	35.4	33.1
Operating income (EBIT)	2.6	8.9	0.9	-10.5	-34.2
in % of net sales	1.4	5.0	0.5	-5.3	-18.8

¹⁾ As part of the conversion of the income statement to the income statement by function, the key figure net sales was redefined in 2021 and the reporting year 2020 was restated. This effect increased organic growth by 1.5% in 2020.

²⁾ The years up to and including 2018 contain the business activities of Belimed Life Science, which have been included in the Others reporting segment since January 1, 2019.

The 2021 Financial Year

Belimed Group generated net sales of CHF 180.2 million in the reporting year (previous year: CHF 176.3 million). Adjusted for the currency effect of –0.1 %, this translates into organic growth of 2.3 % year-on-year.

Free access to hospitals remained restricted in all market regions due to COVID-19. In addition, in most markets the number of surgical procedures being performed was considerably lower than before the pandemic. This affected Belimed insofar as the cleaning and disinfection solutions business depends directly on the number of operations being performed, and service technicians had only limited access, if any, to some hospitals. On top of that, hospitals – particularly at the beginning of the crisis – shelved projects, which in turn had a negative effect on the equipment business.

There was a noticeable recovery in investment activity in the equipment business's main markets, i.e. the USA and China. Europe, South Korea and Japan also saw a significant improvement in investment activity. Compared with the previous year, order intake in the equipment business rose by 70 % in the USA and by 33 % in China. Order intake in the EU also picked up considerably in the second half of the year. Other markets, such as India, the Middle East, and Central and South America, are only gradually opening up and investment flows there remain well below their former level.

However, the pleasant order intake was only partly reflected in the sales figure for the financial year, as a large part of these orders will not be completed until the following year. The difficult situation regarding component supplies and the delaying of construction projects by customers additionally led to projects – and thus also revenues – being shifted to the next financial year.

The operating income (EBIT) came to CHF 2.6 million (previous year: CHF 8.9 million). The previous year's operating income (EBIT) had included the positive impact of extraor-

dinary income totaling CHF 5.8 million from the sale of a property in Mühlendorf (Germany) and the gain on added-value compensation for the former production site in Ballwil (Switzerland). Without these extraordinary effects, the operating income would have come to CHF 3.1 million in 2020.

Market Investments

The pleasant order intake is the result of investments made in the market and the sales organization. A new Global Planning & Design Team was created. The team supports all Belimed regions by providing professional project drawings, standardized planning software and realistic product presentations. In this way, hospitals can already receive expert advice on designing a central sterile supply department (CSSD) at an early stage in the planning process. The efficiency of the sales organization was further enhanced through the introduction of a "Win Room" concept. This involves a virtual room in which sales staff exchange ideas in order to solve complex problems with the aim of acquiring new projects.

The COVID-19 crisis has strengthened the trend toward standardization in the surgical sector. More and more operations are being performed in specialized, decentralized clinics. In the USA especially, one-third of all Belimed orders now come from ambulatory surgical centers (ASC). Together with its cooperation partners, Belimed has been preparing itself for this market, whose potential it hopes to harness with attractive customer solutions. Here too, Belimed works with planning offices at a very early stage as well as with full-range suppliers, leading to a healthy order intake.

Optimizing Customer Satisfaction in the Service Area

In Belimed Prevent Services, Belimed has created a comprehensive portfolio of services comprising preventive maintenance, operational services and life cycle management.

For quite some time now, Belimed has relied on the net promoter score (NPS) as an instrument for further increasing customer satisfaction with its services. Customers are invited

to fill out an online questionnaire after every service visit. They are asked to rank how satisfied they were with the call-out and, above all, whether they would recommend Belimed to others. The NPS rose significantly in the financial year. The online platform was adapted and extended in the financial year with the aim of collecting and analyzing more ratings from customers in the future.

The service technicians were also equipped with a state-of-the-art service tool. This FSM (field service management) tool not only optimizes employee work scheduling, it also gives service technicians access to a large volume of data during on-site visits. This means they can query machine data and view details of previous service callouts and any problems that have arisen. All of which increases service quality, work efficiency and, therefore, also customer satisfaction.

Adding Value for Customers through Digital Innovation

Population growth and rising standards of living are also creating increased demand for medical services. Digitized hospitals have great potential for optimizing infrastructures and processes. Smart hospitals are capable of processing vast amounts of data, which can then be automated into the appropriate equipment. This digital transformation enables smart hospitals to increase their productivity and patient satisfaction, and gives them greater flexibility.

Digitalization positions Belimed as a leading provider of data management for CSSDs and service excellence.

Belimed successfully launched the SmartHub 2.0 Connect and SmartHub Orbit products on the market in the 2021 financial year. The SmartHub 2.0 acts as a data hub for connected devices. The system processes the data and displays it in real-time on a dashboard. The information transmitted to the customer, such as the duration and current progress of the cleaning and sterilization program and each stage in the cycle, helps them to optimize their internal processes. SmartHub Orbit is a user-friendly online application for remote access

to CSSD information. Experts also recognized the decidedly customer-centric approach of these digital solutions from Belimed – it successfully fought off the competition from other companies to pick up the Swiss Digital Excellence Award in the SME category in 2021.

Agile Product Development

Thanks to an agile, customer-centric development process, the number of product launches and product modifications increased in 2021. The focus of key innovations lay on improving customer processes through data integration and automation with sustainable solutions. These solutions require fewer resources over their entire life cycle, and so reduce costs.

Global Supply Bottlenecks

Belimed is also affected by the global supply chain disruptions. The bottlenecks in supply lengthen product lead times and mean that components and spare parts are temporarily unavailable. Thanks to the considerable and inspired efforts of its workforce, Belimed was able to minimize the repercussions of the supply shortages for its production activities. The postponement of deadlines on customers' construction sites had a more damaging effect. Due to COVID-19, access to construction sites was partly restricted, and absenteeism as well as the shortage of construction material led to construction delays. Moreover, the scarcity of spare parts had an adverse effect on the service business and thus also on customer satisfaction.

Higher costs for raw materials and freight arising from the supply shortages had an additional negative impact on the result. While equipment and spare parts prices were raised in response, these price increases were not able to fully compensate for the additional expenditure in the financial year.

Spin-off of Belimed Life Science's Service Business

Following the spin-off of the Life Science equipment business in 2019 and the stabilization of Belimed Life Science, the service business for Life Science customers was also transferred

to Belimed Life Science, effective January 1, 2022. Service revenues in the region of CHF 12 million and the operating result thus achieved will therefore be attributed to Belimed Life Science as of 2022 instead of Belimed Infection Control.

Resilience in Difficult Market Environment

Belimed Infection Control held up well in 2021 in a difficult market environment. While the figures for 2021 lag behind expectations, they nevertheless show that the Business Unit was able to weather the difficult market situation caused by COVID-19 by demonstrating remarkable resilience.

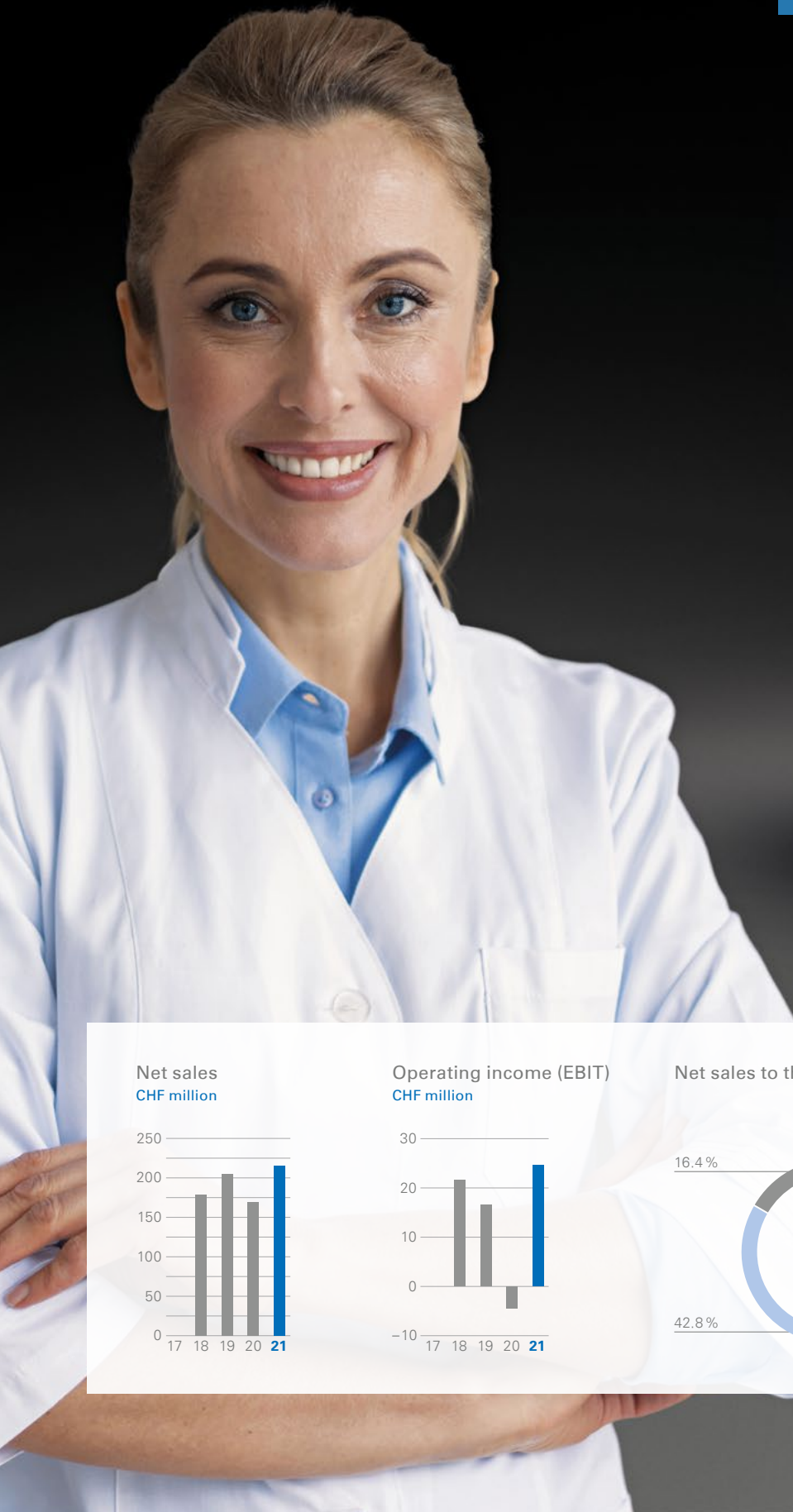
However, the high order backlog in the equipment business has laid solid foundations for Belimed Infection Control going into 2022.

Sustainability as Part of the Brand Promise

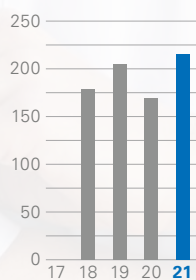
Belimed's sustainability concept applies to every area of the business – from its production facilities and supply chains to the innovative technologies used in Belimed equipment right through to the lifecycle approach of its comprehensive service plans.

To promote the culture of leadership, Belimed is committed to boosting leadership skills and empowerment, and encouraging a feedback culture. In the past year, for example, Belimed introduced a global, modular leadership training course that 90 managers have already completed. Energy savings were made at the production facilities of Belimed Infection Control and Belimed Life Science by installing LED lamps in the assembly building at the Grosuplje plant and by servicing and optimizing the steam and compressed air network in Sulgen, which uses a lot of electricity. Further targeted investments in energy and waste-reduction are planned for 2022, including recycling hot water from the testing infrastructure in order to heat the buildings.

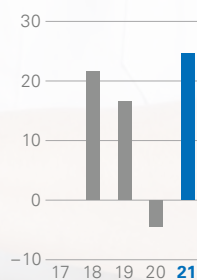
Medical Devices



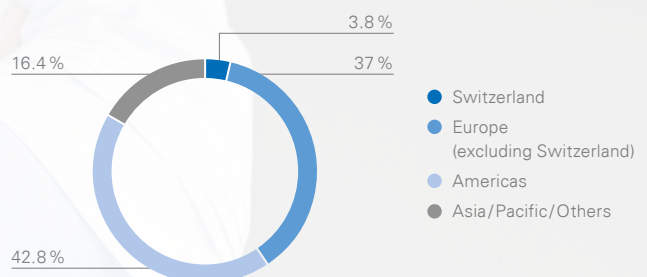
Net sales
CHF million



Operating income (EBIT)
CHF million



Net sales to third parties by region, in %



The Haag-Streit Group is an international medtech company specializing in ophthalmology. True to its slogan of “Look closer, see further”, the Group develops, produces and distributes innovative and progressive medical diagnostics, treatment and training solutions for eye specialists.

The Haag-Streit Group’s business operations are divided into two main areas:

Diagnostics Business Area

The Diagnostics Business Area of the Haag-Streit Group manufactures ophthalmological equipment for use in a variety of settings. The Haag-Streit brand name is known around the world, and Haag-Streit is one of the global industry leaders in slit lamps. The company is also among the market leaders in diagnosing glaucoma, in perimetry and in optical biometry, which has been consistently improved and expanded.

Surgical Business Area

The Surgical Business Area is responsible for developing, producing, marketing, distributing and servicing high-precision operating microscopes for use in ophthalmological microsurgery and other accessories required by eye care professionals.

Practice equipment for eye specialists rounds out the offering of the two Business Areas, along with industrial high-precision measuring instruments, optical systems and innovative medical instruments that improve inhalation techniques. The Mini-Wright peak flow meter by Clement Clark is seen as the “Gold Standard” in asthma management. And through VRmagic, the Group is also a pioneer in virtual and augmented reality technology for the medical training of eye specialists and in digital imaging in this area.

The Haag-Streit Group employs a workforce of around 1 000 worldwide, including 22 trainees.

Medical Devices

in CHF million	2021	2020	2019	2018²⁾
Net sales	215.2	169.6¹⁾	204.9	178.5
Net sales development in %	26.9	–17.2	14.8	n/a
of which foreign currency impact in %	–0.3	–3.0	–0.8	n/a
of which acquisition & divestment impact in %	2.5	3.6	18.2	n/a
Organic net sales development in %	24.7	–17.8 ¹⁾	–2.6	n/a
Net sales to third parties	215.2	169.6	204.9	178.5
Switzerland	8.2	8.3	7.4	6.6
Europe (excluding Switzerland)	79.6	67.6	68.1	60.7
Americas	92.1	63.1	90.6	74.6
Asia/Pacific/Others	35.3	30.6	38.9	36.6
Operating income (EBIT)	24.6	–4.4	16.5	21.6
in % of net sales	11.4	–2.6	8.1	12.1

¹⁾ As part of the conversion of the income statement to the income statement by function, the key figure net sales was redefined in 2021 and the reporting year 2020 was restated. This effect increased organic growth by 1.9% in 2020.

²⁾ The Haag-Streit Group was acquired in 2018. Accordingly, the financial year includes the consolidation period from March 1, 2018 to December 31, 2018.

The 2021 Financial Year

In 2021, the Medical Devices Business Unit (Haag-Streit-Group) posted substantially higher net sales of CHF 215.2 million (previous year: CHF 169.6 million), thus returning to its pre-COVID level. Adjusted for currency effects of –0.3 % and acquisition and divestment effects of 2.5 %, organic growth came to 24.7 %.

In 2020, Haag-Streit's sales activities had been severely affected by cancelled congresses and trade fairs. In addition, access to hospitals was restricted as a result of COVID-19, with both diagnostic examinations and surgical procedures being postponed. The high quality and durability of Haag-Streit products means that customers can partly delay renewing their devices without any great loss of function. 2021 then saw a noticeable upward trend, accompanied by a discernible market recovery, especially in the USA and the United Kingdom. This is reflected not only in the sharp rise in sales, but also and above all in the significantly higher order intake, which greatly outstrips net sales. Following the acquisition of VRmagic, sales of training and simulation equipment (especially surgical simulators) positively surpassed expectations.

The operating result (EBIT) came to CHF 24.6 million in the reporting year (previous year: CHF –4.4 million). Medical Devices has thus also clearly exceeded the operating income of 2019 (CHF 16.5 million). This is attributable not only to the increase in sales, but also to improved margins as a result of higher capacity utilization and costs savings. The operating income contains a number of one-time effects (partial release of a provision for employee benefit obligations at a subsidiary in the United Kingdom (CHF 3.7 million), restructuring costs (CHF –10.3 million), indemnification of former owners (CHF 8.3 million) and a gain on the sale of IPRO (CHF 1.7 million)). Adjusted for these one-time effects of CHF 3.4 million, the operating income stands at CHF 21.2 million.

In order not to jeopardize its medium to long-term goals, Haag-Streit not only refrained from making cutbacks to R&D investments in the reporting year, it actually increased them year-on-year. In this way, Haag-Streit aims to further enhance the Group's capacity for innovation and ensure sustainable growth over the coming years.

VRmagic – a Pioneer in Virtual and Augmented Reality Technology for Ophthalmology

VRmagic is a pioneer in virtual and augmented reality technology for the medical training of eye specialists and in digital imaging in this area. The solutions it develops permit a realistic and dynamic simulation of examinations of and operations on the eye. The company is the global market leader in the development and manufacture of training devices for ophthalmologists and has particular expertise in developing camera systems for highly precise optical tracking. It sells its solutions globally under the Haag-Streit Simulation brand. In May 2021, VRmagic succeeded in acquiring a landmark order from Genentech for simulators, positively impacting net sales both in the reporting year and in 2022.

Rollout of New Products

The reporting year saw the Diagnostics Business Area successfully launch the Eyestar 900 and the Lenstar Myopia in various markets.

Haag-Streit introduced the Lenstar Myopia into further markets in 2021. This product for state-of-the-art myopia management and patient education is a combination of the Lenstar LS 900 biometer and the EyeSuite Myopia software application that enables precise measurements for the early detection of short-sightedness, which is currently on the rise in various regions and especially among children. In addition, the product comes with leading-edge software that provides graphical visualizations which help to inform patients, predict

the course of the disease at an early stage and monitor the success of initiated treatment measures. As this diagnostic device is highly relevant not only for ophthalmologists, but also for optometrists, the Haag-Streit Group has entered into an international distribution agreement with HOYA. Among other things, Japanese multinational HOYA supplies eye-glass and contact lenses to optometrists along with the relevant systems.

With the Eyestar 900, Haag-Streit is opening a new chapter in measuring, imaging and diagnosing the human eye. The Eyestar 900 is a high-precision, fully automated device for analyzing and measuring the anterior chamber. It enables users to efficiently determine the biometric dimensions and perform a detailed analysis of the anterior segment of the human eye. The device has positioned itself as a high-end product and enjoyed a successful launch in various markets over the last 12 months. Following an extensive test and rollout phase in Switzerland and neighboring countries, the products can also be marketed internationally via the Haag-Streit Group's distribution network.

Initiating Strategic Changes

The Haag-Streit Group realigned itself in the 2021 reporting year, initiating two relevant strategic changes as the key to successful business operations. This meant moving to a function-based organizational structure throughout the Group, as well as focusing the Surgical Business Area's activities on ophthalmology.

Group Functional Organization

The switch to a function-based organizational structure will create synergies above all in marketing, but also in process design and operational cooperation within the Group. The

functional organization is to be completely implemented throughout the Group by January 1, 2022 and will provide the basis for strengthening the sales organization. The Area Sales Management, now brought together under a single leadership team, will work more closely and intensively with the distributors. The two companies that do not form part of the core business, Clement Clark International and Möller Wedel Optical, will be given greater operational autonomy, enabling them to achieve a more precise alignment with the specific market conditions that apply to them.

Focusing and Realignment in Surgical Business Area

To date, the Surgical Business Area has developed, produced and distributed microscopes worldwide for use in a variety of settings, specifically ophthalmology, neurosurgery, spinal surgery, and ear, nose and throat (ENT). However, Haag-Streit's market share in the neuro, spine and ENT fields is too small for it to be worth making the necessary investments in product development and too small to enable the stated goals to be achieved. Haag-Streit has therefore decided to realign its Surgical area and to focus fully on the core business of ophthalmology in future. It will do this by bundling its innovative strength in this area. Consequently, it was decided to close the loss-making plant in Wedel (Germany) and thus discontinue the manufacture of operating microscopes for use in neurosurgery and spinal surgery, ENT applications, plastic and reconstructive surgery, and dental operations at the end of 2023.

Thanks to the use of digital technologies, Haag-Streit will continue to supply functional, high-quality ophthalmological microscopes on the global market in the future. The current flagship product for ophthalmology, the Hi-R NEO 900, will be continued and developed further. In parallel with this, Haag-Streit is developing a new family of digital microscopes

for use by ophthalmologists, which is pushed by Haag-Streit Simulation in Mannheim. In the future, all microscopes will be produced by Spectros in Ettingen (Switzerland).

Focused and Harmonized Processes

The "One Haag-Streit" project aims to establish uniform processes across all businesses and operating entities, especially in relation to development, production, and sales. It involves focusing processes and eliminating duplication.

As part of this harmonization of processes and systems within the Group, a number of companies were able to take another step forward with the standardization of ERP systems. The sale of the German company IPRO GmbH, a manufacturer of software products for opticians and hearing aid dispensers, and the internal merger of various Group companies in Germany, the UK and the US additionally enabled the Group to simplify its structures.

Acquisitions

In 2021, Haag-Streit acquired the remaining roughly 23 % of shares in VRmagic Holding AG in Mannheim (Germany) still held by the previous owners. VRmagic is now fully owned by the Haag-Streit Group. Thanks to the acquisition and integration of VRmagic, the Haag-Streit Group now has a center of competence specializing in digital and virtual training and simulation for ophthalmological diagnostics and treatment, complemented by the relevant expertise in digital imaging. In future, all business areas of the Haag-Streit Group should benefit from this know-how as digital imaging becomes increasingly relevant for electronically assisted diagnostics and treatments.

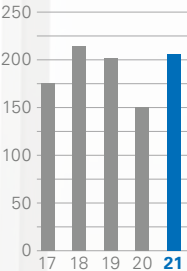
Sustainability Projects

Sustainability has always been an important topic for Haag-Streit, as demonstrated by the longevity of its products, which can remain in use for more than 20 to 30 years. The Haag-Streit Group took steps to conserve resources in 2021. Further information is available in the section on Sustainability and Responsibility, starting on page 39.

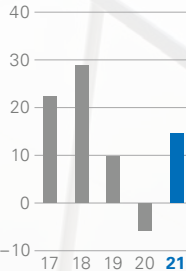


Wire Processing

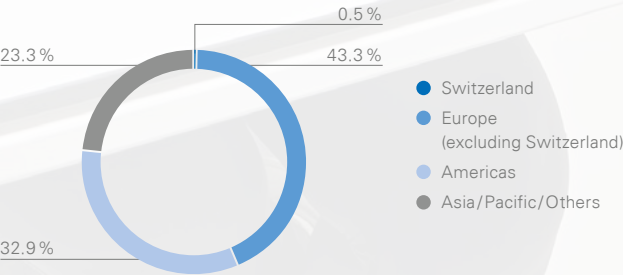
Net sales
CHF million



Operating income (EBIT)
CHF million



Net sales to third parties by region, in %



The Schleuniger Group, a global technology company and innovative provider of solutions to the wire processing and testing industry, forms the Wire Processing Business Unit. Schleuniger products are used wherever highly precise connections, maximum productivity, reliable data traceability and coherent value chains play a central role. In addition, its subsidiary DilT GmbH is an important player in the area of digitalization and the industrial Internet of Things (IoT) in the markets it serves. Through adaptronic Prüftechnik GmbH, Cirris, Inc. and Schleuniger Messtechnik GmbH, Schleuniger rounds out its offering in the field of testing, both within and outside the automotive supply industry.

Schleuniger serves customers spanning a broad range of sectors, including the automotive industry, information and communications technology, industrial and consumer electronics, aerospace, and railways and transportation. Its extensive solutions portfolio includes semi- and fully automatic machines for the manufacture of sophisticated applications, customized process and test automation solutions, plus peripherals and test devices, tools, software for connecting data along the entire process chain, and service products covering the entire spectrum of wire processing and testing.

Schleuniger has around 1 000 employees, including 47 trainees, on three continents.

Wire Processing

in CHF million	2021	2020	2019	2018	2017
Net sales	206.2	150.0¹⁾	201.4	214.5	175.7
Net sales development in %	37.4	-25.5	-6.1	22.2	14.5
of which foreign currency impact in %	-0.5	-2.7	-0.8	1.2	0.0
of which acquisition impact in %	6.5	2.2	0.0	12.3	4.6
Organic net sales development in %	31.4	-25.0 ¹⁾	-5.3	8.6	9.9
Net sales to third parties	206.2	150.0	201.4	214.5	175.7
Switzerland	1.0	1.3	1.9	2.6	0.9
Europe (excluding Switzerland)	89.3	66.5	86.6	95.4	75.5
Americas	67.8	48.0	71.1	71.1	60.9
Asia/Pacific/Others	48.0	34.2	41.8	45.4	38.4
Operating income (EBIT)	14.6	-6.0	9.8	28.9	22.3
in % of net sales	7.1	-4.0	4.9	13.5	12.7

¹⁾ As part of the conversion of the income statement to the income statement by function, the key figure net sales was redefined in 2021 and the reporting year 2020 was restated. This effect increased organic growth by 2.2% in 2020.

The 2021 Financial Year

The Wire Processing Business Unit posted net sales of CHF 206.2 million in the reporting year (previous year: CHF 150.0 million). Adjusted for currency effects of –0.5 % and acquisition effects of 6.5 %, organic growth in sales came to 31.4 %.

The automotive industry experienced a certain upswing in 2021, as customers started to make investments that had been deferred the year before. Technological progress in relation to complex high voltage applications and data cables, plus the increasing production volume of hybrid and battery electric vehicles (NEVs), and further automotive connectivity are all driving demand. The latter also benefited from customers' increasing need for cables that meet ever more demanding quality standards regarding the safety of high voltage applications, higher transfer rates and ever lower tolerances in data cables, and miniaturization. In addition to the increasing quality requirements, the sharp rise in quantity of these cables and thus the need for greater automation of the production processes is a further driver of demand. A trend can be recognized in which wire harness manufacturers are increasingly producing complex special cables themselves rather than buying them in. As a result, customers are increasingly investing in Schleuniger's highly automated solutions.

Order intake grew at a faster pace than sales, leading to a high order backlog at the end of 2021. Order intake rose sharply in the Process Automation and Solutions segment in particular, thanks to the two megatrends of e-mobility (high voltage cables) and self-driving vehicles (data cables).

The operating result (EBIT) came to CHF 14.6 million (previous year: CHF –6.0 million). This significant improvement is attributable to sales growth in the reporting year, the impact of the cost-cutting measures introduced the year before, and a clear improvement in the Process Automation result. After this business segment had been negatively impacted by the development of new applications and machines in 2020, it

was able to boost volumes in the reporting year and improve its margin thanks to a number of projects with similar or identical applications, which resulted in lower development expenses.

Difficult Supply Situation

The difficult situation regarding the procurement of materials and components for use in production, in particular in the field of electronics, had an adverse effect both on order intake and the operating result. Added to this were logistics challenges, especially for deliveries to the USA and to and from China.

Nevertheless, Schleuniger succeeded in maintaining its output levels. Components were procured through alternative channels, i.e. via brokers. The resulting rise in procurement prices, which were frequently several times higher, was partly passed on to customers through price increases. Furthermore, various orders had to be turned down because the delivery deadlines requested by the customers could not be guaranteed. Despite missing out on these orders, order intake grew at a faster pace than sales.

Schleuniger – from Machine Manufacturer to Strategic System Partner

The overriding strategic goal of transforming Schleuniger from a machine manufacturer to a strategic system partner for its customers remains top priority. The acquisitions made in recent years have enabled Schleuniger to further strengthen its innovative approach in the area of testing and consistently pursue its best-in-test strategy in relation to its product portfolio and global presence. The TransferLine systems in the Process Automation product segment meet the currently growing demand for sensor cables (ethernet, mini-FAKRA) and high voltage applications for hybrid and battery electric vehicles. Through DiIT GmbH, a producer of integrated software solutions for manufacturing execution systems (MES) and for customized wire harness production as well as just-in-time and just-in-sequence logistics, the Group is also competitively represented in the control and digitalization of wire harness and cable assembly production.

Best in Test: Testing Area Strengthened Further

The defined Best-in-Test strategy was successfully continued. The integration of Cirris, Inc., Salt Lake City (USA) into the "Schleuniger Testing Alliance" is proceeding as planned, and the company is developing in a pleasing way. The "Schleuniger Testing Alliance" consists of Cirris, Inc., adaptronic Prüftechnik GmbH in Wertheim (Germany), the Schleuniger GmbH plant in Jettingen (Germany) and Schleuniger Messtechnik GmbH in Sömmerda (Germany). Schleuniger Messtechnik GmbH acquired the assets of KMF Messtechnik und Verwaltungs GmbH on July 30, 2021. Schleuniger also acquired the remaining 40 % stake in adaptronic Prüftechnik GmbH at the start of 2022. Thanks to the Testing Alliance, Schleuniger is able to serve as a one-stop shop that offers its customers complementary product lines for practically all their testing needs.

Schleuniger's testing segment is also benefiting from trends such as e-mobility, self-driving vehicles and data traceability, as well as the growing demand for quality transparency. Schleuniger offers customers worldwide a broad range of products, from simple, standardized cable testers to tailored testing systems and customizable platforms right through to automated testing systems, and adapters and accessories. Schleuniger thus serves a wide variety of industries, including sectors outside the automotive supply industry, in a number of different geographical markets.

New Products – Orange Future Transfer Line Wins Innovation Award

The MegaTransfer S7, developed in 2020, enjoyed a successful market launch. With this, Schleuniger has created a future-proof processing platform for customers in the e-mobility sector, which is also suitable for high-voltage applications in other industries. With innovative technical functions, state-of-the-art digitalization features and options that can be configured according to customer needs, the new PowerTransfer system, which forms part of the TransferLine range, satisfies the latest market requirements.

Schleuniger's highly automated systems are geared towards the two megatrends of e-mobility (high voltage cables) and self-driving vehicles (data cables). In November 2021, Schleuniger's automated TransferLine for high voltage applications won the productronica Innovation Award in the Cables, Coils, and Hybrids Cluster category at Productronica 21, Europe's largest electronics trade fair, seeing off 60 competitors. The TransferLine products are designed to process wires and cables, pairing the highest quality with minimum rejection rates. They can also process new kinds of complex connector systems.

In addition to these, two projects are working on the development of new semi- and fully automatic cut & strip platforms. An initial model was unveiled at Productronica 21. As well as being state-of-the-art in terms of user-friendly operation, user interface and connectivity/digitalization, it comes with many extended features and functions that will offer users a wide range of possibilities in the future.

Another new product successfully launched on the market was the new Sealloader SL 4000, a sealing station featuring innovative seal application technology. In addition, even more features and options were made available for the Cut, Strip & Terminate SP-models, such as a revamped placement system that is both modular and extendable, and guarantees a higher placement quality.

DilT's MES and software solutions support Schleuniger on its journey to achieving complete value chain coverage and digitalization, including the ability of its customers to trace data. It will resolutely continue to pursue this path, backed by an extended portfolio based on a new software platform from DilT.

Sustainability Initiatives Make Another Leap Forward

Targeted succession planning and employee development is a key issue. The Schleuniger Group already holds ISO certification in this respect.

To make the use of resources more sustainable, the plastic cups at the water coolers were replaced by individual glass bottles, saving around 90 kg of PET. Mobility projects are also ongoing. At the Thun site, better public transport accessibility is being sought and employee discounts for e-bikes are also being considered. Moreover, going digital should reduce paper consumption by 50 000 sheets a year.

A new digital platform went live in August: accessible to all employees in Switzerland, it is intended to improve the provision of information and communication regarding sustainability initiatives. The platform is shortly to be rolled out internationally, in several languages.

In addition, various other initiatives are being tackled; these are reported on in the section on Sustainability and Responsibility.

Change in Leadership

Michael Weis left the Schleuniger Group at the end of June 2021. Dieter Woschitz has taken on his duties as Schleuniger Group CEO ad interim.

An aerial photograph of a city, likely Zurich, showing a dense cluster of modern buildings with green roofs in the foreground. The city extends to a large body of water (Lake Zurich) in the middle ground, with snow-capped mountains in the background under a clear blue sky. A blue rectangular box is overlaid on the left side of the image, containing white text.

Technologycluster & Infrastructure

The Technology Cluster & Infrastructure Business Unit is responsible for the industrial development of various sites in the city of Zug, together with the establishment of a tech cluster and other infrastructure tasks. It consists of Tech Cluster Zug AG (TCZ AG) and Urban Assets Zug AG (UAZ), which owns a number of properties on the Tech Cluster Zug (TCZ) site. In addition, Tech Cluster Zug AG holds a 50 % stake in the newly founded Multi Energy Zug AG, a joint venture with WWZ AG, a utility company based in Zug that serves the region with energy, telecommunications and water.

The Business Unit's main tasks are real estate development and the management, operation and maintenance of the Tech Cluster Zug and the entire real estate portfolio. This also includes the development of sustainable infrastructures, the acquisition of new tenants and other real estate users, the creation of new offerings, plus marketing and communication, especially with the authorities and the site's immediate neighbors. As V-ZUG's client representative, it also assumes various tasks in connection with V-ZUG real estate development projects. Sustainability is a key concern of the Business Unit. Its sustainable energy supplies, buildings and mobility solutions make a significant contribution to reducing the carbon footprint.

The rental income earned is declared as "other operating income" along with the income earned as client representative. The operating income (EBIT) came to CHF 2.5 million (previous year: CHF 5.2 million).

Building a Tech Cluster in Zug

The aim of the Tech Cluster Zug (TCZ) multi-generational project is to create a viable urban area combining industrial production, research and development, commercial and residential properties on a site with limited space. The TCZ development plan came into legal effect in October 2018.

Transforming a large industrial site that is still being used for production calls for a long-term horizon and constant adjustments to the changing conditions and opportunities. On top of that, the future industrial and commercial users of the site each come with their own specific requirements and must

therefore be involved as partners in the planning process. A development plan that allows for flexibility was thus drawn up together with the authorities.

As a sustainability pioneer, the Business Unit is developing and building the Multi Energy Hub (MEH), a new means of supplying the whole industrial site with energy based on sector coupling and involving the creation of various solar energy systems, a plant for green hydrogen production and energy storage possibilities, as well as fine-meshed energy networks. On the construction side, the focus is generally on increasing the use of new building materials, especially those that cause low CO₂ emissions during production and construction activities. Mobility concepts provide incentives to reduce individual motorized travel and to enable more and more of the remaining journeys to be made using low-emission drive systems (e-mobility). As far as industrial logistics are concerned, a hydrogen-based infrastructure is being created.

Overview of Ongoing Projects

Real estate development has been pursued vigorously in recent years. The future users of the new SHL-Südtor and CreaTower I buildings were secured as partners for the Tech Cluster at an early stage, enabling the site transformation to be implemented faster than originally planned.

SHL-Südtor – Combined Production and Office Building for SHL Medical

A letter of intent was signed with SHL Medical in mid-September 2020 for the construction and use of a new building in the southern part of the Tech Cluster Zug (Südtor). SHL Medical develops and manufactures drug delivery systems such as autoinjectors, pen injectors and inhaler systems. The intention is to create a combined production and office building. SHL Medical plans to start producing at this site from 2026.

The design studies competition for SHL-Südtor was completed in spring 2021 when the submission by Penzel Valier architects was announced as the winning project. In the meantime, the preliminary project has been presented along with a revised cost estimate.

A remediation concept was submitted to the Office of the Environment of the Canton of Zug for the removal of pollutants and contaminants from the soil around the SHL-Südtor site. The Environment Office is expected to deliver a final decision in the first half of 2022.

Mitte TCZ

The Mitte TCZ project at the centre of the site comprises the CreaTowers building lots and the entrance to the Tech Cluster, with the V-ZUG headquarters (Zephyr West). The CreaTowers project consists of CreaTower I with a maximum building height of 40m and CreaTower II with a maximum building height of 60m plus a communal underground parking garage. It is to be realized in two phases. CreaTower II is to be designed as a residential high-rise, with services to be located in the plinth base. CreaTower I is being constructed as an office building for VZ Depotbank. VZ Depotbank intends to acquire the building and plot of land under the floor area of the building. Extensive test planning for the Mitte area was completed at the beginning of 2021. Metall Zug and V-ZUG have approved the new urban planning concept together with the new traffic routing. The design competition running in parallel for CreaTowers and the entrance to TCZ (ZUGORAMA 2.0 and Zephyr West) got under way in fall 2021. The winning project will be chosen in spring 2022.

In summer 2021, the Board of Directors of V-ZUG Holding AG decided that the new Zephyr West building should be constructed directly by the landowner V-ZUG Infra AG, rather than under building rights by UAZ.

Westhive – Co-working Spaces with Westhive AG

V-ZUG moved its spare parts warehouse to a new location in 2019, freeing up around 2200m² of storage space. This is now being converted and will be rented long-term to Westhive AG as a co-working space. Westhive will, in turn, rent out the co-working space to start-ups, companies and freelancers, thus building a unique innovation ecosystem.

The tenancy agreement for the basic and tenant fit-out has been signed and the construction permit secured. In the

meantime, demolition work has already begun. The hand-over to Westhive is scheduled for September 2022.

Pi Project

The Pi Project to build an inner-city residential tower block as a timber construction is all about constructing affordable housing and features a number of sophisticated technical innovations. The Technologycluster & Infrastructure Business Unit is cooperating with general contractor Implenia Switzerland Ltd on the Pi Project.

Semiramis

Semiramis is the name of a planned lively sculpture at the main entrance to Tech Cluster Zug. It takes the form of wooden bowls planted with trees and vegetation, which will rise into the air above the square at varying heights. The project was developed in collaboration with researchers from ETH Zurich and other partners. Digital tools played a key role not only in the design process but also in assembling the wooden bowls, which was done by robots at ETH Zurich's laboratory. The go-ahead has been given. ETH Zurich has finished producing the bowl elements under the guidance of general contractor Erne Holzbau AG. The sculpture will be erected in June 2022.

Tomorrow's Parking Garage: Mobility Hub Zug Nord

The Mobility Hub Zug Nord will see the creation of a multifunctional parking concept featuring various hallmarks of a smart parking garage. For example, a modern parking guidance system, an online reservation tool, automatic license plate recognition at the entrance, and charging stations for electric cars and e-scooters will be available to users. The Handwerkstatt Zug shop and "Lekkeray" bistro will take up occupancy on the first floor.

Construction work on the Mobility Hub Zug Nord, with just under 600 parking spaces, is proceeding on schedule and on budget. The architectonically attractive footbridge over the new connecting road to the Zug-Baar bypass was finished on time. The Mobility Hub Zug Nord is likely to come into operation in July 2022.

A rental agreement for 420 parking spaces has already been concluded with V-ZUG, and tenancy agreements have also been signed for the use of the first floor.

Multi Energy Hub Tech Cluster Zug – Supplying the Site with Carbon-neutral Energy

Construction of the first section of the new “site network” for electricity, heating and cooling, and gas along Industriestrasse has been completed, including the soil remediation work. Construction of the central MEH heating and cooling plant, a two-story plant equivalent in size to a small multi-family home that is integrated into V-ZUG’s ZUGgate high-bay warehouse, is proceeding according to plan. It is expected to come into operation in fall 2022. Key elements of the Multi Energy Hub project will have been realized by the end of 2022. This means that a carbon-neutral energy supply will be available across the whole site, including to any connected third-party customers, from the 2022/2023 heating period.

Multi Energy Zug AG, a joint venture between local energy supplier WWZ AG and TCZ AG, was established in 2021 to operate the Multi Energy Hub. It will commence its operational activities during the course of 2022.

The complementary H2@MEH project consists of several sub-projects. For the first time, hydrogen is to be produced on an industrial scale by pyrolysis, i.e. the decomposition of methane (natural gas). At the same time, the decentralized generation of hydrogen using electrolysis is to become part of the Mobility Hub, where a hydrogen fueling station will be located. While the hydrogen produced by pyrolysis is to be used as fuel for the nearby industrial processes, the hydrogen produced by electrolysis should serve to fuel trucks.

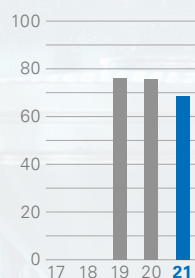
The feasibility study for the H2 mobility project has been completed, and the proposal for financial support for the project submitted to the Cantonal Government of Zug.



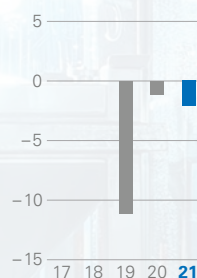
Others



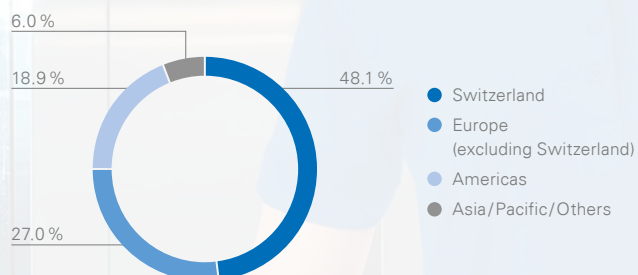
Net sales
CHF million



Operating income (EBIT)
CHF million



Net sales to third parties by region, in %



Belimed

The companies of the Belimed Life Science Group, Gehrig Group AG and Metall Zug AG (corporate) are grouped together in the Others reporting segment. The reporting segment posted net sales of CHF 68.4 million in the reporting year (previous year: CHF 75.6 million) and an operating result (EBIT) of CHF –2.1 million (previous year: CHF –1.1 million).

Others			
in CHF million			
	2021	2020	2019
Net sales	68.4	75.6¹⁾	76.1
Net sales development in %	–9.5	–0.6	n/a
of which foreign currency impact in %	0.0	–0.3	n/a
of which acquisition impact in %	0.0	0.0	n/a
Organic net sales development in %	–9.5	–0.3 ¹⁾	n/a
Net sales to third parties	67.7	74.5	75.4
Switzerland	32.5	32.9	41.6
Europe (excluding Switzerland)	18.3	18.8	26.9
Americas	12.8	19.7	5.8
Asia/Pacific/Others	4.1	3.1	1.2
Operating income (EBIT)	–2.1	–1.1	–11.1
in % of net sales	–3.0	–1.4	–14.7

¹⁾ As part of the conversion of the income statement to the income statement by function, the key figure net sales was redefined in 2021 and the reporting year 2020 was restated. This effect increased organic growth by 0.3% in 2020.

Belimed Life Science

The Belimed Life Science Group develops, produces and sells innovative and customized cleaning, disinfection and sterilization systems and solutions, primarily for use in the pharmaceutical industry.

In 2021, Belimed Life Science posted net sales of CHF 38.6 million (previous year: CHF 44.6 million).

The economic environment in which Belimed Life Science operates was dominated by the COVID-19 pandemic again in 2021. Order intake was considerably higher than in the previous year. This reflects the increase in demand from the pharma industry as a whole, and for tests and vaccines in particular. Demand for biotech applications rose sharply in the Asia region, and Europe experienced a noticeable revival

in investment activity. As a result of further growth in the demand for complete process solutions, Belimed has stepped up its efforts to serve as a full solution provider to customers in the pharmaceutical sector.

The supply situation for electronic components caused delays in client projects, particularly in the retrofit business where important control elements were not available.

Through a clear focus on profitable projects, improved project management and operational excellence, Belimed Life Science once again posted a positive operating result (EBIT). However, additional expenses entailed by the difficult supply situation, substantial IT infrastructure investments, increased freight costs, and the cost of establishing Belimed's own service organization all had an adverse effect on the result.

Service Business Acquired for Belimed Life Science

Following the spin-off of the Life Science equipment business from Belimed Infection Control in 2019 and the stabilization of Belimed Life Science, the service business for Life Science customers was also transferred to Belimed Life Science, effective January 1, 2022. A team of some 60 employees will work in-house and externally in Central Europe. A separate team in the USA will take care of service on the American continent.

Additional service revenues in the region of CHF 12 million and the related operating result will therefore be attributed to Belimed Life Science as of 2022 instead of Belimed Infection Control. The associated investments in personnel, vehicles, infrastructure and material resources were mostly made in 2021, but their effects will continue to be felt in 2022.

Digitized Factory Acceptance Tests

The ongoing global travel restrictions due to the COVID-19 pandemic make it difficult for customers to conduct on-site acceptance tests. Belimed continues to offer its customers virtual factory acceptance tests (FATs) via remote systems. These virtual FATs make the process fast and efficient, enjoy a high degree of acceptance among customers, and have helped improve customer relations even further.

Further Development of Innovative Solutions for Customers

The modern B-Touch user interface has short reaction times and clear symbols that allow the systems to be operated intuitively, safely and without error. The new B-Touch control panel was also integrated into the BST range of sterilizers in 2020 and has been well received by the market. Thanks to a 2021 development project, Belimed is now also able to offer the B-Touch user interface for the previously installed base in PST sterilizers and various GMP cleaning systems product lines. This step forward allows Belimed Life Science to expand its retrofit business. Customers benefit in two ways: the service life of their existing systems is extended, and these can

be retrofitted with the latest machine control technology and user interfaces. In addition, the connections to the customers' own process control systems have been modernized and simplified along with other interface requirements.

Sustainability in the Organization and in New Product Development

At Belimed Life Science in Switzerland 80 % of suppliers are local, and in Slovenia 60 %. This means that goods do not have to be transported over long distances. Energy consumption at the production facilities of Belimed Infection Control and Belimed Life Science was reduced by installing LED lighting in the assembly building at the Grosuplje plant and by optimizing the energy-intensive steam and compressed air network in Sulgen.

Further investments aimed specifically at reducing energy use and waste are planned for 2022, including recycling hot water from the testing infrastructure to produce building heating. On the product side, an overarching development project designed to reduce the water, steam and energy consumption of combined washer-sterilizers got under way in January 2022.

Gehrig Group

Gehrig Group is a leading Swiss supplier of dishwashers, thermal appliances, medical hygiene and care systems, coffee machines and cleaning agents for the tourism industry, the hotel and catering industry, and care homes and hospitals.

Gehrig Group generated net sales of CHF 29.8 million in the reporting year (previous year: CHF 30.9 million). The year-on-year decline in sales is primarily attributable to the COVID-19 measures in the hotel and catering sector. Hotels, restaurants and bars were affected by closures for a total of five months in the 2021 financial year and thus for longer than the year before. Restaurants, for example, reported a drop of more than 60 % in the first quarter of 2021 compared with the same period of the previous year. This had a direct impact on

Gehrig Group and its business. However, thanks to cost-cutting measures and slightly higher margins, the operating result inched into positive territory.

Key Service Provider during COVID-19

Alongside its professional solutions for the hotel, restaurant and catering sector, Gehrig Group also manufactures a range of products specifically for care homes and hospitals. Despite the restrictions that were in place, Gehrig Group's customer service operation remained available nationwide to clients from the healthcare sector throughout the entire period. Gehrig Group and its 90 technicians ensured that an emergency service was available and that products were maintained, thus helping to keep care homes and hospitals running smoothly.

To round out the hygiene measures, TROTEC high-performance air purifiers were added to the product portfolio. The mobile air purifiers filter viruses, aerosols, bacteria and other harmful substances in medium to large-sized rooms. The TAC V+ and TAC XT models feature a thermal decontamination unit that destroys the harmful microorganisms. The mobile air purifiers are ideally suited for indoor spaces such as restaurants, hotels, congress centers, fitness studios and waiting rooms.

Connectivity Adds Value for Customers

Gehrig Group also makes it possible to manage whole pools of equipment in hotel and restaurant kitchens. In the "GG+ connect" software application, it has created a platform that is brand-neutral, scalable and can be used across sites to manage suitable appliances. Important operating data, including machine utilization, operating costs, detergent levels and error messages, is available at all times and can be evaluated. The platform is being continuously developed with the aim of creating new opportunities through its interaction with clients and reinforcing their loyalty by creating added value.

Sustainability at Gehrig Group

Gehrig Group drew up its sustainability strategy in the reporting year. It is currently examining options for replacing the service fleet with CO₂-neutral commercial vehicles. In addition, the areas served by each technician were redefined, resulting in shorter journeys and fuel savings. Warehouse travel was also minimized by reducing the external warehouse inventory. By shortening travel routes, the reorganization of the technicians' service areas has paved the way for the Group to make a contribution to the focus topic of climate & energy.

Sustainability and Responsibility

As a holding company with investments in industrial manufacturing companies, Metall Zug is aware of the responsibility it bears toward its employees, society and the environment. Operating in a responsible and sustainable manner has been deeply ingrained in the Group's strategy for many years. Metall Zug has defined four focus topics. The Business Units implement concrete projects within the framework of these focus topics. Progress is measured using a set of key performance indicators, which were rolled out to the main sites in Europe in 2021.

Sustainability as Part of the Corporate Strategy

Metall Zug views sustainability as a strategic, intrinsically motivated priority. Its sustainability values and principles have been set out in the Code of Conduct for many years. All those in positions of responsibility act with a view to success and in line with the Metall Zug values: any success can only really be counted as such if it is sustainable and has been achieved with due respect for society and without tarnishing the reputation of the company in question and the Metall Zug Group as a whole.

With regard to durable and resource-saving products, environmentally friendly and material-efficient production, responsible procurement and logistics, and as a committed employer, Metall Zug aims to assume a pioneering role.

The company follows the basic principle of acting with a long-term view in order to create sustainable success for all its stakeholders, including customers, employees and shareholders. Long-term success takes priority over maximizing short-term profit.

Metall Zug understands its corporate responsibility to mean ensuring a future for its business beyond the next generation by addressing social, organizational and environmental issues.

On the whole, Metall Zug follows its own agenda regarding sustainability. Its main aim is not simply to tick off the checklists drawn up by sustainability agencies. Instead, it wants to play a leading role, based on the deeply rooted principle of fair business practices and with innovative ideas.

Embraced by the Organization

Metall Zug's Business Units have strived for many years to make their daily business activities as sustainable as possible. Metall Zug set up a Sustainability team in fall 2018 to support the Business Units, with the aim of making sure these ambitions are broadly embraced within the Group, firming up the sustainability strategies, and implementing, measuring and communicating action for sustainability in a more targeted fashion. The Business Units for their part have each nominated a member of Senior Management and a project team to define and implement goals and measures.

A Sustainability Steering Committee made up of the CEOs of the Business Units, the Head of Sustainability and the CFO of Metall Zug meets regularly to approve the measures that need to be taken to achieve the sustainability targets and monitor the progress made in implementing them. The steering committee met twice in 2021. A body devoted to sustainability strategy and prospects, consisting of representatives of the Board of Directors of Metall Zug AG and internal and external subject-matter experts, also met twice. Its aim is to continually develop the focal points and priorities of the sustainability strategy by exchanging views. This should also improve communication between the Metall Zug AG Board of Directors, the directors of the Business Units, and the steering committee. Sustainability aspects are also to be given greater consideration as part of the budget process.

In the budget documentation, each of the Business Units will include a separate chapter on "Sustainability" in which they explain their investments and expenditures in this area.

Systematic Approach

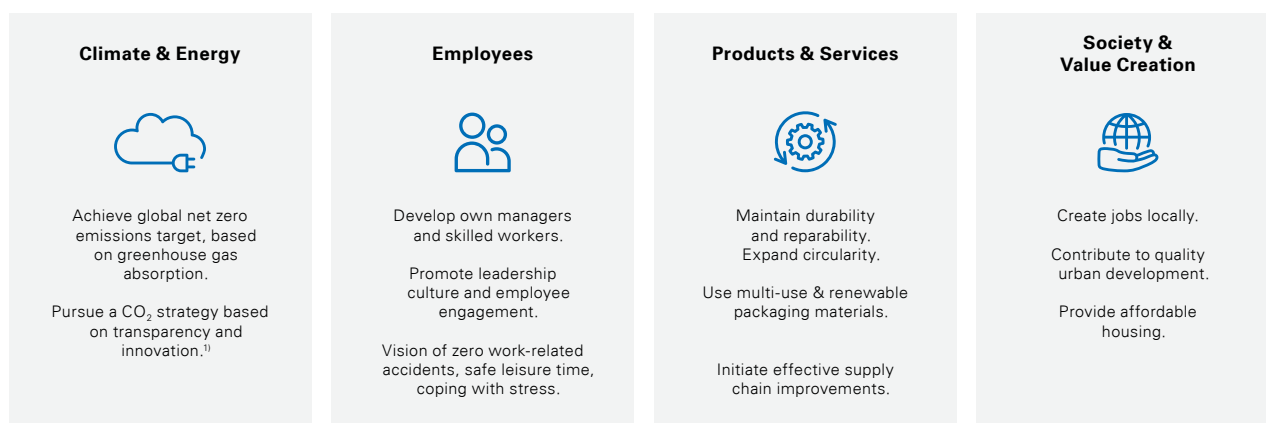
The key sustainability issues at each Business Unit were analyzed together with a consultant and assessed from the point of view of both internal and external stakeholders. A materiality analysis was then drawn up.

This materiality analysis served as the basis for defining strategic thrusts and drawing up a catalog of measures for each area of the business – a process that involved employees from

every Business Unit. These packages of measures are directed in particular at four focus topics: climate & energy, employees, products & services, and society & value creation.

The concrete measures for the individual Business Units were recorded in a Roadmap 2023 for the years ahead. The rollout, which initially started in Switzerland, is continuing apace and now covers all of the main European sites.

Sustainability Targets



¹⁾ For reasons of clarity, the term CO₂ emissions is used synonymously with all greenhouse gas emissions.

Climate & Energy

Metall Zug has been working methodically and effectively since 2013 to continuously reduce the impact of its business activities on the climate. Its efforts mainly focus on Scopes 1 and 2, starting with the Swiss production sites and gradually expanding to other locations. With regard to Scope 3, Metall Zug is also striving to take targeted measures and increase its influence.

Metall Zug is particularly keen to reduce CO₂ in areas that fall within its own decision-making authority, and to actively promote technologies and integrated systems that are more climate friendly. It also addresses the pros and cons of offsetting unavoidable CO₂ emissions.

The Group has been realizing its own CO₂ emission-reduction projects, of which the Multi Energy Hub project in Zug is one example, for years. The remaining emissions at the Swiss sites have been offset since 2018 with certificates for external carbon-reduction projects, such as PV systems in India.

In light of the difficulties with regard to deadweight effects and false incentives associated with third-party reduction certificates, Metall Zug also began looking into negative emissions technologies (NETs) at an early stage. These are intended to compensate for the company's own unavoidable CO₂ emissions by absorbing and storing CO₂ from the atmosphere.

Absorption certificates are much more expensive than reduction certificates, but there is considerably less potential for abuse. Consequently, Metall Zug will endeavor to rely largely on absorption as an offsetting mechanism in the future. Taking a global view of climate policy, however, dispensing with reduction certificates altogether would not make sense at the moment; therefore, the use of high-quality reduction certificates is not being categorically excluded.

In addition to purchasing certificates for external absorption projects, Metall Zug can also seek to achieve negative emissions in its own construction and mobility projects. Examples

include using timber as a building material whenever possible – wood stores CO₂ for as long as the building stands – and newly developed treatment processes that speed up the storage of CO₂ in concrete.

Metall Zug does not want to take until 2040 to reach net zero. Instead, it aims to achieve a global net zero emissions target in the medium term, within a few years. In addition to reducing CO₂ emissions, this also requires unavoidable CO₂ emissions to be absorbed. To this end, it is pursuing a strategy based on transparency and innovation. Financial resources from an internal, emissions-based CO₂ fund are used to finance this CO₂ strategy.

Target: Achieve a global **net zero emissions target** in the medium term, based on greenhouse gas absorption.

External compensation through reduction and absorption	Internal CO ₂ Fund	Internal decarbonization through reduction and absorption
<ul style="list-style-type: none"> – To date, offsetting through reduction certificates (e.g. PV systems), so long as high potential within Group – In future, absorption certificates 	<ul style="list-style-type: none"> – Internal levy of CHF 120/tonne CO₂ – CHF 2.6 million paid in since 2018. Equivalent to 20000 tonnes of CO₂ emissions (including V-ZUG). 	<ul style="list-style-type: none"> – For example, Multi Energy Hub (reduction project) – Construction and mobility projects for CO₂ absorption are currently evaluated for feasibility

Employees

Employees are fundamental to the company's success. That is why Metall Zug aims to develop its own managers and skilled workers, and to secure their services in the long term. The main activities here are to step up promotion and succession planning – 40 % of leadership positions are to be filled by internal candidates –, strengthen the leadership culture, improve satisfaction among employees, and take more preventive health and safety measures.

Products & Services

Metall Zug intends both to retain its pioneering role in long product lifetimes, the availability of spare parts and competent customer service and to build on it by moving towards circularity. One of the first steps will see packaging material largely being produced from renewable materials from now on.

Society & Value Creation

For Metall Zug, making a contribution to regional society is just as important as economic performance. It aims to create jobs locally, play a role in quality urban development, and help provide affordable housing.

Specific Sustainability Projects

The focus of sustainability projects in 2021 lay on climate & energy and employees.

Climate & Energy

Metall Zug's Swiss production sites are carbon-neutral in Scope 1 (heating and operating power, own vehicles, refrigerants), Scope 2 (electricity) and Scope 3 (business air travel). This was achieved by reducing internal emissions and offsetting the remaining footprint with external carbon-reduction projects. Further international sites will likewise report on and offset their emissions in the coming years.

Metall Zug took the step of setting up its own internal CO₂ fund for the Group several years ago. To additionally motivate the Business Units to take sustainable business decisions, a contractually stipulated internal CO₂ levy of CHF 120 per tonne of carbon dioxide was agreed. The levy's main purpose is to put a price on CO₂ emissions that can be factored into all business management decisions, thus favoring effective climate protection measures. Since the introduction of the internal levy in 2018, the Swiss Business Units of the Metall Zug Group and the V-ZUG Group have paid CHF 2.6 million into the fund. The international sites are scheduled to join the CO₂ fund in the next few years. These funds are earmarked for disbursement to innovative, efficient project proposals, such as the H2 fuel project in Zug, building renovation measures, the use of new materials, and e-mobility.

Greenhouse gas emissions covered by the internal CO₂ levy in t CO₂-eq¹⁾

Business Unit	2018	2019¹⁾	2020	2021 (in advance)³⁾
Infection Control	501	125	499	500
Medical Devices	n/a	259	331	317
Wire Processing	363	217	488 ²⁾	483
Belimed Life Science	n/a	145	198	200
Total	864	1016	1516	1500

¹⁾ The system boundaries of the CO₂ emissions measured within the MZ Group are being continually extended. In 2018 and 2019, production units in Switzerland were accounted for in Scope 1. Since 2020, emissions in Scopes 1, 2 and 3 (business air travel) have been recorded in accordance with the Greenhouse Gas Protocol. In the future, the scope will be expanded to include the main European sites. The CO₂ equivalents figure (CO₂-eq.) includes all emissions of greenhouse gases.

²⁾ Due to improved data accuracy, this information was adjusted in comparison with the Annual Report 2020.

³⁾ The levy is collected in advance on the basis of the previous year's CO₂ emissions and offset against the actual emissions by the middle of the following year.

The Technologycluster & Infrastructure Business Unit is forging ahead with additional initiatives and seeking to reduce CO₂ emissions through sustainable construction projects, e.g. building with wood and a CO₂-free energy supply. Moreover, both the Technologycluster & Infrastructure Business Unit and Corporate have adopted a mobility concept that rewards those employees who use public or non-motorized transport for their journeys to and from work, while penalizing those who prefer to use their own motorized form of transport.

The availability of a CO₂-free supply of energy across the entire TCZ site, including to any connected third-party customers, will become a reality as of the 2022/2023 heating period thanks to the construction of the Multi Energy Hub. The project involves the installation of a closely networked system that communicates bidirectionally between local and decentralized energy producers, storage systems and consumers of gas, electricity, and heating and cooling energy. An intelligent, self-learning control system ensures the system is continuously optimized in terms of CO₂ emissions, energy consumption and cost-effectiveness. Investments are being made in photovoltaic systems, the medium and low voltage distribution network, the e-mobility infrastructure, the heating/cooling network, the central heating/cooling plant connected to the groundwater and water from Lake Zug, seasonal geothermal storage, industrial waste heat recovery systems and a communications and control system.

In addition, a power purchase agreement with WWZ AG is intended to bundle the purchase of electricity with the lowest possible CO₂ emissions. Over the next two years, all sites in Switzerland are to switch to Swiss hydropower.

Hydrogen likewise plays an important role in reducing emissions. New approaches to this are to be demonstrated at the Tech Cluster Zug site. V-ZUG and Metall Zug are investing in this technology in order to reduce the remaining CO₂ emissions to zero by means of carbon capture.

Electrolysis is the main method used to produce hydrogen in Switzerland. As there is not sufficient renewable electricity available in Central Europe in winter, this method involves high CO₂ emissions. Therefore, the Tech Cluster Zug and Empa want to use a brand-new process that is based not on electricity but on the decomposition of methane. Methane can be sourced directly from the natural gas network and separated on site by pyrolysis into hydrogen that can be used as energy and solid carbon. This allows harmful CO₂ emissions to be avoided, making it equivalent to the sustainable use of natural gas. The hydrogen produced in this way can be used as emission-free energy. This could allow the Tech Cluster Zug site to reduce its actual CO₂ emissions by an expected 900 tonnes a year.

Alongside these large-scale projects, various smaller projects in the Business Units have also contributed to lowering the Group's CO₂ emissions.

Energy consumption at the production facilities of Belimed Infection Control and Belimed Life Science was reduced by installing LED lighting in the assembly building at the Grosuplje plant and by optimizing the energy-intensive steam and compressed air network in Sulgen. Further investments aimed specifically at reducing energy use and waste are planned for 2022, including recovering waste heat from hot water used in the testing infrastructure to produce building heating.

Moreover, to prevent waste Belimed Life Science is no longer printing any brochures but is making the information available online instead.

Haag-Streit was able to lower both its water and paper consumption by introducing automatic faucets and time-saving hand dryers (as substitution for disposable paper towels) in its washrooms.

Schleuniger will replace the plastic cups at the water coolers in Switzerland with individual glass bottles for employees in the first quarter of 2022. Efforts to increase the use of public transport are under way at the Thun site, and employee discounts for e-bikes are being looked into. Invoices and data transfers are being systematically digitized to reduce paper consumption.

Gehrig Group is currently examining options for replacing the service fleet with CO₂-neutral commercial vehicles. In addition, the areas served by each technician have been redefined, resulting in shorter journeys and fuel savings. Warehouse travel has also been minimized by reducing the external warehouse inventory.

Employees

An employee survey was carried out at the beginning of September 2021 in collaboration with external providers. All subsidiaries worldwide took part. The survey achieved a very good response rate of 82 %.

Measures have been defined with the particular aim of further developing cooperation, values and (leadership) culture as well as communication and development potential. Specific initiatives at the individual companies include a regular information culture, more team-building measures, leadership workshops, regular newsletters, establishing annual appraisals with an optimized feedback culture, and the drawing up of personal development plans, plus expanding the range of internal and external continuing professional development options. Some new sustainability initiatives are also based on the feedback from the survey.

The Infection Control Business Unit introduced a global, modular leadership training course last year that 90 managers have already completed.

The existing approaches and instruments for succession planning, talent promotion, continuing professional development and collaborating with universities were evaluated across every area of the Group in order to identify opportunities for transferring know-how and other ways to round out the offering. The Schleuniger Group already holds ISO certification with respect to succession planning and employee development.

Each company has put a prevention concept in place to reduce workplace accidents to a minimum and enable employees to enjoy their leisure time safely. Managers should receive training from 2022, and a three-year prevention program will be implemented. The relevant indicators will be analyzed continuously.

Products & Services

Belimed Infection Control now uses returnable packaging for shipping between its plants. Furthermore, the sites in Switzerland and Slovenia will be certified in 2022 on the basis of their corporate carbon footprint for 2021.

At Belimed Life Science in Switzerland 80 % of suppliers are local, and in Slovenia 60 %. This means that goods do not have to be transported over long distances. In addition, the number of suppliers was reduced, thus also reducing the number of delivery routes and journeys. A delivery schedule has also been set up in the ERP system for all suppliers, with some deliveries now only taking place on a weekly basis or on defined days. On the product side, a project to develop an integrated cleaning and sterilization system was launched in order to lower water, steam and energy consumption.

Haag-Streit's development department identifies non-renewable packaging and works with suppliers to find a solution.

For its packaging, Schleuniger is currently looking into the possibility of replacing around 69 000 minigrip bags with 100 % biodegradable alternatives.

Key Performance Indicator Set

The impact of the measures is assessed according to a set of key performance indicators (KPIs) and regularly reviewed by a steering committee made up of the CEOs of the Business Units and the Senior Management of Metall Zug.

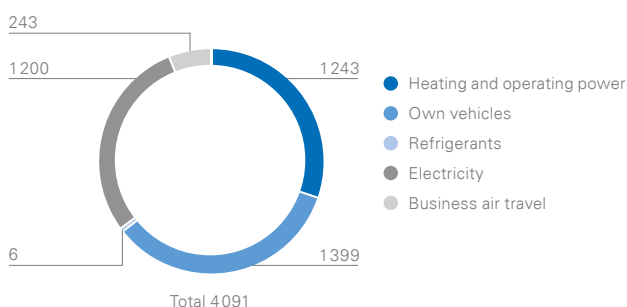
The KPI set is to be gradually expanded to include every site in the Group by 2023. Whereas in 2020, KPIs were measured for the first time for the Swiss sites of the Infection Control, Medical Devices and Wire Processing Business Units and for Belimed Life Science, the main European sites and Gehrig Group were added in the reporting year. Because of the extended scope of the companies for which KPI data is gathered, it is not possible to make comparisons with the previous year. No KPIs have been calculated as yet for the Corporate and Technologycluster & Infrastructure Business Units, as their activities are not directly comparable with those of industrial companies.

The Metall Zug Group measures CO₂ emissions within the Group and discloses its carbon footprint each year. In order to verify the calculation method used, a review was conducted by a sustainability company last year. This review confirmed that the Metall Zug Group had collected and validated its information correctly. Only a few small differences arose due to different calculation bases and uses of emission factors.

Selection of Sustainability Indicators 2021

Climate & Energy

Greenhouse gas emissions in t CO₂-eq. by source of emission



The Metall Zug Group emitted a total of around 4000 t CO₂-eq in 2021. This includes Scope 1 (heating and operating power, own vehicles, refrigerants), Scope 2 (purchased electricity) and Scope 3 (business air travel category). Emissions from refrigerant losses were estimated for the first time.

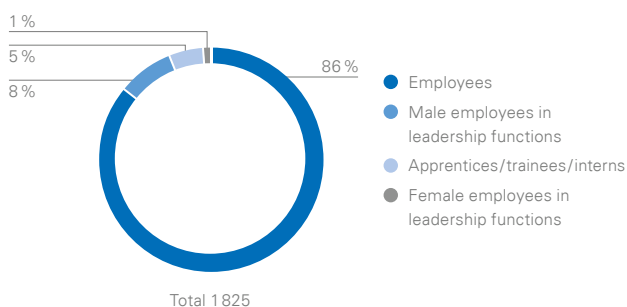
Metall Zug has been purchasing hydroelectric power for most of its Swiss sites for years and is continuously increasing its share in the energy mix. However, to avoid greenwashing when it comes to carbon emission accounting, the still com-

mon but highly concealing practice of declaring emissions based on Renewable Energy Guarantees of Origin is not used. In Switzerland today, Guarantees of Origin are typically acquired for a period of one year at a time and thus overlook the key issue of seasonal availability so that winter electricity, which on closer examination should really be labelled as imported coal-based electricity, is "greenwashed" by means of hydropower certificates for electricity generated in the summer. Therefore, to measure the carbon footprint in a way that is as close to reality as possible, the calculation method developed by the University of Geneva has been adopted. This means that when accounting for carbon emissions from energy consumption in Switzerland, the emission factor used is based on a matching of real Swiss market data, including electricity imports, with an aggregated hourly load profile for the majority of the MZ sites and is therefore much higher.

In terms of total consumption, 13 % of the heating and operating power and electricity used was already from renewable sources such as thermal groundwater use, photovoltaics and waste heat.

Employees

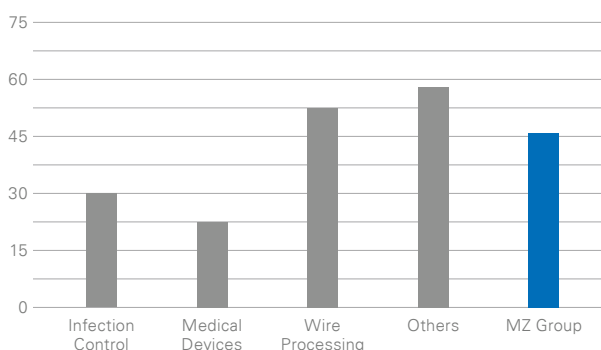
Employees, share of apprentices/trainees/interns and share of leadership functions by gender



The Metall Zug Group employed around 5 % apprentices, trainees and interns in 2021, thus living up to its responsibility as a host company and contributing to the development of management and skilled workers.

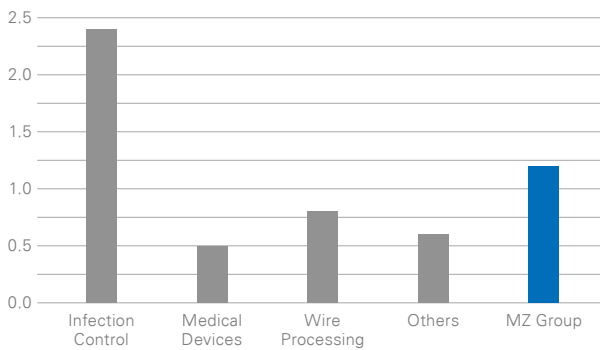
Leadership functions continue to be occupied much more frequently by men than women.

Share of leadership positions filled with internal employees, by Business Unit



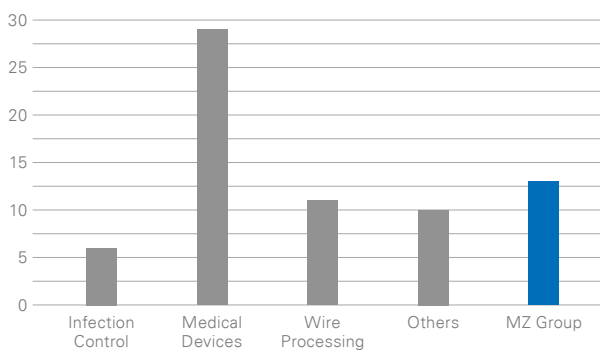
The Metall Zug Group was able to fill some 46 % of leadership positions with internal candidates in 2021, thus offering good career opportunities for ambitious employees.

Investments in continuing professional development
in % of gross payroll, by Business Unit



The Metall Zug Group invests in its employees and devoted more than 1 % of the payroll to internal and external training courses in 2021.

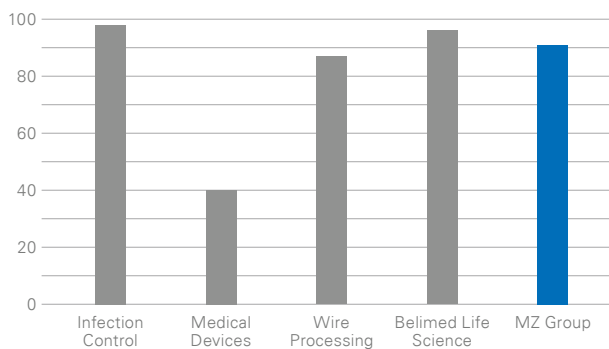
Share of part-time employees,
by Business Unit



About 13 % of Metall Zug Group employees worked part-time in 2021.

Products

Share of own packaging material from
renewable materials in %, by Business Unit



In 2021, the Metall Zug Group used around 90 % packaging material from renewable materials such as wood and cardboard, and returnable packaging.

Group Structure

Operational organization of the Metall Zug Group (as at December 31, 2021)

Metall Zug Group Zug

Infection Control

Belimed AG Zug

Belimed GmbH (DE)
Belimed GmbH (AT)
Belimed SAS (FR)
Belimed B.V. (NL)
Belimed d.o.o. (SI)
Belimed Ltd. (UK)
Belimed, Inc. (US)
Belimed Medical Equipment
(Shanghai) Co., Ltd. (CN)

Medical Devices

Haag-Streit Holding AG Köniz

Haag-Streit AG (CH)
Haag-Streit Deutschland GmbH (DE)
Haag-Streit Surgical GmbH & Co KG (DE)
Haag-Streit UK Ltd. (UK)
Haag-Streit USA, Inc. (US)
Haag-Streit Far East, Ltd. (CN)
Spectros AG (CH)
HS Doms GmbH (DE)
Möller-Wedel Optical GmbH (DE)
Möller-Wedel Verwaltung GmbH (DE)

Möller-Wedel Beteiligungen GmbH (DE)
Clement Clarke (Holdings) Ltd. (UK)
Clement Clarke International Ltd. (UK)
John Weiss & Son, Ltd. (UK)
VRmagic Holding AG (DE)
VRmagic GmbH (DE)
VRmagic Imaging GmbH (DE)
VRmagic, Inc. (US)

Wire Processing

Schleuniger AG Thun

Schleuniger GmbH (DE)
Schleuniger Messtechnik GmbH (DE)
Schleuniger, Inc. (US)
Schleuniger Japan Co., Ltd. (JP)
Schleuniger Trading (Shanghai) Co., Ltd. (CN)
Schleuniger Machinery (Tianjin) Co., Ltd. (CN)
Schleuniger S. de RL. de CV. (MX)
adaptronic Prüftechnik GmbH (DE)
DiIT GmbH (DE)
Cirris, Inc. (US)

Technologycluster & Infrastructure

Tech Cluster Zug AG Zug

Urban Assets Zug AG (CH)

Others

Metall Zug AG (CH)
Belimed Life Science AG (CH)
Belimed Life Science d.o.o (SI)
Belimed Life Science GmbH (DE)
Belimed Life Science, Inc. (US)
Gehrig Group AG (CH)

Corporate Governance

All information in this Corporate Governance Report refers to the situation as at December 31, 2021, or to the 2021 reporting year, unless stated otherwise. The Metall Zug Group complies with all the legal and regulatory requirements for corporate governance in Switzerland that the Group is subject to, including the principles of the "Swiss Code of Best Practice for Corporate Governance" (Swiss Code) issued by *economiesuisse*.

This Corporate Governance Report refers to the Metall Zug AG Articles of Association of May 5, 2017, and the Organizational Regulations of September 1, 2019. No material changes occurred between December 31, 2021, and the publication date of the Annual Report, other than the facts disclosed in this report. The content, order and numbering of the following chapters are in line with those of the "Directive on Information relating to Corporate Governance" issued by SIX Swiss Exchange on June 18, 2021.

1 Group Structure and Shareholders

1.1 Group Structure

The operational group structure is illustrated on page 47 of this Annual Report. The management organization of the Metall Zug Group is generally based on decentralized responsibility.

The holding company, Metall Zug AG, headquartered in Zug, is the sole listed fully consolidated company in the Group. The type B registered shares are listed on the Swiss Reporting Standard of SIX Swiss Exchange, Zurich (securities number: 3982 108, ISIN CH0039821084). More detailed information on the Metall Zug AG shares, including their stock market capitalization, is available on pages 12 and 13 of this Annual Report. The list of consolidated companies and their subsidiaries is shown in the Financial Report (see pages 76 and 77) and includes the material investments. This list also includes the main non-fully consolidated investments, including the 30.27 % stake in the publicly listed V-ZUG Holding AG, which is treated as an associated company.

1.2 Significant Shareholders

All the significant shareholders with voting rights in excess of 3 % who are known to Metall Zug AG as at December 31, 2021, are listed in the Financial Report (see page 90) under Note 17 ("Significant Shareholders"). Elisabeth Buhofer and Heinz M. Buhofer together with the Buhofer Trust I, a fixed-interest trust according to the law of Liechtenstein, own a total of 67.5 % of the voting rights in Metall Zug AG. By means of the Buhofer Trust I, alongside Elisabeth Buhofer and Heinz M. Buhofer, Annelies Häcki Buhofer, Philipp Buhofer, Martin Buhofer and Julia Häcki also indirectly have a participating interest in Metall Zug AG.

In the reporting year, a disclosure notification was made on November 10, 2021, pursuant to Art. 120 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of June 19, 2015, (Financial Market Infrastructure Act) and the corresponding regulations. Further details of this and earlier disclosure notifications can be found on the website of the disclosure office, i.e. www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html.

1.3 Cross-shareholdings

There are no cross-shareholdings in excess of 5 % of capital or voting rights with any other party.

2 Capital Structure

2.1 Capital

The structure of the share capital and the ordinary capital is described in the Financial Report (see page 90) under Note 18 ("Shares").

2.2 Authorized and Conditional Capital

Metall Zug AG does not have any authorized or conditional capital.

2.3 Changes in Capital

Information on the changes in capital in the last two reporting years is set out in the Financial Report (see page 70) under "Changes in shareholders' equity". Information on the changes in capital in 2019 can be found on page 63 of the Annual Report 2020 under "Changes in shareholders' equity".

2.4 Shares and Participation Certificates

Detailed information on the shares of Metall Zug AG (number of shares, type and par value) is available in the Financial Report (see page 90) under Note 18 ("Shares").

The type A registered shares with a par value of CHF 2.50 are not listed. The type B registered shares with a par value of CHF 25.00 are listed on the Swiss Reporting Standard segment of SIX Swiss Exchange, Zurich (securities number: 3982 108, ISIN CH0039821084). Dividend entitlement is in proportion to the share capital held. Each share entitles the holder to one vote.

Metall Zug AG has not issued any participation certificates.

2.5 Profit Sharing Certificates

Metall Zug AG has not issued any profit sharing certificates.

2.6 Limitations on Transferability and Nominee Registrations

In relation to the company, only those registered in the share register are recognized as shareholders. In accordance with Art. 10 of the Articles of Association, the transferability of registered shares is restricted as follows:

Acquirers of registered shares (of types A and B) are registered in the share register as shareholders with the right to vote, provided that:

- the recognition of an acquirer as a shareholder, according to the information available to the company, does not or could not prevent the company and/or its subsidiaries from providing the evidence required by law regarding the composition of its shareholder group and/or beneficial owners. The company particularly reserves the right to refuse entry in the share register if the acquirer does not prove that he is not a foreign non-resident pursuant to the Federal Act of December 16, 1983, on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (ANRA) and if the company considers such registration could obstruct, threaten or prevent the provision of statutory evidence regarding Swiss control of the company, and
- they expressly declare that they have acquired the shares in their own name and for their own account.

In addition, the transfer of shares of type A is subject to approval by the Board of Directors in each instance. Approval can be denied for good cause. This includes:

- keeping away buyers who operate a business that competes with the purpose of the company, who have a participating interest in such a business or who are employed by such a business;
- to ensure that the company remains independent based on the voting-rights-related control of the group of current registered shareholders. Usually, spouses and descendants of the current circle of shareholders must be admitted;
- to acquire or to hold shares on behalf of third parties or in the interests of third parties.

Approval can also be denied without giving reasons, provided that the Board of Directors acquires the type A shares (for the account of the company, specific shareholders or third parties) at their actual value at the time when the request was submitted.

In financial year 2021, the company did not refuse transfers or approve any exceptions for type A registered shares or type B registered shares.

Metall Zug AG does not provide registration of nominees. To date, no need has been expressed by shareholders for registration of this kind. For the procedure and conditions for canceling the restrictions on transferability, see section 6.2 of this Corporate Governance report.

2.7 Convertible Bonds and Options

Metall Zug AG does not have any outstanding convertible bonds or options.

3 Board of Directors

3.1 Members of the Board of Directors

Since the General Meeting of Shareholders of April 30, 2021, which in compliance with Ordinance 3 on Measures to Combat the Coronavirus (COVID-19) again took place without the shareholders being physically present, the Board of Directors has comprised six members. Heinz M. Buhofer, Peter Terwiesch and Sandra Emme will not stand for reelection at the General Meeting of Shareholders of April 29, 2022. An overview of the members in the reporting year, providing information on nationality, age, function, first election and term of office, is available on pages 53 to 55. All current members of the Board of Directors are non-executive. Heinz M. Buhofer assumed the office of ad interim CEO of the Household Appliances Business Unit, i.e. the V-ZUG Group, from September 1, 2019, to August 31, 2020.

With the exception of Heinz M. Buhofer as mentioned, the members of the Board of Directors did not belong to the Senior Management of Metall Zug AG nor to the Senior Management of a Group company in the three financial years preceding the reporting year, and they do not have any significant business connections with Metall Zug AG or the Metall Zug Group.

3.2 Other Activities and Vested Interests

Apart from the functions mentioned, none of the members of the Board of Directors has a permanent management or advisory function for an important interest group, nor an official function or political post.

3.3 Number of Permitted Additional Mandates (Board of Directors)

In accordance with Art. 25e of the Articles of Association, the number of permitted activities of the members of the Board of Directors and of Senior Management in the top supervisory or management bodies of legal entities that are obliged to be entered in the Commercial Register or in a corresponding foreign register, and which are not controlled by the company or do not control the company, is restricted as follows:

	Members of the Board of Directors and of Senior Management
Mandates in listed companies	5
Mandates in other, non-listed legal entities with compensation	15
Mandates in non-profit or charitable legal entities (e.g. associations and other charitable, social, cultural or sports organizations, professional or industry associations, foundations, trusts and pension schemes) outside the Metall Zug Group	10

Mandates are deemed to be mandates in the highest governance body of a legal entity. Mandates in a number of different legal entities under uniform control count as a single mandate. Insofar as the company holds an ownership interest in another company and a member of the Board of Directors or of Senior Management holds a mandate in such company on the instruction of and in the interests of the company, such a mandate does not count as an additional mandate. The figures above are cumulative; the mandate at Metall Zug has not been taken into account. In calculating the number of mandates, a chairmanship counts double.

Members of the Board of Directors are elected by the General Meeting of Shareholders, on an individual basis and for a period of one year in each case. They may be reelected at any time but must step down upon reaching the age of 70, i.e. on the date of the subsequent General Meeting of Shareholders. This does not apply to members of the Board of Directors who have been involved with the Metall Zug Group for less than six years at that time. They may be elected for up to nine years (Art. 18 of the Articles of Association). Details of when each member was first elected to the Board of Directors can be found on pages 53 to 55.

The Chairman of the Board of Directors, the members of the Human Resources and Compensation Committee and the independent representatives are elected directly by the General Meeting of Shareholders for a term of one year (Art. 16a and 18 of the Articles of Association).

3.5 Internal Organizational Structure

According to the law, the Board of Directors holds the highest decision-making power and specifies, among other things, the organizational, financial-planning-related and accounting-related directives that Metall Zug AG and the Metall Zug Group undertake to comply with. Decisions are made by the entire Board of Directors with the Board of Directors being assisted by the following two committees: the Audit Committee and the Human Resources and Compensation Committee. The latter is assigned all the duties and responsibilities imposed on compensation committees by the Ordinance of November 20, 2013, against Excessive Remuneration in Listed Companies Limited by Shares (ERCO). The Board of Directors of Metall Zug AG is responsible for overall supervision and exerts an influence on the strategic direction of the individual Business Units and subsidiaries, allocates the financial resources, appoints the members of Senior Management, and is involved in the staffing of further top executive positions. It is supported in these tasks by the Audit Committee, the Human Resources and Compensation Committee and the Senior Management. The Board of Directors may issue guidelines and recommendations to the subsidiaries for the purpose of realizing a coherent business policy.

The Board of Directors of Metall Zug AG has delegated responsibility for the day-to-day management of the business of Metall Zug AG to Metall Zug AG's senior management. Where not reserved to the Senior Management of Metall Zug AG, the operational management of the Business Units has been delegated by the Board of Directors of the respective highest-ranking subsidiaries of the Business Units to the Senior Management of the respective Business Units. In the reporting year, the Board of Directors of Metall Zug AG met for four ordinary meetings. The ordinary meetings typically lasted a full day. In addition, the Board of Directors met for two strategy workshops (special meetings) at which selected topics relating to the strategy of the Metall Zug Group and its Business Units were addressed. The agenda items for the meetings of the Board of Directors are specified by the Chairman and prepared by the Secretary together with the Senior Management and the subsidiaries. Every member of the Board of Directors and every member of the Senior Management is entitled to request the summoning of a meeting, upon specification of the meeting's purpose. As a rule, the members of the Board of Directors receive the invitation to the meeting no later than ten days prior to the meeting of the Board of Directors, along with the documentation that allows them to prepare for the discussion of the agenda items. Furthermore, the Board of Directors regularly takes decisions by circular vote.

Audit Committee

The Audit Committee met four times in the reporting year. It makes an independent assessment of the quality of the annual financial statements and discusses these with Senior Management and the external auditors. The Audit Committee proposes to the Board of Directors whether the financial statements may be recommended for submission to the General Meeting of Shareholders. The Audit Committee nominates the internal auditors, determines the organization of the internal audit department, assigns tasks to it and forwards its reports to the entire Board of Directors. It sets up the audit plan, defines the audit scope for internal and external auditing and evaluates the cooperation between internal and external auditors and their effectiveness. The Audit Committee assesses the efficiency of the internal control system considering risk management and evaluates compliance with laws, regulations and accounting standards as well as adherence to internal rules and directives. It also assesses the external auditors' performance and their remuneration. The Audit Committee ensures that the external auditors are independent and assesses the compatibility of their auditing function with any advisory mandates. The Audit Committee comprises Heinz M. Buhofer, Chairman, and Martin Wipfli. Sandra Emme (Member of the Board of Directors) took part in one meeting and Claudia Pletscher (Member of the Board of Directors) in two meetings as a guest. The external auditors and internal auditors generally also participate in individual agenda items at Audit Committee meetings. While the CFO took part in all the meetings, the external auditors and the internal auditors attended in person or by video conference as required and/or for selected agenda items.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee held six ordinary meetings and two extraordinary meetings by telephone conference in the reporting year. As well as performing the duties and responsibilities assigned to the Compensation Committee under the ERCO, the Human Resources and Compensation Committee develops the principles of corporate governance, which are then submitted to the Board of Directors for approval. This also includes periodic revision of the composition and size of the Board of Directors and its committees and of the Board of Directors of each subsidiary. In addition, the Committee proposes to the Board of Directors qualified candidates for the various bodies and also submits proposals to the Board of Directors regarding the compensation of the Board of Directors and Senior Management. It further develops and reviews the objectives and principles of human resources policy for approval by the Board of Directors, prepares the appointment of members of Senior Management and approves selected personnel decisions.

Finally, it reviews the basic structures in the area of the pension fund with regard to the scope and content of benefits, reviews the annual appraisal of the members of Senior Management of Metall Zug AG as well as the CEOs of the Business Units, and keeps itself informed about employee development and HR succession planning. The Human Resources and Compensation Committee comprises Heinz M. Buhofer, Chairman, and Peter Terwiesch. The CFO attends the Human Resources and Compensation Committee meetings as a regular guest, except for topics related to himself.

3.6 Definition of Areas of Responsibility

Metall Zug AG announced in 2019 that it intends to move away from being an industrial group of companies and instead to confine itself to the role of strategic anchor shareholder in the form of a holding company with a diversified portfolio of substantial investments. This can mean Business Units being given legal autonomy and independence in implementing their strategies. This transformation will take several years to complete. In this context, the group and organizational structure is to be adapted gradually, with the spin-off of V-ZUG Holding AG in 2020 representing a first step in this direction. In 2019, various responsibilities assigned to the CEO of Metall Zug AG were also transferred to the Boards of Directors of the respective principal companies of the Business Units. Further information on the Metall Zug Group strategy is set out in the section on Strategy on p. 14 of the Annual Report.

The definition of areas of responsibility for the Board of Directors and Senior Management is based on the Organizational Regulations of September 1, 2019, the current version of which is available (in German) at www.metallzug.ch/en/ueber-uns/corporate-governance. In addition, there is a set of guidelines in force (Group Governance Guidelines of 25 June 2020) which governs the organization of the Group as resolved by the Board of Directors, the areas of responsibility and duties of the Senior Management of Metall Zug AG and of the Boards of Directors and Senior Managements of the Business Units and subsidiaries. These Group Governance Guidelines also govern fundamental compliance aspects that apply to the entire Metall Zug Group. They also form the legal basis for the issuing of further sets of rules within the Metall Zug Group and refer to these. The Group Governance Guidelines are supplemented by a comprehensive competency matrix, which defines the responsibilities and powers of the various bodies at the Metall Zug AG level and the Business Unit level within the Metall Zug Group in general and for different business cases. To the extent that existing regulations at Business Unit or subsidiary level have not yet been adapted in line with the Organizational Regulations and the Group Governance Guidelines, the latter prevail.

The Board of Directors delegates the management of the business of Metall Zug AG to the Senior Management, whose role – given the previously explained holding strategy and the role of Metall Zug AG as a holding company with a diversified portfolio of substantial investments – is restricted to matters concerning Metall Zug AG. Moreover, the Senior Management is also responsible for all aspects of the Metall Zug Group in connection with investor relations and compliance, accounting and controlling, risk management, internal auditing and M&A activities in accordance with section 4.2 of the Organizational Regulations. In handling these key management areas under the holding strategy, the Senior Management of Metall Zug AG has the corresponding powers in relation to its investments and the strategic direction of the holding company. Where not reserved to the Senior Management of Metall Zug AG, the operational management of the Business Units has been delegated by the Board of Directors of the respective highest-ranking subsidiaries of the Business Units to the Senior Management of the respective Business Units. With regard to the Business Units, this lower level of the management structure is thus based on the formation of areas of responsibility with wide business management powers and business responsibility. However, these are restricted exclusively to the respective Business Units, and the Senior Managements of the Business Units have no additional powers within the Group or in relation to the other Business Units. The Chairman of the Board of Directors of the respective highest-ranking subsidiaries and the CEO of a Business Unit will, as a rule, represent the respective Business Unit vis-a-vis the Board of Directors of Metall Zug AG. Within each Business Unit, management generally takes place along reporting lines.

3.7 Information and Control Instruments vis-a-vis Senior Management

Detailed governance and management information is produced semi-annually in the Metall Zug Group in the form of separate financial statements (income statement, balance sheet and statement of cash flows) of the individual subsidiaries and in the form of consolidated financial statements of the Business Units and the Metall Zug Group. These are submitted to both the Audit Committee and the Board of Directors and commented on in detail by the Senior Management. Depending on the size and the risks of the business, separate financial statements may also be produced either monthly or quarterly. The results are prepared for each Business Unit and are consolidated for the Metall Zug Group. In each case, results are compared to the prior-year period and to the budget. The achievability of budgets is reviewed several times a year on the basis of forecasts. The heads of the Business Units submit regular reports on results and on the progress of budget achievement to the Board of Directors of the

respective highest-ranking subsidiary of the Business Unit and to the Senior Management of Metall Zug AG. The members of the Board of Directors of Metall Zug AG and of the respective highest-ranking subsidiary receive, on a monthly basis, the key figures and written comments on other aspects of the operations of the Business Units and on the relevant market environment. In addition, key figures and brief commentaries on the course of business at the level of the Metall Zug Group are provided to the Board of Directors on a monthly basis along with a rolling three-month forecast. At meetings of the Board of Directors, the Senior Management and the Business Unit heads provide information about the course of business in the Business Units and the Group.

The internal auditors conducted two audits in the reporting year. The results of each audit are discussed in detail with the respective companies and Business Units, and the key measures are agreed. The Chairman of the Board of Directors, members of the Audit Committee, members of Senior Management, and other line managers of the head of the audited unit receive a copy of each audit report. In addition, the reports and the key measures agreed are discussed by the Audit Committee. The internal audit unit is administratively subordinated to the CFO, but reports on functional issues to the Chairman of the Audit Committee.

The Metall Zug Group has put in place an appropriate system for monitoring and managing the risks associated with the company's activities. Risk management is a structured process that basically comprises all hierarchical levels and involves risk identification, risk analysis, risk management and risk reporting. The Business Unit heads are responsible for monitoring and managing their risks at an operational level. In all Business Units, certain persons are assigned responsibility for significant individual risks. These persons are responsible for taking concrete measures to manage these risks and for monitoring their implementation. On behalf of the Audit Committee, a risk report is drawn up at regular intervals (generally once a year) for submission to the Board of Directors.

In terms of insurance, the companies in the Metall Zug Group enjoy risk-compatible cover in line with the industry and are insured appropriately against operational risks such as damage to property, business interruption and third-party liability.

In terms of business risks, the Metall Zug Group deals with interest-rate and currency risks in addition to those set out under the risk management system above. Currency risks are basically evaluated on a decentralized basis by the Business Units and hedged on a case-by-case basis. As a rule, hedging transactions are approved by the CFO in line with the applicable regulations.

Board of Directors



Martin Wipfli (CH) b. 1963
Chairman of the Board of Directors since
September 1, 2019 (non-executive)



Dominik Berchtold (CH) b. 1971
Member of the Board of Directors
(non-executive)



Heinz M. Buhofer (CH) b. 1956
Member of the Board of Directors
(executive function at V-ZUG from
September 1, 2019, to August 31, 2020,
otherwise non-executive)



Sandra Emme (DE & CH) b. 1972
Member of the Board of Directors
(non-executive)



Claudia Pletscher (CH) b. 1974
Member of the Board of Directors
(non-executive)



Peter Terwiesch (DE & CH) b. 1966
Member of the Board of Directors
(non-executive)

Martin Wipfli (CH) b. 1963

Attorney-at-law, University of Bern

- Chairman of the Board of Directors since September 1, 2019 (non-executive)
- First elected as Member of the Board of Directors: 2010
- Elected until: General Meeting of Shareholders 2022

Professional background:

Managing Partner of Baryon AG, Zurich, since 1998

Previous operational activities for the Metall Zug Group:

None

Other functions within the Metall Zug Group:

Chairman of the Board of Directors of Tech Cluster Zug AG and Urban Assets Zug AG; Member of the Audit Committee.

Activities in governing and supervisory bodies:

Chairman of the Board of Directors of Elma Electronic AG, Wetzikon and of nebag ag, Zurich; Member of the Board of Directors of Zug Estates Holding AG, Zug, and of other non-listed companies

Political offices:

Head of the Municipal Council of Feusisberg

Dominik Berchtold (CH) b. 1971

Master's degree in business management, University of Fribourg, Switzerland

- Member of the Board of Directors (non-executive)
- First elected as Member of the Board of Directors: 2019
- Elected until: General Meeting of Shareholders 2022

Professional background:

Founder and CEO of ViAir AG, Zug, since 2019; CEO of the Zehnder Group, Gränichen, 2013–2018 (2013–2014 designated CEO); CFO of the Zehnder Group, 2008–2012; Director of Business Development Zehnder Group, 2006–2008

Previous operational activities for the Metall Zug Group:

None

Other functions within the Metall Zug Group:

None

Activities in governing and supervisory bodies:

Chairman of the Board of Directors of ViAir AG, Zug; member of the Offering Board, Viessmann Group, Allendorf (DE)

Heinz M. Buhofer (CH) b. 1956

lic. oec. HSG, University of St. Gallen

- Member of the Board of Directors (executive function of V-ZUG from September 1, 2019, to August 31, 2020, otherwise non-executive), Chairman of the Board of Directors from 2013 to August 31, 2019
- First elected as Member of the Board of Directors: 1997
- Elected until: General Meeting of Shareholders 2022, not standing for reelection

Professional background and current and previous**operational activities for the Metall Zug Group:**

CEO a.i. V-ZUG AG, Zug, and Household Appliances Business Unit (from September 1, 2019, to August 31, 2020); member of the Board of Directors of Zug Estates Holding AG, Zug, 2012–2018 (Chairman until 2014); Chief Executive Officer of Metall Zug AG, Zug, 2002–2008; various operational functions at the former Group company MZ-Immobilien AG, Zug, 1984–1997

Other functions within the Metall Zug Group:

Chairman of the Human Resources and Compensation Committee; Chairman of the Audit Committee; member of the Board of Directors of Tech Cluster Zug AG, Urban Assets Zug AG, Belimed AG and Belimed Life Science AG.

Activities in governing and supervisory bodies:

Member of the Board of Directors of WWZ AG, Zug

Sandra Emme (DE & CH) b. 1972

Master of Arts in Business and International Management, University of Bremen and Ecole Supérieure de Commerce, Marseille

- Member of the Board of Directors (non-executive)
- First elected as Member of the Board of Directors: 2019
- Elected until: General Meeting of Shareholders 2022, will not be standing for reelection

Professional background:

Industry Leader Cloud Enterprise Google, Zurich, since April 2019; lecturer in leading digital business transformation at IMD Business School, Lausanne, since 2015; various executive positions with Google, Zurich, 2011–2019; co-founder and online marketing consultant Swixpert Ltd., Feusisberg, 2009–2011; co-founder and business development director of SoftThinks USA Inc., 2001–2008; co-founder and business development director of AS Media Sarl., Marseille, 1997–2000.

Previous operational activities for the Metall Zug Group:

None

Other functions within the Metall Zug Group:

None

Activities in governing and supervisory bodies:

Member of the Board of Directors of Belimo Holding AG, Hinwil; member of the Steering Committee of digitalswitzerland.

Claudia Pletscher (CH) b. 1974

Master's degree in law, Universities of Bern and Poitiers, MBA from Henley Business School (UK)

- Member of the Board of Directors (non-executive)
- First elected as Member of the Board of Directors: 2019
- Elected until: General Meeting of Shareholders 2022

Professional background:

Founder and Managing Director of Fineminds GmbH, Alpnach, since 2021; Head of Development and Innovation and a member of the extended Executive Management Board of Swiss Post Ltd., Bern, 2014 to 2020; various executive positions with IBM (Switzerland), 2003 to 2014.

Previous operational activities for the Metall Zug Group:

None

Other functions within the Metall Zug Group:

None

Activities in governing and supervisory bodies:

Member of the Digital Advisory Board of the University of Zurich DSI; member of the Digital Advisory Board of Swissmedic, Bern; Chair of the RIVA DIGITAL Association, Zurich; member of the Innovation Council of InnoSuisse (as of January 1, 2022).

Peter Terwiesch (DE & CH) b. 1966

Doctorate in technical sciences (electrical engineering), Swiss Federal Institute of Technology (ETH)

- Member of the Board of Directors (non-executive)
- First elected as Member of the Board of Directors: 2010
- Elected until: General Meeting of Shareholders 2022, not standing for reelection

Professional background:

President of the Process Automation Division and member of the Group Executive Committee of the ABB Group, Zurich, since 2015; CEO of ABB AG, Germany, 2011–2014; Chief Technology Officer of ABB Group, Zurich, 2005–2011; Head of ABB Automation GmbH Germany, 2003–2005; Head of the Industrial Division of ABB Switzerland, 2001–2002 and Head of ABB Corporate Research Limited, Switzerland 1999–2001.

Previous operational activities for the Metall Zug Group:

None

Other functions within the Metall Zug Group:

Member of the Human Resources and Compensation Committee.

Activities in governing and supervisory bodies:

Several mandates in companies within the ABB Group.

4 Senior Management

4.1 Members of Senior Management

Daniel Keist, CFO, is the sole member of the Senior Management of Metall Zug AG; since April 1, 2020, he has additionally taken on the responsibilities of the CEO. The Senior Management of the Business Units report to the Board of Directors of the main company of their respective Business Unit (Belimed AG, Haag-Streit Holding AG, Schleuniger AG, Tech Cluster Zug AG, and in the Others reporting segment to the Board of Directors either of Belimed Life Science AG or Gehrig Group AG). Information on the nationality, age and function of the members of Senior Management in the reporting year is set out in section 4.2.

4.2 Other Activities and Vested Interests

The following disclosures concern other activities and vested interests of the members of the Senior Management of Metall Zug AG. Apart from the functions mentioned, none of the members of Senior Management has a permanent management or advisory function for an important interest group, nor an official function or political post.



Daniel Keist (CH) b. 1957

lic. oec. HSG, University of St. Gallen
CFO of Metall Zug AG since January 1, 2013,
and also acting CEO since April 1, 2020.

Professional background:

Forbo Holding AG, Head of Corporate Center and member of the Executive Board, 2007–2012; SIX Swiss Exchange, Head of Admissions and member of the Group Executive Board, 2003–2007; Ernst & Young AG, Corporate Finance / Head of Capital Markets, partner, 2001–2003; Selecta Group, Director of Strategy and Business Development, from 2000 CFO, member of the Executive Board, 1998–2001; UBS, Corporate Finance Advisory Switzerland, Co-Head of "Investment Banking Equity and Advisory", 1984–1998; Sulzer AG, Controller, 1982–1984.

Activities in governing and supervisory bodies:

Member of the Regulatory Board of SIX Exchange Regulation AG; member of the Board of Directors of Transmission Technology Holding AG, Zug (forteq Group).

4.3 Number of Permitted Additional Mandates (Senior Management)

The number of permitted activities of the members of Senior Management in the top supervisory or management bodies of legal entities corresponds to the rules for members of the Board of Directors, which are explained in section 3.3 of this Corporate Governance Report. Members of Senior Management generally require the approval of the Board of Directors before taking up external mandates.

4.4 Management Contracts

Metall Zug AG has not concluded any management contracts with third parties.

5 Compensations, Shareholdings and Loans: Compensation Report

For disclosures regarding compensation, please refer to the separate Compensation Report published on p.60 et seq.

6 Shareholders' Participation

6.1 Voting Rights and Representation Restrictions

All shareholders may attend the General Meeting of Shareholders in person to exercise their rights or act at the General Meeting of Shareholders through written proxy to a duly authorized person, who is also a shareholder, or the independent representative. However, this remains subject to any extraordinary legal provisions or orders of the authorities, particularly those based on Ordinance 3 on Measures to Combat the Coronavirus (COVID-19).

The independent representative is obliged to exercise the voting rights transferred to him by the shareholders in accordance with their instructions. Pursuant to Art. 16a of the Articles of Association, the Board of Directors ensures that shareholders have the opportunity to

- submit instructions to the independent representative on every motion relating to agenda items mentioned in the invitation to the meeting,
 - submit general instructions to the independent representative regarding unannounced motions and new agenda items,
 - submit proxies and instructions electronically,
- whereas the Board of Directors sets the rules for the procedure and deadlines for the electronic submission of proxies and instructions.

6.2 Statutory Quorums

In addition to the instances stated in Article 704 of the Swiss Code of Obligations (CO), resolutions on

- the restriction of the transferability of registered shares and the easing or cancellation of such restriction,
 - the dissolution of the company by liquidation,
- require the approval of at least two-thirds of the votes of the shares represented and the absolute majority of the share par value represented.

In all other instances, the General Meeting of Shareholders of Metall Zug AG adopts resolutions and holds elections by the majority of votes validly cast (excluding blank and invalid ballot papers) unless otherwise provided by law or the Articles of Association.

6.3 Convocation of the General Meeting of Shareholders

The General Meeting of Shareholders is convened by the Board of Directors or, where necessary, by the external auditors. The liquidators are also entitled to convene a general meeting.

6.4 Agenda Items

In principle, items are placed on the agenda in compliance with the legal provisions. Shareholders representing shares with a par value of at least one million Swiss francs may request in writing, and upon specification of the motion, inclusion of an item in the agenda within 50 days prior to the general meeting unless the company sets a different deadline by means of publication. The written request must be accompanied by a statement issued by a bank, confirming that the shares are deposited until after the General Meeting of Shareholders.

6.5 Entries in the Share Register

Only those registered shareholders who are listed in the shareholder register as shareholders with the right to vote on a given cut-off date may exercise the right to vote at the General Meeting of Shareholders. The company's Articles of Association, issued on May 5, 2017, do not contain any rules regarding the cut-off date. It is determined by the Board of Directors and generally fixed for a date a few days prior to the General Meeting of Shareholders. The cut-off date is published along with the invitation to the General Meeting of Shareholders in the Swiss Official Gazette of Commerce (SOGC). There are no exceptions to the cut-off date rule.

7 Changes of Control and Defense Measures

7.1 Duty to Make an Offer

The duty to make a public offer to purchase in accordance with Articles 135 and 163 of the Financial Market Infrastructure Act has been waived (opting out) in accordance with Art. 6 of the Articles of Association.

7.2 Clauses on Changes of Control

In the event of a change of control, Metall Zug AG is not obliged to make any additional payments for the benefit of members of the Board of Directors, members of Senior Management or any other executives.

8 Auditors

8.1 Duration of the Mandate and Term of Office of the Lead Auditor

Auditors: Ernst & Young AG, Zug

Duration of mandate: since 2006

Lead auditor: Christoph Michel

Assumption of office of the lead auditor: 2020

8.2 Auditing Fees

In the reporting year, the independent auditors, in particular Ernst & Young AG, charged Metall Zug AG, or the Metall Zug Group respectively, TCHF 865 for services related to the audit of the annual financial statements of Metall Zug AG and its subsidiaries, as well as for services related to the audit of the consolidated financial statements of the Metall Zug Group.

8.3 Additional Fees

The independent auditors charged Metall Zug AG, or the Metall Zug Group respectively, additional fees of TCHF 227, of which TCHF 164 was for audit-related additional services and TCHF 63 for tax consulting services.

8.4 Informational Instruments pertaining to the External Audit

The external auditors are elected by the General Meeting of Shareholders for a period of one year. The lead external auditor is replaced at the latest after seven years. The Audit Committee is responsible for evaluating the external auditors. At least once a year, the members of the Audit Committee receive from the external auditors a summary of the audit results including suggestions for improvements or other findings developed by the external auditors in the scope of their audit activities. The lead external auditor is invited to all meetings of the Audit Committee, for all or certain agenda items. In 2021, he attended three of four meetings of the committee for

all or certain agenda items. The Audit Committee assesses the performance of the external auditors on the basis of the documents, reports and presentations issued by the external auditors. In doing so, the Audit Committee evaluates the quality, relevance and contribution toward improving transparency on the basis of the statements and documentation made available by the external auditors. In addition, the committee seeks the opinion of the CFO. The amount of fees charged by the external auditors is reviewed and compared with the auditing fees of other comparable Swiss industrial companies on a regular basis. Further information on the external auditors, in particular the amount of auditing fees, and fees charged by the external auditors for additional services outside the agreed audit scope can be found in sections 8.2 and 8.3 of this Corporate Governance Report. The Audit Committee takes care to ensure that the fees for services that fall outside the agreed audit scope do not exceed a reasonable amount, in order to safeguard the independence of the external auditors.

9 Information Policy

Metall Zug AG and the Metall Zug Group pursue a transparent information policy toward the public and the financial markets. Metall Zug AG communicates openly and regularly with shareholders, the capital market and the general public. The CFO and Head of Corporate Communications & Investor Relations or the latter's deputy serve as direct points of contact.

Shareholders receive a hard copy of the annual report and the half-year report if explicitly requested. Full versions of the annual report and half-year report are available online at www.metallzug.ch/en/investoren/geschaeftsberichte-praesentationen. A media and analysts conference is held at least once a year.

Ad-hoc announcements or media releases are issued when an important event occurs. Current ad-hoc announcements and media releases and others published in the last few years can be accessed at www.metallzug.ch/en/medien/medien-mitteilungen. The financial calendar is available at www.metallzug.ch/en/investoren/kalender and general information about Metall Zug AG and the Metall Zug Group can be found at www.metallzug.ch/en/.

At www.metallzug.ch/en/news-service, interested persons can subscribe to a mailing list to receive ad hoc announcements and other media releases and further company information. The contact details for queries regarding Investor Relations can be found at www.metallzug.ch/en/kontakt.

10 Quiet periods

In relation to its semi-annual financial reporting, the Metall Zug Group provides for general quiet periods (ban on trading) running from January 1 for the annual report (full year) and from July 1 for the half-year report until the start of trading on SIX Swiss Exchange on the date of publication of the respective annual or half-year report. The ban on trading covers the registered shares of types A and B of Metall Zug AG as well as to equity securities, options, derivatives and other financial instruments relating to Metall Zug AG. The ban on trading applies to the Members of the Board of Directors and the Senior Management, and to all employees of Metall Zug AG,

the Members of the Board of Directors and the Senior Management of all highest-ranking companies in the Business Units and all other persons directly or indirectly involved in the preparation of the financial reports. The ban on trading applies both to Metall Zug AG itself and to all Group companies. Exceptions to the quiet period rules are generally not provided for and would have to be approved by the Board of Directors of Metall Zug AG on a case-by-case basis. In addition to the general quiet periods mentioned above, there may be specific quiet periods, for example in relation to price-sensitive strategic projects or other price-sensitive issues. These quiet periods vary according to their timing, duration and recipients.

Compensation Report

Compensation Report

The Compensation Report describes the compensation principles and governance framework for compensation to the Board of Directors and Senior Management of Metall Zug AG in the financial year 2021. It has been prepared in accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares of November 20, 2013, (ERCO) and the principles of the Swiss Code of Best Practice for Corporate Governance (Swiss Code) issued by *economiesuisse*.

General

The members of the Board of Directors and members of Senior Management of Metall Zug AG are entitled to compensation commensurate with their activities, and to the usual social insurance as well as reimbursement of the expenses incurred in the interests of the company. The following report for financial year 2021 is based on the revised Compensation Regulations of April 30, 2021 (valid from May 1, 2021).

The Group's compensation policy provides an adequate basis for the performance-based remuneration and motivation of the employees and managers in line with the market. The compensation system does not provide for any long-term incentive in the form of compensation components that are deferred, vested or blocked for a number of years or share-based compensation dependent upon the attainment of medium- or longer-term goals. The Board of Directors decided against such a long-term incentive and aims to align the interests of managers with those of the company by other means.

In accordance with Art. 25d of the Articles of Association, pensions and other post-employment benefits are only paid to the members of Senior Management and members of the Board of Directors by pension funds (including insurance companies, collective foundations or similar second-pillar institutions); the respective benefits and employer contributions are determined by the applicable regulations. In connection with early retirement, the company can provide bridging benefits amounting to no more than 80 % of the fixed compensation of the last financial year before early retirement to the insured persons or pay additional contributions to the pension fund up to the same maximum amount.

Compensation System for the Board of Directors

The members of the Board of Directors receive a fixed compensation for their work as well as a lump-sum reimbursement of business expenses. Members of the Board of Directors who serve as Chairman of the Board of Directors or as chairman or member of a committee or who perform special tasks (e.g. sitting on the Board of Directors of subsidiaries) receive an additional fee for this additional function. The Corporate Governance Report (see pages 53 to 55) lists the additional tasks performed by members of the Board of Directors of Metall Zug AG on committees, their directorships and further functions at Group companies in the reporting year.

The compensation of the Board of Directors is determined at the request of the Human Resources and Compensation Committee by the entire Board of Directors on an annual basis, usually in the first quarter of the year, for the period from the ordinary General Meeting of Shareholders to the ordinary General Meeting of Shareholders of the following year and presented to the General Meeting of Shareholders for approval in accordance with Art. 25c of the Articles of Association.

Compensation System for Senior Management

The compensation of the members of Senior Management consists of a fixed basic salary and a performance-related variable compensation. In addition, the members of Senior Management receive a lump-sum expenses allowance.

The amount of the fixed compensation is determined at the request of the Human Resources and Compensation Committee by the entire Board of Directors, taking into account the fixed component agreed with Senior Management in their employment contracts, in the fourth quarter for the following financial year, with reference to the total amount approved by the Annual General Meeting. Approval of the total amount available for the fixed compensation of the members of Senior Management is given by the General Meeting of Shareholders in accordance with Art. 25c of the Articles of Association for the following calendar year (prospective model).

If an approved total amount for the compensation of the Senior Management is not sufficient to compensate the

members appointed after the resolution by the General Meeting of Shareholders until the start of the next approval period, in accordance with Art. 25c of the Articles of Association an additional amount of no more than 40 % of the previously approved total compensation for Senior Management per person is available to the company for the approval period in question.

Variable compensation may not exceed 100 % of the fixed component. In accordance with Art. 25b of the Articles of Association, it is linked to qualitative and quantitative objectives, the structure of which may be determined by the Human Resources and Compensation Committee with full discretion, taking into consideration the function of the member of Senior Management in question.

Depending on the function, the quantitative targets refer to key figures at Group, Business Unit and/or project level. Starting with the budgeted figures, when setting the key performance indicators, the Human Resources and Compensation Committee takes the current environment, the previous year's provisional results and the 'tension' within the budget into account. Achieving the budgeted figures does not entitle the individual to 100 % of the target bonus. The qualitative targets are based on the nature of the work done and how it is performed, the commitment shown and the pursuit of the company's long-term, sustainable development; however, an integrated appraisal that looks beyond quantitative measurement systems is also used.

The employment contract of Daniel Keist, the sole member of Senior Management of Metall Zug AG in 2021, provides for a target bonus of 24 % of the fixed compensation. In cases of very good performance, the target bonus may be exceeded by no more than 25 % (maximum bonus). As a general rule, the payment of any variable compensation is conditional upon an exemplary performance as well as a positive net result being achieved at Group level after the bonus has been charged to the income statement. In addition, the actual bonus may not exceed the target bonus if the budgeted EBIT at group level has not been achieved.

The amount of the target bonus for Senior Management is determined at the request of the Human Resources and Compensation Committee by the entire Board of Directors before

the beginning of a financial year, taking into consideration the target bonus agreed with Senior Management in their employment contracts. The variable compensation for Senior Management for a past financial year is also determined at the request of the Human Resources and Compensation Committee by the entire Board of Directors following presentation of the annual financial statements in the first quarter of the following year on the basis of the achievement of the quantitative and qualitative targets agreed. It is paid out in accordance with Art. 25c of the Articles of Association following approval by the General Meeting of Shareholders (retrospective model).

Capital Participation Programs

Metall Zug AG does not have any participation or option programs and no shares have been assigned to members of the Board of Directors, members of Senior Management or related parties. The Articles of Association do not contain any provisions that would permit the allocation of participation, conversion or option rights.

Details of Compensation

Details of compensation to the Board of Directors and to Senior Management are set out on the following pages. Details of share ownership by the members of the Board of Directors and members of Senior Management are set out under the annual financial statements of Metall Zug AG (see page 104).

Compensation to the Board of Directors

As announced, compensation to the Board of Directors in financial year 2021 was lower than in the previous year due to the spin-off of V-ZUG and the discontinuation of the additional tasks associated with the spin-off. The Board of Directors will propose to the General Meeting of Shareholders of April 29, 2022, a total amount of CHF 900'000 for the term of office up to the ordinary General Meeting of Shareholders in 2023; due to the reduction from six to four members this is lower than the previous year's figure (CHF 1'200'000). This amount includes a certain reserve.

No loans or credit facilities were granted to members of the Board of Directors or related parties, and the Articles of Association do not contain any provisions that would permit the granting of loans or credit facilities. The lump-sum expense allowances for members of the Board of Directors who are not self-employed, which are based on an expense regulation

approved by the tax authorities, are disclosed as compensation in the interests of full and complete transparency even though genuine lump-sum expenses are not required to be disclosed as they do not constitute compensation (the same applies to members of Senior Management below). The Board of Directors comprises non-executive members only. Heinz M. Buhofer assumed the office of ad interim CEO at V-ZUG for the period from September 1, 2019, to August 31, 2020. His compensation for this is included in the table below up until June 24, 2020 (date of spin-off of V-ZUG Holding AG).

The General Meeting of Shareholders of April 24, 2020, approved the total amount of CHF 1 800 000 available for fixed compensation to the members of the Board of Directors for the term of office up to the General Meeting of Shareholders of April 30, 2021. CHF 1 164 869 of this total amount was utilized for compensation to the Board of Directors in the corresponding period.

	2021			2020		
Compensation for the financial year, in CHF	Fixed compensation / fee (gross) ¹⁾	Social contributions ²⁾	Total	Fixed compensation / fee (gross) ¹⁾	Social contributions ²⁾	Total
Martin Wipfli ³⁾ Chairman of the Board of Directors, Member of the Audit Committee	371 504	0	371 504	349 903	0	349 903
Dominik Berchtold	100 137	5 470	105 607	126 809	6 809	133 618
Heinz M. Buhofer ⁴⁾ Chairman of the Human Resources and Compensation Committee, Chairman of the Audit Committee	265 783	0	265 783	436 686	47 218	483 904
Sandra Emme	100 137	5 470	105 607	126 809	6 809	133 618
Marga Gyger ⁵⁾ (departure on April 24, 2020)	0	0	0	49 885	1 601	51 486
Claudia Pletscher	100 137	5 470	105 607	126 809	6 809	133 618
Dr. Peter Terwiesch Member of the Human Resources and Compensation Committee	110 184	6 017	116 201	133 505	7 172	140 677
Total Board of Directors	1 047 882	22 427	1 070 309	1 350 406	76 418	1 426 824

¹⁾ The declared compensation includes additional fees received for directorships with subsidiary companies. Lump-sum expense allowances are also disclosed as compensation under this heading.

²⁾ Employer contributions to AHV (old-age and survivors' insurance), IV (disability insurance), EO (loss of earnings compensation), ALV (unemployment insurance) and any contributions to staff pension schemes.

³⁾ The compensation to Martin Wipfli includes his fees as Chairman of the Board of Directors of Tech Cluster Zug AG, Urban Assets Zug AG (both from March 2020) and Haag-Streit Holding AG (until May 2020) and as Chairman of the V-ZUG project team (until May 2020).

⁴⁾ The compensation to Heinz M. Buhofer includes his fees as a member of the Board of Directors of Belimed Life Science AG, Belimed AG, Tech Cluster Zug AG and Urban Assets Zug AG. Payments made directly by V-ZUG Holding AG up to June 24, 2020 (spin-off date) are also included in the above table. In 2020, in addition to the payments disclosed above, after June 25, 2020, V-ZUG Holding AG paid out the amount of CHF 152 435 for the period following the spin-off (of which CHF 118 520 was fixed compensation and CHF 33 915 social contributions).

⁵⁾ The payments to Marga Gyger include her fee as a member of the Board of Directors of Gehrig Group AG. Payments for the period until her departure from the Board of Directors on April 24, 2020, have been taken into account.

Compensation to Senior Management

Fixed compensation to the members of Senior Management in the reporting period was lower than in the previous year as the Senior Management of Metall Zug AG in 2021 consisted solely of CFO Daniel Keist, who also took on the responsibilities of the CEO. Former CEO Jürg Werner ceased to be a member of Senior Management effective March 31, 2020, on taking early retirement. Taking this change in the composition of Senior Management into account, compensation once again remains at a stable level. For financial year 2023, a total amount of CHF 1 000 000 will be proposed to the General Meeting of Shareholders for the fixed compensation to Senior Management. For the variable compensation to the members of Senior Management for financial year 2021, the Board of Directors will propose to the General Meeting of Shareholders of April 29, 2022, an unchanged amount of CHF 150 000 compared with the previous year (CHF 150 000). However, here too it should be noted that in the previous year Jürg Werner only received variable compensation until he stepped down from the Senior Management of Metall Zug AG on March 31, 2020. The variable compensation reflects the

business result of the Metall Zug Group and the achievement of objectives by the members of Senior Management.

The employment contracts of the members of Senior Management do not provide for any severance payments. The notice period is generally six months. No loans or credit facilities were granted to members of Senior Management or related parties and the Articles of Association do not contain any provisions that would permit the granting of loans or credit facilities.

The General Meeting of Shareholders of April 24, 2020, approved the total amount of CHF 1 000 000 available for fixed compensation to the members of Senior Management for financial year 2021. CHF 580 868 of this total amount was utilized for fixed compensation to Senior Management in the reporting year. Of the total amount of CHF 150 000 approved by the General Meeting of Shareholders of April 30, 2021, for variable compensation to the members of Senior Management for financial year 2020, CHF 139 325 was actually paid out.

	2021		2020	
Compensation for the financial year, in CHF	CEO / CFO ¹⁾	Senior Management (total)	CEO ¹⁾	Senior Management (total) ²⁾
Fixed compensation (gross)	425 000	425 000	425 000	575 000
Other payments/benefits ³⁾	30 424	30 424	30 424	44 234
Social contributions ⁴⁾	125 444	125 444	126 179	166 853
Total fixed compensation	580 868	580 868	581 603	786 087
Variable compensation (gross)	96 390	96 390	81 633	131 633
Social contributions ⁴⁾	5 591	5 591	4 714	7 602
Total variable compensation⁵⁾	101 981	101 981	86 347	139 325
Total compensation	682 849	682 849	667 950	925 322

¹⁾ In 2020 and 2021, the highest compensation amount to a single member of Senior Management was paid to Daniel Keist who, as CFO and sole member of Senior Management, also took on the responsibilities of the CEO from April 1, 2020. Accordingly, in 2021 the total compensation to Senior Management is identical to the highest amount.

²⁾ Compensation paid to Jürg Werner is included for the period until his departure from Senior Management (early retirement) on March 31, 2020.

³⁾ Other payments, benefits and compensation (supplementary insurance, etc.), and lump-sum expense allowances are disclosed as compensation under this heading. Child and family allowances are not disclosed.

⁴⁾ Employer contributions to pension schemes, AHV (old-age and survivors' insurance), IV (disability insurance), EO (loss of earnings compensation), ALV (unemployment insurance), daily sickness benefits insurance and accident insurance.

⁵⁾ The variable compensation to the members of Senior Management is generally paid out in May of the following year subject to approval by the Annual General Meeting of Shareholders (on April 29, 2022, for the variable compensation for 2021). The amounts in the table are disclosed on an accrual basis.

Report of the Statutory Auditor



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To the General Meeting of
Metall Zug AG, Zug

Zug, 11 March 2022

Report of the statutory auditor on the compensation report

We have audited the compensation report of Metall Zug AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14 - 16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables on pages 60 to 63 of the compensation report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibility

Our responsibility is to express an opinion on the compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 - 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 - 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

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

Opinion

In our opinion, the compensation report for the year ended 31 December 2021 of Metall Zug AG complies with Swiss law and articles 14 - 16 of the Ordinance.

Ernst & Young Ltd

Christoph Michel
Licensed audit expert
(Auditor in charge)

Simon Balmer
Licensed audit expert

Financial Report

Financial Report

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Consolidated Income Statement

in CHF 1000	Notes	2021	2020, restated
Net sales	1	661 886	823 541
Cost of goods and services sold		-433 679	-562 129
Gross profit		228 207	261 412
Marketing and sales expenses		-79 107	-110 357
Research and development expenses		-60 423	-75 070
Administration expenses		-68 009	-78 163
Other operating income	2	23 097	18 580
Other operating expenses		-1 469	-904
Operating income (EBIT)	1	42 296	15 498
Financial income	4	8 112	9 203
Financial expenses	4	-9 283	-11 577
Result of associated companies	12	18 774	6 785
Financial result		17 603	4 411
Ordinary income		59 899	19 909
Extraordinary expenses	5	0	-2 345
Income before taxes		59 899	17 564
Taxes	6	-6 562	-4 031
Net income		53 337	13 533
Net income attributable to:			
– Shareholders of Metall Zug AG		48 784	14 312
– Non-controlling interest holders	7	4 553	-779
Net income per type A registered share (in CHF) ¹⁾	8	10.88	3.19
Net income per type B registered share (in CHF) ¹⁾	8	108.83	31.93

¹⁾ There is no dilution for 2021 or 2020 with regard to net income per share, refer to Note 8 on page 83.

The presentation of the income statement is now based on the income statement by function method (previously: income statement by nature method). In this context, the previous year's figures have been restated to the new structure, see "Change in presentation" in the Notes on page 71 for further information. Furthermore, the V-ZUG Group was spun-off as of June 25, 2020, and until that date fully consolidated. As a consequence, the previous year's figures are not comparable to the financial year 2021.

Consolidated Balance Sheet

Assets

in CHF 1000	Notes	12.31.2021	12.31.2020
Cash and cash equivalents		81 548	71 768
Securities		295	506
Trade receivables	9	111 072	99 478
Other receivables		16 339	13 141
Inventories	10	152 771	123 739
Assets for sale, under construction	11	9 977	0
Prepaid expenses		6 857	8 080
Current assets		378 859	316 712
Land	11	2 348	2 324
Land and buildings	11	122 759	121 856
Plant and equipment	11	15 051	16 329
Prepayments and assets under construction	11	27 127	16 924
Other tangible assets	11	8 065	8 675
Tangible assets		175 350	166 108
Associated companies	11, 12	135 820	116 960
Employer's contribution reserves	11, 24	0	897
Other financial assets	11	11 610	18 482
Deferred income tax assets	6	0	415
Financial assets		147 430	136 754
Software	11	13 979	15 649
Other intangible assets	11	10	16
Intangible assets		13 989	15 665
Fixed assets		336 769	318 527
Total assets		715 628	635 239

Details of the individual items are available in the Notes to the consolidated financial statements as of page 78.

Liabilities and Shareholders' Equity

in CHF 1 000	Notes	12.31.2021	12.31.2020
Current financial liabilities	13	363	299
Trade payables		29 176	19 510
Other current liabilities	10, 14, 15	57 377	36 353
Accrued liabilities		53 438	40 445
Current provisions	16	21 136	13 996
Current liabilities		161 490	110 603
Long-term financial liabilities	13	3 804	4 354
Other long-term liabilities	15	7 714	3 300
Long-term provisions	16	26 430	34 088
Non-current liabilities		37 948	41 742
Total liabilities		199 438	152 345
Share capital	18	11 250	11 250
Capital reserves	18	349 003	349 004
Treasury shares	18	-6 027	-6 027
Retained earnings		96 718	64 019
Non-controlling interest		65 246	64 648
Shareholders' equity		516 190	482 894
Total liabilities and shareholders' equity		715 628	635 239

Details of the individual items are available in the Notes to the consolidated financial statements as of page 78.

Consolidated Statement of Cash Flows

in CHF 1000	2021	2020 ¹⁾
Net income	53337	13533
Financial result, net (excluding result of associated companies)	1171	2374
Result of associated companies	-18774	-6785
Income from sale of fixed assets and participations	-1816	-5360
Depreciation and amortization	17174	31226
Impairment	276	176
Net changes in provisions	-579	-1862
Taxes	6562	4031
Other non-cash items ²⁾	784	4042
Change in trade receivables	-10720	20901
Change in other receivables and prepaid expenses	-2975	2671
Change in inventories	-29912	24775
Change in trade payables	9984	-5530
Change in other current liabilities and accrued expenses	30667	-9749
Interest paid	-103	-157
Taxes paid	-6160	-14081
Cash flow from operating activities	48916	60205
Investments in tangible assets ³⁾	-31664	-38144
Investments in financial assets	-194	-1067
Investments in intangible assets	-3044	-7921
Investments in Group companies, net of cash acquired ⁴⁾	-10626	-26658
Disposal of Group companies, net of cash disposed ⁵⁾	4539	232
Disposals of tangible assets	2256	7735
Disposals of financial assets	6385	2580
Disposals of intangible assets	1	11
Interest received	59	59
Cash flow from investing activities	-32288	-63173
Change in long-term financial liabilities	-379	-300
Stamp duty on issued shares of V-ZUG Holding AG	0	-1091
Dividend in kind V-ZUG Holding AG (cash disposed)	0	-65142
Dividend to shareholders of Metall Zug AG	-7621	-7620
Dividend to non-controlling interest holders	-213	-1980
Cash flow from financing activities	-8213	-76133
Currency translation effects	1301	-1916
Change in "Net cash and cash equivalents"	9716	-81017

¹⁾ The V-ZUG Group was spun-off as of June 25, 2020, and until that date fully consolidated. As a consequence, the figures of the previous year are not comparable to 2021.

²⁾ The position Other non-cash items contains the allocation and consumption of employer's contribution reserves in the amount of TCHF 897 (previous year: TCHF 1945). The previous year also included allocations from profit participations of the pension fund of V-ZUG to the employer's contribution reserves in the amount of TCHF 1719. Remaining Other non-cash items mainly relate to changes in inventory and trade receivables valuation allowances.

³⁾ Investments in tangible assets 2021 include investments in Assets for sale, under construction, in the amount of TCHF 4630.

⁴⁾ In 2021, the position Investments in Group companies, net of cash acquired, includes the acquisition of the business activities of KMF Messtechnik und Verwaltungen GmbH by Schleuniger Messtechnik GmbH, Sömmmerda (DE), and the acquisition of the remaining 23.1% minority stake in VRmagic Holding AG, Mannheim (DE) and its subsidiaries. In the previous year, this position included the initial purchase of a 76.9% stake in VRmagic Holding AG, Mannheim (DE), and its subsidiaries and the acquisition of the business activities of Cirris Systems Corp. by Cirris, Inc., Salt Lake City (US). Furthermore, TCHF 95 related to a subsequent purchase price adjustment of the participation adaptronic Prüftechnik GmbH, Wertheim (DE). See Note 23 for more information.

⁵⁾ In 2021, the position Disposal of Group companies, net of cash disposed, includes the cash flow from the sale of the participation IPRO GmbH EDV für Augenoptiker, Leonberg (DE). In the previous year, this position included the impact from the sale of the participation STERIFAST Sterilization & Disinfection Systems, Ltda., Boticas (PT).

Information on the composition of "Net cash and cash equivalents" is available in Note 25 (page 95).

Changes in Shareholders' Equity

in CHF 1000	Share Capital	Capital Reserves	Treasury Shares	Retained Earnings	Goodwill Offset ¹⁾	Accu- mulated Currency Transla- tion Differ- ences	Total Retained Earnings	Total Equity excl. Non-con- trolling Interests	Non- con- trolling Interests	Equity
Balance on 01.01.2020	11 250	351 310	-6 027	738 690	-399 217	-5 333	334 140	690 673	71 860	762 533
Cash dividend				-7 620			-7 620	-7 620	-1 980	-9 600
Distribution of the shares of V-ZUG Holding AG as dividend in kind		-1 215		-253 266		-3 333	-256 599	-257 814		-257 814
Stamp duty on issued shares of V-ZUG Holding AG		-1 091						-1 091		-1 091
Acquisitions					-15 725		-15 725	-15 725	-3 520	-19 245
Divestment					728		728	728		728
Currency translation effects				-164		-5 053	-5 217	-5 217	-933	-6 150
Net income				14 312			14 312	14 312	-779	13 533
Balance on 12.31.2020	11 250	349 004	-6 027	491 952	-414 214	-13 719	64 019	418 246	64 648	482 894
Balance on 01.01.2021	11 250	349 004	-6 027	491 952	-414 214	-13 719	64 019	418 246	64 648	482 894
Cash dividend				-7 621			-7 621	-7 621	-213	-7 834
Acquisitions					-4 303		-4 303	-4 303		-4 303
Divestment					2 137		2 137	2 137	916	3 053
Purchase of non-controlling interests				-6 331		-15	-6 346	-6 346	-4 357	-10 703
Currency translation effects		-1		-1 009		1 057	48	47	-301	-254
Net income				48 784			48 784	48 784	4 553	53 337
Balance on 12.31.2021	11 250	349 003	-6 027	525 775	-416 380	-12 677	96 718	450 944	65 246	516 190

¹⁾ Goodwill Offset contains the goodwill allocated to the shareholders of Metall Zug AG, which was offset directly against equity. The goodwill allocated to and included in non-controlling interests amounts to TCHF 3678 (previous year: TCHF 4594).

See Note 18 (page 90) for more detailed information on treasury shares and Note 23 (page 92) for more detailed information on acquisitions and divestments.

Notes to the Consolidated Financial Statements

General

The consolidated financial statements of the Metall Zug Group comply with the complete Swiss GAAP FER financial reporting standard currently applicable and are prepared on the basis of historical cost (acquisition cost or production cost) or actual values. The financial year taken as the basis for the consolidated financial statements is equivalent to the calendar year.

The Board of Directors released the consolidated financial statements for publication on March 11, 2022.

Scope of Consolidation

The Group holds more than 50 % of the votes and capital of all consolidated subsidiaries. The acquisition method is applied, i.e. assets and liabilities as well as expenses and income are consolidated at 100 %. Any share of non-controlling interests in net income and shareholders' equity is reported separately. Associated companies in which the Metall Zug Group holds direct or indirect investments of 20 % to 50 % and joint ventures are accounted for using the equity method (proportional equity). Participations below 20 % are not consolidated.

At the time of the initial consolidation, assets and liabilities of the acquired companies and business parts are stated at fair value and in accordance with uniform Group policies. The excess of the acquisition price over the revalued net assets of the acquired companies or business parts is recognized as goodwill. This goodwill is offset against retained earnings without affecting net income. The impact of a theoretical capitalization is presented in the Notes to the Consolidated Financial Statements (see Note 11, page 86). The useful life of the goodwill is determined at the time of acquisition. It generally ranges from 3 to 5 years, and up to 20 years in exceptional cases.

The acquisition of non-controlling interests of already fully consolidated participations is recognized directly in equity. The difference between the purchase price and the proportional book value of the acquired non-controlling interests is charged to retained earnings.

Change in Presentation

Since January 1, 2021, the Metall Zug Group has presented the income statement according to the income statement by function method (previously: income statement by nature method). Metall Zug considers the income statement by function to be more meaningful for the analysis of the Group's finan-

cial development. The previous year's period was restated accordingly. As part of this restatement, sales-related costs in the amount of TCHF 13'003, which were previously included as sales deductions in net sales, were reclassified to cost of goods and services sold in the previous year.

Principles of Consolidation

Consolidation Method

Capital consolidation is performed to present the equity of the entire Group. In this context, the acquisition method is applied.

Currency Translation

With regard to currency translation for consolidation purposes, the annual financial statements of the Group companies are translated into Swiss francs according to the current rate method. The exchange rate at the end of the year is applied to assets and liabilities, while the average exchange rate during the period under review is used for income statements and statements of cash flows. Equity is converted on the basis of historical exchange rates, the resulting currency effects are offset against retained earnings without affecting net income.

Exchange Rates into CHF

Income Statement (Average Rate)	2021	2020
1 EUR	1.0811	1.0705
1 USD	0.9142	0.9386
1 GBP	1.2577	1.2043
1 AUD	n/a	0.6477
1 SGD	n/a	0.6805
100 CNY	14.1752	13.6003
100 JPY	0.8327	0.8791
100 HKD	n/a	12.1017
100 MXN	4.5081	4.3981

Balance Sheet (Exchange Rate on 12.31.)	2021	2020
1 EUR	1.0331	1.0802
1 USD	0.9121	0.8803
1 GBP	1.2295	1.2015
100 CNY	14.3592	13.4646
100 JPY	0.7924	0.8540
100 MXN	4.4638	4.4241

Sales and Revenue Recognition

Net sales include the inflow of economic benefits from sales of goods and services within the scope of ordinary business during the period under review. Sales reductions such as discounts, rebates and other concessions and any value added tax have been deducted in net sales reported.

Revenues are reported when the significant risks and rewards related to the ownership of products sold to the client (according to the contractual agreement) are transferred. Revenue from services is recognized in the accounting period in which the service is rendered.

In the case of agency transactions, only the value of own services is recognized. Business transactions involving identifiable multiple elements are recognized and valued separately.

Intercompany Transactions

Intercompany receivables, payables and transactions are eliminated for fully consolidated companies. Allowances and value adjustments for intercompany receivables and investments are reversed. The individual Group companies' intercompany profits on inventories and tangible assets are also eliminated.

Principles of Valuation**Securities**

Listed securities are recorded at stock market prices at the balance sheet date. Unlisted securities are shown in the balance sheet at acquisition cost less any impairment.

Trade Receivables

In addition to individual value adjustments, general value adjustments of up to 2 % for domestic receivables and up to 5 % for foreign receivables are made according to past experience.

Inventories

Purchased goods are recognized in the balance sheet at acquisition cost, predominantly according to the standard cost method or at market value if lower. Cash discounts on goods purchased are recorded as cost reductions. Self-produced goods are valued at production costs including indirect production costs or at market value if lower. In addition to individual value adjustments, general value adjustments for general valuation risks are made according to past experience.

Tangible Assets

Tangible assets are recorded at historical costs or at production costs less straight-line depreciation according to the following table. If required from an economic point of view, impairments are recorded to reflect the decrease in value.

Depreciation and Amortization Table

Industrial, commercial and office buildings	33–50
Residential buildings	50–66
Plant and equipment	5–12
Special tools	3–5
Vehicles	5–10
Other tangible assets	2–8
Software	2–5
Other intangible assets	2–20

Financial Assets

Financial assets are recorded at their cost of acquisition less necessary impairments.

Associated Companies

Associated companies are accounted for using the equity method (proportional equity). The associated companies' share in the result is recorded and shown in the result for the period. Adjustments to the equity of associated companies are recorded in shareholders' equity and do not affect net income. If the financial information of associated companies is not available at the time of preparation of the consolidated financial statement, the proportion of the net income of the investment is estimated based on the publicly available information at that time. In this case, the adjustments to the published result of the associated companies are accounted for in the following period.

Intangible Assets

Acquired intangible assets are recognized in the balance sheet if they are to bring measurable benefits to the company over several years. They are measured at acquisition cost less straight-line amortization according to the above depreciation and amortization table. Self-developed intangible assets are not capitalized.

Liabilities

Liabilities are measured at their nominal value.

Employee Benefits

The Group provides pension plans for the majority of its personnel in compliance with the respective country-specific legal provisions. The most important companies are located in Switzerland, where pension schemes are organized through independent foundations or collective foundations. These plans cover the economic consequences of old age, death or disability. Most pension plans are financed through employer and employee contributions. Pension contributions are calculated as a percentage of the insured salary. In Germany and England, seniority-related pension benefit obligations are established based on actuarial calculations. These pension benefit obligations are partially re-insured.

Changes in the employer's contribution reserves as well as any economic impact of surpluses or deficits of pension schemes on the Group are recorded as personnel expenses. They affect net income.

Income Taxes

Current income taxes are calculated at the prevailing tax rates based on the expected statutory, respectively fiscal result for the period as per commercial law and according to the respective tax assessment rules. They are disclosed under Other current liabilities.

Deferred Taxes

Deferred taxes are calculated on the differences between the Group companies' tax balance sheet and the balance sheet prepared for consolidation purposes, insofar as these deviations affect income tax. The individual Group companies' current or expected tax rates are applied to calculate deferred taxes. Tax loss carryforwards are neither capitalized nor offset against provisions for deferred taxes. Net deferred tax assets from temporary differences are not capitalized except if they arise from the tax impact on intercompany profit elimination.

Provisions

A provision is recognized if the Group has a probable obligation based on past events for which the amount and due date are still uncertain but can be estimated. The provisions position also includes deferred taxes. They are structured according to their maturity, i.e. a distinction is made between current provisions with an expected cash outflow within the next 12 months, and long-term provisions with an expected cash outflow after more than one year. Provisions for guarantees are calculated based on historical data (average of actual costs in recent years).

Contingent Liabilities

Contingent liabilities are assessed according to the probability and scope of future unilateral contributions and costs, and are disclosed in the Notes.

Risk Management**Risk Assessment and Management Process**

Risk assessment and risk control within the Metall Zug Group are based on a standardized four-stage risk management process which includes the following steps:

1. Identification of risks: Every three years, an extensive Group-wide risk identification is conducted. Within the scope of the survey, all business risks are compiled and documented on the basis of standard criteria. The identified risks are analyzed, updated and amended as necessary on an annual basis until the next extensive survey is conducted.
2. Risk analysis: The senior executives of the respective Business Units evaluate the risks identified in step 1 with a view to their probability of occurrence and their impact. When assessing the impact of a risk, both the financial implications and the effect on reputation are considered.
3. Risk control: The Business Units assign risk managers to each individual business risk and risk category who define specific measures and monitor the implementation of these measures.
4. Risk reporting: The Audit Committee and the Board of Directors of Metall Zug AG receives a consolidated risk report on an annual basis.

Country Risks

As a Group that operates globally (share of sales generated abroad: 92.3 %; previous year: 64.4 %) the Metall Zug Group is exposed to risks such as political, financial and societal insecurity in addition to turmoil, terrorism and unrest.

Financial Risk Management

Overall, the Metall Zug Group adopts a conservative and risk-averse approach. The Group's business activities expose it to a variety of financial risks, including those related to currency and interest rate risks. Derivative financial instruments such as foreign exchange, commodity and interest rate contracts may be used to hedge these risks.

The principles of financial risk management are determined at Group level and apply to all Business Units. Besides providing guidance on general financial risk management, the principles also set forth requirements for specific areas such as the management of interest rate, currency and counterparty risks, the use of derivative financial instruments, and the investment policy for excess liquidity.

Liquidity Risks

The Group uses a periodic liquidity planning instrument to monitor liquidity risk and has sufficient cash and cash equivalents and unused credit facilities to meet its liabilities.

On the balance sheet date, cash and cash equivalents and readily marketable securities exceeded financial liabilities by CHF 77.7 million (previous year: CHF 67.6 million). A maturity profile of the financial liabilities is included in Note 13.

In addition, the Group's excellent credit rating would allow it to make efficient use of the financial markets for financing purposes.

Market Risks and Interest Rate Risks

The Business Units of Metall Zug are exposed to commodity price risks. In addition, the purchase price for components is partly dependent on the market price of commodities like steel, aluminum, copper and plastics. The Metall Zug Group hedges the resulting price risk partially by entering into long-term purchasing agreements equivalent to the projected purchasing volumes.

Due to the low level of interest-bearing financial liabilities, changes in interest rates currently have no significant direct impact on the financial development of Metall Zug.

Currency Risks

In Switzerland and abroad, the Metall Zug Group generates both sales revenues and costs in foreign currencies. Exchange rate movements therefore have an impact on the consolidated results.

These risks are partly mitigated through the concept known as natural hedging. This involves neutralizing currency risks from cash inflows in a certain currency with cash outflows in the same currency. However, the cash inflows and outflows do not match in size. As a result, currency fluctuations can affect the Group's earnings margins, which means that the Group is exposed to a transaction risk. Specifically, the USD/EUR and USD/CHF exchange rates have a significant impact on the currency risks of the group (income in USD, costs in EUR and CHF). This means that the EUR/CHF exchange rate is also a major influencing factor.

In general, part of transaction risks are systematically hedged, usually for 6–12 months.

Foreign Currencies in the Financial Result

in CHF 1000	2021	2020
Foreign exchange gains/losses (net)	1 075	–329
in % of income before taxes	1.8	–1.9
Change from previous year	1 404	1 277
Change in % of income before taxes	2.3	7.3

Counterparty Risks from Treasury Activities

Financial transactions are only entered into with counterparties with a high credit rating. Cash and cash equivalents and securities are invested in a variety of counterparties to avoid cluster risks.

Credit Risks

Credit risks for the Group mainly arise from the sale of products and services (risk of default). The customer's financial circumstances are monitored on a regular basis (wherever this makes sense). It is not customary to require additional collateral. As the Group has a broad customer base, its exposure to individual default risks is low. Specific allowances for doubtful receivables are established for anticipated bad debts. In addition, general provisions for doubtful receivables of maximum 2 % are formed for domestic receivables and maximum 5 % for foreign receivables, which are based on empirical values.

Allowance for Doubtful Receivables

in CHF 1000	2021	2020
Allowance for doubtful receivables	–4 075	–4 794
in % of trade receivables (gross)	3.5	4.6
Change from previous year	680 ¹⁾	97 ¹⁾
Change in % of income before taxes	1.1	0.6

¹⁾ 2021 adjusted for the impact of TCHF –39 of the disposed IPRO GmbH EDV für Augenoptiker. In the previous year adjusted for the impact of the acquired VRmagic Group and Cirris, Inc. as well as for the spin-off of the V-ZUG Group with a total of TCHF –2 286.

List of Investments (as at 12.31.2021)

Company	Domicile	Currency	Share Capital	Share of Capital and Votes
Urban Assets Zug AG	Zug	CHF	1 000 000	100 %
Tech Cluster Zug AG	Zug	CHF	100 000	100 %
Multi Energy Zug AG ¹⁾	Zug	CHF	100 000	50 %
Belimed AG	Zug	CHF	6 500 000	100 %
Belimed GmbH	Mühldorf am Inn (DE)	EUR	6 135 550	100 %
Belimed d.o.o.	Grosuplje (SI)	EUR	28 000	100 %
Belimed GmbH	Fehring (AT)	EUR	180 000	100 %
Belimed B.V.	J.G. Rotterdam (NL)	EUR	18 151	100 %
Belimed SAS	Sausheim (FR)	EUR	1 650 000	100 %
Belimed Ltd.	Shipley (UK)	GBP	200 000	100 %
Belimed, Inc.	Charleston (US)	USD	3 000 000	100 %
Belimed Medical Equipment (Shanghai) Co.	Shanghai (CN)	CNY	4 223 180	100 %
Belimed Life Science AG	Sulgen	CHF	3 000 000	100 %
Belimed Life Science d.o.o.	Grosuplje (SI)	EUR	7 500	100 %
Belimed Life Science GmbH ²⁾	Dresden (DE)	EUR	25 000	100 %
Belimed Life Science, Inc. ²⁾	Delaware (US)	USD	10 000	100 %
Schleuniger AG	Thun	CHF	2 500 000	100 %
Schleuniger GmbH ³⁾	Radevormwald (DE)	EUR	27 000	100 %
DiIT GmbH	Krailling (DE)	EUR	103 000	100 %
adaptronic Prüftechnik GmbH	Wertheim (DE)	EUR	300 000	60 %
Schleuniger Messtechnik GmbH ⁴⁾	Sömmerda (DE)	EUR	25 000	100 %
Schleuniger, Inc.	Manchester (US)	USD	200 000	100 %
Cirris, Inc.	Salt Lake City (US)	USD	0	100 %
Schleuniger S. de R.L. de C.V.	Queretaro (MX)	MXN	3 000	100 %
Schleuniger Japan Co.	Tokyo (JP)	JPY	200 000 000	100 %
Schleuniger Trading (Shanghai) Co.	Shanghai (CN)	CNY	10 863 620	100 %
Schleuniger Machinery (Tianjin) Co., Ltd.	Tianjin (CN)	CNY	20 000 000	100 %
L W Solutions Ltd. ⁵⁾	Pontypridd (UK)	GBP	56 878	20 %

Changes in the investments held compared to the previous year are explained in the footnotes below and in Note 23.

¹⁾ The joint venture Multi Energy Zug AG, Zug, was founded in 2021 and will start its operational activity in 2022.

²⁾ Belimed Life Science GmbH, Germany, and Belimed Life Science, Inc., USA, were founded in 2021 and will start their operational activities in 2022.

³⁾ On January 1, 2021, Schleuniger GmbH, Germany, merged into Schleuniger Test Automation GmbH, Germany, which was subsequently renamed Schleuniger GmbH.

⁴⁾ Schleuniger Messtechnik GmbH, Germany, was founded in July 2021 and acquired the operational activities and the associated assets of KMF Messtechnik und Verwaltungs GmbH, Germany, on August 1, 2021.

⁵⁾ Associated companies.

List of Investments (as at 12.31.2021) – Continued

Company	Domicile	Currency	Share Capital	Share of Capital and Votes
Haag-Streit Holding AG	Köniz	CHF	750000	70 %
Haag-Streit AG	Köniz	CHF	8000000	100 %
Spectros AG	Ettingen	CHF	500000	100 %
Haag-Streit Deutschland GmbH	Wedel (DE)	EUR	500000	100 %
Möller-Wedel Beteiligungen GmbH	Wedel (DE)	EUR	1 510 000	100 %
Haag-Streit Surgical GmbH & Co. KG	Wedel (DE)	EUR	6638000	100 %
Möller-Wedel Optical GmbH	Wedel (DE)	EUR	500000	100 %
Möller-Wedel Verwaltung GmbH	Wedel (DE)	EUR	25000	100 %
HS DOMS GmbH	Saalfeld (DE)	EUR	25000	100 %
VRmagic Holding AG ⁶⁾	Mannheim (DE)	EUR	21 050 000	100 %
VRmagic GmbH ⁶⁾	Mannheim (DE)	EUR	33350	100 %
VRmagic Imaging GmbH ⁶⁾	Mannheim (DE)	EUR	25000	100 %
VRmagic, Inc. ⁶⁾	Delaware (US)	USD	100	100 %
Haag-Streit Far East, Ltd.	Shanghai (CN)	CNY	500000	100 %
Clement Clarke (Holdings) Ltd.	Harlow (UK)	GBP	7 200 000	100 %
Clement Clarke International Ltd.	Harlow (UK)	GBP	100000	100 %
Haag-Streit UK Ltd.	Harlow (UK)	GBP	1 000	100 %
John Weiss & Son Ltd.	Harlow (UK)	GBP	20000	100 %
Haag-Streit USA, Inc.	Mason (US)	USD	100	100 %
Gehrig Group AG	Rümlang	CHF	2 000 000	100 %
Hildebrand France S.a.r.l.	La Boisse (FR)	EUR	426 720	100 %
V-ZUG Holding AG⁵⁾	Zug	CHF	1 735 714	30 %

⁵⁾ Associated companies.

⁶⁾ On November 4, 2021, Möller-Wedel Beteiligungen GmbH, a subsidiary of the Metall Zug Group, bought the remaining minority interests of 23.08% in VRmagic Holding GmbH, Germany. Since then, the entire 100% of VRmagic Holding GmbH and its subsidiaries are held by the group.

1 Segment Information

The Business Units of the Metall Zug Group and their business activities are further explained below:

Household Appliances (Until June 25, 2020)	Appliances for kitchen and laundry as well as services and other products ¹⁾
Wire Processing	Wire processing equipment, test systems, software and services
Medical Devices	Products and services for diagnosis and surgery, mainly in the fields of ophthalmology and microsurgery
Infection Control	Equipment for hospitals, as well as services and consumables
Technologycluster & Infrastructure	Management and development of real estate
Others	<ul style="list-style-type: none"> – Belimed Life Science: equipment for the pharmaceutical industry and laboratories – Gehrig Group AG: products and services for gastronomy and healthcare – Metall Zug AG: management functions and corporate finance services

By Business Unit

	Net Sales		Operating Income (EBIT)	
in CHF 1000	2021	2020, restated ²⁾	2021	2020
Household Appliances	–	261 474 ³⁾	–	12 915 ³⁾
Wire Processing	206 183	150 032	14 645	–5 973
Medical Devices	215 193	169 604	24 604	–4 442
Infection Control	180 227	176 342	2 585	8 854 ⁴⁾
Technologycluster & Infrastructure	–	–	2 505	5 208
Others	68 364	75 578	–2 057	–1 069
Consolidation	–8 081	–9 489	14	5
Total	661 886	823 541	42 296	15 498

	EBIT as % of Net Sales		Contribution to Operating Income (EBIT)	
in percent	2021	2020, restated ²⁾	2021	2020
Household Appliances	–	4.9 % ³⁾	–	83.3 % ³⁾
Wire Processing	7.1 %	–4.0 %	34.6 %	–38.5 %
Medical Devices	11.4 %	–2.6 %	58.2 %	–28.7 %
Infection Control	1.4 %	5.0 %	6.1 %	57.1 % ⁴⁾
Technologycluster & Infrastructure	–	–	5.9 %	33.6 %
Others	–3.0 %	–1.4 %	–4.8 %	–6.8 %
Consolidation	0.0 %	0.0 %	0.0 %	0.0 %
Total	6.4 %	1.9 %	100.0 %	100.0 %

¹⁾ Other products comprise surface technology and specialty products. These other products contributed less than 1 % of net sales in 2020.

²⁾ As part of the conversion of the income statement to the income statement by function, sales-related costs, which were previously included as sales deductions in net sales, were classified as cost of goods and services sold. See “Changes in Presentation” in the Notes on page 71 for more information. Furthermore, Net sales of the Business Units now comprise sales with other Business Units. These sales are eliminated in the Consolidation line. The previous year was restated accordingly.

³⁾ For the consolidation period from January 1, 2020, to June 25, 2020.

⁴⁾ In 2020, EBIT for the Infection Control Business Unit includes the profit from the sale of a property in the amount of TCHF 4238 as well as compensation related to a value added for a previously sold property in the amount of TCHF 1518.

Net Sales to Third Parties by Region**2021**

in CHF 1000		Wire Processing	Medical Devices	Infection Control	Others	Total
Switzerland		1048	8198	9033	32529	50808
Europe (excluding Switzerland)		89305	79592	62624	18288	249809
Americas		67798	92141	69731	12772	242442
Asia/Pacific/Others		48032	35262	31442	4091	118827
Total 2021		206183	215193	172830	67680	661886

2020, restated¹⁾

in CHF 1000	Household Appliances ²⁾	Wire Processing	Medical Devices	Infection Control	Others	Total
Switzerland	236943	1345	8264	12204	32803	291559
Europe (excluding Switzerland)	8554	66548	67646	61872	18827	223447
Americas	7936	47963	63139	62628	19743	201409
Asia/Pacific/Others	8040	34176	30555	31273	3082	107126
Total 2020	261473	150032	169604	167977	74455	823541

¹⁾ As explained in the segment information, net sales were redefined in 2021. The previous year's figures have been restated to reflect the new definition.

²⁾ For the period of consolidation from January 1, 2020, to June 25, 2020.

2 Other Operational Income

In 2021, other operating income of TCHF 23097 (previous year: TCHF 18580, restated) includes income from an indemnity payment related to a previously made acquisition in the amount of TCHF 8360. Furthermore, TCHF 10101 (previous year: TCHF 7777) rental and property management income are included. In the current year, the income from sale of tangible assets and participations amounts to TCHF 1852. The previous year included the profit from the sale of a property in the amount of TCHF 4238 as well as compensation related to a value added for a previously sold property in the amount of TCHF 1518. In the previous year, other operating income also included income from the recharging of research and development services.

3 Personnel Expenses

in CHF 1000	2021	2020
Wages and salaries	-250164	-304970
Pension contributions	-9328	-15851
Other welfare and personnel expenses	-43488	-44988
Total personnel expenses	-302980	-365809

Government compensation for short-time work are presented net in the personnel expenses. The compensation received in 2021 amounts to TCHF 2984 (previous year: TCHF 11898). The number of full-time equivalents increased by 231 in the reporting year (previous year: decrease of 2075) to 3321 (previous year: 3090). This represents an increase of 7.5 % (previous year: decrease of 40.1 %). In the previous year, the number of employees declined due to the spin-off of the V-ZUG Group by 1963 full-time positions. Furthermore, the full-time equivalents have been adjusted for the effect of short-time work and furloughs which is the reason for the notable change in the number of employees.

4 Financial Result

in CHF 1000	Note	2021	2020
Interest income		123	48
Income from securities		136	314
Income from financial assets		511	1893
Foreign exchange gains		7342	6948
Total financial income		8112	9203
Interest expenses		-301	-134
Losses on securities		-291	-452
Expenses from financial assets		-1472	-2854
Other financial expenses		-952	-865
Foreign exchange losses		-6267	-7272
Total financial expenses		-9283	-11577
Result of associated companies	12	18774	6785
Net financial result		17603	4411

5 Extraordinary Expenses

In the previous year, the Medical Devices Business Unit fell victim to a cyberattack in the U.S., which resulted in an intragroup payment being transferred to a false bank account. The damage amount of TCHF 2345 is disclosed in the income statement of the previous year as an extraordinary expense. Investigations to identify the perpetrator have so far been unsuccessful.

6 Taxes**Expenses****in CHF 1000**

	2021	2020
Current income taxes	-5854	-2866
Deferred income taxes	-708	-1 165
Total expenses	-6562	-4031

Liabilities**in CHF 1000**

	12.31.2021	12.31.2020
Current income tax liability	2713	2509
Deferred income tax liability	293	-
Total liabilities	3006	2509

Assets**in CHF 1000**

	12.31.2021	12.31.2020
Current income tax asset	3183	2854
Deferred income tax asset	-	415
Total assets	3183	3269

Income Taxes 2021**Tax rate****in CHF 1000**

Income before taxes		59899
Weighted average applicable tax rate/calculated taxes	21.9 %	13 141
Utilization of previously unrecognized tax loss carry forwards		-2597
Additional unrecognized tax losses		5854
Change of unrecognized temporary differences		-4 127
Tax effects on investments		-4 118
Non-tax deductible expenses/non-taxable income		34
Income tax from prior periods		457
Tax rate changes		85
Research and development tax credits		-1 741
Other effects		-426
Reported tax rate / taxes according to the income statement	11.0 %	6562

Income Taxes 2020**Tax rate****in CHF 1000**

Income before taxes		17564
Weighted average applicable tax rate/calculated taxes	16.9 %	2975
Utilization of previously unrecognized tax loss carry forwards		-2950
Additional unrecognized tax losses		8708
Change of unrecognized temporary differences		3448
Tax effects on investments		-5013
Non-tax deductible expenses/non-taxable income		213
Income tax from prior periods		1061
Tax rate changes		1092
Research and development tax credits		-1 810
Other effects		-3693
Reported tax rate / taxes according to the income statement	23.0 %	4031

Tax expenses amount to 11.0 % (previous year: 23.0 %) of income before taxes. The weighted average applicable tax rate of 21.9 % is calculated from the income tax rates likely to apply to the income of the individual Group companies in the respective tax jurisdiction, which naturally varies according to the actual earnings figures. The increase in this calculated tax rate to 21.9 % for the year 2021 from 16.9 % in the previous year is due to changes in weighted earnings of the respective Group companies, which is significantly influenced by the spin-off of the V-ZUG Group as of June 25, 2020. The average weighted tax rate for deferred income taxes on temporary differences amounts to 20.2 % (previous year restated: 20.2 %). The other effects of the 2021 income tax reconciliation mainly include tax impacts from participation reductions. In the previous year, this position included the effects from a tax-loss carry back in the USA (COVID-19 measure) in the amount of TCHF 2357 and a reversal of a provision for potential tax risks in the amount of TCHF 1765.

Potential tax reductions resulting from tax loss carry forwards and temporary differences decreased 2021 in net terms by TCHF 2788 to TCHF 75671 (previous year: increase by TCHF 1051 to TCHF 78459). Potential tax reductions are not capitalized due to uncertain recoverability.

7 Result Attributable to Non-controlling Interests

in CHF 1000	2021	2020
Haag-Streit Holding AG	3882	-1594
VRmagic Holding AG	307	267
adaptronic Prüftechnik GmbH	364	548
Total result attributable to non-controlling interests	4553	-779

At the end of 2021, non-controlling interests of 30 % in Haag-Streit Holding AG, Köniz, and of 40 % in adaptronic Prüftechnik GmbH, Wertheim (DE), are held by third parties (2020: 23.1 % non-controlling interests in VRmagic Holding AG, 30 % in Haag-Streit Holding AG and 40 % in adaptronic Prüftechnik GmbH). In November 2021, Möller-Wedel Beteiligungen GmbH, Wedel (DE), acquired the remaining non-controlling interests of 23.1 % of VRmagic Holding AG, Mannheim (DE), and its subsidiaries. The reported profit share of the non-controlling interests of VRmagic Holding AG relates to the period from January 1, 2021, until this transaction. The initial majority participation of 76.9 % in VRmagic Holding AG was acquired in 2020.

8 Net Income per Share

	2021	2020
Issued type A registered shares	1 948 640	1 948 640
Average outstanding type A registered shares	1 948 640	1 948 640
Issued type B registered shares	255 136	255 136
Average outstanding type B registered shares	253 406	253 406
Net income attributable to shareholders of Metall Zug AG (in CHF 1 000)	48 784	14 312
Weighted average number of shares	448 270	448 270
Net income per type A registered share (in CHF)	10.88	3.19
Net income per type B registered share (in CHF)	108.83	31.93

Net income per share is calculated by dividing the net income by the weighted average of issued shares less the weighted average of treasury shares. The 1 948 640 type A registered shares correspond to 194 864 type B registered shares.

There is no dilution for 2021 or 2020 with regard to net income per share.

9 Trade Receivables

in CHF 1 000	12.31.2021	12.31.2020
Gross trade receivables	115 147	104 272
Allowance for doubtful receivables	-4 075	-4 794
Total trade receivables	111 072	99 478

10 Inventories

in CHF 1 000	12.31.2021	12.31.2020
Raw materials	30 106	23 238
Trade goods	37 063	36 869
Semifinished and finished products	130 359	109 442
Advance payments to suppliers	1 630	426
Specific value adjustments	-31 279	-28 414
General value adjustments	-15 108	-17 822
Total inventories	152 771	123 739

Advance payments from customers are not offset against inventories; they are reported as other current liabilities and amount to TCHF 41 492 (previous year: TCHF 20 018).

11 Fixed Assets**Tangible Assets**

in CHF 1000

	Land	Land & Buildings	Plant & Equipment	Prepayments & Assets Under Construction	Other Tangible Assets	Total Tangible Assets
Acquisition costs						
Balance on 01.01.2020	2460	345 170	241 899	54 399	79 599	723 527
Changes in scope of consolidation		-156 362	-203 860	-66 742	-45 925	-472 889
Additions		1 543	3 134	35 976	2 810	43 463
Disposals			-1 351	-129	-2 074	-3 554
Reclassifications		411	3 947	-6 530	1 639	-533
Currency translation effects	-136	-853	-573	-50	-654	-2 266
Balance on 12.31.2020	2 324	189 909	43 196	16 924	35 395	287 748
Changes in scope of consolidation			-113		9	-104
Additions		6 532	2 349	17 068	2 940	28 889
Disposals		-637	-1 510	-41	-2 974	-5 162
Reclassifications		427	424	-6 811	100	-5 860
Currency translation effects	24	-851	-117	-13	-312	-1 269
Balance on 12.31.2021	2 348	195 380	44 229	27 127	35 158	304 242
Accumulated depreciation						
Balance on 01.01.2020	0	-115 423	-148 274	0	-58 402	-322 099
Changes in scope of consolidation		53 682	131 416		35 852	220 950
Depreciation current year		-6 450	-11 882		-5 954	-24 286
Impairment			-100		-76	-176
Disposals			1 241		1 891	3 132
Reclassifications		-43	526		-414	69
Currency translation effects		181	206		383	770
Balance on 12.31.2020	0	-68 053	-26 867	0	-26 720	-121 640
Changes in scope of consolidation			149			149
Depreciation current year		-4 755	-3 945		-3 571	-12 271
Impairment			-178		-69	-247
Disposals		19	1 492		2 923	4 434
Reclassifications		-4	-4		93	85
Currency translation effects		172	175		251	598
Balance on 12.31.2021	0	-72 621	-29 178	0	-27 093	-128 892
Net book values on 12.31.2020	2 324	121 856	16 329	16 924	8 675	166 108
Net book values on 12.31.2021	2 348	122 759	15 051	27 127	8 065	175 350
Of which land 12.31.2020		45 206				
Of which land 12.31.2021		49 789				
Of which investment property 12.31.2020		1 556				
Of which investment property 12.31.2021		4 233				

Financial and Intangible Assets

in CHF 1000	Associated Companies	Employer's Contribution Reserves	Shares in Companies ¹⁾	Long-term Loans and Receivables	Deferred Tax Assets	Total Financial Assets	Intangible Assets
Acquisition costs							
Balance on 01.01.2020	657	21319	19087	3727	0	44790	83447
Changes in scope of consolidation	109522	-19269	-1982	-1081		87190	-34822
Additions	5	1719	1023	41		2788	4759
Disposals		-2872	-206	-52		-3130	-18698
Reclassifications					415	415	471
Adjustments through income statement	6785					6785	
Currency translation effects	-9			-21		-30	-152
Balance on 12.31.2020	116960	897	17922	2614	415	138808	35005
Changes in scope of consolidation							8
Additions	50		132	12		194	2083
Disposals		-897	-4440	-2264		-7601	-136
Reclassifications					-415	-415	1214
Adjustments through equity	16					16	
Adjustments through income statement	18777					18777	
Other	12					12	
Currency translation effects	5		-1	1		5	-42
Balance on 12.31.2021	135820	0	13613	363	0	149796	38132
Accumulated amortization							
Balance on 01.01.2020	0	0	-1079	-262	0	-1341	-50572
Changes in scope of consolidation				262		262	19418
Amortization current year							-6940
Impairments			-975			-975	
Disposals							18687
Currency translation effects							67
Balance on 12.31.2020	0	0	-2054	0	0	-2054	-19340
Amortization current year							-4903
Impairments			-312			-312	-29
Disposals							135
Reclassifications							-65
Currency translation effects							59
Balance on 12.31.2021	0	0	-2366	0	0	-2366	-24143
Net book values on 12.31.2020	116960	897	15868	2614	415	136754	15665
Net book values on 12.31.2021	135820	0	11247	363	0	147430	13989²⁾

¹⁾ Incl. private-equity investments.²⁾ Of which TCHF 13979 (previous year: TCHF 15649) software.

Tangible Assets

Impairments on tangible assets of TCHF 247 were recognized in 2021, of which TCHF 207 relate to the restructuring of the production site in Wedel (DE) of the Medical Devices Business Unit.

In 2021, assets under construction in the amount of TCHF 4565 were reclassified from tangible assets to assets for sale, under construction, within current assets. As of December 31, 2021, the accumulated acquisition costs of these assets under construction amount to TCHF 9977. This includes infrastructure and construction projects that have not yet been completed. After completion, it is intended to sell these assets to a lessee in the form of a finance leasing agreement. No disposals or impairments were recorded on this position in the current year.

Financial Assets

Employer's Contribution Reserves

In 2021, employer's contribution reserves of TCHF 897 were used. In the previous year, employer's contributions reserves were reduced by TCHF 19269 as a result of the spin-off of the V-ZUG Group. The additions of the previous year related to allocations of profit participations of the pension fund of V-ZUG AG of TCHF 1 719. Additionally, employer's contribution reserves of TCHF 2872 were used in the previous year, of which TCHF 927 to settle employee contributions.

Shares in Companies incl. Private-Equity Investments

Impairments in the amount of TCHF 312 (previous year: TCHF 975) were recognized on shares in companies incl. private-equity investments. This relates, as in the previous year, mainly to the financial investment in Schlatter Industries AG. With the spin-off of the V-ZUG Group in the previous year, shares in companies with a book value of TCHF 1 982 were transferred.

Goodwill Treatment

Goodwill is offset against the retained earnings at the time of acquisition. The table below shows the theoretical effects of goodwill on net result and shareholders' equity as if goodwill had been capitalized and amortized over a useful life of 3 to 5 years. Goodwill from 2021 acquisitions is amortized over a useful life of 5 years.

Goodwill (shadow statement)

in CHF 1000	2021	2020
Acquisition costs 01.01.	418808	399217¹⁾
Additions ²⁾	4303	20319
Disposals ³⁾	-3053	-728
Acquisition costs 12.31.	420058	418808
Theoretical accumulated amortizations 01.01.	-389156	-303126¹⁾
Theoretical amortization current year	-20051	-86758
Disposals ³⁾	3053	728
Theoretical accumulated amortizations 12.31.	-406154	-389156
Theoretical net book value goodwill 01.01.	29652	96091
Theoretical net book value goodwill 12.31.	13904	29652

¹⁾ In the past, goodwill that was fully amortized was derecognized. As of 2021, the historical cost of goodwill will be reported in full. Accordingly, the previous year was restated by TCHF 134574 fully amortized goodwill.

²⁾ In 2021, the additions include the goodwill from the acquisition of the operating activities and the related assets of KMF Messtechnik und Verwaltungs GmbH, Sömmerda (DE). In 2020, the additions were related to the acquisition of the operating activities and the related assets and liabilities of Cirris Systems Corporation, Salt Lake City (US), as well as the acquisition of VRmagic Holding GmbH, Mannheim (DE). See Note 23 for more information.

³⁾ In 2021, the disposals include goodwill recycling in connection with the sale of IPRO GmbH EDV für Augenoptiker, Leonberg (DE). The disposal of the previous year results from the divestment of STERIFAST Sterilization & Disinfection Systems, Lda., Boticas (PT). See Note 23 for more information.

A capitalization and amortization of goodwill would have the following theoretical impact on shareholders' equity and net profit:

Theoretical impact on income statement, in CHF 1000	2021	2020
Reported net profit	53337	13533
Theoretical amortization current year	-20051	-86758
Theoretical net profit after amortization of goodwill	33286	-73225
Theoretical impact on shareholders' equity, in CHF 1000	12.31.2021	12.31.2020
Reported shareholders' equity	516190	482894
Theoretical capitalization of net book value goodwill	13904	29652
Theoretical shareholders' equity including net book value of goodwill	530094	512546

12 Associated Companies

in CHF 1000	12.31.2021	12.31.2020
V-ZUG Holding AG	135464	116489
Others	356	471
Total value of associated companies	135820	116960

Metall Zug AG holds a 30.27 % stake in V-ZUG Holding AG. Metall Zug AG also holds minority investments in other smaller companies which are included in the balance sheet position associated companies.

Since V-ZUG Group's financial data for 2021 were not yet available at the time the consolidated financial statements were prepared, Metall Zug AG's share of V-ZUG Group's net profit is estimated based on the latest publicly available information (analyst reports). The share of V-ZUG Holding AG's net profit for the first half of 2021 amounts to TCHF 10279 and is based on the half-year financial statements published on July 22, 2021. The proportional equity postings of V-ZUG Holding AG, which did not affect the income statement, amount to TCHF 107. Metall Zug AG's share of V-ZUG Group's net profit for the second half of 2021 is estimated at TCHF 5963. The total share of V-ZUG's net profit attributable to Metall Zug for 2021 is estimated at TCHF 16242. Any discrepancies between the actual results and these estimates will be accounted for in the 2022 consolidated financial statements.

In the previous year, Metall Zug AG's share of V-ZUG Group's net profit was estimated at TCHF 6962 based on the latest publicly available information at that time. According to the 2020 annual report of V-ZUG Holding AG published later, Metall Zug AG's effective share in the net profit of the V-ZUG Group amounted to TCHF 9664. The difference of TCHF 2702 was recognized in the income statement in the first half of 2021. In addition, proportional equity postings of V-ZUG Holding AG of TCHF -91, which did not affect the income statement, were recognized as changes in equity in the consolidated financial statements of Metall Zug AG.

The share in the result of the other associated companies amounts to TCHF -170 (previous year: TCHF -177).

13 Current and Long-term Financial Liabilities

in 1 000

Financial liabilities 12.31.2021	Foreign Currency (FC)	Term	Amount FC	Amount CHF	Interest Rate
Mortgage with fixed interest rate	EUR	03.31.2036	2 625	2 712	1.0 %
Unsecured bank loans with fixed interest rate	EUR	09.30.2025	1 181	1 220	1.0 % / 2.45 %
Other financial liabilities (various)				235	
Total				4 167	
Of which current financial liabilities				363	

in 1 000

Financial liabilities 12.31.2020	Foreign Currency (FC)	Term	Amount FC	Amount CHF	Interest Rate
Mortgage with fixed interest rate	EUR	03.31.2036	2 809	3 034	1.0 %
Unsecured bank loans with fixed interest rate	EUR	09.30.2025	1 256	1 357	1.0 % / 2.45 %
Other financial liabilities (various)				262	
Total				4 653	
Of which current financial liabilities				299	

As collateral for a mortgage of TCHF 2 712 assets with a book value of TCHF 4 596 were encumbered (previous year: TCHF 4 954).

14 Pension Liabilities

Pension liabilities amount to TCHF 864 (previous year: TCHF 853). They are recorded as other current liabilities.

15 Other Long-term Liabilities

In 2019 a Metall Zug Group company concluded an agreement with V-ZUG AG to compensate for additional expenses due to the site transformation in Zug in the total amount of TCHF 6 000. As at December 31, 2021, the remaining liability amounts to TCHF 3 300 (previous year: TCHF 4 500), of which TCHF 1 200 are reported as other current liability and TCHF 2 100 as other long-term liability. Furthermore, this account includes a tenant deposit in the amount of TCHF 1 003 in 2021.

Additionally, as at December 31, 2021, long-term deferred purchase price payments of TCHF 4 611 are included, which relate to the acquisitions of KMF Messtechnik und Verwaltungs GmbH, Sömmerda (DE), and the minority interests in VRmagic Holding GmbH, Mannheim (DE), as described in Note 23. The related short-term deferred purchase price payments in other current liabilities amount to TCHF 311.

16 Provisions

in CHF 1000	Deferred Taxes	Guarantees	Pension	Restructuring	Other	Total
Balance on 01.01.2020	12519	31202	19653	2215	26212	91801
Change in scope of consolidation	-14098	-25004			-3121	-42223
Additions	1661	14015	2134	3123	3445	24378
Utilization	-497	-12354	-188	-324	-3203	-16566
Release		-513	-4738	-776	-2482	-8509
Reclassifications	415					415
Currency translation effects	0	-147	-797	-16	-252	-1212
Balance on 12.31.2020	0	7199	16064	4222	20599	48084
Of which current provisions		5779	160	3849	4208	13996
Balance on 01.01.2021	0	7199	16064	4222	20599	48084
Change in scope of consolidation		-27				-27
Additions	1071	7055	172	7797	2158	18253
Utilization	-363	-5852	-2661	-568	-3159	-12603
Release		-774	-3679	-178	-1211	-5842
Reclassifications	-415				324	-91
Currency translation effects	0	-39	245	-425	11	-208
Balance on 12.31.2021	293	7562	10141	10848	18722	47566
Of which current provisions		7230	124	10440	3342	21136

Provisions for guarantees are calculated on the basis of historical data (average of actual costs in recent years).

As per December 31, 2021, restructuring provisions of TCHF 10848 (previous year: TCHF 4222) exist. In the previous year, it was decided to restructure part of a German production facility of the Medical Devices Business Unit, for which a provision of TCHF 2982 was recognized. In 2021, the complete closure of this production facility was decided, which led to an increase of the restructuring provision to TCHF 10156. The remaining restructuring provisions are still mostly related to the restructuring of the former Life Science Business Area of the Infection Control Business Unit, as communicated in 2017.

The total costs of the above-mentioned restructuring in Germany amount to TCHF 10335 in 2021 and consist, in addition to the cost from the increase in the restructuring provision of TCHF 7174, of impairments on fixed and intangible assets as well as impairments of specific inventories.

Other provisions include the provision for ground remediation work at the main site of V-ZUG and future site of the Technology Cluster Zug. This provision amounts to TCHF 10152 (previous year: TCHF 9927). As part of the preparations for construction work, extensive contamination investigation was carried out in consultation with the Canton of Zug Environment Office. This investigation identified various areas that require remediation. It should be possible to rectify these areas at the same time as the planned construction work. Given the legal remediation obligation and the advanced planning stage for some construction plots, these remediation costs must be provided for. Due to the longer-term remediation process, the remediation provision was discounted with 1.5 %. Whether and, if so, when further remediation costs will be incurred depends on the realization of further buildings on the site in Zug.

As at December 31, 2021, the other provisions also include the CO₂ fund for the promotion of climate protection measures amounting to TCHF 2296 (previous year: TCHF 1994). Furthermore, other provisions include the expected cash outflows related to various legal cases.

17 Significant Shareholders

As at December 31, 2021, the following shareholders own more than 3 % of the total number of votes:

	Type A Registered Shares	Type B Registered Shares	Votes	Votes Previous year
Elisabeth Buhofer und Heinz M. Buhofer ¹⁾	1 482 650	4 222	67.5 %	67.5 %
Shareholder group Stöckli ²⁾	340 794	18 334	16.3 %	16.3 %
Werner O. Weber, indirectly through Wemaco Invest AG	82 000	42 429	5.6 %	5.6 %

¹⁾ For the most part held through Buhofer Trust I, Vaduz, as well as Annelies Häcki Buhofer, Philipp Buhofer, Martin Buhofer and Julia Häcki, to the extent that they are acting in mutual agreement (Buhofer Trust I).

²⁾ Elisabeth Stöckli Enzmann, Johannes Stöckli, Matthias Stöckli-Aguilar, Helen Jauch-Stöckli, Hubert Stöckli-Hernandez (shareholders' agreement).

18 Shares

Composition of Share Capital					
1 948 640	Type A registered shares at par value CHF	2.50	Swiss securities no.	209 262	CHF 487 1600
255 136	Type B registered shares at par value CHF	25.00	Swiss securities no.	398 2108	CHF 6378 400
2203 776	Votes		Share capital		CHF 11250 000

No equity instruments were issued in the year under review or in the previous year. Undistributable, statutory or legal reserves amount to TCHF 42 499 (previous year: TCHF 14 203).

Unchanged compared to the previous year, Metall Zug AG holds 1 730 type B treasury shares at an average purchase price of CHF 3 484 as at December 31, 2021.

19 Transactions with Related Parties

Group companies sold goods and services to V-ZUG companies in the amount of TCHF 54 in 2021 (prior-year period from June 25, 2020 to December 31, 2020: TCHF 47). In addition, V-ZUG companies were charged TCHF 9233 for property management, building contractor services and rent by Metall Zug companies (previous year period: TCHF 5968). Other services in the amount of TCHF 196 were also provided by Metall Zug companies to V-ZUG companies (previous year period: TCHF 270). V-ZUG companies continue to participate in a CO₂ fund of Metall Zug for the promotion of climate protection measures. The net consideration received from V-ZUG companies in this connection amounts to TCHF 283 (previous year period: TCHF 435). The receivables of Metall Zug companies from V-ZUG companies from these transactions amount to TCHF 740 as at December 31, 2021 (previous year: TCHF 785).

V-ZUG companies charged TCHF 1 464 (previous year period: TCHF 691) for rent and TCHF 858 (previous year period: TCHF 792) for other services to Metall Zug companies. As at December 31, 2021, the liabilities of Metall Zug companies due to V-ZUG companies amount to TCHF 866 (previous year: TCHF 339).

On December 31, 2021, a compensation obligation exists to V-ZUG AG in the amount of TCHF 3300 (previous year: TCHF 4500), of which TCHF 1200 are short-term (previous year: TCHF 1200). In 2021, TCHF 1200 was paid out in this context (previous year period: TCHF 1200). Refer to Note 15 for further information.

In 2021, no deliveries and services by group companies to members of the Board of Directors and Senior Management of Metall Zug AG occurred (previous year: TCHF 13).

Information on the compensation paid to the Board of Directors and the Senior Management is available in the compensation report on pages 62 and 63.

20 Leasing Liabilities

The liabilities from operating leases and rental arrangements that are not shown in the balance sheet are structured as follows, according to maturity:

in CHF 1000	12.31.2021	12.31.2020
up to 1 year	9383	9329
up to 3 years	9894	10475
over 3 years	5909	6283
Total	25 186	26 087

21 Derivative Financial Instruments

To hedge future cash flows and balance sheet positions in foreign currencies, the following financial instruments are kept, which are presented in line with the underlying transaction:

in CHF 1000	12.31.2021			12.31.2020		
Underlying	Contract Values	Market Values		Contract Values	Market Values	
		Positive	Negative		Positive	Negative
Foreign exchange	62 108	425	-243	51 778	497	-132
Total Market Values	62 108	425	-243	51 778	497	-132

22 Contingent Liabilities / Other Off-Balance Sheet Obligations

The carrying amount of trade receivables, fixed-term deposits and properties that are pledged as collateral amount to TCHF 20641 (previous year: TCHF 25242).

Additionally, the group has long-term purchase commitments of TCHF 9995 (previous year: TCHF 5134) and long-term employment contracts of TCHF 434 (previous year: TCHF 681).

Metall Zug AG made investment commitments to two private equity funds totaling TCHF 10000 (previous year: TCHF 10000), of which TCHF 8176 was paid in at the end of 2021 (previous year: TCHF 7847).

Furthermore, Metall Zug AG issued a surety to a bank in the amount of TCHF 200 (previous year: TCHF 200). This surety secures a credit line of a company of which Metall Zug AG holds a minority stake. Additionally, a subsidiary of Metall Zug AG committed itself towards the City of Zug to invest TCHF 8000 (previous year: TCHF 8000) in affordable housing.

In the previous year, a subsidiary of Metall Zug AG signed a contract with V-ZUG AG, in which it was agreed that V-ZUG AG will participate at the potential value increase of the land in connection with the planned development of the former site of V-ZUG AG for the Technology Cluster with an amount of maximum TCHF 9000. This agreement has been terminated in 2021 by mutual consent. Also in the previous year, a contingent liability related to the participation in VRmagic Holding AG was included. The contingent liability was in connection with the option agreement to purchase the 23.1 % minority shares remaining with employee shareholders within the next 3 years. The option to purchase these shares was exercised prematurely in November 2021. Details to the purchase of the minority shares are outlined in Note 23.

23 Acquisition, Sale and Spin-off of Consolidated Subsidiaries

In 2021 Schleuniger Messtechnik GmbH, Sömmerda (DE), was founded and took over the operating activities and the related assets of KMF Messtechnik und Verwaltungs GmbH, Sömmerda (DE), through an asset deal effective July 30, 2021. The following assets were taken over on the acquisition date:

in CHF 1000	Schleuniger Messtechnik GmbH
Inventory	472
Non-current assets	150
Total identifiable assets	622

The purchase price for the acquisition amounted to TCHF 4926 and included acquisition-related costs of TCHF 76. The purchase price includes deferred purchase price payments of TCHF 665. The goodwill paid in connection with this transaction totaled TCHF 4303 and was offset against retained earnings at the time of acquisition (see Changes in Shareholders' Equity, page 70).

On November 5, 2021, Möller-Wedel Beteiligungen GmbH, Wedel (DE), purchased the minority stake of 23.1 % in VRmagic Holding AG, Mannheim (DE), held by third parties for TCHF 10 703, of which TCHF 4 257 is a deferred purchase price payment. The purchase price exceeding the book value of the purchased non-controlling interest in equity of TCHF 9 066 was offset directly against retained earnings.

On November 1, 2021, IPRO GmbH EDV für Augentoptiker, Leonberg (DE), was sold for a sales price of TCHF 5 281. At this point in time, the company contained the following book values:

in CHF 1000	IPRO GmbH EDV für Augentoptiker
Cash and cash equivalents	742
Other current assets	816
Non-current assets	98
Current liabilities	-1 138
Net assets sold	518

As part of this sale, goodwill in the amount of TCHF 3 053 was allocated to IPRO GmbH EDV für Augentoptiker and recycled. The corresponding gain from the sale amounted to TCHF 1 710.

In the previous year, in addition to the regular cash dividend, and in accordance with the resolution of the general meeting of April 24, 2020, the following consolidated book values of V-ZUG Holding AG and its subsidiaries (V-ZUG Group) were distributed to shareholders in the form of shares in V-ZUG Holding AG, Zug, on June 25, 2020:

in CHF 1000	Note	V-ZUG Group
Cash and cash equivalents		65 142
Other current assets		151 621
Non-current assets		297 505
Short-term financial liabilities		–
Other current liabilities		-121 725
Non-current liabilities		-30 989
Total identifiable net assets		361 554
Minus remaining investment of Metall Zug AG in V-ZUG Holding AG (30.27 %)	12	-109 440
Recognition of previously eliminated liability due to V-ZUG AG	15	5 700
Distribution in accordance with changes in shareholders' equity		257 814

V-ZUG Holding AG fully owned the following subsidiaries, which are therefore no longer included in the scope of consolidation of Metall Zug AG since June 25, 2020:

– V-ZUG AG, Zug (CH)	– V-ZUG (Changzhou) Special Components Co., Ltd., Changzhou (CN)
– V-ZUG Kühltechnik AG, Arbon (CH)	– V-ZUG Hong Kong Co., Ltd., Hong Kong (HK)
– SIBIRGroup AG, Spreitenbach (CH)	– V-ZUG Singapore Pte. Ltd., Singapore (SG)
– V-ZUG Services AG, Zug (CH)	– V-ZUG Infra AG, Zug (CH)
– V-ZUG Australia Pty. Ltd., Sydney (AU)	– MZ Infra AG, Zug (CH), subsequently renamed
– V-ZUG Europe BVBA, Harelbeke-Kortrijk (BE)	V-ZUG Assets AG
– V-ZUG (Shanghai) Domestic Appliance Co., Ltd., Shanghai (CN)	

V-ZUG Holding AG and its investments as listed above corresponded to the Household Appliances Business Unit disclosed in the segment report. The consolidated income statement of Metall Zug AG and the segment result of the Household Appliances Business Unit both contained the result of V-ZUG Holding AG and its subsidiaries until June 25, 2020. Following the distribution in kind, Metall Zug AG continues to hold a 30.27 % stake in V-ZUG Holding AG. This stake in V-ZUG Holding AG has thus been valued applying the equity method (proportional equity) since then and is disclosed under 'Associated companies'. See Note 12 for further information.

Möller-Wedel Beteiligungen GmbH, Wedel (DE), which is part of the Medical Devices Business Unit, acquired a 76.9 % stake in VRmagic Holding AG, Mannheim (DE), on May 30, 2020. As part of this transaction, the subsidiaries held by VRmagic Holding AG listed in the list of investments (page 77) were also acquired. The VRmagic Group is specialized in virtual and augmented reality technology in medical education. There was an option agreement for the 23.1 % shares remaining with employee shareholders, which is explained in Note 22 and which was, as described above, exercised prematurely in November 2022.

In addition, Cirris, Inc., Salt Lake City (US), was founded in 2020, which took over the operating activities and the related assets and liabilities of Cirris Systems Corporation, Salt Lake City (US), through an asset deal effective September 1, 2020.

In the above transactions, the following assets and liabilities were taken over on the basis of the full consolidation method on the acquisition date:

in CHF 1000	VRmagic Holding AG and subsidiaries	Cirris, Inc.
Cash and cash equivalents	3 776	–
Other current assets	4 933	4 460
Non-current assets	424	3 168
Current liabilities	– 4 475	– 1 060
Total identifiable net assets	4 658	6 568

The purchase price for the acquisitions amounted to TCHF 30 339 and included acquisition-related costs of TCHF 161. Furthermore, TCHF 95 were paid related to a subsequent purchase price adjustment of adaptronic Prüftechnik GmbH, Wertheim (DE). The goodwill paid in connection with these transactions totaled TCHF 20 319 and was offset against retained earnings at the time of acquisition considering the portion of minorities of TCHF 4 594 (see Changes in Shareholders' Equity, page 70).

In February 2020 the sales transaction of the participation STERIFAST Sterilization & Disinfection Systems, Lda, Boticas (PT), was closed and the remaining goodwill of TCHF 728 was recycled through profit and loss.

24 Pension Benefit Obligations

The companies with the most relevant pension plans for the consolidated financial statements are located in Switzerland, where pension schemes are organized through independent foundations or insured pension plans according to Swiss pension law (BVG). Another significant, closed pension plan exists in the UK which is showing an actuarial underfunding. The purpose of these funds is to provide contributions to current and former employees to assist with the economic consequences of old age, disability, death and hardship circumstances.

Employer's Contribution Reserves (ECR)

	Nominal Value	Renounced Use	Balance Sheet	Additions / Releases	Balance Sheet	Result from ECR or Similar Items in Personnel Expenses	
in CHF 1000	12.31.2021	12.31.2021	12.31.2021	2021	12.31.2020	2021	2020
Patronage funds/ pension schemes					185	-185	1 508
Pension plans					712	-712	-1 734
Total					897	-897	-226

Economical Benefit / Economical Obligation and Pension Benefit Expenses

	Surplus / Deficit According to Pension Plans ¹⁾	Economical Part of the Organization ²⁾		Change or Impact on Net Income in Business Year ³⁾	Change from Payment in Business Year ⁴⁾	Contribu- tions for the Period ⁵⁾	Pension Expenses in Personnel Expenses	
in CHF 1000	12.31.2021	12.31.2021	12.31.2020	2021	2021	2021	2021	2020
Pension plans without surplus/deficit						-9323	-9323	-16 187
Pension plans with surplus	1 310					-382	-382	0
Pension plans with deficit	-10 141	-10 141	-16 064	3 653	2 515	-2 379	1 274	562
Total	-8 831	-10 141	-16 064	3 653	2 515	-12 084	-8 431	-15 625

¹⁾ In the previous year, only pension schemes with deficits existed, which totaled TCHF -16 064.

²⁾ The economical part of the organization on pension plans with deficits of TCHF 10 141 (previous year: TCHF 16 064) originates mainly from closed defined benefit plans abroad and is recognized in full as a pension provision.

³⁾ In 2021, a total amount of TCHF 3 653 was accounted for in the income statement as a result of the positive change in the economical part (previous year: TCHF 2 793 positive change). Furthermore, the reduction in economical part contains currency translation adjustments of TCHF -245 which do not affect net income (previous year: TCHF 796).

⁴⁾ In 2021, a payment to a pension plan with actuarial net defined benefit liability has been made, which reduced the pension provision by the respective amount.

⁵⁾ Includes payments to pension schemes that bear pension risks themselves in the amount of TCHF 9 682 (previous year: TCHF 16 166) and payments to pension schemes that do not bear risks themselves in the amount of TCHF 2 402 (previous year: TCHF 2 252).

Most pension plans are financed through the employer's and the employee's contributions. Pension contributions are calculated as a percentage of the insured salary.

Composition of Pension Expenses

in CHF 1000	2021	2020
Pension contributions at the organization's expense	-12 084	-18 418
Contributions to pension plans from employer's contribution reserves	-921	-1 945
Total contributions¹⁾	-13 005	-20 363
Change in employer's contribution reserves due to allocation, asset development, value adjustment, discounting, interest payments, etc.	24	1 719
Contributions and changes in employer's contribution reserves	-12 981	-18 644
Change in economic benefits for the organization from surplus	-	-
Change in economic liabilities for the organization from deficit	3 653	2 793
Total change in economic impact of surplus / deficit	3 653	2 793
Pension expenses in personnel expenses	-9 328	-15 851

¹⁾ No extraordinary contributions impacting the income statement were agreed upon or paid in the reporting year or in the previous year.

25 Changes in "Net Cash and Cash Equivalents"

The statement of cash flows is based on "Net cash and cash equivalents", which is composed as follows:

in CHF 1000	12.31.2021	12.31.2020
Cash and cash equivalents	81 548	71 768
Current financial liabilities	-363	-299
Total "Net cash and cash equivalents"	81 185	71 469
Changes from the previous year	9 716	-81 017

The "Net cash" position as described in the group report is calculated as follows:

Total "Net cash and cash equivalents"	81 185	71 469
Securities	295	506
Long-term financial liabilities	-3 804	-4 354
Total Net cash	77 676	67 621

26 Events After the Balance Sheet Date

Metall Zug AG and Komax Holding AG signed an agreement on February 8, 2022, under which the Metall Zug Group will merge its Wire Processing Business Unit (the Schleuniger Group) into the Komax Group in exchange for a 25 % participation in Komax Holding AG. The transaction will be carried out through a 'quasi-merger' in which Komax Holding AG will issue new shares in the course of a capital increase and allocate these to Metall Zug AG in exchange for the shares of Schleuniger AG. The transaction depends, among other conditions, on the approval of the relevant proposals by Komax's Annual General Meeting and the consent of the relevant competition authorities to the merger. This process is expected to be completed in the third quarter of 2022.

Furthermore, on January 4, 2022, Schleuniger GmbH, Radevormwald (DE), a subsidiary of Metall Zug AG, acquired the remaining 40 % non-controlling interest in adaptronic Prüftechnik GmbH, Wertheim (DE). Since then, the Metall Zug Group has held 100 % of the shares in adaptronic Prüftechnik GmbH.

No other events requiring disclosure took place after the balance sheet date.

Report of the Statutory Auditor



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To the General Meeting of
Metall Zug AG, Zug

Zug, 11 March 2022

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements presented on pages 65 to 95 of Metall Zug AG, which comprise the consolidated income statement, consolidated balance sheet, consolidated statement of cash flows, changes in shareholders' equity and notes to the consolidated financial statements for the year ended 31 December 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.



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Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibility* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Inventory valuation

Risk	Gross carrying amount of inventory and the related value adjustments amount to TCHF 199'158 and TCHF 46'387, respectively. During our audit, we focus on this position, since it is material to the consolidated financial statements and the related value adjustments are based on assumptions that have a significant impact on the consolidated financial statements. Information regarding the valuation of inventory is disclosed under 'Inventories' in the principles of valuation section (page 72) as well as under '10 Inventories' (page 83).
Our audit response	Besides the assessment of the acquisition or production cost of inventory, we evaluated the calculation of the value adjustments and compared management's assumptions with past experience. We examined the aging analysis in order to identify excess inventory. Furthermore, we compared acquisition and production costs with net realizable values and thus analyzed the valuation of inventories. Our audit procedures did not lead to any reservations concerning the measurement of inventory.



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Revenue recognition

Risk Revenue from sale of goods is recognized when rights and obligations of ownership of the goods are transferred to the buyer. There are different contractual arrangements that determine the point in time at which the risks and rewards are transferred. Furthermore, a certain degree of judgment is involved in terms of determining when all requirements to recognize revenue are fulfilled, in particular for products that have a long production time of up to several months. Revenue from service contracts is realized over the corresponding term. Details of revenue recognition are disclosed under 'Sales and revenue recognition' (page 72) as well as under '1 Segment Information' (page 78).

Our audit response We analyzed the revenue recognition process from order placement to billing and tested the implemented controls. Among other procedures, we focused on the assessment of the recognition of sales transactions that took place close to the balance sheet date. We evaluated the transactions based on documents, such as contracts and delivery notes. We compared the credit notes in the new financial year with the respective accrual in the reporting year. Moreover, taking into account delivery terms (Incoterms), we assessed whether the rights and obligations were transferred to the customer in the period under review. Our audit procedures did not lead to any reservations relating to the recognition of revenues.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Christoph Michel
Licensed audit expert
(Auditor in charge)

Simon Balmer
Licensed audit expert

Income Statement

in CHF	Notes	2021	2020
Dividend income		0	12 500 000
Other operating revenue		2 290 137	2 764 353
Operating revenue		2 290 137	15 264 353
Personnel expenses		-3 131 391	-4 086 614
Other operating expenses		-1 768 823	-1 874 425
Depreciation		-188 034	-192 910
Operating expenses		-5 088 248	-6 153 949
Operating income (EBIT)		-2 798 111	9 110 404
Release of provisions		0	16 400 000
Gain on sales of fixed assets		0	52 461
Extraordinary income		0	16 452 461
Financial income	1	15 658 179	22 126 459
Financial expenses	2	-10 036 761	-38 583 910
Financial result		5 621 418	-16 457 451
Income before taxes		2 823 307	9 105 414
Taxes		0	-1 056 921
Net income		2 823 307	8 048 493

Balance Sheet

Assets

in CHF	Notes	12.31.2021	12.31.2020
Cash and cash equivalents		15926219	6657647
Listed securities		186829	251953
Other receivables third parties		65820	58386
Other receivables subsidiaries		15785	5388
Accrued expenses third parties		67178	116456
Accrued expenses subsidiaries		147000	0
Current assets		16408831	7089830
Other financial assets		11231823	15851786
Long-term loans to subsidiaries	3	264400000	244850000
Investments	4	522700530	535260945
Associated companies	5	110107025	110107025
Tangible assets		18934	34569
Intangible assets	6	2166801	2335902
Fixed assets		910625113	908440227
Total assets		927033944	915530057

Liabilities and Shareholders' Equity

Other payables third parties		304887	407823
Accrued liabilities third parties		557700	408990
Accrued liabilities subsidiaries		300000	244604
Short-term loans from subsidiaries		1200000	0
Current liabilities		2362587	1061417
Provisions		499838180	499838180
Long-term loans from subsidiaries		115265136	100265136
Non-current liabilities		615103316	600103316
Total liabilities		617465903	601164733
Share capital		11250000	11250000
Statutory capital reserves			
Capital contribution reserves		535052	535052
Statutory profit reserves		5625000	5625000
Voluntary profit reserves		249798352	249798352
Retained earnings			
Retained earnings carried forward		45563427	45135524
Net income		2823307	8048493
Treasury shares	8	-6027097	-6027097
Shareholders' equity		309568041	314365324
Total liabilities and shareholders' equity		927033944	915530057

Notes to the Annual Financial Statements

Metall Zug AG is a company limited by shares and its registered offices are at Industriestrasse 66, Zug, Switzerland.

Financial Reporting Principles Applied in these Financial Statements (as far as these are not specified by law)

The financial statements presented here were prepared in accordance with the provisions on commercial accounting contained in the Swiss Code of Obligations (articles 957-963b CO).

Listed Securities

Listed securities are recorded at stock market prices on the balance sheet date.

Other Financial Assets and Associated Companies

Other Financial assets and Associated companies are recorded at acquisition cost less necessary impairments.

Loans to Subsidiaries

Loans to subsidiaries are recorded at their nominal value less necessary impairments.

Tangible Assets

Tangible assets are recorded at acquisition cost less accumulated depreciation permitted for tax purposes and comprise furniture. The straight-line depreciation method is applied on the basis of a useful life of two to five years. If there are indications that tangible assets are overvalued, the book values are reviewed and impaired if necessary.

Intangible Assets

Acquired intangible assets are recognized in the balance sheet if they are to bring measurable benefits to the company over several years. Software is measured at acquisition cost less straight-line amortization over the useful life of three years. Brands are measured at acquisition cost less straight-line amortization over 20 years. If there are indications that intangible assets are overvalued, the book values are reviewed and impaired if necessary.

Provisions

Various provisions are built up to secure the lasting prosperity of the company.

Treasury Shares

Treasury shares are recognized at the time of purchase at acquisition cost as minus items under equity. In the event of a subsequent resale, the gain or loss is directly taken to equity.

Information, Breakdowns and Explanations of Balance Sheet and Income Statement Items

1 Financial Income

in CHF	2021	2020
Income from securities	214 026	314 205
Income from financial assets	517 466	1 914 830
Income from release of impairment on loans to subsidiaries	10 000 000	16 615 000
Interest income from loans to subsidiaries	4 926 687	3 282 424
Total financial income	15 658 179	22 126 459

2 Financial Expenses

in CHF	2021	2020
Expenses from securities	-400 654	-591 172
Impairment on financial assets	-1 472 244	-2 854 351
Interest expense loans from subsidiaries	-663 863	-319 935
Interest expense third parties	0	-18 451
Impairment on loans to subsidiaries	-3 300 000	0
Impairment on investments	-4 200 000	-3 480 000
Total financial expenses	-10 036 761	-38 583 910

3 Loans to Subsidiaries

in CHF	12.31.2021	12.31.2020
Loans to subsidiaries, gross	282 500 000	269 650 000
Accumulated impairment on loans to subsidiaries	-18 100 000	-24 800 000
Total loans to subsidiaries, net	264 400 000	244 850 000

As of December 31, 2021, subordinations on loans to subsidiaries amount to TCHF 45 200 (previous year: TCHF 45 200).

4 Investments

in CHF	12.31.2021	12.31.2020
Investments	564 700 530	573 060 945
Impairment on investments	-42 000 000	-37 800 000
Total investments, net	522 700 530	535 260 945

Detailed information on the investments of Metall Zug AG, Zug as at December 31, 2021, is available on pages 76 and 77.

5 Associated Companies

On December 31, 2021, Metall Zug AG holds 30.27 % of V-ZUG Holding AG, which is unchanged compared to the previous year.

6 Intangible Assets

in CHF	12.31.2021	12.31.2020
Software, gross	319 290	319 290
Accumulated amortization	-319 289	-316 888
Software, net	1	2 402
Brands, gross	3 334 000	3 334 000
Accumulated amortization	-1 167 200	-1 000 500
Brands, net	2 166 800	2 333 500
Total intangible assets	2 166 801	2 335 902

Additional Information Required by Law

7 Significant Shareholders

See Note 17 to the consolidated financial statements, page 90.

8 Treasury Shares

As at December 31, 2021, Metall Zug AG holds 1 730 B treasury shares (previous year: 1 730 B treasury shares) at an average purchase price of CHF 3 484.

9 Share Ownership by Current Members of the Corporate Bodies

	as at 12.31.2021		as at 12.31.2020	
	Type A Registered Shares	Type B Registered Shares	Type A Registered Shares	Type B Registered Shares
Martin Wipfli , Chairman of the Board of Directors	0	2 275	0	1 375
Heinz M. Buhofer , Member of the Board of Directors	565 040 ¹⁾	938	565 040 ¹⁾	938
Dr. Peter Terwiesch , Member of the Board of Directors	0	10	0	10
Dominik Berchtold , Member of the Board of Directors	0	22	0	10
Sandra Emme , Member of the Board of Directors	0	10	0	10
Claudia Pletscher , Member of the Board of Directors	0	0	0	0
Daniel Keist , CFO	0	124	0	96

¹⁾ For the most part held through the Buhofer Trust I, Vaduz.

10 Sureties

There are sureties to secure credit lines to Group companies from banks amounting to TCHF 26 294 (previous year: TCHF 22 854).

Furthermore, Metall Zug AG issued a surety to a bank in the amount of TCHF 200 (previous year: TCHF 200). This surety secures a credit line of a company in which Metall Zug AG holds a minority stake.

11 Contingent Liabilities

Metall Zug AG made investment commitments to two private equity funds totaling TCHF 10 000 (previous year: TCHF 10 000), of which TCHF 8 176 (previous year: TCHF 7 847) was paid by the end of 2021.

12 Number of Full-time Equivalents

The number of full-time equivalents averaged between 10 and 50 in the year under review (unchanged).

13 Release of Hidden Reserves

In 2021, no hidden reserves were released (previous year: release of TCHF 16 400).

14 Events After the Balance Sheet Date

Metall Zug AG and Komax Holding AG signed an agreement on February 8, 2022, under which Metall Zug AG will contribute its participation in Schleuniger AG and its subsidiaries (the Schleuniger Group) into the Komax Group in exchange for a 25 % participation in Komax Holding AG. The transaction will be carried out through a 'quasi-merger' in which Komax Holding AG will issue new shares in the course of a capital increase and allocate these to Metall Zug AG in exchange for the shares of Schleuniger AG. The transaction depends, among other conditions, on the approval of the relevant proposals by Komax's Annual General Meeting and the consent of the relevant competition authorities to the merger. This process is expected to be completed in the third quarter of 2022.

No other events requiring disclosure took place after the balance sheet date.

Proposal for the Appropriation of Available Earnings

in CHF	12.31.2021	12.31.2020
	Proposal of the Board of Directors	Resolution of the General Meeting of Shareholders
Retained earnings carried forward	45563427	45135524
Net income	2823307	8048493
Retained earnings	48386734	53184017
Distribution of a cash dividend		
for each type A registered share CHF 3.00 gross	5845920	3312688
for each type B registered share CHF 30.00 gross	7654080	4337312
Total cash dividend	13500000	7650000
minus cash dividend on treasury shares ¹⁾	-51900	-29410
Retained earnings to be carried forward	34938634	45563427

¹⁾ As at December 31, 2021, 1730 type B treasury shares are not entitled to a dividend (previous year: 1730 type B treasury shares). The share capital entitled to a distribution, and thus the distributed dividend, may vary due to possible changes in the portfolio of treasury shares until the record date of the dividend payment.

Subject to the General Meeting of Shareholders' approval of the Board of Directors' proposal, the dividend will be paid on Thursday, May 5, 2022 (payment date). The last trading date with entitlement to receive the cash dividend is Monday, May 2, 2022. The shares of Metall Zug AG will be traded ex-dividend as of Tuesday, May 3, 2022.

Report of the Statutory Auditor



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To the General Meeting of
Metall Zug AG, Zug

Zug, 11 March 2022

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements presented on pages 99 to 104 of Metall Zug AG, which comprise the income statement, balance sheet and notes, for the year ended 31 December 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.



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Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of investments and loans

Risk	The core business of Metall Zug AG is granting loans to subsidiaries (CHF 264'400'000) and holding investments (CHF 522'700'530) and these two items make-up 85% of all assets. Depending on the operational developments of the individual business units, there is a valuation risk with regard to investments and loans. Loans are disclosed under section 3 and Investments under section 4 in the notes to the financial statements.
Our audit response	We assessed the impairment considerations of management and reviewed the impairments recorded on investments and loans. We compared the carrying amounts of the investments with the company's proportional share in equity. Where this net asset value consideration was insufficient, we considered valuations as determined by management (e.g., using the discounted cash flow method) to support the book value. We examined the significant assumptions made in these calculations including the assessment under the current Covid-19 pandemic and involved internal valuation specialists if necessary. In case of loans to companies with negative equity, we reviewed the valuation adjustments recorded. Our audit procedures did not lead to any reservations concerning the measurement of investments and loans.



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Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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.

Ernst & Young Ltd

Christoph Michel
Licensed audit expert
(Auditor in charge)

Simon Balmer
Licensed audit expert

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(as at March 1, 2022)

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Editorial info

Key dates 2022

March 15, 2022: Publication of the 2021 annual report
Financial press and analysts' conference
April 29, 2022: General Meeting of Shareholders of Metall Zug AG
August 11, 2022: Publication of the half-year report

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Disclaimer

All statements in this publication which are not based on historical facts are forward-looking statements that provide no guarantee of future performance. They are subject to risks, uncertainties and other factors outside the control of the Metall Zug Group.

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