

Metall Zug Group

# Half-year Report 2024

# EBIT leap in a challenging first half-year thanks to gain from the SteelcoBelimed joint venture

*The Metall Zug Group posted net sales of CHF 181.2 million in the first half of 2024 (previous year: CHF 228.4 million). Thanks to the gain in connection with the joint venture between Belimed and Steelco, the operating result (EBIT) rose to CHF 60.4 million (previous year: CHF 6.9 million). The financial result amounted to CHF –1.4 million (previous year: CHF 8.7 million) and net income stood at CHF 56.6 million (previous year: CHF 12.6 million).*

Dear Shareholders

Metall Zug achieved another milestone in the first half of 2024, which was challenging in many respects. The new joint venture, SteelcoBelimed, was able to commence its operating activities and is now working on the specific target picture with regard to the offering and organizational structure in the areas of Infection Control and Life Science, which will be communicated in September 2024. After the respective relevant authorities granted their merger clearance for the joint venture between Metall Zug and Miele, the transaction was closed on June 7, 2024. Metall Zug contributed its Infection Control Business Unit and the Belimed Life Science Group, and Miele its Steelco Group, into the joint venture. Metall Zug remains invested in the combined company in the long term, and holds a 33 % stake in SteelcoBelimed.

The Infection Control Business Unit and the Belimed Life Science Group were fully consolidated in the financial statements of the Metall Zug Group until June 7, 2024. Since then, Metall Zug AG's share in the net income of the SteelcoBelimed Group has been reported in the financial result of Metall Zug AG. Metall Zug generated a one-off and EBIT-relevant book gain of CHF 66.6 million from the transaction.

In the first half of 2024, the Metall Zug Group generated net sales of CHF 181.2 million (previous year: CHF 228.4

million). Taking into account the divestment effects of CHF –19.9 million (–8.7 %) in connection with the no longer included share of sales from Belimed Infection Control and Belimed Life Science (deconsolidated as of June 7, 2024), and excluding currency effects of CHF –3.1 million (–1.4 %), this translates into an organic decline of 10.6 %. The negative deviation from the previous year is mainly attributable to the Infection Control and Medical Devices Business Units, which had considerably lower order backlogs at the beginning of the year in comparison with the previous year. The Others reporting segment also recorded a decline in sales. This is due to Belimed Life Science which, despite a high order backlog, reported lower net sales owing to the staggered scheduling of the project pipeline and project delays on the customer side.

EBIT for the reporting period came to CHF 60.4 million and was thus significantly higher than the previous year's figure of CHF 6.9 million. The sharp increase is a result of the book gain of CHF 66.6 million from the combination of Belimed (Infection Control and Life Science) and Steelco. Adjusted for this one-time effect, EBIT declined by CHF 13.2 million on a like-for-like basis. The main reason for this is the significantly lower operating result of Medical Devices.

The financial result amounted to CHF –1.4 million (previous year: CHF 8.7 million) and includes the proportional net income of the V-ZUG Group (30 % share), the Komax Group (25 % share) and,

since June 7, 2024, the SteelcoBelimed Group (33% share). Net income rose considerably to CHF 56.6 million (previous year: CHF 12.6 million), primarily due to the aforementioned book gain from the combination of Belimed and Steelco.

Despite negative EBIT (before the book gain), it was possible to generate a positive cash flow from operating activities amounting to CHF 6.7 million (previous year: CHF 6.9 million) thanks to the reduction of net working capital.

Net debt (cash and cash equivalents and securities less short- and long-term financial liabilities) increased by CHF 20.1 million and came to CHF 26.9 million as at June 30, 2024 (December 31, 2023: CHF 6.8 million). The increase was mainly the result of continued high investments in the real estate projects of the Technologycluster & Infrastructure Business Unit. The Metall Zug Group still has a solid balance sheet, with shareholders' equity of CHF 497.4 million, which translates into an equity ratio of 80.5% (December 31, 2023: 75.5%).

#### **Infection Control: Normalization of Demand with a Decline in Sales**

The Infection Control Business Unit (Belimed Group) generated net sales of CHF 68.7 million, which is lower than the previous year's level of CHF 88.5 million. It should be noted that in 2024, only net sales up to the date of deconsolidation, June 7, 2024, are included. Taking into account this divestment effect amounting to CHF –14.9 million (–16.8%) and excluding currency effects totaling CHF –1.9 million (–2.1%), this translates to a –3.5% decline in organic sales.

Following the catch-up effect as a consequence of the COVID-19 pandemic in 2021/2022 and the downturn in 2023, demand normalized again in the first half of 2024. The Equipment business recorded a higher order intake than in the prior-year period. Nevertheless, sales were below the previous year's level owing to the low order backlog at the beginning of the year. The lower sales volumes to

Belimed Life Science (included in the Others reporting segment) also contributed to the negative deviation in sales. However, the Digital business area experienced strong sales growth, driven by the more than 1 000 devices now connected to the SmartHub digital platform. The Service and Consumables business areas were also able to generate moderate growth.

At CHF –3.9 million, EBIT for the first half of 2024 is above the prior-year level of CHF –4.4 million. Despite adjustments to the cost structure in the Marketing & Sales, Research & Development, and Administration functions, EBIT again fell short of the profit zone owing to the decline in sales.

On the product side, Belimed launched the "MSTV Groundloader" sterilizer, which was specially developed for the US market. It is designed to facilitate efficient, seamless loading and unloading at ground level, eliminating the time-consuming transfer of sterilized goods between the transport carts and the sterilizer. This ensures optimized work processes and thus improves operational efficiency in hospitals. The Remote Diagnosis pilot project was launched on the software side. Using the SmartHub digital solution should enable faster reaction times for customer support requests while also reducing the travel and work time.

#### **Medical Devices: Regressive Sales Development Despite Noticeable Recovery in US Order Intake**

In the first half of 2024, the Medical Devices Business Unit (Haag-Streit Group) posted lower year-on-year net sales of CHF 81.6 million (previous year: CHF 93.9 million). Adjusted for the currency effect of –1.2%, the organic decline in sales amounted to –11.8%.

Macroeconomic conditions are subduing the global market situation, meaning that investments in premium products manufactured by Haag-Streit are increasingly being postponed. Nevertheless, business in the General Diagnostics area exceeded expectations. In the key US market in particular,

Haag-Streit recorded an improvement in order intake as a result of the low inventory levels of distributors. However, this will only lead to a slight increase in sales in the second half of 2024. The lower sales in the first half of 2024 are largely attributable to the Simulation and Biometry areas, where demand was down year-on-year.

As a result of the lower sales volume, EBIT amounted to CHF 2.4 million in the first half of the year (previous year: CHF 12.6 million), which is well below the prior-year figure (-81.3%). Increased expenditure in the Marketing & Sales and Research & Development areas also impacted the result. Cost savings in other areas could only compensate for this to a limited extent.

Investments in research and development have been systematically increased in recent years and intensive work has been carried out on the development of new products. This enabled Haag-Streit to launch a new product onto the market in the first half of 2024 with the IM 910 – 3D imaging module. This enables eye specialists to conduct slit lamp examinations in an ergonomic position on a 3D monitor. Image and video recordings in 3D are just two of many additional features. Towards the end of this year, a new ophthalmological microscope is also expected to be introduced to the market. This is a high-quality surgical microscope that can be enhanced and upgraded to a digital 3D microscope. The new product is the first result of the significant increase in R&D activities in recent years. The fruits of these efforts will be continuously visible from the end of this year through further planned launches of various innovations.

#### **Technologycluster & Infrastructure: Progress in the Development of Real Estate Projects, the Site Network and Infrastructure**

Generally speaking, the market situation in the construction sector is tense owing to the development of material prices over the last three years. This is putting pressure on construction costs and, consequently, project budgets.

Nevertheless, the Technologycluster & Infrastructure Business Unit was able to increase EBIT to CHF 1.7 million in the first half of 2024 compared to the previous year of CHF 0.8 million.

In the first half of 2024, further progress was made on the development of real estate projects, the site network and infrastructure at the Tech Cluster Zug.

As of mid-2026, the SHL-Südtor building will serve as the new international headquarters and production site for SHL Medical. The site will now offer space for around 600 employees (previous assumption approx. 400). The project is currently in the realization phase. The foundation stone of the building was officially laid on May 23, 2024 and heralds the opening of the site for new industrial enterprises, technology-related services, start-ups, and research and educational institutions at the future Tech Cluster Zug.

Project planning for the Project Pi timber high-rise, which will primarily offer affordable housing, has resumed end of 2023. The first reading by the legislative branch of the city council took place on January 23 of this year. The second reading is scheduled to take place in September 2024. As this housing project is "moving" the City of Zug in various dimensions, the Tech Cluster Zug is looking for a direct exchange with the neighborhood and the wider population. To this end, an information event titled "Aus erster Hand – Wohnhaus Pi" ("First-hand – residential building Pi") was held on June 25, 2024. Among others, architect Barbara Strub, expert adjudicator for this project, gave some insights into the adjudication process and presented the winning project. Afterwards, the GEWOBA cooperative outlined its reasons for investing in 70 of the 184 apartments.

Hall 11 on the Tech Cluster Zug site that became vacant has been converted into an affordable space for culture and will be used by creative artists as a studio, as a display area for Kunsthau Zug, and for events. The construction work was

carried out in February and March of this year, and the space was handed over to the KunstCluster Zug sponsorship organization in April. The KunstCluster was opened on July 2, 2024, as part of an evening event. Local and international artists presented their works, film screenings took place, and well-known people from the worlds of art, culture and politics made public appearances. Visitors were able to move around between the different areas of the hall and also take the opportunity to get creative themselves. The KunstCluster Zug is intended to serve as a stage that will breathe life into the Tech Cluster Zug and make it more accessible to the public.

In the context of the Greenhouse Gas Fund (GHG Fund), the fund management received a total of twelve financing applications from all the Metall Zug Group Business Units, nine of which were approved. In 2024, more than CHF 1.6 million from the GHG Fund will thus be invested in projects that promote the circular economy, increase the energy efficiency of products, and reduce greenhouse gas emissions from service activities. Moreover, some of this money will flow into internal projects for negative emissions technologies, green energy projects, and the methane pyrolysis project by the Association for the Decarbonization of the Industry. The fund management and the relevant project managers met on June 3, 2024, and made a joint statement concluding that all ongoing projects are making good progress.

### Reporting Segment Others

The Others reporting segment groups together the Belimed Life Science Group, Gehrig Group AG and Metall Zug AG (Corporate). On June 7, 2024, the Belimed Life Science Group was transferred to the newly founded joint venture SteelcoBelimed, which is why the group was only fully consolidated up to this date (divestment effect of net sales compared to the previous year: CHF –5.0 million). The reporting segment posted net sales of CHF 32.8 million in the first half of 2024 (previous year: CHF 50.1 million) and an operating result of CHF 60.2 million (previous year: CHF –2.1 million). The significant increase in the operating result is primarily a result of the

forementioned book gain amounting to CHF 66.6 million from the combination of Belimed and Steelco.

**The Belimed Life Science** Group generated considerably lower net sales in the first half of 2024 than in the first six months of the previous year. One reason for this is the declining demand for sterilizers. Another is that the strong demand for washers, as well as delays on the part of some customers, led to scheduling challenges in processing the project pipeline.

Overall, the general mood in the Pharma and Life Science sector remains optimistic. While demand in Europe remains high, an investment backlog is increasingly noticeable in the USA. This is a consequence of the prevailing high construction costs for production facilities and the high interest rates. Furthermore, the competitive situation with regard to pharmaceutical registrations, especially for drugs to treat cancer, Alzheimer's and obesity, is causing pharmaceutical companies to invest more in research and development as well as in marketing and sales. This growing pressure on costs and margins is pushing many large pharmaceutical companies to pursue cost-cutting programs, which is leading to the postponement of investment decisions.

Owing to lower net sales, the operating result (EBIT) in the first half of the year was below that of the previous year, and thus missed the profit zone. The underutilization of production capacity for sterilizers also affected margins.

With regard to the product portfolio, Belimed Life Science has improved the capabilities of its service organization by adding new service components. Accordingly, growth in this area is above expectations. The PST.2 sterilizer, a further development of the existing PST and BST steam sterilizers, was successfully launched onto the market in April 2023. To boost its global competitiveness, Belimed presented the PST.2 with the B-Touch MAX user interface and other new functions at theACHEMA trade fair in June 2024. In addition, Belimed Life Science was able to launch onto the market a

new modular software solution for visualizing and structuring automation solutions based on Siemens Unify and FactoryTalk.

**Gehrig Group AG** is a leading supplier of dishwashers, thermal cooking equipment and cleaning agents as well as related services for the catering and hotel sectors in Switzerland. Switzerland's catering industry is under pressure, as the current rise in interest rates is making it difficult for catering businesses to obtain loans and, in addition, some COVID-19 loans are still being repaid. As a result, purchase decisions are frequently being postponed to a later date. In the case of catering services in the healthcare sector in particular, additional cost-cutting measures are currently in place to recoup losses from the COVID-19 pandemic.

The Gehrig Group increased sales in the first half of 2024, despite the challenging market environment and the discontinuation of the "Care and Hygiene" division in 2023 and the "Coffee" division at the beginning of this year. The increase can be attributed in particular to additional revenues in the "Customer Service" and "Thermal Cooking Appliances" division. This development was also favored by the inclusion of UNOX products in the product range, with initial sales in spring 2024. UNOX is an Italian manufacturer of professional commercial ovens, combi-steam ovens (gas or electric) and speed ovens.

This positive trend was curbed by the ongoing shortage of skilled workers, both in terms of own service technicians and among customers for catering staff. Although this situation appears to be slowly easing, there is still a lack of staff capacity to process service orders.

Despite the favorable sales trend, EBIT failed to enter the profit zone. Costs associated with the discontinuation of the "Coffee" division and for ongoing digitalization projects that promise efficiency gains in the coming years had a negative impact on the result.

#### Outlook

It is difficult to issue a guidance for the second half of 2024, particularly due to the economical and political uncertainties. Order intake in the Medical Devices Business Unit increased slightly in the first half of 2024 compared to the prior-year period, thus a slight increase in sales can be expected for the second half of the year. Owing to the continuing high cost base in the area of research and development, the Metall Zug Group's overall operating result (EBIT) is expected to remain flat in the second half of the year.

Martin Wipfli  
Chairman of the Board of Directors

# Consolidated Income Statement

in CHF 1000	H1 2024 <sup>1)</sup>	H1 2023 restated <sup>2)</sup>
Net sales	181 172	228 406
Cost of goods and services sold	-123 248	-152 258
<b>Gross profit</b>	<b>57 924</b>	<b>76 148</b>
<i>in % of net sales</i>	<i>32.0 %</i>	<i>33.3 %</i>
Marketing and sales expenses	-26 653	-27 973
Research and development expenses	-18 981	-19 600
Administration expenses	-23 612	-26 940
Other operating income	72 972	6 621
Other operating expenses	-1 294	-1 339
<b>Operating result (EBIT)</b>	<b>60 356</b>	<b>6 917</b>
<i>in % of net sales</i>	<i>33.3 %</i>	<i>3.0 %</i>
Financial income	3 342	2 223
Financial expenses	-2 910	-3 255
Result of associated companies	-1 852	9 738
<b>Financial result</b>	<b>-1 420</b>	<b>8 706</b>
<b>Income before taxes</b>	<b>58 936</b>	<b>15 623</b>
Taxes	-2 373	-2 999
<b>Net income</b>	<b>56 563</b>	<b>12 624</b>
<i>in % of net sales</i>	<i>31.2 %</i>	<i>5.5 %</i>
Net income attributable to:		
– <b>Shareholders of Metall Zug AG</b>	<b>55 563</b>	<b>9 275</b>
– Non-controlling interest holders	1 000	3 349
Net income per type A registered share (in CHF)	12.35	2.07
Net income per type B registered share (in CHF)	123.47	20.67
Employees (FTE)	990	2 312

<sup>1)</sup> On June 7, 2024, the Metall Zug Group deconsolidated its Infection Control Business Unit and the Belimed Life Science Group (part of the Others reporting segment) and contributed them to SteelcoBelimed AG. In return, Metall Zug AG received a 33% stake in this company. For this reason, the figures for the 2024 financial report are not comparable with the prior-year period. See Notes to the financial report for further information.

<sup>2)</sup> Previous year period restated, see Notes to the financial report for further information.

# Consolidated Balance Sheet

## Assets

in CHF 1000	06.30.2024 <sup>1)</sup>	12.31.2023 restated <sup>2)</sup>
Cash and cash equivalents	17 056	29 571
Securities	168	230
Trade receivables	28 896	74 704
Other receivables	6 246	10 849
Inventories	68 588	108 779
Assets for sale, under construction	6 966	4 728
Prepaid expenses	5 610	7 885
<b>Current assets</b>	<b>133 530</b>	<b>236 746</b>
Land	1 787	3 365
Land and buildings	119 756	132 045
Plant and equipment	10 246	11 603
Prepayments and assets under construction	22 903	17 615
Other tangible assets	2 228	4 927
<b>Tangible assets</b>	<b>156 920</b>	<b>169 555</b>
Associated companies	297 155	249 003
Other financial assets	28 938	30 196
<b>Financial assets</b>	<b>326 093</b>	<b>279 199</b>
Software	1 578	3 382
<b>Intangible assets</b>	<b>1 578</b>	<b>3 382</b>
<b>Fixed assets</b>	<b>484 591</b>	<b>452 136</b>
<b>Total assets</b>	<b>618 121</b>	<b>688 882</b>

## Liabilities and Shareholders' Equity

in CHF 1000	06.30.2024 <sup>1)</sup>	12.31.2023 restated <sup>2)</sup>
Current financial liabilities	44 100	36 600
Trade payables	9 142	13 968
Other current liabilities	21 698	38 929
Accrued liabilities	24 155	49 164
Current provisions	4 136	11 509
<b>Current liabilities</b>	<b>103 231</b>	<b>150 170</b>
Other long-term liabilities	5 101	6 027
Long-term provisions	12 423	12 645
<b>Non-current liabilities</b>	<b>17 524</b>	<b>18 672</b>
<b>Total liabilities</b>	<b>120 755</b>	<b>168 842</b>
Share capital	11 250	11 250
Capital reserves	349 003	349 003
Retained earnings	69 122	93 483
Non-controlling interest	67 991	66 304
<b>Shareholders' equity</b>	<b>497 366</b>	<b>520 040</b>
<i>in % of total assets (equity ratio)</i>	<i>80.5%</i>	<i>75.5%</i>
<b>Total liabilities and shareholders' equity</b>	<b>618 121</b>	<b>688 882</b>

<sup>1)</sup> On June 7, 2024, the Metall Zug Group deconsolidated its Infection Control Business Unit and the Belimed Life Science Group (part of the Others reporting segment) and contributed them to SteelcoBelimed AG. In return, Metall Zug AG received a 33% stake in this company. For this reason, the balance sheet figures as at June 30, 2024, are not comparable with the prior year. See Notes to the financial report for further information.

<sup>2)</sup> Previous year restated, see Notes to the financial report for further information.



# Consolidated Statement of Cash Flows

in CHF 1 000	H1 2024	H1 2023 restated <sup>1)</sup>
Net income	56 563	12 624
Financial result, net (excluding result of associated companies)	-432	1 032
Result of associated companies	1 852	-9 738
Income from sale of fixed assets and participations	-66 535	-558
Depreciation and amortization	5 359	5 811
Net changes in provisions	276	-3 802
Taxes	2 373	2 999
Other non-cash items <sup>2)</sup>	1 099	904
Change in trade receivables	13 808	16 656
Change in other receivables and prepaid expenses	-2 286	-4 097
Change in inventories	-18 974	-12 987
Change in trade payables	2 362	-3 663
Change in other current liabilities and accrued expenses	13 356	3 921
Interest paid	-399	-163
Taxes paid	-1 760	-1 995
<b>Cash flow from operating activities</b>	<b>6 662</b>	<b>6 944</b>
Investments in tangible assets <sup>3)</sup>	-14 132	-21 157
Investments in financial assets	-20	-20
Investments in intangible assets	-698	-228
Disposals of Group companies, net of cash disposed <sup>4)</sup>	-8 660	6 404
Disposals of tangible assets	29	57
Disposals of financial assets	1 038	26
Interest received	3	6
Dividends received	3 850	7 107
<b>Cash flow from investing activities</b>	<b>-18 590</b>	<b>-7 805</b>
Issuance of short-term financial liabilities	16 500	33 800
Repayment of short-term financial liabilities	-9 000	-19 500
Sale of treasury shares	0	1 501
Dividend to shareholders of Metall Zug AG	-9 000	-13 470
Dividend to non-controlling interest holders	0	-2 194
<b>Cash flow from financing activities</b>	<b>-1 500</b>	<b>137</b>
Currency translation effects	913	1 361
<b>Change in "Cash and cash equivalents"</b>	<b>-12 515</b>	<b>637</b>
<b>Opening balance "Cash and cash equivalents"</b>	<b>29 571</b>	<b>31 428</b>
<b>Closing balance "Cash and cash equivalents"</b>	<b>17 056</b>	<b>32 065</b>

<sup>1)</sup> Prior-year period restated. See Notes to the financial report for further information.

<sup>2)</sup> As in the previous year, Other non-cash items mainly relate to the change in inventory and trade receivable valuation allowances.

<sup>3)</sup> Investments in tangible assets in the first half of 2024 include investments in Assets for sale, under construction, in the amount of TCHF 2360 (previous year: TCHF 1643).

<sup>4)</sup> The position Disposals of Group companies, net of cash disposed, of the first half of 2024, includes the disposal of cash and cash equivalents from the deconsolidation of the Infection Control Business Unit and the Belimed Life Science Group. The 33% stake in SteelcoBelimed AG received in return does not affect liquidity. See Changes in scope of consolidation in the Notes to the financial report for further information. The prior-year period included the sales proceeds received in 2023 for Clement Clarke International Ltd., Harlow (UK), which was sold at the end of 2022.

# Changes in Shareholders' Equity

in CHF 1000	Share Capital	Capital Reserves	Treasury Shares	Retained Earnings	Goodwill Offset <sup>2)</sup>	Accumulated Currency Translation Differences	Total Retained Earnings	Total Equity excl. Non-controlling Interests	Non-controlling Interests	Equity
<b>Balance on 01.01.2023, restated<sup>1)</sup></b>	<b>11250</b>	<b>349003</b>	<b>-6027</b>	<b>626903</b>	<b>-520106</b>	<b>-8831</b>	<b>97966</b>	<b>452192</b>	<b>64944</b>	<b>517136</b>
Cash dividend				-13470			-13470	-13470	-2194	-15664
Sale of treasury shares			3040	-1539			-1539	1501		1501
Other <sup>3)</sup>				-2029			-2029	-2029		-2029
Currency translation effects				-128		-612	-740	-740	-218	-958
Net income, restated <sup>1)</sup>				9275			9275	9275	3349	12624
<b>Balance on 06.30.2023, restated<sup>1)</sup></b>	<b>11250</b>	<b>349003</b>	<b>-2987</b>	<b>619012</b>	<b>-520106</b>	<b>-9443</b>	<b>89463</b>	<b>446729</b>	<b>65881</b>	<b>512610</b>
<b>Balance on 01.01.2024</b>	<b>11250</b>	<b>349003</b>	<b>-</b>	<b>626168</b>	<b>-518770</b>	<b>-13915</b>	<b>93483</b>	<b>453736</b>	<b>66304</b>	<b>520040</b>
Cash dividend				-9000			-9000	-9000		-9000
Acquisition					-114445		-114445	-114445		-114445
Divestment					35982	7047	43029	43029		43029
Other <sup>3)</sup>				-4059			-4059	-4059		-4059
Currency translation effects				-259		4810	4551	4551	687	5238
Net income				55563			55563	55563	1000	56563
<b>Balance on 06.30.2024</b>	<b>11250</b>	<b>349003</b>	<b>-</b>	<b>668413</b>	<b>-597233</b>	<b>-2058</b>	<b>69122</b>	<b>429375</b>	<b>67991</b>	<b>497366</b>

<sup>1)</sup> Previous year restated, see Notes to the financial statements for further information.

<sup>2)</sup> Goodwill Offset contains the goodwill allocated to the shareholders of Metall Zug AG, which was offset directly against equity. Unchanged from the prior year, the goodwill allocated to and included in non-controlling interests amounts to TCHF 3678.

<sup>3)</sup> Other mainly contains the proportional equity postings of associated companies.

## Segment Information

### By Business Unit

in CHF 1000	Net Sales		Operating Result (EBIT)		EBIT in % of Net Sales	
	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Infection Control	68 674 <sup>1)</sup>	88 529	-3906 <sup>1)</sup>	-4434 <sup>2)</sup>	-5.7 %	-5.0 %
Medical Devices	81 629	93 910	2357	12 572	2.9 %	13.4 %
Technologycluster & Infrastructure	125	-	1 743	789	1394.4 %	N/A
Others	32 778 <sup>3)</sup>	50 084	60 162 <sup>3),4)</sup>	-2072	183.5 %	-4.1 %
Consolidation	-2034	-4 117	-	62	0.0 %	-1.5 %
<b>Total</b>	<b>181 172</b>	<b>228 406</b>	<b>60 356<sup>4)</sup></b>	<b>6917<sup>2)</sup></b>	<b>33.3 %</b>	<b>3.0 %</b>

<sup>1)</sup> For the consolidation period from January 1, 2024, to June 7, 2024.

<sup>2)</sup> Previous year period restated, see Notes to the financial statements for further information.

<sup>3)</sup> Contains the results of the Belimed Life Science Group for the consolidation period from January 1, 2024, to June 7, 2024.

<sup>4)</sup> Includes the gain of TCHF 66600 from the contribution of the Infection Control Business Unit and the Belimed Life Science Group into the SteelcoBelimed Group in exchange for a minority stake of 33% in SteelcoBelimed AG, see Notes.

# Notes

## General

The Metall Zug Group's unaudited interim financial statements as at June 30, 2024, were prepared in compliance with Swiss GAAP FER 31 and on the basis of historical cost (acquisition cost or production cost) or actual values. These interim consolidated financial statements do not include all the disclosures of the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as at December 31, 2023. The consolidated interim financial statements were approved by the Board of Directors on August 16, 2024.

The exchange rate at the balance sheet date is uniformly applied to balance sheets while the average exchange rate during the period under review is used for income statements. The principles of consolidation and valuation are unchanged compared with the previous year. This half-year report is published in German and English. In case of discrepancies between the two versions, the German version shall prevail.

## Seasonality

Seasonal impacts vary amongst the Business Units. All Business Units used to have slightly stronger second half-years regarding net sales in the past years, with the exception of Medical Devices in financial year 2023, where lower sales were reported in the second half of 2023. The portion of net sales realized in the first half of 2023 compared to the full year 2023 was 48 % in the Infection Control Business Unit (2022: 39 %), 53 % in the Medical Devices Business Unit (2022: 47 %) and in the Others Reporting Segment 43 % (2022: 39 %). The revenue generated by the Technologycluster & Infrastructure Business Unit in the second half of 2023 was project-related; this Business Unit is not subject to seasonal influences.

## Changes in the Presentation of the Statement of Cash Flows

Swiss GAAP FER offers the option of recognizing current financial liabilities as part of the "Net cash and cash equivalents" fund or using only cash and cash equivalents as a fund. In the 2023 Financial Report, the fund was adjusted from "Net cash and cash equivalents" to "Cash and cash equivalents", as this is considered a more meaningful presentation of the statement of cash flows. This adjustment is also reflected in the 2024 half-year report for the prior-year period. The effects on the statement of cash flows are shown below.

in CHF 1000	H1 2023, published	Restatement	H1 2023, restated
Cash flow from financing activities	-14 163	14 300	137
Change in fund "Net Cash and cash equivalents" / "Cash and cash equivalents"	-13 663	14 300	637

## Errors in Previous Financial Statements (Restatement)

In the current financial year, it was determined that the valuation rules for the specific value adjustments on inventories were applied incorrectly at a subsidiary of Belimed Infection Control. The adjustment to comply with the group-wide valuation guidelines in accordance with Swiss GAAP FER 17 led to a correction (restatement) of the previous years. The total effect on the consolidated balance sheet as at December 31, 2023, is TCHF -1 778, which is distributed across the opening balance for 2023 (TCHF -1 167) and the income statements for H1 2023 (TCHF -700) and H2 2023 (TCHF +89).

The effects of the restatement on the published income statement, balance sheet, equity and statement of cash flows are shown below:

## Consolidated Income Statement

in CHF 1000	H1 2023, published	Restatement	H1 2023, restated
Cost of goods and services sold	-151 558	-700	-152 258
Net income <sup>1)</sup>	13 324	-700	12 624

<sup>1)</sup>The restatement leads to a change in the unrecognized deferred tax assets, which is why there is no tax effect recognized in the income statement.

**Consolidated Balance Sheet**

<b>in CHF 1000</b>	<b>12.31.2023, published</b>	<b>Restatement</b>	<b>12.31.2023, restated</b>
Inventories	110557	-1778	108779
Shareholders' equity	521818	-1778	520040

**Changes in Shareholders' Equity**

<b>in CHF 1000</b>	<b>published</b>	<b>Restatement</b>	<b>restated</b>
Total Retained Earnings 01.01.2023	99133	-1167	97966
Equity 01.01.2023	518303	-1167	517136
Total Retained Earnings 06.30.2023	91330	-1867	89463
Equity 06.30.2023	514477	-1867	512610

In the consolidated statement of cash flows, the lower Net income is corrected with the change in Other non-cash items and the Change in inventories. Therefore, there is no impact on the Cash flow from operating activities and the change in the "Cash and cash equivalents" fund.

**Changes in the Scope of Consolidation**

On June 7, 2024, the Metall Zug Group contributed its Infection Control Business Unit and the Belimed Life Science Group (part of the Others reporting segment) to the newly established joint venture SteelcoBelimed AG based in Zug, Switzerland. The Miele Group, as the joint venture partner, contributed the Steelco Group to the joint venture. In return for the contribution, Metall Zug AG received a 33 % stake in SteelcoBelimed AG. Until the spin-off, the combined sales of the deconsolidated group companies for 2024 amounted to TCHF 84097 (full year 2023: TCHF 262749), the combined operating result (EBIT) amounted to TCHF -6569 (full year 2023, restated: TCHF -553).

The following changes in the balance sheet and income statement resulted from this transaction:

**Impact of the Deconsolidation of the Infection Control Business Unit and Belimed Life Science Group and Initial Recognition of SteelcoBelimed AG**

<b>in CHF 1000</b>	
Cash and cash equivalents	-8660
Other current assets	-107523
Tangible assets	-22856
Current liabilities	77121
Non-current liabilities	8398
<b>Total disposal of net assets</b>	<b>-53520</b>
minus goodwill recycling	-35982
minus liability for compensation payment	-7963
minus transaction costs 2024	-1273
plus market value 33 % stake in SteelcoBelimed AG	172385
<b>Book gain prior to CTA recycling</b>	<b>73647</b>
minus CTA recycling	-7047
<b>Book gain included in income statement</b>	<b>66600</b>

Belimed AG, Zug, and Belimed Life Science AG, Sulgen, held 100 % of the following subsidiaries, which have no longer been included in the scope of consolidation of Metall Zug AG since June 7, 2024:

- Belimed GmbH, Mühldorf am Inn (DE)
- Belimed d.o.o., Grosuplje (SI)
- Belimed GmbH, Feldkirchen (AT)
- Belimed B.V., Capelle aan den IJssel (NL)
- Belimed SAS, Sausheim (FR)
- Belimed Ltd., Shipley (UK)
- Amity Ltd., Barnsley (UK)
- Belimed, Inc., Ladson (US)
- Belimed Medical Equipment (Shanghai) Co., Ltd., Shanghai (CN)
- Belimed Life Science d.o.o., Grosuplje (SI)
- Belimed Life Science GmbH, Dresden (DE)
- Belimed Life Science, Inc., Delaware (US)

The consolidated income statement of Metall Zug AG includes the result of the Infection Control Business Unit and the Belimed Life Science Group until June 7, 2024. From this date, the 33 % stake in SteelcoBelimed AG is accounted for using the equity method (proportional equity) and is disclosed under the position Associated companies. The proportional net result is recognized in the financial result. Furthermore, the goodwill of TCHF 114445 from the initial recognition of the minority interest in SteelcoBelimed AG was offset against equity. As the purchase price allocation for the opening balance sheet of the consolidated SteelcoBelimed AG has not yet been completed, the goodwill recognized is a provisional value.

### Explanations to the Financial Report

The following is an explanation of significant matters that occurred in the reporting period.

#### Result of Associated Companies

As the financial data of Komax Holding AG and V-ZUG Holding AG for 2023 were not yet available at the time the consolidated financial statements were prepared as at December 31, 2023, Metall Zug AG's share of the net profit of the two companies was estimated for the 2023 consolidated financial statements based on the latest publicly available information at that time. In the first half of 2024, the adjustments to the published 2023 results were recognized in the amount of TCHF –4082 (prior year period: TCHF –1 573). For Komax Holding AG, the proportional net profit for the 2023 financial year was estimated at TCHF 14 250. The proportional net profit based on the published annual report amounted to TCHF 10 959, which resulted in a difference of TCHF –3 291 recognized in the income statement. At V-ZUG Holding AG, the proportional net profit for 2023 was estimated at TCHF 4 329. Metall Zug AG's actual share in the net profit of V-ZUG Holding AG amounted to TCHF 3 537 and led to an adjustment of TCHF –791 recognized in the income statement.

Furthermore, on the basis of the published 2023 annual reports, proportional equity postings, that are not income-relevant, of TCHF 6 649 (prior-year period: TCHF –1 494) were recorded. Of this amount, TCHF –6 755 is attributable to Komax Holding AG and TCHF 61 to V-ZUG Holding AG.

The share of profit of Komax Holding AG for the first half of 2024 amounts to TCHF 629 and is based on the half-year financial statements published on August 13, 2024. The proportional equity postings of Komax Holding AG, that are not income-relevant, amount to TCHF 2 295. The share of profit of V-ZUG Holding AG for the first half of 2024 amounts to TCHF 2 643 and is based on the half-year financial statements published on July 19, 2024. The proportional equity postings of V-ZUG Holding AG not recognized in profit or loss amount to TCHF 312.

The proportional result of SteelcoBelimed AG for the period from June 7, 2024, to June 30, 2024, amounts to TCHF –642. The result of associated companies also includes the share of the result of other investments in the amount of TCHF –400.

**Events After the Balance Sheet Date**

There were no events between June 30, 2024, and the publication of the half-year report on August 19, 2024, that would need to be disclosed under this heading.

