

Metall Zug Group

# Annual Report 2022

# Quality Competence Innovative strength

*Metall Zug comprises four Business Units:*

- Infection Control*
- Medical Devices*
- 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 four Business Units and had a workforce of around 2 300 at the end of 2022.*

*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 a global provider of product and service solutions for sterilization, disinfection and cleaning of medical and surgical instruments for the central sterile supply departments (CSSDs) in hospitals.

## Medical Devices



### Haag-Streit Group

The Haag-Streit Group is an international medical technology company in the field of ophthalmology and develops, manufactures and distributes innovative devices and complete solutions for medical diagnosis, microsurgery and training of eye specialists. The business activities of the Haag-Streit Group are focused on the areas of diagnosis, surgical and simulation.

## 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 equipment and service solutions for cleaning, disinfection and sterilization mainly for the pharmaceutical industry.



### Gehrig Group AG

Gehrig Group AG is a leading supplier of dishwashers, thermal equipment, coffee machines and cleaning agents as well as related services for the gastronomy, hotel and tourism sectors in Switzerland. In addition, Gehrig Group AG offers customer service throughout Switzerland seven days a week.



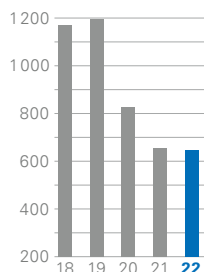
### Metall Zug AG

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

# Key Figures at a Glance

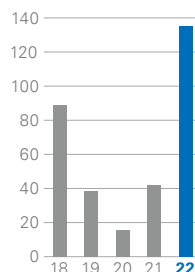
## Net sales

CHF million



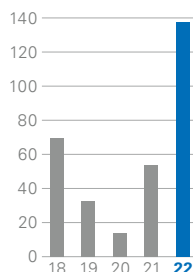
## Operating income (EBIT)

CHF million



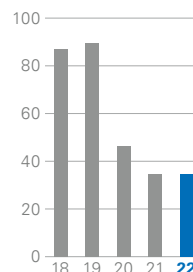
## Net income

CHF million

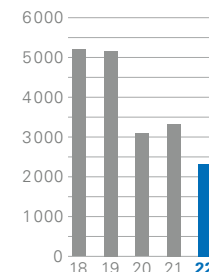


## Investments

CHF million



## Employees



## Metall Zug Group

in CHF million

### Performance

	2022 <sup>1)</sup>	2021	2020 <sup>2)</sup>	2019	2018
Net sales	645.9	661.9	823.5	1 195.7	1 169.5
– Personnel expenses	–282.3	–303.0	–365.8	–491.4	–472.2
– Research and development	–54.6	–60.4	–75.1	–106.7	–98.0
Operating income (EBIT)	135.9	42.3	15.5	38.8	89.3
– Financial result	8.7	17.6	4.4	4.2	–3.5
– Taxes	–7.3	–6.6	–4.0	–10.6	–16.9
Net income	137.3	53.3	13.5	32.3	68.9
Sales development in %	–2.4	–19.6	–31.1	2.2	24.9
of which foreign currency impact in %	–0.3	–0.1	–1.7	–0.5	0.5
of which acquisition & divestment impact in %	–11.6 <sup>3)</sup>	1.7	1.0	2.8	21.4
of which impact from spin-off of V-ZUG Group in %		–31.7	–23.6		
Organic sales development in %	9.5	10.5	–6.8	–0.1	3.0
Cash flow from operating activities	–6.0	48.9	60.2	56.9	88.0
in % of net sales	–0.9	7.4	7.3	4.8	7.5

### Invested Capital

	2022	2021	2020	2019	2018
Total assets	701.2	715.6	635.2	1 083.1	1 108.2
Current assets	285.9	378.9	316.7	605.4	681.6
in % of total assets	40.8	52.9	49.9	55.9	61.5
Net cash <sup>4)</sup>	14.7	77.7	67.6	151.0	221.7
in % of total assets	2.1	10.9	10.6	13.9	20.0
Fixed assets	415.3	336.8	318.5	477.8	426.6
in % of total assets	59.2	47.1	50.1	44.1	38.5
Total liabilities	182.9	199.4	152.3	320.6	339.8
in % of total assets	26.1	27.9	24.0	29.6	30.7
Shareholders' equity	518.3	516.2	482.9	762.5	768.4
in % of total assets	73.9	72.1	76.0	70.4	69.3
Investments in tangible and intangible assets	34.8	34.7	46.1	89.3	86.9
Employees	2 317	3 321	3 090	5 165	5 204

## Metall Zug AG

in CHF million

	2022	2021	2020	2019	2018
Total assets	944.6	927.0	915.5	975.0	961.2
Total liabilities	633.9	617.5	601.2	635.5	622.7
Shareholders' equity	310.7	309.6	314.4	339.5	338.4
Net income	14.6	2.8	8.0	32.4	38.1
Dividend in CHF per type B registered share	30.00 <sup>5)</sup>	30.00	17.00	74.02 <sup>6)</sup>	70.00

<sup>1)</sup> On August 30, 2022, the Schleuniger Group (Wire Processing Business Unit) was deconsolidated and contributed into Komax Holding AG. In return, Metall Zug AG received a 25% stake in Komax Holding AG. As a consequence, the performance figures 2022 are not comparable to the previous years.

<sup>2)</sup> The V-ZUG Group was spun-off on June 25, 2020. Accordingly, the 2020 performance figures are not comparable with the other years stated.

<sup>3)</sup> Of which – 11.1% are related to the deconsolidation of the Schleuniger Group.

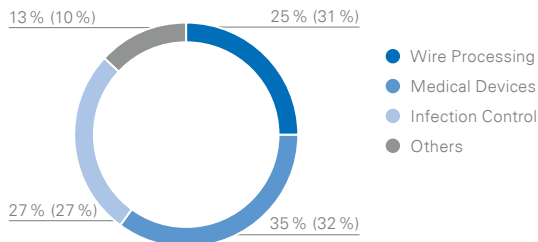
<sup>4)</sup> The calculation of Net cash is disclosed in Note 24, page 103.

<sup>5)</sup> According to the proposal of the Board of Directors to the General Meeting of Shareholders.

<sup>6)</sup> Includes a cash dividend of CHF 17.00 and a dividend in kind of CHF 57.02.

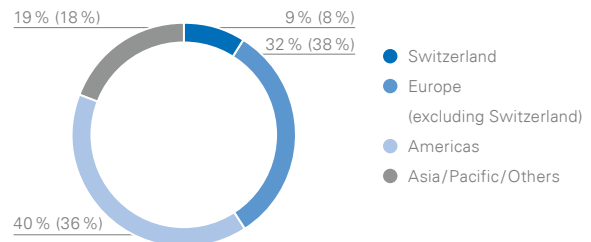


Net sales by Business Unit, in %



(Previous year in brackets)

Net sales to third parties by region, in %



(Previous year in brackets)

## Business Units

in CHF million	2022	2021	2020	2019	2018
<b>Infection Control</b>					
Net sales <sup>1)</sup>	186.3	180.2	176.3	182.8	199.2 <sup>2)</sup>
Operating income (EBIT)	1.7	2.6	8.9	0.9	-10.5
Employees (FTE)	1 007	993	990	1 002	1 186
<b>Medical Devices</b>					
Net sales	225.6	215.2	169.6	204.9	178.5 <sup>3)</sup>
Operating income (EBIT)	28.8	24.6	-4.4	16.5	21.6 <sup>3)</sup>
Employees (FTE)	833	943	928	964	973
<b>Wire Processing</b>					
Net sales	159.0 <sup>4)</sup>	206.2	150.0	201.4	214.5
Operating income (EBIT)	20.0 <sup>4)</sup>	14.6	-6.0	9.8	28.9
Employees (FTE)	0 <sup>4)</sup>	994	862	942	913
<b>Technologycluster &amp; Infrastructure</b>					
Net sales	-	-	-	-	-
Operating income (EBIT)	2.9	2.5	5.2	-12.5	-
Employees (FTE)	26	22	22	14	-
<b>Others<sup>5)</sup></b>					
Net sales <sup>1)</sup>	86.2	68.4	75.6	76.1	-
Operating income (EBIT)	82.6	-2.1	-1.1	-5.4	-
Employees (FTE)	451	369	288	303	-
<b>Household Appliances</b>					
Net sales <sup>1)</sup>	-	-	261.5 <sup>6)</sup>	543.6	539.0
Operating income (EBIT)	-	-	12.9 <sup>6)</sup>	29.6	48.3
Employees (FTE)	-	-	0 <sup>6)</sup>	1 940	2 102

<sup>1)</sup> Includes sales with other Business Units.

<sup>2)</sup> 2018 contains the business activities of Belimed Life Science, which are included in the Reporting Segment Others since January 1, 2019.

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

<sup>4)</sup> On August 30, 2022, the Schleuniger Group (Wire Processing Business Unit) was deconsolidated and incorporated into Komax Holding AG. In return, Metall Zug AG received a 25 % stake in Komax Holding AG.

<sup>5)</sup> Contains the Belimed Life Science Group, Gehrig Group AG and Metall Zug AG (Corporate).

<sup>6)</sup> The Household Appliances Business Unit, which forms the V-ZUG Group, was spun-off on June 25, 2020.

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## Convincing financial year with leap in EBIT thanks to book gain from the combination between Schleuniger and Komax.

*Metall Zug generated net sales of CHF 645.9 million in 2022. Adjusted for divestment effects, this represents a pleasing increase of 9.8 %. Thanks to the book gain of CHF 89.7 million from the combination between Schleuniger and Komax, the operating result (EBIT) increased to CHF 135.9 million, and net profit to CHF 137.3 million. Through the combination between Schleuniger and Komax, Metall Zug has achieved a further milestone in the implementation of its strategy in 2022.*

Dear Shareholders

The strategy communicated by Metall Zug in 2019, of transforming itself into a holding company with investments in industrial companies with value enhancement potential, was successfully continued with the combination between Schleuniger and Komax in 2022. As the largest single shareholder, Metall Zug will participate in the strategic further development of Komax and thus continue to benefit from the growing wire processing market.

### Further Focusing

With the majority of the Group's remaining Business Units, the Haag-Streit Group, Belimed Infection Control and Belimed Life Science, Metall Zug is primarily focused on medical technology.

In addition, with the Tech Cluster Zug, Metall Zug owns a strategic anchor location and an attractive site in the north of the city of Zug, which has high real estate development potential. Impressive projects were further developed and completed in 2022.

### Strong Organic Sales Growth and Pleasing Improvement in Operating Result

Metall Zug achieved net sales of CHF 645.9 million in 2022, which, adjusted for divestment effects (Schleuniger Group, Clement Clarke International, IPRO GmbH), corresponds to a pleasing increase of 9.8 %. Excluding currency effects of -0.3 % and acquisition effects of 0.6 %, organic growth amounted to 9.5 %.

Metall Zug's Business Units benefited from the high order backlog at the end of 2021 and continued strong demand in the first half of 2022, enabling all Business Units to increase sales year-on-year.

The challenges on the procurement side, with partly unavailable components combined with rising raw material, energy and freight prices, tight freight capacities as well as a shortage of skilled labor and wage pressure also impacted on this year's results. As far as possible, further sales price increases were implemented in response. Their effect is only reflected in the income statement with a time lag, particularly in the long-term project business. Political upheavals, high inflation and sharp fluctuations in foreign exchange rates also affected the economic environment of the Metall Zug Group.

Metall Zug achieved EBIT of CHF 135.9 million (previous year: CHF 42.3 million). This significant increase is mainly due to the book gain of CHF 89.7 million from the combination between Schleuniger and Komax. On the other hand, the EBIT contribution of Schleuniger ceased for the months September to December (same period of previous year: CHF 5.7 million).

Adjusted for the other one-time effects in 2022 (release of a provision for a legal case of CHF 1.6 million no longer required, increases of provisions in connection with pension liabilities at a subsidiary in the UK of CHF -2.4 million and gains from the sale of real estates of CHF 3.6 million), EBIT increased by 15.7 % on a comparable basis (CHF 48.9 million compared with CHF 42.3 million in the previous year). EBIT was primarily positively influenced by the Wire Processing and Medical Devices Business Units.



The financial result amounted to CHF 8.7 million (previous year: CHF 17.6 million). This includes the pro rata net result of V-ZUG Holding AG, in which Metall Zug holds a stake of around 30 %. Since September 1, 2022, the pro rata net result of the minority interest of 25 % in Komax Holding AG has also been included in the financial result. Net profit reached CHF 137.3 million (previous year: CHF 53.3 million) and contains the abovementioned non-taxable gain of CHF 89.7 million from the combination between Schleuniger and Komax.

#### **Operating Cash Flow under Pressure in Connection with the Build-up of Net Working Capital**

Metall Zug generated an operating cash flow of CHF –6.0 million in the reporting year (previous year: CHF 48.9 million). The sharp decline is related to the build-up of net working capital and in particular of inventories. On the one hand, work in progress increased due to the strong order intake compared to the previous year. On the other hand, inventories were deliberately built up to ensure the supply capability of our Business Units.

Net liquidity amounted to CHF 14.7 million as of December 31, 2022 (previous year: CHF 77.7 million).

#### **Infection Control – Organic Sales Growth Despite Challenging Market Environment**

The Belimed Infection Control Group achieved net sales of CHF 186.3 million in the reporting year (previous year: CHF 180.2 million). Adjusted for the effect of the spin-off of the Life Science service business to the Belimed Life Science Group of –6.6 %, the acquisition effect of 1.5 % and the negative foreign currency effect of –0.1 %, this corresponds to an organic growth of 8.6 %. The operating result (EBIT) amounted to CHF 1.7 million (previous year: CHF 2.6 million) and was thus below the previous year despite higher sales. In addition, EBIT included a positive one-time effect of CHF 1.6 million from the release of a provision for a legal case that was no longer required, as well as a gain from the sale of a property amounting to CHF 0.9 million.

Significantly increased freight costs as well as higher costs for raw materials, wages and IT infrastructure, combined with the discontinuation of the high-margin service business for Life Science customers, led to lower margins. In order to expand the portfolio in the consumables business in the future, Belimed Infection Control acquired Amity (UK), a supplier of chemical cleaning agents and disinfectants, in July 2022.

#### **Medical Devices – Strong Improvement in Profitability**

The Medical Devices Business Unit (Haag-Streit Group) increased net sales to CHF 225.6 million in 2022 (previous year: CHF 215.2 million). Adjusted for the divestment effect of –3.2 % and the negative foreign exchange impact of –0.6 %, this corresponds to organic growth of 8.6 %. The operating result (EBIT) came to CHF 28.8 million (previous year: CHF 24.6 million). EBIT for 2022 includes negative one-time effects of CHF –0.8 million net (previous year: positive one-time effects of CHF 3.4 million). EBIT growth on an adjusted basis is a remarkable 39.9 %.

Sales performance was positively impacted by the high order backlog at the beginning of the reporting year and by catch-up effects in the market following the COVID-19 pandemic. Despite high inflation and rising cost pressure, Haag-Streit succeeded in maintaining the gross margin, among others, thanks to sales price increases. A better utilization of factory capacities, efficiency improvements in processes, strict cost control in the area of OPEX and delays in reappointments due to the shortage of skilled labor resulted in a substantial increase in operating result compared to sales growth. Haag-Streit has reworked the Group strategy and adjusted the organization to competitively capture opportunities arising in the global ophthalmology market.

#### **Technologycluster & Infrastructure – Completion of Various Projects on the Site**

The Technologycluster & Infrastructure Business Unit was able to increase rental income year-on-year thanks to the completion of building projects, and generated EBIT of CHF 2.9 million in the 2022 financial year (previous year: CHF 2.5 million). Construction work on the Mobility Hub Zug Nord, with 566 parking spaces and commercial space on the ground floor, has been completed, and the handover to tenants took place in fall 2022. The commercial spaces on the ground floor have been fully leased and occupied.

In addition, the 25-meter-high natural artwork Semiramis, consisting of five planted wooden bowls manufactured by robots at ETH Zurich, has been completed and was presented at a vernissage in July. The sculpture now symbolizes the long-term and sustainable focus of the Tech Cluster Zug.

Interior work for Westhive, a provider of flexible co-working spaces, in the former V-ZUG spare parts warehouse, was final-

ized. In August 2022, the premises with a space of 2000 square meters were handed over to the tenant Westhive.

#### **Reporting Segment Others – Strong Sales Growth but Unsatisfactory Operating Result, Leap in EBIT Due to One-time Effect**

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 86.2 million in 2022 (previous year: CHF 68.4 million) and EBIT of CHF 82.6 million (previous year: CHF –2.1 million). The significant increase in EBIT is the result of the book gain of CHF 89.7 million from the deconsolidation of the Schleuniger Group recognized in Metall Zug AG. Adjusted for this effect, the operating result of CHF –7.1 million deviates from the previous year mainly due to the negative result of the Belimed Life Science Group.

In the reporting year, Belimed Life Science recorded order intake that was not only significantly above the previous year, but also above expectations. A large number of new projects are the result of the strategy of pharmaceutical companies to secure local markets and relocalize production, with a focus on the USA and the Asian region (South Korea, Indonesia, Taiwan). However, the challenging supply situation for mechanical and electronic components led to major delays in the completion and delivery of equipment. At CHF 51.7 million (previous year: CHF 38.6 million), sales were significantly higher than in the previous year. Sharp increases in raw material prices, especially for stainless steel, and significant price increases for components had a negative impact on margins, with the result that EBIT clearly missed the profit zone.

Gehrig Group generated net sales of CHF 34.5 million in the reporting year (previous year: CHF 29.8 million). The increase in sales compared to the previous year is mainly due to the lifting of the COVID-19 measures in February 2022 and the resulting increase in customer frequency in the hotel and gastronomy sector. Gehrig Group succeeded in consolidating its market position for commercial kitchen equipment and further expanded its cleaning products business. Despite a more favorable sales development and improved gross margin, EBIT slightly missed the profit zone. The reasons for this included high costs for the development of new products and services, particularly in dishwashing and digitalization, and in adminis-

tration. In the reporting year, Gehrig Group started to further firm up its strategy and to focus on its core operating business.

#### **Combination between Schleuniger and Komax Successfully Completed**

Metall Zug has contributed its Wire Processing Business Unit, the Schleuniger Group, to Komax Holding AG as of August 30, 2022, in return for a 25 % stake in Komax Holding AG. Through the combination between Schleuniger and Komax, Metall Zug has achieved a further milestone in the implementation of its anchor shareholder strategy following the spin-off of V-ZUG.

The Schleuniger Group was fully consolidated in the consolidated financial statements of the Metall Zug Group from January 1 to August 30, 2022. During this period, the Business Unit generated net sales of CHF 159.0 million and an operating result (EBIT) of CHF 20.0 million, which includes the gain on sale of a property of CHF 2.8 million. Since September 1, 2022, Metall Zug's interest in the Komax Group's net result has been reported in the financial result of Metall Zug AG.

Metall Zug realized a one-time and EBIT-effective book gain of CHF 89.7 million from this transaction, which is reported in the Others reporting segment.

#### **Change in Leadership of Metall Zug AG**

The former members of the Board of Directors of Metall Zug AG, Heinz M. Buhofer, Sandra Emme, and Peter Terwiesch did not stand for re-election at the last General Meeting. Bernhard Eschermann was newly elected to the Board of Directors at the 2022 General Meeting of Shareholders.

The Board of Directors will also propose the election of David Dean as a new member of the Board of Directors to the General Meeting of Shareholders on April 28, 2023. He is currently a member of the Boards of Directors of Bossard Holding AG, Burckhardt Compression Holding AG, Brugg Group AG, Komax Holding AG and, since 2020, Chairman of the Board of Directors of Haag-Streit Holding AG, which is part of the Metall Zug Group.

Daniel Keist, former CFO and sole member of the Senior Management of Metall Zug AG, retired at the end of August 2022 and handed over the management of Metall Zug AG to a young

management team. The Board of Directors thanks Daniel Keist for his commitment, his dedication and the successes he has achieved, and wishes him all the best for the future. Since September 1, 2022, the Senior Management of Metall Zug AG has been headed by Matthias Rey as CEO and Urs Scherrer as CFO. Matthias Rey held the position of Head of Legal at the Metall Zug Group from 2014 to 2022, and Urs Scherrer was Head of Group Controlling & Reporting for the Metall Zug Group from 2015 to 2022. The Board of Directors is proud that the change in operational management has been handled entirely from within the company's own ranks and wishes the new management team every success in their new tasks.

### **Sustainability Initiatives are Driven Forward in the Group**

In fall 2022, the Multi Energy Hub, which has been developed by Tech Cluster Zug over the last eight years and constructed in several stages, was put into operation. It is operated in partnership with WWZ AG. The basic idea is to create a low-emission, energy-saving and secure overall supply for the new district of Zug North. Heating, cooling, electricity and gas, as well as data, are routed in convergent networks. The profiles of all consumers and producers are synchronized in real time by intelligent control, so that energy can be used efficiently. Photovoltaic systems on the buildings, water from the Lake of Zug (Circulago) and groundwater wells serve as energy sources, with the wells being used not only as a source but also as an important seasonal storage facility for heat.

As part of the internal CO<sub>2</sub> Fund, a project for the innovative pyrolytic production of hydrogen was initiated in 2022, among other things. The role of Tech Cluster Zug in this project is to co-initiate and lead the Association for the Decarbonization of the Industry, with the aim of realizing a demonstrator for the pyrolysis of methane, embedded in the ecosystem of Tech Cluster Zug, over the coming years. Pyrolytically produced hydrogen is less pure than electrolytically produced hydrogen, but considerably less expensive. It is particularly suitable for the decarbonization of high-temperature process plants, such

as those operated by V-ZUG, and for generating electricity and heat in cogeneration plants. If successful, the companies on the Tech Cluster Zug site could potentially reduce their CO<sub>2</sub> emissions by up to 900 tons per year.

Sustainability measures were initiated and implemented by the various Business Units worldwide not only in connection with the defined focus topic "Climate & Resources", but also in the areas of "Employees", "Products & Services" and "Society & Value Creation".

### **Proposal for Dividend Distribution and Contribution into CO<sub>2</sub> fund**

The Board of Directors will propose to the General Meeting of Shareholders on April 28, 2023, a cash dividend in the amount of CHF 3.00 gross per Series A registered share and CHF 30.00 gross per Series B registered share. This dividend is unchanged compared to the previous year.

In addition, the Board of Directors proposes to pay an amount of CHF 675 000 (corresponding to 5% of the proposed dividend distribution) into the CO<sub>2</sub> fund charged to the income statement 2023 for additional projects in the context of sustainability.

### **Acknowledgements**

2022 was another challenging year. Our Business Units and customers had to adapt to a rapidly changing economic environment. In addition, the combination between Schleuniger and Komax marked the successful completion of a strategically important project for Metall Zug. I would like to thank the people working in our companies for their commitment, flexibility and creativity in this challenging environment.

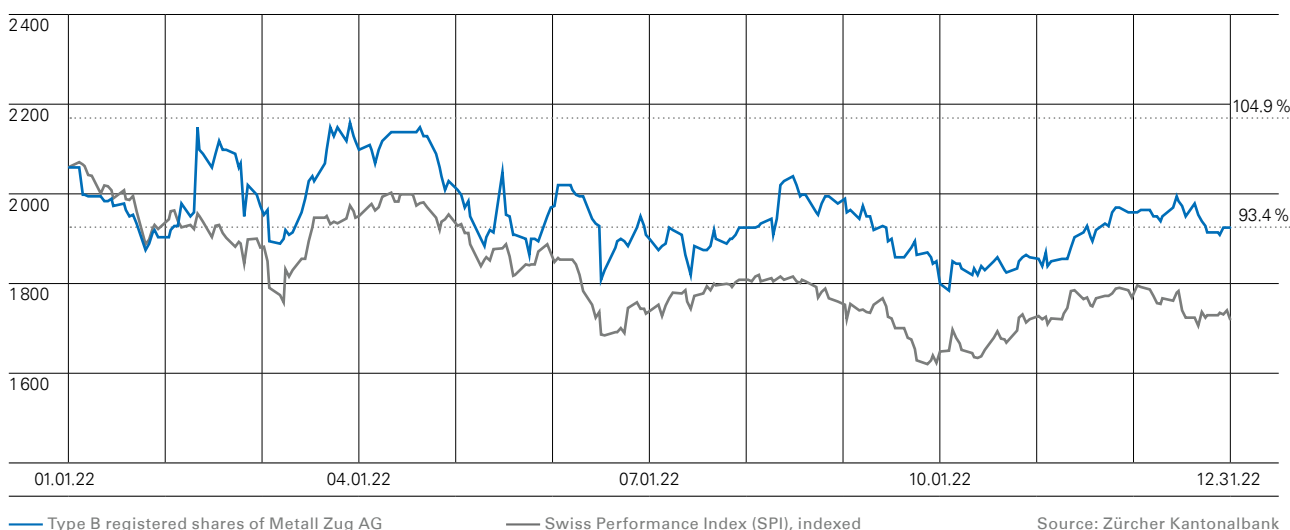
Naturally, we would also like to thank you, our valued shareholders, for your continuing trust and allegiance with our company.

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 28, 2023, 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 2022 financial year remains unchanged from the dividend approved for distribution for the 2021 financial year.

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

### Important dates

April 28, 2023  
General Meeting of Shareholders

May 4, 2023  
Payment of dividend

August 10, 2023  
Publication of half-year results

**Number of shares**

		2022	2021	2020	2019	2018
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	29.00	10.88	3.19	6.52	14.16
Cash flow from operating activities	-1.34	10.87	13.38	12.64	19.56
Shareholders' equity	115.18	114.71	107.31	169.45	170.75
Dividend	3.00 <sup>1)</sup>	3.00	1.70	7.40 <sup>2)</sup>	7.00

**Figures per type B registered share**

in CHF

Net income attributable to shareholders of Metall Zug AG	289.96	108.83	31.93	65.18	141.59
Cash flow from operating activities	-13.37	108.70	133.79	126.36	195.60
Shareholders' equity	1 151.78	1 147.09	1 073.10	1 694.52	1 707.53
Dividend	30.00 <sup>1)</sup>	30.00	17.00	74.02 <sup>2)</sup>	70.00
Dividend yield (in %) <sup>3)</sup>	1.56	1.46	1.13	3.40	2.80
Total shareholder return (in %) <sup>4)</sup>	-5.10	38.47	2.99	-10.00	-30.47
Stock market price <sup>5)</sup> High	2 160	2 220	1 653	1 986	2 635
Low	1 785	1 500	888	1 294	1 574
At year-end	1 925	2 060	1 500	1 473	1 689

**Market capitalization<sup>6)</sup>**

in CHF million	At year-end	866	927	675	981	1 125
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<sup>1)</sup> According to the proposal of the Board of Directors to the General Meeting of Shareholders.

<sup>2)</sup> The amount includes a cash dividend of CHF 1.70 per type A registered share respectively CHF 17.00 per type B registered share and a dividend in kind of CHF 5.70 per type A registered share respectively 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 shares of V-ZUG Holding AG per type B registered share) at book value.

<sup>3)</sup> Proposed respectively resolved dividend divided by stock market price at year-end.

<sup>4)</sup> 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).

<sup>5)</sup> Amounts before 2020 adjusted by 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.

<sup>6)</sup> Translation of type A registered shares (ratio 1:10) on the basis of the year-end share price of type B registered shares. The years 2016 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 medical technology and 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 medical technology and 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.

Metall Zug is pursuing high standards with regard to resilient energy supplies, durable and resource-saving products, environmentally friendly and material-efficient production, responsible procurement and logistics, and as a committed employer. Metall Zug understands its corporate responsibility in ensuring a future for its business beyond the next generation by consistently reducing the burden on people, society and the environment.

Lowering CO<sub>2</sub> emissions is a key element of Metall Zug's sustainability strategy. To ease the burden on the climate, CO<sub>2</sub> emissions are given a price, which is collected in a fund through the internal CO<sub>2</sub> levy. This fund is used to launch innovative and effective projects in order to support system-relevant reduction measures.

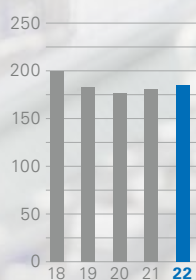
The people in our companies are fundamental to our success. Metall Zug therefore aims to develop and secure its own management and skilled workers in the long term. The main activities in this regard are intensified development and succession planning, taking equality into account – 40 % of management positions are to be filled internally – as well as strengthening a people-oriented management culture and increasing the satisfaction of our employees. Preventive measures for employee health and occupational safety are also being actively pursued.

The pioneering position in the durability of products and their reparability is to be further developed. As a first step, packaging material from renewable resources is to be used to the greatest possible extent in the future.

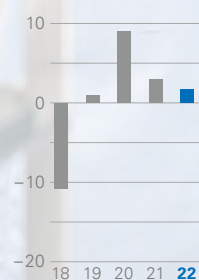
For Metall Zug, in addition to economic performance, the regional and social contributions are equally important. Metall Zug believes in Switzerland as a production location, and in Zug in particular, and considers a massive outsourcing of workplaces abroad to be a risk for the long-term existence of the company. This aspiration is also taken into account with the Tech Cluster.

## Infection Control

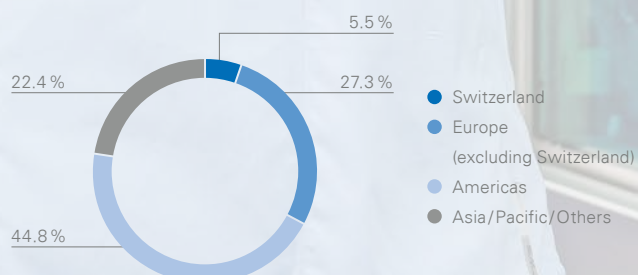
Net sales  
CHF million



Operating income (EBIT)  
CHF million



Net sales to third parties by region, in %



The Belimed Infection Control 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 high quality equipment and consumables right through to professional servicing and data connectivity options. Belimed also provides comprehensive education and training opportunities for customers.

The central basis of the company's business activities is customer trust. In cooperation with its customers, Belimed makes an important contribution to medical development and ensures the safety and health of patients and medical staff.

Belimed Infection Control has around 1 000 employees worldwide, including 11 trainees.

<b>Infection Control</b>					
<b>in CHF million</b>	<b>2022<sup>1)</sup></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018<sup>2)</sup></b>
<b>Net sales</b>	<b>186.3</b>	<b>180.2</b>	<b>176.3</b>	<b>182.8</b>	<b>199.2</b>
Net sales development in %	3.4	2.2	-3.5	-8.2	4.8
of which foreign currency impact in %	-0.1	-0.1	-3.9	-0.8	1.1
of which acquisition impact in %	1.5	0.0	0.0	0.0	0.0
Organic net sales development in %	2.0	2.3	-0.4	-7.4	3.7
<b>Net sales to third parties</b>	<b>177.3</b>	<b>172.8</b>	<b>168.0</b>	<b>170.4</b>	<b>197.3</b>
Switzerland	9.8	9.0	12.2	7.9	11.6
Europe (excluding Switzerland)	48.3	62.6	61.9	57.2	77.3
Americas	79.5	69.7	62.6	70.4	73.0
Asia/Pacific/Others	39.6	31.4	31.3	34.9	35.4
<b>Operating income (EBIT)</b>	<b>1.7</b>	<b>2.6</b>	<b>8.9</b>	<b>0.9</b>	<b>-10.5</b>
in % of net sales	0.9	1.4	5.0	0.5	-5.3

<sup>1)</sup> As of January 1, 2022, the service business for Life Science customers was transferred to Belimed Life Science, which is included in the Others reporting segment. This impact is reflected in the organic net sales development. The previous year's sales for this service business amounted to MCHF 12.0 (6.6% of the previous year's sales).

<sup>2)</sup> 2018 contains the business activities of Belimed Life Science, which have been included in the Others reporting segment since January 1, 2019.

### The 2022 Financial Year

The Belimed Infection Control Group generated net sales of CHF 186.3 million in the reporting year (previous year: CHF 180.2 million). Adjusted for the effect of the spin-off of the Life Science service business to the Belimed Life Science Group of -6.6 %, the acquisition effect of 1.5 % and the negative foreign currency effect of -0.1 %, this translates into organic growth of 8.6 % compared to the previous year.

The inflationary business environment caused major challenges in various areas for Belimed Infection Control in 2022. The financial situation of hospitals after the COVID-19 pandemic, which was critical in some cases, together with high inflation led to postponed investments and thus to a weakening of demand. In addition, the number of surgeries stagnated in 2022 due to shortages of skilled labor, among other in surgery and nursing, which prevented additional market growth. Rising salary and energy costs burdened, both Belimed Infection Control and its customers. As in the previous year, supply bottlenecks for important components and spare parts as well as a lack of transport capacities again posed a challenge and led to project delays. Despite the challenging environment, Belimed was able to achieve positive organic sales growth in all business areas (Equipment, Services, Consumables and Digitalization).

Order intake of the equipment business was lower than in the previous year, particularly in the USA and Europe, but higher than in 2020. The exceptionally high order intake in 2021 was caused by the catch-up effects following the COVID-19 pandemic. Despite the comparatively lower order intake in 2022, net sales in the equipment business in 2022 were above the previous year, as a large proportion of the orders booked in 2021 were only processed in the reporting year.

Following the spin-off of the Life Science equipment business in 2019, the service business for Life Science customers, which has a sales volume of approximately CHF 12 million (in 2021), was also transferred from Belimed Infection Control to Belimed Life Science (reporting segment Others) as of January 1, 2022. Thus, Belimed Infection Control is fully focused on the hospital segment. As a result of this transfer, service revenues in 2022 were lower than in the previous year in absolute figures. Adjusted for this effect, however, the service business achieved strong organic growth, despite the partially problematic availability of spare parts and the coronavirus restrictions in China, which continued to hamper access to hospitals. Sales from "Belimed Prevent" service framework agreements increased by 20 %. Belimed Prevent comprises a comprehensive service portfolio including preventive maintenance, operational services, as well as life cycle management, and enables customers to use Belimed equipment without concerns.

The consumables business also showed a positive trend and was able to increase sales compared to the previous year. In July 2022, Belimed acquired Amity in order to further strengthen and strategically expand the business, as well as to operate in the various markets as a single-source provider of complete solutions. Amity is a medium-sized company with 13 employees, based in Barnsley, UK. It develops and sells enzymatic and chemical cleaning detergents and disinfectants, primarily in the medical devices segment, which Belimed has sourced solely from external third-party suppliers in the past. Amity complements Belimed's product range ideally and adds new, stable sales channels with strong margin potential. In addition, as a result of this acquisition, Belimed now has its own portfolio of cleaning and disinfection products (including the associated formulas, IP rights and corresponding product

registrations), as well as its own associated know-how, which opens up the opportunity of continuous further development of the consumables business.

Order intake in the still relatively new digitalization segment also developed favorably. However, the challenge in connecting customers to Belimed's digital solutions is that hospitals are often delayed in providing the necessary access to the IT infrastructure for cloud integration. Consequently, sales development in this area is still below expectations.

The operating result (EBIT) amounted to CHF 1.7 million (previous year: CHF 2.6 million) and was thus below the previous year despite higher sales. The main reason for the decline is the transfer of the service business for Life Science customers to Belimed Life Science. In addition, higher costs in the area of IT impacted on the result. Belimed Life Science established its own IT infrastructure as of 2022 and as a result, the contribution to IT costs from Belimed Life Science ceased. EBIT for 2022 includes the positive one-off effect from the release of a provision for a legal case in the amount of CHF 1.6 million, which was no longer required, as well as the CHF 0.9 million gain from the sale of a property in the Netherlands. The operating result was also negatively impacted by increased prices for raw materials, components, freight and energy. These additional costs were partially compensated by passing on price increases to customers and through cost savings in the areas of sales & marketing and administration.

#### **Agile Product Development – Scaled Agile Framework (SAFe)**

In the area of research and development, an agile and customer-focused development process was launched back in 2021 in order to foster innovation, to be capable of carrying out process improvements, and consequently to secure the competitiveness of Belimed Infection Control.

The "Scaled Agile Framework (SAFe)" process was successfully implemented in the reporting year. The basic idea is that

the accurate resource allocation required for the development of the product portfolio demands continuous prioritization of the projects. In this context, "Lean Portfolio Management" was established. Meetings involving the Capital Equipment, Digitalization, Service, Partnerships, Innovation and Consumables divisions serve to present new projects across all departments and regions and to decide on the allocation of resources. Management announces the prioritization of projects that should be considered in the development planning in four-month cycles. This not only offers greater customer focus, but also accelerates the time-to-market for software solutions and increases innovations in medical technology products.

#### **Continuous further Development of the Digital Application SmartHub.**

Belimed Infection Control is constantly developing digitalization in hospitals and positioning itself as an innovative provider in the field of data management in sterile processing. The prioritization of development projects outlined above has led to the improvement and further development of the digital applications SmartHub Connect and SmartHub Orbit, which were launched in 2021. SmartHub acts as a data hub for connected devices, processes the data and displays it in real-time on a dashboard. The information helps customers to optimize their internal processes and reliability.

SmartHub Orbit is a user-friendly web application for remote access to CSSD data. SmartHub Orbit now offers additional features, such as the Analytics function. This provides users with a complete overview of analytics data and allows them to digitally view and analyze machine information, cleaning and sterilization cycles, programs, machine hours and alarm messages. A visualization of the data also enables users to identify whether a machine is being used less, which means that capacities in the CSSD can be utilized more effectively. Another new feature is the Alarm History, which maps and lists alarm messages to a machine, regardless of whether they are still active or have already been resolved. This provides both the customer and Belimed Service with a better

understanding of issues in context and the ability to take further action. Each alarm message shows a timestamp, a batch number and an associated troubleshooting video, ensuring a fast, real-time response.

#### **Personnel Changes in the Board of Directors**

Beat Spalinger has made a decisive contribution to Belimed's success as CEO and Delegate of the Board of Directors of Belimed AG from 2014 to 2019, and subsequently as Chairman of the Board of Directors. Metall Zug AG acknowledges his huge commitment and achievements, and thanks him for

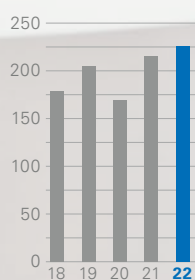
his great dedication over the last approximately eight years. However, for age reasons, Beat Spalinger will no longer be available for the next phase of the company's development and therefore stepped down from the Board of Directors at the end of October 2022, which Metall Zug very much regrets. Martin Wipfli, Chairman of the Board of Directors of Metall Zug AG, has taken over as Chairman of the Board of Directors of Belimed AG and will ensure that the strategy in the interests of sustainable success will be continued and further developed.



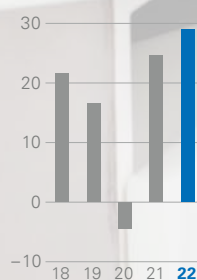
# Medical Devices



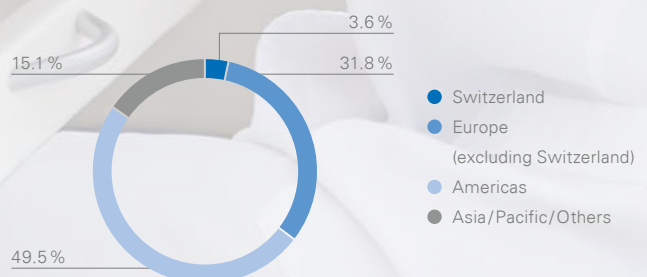
Net sales  
CHF million



Operating income (EBIT)  
CHF million



Net sales to third parties by region, in %



The Haag-Streit Group (Medical Devices Business Unit) is an international medtech company specializing in ophthalmology. Haag-Streit develops, produces and distributes innovative devices and complete solutions for medical diagnosis, microsurgery and the training of eye care specialists.

The Haag-Streit Group's business operations are divided into three main areas:

#### **Diagnostics Business Area**

The Diagnostics Business Area of the Haag-Streit Group manufactures ophthalmic diagnostic 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. Haag-Streit is also among the market leaders in the fields of glaucoma diagnosis, perimetry as well as in consistently improved and expanded optical biometry. The product range is complemented by practice equipment for ophthalmologists, such as stands and chairs, as well as industrial high-precision measuring instruments.

#### **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.

#### **Simulation Business Area**

Through Haag-Streit Simulation (formerly VRmagic), the Group is also a pioneer in virtual and augmented reality technology for the medical training of eye care specialists and in digital imaging in this area.

The Haag-Streit Group employs a workforce of around 800 worldwide, including 19 trainees.

<b>Medical Devices</b>					
<b>in CHF million</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018<sup>1)</sup></b>
<b>Net sales</b>	<b>225.6</b>	<b>215.2</b>	<b>169.6</b>	<b>204.9</b>	<b>178.5</b>
Net sales development in %	4.8	26.9	-17.2	14.8	
of which foreign currency impact in %	-0.6	-0.3	-3.0	-0.8	
of which acquisition & divestment impact in %	-3.2	2.5	3.6	18.2	
Organic net sales development in %	8.6	24.7	-17.8	-2.6	
<b>Net sales to third parties</b>	<b>225.6</b>	<b>215.2</b>	<b>169.6</b>	<b>204.9</b>	<b>178.5</b>
Switzerland	8.1	8.2	8.3	7.4	6.6
Europe (excluding Switzerland)	71.7	79.6	67.6	68.1	60.7
Americas	111.7	92.1	63.1	90.6	74.6
Asia/Pacific/Others	34.1	35.3	30.6	38.9	36.6
<b>Operating income (EBIT)</b>	<b>28.8</b>	<b>24.6</b>	<b>-4.4</b>	<b>16.5</b>	<b>21.6</b>
in % of net sales	12.8	11.4	-2.6	8.1	12.1

<sup>1)</sup> 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 financial year 2022

The Medical Devices Business Unit increased net sales to CHF 225.6 million in 2022 (previous year: CHF 215.2 million). Adjusted for the divestment effect of –3.2 % (sale of IPRO GmbH in the previous year and sale of Clement Clarke International Ltd. in December 2022) and the negative foreign exchange effect of –0.6 %, this corresponds to organic growth of 8.6 %.

Despite an overall positive market environment, order intake in 2022 was lower than in the previous year. This was due to the record high order intake in 2021 as a result of a catch-up effect following the COVID-19 pandemic, particularly in the USA. In addition, Haag-Streit secured a major one-time order from Genentech for simulators in the previous year, which was partly recognized as sales in the reporting year. The ongoing global economic uncertainties and high inflation dampened customers' willingness to invest, especially in the second half of the year. Because Haag-Streit started the reporting year with a very high order backlog, net sales increased despite the lower order intake in reporting year 2022. The major sales driver was the Diagnostics Business Area. Demand for the new Eyestar 900 was clearly above expectations. In 2021, the Haag-Streit Group furthermore concluded an international distribution agreement for the Lenstar Myopia with HOYA, a globally active Japanese group that offers glasses and lenses to optometrists, among others. The Lenstar Myopia is a device for state-of-the-art myopia management and patient information. The collaboration proved to be a complete success. The Simulation Business Area also succeeded in further increasing sales compared to the previous year.

In combination with equipment for diagnostics, sales of refractive workstations (instrument tables and chairs) for optometrists and ophthalmologists grew significantly.

In addition, the fact that trade exhibitions, such as ASCRS, ESCRS, AAO, as well as many local trade fairs, were able to take place again and that the numbers of visitors were close to pre-COVID 19 levels boosted sales. Trade shows are an important medium for Haag-Streit to present its products to distributors and ophthalmologists as end customers.

The rising costs of raw materials and components as well as constraints on material availability were challenging for Haag-Streit in the reporting year. Haag-Streit responded to the massive cost pressure with sales price increases where possible. The global shortage of skilled labor also represented a challenge, as vacant positions led to project delays in R&D and partially limited production capacities respectively the output.

The operating result (EBIT) amounted to CHF 28.8 million in the reporting year (previous year: CHF 24.6 million). EBIT for 2022 includes a positive one-time effect from the reduction of a restructuring provision in the amount of CHF 1.5 million as well as costs in the amount of CHF –2.4 million in connection with the increase of provisions in connection with pension liabilities at a subsidiary in the UK. The previous year also included several extraordinary effects (partial release of a provision for pension liabilities at a subsidiary in the UK (CHF 3.7 million), restructuring costs (CHF –10.3 million), indemnity payments from the former owners (CHF 8.3 million) and a gain from the sale of IPRO (CHF 1.7 million)). Adjusted for these one-time effects, the operating result for 2022 comes to CHF 29.6 million, which corresponds to remarkable EBIT growth of 39.9 % compared to the adjusted result of CHF 21.2 million in the previous year. The reasons for this are not only the increase in sales, but also better capacity utilization at the factories, efficiency improvements in processes, strict cost control in the area of OPEX and lower personnel costs, as various positions could not be re-staffed due to the shortage of skilled labor.

### Launch of New Products

With the Eystar 900, an anterior chamber diagnostic device successfully launched in 2021, Haag-Streit has opened a new chapter in the measurement, imaging and diagnosis of the human eye. The Eystar 900 is based on an advanced OCT system and includes multifunctional tools for cataract and refractive surgery in a single fully automated unit. In 2022, Haag-Streit supplemented this with the Anterior Suite, which provides precise measurements, comprehensive data analysis and excellent images of the eye's anterior chamber. This enables surgeons to achieve more accurate diagnoses, plan surgical interventions, better predict results and monitor the effectiveness of surgeries. All measurements can be carried out in a single fully automated measurement process in less than 40 seconds. In this way, workflows are optimized and there is the possibility of delegating measurement processes to coworkers.

The Imaging Module 910 for the BQ 900 slit lamp was also launched in 2022. It is the world's first slit lamp camera that offers excellent image quality and documentation of slit lamp examinations at the touch of a button. In contrast to existing solutions, it is ready to use immediately and displays the view from the microscope directly on the screen without the need to start additional software. Excellent image quality is ensured by the improved camera sensor and first-class optics. In addition, the module features other intelligent functions that work in the background to further optimize imaging.

All Haag-Streit diagnostic devices are controlled via the EyeSuite software. This not only simplifies the work of eye care specialists, but also shortens the learning curve for staff. In addition to the software for the new Imaging Module 910 and the Anterior Suite of the Eystar 900, the new EyeSuite i.9.10 offers various optimized functions for other diagnostic devices and solutions from Haag-Streit.

### Interaction as a Group – Functional Organization Implemented

The new functional organization was implemented across the Group as of January 1, 2022. The aim was, among other aspects, to generate synergies in market development, as well as in the area of process design and in operational cooperation within the Group. The functional organization also forms the basis for strengthening the sales organization. The "interaction as a Group" showed its first successes in the reporting year. As a result, market and customer development can be better aligned, resources can be optimized across the Group, and the strategy, redefined at the end of 2022, ensures the focused further development of the Group.

### Strategy Development of the Haag-Streit Group

The strategy of the Haag-Streit Group for the period 2023 to 2027 was developed during the course of 2022. For the first time, this is now a uniform, joint objective for the entire Group. The Haag-Streit Group intends to focus on ophthalmology. By doing so, the strengths in the areas of diagnostics, surgery and simulation will be further expanded and comprehensively marketed. The product portfolio will be completed and combined into total solutions across the entire workflow, from diagnosis to treatment. The existing competencies in the area of training & simulation will have a complementary effect. Furthermore, top service quality is to be ensured with a focus on more direct communication with the market and with customers.

The rollout of the "Haag-Streit Group Strategy" started in November 2022, in a three-day meeting attended by 60 executives from across the Group. Implementation of the strategy has now started and a quarterly comprehensive review of the progress of the strategic initiatives is planned along with any necessary adjustments. In 2023, the focus will be on further developing the Haag-Streit corporate culture, the functional organization and the operationalization of the strategy.

**Focusing on Ophthalmology**

As communicated in 2021, Haag-Streit has strategically realigned its Surgical Business Area, concentrating entirely on its core ophthalmology business and bundling its innovative strength in this field. The decision was therefore taken in 2021 to close Haag-Streit Surgical GmbH & Co. KG in Wedel, Germany, to relocate the production of surgical microscopes for ophthalmology to Switzerland, and to discontinue the surgical microscopes for use in neurosurgery and spinal surgery, ENT applications, plastic and reconstructive surgery, and dental operations by the end of 2023. The relocation of the production of microscopes and accessories from Wedel (DE) to Spectros in Aesch (CH) was successfully completed in 2022, and the first microscopes manufactured at the new site have been delivered.

By leveraging digital technologies, Haag-Streit will continue to offer functional and high-quality microscopes for ophthalmology in the market. Today's "flagship" in the field of ophthalmology, the Hi-R NEO 900, will be continued and further enhanced. Development is proceeding according to plan and is gradually progressing to industrialization. Furthermore, Haag-Streit is pushing the additional digitalization of the current product portfolio. This is being carried out in Group-wide and cross-company development teams.

With the sale of Clement Clarke International Ltd., a manufacturer of inhalation devices in the field of pneumology, concluded at the end of 2022, the focus on the core business of ophthalmology was completed.



# Technologycluster & Infrastructure





The Technologycluster & 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. Multi Energy Zug AG operates a Multi Energy Hub on the site in Zug.

Specifically, the Business Unit is responsible for real estate development, and the management, operation and maintenance of the Tech Cluster Zug on the V-ZUG site and the overall real estate portfolio of Urban Assets Zug AG as well as the two companies belonging to the V-ZUG Group: V-ZUG Infra AG and V-ZUG Assets AG. This also includes the development of sustainable infrastructures, mobility solutions and energy supplies, the acquisition of new tenants, the creation of new offerings, marketing and communication, in particular with the authorities and the site's immediate neighbors. In addition, the Business Unit supports the companies of the Metall Zug Group in real estate and infrastructure projects.

The rental income earned is declared as "other operating income" along with the income from building contractor services. The operating income (EBIT) came to CHF 2.9 million (previous year: CHF 2.5 million).

### **Building the Tech Cluster Zug**

The aim of the Tech Cluster Zug multi-generational project is to create a viable and lively part of the city in Zug North, combining industrial production, research and development, commercial and residential activities on a site with limited space. The Tech Cluster Zug is to be seen as a commitment to the city and region of Zug, with which the Metall Zug Group strengthens Switzerland as a production location. 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.

Another strategic objective is sustainability. Important projects in this regard are a sustainable energy supply with the Multi Energy Hub Zug (MEH), including the construction of various solar plants and energy storage facilities, and sustainability in construction by reducing CO<sub>2</sub> emissions from building materials, building construction, and deconstruction or disposal. In addition, the Technologycluster & Infrastructure Business Unit supports the CO<sub>2</sub> Fund of Metall Zug.

### **Overview of Ongoing Projects**

Real estate development has progressed strongly in recent years. With the planning of the new SHL-Südtor and Crea-Tower I buildings, interested parties for the large Tech Cluster Zug project were secured at an early stage. The architectural design competition for "Eingang TCZ" – considered to be a key and strategic new building project for the Tech Cluster Zug – has begun.

### **SHL-Südtor – Combined Production and Office Building for SHL Medical.**

With the new SHL-Südtor building project, the Technologycluster & Infrastructure Business Unit is taking a further step towards its strategic goal of attracting additional industrial manufacturing companies to the site. The future user and tenant SHL Medical AG is a leading global supplier of auto-injectors and other drug delivery systems.

From 2026, the building in the southern part of the Tech Cluster Zug (Südtor) will serve as SHL's new headquarter and production site. The rental agreement with SHL Medical was

signed in June 2021. The pure timber construction originally proposed was replaced by a more robust structure with timber-concrete composite floors to better meet the requirements of the lessor, user and authorities. In order to meet the ambitious deadlines, the building application is being submitted in two stages. The building application for the preparatory work, i.e. site installations, deconstruction and remediation of contaminated sites, was submitted in July 2022, and the corresponding work had already started in February 2023. The start of construction for the new building is scheduled for fall 2023.

### **Mitte TCZ**

The Mitte TCZ project combines the CreaTowers and Eingang TCZ construction sites with the new V-ZUG headquarters (Zephyr West) and the new refActory building (formerly ZUGORAMA 2.0). The CreaTowers project consists of CreaTower I and CreaTower II. CreaTower I, with a maximum building height of 40 meters, is being realized as an office building for VZ Depotbank. CreaTower II, with a maximum building height of 60 meters, will later serve as a high-rise residential building, with service utilization at the base. Both buildings share an underground car park. The project will be realized in two stages.

### **CreaTower I**

CreaTower I is intended to serve as the new headquarter of VZ Depository Bank with 400 to 500 workplaces, offering further growth potential in a central location in Zug with state-of-the-art office infrastructure. Parts of the premises are also planned to be rented out externally. VZ Depotbank intends to acquire the building and the plot of land under the footprint of the building after completion as a shell and core or full fit-out. The jury selected the project by architectural firm Gigon/Guyer from Zurich in the architectural design competition. The specification was that the new building should not be a classi-

cal bank building, but should have a campus feel. Openness, transparency and spaciousness were realized in the designs through stories up to 3.80 meters high. The vaulted ceilings, which were developed by the Research Group of ETH Zurich, are particularly innovative. In certain places, they require only 6cm of material, which means that 65 % less concrete and 80 % less steel are needed versus conventional construction methods. Construction is scheduled to start in 2025 and be completed in 2027.

### **Zephyr West**

The architectural design competition for the Zephyr West project, the new headquarters of V-ZUG, has been completed, and the design by Basel architects Diener & Diener has been selected as the winning project. They have designed a building that is connected by passageways to production and logistics on both sides of the new building. This project also has a light, delicate look and incorporates outdoor spaces in the form of balcony loggias. On the first floor, the large sliding windows of the cafeteria open up to the outside area. Vertical photovoltaic modules also act as sunshades. Additional modules are to be mounted on the roof, which can nonetheless be planted. Construction for this project is scheduled to start in 2025 with expected completion in 2027.

The designs of all the architects' offices that participated in the architectural design competition for the Mitte TCZ project are presented in an architectural exhibition at ZUGORAMA in Zug from January 19 to March 17, 2023. A vernissage was organized for the opening, which was visited by around 100 people from the planning and construction industry.

### **Westhive – Co-working Spaces over 2000 Square Meters.**

Westhive is a provider of flexible co-working spaces for start-ups, companies and freelancers. In a bright, completely renovated and air-conditioned former spare parts warehouse of

V-ZUG, private offices, spacious lounges, meeting infrastructure, a coffee bar, a fully equipped team kitchen and a private fitness area have been created over 2000 square meters. At the beginning of August 2022, the premises were handed over to the tenant Westhive in the basic and tenant fit-out, and the official opening ceremony took place on September 8.

### **Project Pi**

Project Pi is an 80 meter-tall, inner-city high-rise building constructed of timber, which incorporates various sophisticated technical innovations. The building will primarily offer affordable housing, but also to a lesser extent, location-compliant residential housing and commercial space on the ground floor. The new building will fulfill the requirements of the TCZ development plan while also serving as an investment opportunity for, among others, the V-ZUG AG pension fund the welfare fund of V-ZUG AG. The Technologycluster & Infrastructure Business Unit is working together with the total contractor Implenia on the realization of the project. The development plan for Project Pi has been revised and pre-approved by the Construction Department of the Canton of Zug.

### **Semiramis**

Semiramis is a living, 25-meter-high sculpture at the main entrance of the Tech Cluster Zug on Industriestrasse – a natural artwork that symbolizes the long-term and sustainable focus of the Tech Cluster Zug. It consists of planted wooden bowls that rise into the sky on several levels above the square. The project was developed together with the landscape architect Rita Illien and in collaboration with Professor Matthias Kohler and his researchers at ETH Zurich, as well as other partners. Digital tools were not only central during the parametric design of the sculpture – the fabrication of the wooden bowls was also carried out by robots in the ETH Zurich laboratory. ETH Zurich, under the leadership of general contractor Erne Holzbau AG, produced the bowl elements. The sculpture was installed at the corner of Ahornstrasse and Industriestrasse in Zug in June 2022. Rita Illien planted grasses, flowers, perennials, shrubs, and trees which – according to a biodiversity

study by the Flora Foundation – are native to a square of five by five kilometers around the Tech Cluster Zug site. Semiramis was presented at a vernissage on July 6, 2022.

### **Parking Garage of the Future: Construction Work on the Mobility Hub Zug North is Complete**

The construction of the Mobility Hub Zug North, with its slim, curved pedestrian bridge, was designed and realized by Hosoya Schaefer Architects together with civil engineer Jürg Konzett. The Mobility Hub Zug North pursues a multifunctional parking concept and includes a total of 566 parking spaces, a modern parking guidance system, an online reservation tool, automatic license plate recognition upon entry, and charging stations for electric cars and e-scooters. Around 470 parking spaces have already been rented out, as well as the commercial space on the ground floor, which now houses the Handwerkstatt Zug and the “Lekkeray” bistro. The official opening of the new building took place on June 2, 2022, and was also attended by many residents from the local neighborhood.

### **Multi Energy Hub Zug – CO<sub>2</sub>-neutral Energy Supply for the Site**

The Multi Energy Hub Zug, which was developed over the last eight years together with Amstein und Walther AG and Bänziger Partner AG and built in various stages, was put into operation in 2022. Construction of the MEH heating/cooling center, a two-story energy center the size of a small apartment building, integrated in V-ZUG's ZUGgate high-bay warehouse, was completed on schedule. Solar energy, waste heat, groundwater and lake water (Circulago) are used as energy sources. This will allow the first parts of the Tech Cluster Zug site, including other connected third-party customers, to be supplied with heating, cooling, electricity, a data network, gas and infrastructure for e-mobility in an almost CO<sub>2</sub>-neutral way as of the 2022/2023 heating period. Later, the entire Tech Cluster and surrounding neighbors in Zug North will also benefit from these.

### **Tech Cluster Zug Continues the “Zukunft Industrie Zug (ZIZ)” Discussion Panels**

After having been paused since January 2020 due to COVID-19, the “Zukunft Industrie Zug (ZIZ)” discussion panel organized by Tech Cluster Zug AG resumed on May 13, 2022, with the topic “The future of sustainability – decarbonization or cultural change?”. On that evening attended by 150 interested guests at ZUGORAMA in Zug, the panel included Annette Aumann, sustainability expert from the City of Zurich’s Building Department, economics professor Mathias Binswanger, Patrick Eberhard, the designated CEO of Eberhard Bau AG, and physicist and philosopher Eduard Kaeser. The core questions of the evening were whether the concept of sustainability has been successful over the last 50 years, whether the overarching goal may still be valid from today’s perspective, and whether a paradigm shift is needed to replace the concept of sustainability.

Another event took place on November 22, 2022. That evening was dedicated to the highly topical subject “The future of energy security – saving, distributing, innovating?” and was attended by more than 250 guests from business and politics. Participants on the podium were Andy Heiz, Deputy CEO at Axpo, Esther Denzler, CEO of WWZ, Urs Meister, Managing

Director at Elcom, and Gerhard Pfister, National Councilor and President of Die Mitte. The event also celebrated the commissioning of the Multi Energy Hub Zug. Esther Denzler underlined the importance of the innovative cooperation between an electricity supply company and local industry.

### **Personnel changes**

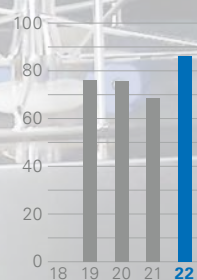
After more than ten years as CEO of the Technologycluster & Infrastructure Business Unit, Beat Weiss, formerly Managing Director of V-ZUG Immobilien AG, has decided to hand over responsibility for the operational business. Following a two-month introductory period, Christina Annen will be appointed as the new CEO of the Technologycluster & Infrastructure Business Unit as of July 1, 2023. At the same time, Beat Weiss will take over the position of Chairman of the Board of Directors of Tech Cluster Zug AG from Martin Wipfli. Metall Zug thanks Beat Weiss for his professional and greatly inspiring leadership and collaboration so far, and wishes him all the best for his future duties. Christina Annen (46) holds a degree in civil engineering from the Swiss Federal Institute of Technology (ETH) and has completed further training in business administration. Most recently, she was Head of the Construction Trust Service Unit at pom+ Consulting AG for more than two years.



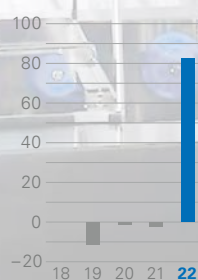
## Others



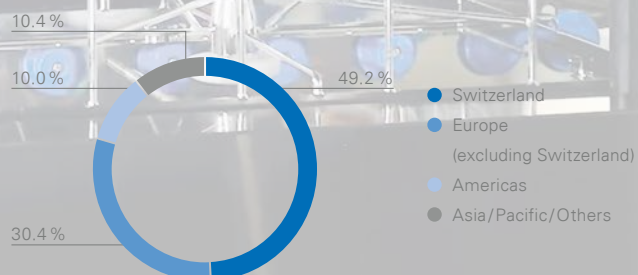
Net sales  
CHF million



Operating income (EBIT)  
CHF million



Net sales to third parties by region, in %



### Reporting Segment Others

The Others reporting segment groups together the Belimed Life Science Group, Gehrig Group AG and Metall Zug AG. In the financial year 2022, the reporting segment achieved net sales of CHF 86.2 million (previous year: CHF 68.4 million) and EBIT of CHF 82.6 million (previous year: CHF –2.1 million). The significant increase in EBIT is attributable to the book gain of CHF 89.7 million recognized in Metall Zug AG resulting from the deconsolidation of the Schleuniger Group. The operating result of CHF –7.1 million adjusted for this effect deviates from the previous year mainly due to the unsatisfactory operating result of the Belimed Life Science Group.

<b>Others</b>				
<b>in CHF million</b>	<b>2022<sup>1)</sup></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Net sales</b>	<b>86.2</b>	<b>68.4</b>	<b>75.6</b>	<b>76.1</b>
Net sales development in %	26.1	–9.5	–0.6	
of which foreign currency impact in %	0.5	0.0	–0.3	
of which acquisition impact in %	0.0	0.0	0.0	
Organic net sales development in %	25.6	–9.5	–0.3	
<b>Net sales to third parties</b>	<b>84.1</b>	<b>67.7</b>	<b>74.5</b>	<b>75.4</b>
Switzerland	41.4	32.5	32.9	41.6
Europe (excluding Switzerland)	25.5	18.3	18.8	26.9
Americas	8.4	12.8	19.7	5.8
Asia/Pacific/Others	8.8	4.1	3.1	1.2
<b>Operating income (EBIT)</b>	<b>82.6<sup>2)</sup></b>	<b>–2.1</b>	<b>–1.1</b>	<b>–11.1</b>
in % of net sales	95.8	–3.0	–1.4	–14.7

1) As of January 1, 2022, Belimed Life Science, which is included in the Others reporting segment, took over the service business for Life Science Customers from the Infection Control Business Unit. This impact is included in the organic net sales development. The previous year's sales for this service business amounted to MCHF 12.0 (17.5 % of previous year's sales).

2) Includes the gain of MCHF 89.7 from the contribution of the Schleuniger Group into the Komax Group in exchange for a minority stake of 25% in Komax Holding AG.

### Belimed Life Science

The Belimed Life Science Group develops, produces and sells equipment and service solutions for cleaning, disinfection and sterilization, primarily for the pharmaceutical industry.

Belimed Life Science generated net sales of CHF 51.7 million in 2022 (previous year: CHF 38.6 million).

In the reporting year, Belimed Life Science recorded order intake that was not only significantly above the previous year, but also above expectations. A large number of new projects are the result of the strategy of pharmaceutical companies to secure local markets and relocalize production. New investments in complex process solutions were mainly made in the USA and the Asian region (South Korea, Indonesia, Taiwan). In Europe, particularly in Switzerland, Austria and Germany, there was increasing demand not only for production expansions but also for retrofit projects to maintain established production sites. Order intake in the service sector also developed very favorably.

The partly insufficient availability of mechanical and electronic components led to major delays in the completion and delivery of systems at Belimed Life Science. Resource bottlenecks in engineering, caused by the very high order intake, had an increasingly negative impact on project lead times in a difficult supply situation. In some cases, however, customer postponements resulted in the fact that projects could not be delivered and invoiced as planned within the reporting year. Thus, sales were significantly higher than in the previous year, but below expectations.

Despite the year-on-year increase in sales, EBIT in 2022 missed the profit zone. The reasons for this were the huge increases in raw material prices, especially for stainless steel, and significant price rises for electronic components, which in some cases had to be purchased via brokers at substantially higher prices. As important electronic control elements were not always available on time, the retrofit business also failed to meet its targets. The considerably higher manufacturing costs could not be passed on in full to customers due



to the long project times and the underlying contracts, which were concluded before the price increases.

#### **Takeover of Service Business, Establishment of Component and Chamber Production, and New IT Infrastructure**

As of January 1, 2022, the service business for Life Science customers, which was previously provided by Belimed Infection Control, was taken over by Belimed Life Science. The related investments in personnel, vehicles, infrastructure and equipment were clearly noticeable in 2022 and additionally impacted on the operating result. However, the continuous establishment of the new service organization was successfully completed in 2022. Thus, the sales targets in the service business were achieved after minor start-up difficulties. In addition, Belimed Life Science built up a tube production at the Sulgen site and implemented the transfer of the component production from Belimed Infection Control. Belimed Life Science also started to take over the chamber manufacturing from Belimed Infection Control in 2022. Additionally, Belimed Life Science established its own IT organization as of January 1, 2022, which also resulted in significant costs. In previous years, it had shared the IT infrastructure of Belimed Infection Control.

#### **New Generation of Sterilizers Presented**

Belimed Life Science presented a concept study of the PST.2 sterilizer in August 2022, during the "Achema" world trade fair in Frankfurt, Germany, to get customer feedback on the planned new features. The PST.2 is a further development stage of the existing PST and BST steam sterilizers and will be launched in April 2023. It will replace the BST, which has already been available for more than 10 years, and the PST platform, which has proven itself over more than 20 years. It combines the advantages of the modular concept of the BST with those of the customizable concept of the PST. In this way, by continuing to offer its customers the highest quality on the market, which can be flexibly tailored to individual requirements, Belimed Life Science is strengthening its global competitiveness.

#### **Digitalization Initiatives at Belimed Life Science**

Despite the removal of COVID-19-related travel restrictions, Belimed Life Science continues to offer virtual Factory Acceptance Tests (FATs) to its customers via remote systems. These allow fast and efficient acceptance tests and enjoys a high level of acceptance among customers. In 2022, 11 acceptances were carried out in this way worldwide. Based on the assumption that an average of four people from the

customer side participate, this saved a total of 668 000 km in air travel, which corresponds to around 133.6 tons of CO<sub>2</sub>. In addition, Belimed Life Science is currently testing augmented reality headsets together with customers. The aim is to offer customers remote service support for troubleshooting and maintenance, in order to provide prompt support and reduce long journeys. The headsets will also be used for training customers and new employees.

#### **Further Development of Innovative Solutions for Customers – Pharma 4.0**

The modern B-Touch user interface enables intuitive, safe and error-free operation of the systems thanks to short response times and clear symbols. In order to meet the challenges of digitalization, the control system including B-Touch has to be made fit for the future. Development is currently in the initial phase of modularizing the software. Uniform interfaces are to be created, that standardize and facilitate data access and simplify the integration of additional customer-specific requirements. Existing functions and procedures will remain in place and will not be modified to ensure compatibility with previous systems. Furthermore, virtual simulators will be improved in this phase. Using these software simulators, the software will be fully tested before being installed on the machines. This significantly shortens the test phase on the machines and leads to an increase in the quality of the engineered software. In the next phase, for example, the operation of a system via tablet and app technology can be developed further.

#### **Gehrig Group**

Gehrig Group AG is a leading supplier of dishwashers, thermal equipment, coffee machines and cleaning agents as well as related services for the gastronomy, hotel and tourism sectors in Switzerland. At the beginning of 2023, the Board of Directors decided to bundle these core competencies with the declared aim of consolidating and strategically expanding Gehrig Group's strong market position in the long term. As a consequence, the Care and Hygiene division, with a specific product range for hospitals and nursing homes, was discontinued.

Gehrig Group generated net sales of CHF 34.5 million in the reporting year (previous year: CHF 29.8 million). The increase in sales compared to the previous year is mainly due to the lifting of the COVID-19 measures in March 2022 and the resulting increase in customer frequency in the hotel and gastronomy sector. Gehrig Group succeeded in consolidating its market position for commercial kitchen equipment and further expanded its cleaning products business. Optimized inven-

tory management, particularly regarding restocking ahead of delivery difficulties, and price increases at suppliers, enabled Gehrig Group to maintain a high level of deliverability.

However, this upward trend was dampened by the ongoing shortage of skilled labor in restaurant operations, which limited restaurant capacity and opening hours. Another factor slowing down new investments in staff canteens and other gastronomy is the new working models, especially widespread working from home. Gehrig Group is focusing on the continuous expansion of a full-coverage customer service, including a comprehensive on-call service. Sales in this area increased but remained below expectations. This was also due to the general shortage of skilled labor. At times, there was a shortage of up to six service technicians and thus a capacity shortage to process all service orders on schedule.

Despite a more favorable sales development and improved gross margin, EBIT slightly missed the profit zone. Reasons for this included high costs for the development of new products and services, particularly in dishwashing and digitalization, and in administration. In addition, EBIT was lower than in the previous year as the previous year included short-time working compensation that was discontinued in 2022.

#### **Change in Management**

At the end of August, the Board of Directors of Gehrig Group AG and Managing Director Marco Mini agreed that Marco Mini would step down as Managing Director due to different views regarding operational management. The Board of Directors thanks Marco Mini for his many years of careful management of the company and his active commitment to Gehrig Group, and wishes him all the best and every success for his professional and personal future. On February 1, 2023, Daniel Scheidegger took over the position of CEO at

Gehrig Group. Until then, the role was performed by an external interim manager.

#### **Gehrig Continues to Forge ahead with Digitalization**

With the "GG+ connect" software application, Gehrig Group has created a platform that allows brand-neutral, cross-operational and scalable management of suitable equipment in gastronomy kitchens. Via remote access, customers have a constant overview of important operating data and error messages. Gehrig Group further developed this project in the reporting year. In the first step, the goal is to integrate existing equipment by means of appropriate retrofit kits and, in a second step, to provide ex-factory equipment for future machine types. Field tests are currently being carried out for the electronic ordering and payment system "GG+ Order".

#### **Gehrig Products Attract Keen Interest**

In 2020 and 2021, almost all congresses, trade fairs and forums for the gastronomy sector were cancelled, postponed or held virtually due to COVID-19. In the reporting year, Gehrig Group had its first opportunity since the pandemic to present itself, for example, at the GTW trade fair forum and the Igeho congress. There was considerable interest in the Gehrig Group products presented.

#### **Sustainability at Gehrig Group**

Gehrig Group joined the CO<sub>2</sub> fund of the Metall Zug Group in the reporting year and expanded its sustainability communication in digital media. On the product side, the new generation of the Hobart basket transport machine, the CP/CN series, was added to the product range in October. This new generation has enhanced features that reduce detergent consumption by 30 %. Various other innovations reduce water usage to up to 80l/h, and thanks to recycled heat energy, the heat pump can save up to 20kWh of electricity during a washing cycle.

# Sustainability

*As a holding company with investments in manufacturing companies in the medical technology and industrial sectors, as well as increasing real estate activities in the Tech Cluster Zug, Metall Zug has been addressing questions related to reducing the burden on people, society and the environment for many years. Based on its own structure of values anchored in the Group, this understanding of sustainability is part of the strategy definition. Further progress was made in the four specified strategic focus areas. In addition, the ESG (Environment, Social and Governance) key data set was recorded for all Metall Zug Group sites worldwide for the first time.*

## Definition of Success

Metall Zug views sustainability as a strategic, intrinsically motivated priority. For many years, this claim has been defined thus: any success can only really be counted as such if it has been achieved in a fair and honest way and does not tarnish the reputation of the company concerned and the Metall Zug Group as a whole. It is becoming increasingly clear that success can only be spoken of in the context of strengthening people, society and the environment. Metall Zug therefore aims to make a measurable contribution to reducing harmful burdens on people, society and the environment in the long term.

The company follows the basic principle of acting with a long-term view and with a broad system boundary in order to achieve the success defined in this way for all stakeholders, including customers, employees and shareholders. This means that short-term profit maximization is not the first priority. Metall Zug considers its corporate responsibility to secure the future of the company for the next generation by consistently relieving the burden on people, society and the environment.

Metall Zug is therefore following strategies toward resilient energy supply, durable and resource-saving products, environmentally friendly and material-efficient production, as well as responsible procurement and logistics. As an appreciative employer, the group aims to focus on the people and enable them to contribute meaningfully and effectively through their work.

## Embraced by the Organization





In pursuing this ESG objective, the Metall Zug Group has defined specific targets in the four strategic focus areas of

Climate & Resources, Employees, Products & Services and Society & Value Creation. Metall Zug supports its Business Units in embracing these targets, firming up their strategies and implementing, measuring and communicating the corresponding measures in a more focused manner. The Business Units, for their part, have each appointed a member of Senior Management and a team to define, coordinate, implement, communicate and monitor specific targets and measures. The Sustainability Steering Committee, consisting of the CEOs of the Business Units, the CEO and the Head of Sustainability of Metall Zug, met twice in 2022 to agree on measures to achieve the targets and to review progress in implementing them.

In addition, the "Perspectives on Sustainability" committee also met twice in 2022. This comprises representatives of the Board of Directors of Metall Zug AG as well as internal and external experts. Its aim is to further develop the focus areas and priorities in the ESG strategy on an ongoing basis through mutual exchange.

These aspects are increasingly taken into account in the budget process too. The Business Units each include a separate "Sustainability" section in their budget documentation, which outlines specific initiatives, investments and expenditure. This also includes the internal CO<sub>2</sub> levy of CHF 120 per ton of CO<sub>2</sub> for the account of the CO<sub>2</sub> fund, which is to be paid by all sites from the current financial year 2023 onwards. For the first time, the survey of ESG indicators covers all companies and sites of the Metall Zug Group worldwide for the 2022 financial year.

## ESG Targets in the Four Focus Areas

Climate & Resources	Employees	Products & Services	Society & Value Creation
 <p>Metall Zug achieves the goal of net zero emissions in scope 1 and 2 with its own efforts and effective, good quality reduction certificates</p> <p>To increase awareness and to include the "climate cost", CO<sub>2</sub> emissions at Metall Zug are given a price</p> <p>Support of systemic approaches for a transformation towards a climate friendly economy under consideration of different compensation methods</p>	 <p>Placing people at the center of the company</p> <p>Develop own managers and skilled workers</p> <p>Increase and maintain employee satisfaction</p> <p>Less occupational accidents</p> <p>Promote equality</p>	 <p>Maintain durability and reparability, expand circularity</p> <p>Use multi-use &amp; renewable packaging materials</p> <p>Achieve effective improvements in the supply chain</p>	 <p>Protecting the integrity of the company</p> <p>Create local jobs</p> <p>Contributing to quality location development</p>
<p>Reduction of greenhouse gas from heating and operating power, vehicles and business air travels</p> <p>The levy in the CO<sub>2</sub> fund is used for innovative and effective projects to avoid greenhouse gas emissions</p> <p>The share of renewable heating and operating energy shall be increased</p> <p>Analysis of possible combinations of avoidance and compensation from a global perspective</p>	<p>Proportion of apprentices/ and trainees: &gt; 5 %</p> <p>Investment in training and continuing professional development &gt; 1 % gross payroll</p> <p>Leadership positions filled with internal employees &gt; 40 %</p> <p>Increase employee satisfaction</p> <p>Reduce occupational accidents and number of days of absence</p> <p>Target: Gender ratio in management positions corresponds to gender ratio in total workforce</p>	<p>Implementation of lifecycle analysis for Topsellers</p> <p>Share of service and retrofit activities increase</p> <p>Packaging material &gt; 90 % from renewable materials</p> <p>Supply chain transparency and supplier management</p> <p>Major logistics contractors provide annual CO<sub>2</sub> reporting</p>	<p>Strong commitment to Zug as a location and Switzerland as a place for manufacturing</p> <p>Employees participate in annual training on Code of Conduct/Compliance and cyber security</p> <p>Jobs are created at locations with development potential</p>

### The CO<sub>2</sub> strategy of the Metall Zug Group

Metall Zug's Swiss production sites are CO<sub>2</sub> neutral with regard to greenhouse gas emissions in Scope 1 (heating and operating energy, fuel for own vehicles, refrigerants), Scope 2 (emissions from electricity) and partially Scope 3 (limited to business flights). This was achieved thanks to internal emission reductions and offsetting. The reported compensation of the recorded CO<sub>2</sub> emissions is carried out via marketable quality certificates from additional reduction projects. Metall Zug is pursuing the "net zero" emissions target, which includes technical and systematic approaches, opportunities for acceleration and economic aspects. Particular attention is paid to effectively preventing further accumulation of climate gases in the atmosphere thanks to Negative Emission Technologies (NET), which remove and sequester CO<sub>2</sub>.

### Basis

In its CO<sub>2</sub> strategy, Metall Zug undertakes for its Swiss sites to participate in the federal programs based on the applicable CO<sub>2</sub> legislation. It is possible to reclaim the legally stipulated levies on fuels if the company realizes unexploited CO<sub>2</sub>-saving potential. However, the federal government may only require those measures or investments that also amortized in economic terms within two or four years (in construction). The private organizations EnAW (Energy Agency for Industry) and act (Cleantech Agency Switzerland), which are appointed by the federal government, support the companies in an advisory capacity. Based on the potentials, emissions reduction path is pursued. Furthermore, Metall Zug views offsetting all recognized emissions worldwide in Scopes 1 and 2

as well as in Scope 3 (limited to business trips) as a minimum requirement for the Group in the future.

### Contribution to Systemic Change

In addition to these self-defined minimum requirements, however, Metall Zug is going one step further. It is actively seeking its own, technically new solutions that will lead to long-term structural relief of the burden on the climate. The initiatives are divisible into three areas:

- Creation of economic framework conditions
- Development of pioneering projects for medium- to long-term technical solutions for decarbonizing the industry
- Implementation of pioneering projects for medium- to long-term technical solutions for decarbonization in construction

### Economic Framework Conditions: Metall Zug Sets an Internal Price for CO<sub>2</sub> Emissions, which Has to Be Taken into Account as an Economic Factor

Metall Zug firmly believes that the incentive effect of a sufficiently high CO<sub>2</sub> price in business decisions at all management levels leads to a reduction of CO<sub>2</sub> emissions. As no comprehensive CO<sub>2</sub> tax has been introduced either in Switzerland or in other countries, Metall Zug resolved back in 2018 to charge an internal CO<sub>2</sub> levy of CHF 120 per ton of CO<sub>2</sub>.

This levy is established in addition to existing public charges on fuels. It is not limited to fuels, but also applies to emissions from the company's own vehicle fleet, electricity consumption and business flights. While the public CO<sub>2</sub> levies on fuels are reimbursed under the EnAW if the agreed reduc-

tion path is adhered to, the internal CO<sub>2</sub> levies are paid into an internal fund. The fund thus finances special innovative and sustainable projects within the Group.

Metall Zug's focus is on the self-reliant, verifiable implementation of reduction and relief measures, for which substantial sums are being used. More than CHF 3 million has been raised since 2018 through the internal CO<sub>2</sub> levy, with around half of the funds being used for various initiatives by the end of 2022.

#### **Metall Zug Supports System-relevant Developments for the Decarbonization of the Manufacturing Industry**

As part of the internal CO<sub>2</sub> Fund, a project for the innovative pyrolytic production of hydrogen was initiated in 2022, among other things. The role of Tech Cluster Zug in this project is to co-initiate and lead the "Association for the Decarbonization of the Industry", with the aim of realizing a demonstrator for the pyrolysis of methane, embedded in the Tech Cluster Zug ecosystem, over the next seven years. Details of this project can be found in the "Hydrogen innovations embedded in the Tech Cluster Zug ecosystem" section on page 40.

#### **Metall Zug Supports System-relevant Projects for the Reduction of the CO<sub>2</sub> Footprint in Construction**

The potential for CO<sub>2</sub> reduction in existing buildings and new buildings is very high. A distinction is made between emissions from operations of heating and cooling systems as well as lighting of existing buildings and those from the construction of new buildings. Thanks to compliance with the highly developed energy regulations for summer and winter thermal insulation, new buildings consume up to four times less heating and cooling energy than existing buildings. In addition, thanks to the Multi Energy Hub (see page 29), all buildings in Zug are operated with almost CO<sub>2</sub>-free energy.

The bigger challenge, but also the greater potential in terms of CO<sub>2</sub> reduction, lies in the construction of new buildings themselves. A reduction of 60 000 to 90 000 tons of CO<sub>2</sub> was calculated in this case for the entire development of the Zug Tech Cluster. Substitution of concrete (e.g. by wood) or the reduction of concrete have the greatest effect. Lower potential lies in the quality of the concrete used, whereby the focus is on CO<sub>2</sub> sequestration (fixation).



## *Specific initiatives:*



In fall 2022, the Multi Energy Hub, which has been developed over the last eight years and constructed in several stages, was put into operation. The basic idea is to create a low-emission, energy-saving and secure overall supply for the new district of Zug North. The different forms of energy – heating, cooling, electricity and gas – as well as data are routed in convergent networks. The profiles of all consumers and producers are synchronized in real time by intelligent control, so that energy can be used efficiently. The sector coupling links mobility, industry and buildings, and helps to align the different profiles. Photovoltaic systems on the buildings, water from Lake Zug (Circulago) and the company's own 140-meter-deep groundwater wells serve as energy sources, with the wells being used not only as a source but also as an important seasonal storage facility for heat. Structural implementation is being carried out in several stages. First, comprehensive civil engineering work is required for the network infrastructure necessary for the site transformation. The installation of the multi-story heating/cooling plant in the V-ZUG high-bay warehouse has already been completed. Finally, several large photovoltaic systems have already been installed on the new buildings, and parts of the site's low-voltage and medium-voltage network, with up to 13 planned transformer sta-

tions, have been built. Multi Energy Zug AG was founded as a joint venture together with WWZ AG for operation of the Multi Energy Hub.

Specific savings with regard to the reduction of the CO<sub>2</sub> footprint in construction were achieved in the construction of the Mobility Hub Zug North, which was put into operation in 2022, by replacing the aluminum facade originally planned with a wooden facade. The 80-meter-high timber high-rise building Pi and the timber hybrid building SHL-Südtor for production, research and office use were further developed.

The Semiramis art project realized with ETH Zurich in 2022 is a demonstrator for parametric design and robotic construction. It enables the realization of new, material-efficient forms that were previously not possible in conventional planning and realization techniques. In addition, a newly developed connection technology for wooden supporting structures reduces material usage. The living sculpture is an artificial and artistic symbol for creative and intelligent handling of tension, as well as a connection between nature and technology, which are pursued in the Tech Cluster Zug.

## *Climate & Resources*

### Hydrogen Innovations Embedded in the Ecosystem of the Tech Cluster Zug

The “Association for the Decarbonization of Industry”, co-initiated by Tech Cluster Zug and founded at the beginning of 2022 with the support of the Canton of Zug, is launching an innovative hydrogen project embedded in the ecosystem of Tech Cluster Zug. In addition to Metall Zug AG and Tech Cluster Zug AG, members of the association include the Swiss Federal Laboratories for Materials Science and Technology (Empa) and well-known companies such as AMAG, AVAG, Holcim, Partners Group, SHL Medical, Siemens, Sika, VZ Depotbank, V-ZUG and WWZ. The members of the association, together with the Canton of Zug, have raised more than CHF 8 million in financial and own contributions for the project in order to develop novel approaches to the industrial production of hydrogen.

Until today, hydrogen is hardly accessible directly through natural sources. Typically, it is found in bonded form: in water, in hydrocarbons or in biomass. To produce hydrogen from these, it must be split off from the corresponding molecules, which requires the use of energy. Until now, this was commonly carried out using electricity (electrolysis). Less dependent on electricity and electricity prices hydrogen is produced using innovative pyrolysis processes.

The Association for the Decarbonization of Industry aims to use pyrolysis to demonstrate a new method of hydrogen production that is not based on splitting water using electricity, but on heat-based splitting of methane. The necessary methane can be sourced directly from the natural gas grid and broken down on-site into hydrogen that can be used for energy and solid (powdered) carbon. In a further scenario, the use of synthetic methane would also be possible. In contrast to existing industrial hydrogen production, pyrolysis does not

produce CO<sub>2</sub> as a by-product, but solid (powdered) carbon, which is potentially to be reused as a resource in construction and agriculture. Pyrolytically produced hydrogen is less pure than electrolytically produced hydrogen, but considerably less expensive to produce. It is particularly suitable for high-temperature process plants, such as those operated by V-ZUG, and for generating electricity and heat in cogeneration power plants. If these measures are successful, the companies on the Tech Cluster Zug site could potentially reduce their CO<sub>2</sub> emissions by up to 900 tons per year. In addition, the innovative companies in Zug and the Empa would realize a multiplier effect for further global savings thanks to the innovations achieved.

The process is currently still at the prototype stage, but the current project to develop a demonstrator is intended to give it a boost toward becoming the industry standard.

### Energy Task Force and Energy Survey

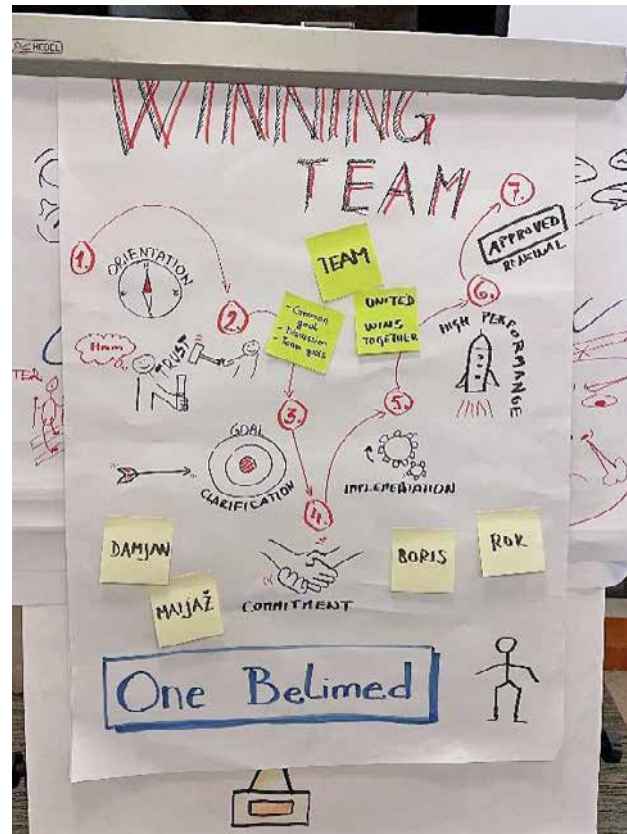
In order to save energy and resources, Belimed Life Science has set up the “Energy Task Force”. The task force regularly informs all employees in a newsletter about the current energy situation and possibilities for each individual to contribute to reducing energy consumption. According to the slogan “Only together can we achieve sustainability”, Belimed Life Science also actively involves all staff in the decision-making process regarding the implementation of energy-saving measures. In a survey, employees voted on specific measures to be implemented, such as switching off the welcome screens in the reception area, reducing the lighting in the parking lot, and lowering the temperature in the offices during the day. Belimed Life Science has gone one step further and has also created a short film for customers, which draws attention to possible measures for saving energy when using Belimed equipment.

## Employees

The people in our companies are the fundamental framework of our success. Metall Zug therefore aims to develop and retain its own management and skilled workers in the long term. The main activities in this regard are intensified promotion and succession planning, as well as the strengthening of a people-oriented management culture and the satisfaction of our employees. Therefore, 40 % of management positions are to be staffed internally. The aim is to ensure that the gender ratio in management positions does not deviate significantly from the gender ratio in the workforce as a whole. Preventive measures for employee health and occupational safety are also taken.

### Employee Survey

A Group-wide employee survey was conducted across all Business Units for the first time at the end of 2021. As a result, measures were defined to further develop collaboration, values and culture, as well as communication and development potential. One specific request from many employees was to reduce travel costs and save time, and to be able to manage their working hours more flexibly. Therefore, flexible working models were established in all Business Units in 2022, allowing, for example, employees to work a certain number of hours from home.



In fall 2022, another survey was carried out in which the Infection Control and Medical Devices Business Units and Metall Zug AG, with a total of around 1 530 employees, took part. The high participation rate of over 80 % in the previous year was maintained. The focus was on supporting managers at all levels in interpreting the results and empowering them to derive bottom-up measures with their teams. Overarching measures will focus on career paths, development opportunities and employment conditions.

### Considerable Investments in the Professional Qualification of Employees

The Infection Control Business Unit trained around 70 managers and project leaders in 2022 as part of a specially developed

and successfully launched leadership training program, and provided two refresher courses for participants from the initial year 2021. The succession planning instruments that were also launched last year, were systematically continued, and the internal promotion rate was increased to 47.1 % (global). At the same time, the very favorable results of the last employee survey were again improved. The Engagement Score rose by 7 points to 78 %. It is particularly pleasing that the investment in leadership has paid off, with a result in the area of leadership competence that was 11 percentage points higher than the previous year.

In the current year 2023, the leadership program will also be available in a slightly adapted form to other Business Units of the Metall Zug Group as part of the MZ Academy, in order

to further develop the potential of the people in our Group as leaders and to support the Business Units in successfully implementing their corporate strategies.

Through the Belimed Academy, which was founded in 2014, the Infection Control Business Unit also invests in the general training of its employees. This training comprises product and technology training, as well as training on topics such as occupational and ICT safety, quality management, and general leadership and personnel topics. Courses are offered both at the Belimed Academy in Zug and at other locations. To date, more than 1 900 employees have been trained and more than 6 500 training certificates have been issued. The Belimed Academy provides over 400 e-learning modules, which are actively used.

## *Products & Services*



Metall Zug intends to maintain its pioneering position in the durability and reparability of its products, the availability of spare parts, and competent customer service, and to extend it in the sense of the circular economy. As a first step, packaging material from renewable resources is to be used to the greatest possible extent.

### **Potential of the Circular Economy**

The products of the Business Units of Metall Zug are already characterized by a very long lifetime, the long availability of spare parts, and comprehensive services (see also KPI Share of services and retrofit services in sales). In 2022, the potential of circular business models for Belimed Infection Control and Belimed Life Science was examined in more detail. Thus, the retrofit business is to be further extended. In order to be able to meet specific customer needs for low-cost equipment and fast availability, pilot projects are also to be launched for the reuse of reprocessed equipment and for the dismantling of equipment in order to obtain reusable components such as pumps.

### **Retrofit Instead of New Equipment**

For existing equipment, a “retrofit” can make more sense than replacement with new equipment. With a retrofit, existing equipment is updated by replacing obsolete or worn-out components with new, up-to-date technological improvements. In this way, functionality and efficiency can be optimized and

the service life of the equipment can be extended. Likewise, existing systems can be adjusted to new specifications without the need to replace equipment. Retrofits save resources needed for the production of new equipment and avoid corresponding CO<sub>2</sub> emissions. Belimed Life Science carried out a total of 59 retrofits last year. Most of these were modernizations or upgrades, 15 of which were explicitly life-time extensions. Assuming an average of 15 additional years of service life per machine, this corresponds to a total service life extension of 225 years.

### **Remote FATs & Service**

Despite the removal of COVID-19-related travel restrictions, Belimed Life Science continues to offer virtual Factory Acceptance Tests (FATs) to its customers via remote systems. These virtual FATs allow fast and efficient acceptances, reduce business travel and enjoy a high level of acceptance among customers. In 2022, 11 out of 69 acceptances worldwide were performed this way. Based on the assumption that an average of four people from the customer side participate, this saved a total of 668 000 km in air travel, which corresponds to around 133.6 tons of CO<sub>2</sub>. In addition, together with customers, Belimed Life Science is currently testing the use of special augmented reality headsets. The aim is to offer customers remote service support in order to provide prompt assistance and to further reduce business travel.

**Bundling & Prioritization in the Supply Chain**

In order to further minimize CO<sub>2</sub> emissions, Belimed Infection Control is continuously working on making the delivery of products more efficient. One example is bundling deliveries to customers to once a day, and to technicians to once a week. In addition, shipments are dispatched via slower and lower-CO<sub>2</sub> transport routes such as rail whenever possible. Since 2022, a digital 3D tool for optimizing the loading space of containers and trucks has been used. To be able to completely eliminate stretch film in the future, various solutions have been tested. All concepts are based on reusable packaging that is returned by the recipient. The result is a reduction in the minimum protection required for technical reasons, i.e. all openings must be protected against dust and possible moisture. The protection provided by a pallet exceeding the product dimensions is sufficient against possible mechanical damage during transport and storage. In cooperation with the logistics service provider DHL, all deliveries are compensated with CO<sub>2</sub> certificates. In addition, DHL tracks and documents all shipments from Belimed and thus monitors the annual CO<sub>2</sub> footprint.

**Supply Chain Transparency and Supplier Management**

With regard to increasing demands for due diligence on conflict minerals and child labor, various initiatives have been

launched in the area of supply chain transparency and supplier management. A specific Code of Conduct for suppliers has been drawn up and will be applied to all major active suppliers starting in 2023. In addition, all Business Units will supplement the supplier evaluation with binding compliance and sustainability criteria and define specific targets and measures on that basis in the current year.

**Paper Reduction Thanks to SmartHub**

Belimed Infection Control digitalizes the central sterile supply departments (CSSD) of hospitals. Belimed washers, disinfectors and sterilizers generate up to two million data points per cycle, such as program selection, chemical dosing quantities, temperature and water volumes. This data has to be stored and archived by the CSSD. The SmartHub is a software solution that captures all relevant equipment data from each Belimed device in real time, processes it, and stores it in digital form. Based on the assumption of ten devices in use, each with 12 operating cycles per day, this can potentially save 540 kg of paper, 193 folders, 17m of shelf space, 28000 liters of water and ultimately 13 trees per CSSD per year.



## *Society & Value Creation*

For Metall Zug, making a regional and social contribution is equally as important as economic performance. The goals are to ensure the integrity of business activities, the creation and preservation of local structures and jobs, and a high-quality site development.

### **Training on Code of Conduct & Cybersecurity**

In 2022, a large number of employees again completed training on the topics of cybersecurity and Metall Zug's Code of Conduct/Compliance. Haag-Streit has additionally drawn up a separate set of regulations entitled "Protection of Personal Integrity in the Workplace" and conducted training sessions throughout Switzerland. The regulations cover aspects such as bullying, sexual harassment, discrimination and violence, and provide employees with information on the procedure to follow in the event of a specific suspected case. Since that time, an external contact person outside the HR department has been available to offer confidential advice free of charge.

### **Development of the Tech Cluster Zug**

By developing the Tech Cluster Zug, linked with the idea of attracting manufacturing companies and also start-ups to the



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site in Zug, Metall Zug is clearly committed to the goal of strengthening local structures and securing jobs in Switzerland. Metall Zug believes in Switzerland – and in Zug in particular – as a production location, and considers the large-scale outsourcing of workplaces abroad to be a risk for the long-term existence of the company. The planned Pi high-rise project aims to provide affordable living space in Zug in this context.

### **Clean-up Day**

On September 19, 2022, apprentices of Haag-Streit AG participated in the World Clean-up Day. They collected waste in the areas around the Haag-Streit site in Köniz. Through this initiative, the apprentices made a valuable contribution to the community of Köniz.

### Key Performance Indicator Set

The ESG targets and measures are assessed based on a set of key performance indicators (KPIs) and are regularly reviewed by the steering committee, consisting of the CEOs of the Business Units and the senior management of Metall Zug Group. In 2022, the targets were systematically linked to measurable key figures for each focus topic.

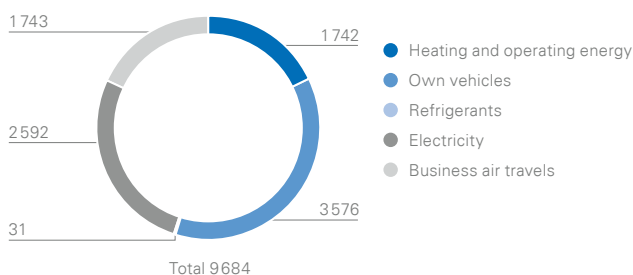
In the 2022 financial year, the KPI set was expanded to include all companies of the Metall Zug Group. The Wire Processing Business Unit (Schleuniger Group) has been excluded from

the survey due to the combination with Komax that took place on August 30, 2022. The KPIs for Corporate are not disclosed separately, but are included in the total for the Metall Zug Group. After key figures for the Swiss sites of the Infection Control, Medical Devices, Wire Processing and Belimed Life Science Business Units were recorded for the first time in 2020, the main European sites and Gehrig Group were added in 2021. Due to the ongoing expansion of the scope of the key figures survey, no comparison with the previous year has been made. The 2022 financial year represents the first base year for the future measurement of progress.

### Selection of Sustainability Indicators 2022

#### Climate & Energy

Greenhouse gas emissions in t CO<sub>2</sub>-eq. by source of emission



#### Climate & Resources

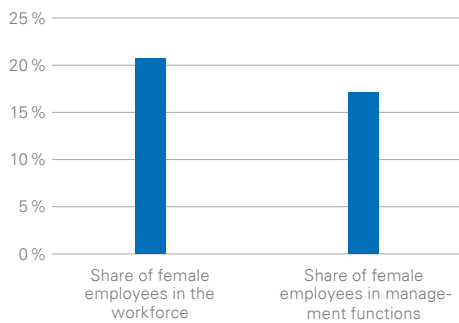
- The Metall Zug Group and all its sites emitted a total of 9 684 t CO<sub>2</sub>-eq in 2022. This includes Scope 1 (heating and operating energy for owned and leased buildings, owned and leased vehicles, loss of refrigerants), Scope 2 (purchased electricity) and Scope 3 (category: business flights). To determine greenhouse gas emissions as realistically as possible, the reporting for electricity consumption takes a location-based approach, i.e. a country-specific electricity consumption mix is applied. This approach is also applied when calculating the internal CO<sub>2</sub> levy. The total emissions are compensated with certificates for CO<sub>2</sub> reduction projects.
- Compared to the total consumption of heating and operating energy as well as electricity, 8.9 % of energy is

already sourced from renewable sources such as thermal groundwater, photovoltaics and waste heat. In this context, only self-generated energy is taken into account and, in addition, all local electricity purchases are – deliberately very conservatively – listed as “non-renewable”, irrespective of the local electricity mix or any certificates of origin.

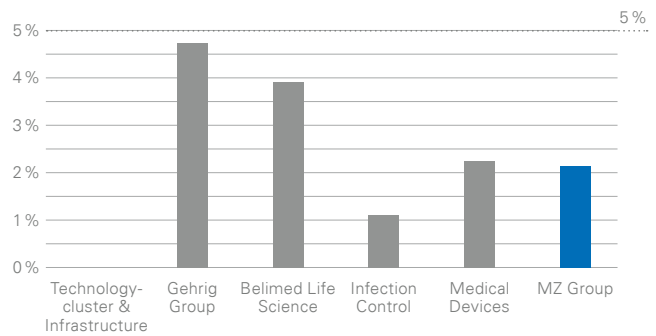
- In financial year 2022, the CO<sub>2</sub> fund collected Group-internal levies in the amount of TCHF 193. This includes the main Swiss sites of Metall Zug. V-ZUG companies that are also involved in the CO<sub>2</sub> fund paid an additional levy of TCHF 621. As of the 2023 financial year, all Metall Zug companies worldwide will participate in the CO<sub>2</sub> fund.

## Employees

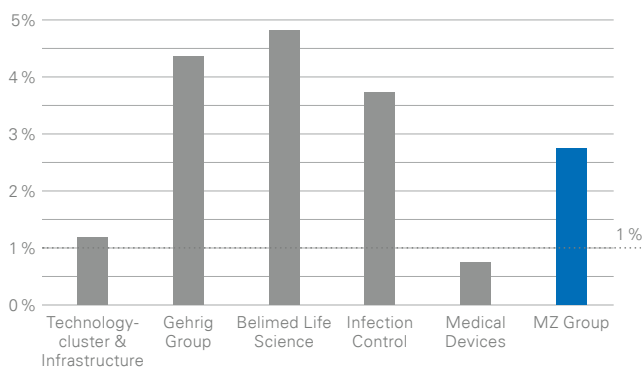
Share of female employees in the workforce + Share of female employees in management functions



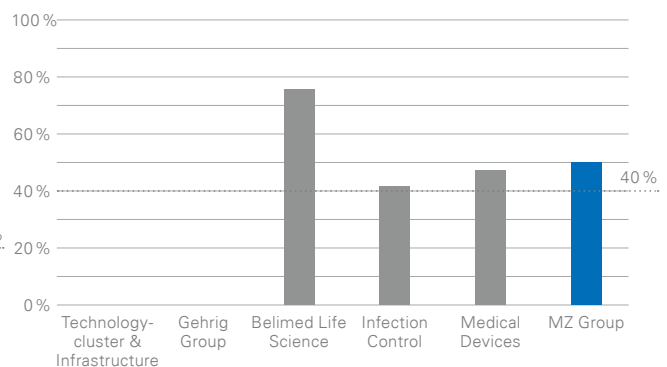
Proportion of apprentices/trainees in the workforce



Investment in training and continuing professional development in % of gross payroll



Share of leadership positions filled with internal employees

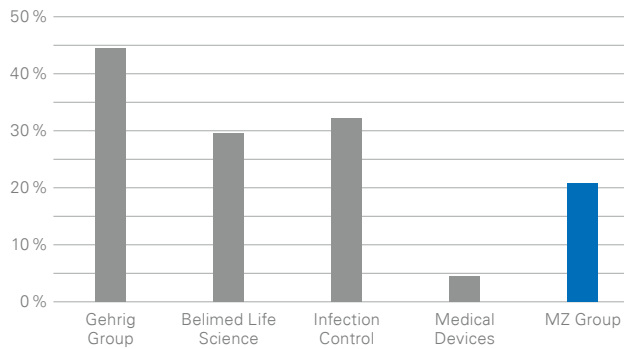


## Employees

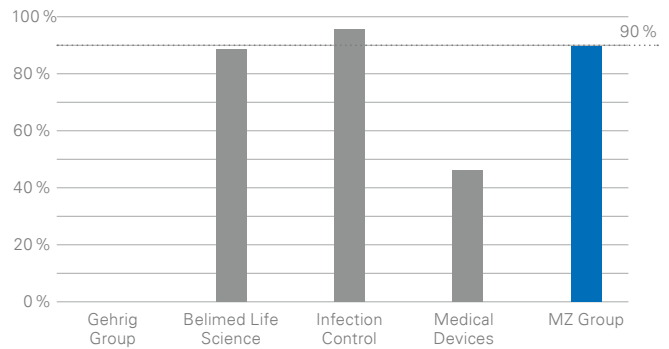
- As of December 31, 2022, Metall Zug employed a total of 2448 people. Female employees account for 20.5 % of the workforce, but only 16.9 % of management positions. The percentage of female managers is thus still below the overall average and thus below target.
- The proportion of around 2.1 % apprentices and trainees in the total workforce is still clearly below the minimum target of 5 %.
- Around 2.7 % of gross payroll was invested in employee training and professional development (total expenses incl. related personnel expenses). With the exception of Medical Devices, the minimum target of more than 1 % of total wages and salaries was exceeded (in some cases significantly) by all Business Units, partly due to the additional consideration of working days that have been made available since 2022. Metall Zug assumes its responsibility as a training center and in further education seriously, and invests in the development of its own specialists and managers.
- The proportion of management positions filled by the company's own employees is 50.0 %. Female employees accounted for 26.1 % of the internal replacements. Metall Zug aims to offer promising promotion prospects for ambitious employees and to increase the number of internal promotions systematically.
- The rate of voluntary departures at the Metall Zug Group is 10.4 %. Efforts are being made to reduce fluctuation in certain Business Units.
- Absences due to illness (including non-work-related accidents) and accidents at work are at a low level of 3.9 % of target working hours.
- To highlight the importance of the subject, cases of discrimination or harassment were recorded anonymously across the entire Group for the first time in financial year 2022. Two cases were reported, which are currently being investigated.

**Products & Services**

Share of services and retrofit services in sales



Share of self-used packaging material made from renewable materials by weight in %

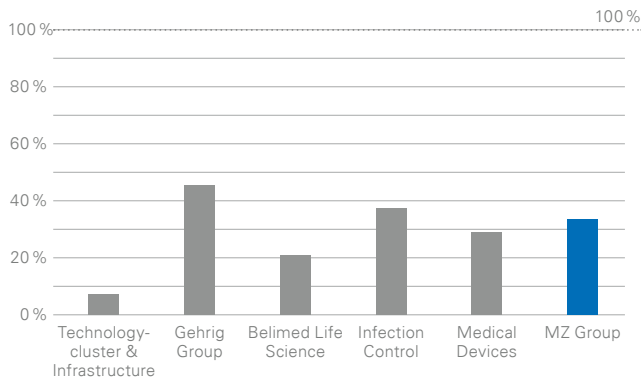
**Products & Services**

– Services and retrofit services accounted for an average of 21 % of total sales in 2022 and are to be increased in the long term. Metall Zug is investing substantially in the development of these services in all product-related business areas. In the future, these services will help to extend the lifetime of products. One reason for the relatively low proportion of services provided by the Medical Devices Business Unit is that the products have a very long lifetime, in some cases more than 20 years. On the other hand, the current business model is to deliver services primarily through local suppliers. The Technologycluster & Infrastructure Business Unit invests in the durability of its construction projects by ensuring flexibility of purpose and using high-quality building materials with the lowest possible emissions.

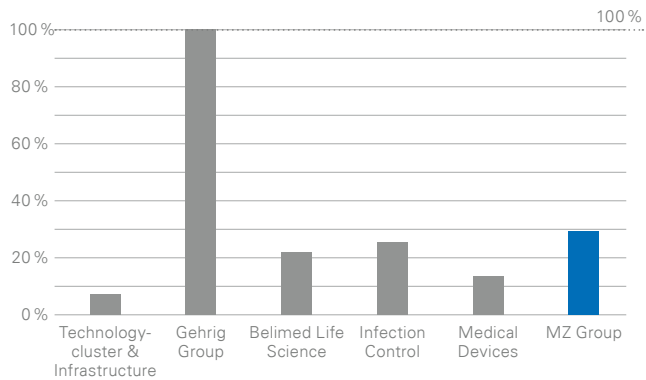
- In 2022, 89.8 % of packaging material used by Metall Zug's Business Units was made from renewable materials such as wood or cardboard, or was returnable packaging. The aim is to increase this proportion to more than 90 % in all Business Units. In Medical Devices, the share is currently still at 45.9 %. However, measures to optimize packaging have been initiated.
- Metall Zug's Business Units carried out a total of 310 supplier assessments and 42 supplier audits in 2022. Supplier management was reviewed and will be expanded in 2023 according to a risk-based approach with regard to compliance as well as sustainability topics. In addition, a new Code of Conduct for suppliers was implemented.

**Society & value creation**

Percentage of employees trained on Code of Conduct/Compliance



Percentage of employees trained on cyber security

**Society & Value Creation**

- In 2022, 32.3 % of employees participated in Code of Conduct/Compliance training and 24.6 % of employees in cyber security training. It is intended that in the future, all employees will undertake training in both areas annually as far as possible.

- The compliance address for notification of violations of the Metall Zug Code of Conduct was contacted three times in 2022. Reports are always confirmed within a maximum of seven days and investigated promptly.

#### Focus topic Climate & Resources

2022	Technology-cluster & Infrastructure	Gehrig Group	Belimed Life Science	Infection Control	Medical Devices	Metall Zug Group (total)
<b>Greenhouse gas emissions in t CO<sub>2</sub>-eq. by source of emission</b>	<b>67</b>	<b>692</b>	<b>1 100</b>	<b>4 486</b>	<b>3 325</b>	<b>9 684</b>
<b>Scope 1</b>	<b>66</b>	<b>679</b>	<b>417</b>	<b>2 954</b>	<b>1 219</b>	<b>5 348</b>
Natural gas	66	40	300	171	783	1 361
Heating oil				173	195	381
Refrigerants		2	8	8	14	31
Vehicles		637	109	2 602	227	3 576
<b>Scope 2</b>	<b>1</b>	<b>13</b>	<b>126</b>	<b>883</b>	<b>1 567</b>	<b>2 592</b>
Electricity, location-based	1	13	126	883	1 567	2 592
<b>Scope 3</b>			<b>557</b>	<b>648</b>	<b>539</b>	<b>1 743</b>
Business flights			557	648	539	1 743
<b>Total CO<sub>2</sub> emissions with CO<sub>2</sub>-levy:</b>	<b>66</b>	<b>680</b>	<b>755</b>	<b>521</b>	<b>752</b>	<b>2 776</b>
Share of heating and operating energy from renewable sources	0.0 %	0.0 %	10.8 %	21.2 %	2.7 %	8.9 %

#### Focus topic Employees

2022	Technology-cluster & Infrastructure	Gehrig Group	Belimed Life Science	Infection Control	Medical Devices	Metall Zug Group (total)
Proportion of apprentices/trainees in the workforce	0.0 %	4.7 %	3.9 %	1.1 %	2.2 %	2.1 %
Investment in training and continuing professional development in % of gross payroll	1.1 %	4.2 %	4.8 %	3.7 %	0.7 %	2.7 %
Share of leadership positions filled with internal employees	0.0 %	0.0 %	75.0 %	41.2 %	47.1 %	50.0 %
thereof internal female employees	0.0 %	0.0 %	0.0 %	28.6 %	25.0 %	26.1 %
Fluctuation (only voluntary departures)	20.0 %	12.8 %	6.2 %	12.1 %	9.1 %	10.4 %
Absence due to illness and accidents in % of target working time	6.6 %	2.9 %	3.2 %	4.3 %	3.9 %	3.9 %
Share of female employees in the workforce	26.7 %	13.4 %	15.6 %	19.4 %	24.4 %	20.5 %
Share of female employees in management functions	0.0 %	3.6 %	5.0 %	25.8 %	14.3 %	16.9 %
Number of reported cases of discrimination or harassment	1				1	2



#### Focus topic Products & Services

2022	Technology-cluster & Infrastructure	Gehrig Group	Belimed Life Science	Infection Control	Medical Devices	Metall Zug Group (total)
Share of services and retrofit services in sales		44.7 %	29.4 %	31.8 %	4.7 %	20.9 %
Share of self-used packaging material made from renewable materials by weight in %			89.3 %	95.1 %	45.9 %	89.8 %
Number of Supplier-Assessments			66	105	139	310
Number of Supplier-Audits			7	6	29	42

#### Focus topic Society & Value Creation

2022	Technology-cluster & Infrastructure	Gehrig Group	Belimed Life Science	Infection Control	Medical Devices	Metall Zug Group (total)
Percentage of employees trained on Code of Conduct/compliance	6.7 %	45.6 %	20.5 %	37.7 %	29.0 %	32.3 %
Percentage of employees trained on cyber security	6.7 %	100.0 %	21.1 %	24.3 %	12.7 %	24.6 %
Number of reports to the compliance address			1	1	1	3

# Group Structure

**Operational organization of the Metall Zug Group** (as at December 31, 2022)

## 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)

Amity Ltd. (UK)

Belimed, Inc. (US)

Belimed Medical Equipment (Shanghai)  
Co., Ltd. (CN)

### Medical Devices

#### Haag-Streit Holding AG Köniz

Haag-Streit AG (CH)

Spectros AG (CH)

Haag-Streit Deutschland GmbH (DE)

Haag-Streit GmbH (DE)

Haag-Streit Engineering GmbH & Co. KG (DE)

HS DOMS GmbH (DE)

MÖLLER-WEDEL OPTICAL GmbH (DE)

Möller-Wedel Beteiligungen GmbH (DE)

Haag-Streit UK Ltd. (UK)

Haag-Streit USA, Inc. (US)

Haag-Streit Far East Ltd. (CN)

### Technologycluster & Infrastructure

#### Tech Cluster Zug AG Zug

Urban Assets Zug AG (CH)

### Others

#### Metall Zug AG Zug

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, 2022, or to the 2022 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, 2022, 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 52 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 page 84) 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, the 25 % stake in the publicly listed Komax Holding AG and the 50 % stake in Multi Energy Zug AG (joint venture together with WWZ AG), which are treated as associated companies.

### 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, 2022, are listed in the Financial Report (see page 97) under Note 16 ("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, no disclosure notifications, 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, were made. Further details of 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](http://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 97) under Note 17 ("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 78) under "Changes in shareholders equity". Information on the changes in capital in 2020 can be found on page 70 of the Annual Report 2021 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 97) under Note 17 ("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 2022, 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 cancelling 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 29, 2022, the Board of Directors has comprised four members. Bernhard Eschermann was elected as a member of the Board of Directors for the first time at that General Meeting. Heinz M. Buhofer, Sandra Emme and Peter Terwiesch did not stand for reelection. 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 59 to 61. 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 in this Corporate Governance report, 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 supervi-

sory 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 page 60.

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 has all the competencies assigned to the "Compensation Committee" under the applicable law. 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, one extraordinary meeting and the constituent meeting. The ordinary meetings typically lasted a full day. In addition, the Board of Directors met for two full-day 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. Up to April 29, 2022, Heinz M. Buhofer was Chairman of the Audit Committee. Claudia Pletscher then took over as Chairwoman of the Audit Committee. Martin Wipfli was a member of the Audit Committee throughout the entire reporting year. Matthias Rey (current CEO) and Urs Scherrer (current CFO) attended all meetings. Daniel Keist (CFO and acting CEO until August 31, 2022) attended the first three meetings of the Audit Committee. The auditors and the internal auditors were present at all meetings of the reporting year, either for selected agenda items or for the entire meeting or were connected via video conference.

#### **Human Resources and Compensation Committee**

The Human Resources and Compensation Committee held six ordinary meetings and two extraordinary meetings in the reporting year. As well as performing the duties and responsibilities assigned to the Compensation Committee under applicable law, 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. Up to April 29, 2022, the Human Resources and Compensation Committee comprised Heinz M. Buhofer, Chairman, and Peter Terwiesch. At the General Meeting of the Shareholders on April 29, 2022, Dominik Berchtold and Bernhard Eschermann were elected as new members of the Human Resources and Compensation Committee. Dominik Berchtold then took over as Chairman of the Human Resources and Compensation Committee. Until August 31, 2022, Daniel Keist (CFO and acting CEO until August 31, 2022) attended the Human Resources and Compensation Committee meetings as a regular guest, except for topics related to himself. Since April 2022, Matthias Rey (CEO as of September 1, 2022) has attended the meetings of the Human Resources and Compensation Committee as a guest.

All members of committees of the Board (Board of Directors, Audit Committee, Human Resources and Compensation Committee) have participated in every meeting of the business year 2022:

<b>Board of Directors</b>	<b>Boards of Directors' meetings (ordinary/strategy workshop + extraordinary)</b>	<b>Audit Committee meetings</b>	<b>Human Resources and Compensation Committee meetings (ordinary + extraordinary)</b>
Martin Wipfli	6 + 2	4	
Dominik Berchtold	6 + 2		3 + 2
Dr. Bernhard Eschermann	5 + 1		3
Claudia Pletscher	6 + 2	3	
Heinz M. Buhofer	1 + 1	1	3 + 2
Sandra Emme	1 + 1		
Peter Terwiesch	1 + 1		3 + 1

### 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 and the incorporation of the Schleuniger Group into the Komax Group in 2022 a second 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 page 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](http://www.metallzug.ch/en/ueber-uns/corporate-governance). In addition, there is a set of guidelines in force (Group Governance Guidelines of September 1, 2022) 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 five 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 strategies are approved by the CFO in line with the applicable regulations.

# Board of Directors

as of December 31, 2022



**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)



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



**Bernhard Eschermann** (DE/CH) b. 1963  
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 2023

**Professional background:**

Managing Partner of Baryon AG, 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 Belimed AG (since November 2022), Tech Cluster Zug AG and Urban Assets Zug AG; Member of the Audit Committee; President of the Foundation Board Haag-Streit

**Activities in governing and supervisory bodies:**

Chairman of the Board of Directors of Elma Electronic AG and of nebag ag; Member of the Board of Directors of Zug Estates Holding AG, 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 2023

**Professional background:**

Founder and CEO of ViAir AG, since 2019;

CEO of the Zehnder Group, 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:**

Chairman of the Human Resources and Compensation Committee (since April 29, 2022)

**Activities in governing and supervisory bodies:**

Chairman of the Board of Directors of ViAir AG and Polybloc AG (Viessmann Group); member of the Board of Directors of Nu-Air Ventilation Systems Inc. (Canada); member of the Board of Directors of Oxygen8 Solutions Inc. (Canada); various mandates within the Viessmann Group

**Dr. Bernhard Eschermann (DE/CH) b. 1963**

PhD in Computer Science from the University of Karlsruhe; Master of Science in Electrical Engineering and Computer Science from the University of California, Berkeley; Diploma in Electrical Engineering from the University of Karlsruhe

- Member of the Board of Directors (non-executive)
- First elected as Member of the Board of Directors 2022
- Elected until: General Meeting of Shareholders 2023

**Professional background:**

Head of Technology (Chief Technology Officer) of ABB's Process Automation Business since 2013 and Head of the Group Technology Leadership Team since 2020 Joined ABB in 1993 and since then has held various leadership positions within the company

**Previous operational activities for the Metall Zug Group:**

None

**Other functions within the Metall Zug Group:**

Member of the Human Resources and Compensation Committee (since April 29, 2022)

**Activities in governing and supervisory bodies:**

Member of the Board of OPC Foundation; Member of the Innovation Council of Innosuisse, the Swiss federal funding agency for innovation projects; Member of the Board of Hasler Foundation, Bern, Switzerland; Member of the Swiss Academy for Technical Sciences SATW

**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 2023

**Professional background:**

Founder and Managing Director of Fineminds GmbH, since 2021; Head of Development and Innovation and a member of the extended Executive Management Board of Swiss Post Ltd., 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**

Chairman of the Audit Committee (since April 29, 2022)

**Activities in governing and supervisory bodies:**

Member of the Board of Directors of Medbase AG and Migros Vita AG; member of the Innovation Council of Innosuisse; member of the Digital Advisory Board of the University of Zurich DSI; member of the Digital Advisory Board of Swissmedic; member of the Board of Future Society Association – Thinktank W.I.R.E and of the RIVA Digital Association



**Members of the Board of Directors until April 29, 2022****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, and Household Appliances Business Unit (from September 1, 2019, to August 31, 2020); member of the Board of Directors of Zug Estates Holding AG, 2012–2018 (Chairman until 2014); Chief Executive Officer of Metall Zug AG, 2002–2008; various operational functions at the former Group company MZ-Immobilien, 1984–1997

**Other functions within the Metall Zug Group:**

Chairman of the Human Resources and Compensation Committee until April 29, 2022;  
Chairman of the Audit Committee April 29, 2022;  
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 until May 12, 2022

**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, not standing for reelection

**Professional background:**

Industry Leader Cloud Enterprise Google (Switzerland), since April 2019; lecturer in leading digital business transformation at IMD Business School, Lausanne, since 2015; various executive positions with Google (Schweiz), 2011–2019; co-founder and online marketing consultant Swixpert Ltd., 2009–2011; co-founder and business development director of SoftThinks USA Inc., 2001–2008; co-founder and business development director of AS Media Sarl., 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 Zehnder Group AG and Belimo Holding AG; member of the Steering Committee of digitalswitzerland

**Peter Terwiesch (DE & CH) b. 1966**

Doctorate in technical sciences (electrical engineering),

Swiss Federal Institute of Technology (ETH Zurich)

- 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, since 2015; CEO of ABB AG, Germany, 2011–2014; Chief Technology Officer of ABB Group, 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 until April 29, 2022

**Activities in governing and supervisory bodies:**

Member of the Board of Directors of Hilti AG (since 2022); several mandates in companies within the ABB Group

## 4 Senior Management

### 4.1 Members of Senior Management

Since September 1, 2022, the Senior Management of Metall Zug AG has comprised two members: CEO Matthias Rey and CFO Urs Scherrer. Up to August 31, 2022, Daniel Keist was the sole member of the Senior Management of Metall Zug AG as CFO, who also performed the duties 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, 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.



#### Matthias Rey (CH) b. 1982

Dr. iur. (University of Bern), Attorney at law (Zurich); Executive MBA, IMD Business School  
CEO of Metall Zug AG since September 1, 2022

#### **Professional background:**

Associate at Homburger, 2014; Legal Counsel at Nobel Biocare, 2010–2013; Junior Associate at Homburger, 2008–2009; Academic Assistant, University of Bern, 2005–2008.

#### **Previous operational activities for the Metall Zug Group:**

Head of Legal Metall Zug, 2014–2022

#### **Other functions within the Metall Zug Group:**

Member of the Board of Directors of Gehrig Group AG

#### **Activities in governing and supervisory bodies:**

Board of Trustees of the Pension Fund of V-ZUG AG and of the Welfare Fund of V-ZUG AG



#### Urs Scherrer (CH) b. 1980

Business Economist FH/Swiss Certified Public Accountant  
CFO of Metall Zug AG since September 1, 2022

#### **Professional background:**

Head of Finance and Accounting at Edisun Power Europe AG, 2012–2014; Auditor at KPMG Switzerland, 2004–2012; Consultant private and commercial customers at St. Galler Kantonalbank, 1996–2000

#### **Previous operational activities for the Metall Zug Group:**

Head of Group Controlling & Reporting Metall Zug, 2015–2022

#### **Other functions within the Metall Zug Group:**

None

#### **Activities in governing and supervisory bodies:**

Chairman of the Investment Committee of the Pension Fund of V-ZUG AG

#### Daniel Keist (CH) b. 1957

lic. oec. HSG, University of St. Gallen; CFO of Metall Zug AG from January 1, 2013 until August 31, 2022 and also acting CEO from April 1, 2020 until August 31, 2022

#### **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 pages 66 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.

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**

The following applies with respect to agenda items: 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 share 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 748 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 421, of which TCHF 324 was for audit-related additional services and TCHF 97 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 2022, he attended all 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 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](http://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/medi-enmitteilungen](http://www.metallzug.ch/en/medien/medi-enmitteilungen). The financial calendar is available at [www.metallzug.ch/en/investoren/kalender](http://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/](http://www.metallzug.ch/en/).

At [www.metallzug.ch/en/news-service](http://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](http://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 2022. It has been prepared in accordance with legal requirements 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 2022 is based on the 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. Accordingly, no remuneration components in the form of shares are envisaged. 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 chair-

man 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 compensation for the members of the Board of Directors is defined in the regulations as follows:

Function	Fee (incl. expense allowance)
Basic fee for Chairman of the Board of Directors	CHF 195 000
Basic fee Member	CHF 82 000
Additional fee for AC/PVA Chairmanship	CHF 18 000
Additional fee for AC/PVA Membership	CHF 9 500
Additional fee for Chairman of the BoD of Business Unit	CHF 80 000
Additional fee for Member of the BoD of Business Unit	CHF 40 000
Additional fee for Chairman of the BoD of Reporting Segment Others	CHF 50 000
Additional fee for Member of the BoD of Reporting Segment Others	CHF 25 000

These amounts are net amounts, and the employee and employer contributions for the relevant social insurances are paid in addition by the employer. If members have the fee paid to a company (legal entity), the fee is increased accordingly as compensation for the employee and employer contributions assumed. Page 60 of the Corporate Governance Report 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 General Meeting of Shareholders. 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 (financial) 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 (financial) targets refer to key figures at Group, Business Unit and/or project level. The achievement of the targets mainly depends on the Group's operating result (EBIT). 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 share of quantitative (financial) targets ranges from 28 % to 35 % of the total targets. 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 contracts of the members of Senior Management of Metall Zug AG in 2022 for Daniel Keist, Matthias Rey and Urs Scherrer provide for a target bonus of between 13 % and 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 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 112).

### Details of Compensation

Details of compensation to the Board of Directors and to Senior Management are set out on the following pages.

### Compensation to the Board of Directors

The compensation paid to the Board of Directors was significantly lower in the 2022 financial year compared to the previous year, due to the reduction from six members to four following the General Meeting of Shareholders on April 29, 2022. Heinz M. Buhofer, Sandra Emme and Peter Terwiesch stepped down from the Board of Directors, and Bernhard Eschermann was elected as a new member. The Board of Directors will pro-

pose to the General Meeting of Shareholders of April 28, 2023, for the term of office until the Ordinary General Meeting of Shareholders Meeting 2024, despite the proposed increase from four to five members (new election of David Dean), an unchanged total amount of CHF 900 000 for the fees to the members compared to the previous year.

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, which are based on an expense regulation approved by the tax authorities, are disclosed as compensation in the interests of trans-

parency (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, respectively the former Household Appliances business unit, for the period from September 1, 2019, to August 31, 2020.

The General Meeting of Shareholders of April 30, 2021, approved the total amount of CHF 1 200 000 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 29, 2022. CHF 1 037 023 of this total amount was utilized for compensation to the Board of Directors in the corresponding period.

	2022			2021		
Compensation for the financial year, in CHF	Fixed compensation/fee (gross) <sup>1)</sup>	Social contributions <sup>2)</sup>	Total	Fixed compensation/fee (gross) <sup>1)</sup>	Social contributions <sup>2)</sup>	Total
Martin Wipfli <sup>3)</sup> , Chairman of the Board of Directors, Member of the Audit Committee	328 798	0	328 798	371 504	0	371 504
Dominik Berchtold, Chairman of the Human Resources and Compensation Committee	99 470	5 470	104 940	100 137	5 470	105 607
Claudia Pletscher, Chairwoman of the Audit Committee	99 470	5 470	104 940	100 137	5 470	105 607
Bernhard Eschermann, Member of the Human Resources and Compensation Committee (Member as of April 29, 2022)	64 556	3 556	68 112	0	0	0
Heinz M. Buhofer <sup>4)</sup> , (No longer a member as of April 29, 2022)	80 945	0	80 945	265 783	0	265 783
Sandra Emme <sup>5)</sup> , (No longer a member as of April 29, 2022)	28 929	1 595	30 524	100 137	5 470	105 607
Peter Terwiesch <sup>5)</sup> , (No longer a member as of April 29, 2022)	32 278	1 778	34 056	110 184	6 017	116 201
<b>Total Board of Directors</b>	<b>734 446</b>	<b>17 869</b>	<b>752 315</b>	<b>1 047 882</b>	<b>22 427</b>	<b>1 070 309</b>

<sup>1)</sup> The declared compensation includes additional fees received for bodies of the Board of Directors and directorships with subsidiary companies. Lump-sum expense allowances are also disclosed as compensation under this heading.

<sup>2)</sup> 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.

<sup>3)</sup> The compensation to Martin Wipfli includes his fees as Chairman of the Board of Directors of Tech Cluster Zug AG, Urban Assets Zug AG, and Belimed AG (from November 2022).

<sup>4)</sup> 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. The compensation has been taken into account up to his departure from the Board of Directors of Metall Zug AG on April 29, 2022.

<sup>5)</sup> The payments to Sandra Emme and Peter Terwiesch have been taken into account up to their departure from the Board of Directors of Metall Zug AG on April 29, 2022.

### Compensation to Senior Management

The fixed remuneration of the Senior Management in the reporting year was slightly lower than in the previous year. Daniel Keist, who, in addition to his role as CFO also performed the duties of CEO at Metall Zug AG, has reached retirement age and stepped down from the Executive Board as of August 31, 2022. To succeed him, the Board of Directors appointed Matthias Rey as the new CEO and Urs Scherrer as the new CFO of Metall Zug AG as of September 1, 2022, who together have taken over the management of Metall Zug AG. For the 2024 financial year, a total amount for the fixed compensation for the members of Senior Management of CHF 800 000 will be proposed to the General Meeting of Shareholders. For the variable compensation of the Senior Management for the 2022 financial year, the Board of Directors will propose CHF 100 000 (previous year CHF 150 000) to the General Meeting of Shareholders on April 28, 2023. The variable compensation reflects the economic result achieved by the Metall Zug Group and the achievement of targets by the members of Senior Management. For 2022, the members of Senior Management have a target achievement level

of between 90 % and 100 %. Details can be found in the compensation table below.

The employment contracts of the members of Senior Management do not provide for any severance payments. The notice period is 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 30, 2021, approved the total amount of CHF 1 000 000 available for fixed compensation to the members of Senior Management for financial year 2022. CHF 516 396 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 29, 2022, for variable compensation to the members of Senior Management for financial year 2021, CHF 101 981 was actually paid out.

	2022		2021	
Compensation for the financial year, in CHF	CEO/CFO <sup>1)</sup>	Senior Management (total)	CEO / CFO <sup>1)</sup>	Senior Management (total)
Fixed compensation (gross)	250 417	383 417	425 000	425 000
Other payments/benefits <sup>2)</sup>	20 282	33 264	30 424	30 424
Social contributions <sup>3)</sup>	74 423	99 715	125 444	125 444
<b>Total fixed compensation</b>	<b>345 122</b>	<b>516 396</b>	<b>580 868</b>	<b>580 868</b>
Variable compensation (gross)	68 000	87 600	96 390	96 390
Social contributions <sup>3)</sup>	3 604	4 643	5 591	5 591
<b>Total variable compensation<sup>4)</sup></b>	<b>71 604</b>	<b>92 243</b>	<b>101 981</b>	<b>101 981</b>
<b>Total compensation</b>	<b>416 726</b>	<b>608 639</b>	<b>682 849</b>	<b>682 849</b>

<sup>1)</sup> In 2021 and 2022, the highest compensation amount to a single member of Senior Management was paid to Daniel Keist who, as CFO and from April 1, 2020 until his departure (retirement) on August 31, 2022, the only member of the Executive Committee, also performed the duties of CEO. Accordingly, in 2021 the total compensation to Senior Management is identical to the highest amount.

<sup>2)</sup> 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.

<sup>3)</sup> 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.

<sup>4)</sup> The variable compensation to the members of Senior Management is generally paid out in May of the following year subject to approval by the General Meeting of the Shareholder (on April 28, 2023, for the variable compensation for 2022). 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, 10 March 2023

## Report of the statutory auditor on the audit of the remuneration report



### Opinion

We have audited the remuneration report of Metall Zug AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables on pages 66 to 69 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report (pages 66 to 69) complies with Swiss law and Art. 14-16 VegüV.



### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the remuneration report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables on pages 66 to 69 in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### **Board of Directors' responsibilities for the remuneration report**

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



#### **Auditor's responsibilities for the audit of the remuneration report**

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 1 000	Notes	2022 <sup>1)</sup>	2021
Net sales	1	645 941	661 886
Cost of goods and services sold		-419 249	-433 679
<b>Gross profit</b>		<b>226 692</b>	<b>228 207</b>
Marketing and sales expenses		-73 739	-79 107
Research and development expenses		-54 638	-60 423
Administration expenses		-65 568	-68 009
Other operating income	2	109 103	23 097
Other operating expenses		-5 968	-1 469
<b>Operating income (EBIT)</b>	<b>1</b>	<b>135 882</b>	<b>42 296</b>
Financial income	4	8 154	8 112
Financial expenses	4	-9 626	-9 283
Result of associated companies	11	10 178	18 774
<b>Financial result</b>		<b>8 706</b>	<b>17 603</b>
<b>Income before taxes</b>		<b>144 588</b>	<b>59 899</b>
Taxes	5	-7 295	-6 562
<b>Net income</b>		<b>137 293</b>	<b>53 337</b>
Net income attributable to:			
– Shareholders of Metall Zug AG		<b>129 981</b>	<b>48 784</b>
– Non-controlling interest holders	6	7 312	4 553
Net income per type A registered share (in CHF) <sup>2)</sup>	7	29.00	10.88
Net income per type B registered share (in CHF) <sup>2)</sup>	7	289.96	108.83

<sup>1)</sup> On August 30, 2022, the Schleuniger Group (Wire Processing Business Unit) was deconsolidated and incorporated into Komax Holding AG. In return, Metall Zug AG received a 25% stake in Komax Holding AG. Since then, the participation in Komax Holding AG has been accounted for using the equity method (proportional equity) and Metall Zug AG's share in Komax Group's net result has been reported in the financial result. As a consequence, the figures for the financial year 2022 are not comparable to the previous year.

<sup>2)</sup> There is no dilution for 2022 or 2021 with regard to net income per share, refer to Note 7 on page 90.

Details of the individual items are available in the Notes to the consolidated financial statements from page 85.

# Consolidated Balance Sheet

## Assets

in CHF 1000	Notes	12.31.2022 <sup>1)</sup>	12.31.2021
Cash and cash equivalents		31 428	81 548
Securities		305	295
Trade receivables	8	84 749	111 072
Other receivables		17 895	16 339
Inventories	9	129 592	152 771
Assets for sale, under construction		14 025	9 977
Prepaid expenses		7 885	6 857
<b>Current assets</b>		<b>285 879</b>	<b>378 859</b>
Land	10	2 946	2 348
Land and buildings	10	128 445	122 759
Plant and equipment	10	10 200	15 051
Prepayments and assets under construction	10	8 152	27 127
Other tangible assets	10	5 177	8 065
<b>Tangible assets</b>		<b>154 920</b>	<b>175 350</b>
Associated companies	10, 11	244 727	135 820
Other financial assets	10	11 288	11 610
<b>Financial assets</b>		<b>256 015</b>	<b>147 430</b>
Software	10	4 375	13 979
Other intangible assets	10	0	10
<b>Intangible assets</b>		<b>4 375</b>	<b>13 989</b>
<b>Fixed assets</b>		<b>415 310</b>	<b>336 769</b>
<b>Total assets</b>		<b>701 189</b>	<b>715 628</b>

<sup>1)</sup> On August 30, 2022, the Schleuniger Group (Wire Processing Business Unit) was deconsolidated and incorporated into Komax Holding AG. In return, Metall Zug AG received a 25% stake in Komax Holding AG. Since then, the participation in Komax Holding AG has been accounted for using the equity method (proportional equity) and Metall Zug AG's share in Komax Group's net result has been reported in the financial result. As a consequence, the figures for the financial year 2022 are not comparable to the previous year.

Details of the individual items are available in the Notes to the consolidated financial statements from page 85.

**Liabilities and Shareholders' Equity**

in CHF 1 000	Notes	12.31.2022 <sup>1)</sup>	12.31.2021
Current financial liabilities	12	17 000	363
Trade payables		21 452	29 176
Other current liabilities	9, 13, 14	52 856	57 377
Accrued liabilities		48 989	53 438
Current provisions	15	24 502	21 136
<b>Current liabilities</b>		<b>164 799</b>	<b>161 490</b>
Long-term financial liabilities	12	0	3 804
Other long-term liabilities	14	4 727	7 714
Long-term provisions	15	13 360	26 430
<b>Non-current liabilities</b>		<b>18 087</b>	<b>37 948</b>
<b>Total liabilities</b>		<b>182 886</b>	<b>199 438</b>
Share capital	17	11 250	11 250
Capital reserves	17	349 003	349 003
Treasury shares	17	-6 027	-6 027
Retained earnings		99 133	96 718
Non-controlling interest		64 944	65 246
<b>Shareholders' equity</b>		<b>518 303</b>	<b>516 190</b>
<b>Total liabilities and shareholders' equity</b>		<b>701 189</b>	<b>715 628</b>

<sup>1)</sup> On August 30, 2022, the Schleuniger Group was deconsolidated. As a consequence, the figures for the financial year 2022 are not comparable to the previous year.

Details of the individual items are available in the Notes to the consolidated financial statements from page 85.

# Consolidated Statement of Cash Flows

in CHF 1000	2022 <sup>1)</sup>	2021
Net income	137 293	53 337
Financial result, net (excluding result of associated companies)	1 472	1 171
Result of associated companies	-10 178	-18 774
Income from sale of fixed assets and participations	-93 559	-1 816
Depreciation and amortization	16 024	17 174
Impairment	0	276
Net changes in provisions	-4 607	-579
Taxes	7 295	6 562
Other non-cash items <sup>2)</sup>	-2 075	784
Change in trade receivables	-20 063	-10 720
Change in other receivables and prepaid expenses	-5 334	-2 975
Change in inventories	-47 820	-29 912
Change in trade payables	4 355	9 984
Change in other current liabilities and accrued expenses	15 922	30 667
Interest paid	-135	-103
Taxes paid	-4 608	-6 160
<b>Cash flow from operating activities</b>	<b>-6 018</b>	<b>48 916</b>
Investments in tangible assets <sup>3)</sup>	-33 098	-31 664
Investments in financial assets	-470	-194
Investments in intangible assets	-1 691	-3 044
Investments in Group companies, net of cash acquired <sup>4)</sup>	-23 739	-10 626
Disposal of Group companies, net of cash disposed <sup>5)</sup>	8 916	4 539
Disposals of tangible assets	7 378	2 256
Disposals of financial assets	897	6 385
Disposals of intangible assets	0	1
Interest received	51	59
Dividends received	36	0
<b>Cash flow from investing activities</b>	<b>-41 720</b>	<b>-32 288</b>
Repayment of long-term financial liabilities	-397	-379
Dividend to shareholders of Metall Zug AG	-13 448	-7 621
Dividend to non-controlling interest holders	-3 787	-213
<b>Cash flow from financing activities</b>	<b>-17 632</b>	<b>-8 213</b>
Currency translation effects	-1 387	1 301
<b>Change in "Net cash and cash equivalents"</b>	<b>-66 757</b>	<b>9 716</b>

<sup>1)</sup> The Schleuniger Group was deconsolidated on August 30, 2022. As a consequence, the figures for the financial year 2022 are not comparable to the previous year.

<sup>2)</sup> The position Other non-cash items mainly relates to changes in inventory and trade receivables valuation allowances. In the previous year, the position Other non-cash items also included the allocation and consumption of employer's contribution reserves in the amount of TCHF 897.

<sup>3)</sup> Investments in tangible assets 2022 include investments in Assets for sale, under construction, in the amount of TCHF 5264 (previous year: TCHF 4630).

<sup>4)</sup> In 2022, the position Investments in Group companies, net of cash acquired, includes the acquisition of the remaining minority interests of 40% in adaptronic Prüftechnik GmbH, Wertheim (DE), and the purchase of Amity Ltd., Barnsley (UK). In the previous year, the position included the acquisition of the business activities of KMF Messtechnik und Verwaltungs GmbH by Schleuniger Messtechnik GmbH, Sömmerda (DE), and the acquisition of the remaining 23.1% minority stake in VRmagic Holding AG, Mannheim (DE) and its subsidiaries. See Note 22 for more information.

<sup>5)</sup> In 2022, the position Disposal of Group companies, net of cash disposed, comprises the net cash flow of the contribution of the Schleuniger Group into the Komax Group. This consists of the repayment of loans taken over in this context by Komax Holding AG to Metall Zug AG less the disposal of the Schleuniger Group's net cash. In addition, the position includes the disposal of cash from the sale of Clement Clarke International Ltd., Harlow (UK), and the related transaction costs. The associated first purchase price payment was made in January 2023. In the previous year, this position included the cash flows from the sale of the participation IPRO GmbH EDV für Augentoptiker, Leonberg (DE). See Note 22 for more information.

Information on the composition of "Net cash and cash equivalents" is available in Note 24 (page 103).

# Changes in Shareholders' Equity

in CHF 1000	Share Capital	Capital Reserves	Treasury Shares	Retained Earnings	Goodwill Offset <sup>1)</sup>	Accu- mulated Currency Transla- tion Differ- ences	Total Retained Earnings	Total Equity excl. Non-con- trolling Interests	Non- con- trolling Interests	Equity
<b>Balance on 01.01.2021</b>	<b>11 250</b>	<b>349 004</b>	<b>-6 027</b>	<b>491 952</b>	<b>-414 214</b>	<b>-13 719</b>	<b>64 019</b>	<b>418 246</b>	<b>64 648</b>	<b>482 894</b>
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
<b>Balance on 12.31.2021</b>	<b>11 250</b>	<b>349 003</b>	<b>-6 027</b>	<b>525 775</b>	<b>-416 380</b>	<b>-12 677</b>	<b>96 718</b>	<b>450 944</b>	<b>65 246</b>	<b>516 190</b>
<b>Balance on 01.01.2022</b>	<b>11 250</b>	<b>349 003</b>	<b>-6 027</b>	<b>525 775</b>	<b>-416 380</b>	<b>-12 677</b>	<b>96 718</b>	<b>450 944</b>	<b>65 246</b>	<b>516 190</b>
Cash dividend				-13 448			-13 448	-13 448	-3 787	-17 235
Acquisitions					-239 656		-239 656	-239 656		-239 656
Divestments				-5 333	135 930	5 333	135 930	135 930		135 930
Purchase of non-controlling interests				-7 777		-417	-8 194	-8 194	-3 452	-11 646
Currency translation effects				-1 128		-1 070	-2 198	-2 198	-375	-2 573
Net income				129 981			129 981	129 981	7 312	137 293
<b>Balance on 12.31.2022</b>	<b>11 250</b>	<b>349 003</b>	<b>-6 027</b>	<b>628 070</b>	<b>-520 106</b>	<b>-8 831</b>	<b>99 133</b>	<b>453 359</b>	<b>64 944</b>	<b>518 303</b>

<sup>1)</sup> Goodwill Offset contains the goodwill allocated to the shareholders of Metall Zug AG, which was offset directly against equity. Unchanged from the previous year, the goodwill allocated to and included in non-controlling interests amounts to TCHF 3 678.

See Note 17 (page 97) for more detailed information on treasury shares and Note 22 (page 99) 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 currently applicable, complete Swiss GAAP FER financial reporting standard 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 10, 2023.

## Scope of Consolidation

The full consolidation method is used for all Group companies in which the Group has a participation of more than 50 % and de facto control. This means that 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 and joint ventures in which the Metall Zug Group holds direct or indirect investments of 20 % to 50 % 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 10, page 91). The useful life of the goodwill is determined at the time of acquisition. It is generally 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.

## Changes in Swiss GAAP FER

The new accounting standard Swiss GAAP FER 28 "Government Grants" and the revised standard Swiss GAAP FER 30 "Consolidated financial statements" come into effect on January 1, 2024. The impact of Swiss GAAP FER 28 on the annual report of the Metall Zug Group is considered to be minor. Potential effects of the revised standard Swiss GAAP FER 30 are currently being examined.

## 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)	2022	2021
1 EUR	1.0048	1.0811
1 USD	0.9550	0.9142
1 GBP	1.1792	1.2577
100 CNY	14.1997	14.1752
100 JPY	0.7298	0.8327
100 MXN	4.7499	4.5081
Balance Sheet (Exchange Rate on 12.31.)	2022	2021
1 EUR	0.9847	1.0331
1 USD	0.9232	0.9121
1 GBP	1.1102	1.2295
100 CNY	13.3823	14.3592
100 JPY	0.7001	0.7924
100 MXN	4.7214	4.4638

## 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

	years
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 and management estimates 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 historical 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, Slovenia and the UK, 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: 90.7 %; previous year: 92.3 %) 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 14.7 million (previous year: CHF 77.7 million). A maturity profile of the financial liabilities is included in Note 12.

In addition, the Group's excellent credit rating allows 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. Furthermore, there are no assets that are subject to significant interest.

**Currency Risks**

In Switzerland and abroad, the Metall Zug Group generates both 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	2022	2021
Foreign exchange losses/ gains (net)	–362	1075
in % of income before taxes	–0.3	1.8
Change from previous year	–1 437	1 404
Change in % of income before taxes	–1.0	2.3

**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	2022	2021
Allowance for doubtful receivables	–2795	–4075
in % of trade receivables (gross)	3.2	3.5
Change from previous year	–382 <sup>1)</sup>	680 <sup>1)</sup>
Change in % of income before taxes	–0.3	1.1

<sup>1)</sup> 2022 adjusted for the deconsolidation impacts of TCHF – 1662 of Schleuniger Group and Clement Clarke International Ltd. In the previous year, adjusted for the impact of TCHF – 39 of the divested IPRO GmbH EDV für Augenoptiker.

**List of Investments (as at 12.31.2022)**

Company	Domicile	Currency	Share Capital	Share of Capital and Votes
<b>Urban Assets Zug AG</b>	<b>Zug</b>	<b>CHF</b>	<b>1 000 000</b>	<b>100 %</b>
<b>Tech Cluster Zug AG</b>	<b>Zug</b>	<b>CHF</b>	<b>100 000</b>	<b>100 %</b>
Multi Energy Zug AG <sup>1)</sup>	Zug	CHF	100 000	50 %
<b>Belimed AG</b>	<b>Zug</b>	<b>CHF</b>	<b>6 500 000</b>	<b>100 %</b>
Belimed GmbH	Mühldorf am Inn (DE)	EUR	6 135 550	100 %
Belimed d.o.o.	Grosuplje (SI)	EUR	27 675	100 %
Belimed GmbH	Feldkirchen (AT)	EUR	180 000	100 %
Belimed B.V.	Capelle aan den IJssel (NL)	EUR	18 151	100 %
Belimed SAS	Sausheim (FR)	EUR	1 650 000	100 %
Belimed Ltd.	Shipley (UK)	GBP	200 000	100 %
Amity Ltd. <sup>2)</sup>	Barnsley (UK)	GBP	1 000	100 %
Belimed, Inc.	Ladson (US)	USD	3 000 000	100 %
Belimed Medical Equipment (Shanghai) Co., Ltd.	Shanghai (CN)	CNY	4 223 180	100 %
<b>Belimed Life Science AG</b>	<b>Sulgen</b>	<b>CHF</b>	<b>3 000 000</b>	<b>100 %</b>
Belimed Life Science d.o.o.	Grosuplje (SI)	EUR	7 500	100 %
Belimed Life Science GmbH	Dresden (DE)	EUR	25 000	100 %
Belimed Life Science, Inc.	Delaware (US)	USD	10 000	100 %
<b>Haag-Streit Holding AG</b>	<b>Köniz</b>	<b>CHF</b>	<b>750 000</b>	<b>70 %</b>
Haag-Streit AG	Köniz	CHF	8 000 000	100 %
Spectros AG	Ettingen	CHF	500 000	100 %
Haag-Streit Deutschland GmbH	Wedel (DE)	EUR	500 000	100 %
Möller-Wedel Beteiligungen GmbH <sup>3)</sup>	Wedel (DE)	EUR	1 510 000	100 %
Haag-Streit Engineering GmbH & Co. KG <sup>4)</sup>	Wedel (DE)	EUR	1 000	100 %
Möller-Wedel Optical GmbH	Wedel (DE)	EUR	500 000	100 %
HS DOMS GmbH	Saalfeld (DE)	EUR	25 000	100 %
Haag-Streit GmbH <sup>5)</sup>	Mannheim (DE)	EUR	21 050 000	100 %
Haag-Streit Far East, Ltd.	Shanghai (CN)	CNY	500 000	100 %
Haag-Streit UK Ltd. <sup>6)</sup>	Harlow (UK)	GBP	7 200 000	100 %
Haag-Streit USA, Inc. <sup>7)</sup>	Mason (US)	USD	100	100 %
<b>Gehrig Group AG</b>	<b>Rümlang</b>	<b>CHF</b>	<b>2 000 000</b>	<b>100 %</b>
Hildebrand France S.a.r.l.	La Boisse (FR)	EUR	426 720	100 %
<b>V-ZUG Holding AG<sup>8)</sup></b>	<b>Zug</b>	<b>CHF</b>	<b>1 735 714</b>	<b>30 %</b>
<b>Komax Holding AG<sup>8)</sup></b>	<b>Dierikon</b>	<b>CHF</b>	<b>513 333</b>	<b>25 %</b>

Changes in the investments held compared to the previous year are explained in the footnotes below and in Note 22. In particular, Note 22 contains detailed information on the deconsolidation of Schleuniger AG and its subsidiaries (Schleuniger Group) and the initial recognition of a minority stake of 25 % in Komax Holding AG, Dierikon, as well as information on the disposal of Clement Clarke International Ltd., UK.

<sup>1)</sup> Joint venture.

<sup>2)</sup> On July 13, 2022, 100 % of the shares in Amity Ltd., UK, were acquired.

<sup>3)</sup> On January 1, 2022, the German entities Haag-Streit Surgical GmbH & Co. KG and Möller-Wedel Verwaltung GmbH merged into Möller-Wedel Beteiligungen GmbH.

<sup>4)</sup> Haag-Streit Engineering GmbH & Co. KG, Germany, was founded on July 19, 2022.

<sup>5)</sup> On January 1, 2022, the German entities VRmagic GmbH and VRmagic Imaging GmbH merged into VRmagic Holding AG, which was then renamed Haag-Streit GmbH.

<sup>6)</sup> On January 1, 2022, the British entities Haag-Streit UK Ltd. and John Weiss & Son Ltd. merged into Clement Clarke (Holdings) Ltd., which was then renamed Haag-Streit UK Ltd.

<sup>7)</sup> On January 1, 2022, the US-American entity VRmagic, Inc. merged into Haag-Streit USA, Inc.

<sup>8)</sup> Associated companies.



## 1 Segment Information

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

Wire Processing (Until August 30, 2022)	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	– Belimed Life Science: equipment and services 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

in CHF 1 000	Net Sales		Operating Income (EBIT)	
	2022	2021	2022	2021
Wire Processing	158 979 <sup>1)</sup>	206 183	19 986 <sup>1)</sup>	14 645
Medical Devices	225 562	215 193	28 806 <sup>2)</sup>	24 604
Infection Control	186 280	180 227	1 719 <sup>3)</sup>	2 585
Technologycluster & Infrastructure	–	–	2 870	2 505
Others	86 196	68 364	82 616 <sup>4)</sup>	–2 057
Consolidation	–11 076	–8 081	–115	14
<b>Total</b>	<b>645 941</b>	<b>661 886</b>	<b>135 882</b>	<b>42 296</b>

in percent	EBIT as % of Net Sales		Contribution to Operating Income (EBIT)	
	2022	2021	2022	2021
Wire Processing	12.6 % <sup>1)</sup>	7.1 %	14.7 % <sup>1)</sup>	34.6 %
Medical Devices	12.8 % <sup>2)</sup>	11.4 %	21.2 % <sup>2)</sup>	58.2 %
Infection Control	0.9 % <sup>3)</sup>	1.4 %	1.3 % <sup>3)</sup>	6.1 %
Technologycluster & Infrastructure	–	–	2.1 %	5.9 %
Others	95.8 % <sup>4)</sup>	–3.0 %	60.8 % <sup>4)</sup>	–4.8 %
Consolidation	0.0 %	0.0 %	–0.1 %	0.0 %
<b>Total</b>	<b>21.0 %</b>	<b>6.4 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

<sup>1)</sup> For the consolidation period from January 1, 2022, to August 30, 2022. Includes the gain on disposal of a property of TCHF 2786.

<sup>2)</sup> Includes the net expense of TCHF 2359 from the partial release of an actuarial pension liability of TCHF 2526 minus the creation of a provision to revalue this pension liability at disposal values of TCHF 4885, see Note 15.

<sup>3)</sup> Includes the release of a provision for legal costs of TCHF 1586 and the gain on disposal of a property of TCHF 854.

<sup>4)</sup> Includes the gain of TCHF 89743 from the contribution of the Schleuniger Group into the Komax Group in exchange for a minority stake of 25% in Komax Holding AG, see Note 22.

**Net Sales to Third Parties by Region****2022**

in CHF 1 000	Wire Processing <sup>1)</sup>	Medical Devices	Infection Control	Others	Total
Switzerland	899	8 052	9 832	41 379	60 162
Europe (excluding Switzerland)	63 969	71 722	48 344	25 543	209 578
Americas	56 661	111 727	79 491	8 384	256 263
Asia/Pacific/Others	37 446	34 061	39 648	8 783	119 938
<b>Total 2022</b>	<b>158 975</b>	<b>225 562</b>	<b>177 315</b>	<b>84 089</b>	<b>645 941</b>

**2021**

in CHF 1 000	Wire Processing	Medical Devices	Infection Control	Others	Total
Switzerland	1 048	8 198	9 033	32 529	50 808
Europe (excluding Switzerland)	89 305	79 592	62 624	18 288	249 809
Americas	67 798	92 141	69 731	12 772	242 442
Asia/Pacific/Others	48 032	35 262	31 442	4 091	118 827
<b>Total 2021</b>	<b>206 183</b>	<b>215 193</b>	<b>172 830</b>	<b>67 680</b>	<b>661 886</b>

<sup>1)</sup> For the period of consolidation from January 1, 2022, to August 30, 2022.**2 Other Operating Income**

Other operating income of TCHF 109 103 (previous year: TCHF 23 097) includes in particular the gain of TCHF 89 743 from the contribution of the Schleuniger Group to the Komax Group in exchange for a 25 % stake in Komax Holding AG (see Note 22). This position also includes income of TCHF 4 106 (previous year: TCHF 1 852) from the sale of property, plant and equipment and other participations. In addition, the position contains the dissolution of a provision for a legal claim in the amount of TCHF 1 586. The income from rental and property management amounts to TCHF 10 436 (previous year: TCHF 10 101). The previous year further included an income from an indemnity payment related to a previously made acquisition in the amount of TCHF 8 360.

**3 Personnel Expenses**

in CHF 1 000	2022	2021
Wages and salaries	-230 693	-250 164
Pension contributions	-10 222	-9 328
Other welfare and personnel expenses	-41 357	-43 488
<b>Total personnel expenses</b>	<b>-282 272</b>	<b>-302 980</b>

Governmental compensations for short-time work are presented net in the personnel expenses. These amount to TCHF 704 in 2022 (previous year: TCHF 2 984). The number of full-time equivalents decreased by 1 004 in the reporting year (previous year: increase of 231) to 2 317 (previous year: 3 321). This represents a decrease of 31.2 % (previous year: increase of 7.5 %). The sharp decline in the number of employees is due to the disposal of the Schleuniger Group (1 047 full-time equivalents).

**4 Financial Result**

in CHF 1 000	Note	2022	2021
Interest income		22	123
Income from securities		99	136
Income from financial assets		300	511
Foreign exchange gains		7 733	7 342
<b>Total financial income</b>		<b>8 154</b>	<b>8 112</b>
Interest expenses		-316	-301
Losses on securities		-236	-291
Expenses from financial assets		0	-1 472
Other financial expenses		-979	-952
Foreign exchange losses		-8 095	-6 267
<b>Total financial expenses</b>		<b>-9 626</b>	<b>-9 283</b>
<b>Result of associated companies</b>	<b>11</b>	<b>10 178</b>	<b>18 774</b>
<b>Net financial result</b>		<b>8 706</b>	<b>17 603</b>

**5 Taxes****Expenses****in CHF 1 000**

	<b>2022</b>	<b>2021</b>
Current income taxes	-8 501	-5 854
Deferred income taxes	1 206	-708
<b>Total expenses</b>	<b>-7 295</b>	<b>-6 562</b>

**Liabilities****in CHF 1 000**

	<b>12.31.2022</b>	<b>12.31.2021</b>
Current income tax liability	3 118	2 713
Deferred income tax liability	335	293
<b>Total liabilities</b>	<b>3 453</b>	<b>3 006</b>

**Assets****in CHF 1 000**

	<b>12.31.2022</b>	<b>12.31.2021</b>
Current income tax asset	1 663	3 183
<b>Total assets</b>	<b>1 663</b>	<b>3 183</b>

**Income Taxes 2022**

	<b>Tax rate</b>	<b>in CHF 1 000</b>
Income before taxes		144 588
Weighted average applicable tax rate/calculated taxes	16.9 %	24 436
Utilization of previously unrecognized tax loss carry forwards		-3 105
Additional unrecognized tax losses		1 162
Change of unrecognized temporary differences		-914
Tax effects on investments		-12 685
Non-tax deductible expenses/non-taxable income		-544
Income tax from prior periods		286
Tax rate changes		89
Research and development tax credits		-1 582
Other effects		152
<b>Reported tax rate/ taxes according to the income statement</b>	<b>5.0 %</b>	<b>7 295</b>

**Income Taxes 2021**

	<b>Tax rate</b>	<b>in CHF 1 000</b>
Income before taxes		59 899
Weighted average applicable tax rate/calculated taxes	21.9 %	13 141
Utilization of previously unrecognized tax loss carry forwards		-2 597
Additional unrecognized tax losses		5 854
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
<b>Reported tax rate/ taxes according to the income statement</b>	<b>11.0 %</b>	<b>6 562</b>

Tax expenses amount to 5.0 % (previous year: 11.0 %) of income before taxes. The weighted average applicable tax rate of 16.9 % 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 individual earnings. The decrease in this calculated tax rate to 16.9 % for the year 2022 from 21.9 % in the previous year is due to changes in weighted earnings of the respective Group companies, which are significantly influenced by the gain from the contribution of the Schleuniger Group into the Komax Group in exchange for a 25 % stake in Komax Holding AG. The average weighted tax rate for deferred income taxes on temporary differences is unchanged from the previous year and amounts to 20.2 %. The tax effect on investments of TCHF –12685 shown in the tax rate reconciliation is mainly due to a non-taxable gain from the aforementioned contribution of the Schleuniger Group to the Komax Group.

Potential tax reductions resulting from tax loss carry forwards and temporary differences decreased in 2022 in net terms by TCHF 15245 to TCHF 60426 (previous year: decrease by TCHF 2788 to TCHF 75671). Potential tax reductions are not capitalized due to their uncertain recoverability.

#### 6 Result Attributable to Non-controlling Interests

in CHF 1000	2022	2021
Haag-Streit Holding AG	7312	3882
VRmagic Holding AG		307
adaptronic Prüftechnik GmbH		364
<b>Total result attributable to non-controlling interests</b>	<b>7312</b>	<b>4553</b>

At the end of 2022, non-controlling interests of 30 % in Haag-Streit Holding AG, Köniz, are held by third parties (2021: 30 % in Haag-Streit Holding AG and 40 % in adaptronic Prüftechnik GmbH). On January 4, 2022, Schleuniger GmbH, Radevormwald (DE), which is part of the Wire Processing Business Unit, purchased the remaining minority stake of 40 % in adaptronic Prüftechnik GmbH, Wertheim (DE). Therefore, no associated profit share is reported in 2022. In November of the previous year, Möller-Wedel Beteiligungen GmbH, Wedel (DE), acquired the remaining non-controlling interests of 23.1 % in VRmagic Holding AG, Mannheim (DE), and its subsidiaries. The previous year therefore includes a profit share of the non-controlling interests of VRmagic Holding AG for the period from January 1, 2021, until this transaction.

**7 Net Income per Share**

	2022	2021
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)	129 981	48 784
Weighted average number of shares	448 270	448 270
<b>Net income per type A registered share (in CHF)</b>	<b>29.00</b>	<b>10.88</b>
<b>Net income per type B registered share (in CHF)</b>	<b>289.96</b>	<b>108.83</b>

Net income per share is calculated by dividing the net income attributable to the shareholders of Metall Zug AG 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 2022 or 2021 with regard to net income per share.

**8 Trade Receivables**

in CHF 1 000	12.31.2022	12.31.2021
Gross trade receivables	87 544	115 147
Allowance for doubtful receivables	- 2 795	- 4 075
<b>Total trade receivables</b>	<b>84 749</b>	<b>111 072</b>

**9 Inventories**

in CHF 1 000	12.31.2022	12.31.2021
Raw materials	37 124	30 106
Trade goods	39 078	37 063
Semifinished and finished products	84 845	130 359
Advance payments to suppliers	1 088	1 630
Specific value adjustments	- 20 573	- 31 279
General value adjustments	- 11 970	- 15 108
<b>Total inventories</b>	<b>129 592</b>	<b>152 771</b>

Advance payments from customers are not offset against inventories; they are reported as other current liabilities and amount to TCHF 35 565 (previous year: TCHF 41 492).

**10 Fixed Assets****Tangible Asset**  
**in CHF 1000**

	Land	Land & Buildings	Plant & Equipment	Prepayments & Assets Under Construction	Other Tangible Assets	Total Tangible Assets
<b>Acquisition costs</b>						
<b>Balance on 01.01.2021</b>	<b>2324</b>	<b>189909</b>	<b>43196</b>	<b>16924</b>	<b>35395</b>	<b>287748</b>
Changes in scope of consolidation			-113		9	-104
Additions		6532	2349	17068	2940	28889
Disposals		-637	-1510	-41	-2974	-5162
Reclassifications		427	424	-6811	100	-5860
Currency translation effects	24	-851	-117	-13	-312	-1269
<b>Balance on 12.31.2021</b>	<b>2348</b>	<b>195380</b>	<b>44229</b>	<b>27127</b>	<b>35158</b>	<b>304242</b>
Changes in scope of consolidation	-570	-38858	-8810	-1084	-10349	-59671
Additions	980	3947	1811	20096	2887	29721
Disposals		-5200	-1127	-699	-3391	-10417
Reclassifications	227	37450	-1312	-37263	624	-274
Currency translation effects	-39	-1076	-361	-25	-648	-2149
<b>Balance on 12.31.2022</b>	<b>2946</b>	<b>191643</b>	<b>34430</b>	<b>8152</b>	<b>24281</b>	<b>261452</b>
<b>Accumulated depreciation</b>						
<b>Balance on 01.01.2021</b>	<b>0</b>	<b>-68053</b>	<b>-26867</b>	<b>0</b>	<b>-26720</b>	<b>-121640</b>
Changes in scope of consolidation			149			149
Depreciation current year		-4755	-3945		-3571	-12271
Impairments			-178		-69	-247
Disposals		19	1492		2923	4434
Reclassifications		-4	-4		93	85
Currency translation effects		172	175		251	598
<b>Balance on 12.31.2021</b>	<b>0</b>	<b>-72621</b>	<b>-29178</b>	<b>0</b>	<b>-27093</b>	<b>-128892</b>
Changes in scope of consolidation		12642	5570		7747	25959
Depreciation current year		-4899	-2992		-3535	-11426
Disposals		2099	1163		3395	6657
Reclassifications		-748	873		-122	3
Currency translation effects		329	334		504	1167
<b>Balance on 12.31.2022</b>	<b>0</b>	<b>-63198</b>	<b>-24230</b>	<b>0</b>	<b>-19104</b>	<b>-106532</b>
<b>Net book values on 12.31.2021</b>	<b>2348</b>	<b>122759</b>	<b>15051</b>	<b>27127</b>	<b>8065</b>	<b>175350</b>
<b>Net book values on 12.31.2022</b>	<b>2946</b>	<b>128445</b>	<b>10200</b>	<b>8152</b>	<b>5177</b>	<b>154920</b>
Of which land 12.31.2021		49789				
Of which land 12.31.2022		47126				
Of which investment property 12.31.2021		4233				
Of which investment property 12.31.2022		11435				



**Financial and Intangible Assets**  
**in CHF 1 000**

	Associated Companies <sup>1)</sup>	Employer's Contri- bution Reserves	Shares in Compa- nies <sup>2)</sup>	Long-term Loans and Receivables	Deferred Tax Assets	Total Financial Assets	Intangible Assets
<b>Acquisition costs</b>							
<b>Balance on 01.01.2021</b>	<b>116 960</b>	<b>897</b>	<b>17 922</b>	<b>2 614</b>	<b>415</b>	<b>138 808</b>	<b>35 005</b>
Changes in scope of consolidation							8
Additions	50		132	12		194	2 083
Disposals		-897	-4 440	-2 264		-7 601	-136
Reclassifications					-415	-415	1 214
Adjustments through equity	16					16	
Adjustments through income statement	18 777					18 777	
Other	12					12	
Currency translation effects	5		-1	1		5	-42
<b>Balance on 12.31.2021</b>	<b>135 820</b>	<b>0</b>	<b>13 613</b>	<b>363</b>	<b>0</b>	<b>149 796</b>	<b>38 132</b>
Changes in scope of consolidation	-531			-282		-813	-13 703
Additions	326 608	22	354	187		327 171	1 426
Disposals	-36	-22	-876			-934	-39
Reclassifications							274
Adjustments through equity	-227 306					-227 306	
Adjustments through income statement	10 178					10 178	
Currency translation effects	-6		1	-6		-11	-185
<b>Balance on 12.31.2022</b>	<b>244 727</b>	<b>0</b>	<b>13 092</b>	<b>262</b>	<b>0</b>	<b>258 081</b>	<b>25 905</b>
<b>Accumulated amortization</b>							
<b>Balance on 01.01.2021</b>	<b>0</b>	<b>0</b>	<b>-2 054</b>	<b>0</b>	<b>0</b>	<b>-2 054</b>	<b>-19 340</b>
Amortization current year							-4 903
Impairments			-312			-312	-29
Disposals							135
Reclassifications							-65
Currency translation effects							59
<b>Balance on 12.31.2021</b>	<b>0</b>	<b>0</b>	<b>-2 366</b>	<b>0</b>	<b>0</b>	<b>-2 366</b>	<b>-24 143</b>
Changes in scope of consolidation							7 015
Amortization current year							-4 598
Release of impairments			300			300	
Disposals							39
Reclassifications							-3
Currency translation effects							160
<b>Balance on 12.31.2022</b>	<b>0</b>	<b>0</b>	<b>-2 066</b>	<b>0</b>	<b>0</b>	<b>-2 066</b>	<b>-21 530</b>
<b>Net book values on 12.31.2021</b>	<b>135 820</b>	<b>0</b>	<b>11 247</b>	<b>363</b>	<b>0</b>	<b>147 430</b>	<b>13 989<sup>3)</sup></b>
<b>Net book values on 12.31.2022</b>	<b>244 727</b>	<b>0</b>	<b>11 026</b>	<b>262</b>	<b>0</b>	<b>256 015</b>	<b>4 375<sup>3)</sup></b>

<sup>1)</sup> Refer to Note 11 for detailed information.<sup>2)</sup> Incl. private-equity investments.<sup>3)</sup> Essentially comprises software.

**Tangible Assets**

In the previous year, impairments of TCHF 247 were recognized, of which TCHF 207 related to the restructuring of the production site in Wedel (DE) of the Medical Devices Business Unit. In addition, assets under construction in the amount of TCHF 4 565 were reclassified from tangible assets to assets for sale, under construction, within current assets.

**Financial Assets****Employer's Contribution Reserves**

In the previous year, employer's contribution reserves of TCHF 897 were used.

**Shares in Companies incl. Private-Equity Investments**

In 2022, impairments in the amount of TCHF 300 were released on shares in companies incl. private-equity investments (previous year: increase of TCHF 312). This relates, as in the previous year, mainly to the financial investment in Schlatter Industries AG.

**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 5 years.

**Goodwill (shadow statement)**

<b>in CHF 1 000</b>	<b>2022</b>	<b>2021</b>
<b>Acquisition costs 01.01.</b>	<b>420 058</b>	<b>418 808</b>
Additions <sup>1)</sup>	239 656	4 303
Disposals <sup>2)</sup>	-135 930	-3 053
<b>Acquisition costs 12.31.</b>	<b>523 784</b>	<b>420 058</b>
<b>Theoretical accumulated amortizations 01.01.</b>	<b>-406 154</b>	<b>-389 156</b>
Theoretical amortization current year	-23 055	-20 051
Disposals <sup>2)</sup>	130 923	3 053
<b>Theoretical accumulated amortizations 12.31.</b>	<b>-298 286</b>	<b>-406 154</b>
<b>Theoretical net book value goodwill 01.01.</b>	<b>13 904</b>	<b>29 652</b>
<b>Theoretical net book value goodwill 12.31.</b>	<b>225 498</b>	<b>13 904</b>

<sup>1)</sup> In 2022, the additions include the goodwill of TCHF 227 317 from the minority stake in Komax Holding AG, which Metall Zug AG has received in return for the contribution of the Schleuniger Group. Furthermore, the additions include TCHF 12 339 goodwill from the acquisition of Amity Ltd., Barnsley (UK). In the previous year, the additions include the goodwill from the acquisition of the operating activities and the related assets of KMF Messtechnik und Verwaltungs GmbH, Sömmerda (DE). See Note 22 for more information.

<sup>2)</sup> In 2022, the disposals include the goodwill recycling from the deconsolidation of the Schleuniger Group. The theoretical net book value of the goodwill belonging to the Schleuniger Group amounted to TCHF 5 007 at the deconsolidation date. The disposals in the previous year included the goodwill recycling from the disposal of IPRO GmbH EDV für Augenoptiker, Leonberg (DE). See Note 22 for more information.

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

<b>Theoretical impact on income statement, in CHF 1000</b>	<b>2022</b>	<b>2021</b>
Reported net profit	137 293	53 337
Theoretical amortization current year	-23 055	-20 051
<b>Theoretical net profit after amortization of goodwill</b>	<b>114 238</b>	<b>33 286</b>
<b>Theoretical impact on shareholders' equity, in CHF 1000</b>	<b>12.31.2022</b>	<b>12.31.2021</b>
Reported shareholders' equity	518 303	516 190
Theoretical capitalization of net book value goodwill	225 498	13 904
<b>Theoretical shareholders' equity including net book value of goodwill</b>	<b>743 801</b>	<b>530 094</b>

## 11 Associated Companies

<b>in CHF 1000</b>	<b>12.31.2022</b>	<b>12.31.2021</b>
V-ZUG Holding AG	139 644	135 464
Komax Holding AG	105 041	–
Others	42	356
<b>Total value of associated companies</b>	<b>244 727</b>	<b>135 820</b>

Metall Zug AG holds a 30.27 % stake in V-ZUG Holding AG and since August 30, 2022, a 25 % stake in Komax Holding AG. Metall Zug AG also holds minority investments in other smaller companies which are included in the balance sheet position Associated companies.

The 25 % interest in Komax Holding AG was initially recognized at market value of TCHF 326 608. The proportional equity at the time of initial recognition amounted to TCHF 99 291. The resulting goodwill of TCHF 227 317 was offset against equity. See Note 22.

As the financial data of the V-ZUG Group and Komax Group for 2022 were not yet available at the time the consolidated financial statements were prepared, Metall Zug AG's share of the results is estimated based on the latest publicly available information (analyst reports and ad-hoc publications). The share of Metall Zug AG in V-ZUG Group's net profit for the first half of 2022 amounts to TCHF 1 141 and is based on the half-year financial statements published on July 22, 2022. The proportional equity postings of V-ZUG Group, which did not affect the income statement, amounted to TCHF 44. Metall Zug AG's share of V-ZUG Group's net profit for the second half of 2022 is estimated at TCHF 2 491. The total share of V-ZUG Group's net profit attributable to Metall Zug for 2022 is estimated at TCHF 3 632. Metall Zug AG's share of the Komax Group's net profit for the period from August 30, 2022, to December 31, 2022, is estimated at TCHF 5 750. Any discrepancies between the actual results and these estimates will be accounted for in the 2023 consolidated financial statements.

In the previous year, Metall Zug AG's share of V-ZUG Group's net profit was estimated at TCHF 16 242 based on the latest publicly available information at that time. According to the subsequently published 2021 annual report of V-ZUG Holding AG, Metall Zug AG's effective share in the net profit of the V-ZUG Group amounted to TCHF 16 778. The difference of TCHF 536 was recognized in the income statement in the first semester of 2022. In addition, proportional equity postings of V-ZUG Holding AG of TCHF -33, 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 260 (previous year: TCHF -170).

**12 Current and Long-term Financial Liabilities**

in 1 000

Financial liabilities 12.31.2022	Currency	Term		Amount CHF	Interest Rate
Unsecured bank loans with fixed interest rate	CHF	January 2023		17 000	1.3–1.5 %
<b>Total</b>				<b>17 000</b>	
<b>Of which current financial liabilities</b>				<b>17 000</b>	

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	
<b>Total</b>				<b>4 167</b>	
<b>Of which current financial liabilities</b>				<b>363</b>	

The unsecured bank loans of TCHF 17 000 as at December 31, 2022, are fixed advances from Swiss banks. The mortgage disclosed in the previous year was deconsolidated as part of the Schleuniger Group on August 30, 2022. As collateral for this mortgage, assets with a book value of TCHF 4 596 were encumbered in the previous year.

**13 Pension Liabilities**

Pension liabilities amount to TCHF 292 (previous year: TCHF 864). They are recorded as other current liabilities.

**14 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, 2022, the remaining liability amounts to TCHF 2 100 (previous year: TCHF 3 300), of which TCHF 1 200 are reported as other current liability and TCHF 900 as other long-term liability. Unchanged from the prior year, this account also includes a tenant deposit in the amount of TCHF 1 003.

Additionally, as at December 31, 2022, long-term deferred purchase price payments of TCHF 2 824 are included, which relate to the acquisitions of Amity Ltd., Barnsley (UK), and the purchase of the minority interests in VRmagic Holding GmbH, Mannheim (DE), as described in Note 22. The related short-term deferred purchase price payments in other current liabilities amount to TCHF 2 462. The previous year included long-term deferred purchase price payments of TCHF 4 611 in connection with the acquisitions of KMF Messtechnik und Verwaltungs GmbH, Sömmerda (DE), and the minority interests in VRmagic Holding GmbH, Mannheim (DE). The related short-term deferred purchase price payments in other current liabilities amounted to TCHF 311.

**15 Provisions**

in CHF 1000	Deferred Taxes	Guarantees	Pension	Restructuring	Other	Total
<b>Balance on 01.01.2021</b>	<b>0</b>	<b>7 199</b>	<b>16 064</b>	<b>4 222</b>	<b>20 599</b>	<b>48 084</b>
Change in scope of consolidation		-27				-27
Additions	1 071	7 055	172	7 797	2 158	18 253
Utilization	-363	-5 852	-2 661	-568	-3 159	-12 603
Release		-774	-3 679	-178	-1 211	-5 842
Reclassifications	-415				324	-91
Currency translation effects		-39	245	-425	11	-208
<b>Balance on 12.31.2021</b>	<b>293</b>	<b>7 562</b>	<b>10 141</b>	<b>10 848</b>	<b>18 722</b>	<b>47 566</b>
Of which current provisions		7 230	124	10 440	3 342	21 136
<b>Balance on 01.01.2022</b>	<b>293</b>	<b>7 562</b>	<b>10 141</b>	<b>10 848</b>	<b>18 722</b>	<b>47 566</b>
Change in scope of consolidation	1 248	-2 031	-804	-165	-799	-2 551
Additions		6 812	185	206	6 924	14 127
Utilization	-1 206	-5 350	-146	-3 792	-1 877	-12 371
Release		-718	-2 718	-1 577	-2 556	-7 569
Currency translation effects		-131	-651	-351	-207	-1 340
<b>Balance on 12.31.2022</b>	<b>335</b>	<b>6 144</b>	<b>6 007</b>	<b>5 169</b>	<b>20 207</b>	<b>37 862</b>
Of which current provisions		5 351	3 529	5 169	10 453	24 502

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

As at December 31, 2022, restructuring provisions of TCHF 5 169 (previous year: TCHF 10 848) exist. Of the existing restructuring provisions, TCHF 4 876 are related to the complete closure of a German production facility of the Medical Devices Business Unit, which was decided in 2021. In the previous year, the respective provision amounted to TCHF 10 156. The remaining restructuring provisions are still related to the restructuring of the former Life Science segment of the Infection Control Business Unit, which was communicated in 2017.

Other provisions include the provision for ground remediation work at the main site of V-ZUG held by a Metall Zug Group company and future site of the Technology Cluster Zug. This provision amounts to TCHF 10 189 (previous year: TCHF 10 152). As part of the preparations for construction work, extensive contamination investigations were carried out in consultation with the Canton of Zug Environment Office. These investigations 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.

Furthermore, the disposal of a closed pension plan with a deficit in the United Kingdom was decided in 2022. In this context and in addition to the existing pension benefit obligation of TCHF 3 352, another provision of TCHF 4 885 was recognized from the revaluation of the liability at disposal values based on an external opinion, resulting in a total provision of TCHF 8 232. As at December 31, 2022, the other provisions also include the CO<sub>2</sub> fund for the promotion of climate protection measures amounting to TCHF 1 890 (previous year: TCHF 2 296). Furthermore, other provisions include the expected cash outflows related to various legal cases.

## 16 Significant Shareholders

As at December 31, 2022, 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 and Heinz M. Buhofer <sup>1)</sup>	1 483 420	4 262	67.5 %	67.5 %
Shareholder group Stöckli <sup>2)</sup>	340 794	18 327	16.3 %	16.3 %
Werner O. Weber, indirectly through Wemaco Invest AG	82 000	42 429	5.6 %	5.6 %

<sup>1)</sup> 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).

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

## 17 Shares

### Composition of Share Capital

1 948 640	Type A registered shares at par value CHF	2.50	Swiss security no.	209 262	CHF	4 871 600
255 136	Type B registered shares at par value CHF	25.00	Swiss security no.	398 210	CHF	6 378 400
<b>2 203 776</b>	<b>Votes</b>		<b>Share capital</b>		<b>CHF</b>	<b>11 250 000</b>

No equity instruments were issued in the year under review or in the previous year. Undistributable, statutory or legal reserves amount to TCHF 11 925 (previous year: TCHF 42 499).

Unchanged from the prior year, Metall Zug AG holds 1 730 type B treasury shares at an average purchase price of CHF 3 484 as at December 31, 2022.

## 18 Transactions with Related Parties

Income statement in CHF 1 000	2022		2021
	Komax Group	V-ZUG Group	V-ZUG Group
Net sales		95	54
Income from property management, building contractor services and rent		11 368	9 233
Income from other services	74	62	196
Interest income	32		
<b>Total income from related parties</b>	<b>106</b>	<b>11 525</b>	<b>9 483</b>
Rental expenses		-1 527	-1 464
Expenses from other services	-286	-782	-858
<b>Total expenses from related parties</b>	<b>-286</b>	<b>-2 309</b>	<b>-2 322</b>
Balance sheet in CHF 1 000	12.31.2022		12.31.2021
	Komax Group	V-ZUG Group	V-ZUG Group
Receivables from related parties	32	1 660	740
Current liabilities to related parties		-1 501	-2 066
Non-current liabilities to related parties		-900	-2 100
Other transactions in CHF 1 000	2022		2021
	Komax Group	V-ZUG Group	V-ZUG Group
Net contribution CO <sub>2</sub> -fund from related parties		632	283

As indicated in Note 14, a compensation obligation in the amount of TCHF 2 100 (previous year: TCHF 3 300) exists in favor of V-ZUG AG as at December 31, 2022, of which TCHF 1 200 is short-term, unchanged to previous year. In this context, TCHF 1 200 was paid out in 2022, as in the previous year. In addition, equipment worth TCHF 10 was acquired from V-ZUG AG in 2022 and capitalized under property, plant and equipment (previous year: TCHF 0).

In connection with the contribution of the Schleuniger Group to the Komax Group on August 30, 2022, Komax Holding AG took over a short-term loan from Metall Zug AG to Schleuniger AG in the amount of TCHF 30 633 at an interest rate of 1.38 %. The loan was repaid in full on September 26, 2022. Refer to Note 22 for further information on this transaction.

In addition, there are receivables from recharging of TCHF 340 due from Multi Energy Zug AG as of December 31, 2022 (previous year: TCHF 0). Income from real estate management and building contractor services from Multi Energy Zug AG amounted to TCHF 8 in 2022 (previous year: TCHF 0).

Information on the compensation paid to the Board of Directors and the Senior Management is disclosed in the compensation report on pages 68 and 69.

## 19 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 1 000	12.31.2022	12.31.2021
up to 1 year	8 163	9 383
up to 3 years	8 943	9 894
over 3 years	4 430	5 909
<b>Total</b>	<b>21 536</b>	<b>25 186</b>

## 20 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 1 000	12.31.2022			12.31.2021		
Underlying	Contract Values	Market Values		Contract Values	Market Values	
		Positive	Negative		Positive	Negative
Foreign exchange	41 033	1 260	- 126	62 108	425	- 243

## 21 Contingent Liabilities / Other Off-Balance Sheet Obligations

The group has long-term purchase commitments of TCHF 3045 (previous year: TCHF 9 995) and long-term employment contracts of TCHF 676 (previous year: TCHF 434). Furthermore, Metall Zug AG made investment commitments to two private equity funds totaling TCHF 10 000 (previous year: TCHF 10 000), of which TCHF 8 692 was paid in at the end of 2022 (previous year: TCHF 8 176).

In connection with the disposal of Clement Clarke International Ltd., a subsidiary of Metall Zug AG has issued a guarantee in favor of the pensioners in the amount of TCHF 7 771 (previous year: TCHF 0). Additionally, a subsidiary of Metall Zug AG made a commitment to the City of Zug to invest TCHF 8 000 (previous year: TCHF 8 000) in affordable housing.

A surety existing in the previous year of TCHF 200 of Metall Zug AG to a bank was cancelled in 2022. This surety secured a credit line of a company of which Metall Zug AG holds a minority stake.

The pledges of trade receivables, fixed-term deposits and properties of TCHF 20 641 reported in the previous year originated entirely from the Wire Processing Business Unit, which was deconsolidated in 2022.



## 22 Acquisition and Sale of Consolidated Subsidiaries

### Deconsolidation of the Schleuniger Group and initial recognition of minority participation in Komax Holding AG

On August 30, 2022, the Metall Zug Group merged its Wire Processing Business Unit (the Schleuniger Group) into the Komax Group in exchange for a participation of 25 % in Komax Holding AG. The transaction was carried out through a 'quasi-merger' in which Komax Holding AG issued 1 283 333 new shares in the course of a capital increase and allocated these to Metall Zug AG in exchange for 100 % of the shares of Schleuniger AG. This resulted in the following changes in the balance sheet and the income statement:

in CHF 1 000	Notes	Schleuniger Group
Cash and cash equivalents		-21 517
Other current assets		-122 420
Non-current assets		-41 008
Short-term financial liabilities	12	471
Other current liabilities		49 212
Long-term financial liabilities	12	3 309
Other non-current liabilities		385
<b>Disposal of net assets Schleuniger Group</b>		<b>-131 568</b>
Minus goodwill recycling Schleuniger Group	10	-135 930
Recognition of market value of 25 % minority interest in Komax Holding AG based on 1 283 333 shares multiplied with the closing price of CHF 254.50 as at Aug. 30, 2022		326 608
Plus assumption of loans from Metall Zug AG to Schleuniger AG by Komax Holding AG	18	30 633
<b>Gain on disposal included in income statement</b>	<b>2</b>	<b>89 743</b>
<b>Goodwill on the minority interest in Komax Holding AG</b>		
in CHF 1 000		
Market value of 25 % minority interest in Komax Holding AG		326 608
Proportional equity (25 % in equity of Komax Group as at Aug. 30, 2022)	11	99 291
<b>Goodwill on the minority interest in Komax Holding AG</b>	<b>10</b>	<b>227 317</b>
Directly offset against equity (see Changes in Shareholders' Equity, page 78)		

Schleuniger AG fully owned the following subsidiaries, which have therefore no longer been included in the scope of consolidation of Metall Zug AG since August 30, 2022:

- Schleuniger GmbH, Radevormwald (DE)
- Schleuniger Test Automation GmbH, Jettingen (DE)
- DilT GmbH, Krailling (DE)
- adaptronic Prüftechnik GmbH, Wertheim (DE)
- Schleuniger Messtechnik GmbH, Sömmerda (DE)
- Schleuniger, Inc., Manchester (US)
- Cirris, Inc., Salt Lake City (US)
- Schleuniger S. de R.L. de C.V., Queretaro (MX)
- Schleuniger Japan Co., Tokyo (JP)
- Schleuniger Trading (Shanghai) Co., Shanghai (CN)
- Schleuniger Machinery (Tianjin) Co., Ltd., Tianjin (CN)

Schleuniger AG and its investments as listed above corresponded to the Wire Processing Business Unit disclosed in the segment report. The consolidated income statement of Metall Zug AG and the segment result of the Wire Processing Business Unit both contained the result of Schleuniger AG and its subsidiaries until August 30, 2022. Since the combination of the Schleuniger Group with the Komax Group, Metall Zug AG holds a 25 % stake in Komax Holding AG. Since then, this stake in Komax Holding AG is valued applying the equity method (proportional equity) and is disclosed under the position Associated companies. The proportional net result is reported in the financial result. See Note 11 for further information. Furthermore, the goodwill of the minority interest in Komax Holding AG resulting from the initial recognition of this participation has been offset against equity, see Note 10.

**Acquisitions of other participations and minority shares**

On January 4, 2022, Schleuniger GmbH, Radevormwald (DE), which is part of the Wire Processing Business Unit, purchased the remaining minority stake of 40 % in adaptronic Prüftechnik GmbH, Wertheim (DE), held by third parties. Since then, Schleuniger GmbH holds 100 % of the shares of adaptronic Prüftechnik GmbH.

On July 13, 2022, Belimed AG, Zug, which is part of the Infection Control Business Unit, acquired 100 % of Amity Ltd., Barnsley (UK). Amity Ltd. is a manufacturer of specialty chemicals and detergents. The following assets and liabilities were taken over on the basis of the full consolidation method:

in CHF 1 000	Amity Ltd.
Cash and cash equivalents	3 960
Other current assets	1 893
Non-current assets	41
Other current liabilities	-823
<b>Total identifiable net assets</b>	<b>5 071</b>

The purchase price of these transactions amounted to TCHF 29 056 and included acquisition costs of TCHF 393. The related deferred purchase price payments amount to TCHF 1 336 as at December 31, 2022.

The goodwill paid as part of the acquisition of Amity Ltd. totalled TCHF 12 339 and was offset against equity at the time of acquisition. The purchase price exceeding the book value of the purchased non-controlling interest of adaptronic Prüftechnik GmbH of TCHF 8 169, included in equity, was offset directly against retained earnings (refer to Changes in Shareholders' Equity, page 78).

**Disposal of Clement Clarke International Ltd.**

On December 23, 2022, Clement Clarke International Ltd., Harlow (UK), was sold for TCHF 6 687. At this point in time, the company comprised the following book values:

in CHF 1 000	Clement Clarke International Ltd.
Cash and cash equivalents	501
Other current assets	5 324
Non-current assets	246
Current liabilities	-734
<b>Net assets sold</b>	<b>5 337</b>

In connection with the sale, third-party costs for tax, legal and consulting services amounting to TCHF 323 were incurred. In addition, disposal-related value adjustments and provisions in the amount of TCHF 828 were made by a subsidiary of Metall Zug AG. The resulting gain on disposal amounted to TCHF 199. TCHF 3 032 of the purchase price was settled at the beginning of January 2023. The remaining purchase price will be paid by mid-2023.

**Previous year information**

In the previous year, 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:

<b>in CHF 1 000</b>	<b>Schleuniger Messtechnik GmbH</b>
Inventory	472
Non-current assets	150
<b>Total identifiable assets</b>	<b>622</b>

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 78).

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 10703, of which TCHF 4257 was a deferred purchase price payment. The purchase price exceeding the book value of the purchased non-controlling interest in equity of TCHF 9066 was offset directly against retained earnings.

On November 1, 2021, IPRO GmbH EDV für Augentoptiker, Leonberg (DE), was sold for TCHF 5281. At this point in time, the company comprised the following book values:

<b>in CHF 1 000</b>	<b>IPRO GmbH EDV für Augentoptiker</b>
Cash and cash equivalents	742
Other current assets	816
Non-current assets	98
Current liabilities	-1 138
<b>Net assets sold</b>	<b>518</b>

As part of this sale, goodwill in the amount of TCHF 3053 was allocated to IPRO GmbH EDV für Augentoptiker and recycled. The corresponding gain on the sale amounted to TCHF 1 710.

### 23 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 1 000	12.31.2022	12.31.2022	12.31.2022	2022	12.31.2021	2022	2021
Patronage funds/ pension schemes							-185
Pension plans							-712
<b>Total</b>						<b>0</b>	<b>-897</b>

#### Economical Benefit / Economical Obligation and Pension Benefit Expenses

	Surplus / Deficit According to Pension Plans <sup>1)</sup>	Economical Part of the Organization <sup>2)</sup>		Change or Impact on Net Income in Business Year <sup>3)</sup>	Change in scope of consolida- tion <sup>3)</sup>	Contribu- tions for the Period <sup>4)</sup>	Pension Expenses in Personnel Expenses	
in CHF 1 000	12.31.2022	12.31.2022	12.31.2021	2022	2022	2022	2022	2021
Pension plans without surplus/deficit						-10408	-10408	-9323
Pension plans with surplus								-382
Pension plans with deficit	-6007	-6007	-10 141	2679	804	-2493	186	1 274
<b>Total</b>	<b>-6007</b>	<b>-6007</b>	<b>-10 141</b>	<b>2679</b>	<b>804</b>	<b>-12901</b>	<b>-10222</b>	<b>-8431</b>

<sup>1)</sup> In the previous year, pension schemes with surpluses of TCHF 1310 (no economical part of the organization) and with deficits of TCHF -10 141 existed.

<sup>2)</sup> The economical part of the organization on pension plans with deficits of TCHF 6007 (previous year: TCHF 10 141) originates mainly from closed defined benefit plans abroad and is recognized in full as a pension provision.

<sup>3)</sup> In 2022 a change in the economical part of TCHF 4 134 is recognized, of which TCHF 804 originate from the deconsolidation of the Schleuniger Group. The change also includes a decrease of TCHF 2679 in favor of net income (previous year: TCHF 3653 in favor of the net income) and a foreign currency effect of TCHF 651 (previous year: TCHF -245) not recognized in profit or loss.

<sup>4)</sup> Includes payments to pension schemes that bear pension risks themselves in the amount of TCHF 10 504 (previous year: TCHF 9 682) and payments to pension schemes that do not bear risks themselves in the amount of TCHF 2 397 (previous year: TCHF 2 402).

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 1 000	2022	2021
Pension contributions at the organization's expense	-12 901	-12 084
Contributions to pension plans from employer's contribution reserves	-22	-921
<b>Total contributions<sup>1)</sup></b>	<b>-12 923</b>	<b>-13 005</b>
Change in employer's contribution reserves due to allocation, asset development, value adjustment, discounting, interest payments, etc.	22	24
<b>Contributions and changes in employer's contribution reserves</b>	<b>-12 901</b>	<b>-12 981</b>
Change in economic benefits for the organization from surplus	-	-
Change in economic liabilities for the organization from deficit	2 679	3 653
<b>Total change in economic impact of surplus / deficit</b>	<b>2 679</b>	<b>3 653</b>
<b>Pension expenses in personnel expenses</b>	<b>-10 222</b>	<b>-9 328</b>

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

**24 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 1 000	12.31.2022	12.31.2021
Cash and cash equivalents	31 428	81 548
Current financial liabilities	-17 000	-363
<b>Total "Net cash and cash equivalents"</b>	<b>14 428</b>	<b>81 185</b>
Changes from the previous year	-66 757	9 716

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

Total "Net cash and cash equivalents"	14 428	81 185
Securities	305	295
Long-term financial liabilities	0	-3 804
<b>Total Net cash</b>	<b>14 733</b>	<b>77 676</b>

**25 Events After the Balance Sheet Date**

No 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, 10 March 2023

## Report of the statutory auditor

### Report on the audit of the consolidated financial statements



#### Opinion

We have audited the consolidated financial statements of Metall Zug AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 73 to 103) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.



#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



#### Key audit matters

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 responsibilities for the audit of the consolidated financial statements" 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**

<b>Risk</b>	Gross carrying amount of inventory and the related value adjustments amount to TCHF 162'135 and TCHF 32'543, 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 80) as well as under '9 Inventories' (page 90).
<b>Our audit response</b>	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.

#### **Revenue recognition**

<b>Risk</b>	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 79) as well as under '1 Segment Information' (page 85).
<b>Our audit response</b>	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.





### Sale of Schleuniger Group

<b>Risk</b>	<p>On 30 August 2022, Metall Zug AG sold its Wire Processing business unit (Schleuniger Group) to Komax Group and in return received a 25% stake in Komax Holding AG. Since then, this investment is measured using the equity accounting method. Until the sale on 30 August 2022, Schleuniger Group was fully consolidated in the consolidated financial statements of Metall Zug AG.</p> <p>The sale of Schleuniger Group is a particularly important audit matter because the transaction has a material impact on the consolidated financial statements and requires specific disclosures in the notes. Information on the transaction can be found under '11 Associated Companies' (page 94) and under '22 Acquisition and Sale of Consolidated Subsidiaries' (page 99).</p>
<b>Our audit response</b>	<p>Our audit response included audit procedures on the consolidated financial statements of Schleuniger Group at the date of the sale. We also checked the mathematical correctness of the sold net assets. In addition, we reviewed the measurement of the newly disclosed minority stake in Komax Holding AG as a financial asset. We also reviewed the disclosures in the notes to the Financial Report. Our audit procedures did not raise any objections to the treatment of this transaction.</p>



### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

### **Report on other legal and regulatory requirements**



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the 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	2022	2021
Dividend income		14836700	0
Other operating revenue		2218099	2290137
<b>Operating revenue</b>		<b>17 054 799</b>	<b>2 290 137</b>
Personnel expenses		-2623313	-3 131 391
Other operating expenses		-2507060	-1 768 823
Depreciation		-185633	-188 034
<b>Operating expenses</b>		<b>-5 316 006</b>	<b>-5 088 248</b>
<b>Operating income (EBIT)</b>		<b>11 738 793</b>	<b>-2 798 111</b>
Release of provisions		8 000 000	0
<b>Extraordinary income</b>		<b>8 000 000</b>	<b>0</b>
Financial income	1	43 543 982	15 658 179
Financial expenses	2	-48 719 161	-10 036 761
<b>Financial result</b>		<b>-5 175 179</b>	<b>5 621 418</b>
<b>Income before taxes</b>		<b>14 563 614</b>	<b>2 823 307</b>
Taxes		0	0
<b>Net income</b>		<b>14 563 614</b>	<b>2 823 307</b>

# Balance Sheet

## Assets

in CHF	Notes	12.31.2022	12.31.2021
Cash and cash equivalents		3 553 455	15 926 219
Listed securities		151 255	186 829
Other receivables third parties		197 744	65 820
Other receivables subsidiaries		385 535	15 785
Accrued expenses third parties		57 250	67 178
Accrued expenses subsidiaries		0	147 000
<b>Current assets</b>		<b>4 345 239</b>	<b>16 408 831</b>
Other financial assets		11 011 139	11 231 823
Long-term loans to subsidiaries	3	190 777 128	264 400 000
Investments	4	420 003 159	522 700 530
Associated companies	5	316 474 024	110 107 025
Tangible assets		1	18 934
Intangible assets	6	2 000 101	2 166 801
<b>Fixed assets</b>		<b>940 265 552</b>	<b>910 625 113</b>
<b>Total assets</b>		<b>944 610 791</b>	<b>927 033 944</b>

## Liabilities and Shareholders' Equity

Current financial liabilities		17 000 000	0
Other payables third parties		313 756	304 887
Accrued liabilities third parties		346 864	557 700
Accrued liabilities subsidiaries		0	300 000
Short-term loans from subsidiaries		0	1 200 000
<b>Current liabilities</b>		<b>17 660 620</b>	<b>2 362 587</b>
Provisions		491 838 180	499 838 180
Long-term loans from subsidiaries		124 428 436	115 265 136
<b>Non-current liabilities</b>		<b>616 266 616</b>	<b>615 103 316</b>
<b>Total liabilities</b>		<b>633 927 236</b>	<b>617 465 903</b>
Share capital		11 250 000	11 250 000
Statutory capital reserves			
Capital contribution reserves		535 052	535 052
Statutory profit reserves		562 500	562 500
Voluntary profit reserves		249 798 352	249 798 352
Retained earnings			
Retained earnings carried forward		34 938 634	45 563 427
Net income		14 563 614	2 823 307
Treasury shares	8	-602 709	-602 709
<b>Shareholders' equity</b>		<b>310 683 555</b>	<b>309 568 041</b>
<b>Total liabilities and shareholders' equity</b>		<b>944 610 791</b>	<b>927 033 944</b>

# 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	2022	2021
Income from securities	68 137	214 026
Income from financial assets	307 146	517 466
Income from release of impairment on investments in subsidiaries	37 800 000	10 000 000
Income from release of impairment on loans to subsidiaries	1 500 000	0
Interest income from loans to subsidiaries	3 868 699	4 926 687
<b>Total financial income</b>	<b>43 543 982</b>	<b>15 658 179</b>

**2 Financial Expenses**

in CHF	2022	2021
Expenses from securities	-248 726	-400 654
Loss from sale of investments	-694 286	0
Impairment on financial assets	0	-1 472 244
Interest expense loans from subsidiaries	-485 184	-663 863
Interest expense third parties	-90 965	0
Impairment on loans to subsidiaries	-45 700 000	-3 300 000
Impairment on investments	-1 500 000	-4 200 000
<b>Total financial expenses</b>	<b>-48 719 161</b>	<b>-10 036 761</b>

**3 Loans to Subsidiaries**

in CHF	12.31.2022	12.31.2021
Loans to subsidiaries, gross	251 277 128	282 500 000
Accumulated impairment on loans to subsidiaries	-60 500 000	-18 100 000
<b>Total loans to subsidiaries, net</b>	<b>190 777 128</b>	<b>264 400 000</b>

As at December 31, 2022, subordinations on loans to subsidiaries amount to TCHF 54 000 (previous year: TCHF 45 200).

**4 Investments**

in CHF	12.31.2022	12.31.2021
Investments	427 503 159	564 700 530
Impairment on investments	-7 500 000	-4 200 000
<b>Total investments, net</b>	<b>420 003 159</b>	<b>522 700 530</b>

Detailed information on the investments of Metall Zug AG, Zug as at December 31, 2022 is available on page 84.

**5 Associated Companies**

On December 31, 2022, Metall Zug AG holds 30.27 % of V-ZUG Holding AG, which is unchanged from the previous year, and since August 30, 2022, has held 25 % of Komax Holding AG.

**6 Intangible Assets**

in CHF	12.31.2022	12.31.2021
Software, gross	319 290	319 290
Accumulated amortization	-319 289	-319 289
<b>Software, net</b>	<b>1</b>	<b>1</b>
Brands, gross	3 334 000	3 334 000
Accumulated amortization	-1 333 900	-1 167 200
<b>Brands, net</b>	<b>2 000 100</b>	<b>2 166 800</b>
<b>Total intangible assets</b>	<b>2 000 101</b>	<b>2 166 801</b>

## Additional Information Required by Law

### 7 Significant Shareholders

See Note 16 to the consolidated financial statements, page 97.

### 8 Treasury Shares

As at December 31, 2022, Metall Zug AG holds 1 730 type B treasury shares (previous year: 1 730 type B treasury shares) at an average purchase price of CHF 3 484.

### 9 Share Ownership by Current Members of the Corporate Bodies

	as at 12.31.2022		as at 12.31.2021	
	Type A Registered Shares	Type B Registered Shares	Type A Registered Shares	Type B Registered Shares
<b>Martin Wipfli</b> , Chairman of the Board of Directors	0	3 625 <sup>1)</sup>	0	2 275 <sup>1)</sup>
<b>Dominik Berchtold</b> , Member of the Board of Directors	0	42	0	22
<b>Claudia Pletscher</b> , Member of the Board of Directors	0	15	0	0
<b>Dr. Bernhard Eschermann</b> , Member of the Board of Directors (since April 2022)	0	20	0	0
<b>Heinz M. Buhofer</b> , Member of the Board of Directors (until April 2022)	565 810 <sup>2)</sup>	978	565 040 <sup>2)</sup>	938
<b>Dr. Peter Terwiesch</b> , Member of the Board of Directors (until April 2022)	0	10	0	10
<b>Sandra Emme</b> , Member of the Board of Directors (until April 2022)	0	0	0	10
<b>Daniel Keist</b> , CFO (until August 2022)	0	158	0	124
<b>Dr. Matthias Rey</b> , CEO (since September 2022)	0	30 <sup>3)</sup>	0	25 <sup>3)</sup>
<b>Urs Scherrer</b> , CFO (since September 2022)	0	25	0	20

<sup>1)</sup> Held by a related company.

<sup>2)</sup> For the most part held through the Buhofer Trust I, Vaduz.

<sup>3)</sup> Held together with a related party.

### 10 Sureties

There are sureties to secure credit lines to Group companies from banks amounting to TCHF 34 260 (previous year: TCHF 26 294).

In the previous year, Metall Zug AG additionally provided a guarantee to a bank in the amount of TCHF 200. This surety secured 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 8 692 (previous year: TCHF 8 176) was paid by the end of 2022.

### 12 Number of Full-time Equivalents

Unchanged to previous year, the average number of full-time equivalents for the year is less than 10.

### 13 Release of Hidden Reserves

In the financial year 2022, hidden reserves in the amount of TCHF 8 000 (previous year: TCHF 0) were released.

### 14 Events After the Balance Sheet Date

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



# Proposal for the Appropriation of Available Earnings

in CHF	12.31.2022	12.31.2021
	<b>Proposal of the Board of Directors</b>	<b>Resolution of the General Meeting of Shareholders</b>
Retained earnings carried forward	34 938 634	45 563 427
Net income	14 563 614	2 823 307
<b>Retained earnings</b>	<b>49 502 248</b>	<b>48 386 734</b>
Distribution of a cash dividend		
for each type A registered share CHF 3.00 gross	5 845 920	5 845 920
for each type B registered share CHF 30.00 gross	7 654 080	7 654 080
<b>Total cash dividend</b>	<b>13 500 000</b>	<b>13 500 000</b>
minus cash dividend on treasury shares <sup>1)</sup>	-51 900	-51 900
<b>Retained earnings to be carried forward</b>	<b>36 054 148</b>	<b>34 938 634</b>

<sup>1)</sup> As at December 31, 2022, 1 730 type B treasury shares are not entitled to a dividend (previous year: 1 730 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 4, 2023 (payment date). The last trading date with entitlement to receive the cash dividend is Monday, May 1, 2023. The shares of Metall Zug AG will be traded ex-dividend as of Tuesday, May 2, 2023.

# Report of the Statutory Auditor



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www.ey.com/ch

To the General Meeting of  
Metall Zug AG, Zug

Zug, 10 March 2023

## Report of the statutory auditor

### Report on the audit of the financial statements



#### Opinion

We have audited the financial statements of Metall Zug AG (the Company), which comprise the statement of financial position as at 31 December 2022 and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 108 to 113) comply with Swiss law and the Company's articles of incorporation.



#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



#### Key audit matters

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 for the audit of the financial statements" 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

<b>Risk</b>	The core business of Metall Zug AG is granting loans to subsidiaries (CHF 190'777'128) and holding investments (CHF 420'003'159) and these two items make-up 65% 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.
<b>Our audit response</b>	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 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.



### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related



to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

### **Report on other legal and regulatory requirements**



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we 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

# Addresses

(as at March 1, 2023)

## **Metall Zug AG**

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## **Business Unit**

### **Infection Control**

#### **Belimed AG**

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## **Business Unit**

### **Technologycluster & Infrastructure**

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## **Reporting Segment**

### **Others**

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The addresses of all Group companies are available at [www.metallzug.ch/en/ueber-uns/standorte](http://www.metallzug.ch/en/ueber-uns/standorte)

# Editorial info

## Key dates 2023

March 13, 2023: Publication of the 2022 annual report  
Financial press and analysts' conference  
April 28, 2023: General Meeting of Shareholders of Metall Zug AG  
August 10, 2023: Publication of the half-year report

## Contact

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## Disclaimer

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