FINANCIAL REPORT

CICOR GROUP

CICOR TECHNOLOGIES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

in CHF 1 000	Notes	31.12.2020	in %	31.12.2019	in %
Assets					
Property, plant and equipment	(5)	48 777	26.8	54 927	29.7
Intangible assets	(6)	920	0.5	1 325	0.7
Deferred tax assets	(11)	3 013	1.7	2 950	1.6
Non-current assets		**52 710**	**29.0**	**59 202**	**32.0**
Inventories	(7)	49 875	27.4	50 632	27.4
Trade accounts receivable	(8)	30 679	16.9	36 444	19.7
Other accounts receivable	(8)	4 520	2.5	4 009	2.2
Prepaid expenses and accruals		1 131	0.5	999	0.5
Cash and cash equivalents	(9)	43 135	23.7	33 660	18.2
Current assets		**129 340**	**71.0**	**125 744**	**68.0**
Total assets		**182 050**	**100.0**	**184 946**	**100.0**
Liabilities and shareholders' equity					
Ordinary share capital		29 022	15.9	29 022	15.7
Share premium		103 894	57.1	108 542	58.7
Treasury shares		−6	−0.0	−299	−0.2
Retained earnings		−50 864	−27.9	−55 122	−29.8
Translation reserve		−5 712	−3.2	−3 338	−1.8
Total equity		**76 334**	**41.9**	**78 805**	**42.6**
Long-term provisions	(10)	3 471	1.9	3 184	1.7
Deferred tax liabilities	(11)	304	0.2	385	0.2
Long-term financial liabilities	(12)	53 436	29.4	46 898	25.4
Liabilities for post-employment benefits	(13)	1 932	1.0	1 880	1.0
Non-current liabilities		**59 143**	**32.5**	**52 347**	**28.3**
Short-term financial liabilities	(12)	3 316	1.8	3 449	1.9
Trade accounts payable		22 556	12.5	28 065	15.1
Other current liabilities	(14)	7 696	4.2	9 406	5.1
Accruals	(14)	9 378	5.2	9 652	5.2
Short-term provisions	(10)	3 178	1.7	2 699	1.5
Income tax payable		449	0.2	523	0.3
Current liabilities		**46 573**	**25.6**	**53 794**	**29.1**
Total liabilities		**105 716**	**58.1**	**106 141**	**57.4**
Total equity and liabilities		**182 050**	**100.0**	**184 946**	**100.0**

General remark to the notes of the consolidated financial statements: unless otherwise stated all amounts in CHF 1 000

CONSOLIDATED INCOME STATEMENT

in CHF 1 000	Notes	2020	in %	2019	in %
Net Sales	(4)	**214 891**	**100.0**	**253 909**	**100.0**
Change in inventory of finished and unfinished goods		–2 031	–0.9	–1 501	–0.6
Material costs		–110 185	–51.3	–134 762	–53.1
Personnel costs	(21)	–63 550	–29.6	–69 653	–27.4
Other operating income		1 571	0.7	687	0.3
Other operating expenses	(23)	–21 334	–9.9	–23 899	–9.4
Depreciation	(5)	–10 164	–4.7	–9 537	–3.8
Amortization	(6)	–347	–0.2	–343	–0.1
Operating profit (EBIT)		**8 851**	**4.1**	**14 901**	**5.9**
Financial income	(24)	4 703	2.2	3 774	1.5
Financial expenses	(24)	–7 158	–3.3	–6 814	–2.7
Profit before tax (EBT)		**6 396**	**3.0**	**11 861**	**4.7**
Income tax	(11)	–2 224	–1.1	–3 447	–1.4
Net profit		**4 172**	**1.9**	**8 414**	**3.3**
Earnings per share (CHF)					
– basic and diluted	(19)	1.44		2.90	

CONSOLIDATED CASH FLOW STATEMENT

in CHF 1 000	Notes	2020	2019
Profit before tax		**6 396**	**11 861**
Depreciation	(5)	9 965	9 511
Impairment	(5) / (6)	199	48
Amortization	(6)	347	321
Interest income	(24)	−32	−81
Interest expenses	(24)	852	1 055
Increase / (decrease) in provisions		814	11
Other (income) / expense that do not affect the fund		−117	256
Subtotal before working capital changes		**18 424**	**22 982**
(Increase) / decrease in inventories		−313	7 296
Decrease/(increase) in trade accounts receivable		3 931	4 190
Decrease/(increase) in other current assets		463	2 670
(Decrease)/increase in trade accounts payable		−4 146	−3 152
(Decrease)/increase in other current liabilities		−1 698	−1 438
(Increase) / decrease in working capital		**−1 763**	**9 566**
Income tax paid		−2 129	−3 047
Interest paid		−758	−973
Interest received		2	9
Net cash from operating activities		**13 776**	**28 537**
Purchase of property, plant and equipment		−6 638	−14 395
Proceeds from sale of property, plant and equipment		25	34
Purchase of intangible assets	(6)	−11	−516
Net cash used in investing activities		**−6 624**	**−14 877**
(Purchase)/proceeds from sale of treasury shares		−216	−127
Payment to shareholders from capital contribution reserves		−4 339	−2 898
Payment of finance lease liabilities		–	−36
Proceeds from borrowings		12 306	3 714
Repayment of borrowings		−4 671	−10 033
Net cash from/(used in) financing activities		**3 080**	**−9 380**
Currency translation effects		−757	−463
Net increase/(decrease) in cash and cash equivalents		**9 475**	**3 817**
Cash and cash equivalents at the beginning of the period	(9)	**33 660**	**29 843**
Cash and cash equivalents at the end of the period	(9)	**43 135**	**33 660**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF 1 000	Share capital	Share premium	Treasury shares	Retained earnings	Translation reserve	Equity attributable to Cicor sharehold-ers	Total equity
Balance at 1 January 2019	**29 022**	**111 440**	**–172**	**–63 778**	**–1 375**	**75 137**	**75 137**
Net profit				8 414		8 414	8 414
Share-based payments				242		242	242
Purchase of treasury shares			–127			–127	–127
Dividend / capital contribution paid to shareholders		–2 898				–2 898	–2 898
Translation adjustment					–1 963	–1 963	–1 963
Balance at 31 December 2019	**29 022**	**108 542**	**–299**	**–55 122**	**–3 338**	**78 805**	**78 805**

in CHF 1 000	Share capital	Share premium	Treasury shares	Retained earnings	Translation reserve	Equity attributable to Cicor sharehold-ers	Total equity
Balance at 1 January 2020	**29 022**	**108 542**	**–299**	**–55 122**	**–3 338**	**78 805**	**78 805**
Net profit				4 172		4 172	4 172
Share-based payments		–309	509	86		286	286
Purchase of treasury shares			–216			–216	–216
Dividend / capital contribution paid to shareholders		–4 339				–4 339	–4 339
Translation adjustment					–2 374	–2 374	–2 374
Balance at 31 December 2020	**29 022**	**103 894**	**–6**	**–50 864**	**–5 712**	**76 334**	**76 334**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Cicor Technologies Ltd., Boudry, is a public company, the shares of which are traded on the Swiss Stock Exchange (SIX).
Cicor Group offers a seamless production and service chain for electronic components and systems – from development and engineering to large-scale manufacturing, after-sales service and product life cycle management. Mainly active in Europe, the USA and Asia, Cicor's main competences are:

- manufacture of PCBs and HDIs – rigid, rigid-flexible and flexible
- hybrid manufacturing (thin/thick film, RF boards)
- quick-turn prototypes, small, medium and large series
- microelectronics assembly (SMD, wire bonding, flip chip, etc.)
- printed electronics
- outsourcing services for the manufacture of electronic modules, component groups and complete electronic products (EMS: Electronic Engineering and Manufacturing Services)

2 BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements of the Cicor Group are based on uniform accounting and valuation principles applicable to all subsidiaries of the Group. The consolidated financial statements have been prepared in accordance with Swiss GAAP FER (GAAP = Generally Accepted Accounting Principles / FER = Fachempfehlungen zur Rechnungslegung) and the requirements of the Swiss Code of Obligations.
The consolidated financial statements of Cicor Group for the year ended 31 December 2020 were authorized for issue on 10 March 2021 and are subject to approval at the Shareholders' Meeting of 15 April 2021.

Basis of measurement
The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for derivative financial instruments which are measured at fair value.

Presentation currency
The consolidated financial statements are presented in Swiss francs (CHF).

2.2 SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of consolidation
The consolidated financial statements comprise the financial statements of Cicor Technologies Ltd. and all subsidiaries which the parent company, directly or indirectly, controls either by holding more than 50 % of the voting rights or by otherwise having the power to govern their operating and financial policies. These subsidiaries are fully consolidated. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. A list of all subsidiaries is disclosed in note 3. Cicor does not hold any subsidiaries, investments, assets or liabilities which are not fully consolidated within the financial statements of the Cicor Group.
Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. Non-controlling interests in equity and profit are shown separately. Changes in the Group's interest that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group. Intercompany balances, transactions and profits are eliminated on consolidation.

Purchase method
Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The consideration paid plus directly attributable transaction costs for each acquisition are eliminated at the date of acquisition against the fair value of the net assets acquired, determined based on uniform accounting policies. Any excess of the consideration transferred over the net assets acquired is recognized as goodwill. Goodwill is amortized over five years.

Foreign currency conversion

Transactions in foreign currencies are converted at the rate of exchange as of the transaction date. Gains and losses from foreign currency transactions and from converting year-end foreign currency balances are recognized in the income statement.
Foreign exchange differences on long-term loans to foreign operations with equity characteristics, where a repayment is neither likely nor planned, are recognized in equity.
The financial statements of subsidiaries that report in foreign currencies are translated into Swiss francs as follows:
– balance sheet items: at year-end exchange rates,
– income statement and cash flow statement items: at average exchange rates for the year,
– equity is translated at historical rates.

The translation differences resulting from the conversion of financial statements denominated in foreign currencies are directly charged to equity. At the date of sale of a foreign subsidiary, the respective cumulative foreign currency translation differences are recognized in profit or loss.

Foreign exchange rates		2020	2019
Closing	EUR	1.0845	1.0875
	USD	0.8829	0.9710
	RON	0.2226	0.2272
	SGD	0.6667	0.7197
	CNY	0.1353	0.1392
Average	EUR	1.0702	1.1128
	USD	0.9391	0.9938
	RON	0.2213	0.2345
	SGD	0.6807	0.7282
	CNY	0.1361	0.1440

Segment information

Segment information presented is based on the internal reporting regularly provided to the Board of Directors. This reporting includes discrete financial information for the two divisions AMS and ES which were identified as the two segments of the Group.

Property, plant and equipment

Items of property, plant and equipment are individually measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Land*	
Buildings	25–50 years
Improvements	max. 10 years
Machinery	3–10 years
Furniture	5–15 years
Equipment	3–10 years
Vehicles	4 years

* Land is not depreciated as it is deemed to have an indefinite life.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
Subsequent expenditure is capitalized if the market value or the value in use or the useful live of the respective item of property, plant and equipment has increased substantially.

Goodwill

Goodwill represents the excess of the consideration transferred over the Group's interest in the net of the identifiable assets acquired and the liabilities assumed measured at fair value. Subsequently, goodwill is measured at cost less accumulated amortization and accumulated impairment losses. Goodwill is amortized over five years, in justified cases over twenty years at the most.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is computed on a straight-line basis over the estimated useful life of the asset (normally five years, in justified cases twenty years at the most).

Impairment of assets

Property, plant and equipment as well as intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized in profit or loss when the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of an asset or a group of assets is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows from continuing use of an asset or a group of assets that are largely independent of cash flows of other assets are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The relevant cash flows are based on the most recent business plans of these cash-generating units (period of three years) and the assumptions therein concerning development of prices, markets and market shares. Assets for which an impairment loss was recognized are reviewed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. The reversal is limited to the amount that would have been determined, net of depreciation or amortization, if no impairment had been recognized. Such reversal is recognized in profit or loss. Impairment losses on goodwill are not reversed.
Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Leasing agreements
Fixed assets acquired under leasing contracts where both the risks and rewards of ownership are substantially transferred to Cicor, are classified as finance leases. Such assets are recorded at the lower of the estimated net present value of future lease payments and the estimated fair value of the asset at the inception of the lease. Assets under finance leases are fully amortized over the shorter of the lease term and its useful life. The corresponding lease obligations, excluding finance charges, are included in either short- or long-term financial debt. Lease installments are divided into an interest and a redemption component.
Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Inventories
Inventories are valued at the lower of purchase or manufacturing costs and fair value less cost to sell. Costs for raw material are measured according to the weighted average cost method. Cost of work in progress and finished goods include materials, related manufacturing labor and related overheads. Concerning work in progress, estimated losses correspond to the negative difference between the fair value less costs to sell and the estimated costs until finalization of work in progress.

Trade accounts receivable
Trade accounts receivable are measured at nominal value less necessary allowances for bad debts. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade accounts receivables. The main components of this allowance are a specific loss component that relates to individually significant exposure and a collective loss component established for groups of assets with similar risk characteristics in respect of losses that have been incurred, but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar receivables.

Cash and cash equivalents
Cash and cash equivalents are stated at amortized costs and include cash on hand, postal and bank accounts at sight and time deposits with maturities at the balance sheet date of 90 days or less.

Bank borrowings, trade and other liabilities
Non-derivative financial liabilities are initially recognized at fair value less any attributable transaction costs and are subsequently measured at amortized cost.

Provisions
Provisions are recognized when:
– the Group has a present legal or constructive obligation as a result of past events;
– it is probable that resources are needed to extinguish the obligation;
– the amount of the obligation can be estimated in a reliable way.

A provision is recognized for expected warranty claims on products based on past experience of the level of repairs and returns.

Government grants
Government grants are recognized as income over the periods matching the related costs, which they are intended to compensate on a systematic basis. Government grants are only recognized when there is reasonable assurance that the company will comply with the conditions attached to them and that the grants will be received.

Income taxes
Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income taxes are accrued based on taxable income of the current year. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences between the tax and accounting bases of assets and liabilities at the reporting date using the liability method.
Deferred income taxes are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.
Deferred tax assets arising from tax loss carryforwards and deductible temporary differences are capitalized only if it is probable that they can be used to be offset against future taxable profits.

Derivative financial instruments
Derivative financial instruments for hedging purposes of balance sheet items are stated at fair value upon conclusion of the contract and are shown under other accounts receivables respectively other current liabilities. Consequently, the derivative financial instruments are valued at market value at each end of period whereas non-realized gains and losses are recognized in the financial result. The market values of the derivative financial instruments are derived from the market prices at the end of the period.
To hedge currency risks, the Group makes use of foreign exchange forwards.

Pension plans
Cicor maintains several pension plans for employees in Switzerland and Germany. A liability is recognized if a pension plan has an underfunding and there is an economic obligation for Cicor to pay additional contribution. The assessment of whether there is an obligation is made using the recognition criteria for provisions. For Swiss plans, the measurement of the liability is based on the financial statements of the pension plan prepared in accordance with FER 26 and for German plans, this is based on an actuarial calculation. An asset arising from an economic benefit relating to an overfunding is not recognized. Employer contribution reserves are always recognized as an asset.
Changes in the economic obligation, the employer contribution reserves and the contributions incurred for the period are recognized in personnel costs in the income statement.

Earnings per share
Basic earnings per share are calculated by dividing net profit excluding non-controlling interests by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share include all potentially dilutive effects.

Treasury shares
When share capital is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized net of any tax effects as a deduction from capital reserves. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently the resulting gain or loss on the transaction is recognized in capital reserves.

Share-based payments
The grant date fair value of Performance Share Awards (PSAs) granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service condition is expected to be met. The grant date fair value is measured to reflect non-market conditions and there is no true-up for the differences between expected and actual outcomes.

Revenue recognition
Revenue from the sale of products comprises all revenues that are derived from sales of products to third parties after deduction of price rebates and value-added tax. Revenues from the sale of products are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the products.
Revenues from engineering and consulting services are recognized in the accounting period in which the services are rendered. Bad debt losses are included in net sales.

Research and development costs
Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognized only when a future benefit is expected, costs can be measured reliably, the asset is controlled by the organization and the resources needed to complete the asset are/will be made available. Additionally, the Group has to demonstrate the technical feasibility, the availability of resources and its intention of completing the project so that it will be available for use or sale.
Capitalized development cost is measured at cost less accumulated amortization and accumulated impairment losses.

3 SCOPE OF CONSOLIDATION

in local currency 1 000	Currency	2020 Nominal share capital	Participation in %	2019 Nominal share capital	Participation in %
Cicorel SA, Boudry/Switzerland*	CHF	8 000	100	8 000	100
Engineering/Production/Sales/Distribution					
Reinhardt Microtech AG, Wangs/Switzerland*	CHF	1 800	100	1 800	100
Engineering/Production/Sales/Distribution					
Reinhardt Microtech GmbH, Ulm/Germany	EUR	500	100	500	100
Engineering/Production/Sales/Distribution					
RHe Microsystems GmbH, Radeberg/Germany*	EUR	216	100	216	100
Engineering/Production/Sales/Distribution					
Electronicparc Holding AG, Bronschhofen (Wil)/Switzerland*	CHF	23 271	100	23 271	100
Holding/Finance					
Swisstronics Contract Manufacturing AG, Bronschhofen (Wil)/Switzerland	CHF	3 000	100	3 000	100
Engineering/Production/Sales/Distribution					
Systronics SRL, Arad/Romania	RON	5 145	100	5 145	100
Production/Sales					
Systel Italia SRL, Milano/Italy	EUR	10	100	10	100
Sales/Distribution					
ESG Holding Pte Ltd., Singapore*	SGD	1 896	100	1 896	100
Holding/Finance					
Cicor Asia Pte Ltd., Singapore	SGD	2 000	100	1 000	100
Sales/Distribution					
Cicor Ecotool Pte Ltd., Singapore	SGD	n/a	n/a	1 000	100
Engineering/Production					
PT Cicor Panatec, Batam/Indonesia	USD	300	100	300	100
Production					
Brant Rock Enterprises Corporation, British Virgin Islands	USD	10	100	10	100
Holding/Finance					
Cicor Anam Ltd., Anam/Vietnam	USD	1 500	100	1 500	100
Production					
Suzhou Cicor Technology Co. Ltd., China	CNY	39 432	100	39 432	100
Production					
Cicor Americas Inc., USA*	USD	10	100	10	100
Sales/Distribution					
Cicor Management AG, Bronschhofen (Wil)/Switzerland*	CHF	250	100	250	100
Management Services					

* Directly held subsidiaries of Cicor Technologies Ltd.

4 SEGMENT REPORTING

2020 in CHF 1 000	AMS Division 2020	ES Division 2020	Total reportable segments 2020	Corporate and eliminations 2020	Consolidated 2020
Income statement					
Net Sales to external customers	52 317	162 574	214 891	–	214 891
Intersegment sales	204	481	685	–685	–
Segment result before depreciation and amortization (EBITDA)	7 352	13 621	20 973	–1 611	19 362
Segment result (EBIT)	2 795	7 677	10 472	–1 621	8 851
Balance sheet	**31.12.2020**	**31.12.2020**	**31.12.2020**	**31.12.2020**	**31.12.2020**
Intangible segment assets	–	917	917	3	920
Other than intangible segment assets	54 722	115 873	170 595	10 535	181 130
Segment assets	54 722	116 790	171 512	10 538	182 050
Segment liabilities	34 152	71 304	105 456	260	105 716
Other segment information	**2020**	**2020**	**2020**	**2020**	**2020**
Depreciation and amortization	4 557	5 944	10 501	10	10 511
Capital expenditures for property, plant and equipment	2 347	2 725	5 072	–	5 072

2019 in CHF 1 000	AMS Division 2019	ES Division 2019	Total reportable segments 2019	Corporate and eliminations 2019	Consolidated 2019
Income statement					
Net Sales to external customers	61 223	192 686	253 909	–	253 909
Intersegment sales	121	22	143	–143	–
Segment result before depreciation and amortization (EBITDA)	10 362	15 681	26 043	–1 262	24 781
Segment result (EBIT)	6 171	10 003	16 174	–1 273	14 901
Balance sheet	**31.12.2019**	**31.12.2019**	**31.12.2019**	**31.12.2019**	**31.12.2019**
Intangible segment assets	125	1 187	1 312	13	1 325
Other than intangible segment assets	57 466	121 994	179 460	4 161	183 621
Segment assets	57 591	123 181	180 772	4 174	184 946
Segment liabilities	53 604	80 948	134 552	–28 411	106 141
Other segment information	**2019**	**2019**	**2019**	**2019**	**2019**
Depreciation and amortization	4 191	5 678	9 869	11	9 880
Capital expenditures for property, plant and equipment	5 166	8 798	13 964	–	13 964

Cicor defines its reportable segments based on the internal reporting to its Board of Directors. They base their strategic and operational decisions on these monthly distributed reports, which include the aggregated financial data for the Group and for the divisions. The two divisions, AMS and ES, have been identified as the two reportable segments. The AMS Division supplies printed circuit boards and thin- and thick-film coating technologies as well as a wide range of microelectronic manufacturing capabilities to different industries whereas the ES Division provides electronic manufacturing services from product development to volume production and after-sales service.

For internal reporting and therefore the segment reporting, the applied principles of accounting and valuation are the same as in the consolidated financial statements. Intersegment sales are recognized at arm's length.

in CHF 1 000	2020	2019
Reconciliation of total reportable segment result		
Total reportable segment result (EBIT)	10 472	16 174
Other corporate expenses	–1 621	–1 273
Financial income	4 703	3 774
Financial expenses	–7 158	–6 814
Consolidated profit before tax	**6 396**	**11 861**

Other corporate expenses contain stewardship costs and costs related to the listing at the Swiss Stock Exchange (SIX).

Entity-wide information

in CHF 1 000	31.12.2020	%	31.12.2019	%
Sales by export region				
Switzerland	65 587	30.5	71 968	28.3
Europe (without Switzerland)	99 620	46.4	119 156	46.9
Asia	35 894	16.7	44 701	17.6
America	11 891	5.5	16 665	6.6
Other	1 899	0.9	1 419	0.6
Total	**214 891**	**100.0**	**253 909**	**100.0**
Sales by industry				
Aerospace & defence	18 824	8.8	22 684	8.9
Communication	4 258	2.0	2 450	1.0
Industrial	93 971	43.7	114 762	45.2
Medical	60 635	28.2	61 493	24.2
Automotive & transport	19 117	8.9	24 498	9.6
Watches & consumer	17 542	8.2	25 621	10.1
Other	544	0.2	2 401	1.0
Total	**214 891**	**100.0**	**253 909**	**100.0**
Sales by production region				
Switzerland	89 139	41.5	91 517	36.0
Europe (without Switzerland)	79 528	37.0	105 934	41.7
Asia	46 224	21.5	56 458	22.3
Total	**214 891**	**100.0**	**253 909**	**100.0**

Major customers

Cicor Group's biggest customer contributes less than 6 % (2019: less than 6 %) to the Group's consolidated sales. In 2020, about 40 % (2019: about 37 %) of total Group's net sales can be attributed to the Group's top ten clients.

5 PROPERTY, PLANT AND EQUIPMENT

2020 in CHF 1 000	Land and buildings	Machinery	Furniture and equipment	Other equipment	Assets under construction	Total
Acquisition costs						
Balance at 1 January 2020	38 447	94 352	8 602	1 135	2 797	145 333
Additions*)	506	3 120	923	176	347	5 072
Disposals	–	–1 155	–245	–2	–	–1 402
Reclassifications	553	1 989	93	45	–2 680	–
Translation adjustment	–664	–1 775	–119	–24	–70	–2 652
Balance at 31 December 2020	**38 842**	**96 531**	**9 254**	**1 330**	**394**	**146 351**
Accumulated depreciation						
Balance at 1 January 2020	–17 509	–65 803	–6 371	–723	–	–90 406
Depreciation	–2 125	–6 750	–966	–124	–	–9 965
Impairment	–	–198	–1	–	–	–199
Disposals	–	1 155	243	2	–	1 400
Reclassification	–3	–14	53	–36	–	–
Translation adjustment	331	1 149	103	13	–	1 596
Balance at 31 December 2020	**–19 306**	**–70 461**	**–6 939**	**–868**	**–**	**–97 574**
Net book value						
1 January 2020	**20 938**	**28 549**	**2 231**	**412**	**2 797**	**54 927**
31 December 2020	**19 536**	**26 070**	**2 315**	**462**	**394**	**48 777**
Thereof net book value of assets under financial lease	–	–	–	–	–	–
Net book value of pledged assets						1 586
Addition of assets under financial lease						–

* Of the additions in fixed assets, CHF 0.4 million have not been paid as at 31 December 2020.

In 2020, Cicor invested CHF 3.1 million in machinery. The most significant investments were undertaken in Bronschhofen, Wangs, Batam, Arad and Boudry. The biggest investment thereof was the laser trimmer in Wangs. The Assets under construction are equipment whose installation has not yet been completed.

2019 in CHF 1 000	Land and buildings	Machinery	Furniture and equipment	Other equipment	Assets under construction	Total
Acquisition costs						
Balance at 1 January 2019	38 702	93 785	8 464	1 077	628	142 656
Additions	831	9 481	773	148	2 731	13 964
Disposals	–93	–7 798	–492	–59	–	–8 442
Reclassifications	28	484	11	–	–523	–
Translation adjustment	–1 021	–1 600	–154	–31	–39	–2 845
Balance at 31 December 2019	**38 447**	**94 352**	**8 602**	**1 135**	**2 797**	**145 333**
Accumulated depreciation						
Balance at 1 January 2019	–15 571	–68 202	–6 135	–680	–	–90 588
Depreciation	–2 211	–6 339	–831	–130	–	–9 511
Impairment	–	–26	–	–	–	–26
Disposals	93	7 763	489	59	–	8 404
Reclassification	–	–	–	–	–	–
Translation adjustment	180	1 001	106	28	–	1 315
Balance at 31 December 2019	**–17 509**	**–65 803**	**–6 371**	**–723**	**–**	**–90 406**
Net book value						
1 January 2019	**23 131**	**25 583**	**2 329**	**397**	**628**	**52 068**
31 December 2019	**20 938**	**28 549**	**2 231**	**412**	**2 797**	**54 927**
Thereof net book value of assets under financial lease	–	–	–	–	–	–
Net book value of pledged assets						2 313
Addition of assets under financial lease						–

* Of the additions in fixed assets, CHF 2.0 million have not been paid as at 31 December 2019.

In 2019, Cicor invested CHF 9.5 million in machinery. The most significant investments were undertaken in Boudry, Bronschhofen, Arad, Wangs, Singapore and Batam. The biggest investment thereof was the new surface coating line installed in Boudry. The Assets under construction are machines whose installation has not yet been completed. The biggest investment under construction is the new spray painting line being installed in Indonesia which is currently in qualification phase.

6 INTANGIBLE ASSETS

2020 in CHF 1 000	Goodwill	Brand	Technology	Clients	Other	Total
Acquisition costs						
Balance at 1 January 2020	96 179	6 711	7 421	3 176	2 956	116 443
Additions	–	–	–	–	11	11
Disposal	–	–	–	–	–	–
Reclassification	–	–	–	–	–	–
Translation adjustment	–43	–	–2	–	–96	–141
Balance at 31 December 2020	**96 136**	**6 711**	**7 419**	**3 176**	**2 871**	**116 313**
Accumulated depreciation						
Balance at 1 January 2020	–96 179	–6 711	–7 296	–3 176	–1 756	–115 118
Amortization	–	–	–123	–	–224	–347
Impairment	–	–	–	–	–	–
Disposal	–	–	–	–	–	–
Translation adjustment	43	–	–	–	29	72
Balance at 31 December 2020	**–96 136**	**–6 711**	**–7 419**	**–3 176**	**–1 951**	**–115 393**
Net book value						
1 January 2020	**–**	**–**	**125**	**–**	**1 200**	**1 325**
31 December 2020	**–**	**–**	**–**	**–**	**920**	**920**

2019 in CHF 1 000	Goodwill	Brand	Technology	Clients	Other	Total
Acquisition costs						
Balance at 1 January 2019	96 186	6 711	7 454	3 176	2 507	116 034
Additions	–	–	–	–	516	516
Disposal	–	–	–	–	–2	–2
Reclassification	–	–	–	–	–	–
Translation adjustment	–7	–	–33	–	–65	–105
Balance at 31 December 2019	**96 179**	**6 711**	**7 421**	**3 176**	**2 956**	**116 443**
Accumulated depreciation						
Balance at 1 January 2019	–96 186	–6 711	–7 194	–3 176	–1 568	–114 835
Amortization	–	–	–129	–	–192	–321
Impairment	–	–	–	–	–22	–22
Disposal	–	–	–	–	2	2
Translation adjustment	7	–	27	–	24	58
Balance at 31 December 2019	**–96 179**	**–6 711**	**–7 296**	**–3 176**	**–1 756**	**–115 118**
Net book value						
1 January 2019	**–**	**–**	**260**	**–**	**939**	**1 199**
31 December 2019	**–**	**–**	**125**	**–**	**1 200**	**1 325**

7 INVENTORIES

in CHF 1 000	31.12.2020	31.12.2019
Net value of raw materials	26 252	24 978
Net value of work in progress	14 819	14 737
Net value of finished goods	8 804	10 917
Total inventories	**49 875**	**50 632**
(Decrease)/Increase in inventory allowance	–326	–2 599

8 TRADE ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE

in CHF 1 000	31.12.2020	31.12.2019
Trade accounts receivable	31 185	36 950
Allowance for bad debts	–506	–506
Total trade accounts receivable	**30 679**	**36 444**

Ageing of trade accounts receivable

in CHF 1 000	31.12.2020 Gross	31.12.2020 Allowance	31.12.2019 Gross	31.12.2019 Allowance
Not yet due	25 449	–	27 379	–
Overdue 0–45 days	4 558	–	7 893	–
Overdue 46–90 days	185	–1	567	–11
Overdue 91–180 days	409	–43	612	–79
Overdue 181–360 days	225	–103	330	–254
Overdue more than 360 days	359	–359	169	–162
Total trade accounts receivable	**31 185**	**–506**	**36 950**	**–506**

Movement in the allowance for impairment for trade accounts receivable

in CHF 1 000	2020	2019
Individual allowance		
Balance as of 1 January	**473**	**416**
Allowance increase	287	208
Utilization/consumption	–257	–63
Reversal of allowance	–45	–88
Balance as of 31 December	**458**	**473**
Collective allowance		
Balance as of 1 January	**33**	**160**
Change in allowance	15	–127
Balance as of 31 December	**48**	**33**

Other accounts receivable

in CHF 1 000	31.12.2020	31.12.2019
Receivables on bullion dealers' accounts	169	268
Value-added taxes	501	403
Other	3 850	3 338
Total other accounts receivable	**4 520**	**4 009**

9 CASH AND CASH EQUIVALENTS

in CHF 1 000	31.12.2020	31.12.2019
Bank accounts	43 135	33 660
Total cash and cash equivalents	**43 135**	**33 660**

Cicor Technologies' banking partners are first-rate Swiss, German, English and Romanian banks. Cash earns interests at floating rates of -0.75 % (CHF), -0.5 % (EUR), and 0.00 % (USD).

10 PROVISIONS

2020 in CHF 1 000	Warranties	Other	Total provisions	Deferred taxes	Total provisions and deferred taxes
Balance at 1 January 2020	**2 989**	**2 894**	**5 883**	**385**	**6 268**
Additional provisions	1 439	1 221	2 660	2	2 662
Unused amounts reversed	– 625	– 171	– 796	– 83	– 879
Amount used	– 264	– 786	– 1 050	–	– 1 050
Reclassification	–	–	–	–	–
Translation adjustments	– 35	– 13	– 48	–	– 48
Balance at 31 December 2020	**3 504**	**3 145**	**6 649**	**304**	**6 953**
thereof short-term provisions	1 644	1 534	3 178		
thereof long-term provisions	1 860	1 611	3 471		

2019 in CHF 1 000	Warranties	Other	Total provisions	Deferred taxes	Total provisions and deferred taxes
Balance at 1 January 2019	**2 846**	**3 543**	**6 389**	**584**	**6 973**
Additional provisions	1 212	1 277	2 489	–	2 489
Unused amounts reversed	– 290	– 263	– 553	– 199	– 752
Amount used	– 711	– 1 214	– 1 925	–	– 1 925
Reclassification	–	– 413	– 413	–	– 413
Translation adjustments	– 68	– 36	– 104	–	– 104
Balance at 31 December 2019	**2 989**	**2 894**	**5 883**	**385**	**6 268**
thereof short-term provisions	1 501	1 198	2 699		
thereof long-term provisions	1 488	1 696	3 184		

Warranty provisions are recognized for warranty claims on products sold. The additional provisions in 2020 were based on several smaller cases.

As per 31 December, other provisions consist mainly of jubilee benefits (2020: TCHF 840, 2019: TCHF 903), rebuilding costs (2020: TCHF 454, 2019: TCHF 434) and a provision regarding the renovation of a building (2020: TCHF 450, 2019: TCHF 0).

11 TAXES

Major components of tax expense

in CHF 1 000	2020	2019
Current income taxes	2 605	2 942
Income tax for prior years	– 151	60
Deferred tax	– 230	445
Total tax expense	**2 224**	**3 447**

Deferred tax assets and liabilities

in CHF 1 000	31.12.2020 Assets	31.12.2020 Liabilities	31.12.2019 Assets	31.12.2019 Liabilities
Deferred taxes on intangible assets	1	–	4	37
Deferred taxes on property, plant and equipment	80	29	68	113
Deferred taxes on inventory	699	119	649	103
Deferred taxes on other assets	70	238	97	214
Deferred taxes on accruals	230	38	221	88
Deferred taxes on other liabilities	441	99	331	55
Total	**1 521**	**523**	**1 370**	**610**
Deferred taxes on loss carried forward	1 711	–	1 805	–
Offset of assets and liabilities	– 219	– 219	– 225	– 225
Total deferred tax assets and liabilities	**3 013**	**304**	**2 950**	**385**
Balance at 1 January	**2 950**	**385**	**3 657**	**584**
Change of temporary differences recognized in the income statement	157	– 81	– 106	– 199
Change in tax loss carried forward recognized in the income statement	– 94	–	– 601	–
Balance at 31 December	**3 013**	**304**	**2 950**	**385**

The Group average tax rate for the calculation of the deferred income taxes is 16.9 % (2019: 16.9 %).

Reconciliation of current income taxes and deferred taxes

in CHF 1 000	2020	2019
Profit before tax	**6 396**	**11 861**
Weighted average income tax in %	24.8 %	21.6 %
Expected income tax expense / (income)	1 586	2 562
Current year losses for which no deferred tax asset is recognized	219	344
Recognition of tax assets on previously unrecognized tax losses	– 249	– 188
Derecognition of tax assets on previously recognized tax losses	640	180
Effect of tax rate changes compared to prior period	–	106
Effect of non-deductible expenses	267	412
Adjustments for current tax of prior periods	– 151	64
Other adjustments	– 88	– 33
Effective income taxes	**2 224**	**3 447**
Effective income taxes in % of profit before tax	**34.8 %**	**29.1 %**

Tax loss carried forward for which no deferred tax assets have been capitalized

in CHF 1 000	31.12.2020	31.12.2019
Ttax loss carried forward expiring within 1 year	309	1 053
Tax loss carried forward expiring in 1 year	–	318
Tax loss carried forward expiring in 2 years	1 980	–
Tax loss carried forward expiring in 3 years	–	1 825
Tax loss carried forward expiring in 4 or more years	5 662	1 731

Since the Group operates in various tax jurisdictions, its average expected tax rate is calculated as a weighted average of the tax rates in these jurisdictions. This rate changes from year to year due to changes in the mix of the Group's taxable income and changes in local tax rates.

Tax losses carried forward are capitalized where the possibility of using them is high. In 2020, an additional deferred tax asset of TCHF 546 has been capitalized. The potential income statement effect of tax loss carried forward for which no deferred tax assets have been capitalized is CHF 1.4 million.

12 FINANCIAL LIABILITIES

Long-term financial liabilities

in CHF 1 000	31.12.2020	31.12.2019
Financial leases	5	–
Borrowings, long-term	53 431	46 898
Total long-term financial liabilities	**53 436**	**46 898**

Short-term financial liabilities

in CHF 1 000	31.12.2020	31.12.2019
Bank borrowings, short-term	1 308	1 305
Short-term portion of long-term borrowings	2 000	2 144
Financial leases	8	–
Total short-term financial liabilities	**3 316**	**3 449**

Maturity of financial liabilities

in CHF 1 000	31.12.2020	31.12.2019
Within 1 year	3 316	3 449
Within 2 to 5 years	53 436	46 898
Over 5 years	–	–
Total financial debts	**56 752**	**50 347**

Repayments of financial liabilities

2020	Interest rate	2021*	2022*	2023*	2024*	2025*	2026 and after*
CHF 69.5 million revolving credit line	0.9 %	2 000	53 431	–	–	–	–
EUR 5.0 million revolving credit line	1.0 %	–	–	–	–	–	–
EUR 1.9 million revolving credit line	1.4 %	1 308	–	–	–	–	–
Leasing	n.a.	8	5	–	–	–	–
Total		**3 316**	**53 436**	**–**	**–**	**–**	**–**

2019	Interest rate	2020*	2021*	2022*	2023*	2024*	2025 and after*
CHF 71.5 million revolving credit line	1.3 %	2 000	2 000	42 294	–	–	–
EUR 5.0 million revolving credit line	1.0 %	–	–	2 599	–	–	–
EUR 2.0 million revolving credit line	1.4 %	1 449	5	–	–	–	–
Total		**3 449**	**2 005**	**44 893**	**–**	**–**	**–**

* in CHF 1000

On 30 June 2017, the Group signed a new syndicated bank loan agreement on a total line of CHF 75 million plus an allowance of an external basket of CHF 10 million valid for four years, beginning on 5 July 2017, with two extension options of one additional year each, therefore running for a maximum term of six years. On 25 May 2018, the Group made use of the first extension option, prolonging this very syndicated bank loan to 30 June 2022. Up to 31.12.2020 the total line of the syndicated bank loan has been reduced to CHF 69.5 million.

The covenants are net debt / EBITDA ratio of a maximum of 2.75 times at year-end and 3.00 times during the year and a minimum equity ratio of 35 %. EBITDA is calculated before restructuring costs, possible acquisitions can be added pro forma. The interest bases on LIBOR added by a variable margin depending on the net debt / EBITDA ratio. The respective bank covenants were fulfilled at all reporting dates.

The current CHF 69.5 million revolving credit line, which was divided into CHF 62 million cash and CHF 7.5 million for guarantees, was utilized by CHF 55.5 million cash at a variable interest rate of 0.92 % on average and for guarantees of CHF 3.3 million bearing commission charges of 0.2 %.

In addition to the syndicated loan, the Group has revolving loans of EUR 6.9 million utilized with EUR 1.2 million at an average variable interest rate of 1.40 %.

Collateral assets of CHF 1.6 million were pledged. The shares of the following companies are in deposit with the lead bank, pledged as collateral for the syndicated credit line: Cicorel SA, Electronicparc Holding AG, Swisstronics Contract Manufacturing AG, Reinhardt Microtech AG and RHe Microsystems GmbH.

13 LIABILITIES FOR POST-EMPLOYMENT BENEFITS

Cicor maintains several pension plans for employees in Switzerland and Germany. Pension expenses totaled TCHF 2 095 (2019: TCHF 2 075). German pension funds are not legally independent in contrast to Swiss pension funds. Companies therefore need to recognize a provision according to the German Commercial Code. RHe Microsystems GmbH and Reinhardt Microtech GmbH did so by recognizing TCHF 954 resp. TCHF 978 as liability.
The majority of Cicor's insured employees are covered for the risk of old age, death and disability within a collective pension scheme which is administrating pension plans of various unrelated employers. The plan is an independent pension fund.

The standard retirement age is 65. Employees qualify for early retirement on their 58th birthday at the earliest. Furthermore, the employees may choose to take their entire pension or part thereof in the form of capital payment. For retirements at the age of 65, the conversion rate is 6.8 % for the compulsory part and 6.0 % for the supplementary part. This rate is relevant to determine the pension payment in relation to the accumulated savings. These savings result from employee and employer contributions which are paid into the individual savings account of each individually insured person as well as the interest accruing on the accumulated savings.
It is a collective multiemployer pension fund organized as a foundation under Swiss law. The most senior governing body of the foundation is the Board of Trustees that consists of an equal number of employers'and employees' representatives. The people entrusted with the management of the pension fund and its assets are subject to the charter of the Swiss Pension Fund Association ASIP. All processes are audited by the internal auditors and the independent external auditors as well as the investment controller. And, finally, the supervisory authority, the Zentralschweizer BVG- und Stiftungsaufsicht (ZBSA), audits the management of the pension fund and the assets in collaboration with the auditors.

The projected funding ratio as per 30 September 2020 is 108.43 %. Whenever there is a legal obligation to cover an underfunding, this has to be remedied by various measures such as increasing employee and employer contributions, lowering the interest rate on retirement account balances, reducing prospective benefits and a suspension of the early withdrawal facility.

in CHF 1 000	Surplus/ deficit	Economical part of the organization		Change to prior year period or recognized in the current result of the period, respectively	Contributions concerning the business period	Pension benefit expenses within personnel expenses	
	31.12.2020	31.12.2020	31.12.2019			2020	2019
Pension institutions without surplus / deficit	n/a	n/a	–	n/a	n/a	n/a	1 562
Pension institutions with surplus[1]	–	–	–	–	2 096	2 096	499
Pension institutions without own assets	–	1 932	1 880	52	–53	–1	14
Total	**–**	**1 932**	**1 880**	**52**	**2 043**	**2 095**	**2 075**

[1] The surplus of the collective pension fund attributable to Cicor cannot be determined.

14 OTHER CURRENT LIABILITIES AND ACCRUALS

in CHF 1 000	31.12.2020	31.12.2019
Value-added taxes	366	553
Other current liabilities	1 005	602
Other accounts payable	6 325	8 251
Total other currenct liabilities	**7 696**	**9 406**
Accrued personnel expenses	5 749	6 939
Other accrued expenses	3 629	2 713
Total accruals	**9 378**	**9 652**
Total other current liabilities and accruals	**17 074**	**19 058**

Other current liabilities and accrued expenses are non-interest-bearing financial liabilities. Other accounts payable also contain payables for social security.

15 LEASE COMMITMENTS

Operating leasing

in CHF 1 000	31.12.2020	31.12.2019
Within 1 year	3 922	4 006
From over 1 year to under 5 years	10 865	11 519
Due in 5 years or later	12 918	11 546
Total operating leasing	**27 705**	**27 071**

Operating leasing commitments stem mostly from mid- to long-term lease obligations for production and office premises. The leases have varying terms and renewal rights.

For financial leasings, please refer to note 12.

16 CONTINGENT LIABILITIES

There are no contingent liabilities for Cicor Group companies as at 31 December 2020.

17 ISSUED CAPITAL

Capital structure

in CHF 1 000	
Share capital at 1 January 2019	29 022
Share capital at 31 December 2019	29 022
Share capital at 31 December 2020	29 022
2 902 092 registered shares of CHF 10	

Ordinary share capital

There was no increase in ordinary share capital in 2020 and 2019. Cicor Technologies Ltd. is a holding company established under Swiss law. According to the provisions of law governing the appropriation of retained earnings by holding companies, the share capital and appropriations to the general legal reserve to the extent of 20 % of share capital as well as the reserve for treasury shares may not be distributed.

Dividend

Any dividend distribution must be proposed by the Board of Directors and approved by the Annual Shareholders' Meeting. At the Shareholders' Meeting on 16 April 2020, the shareholders decided a withholding tax-free distribuation of CHF 1.50 per share (totalling MCHF 4.3) from the capital contribution reserve. At the Annual Shareholders' Meeting on 15 April 2021, the Board of Directors will propose a withholding tax-free distribution of CHF 1.00 per share (totalling MCHF 2.90) from the capital contribution reserve.

Authorized capital

At the Shareholders' Meeting on 16 April 2020, the shareholders decided to renew the authorization of the Board of Directors to increase the share capital by a maximum of 600 000 fully paid-in shares at a nominal value of CHF 10 until 16 April 2022.

Conditional capital

At the Shareholders' Meeting of 13 May 2009, the shareholders decided to increase the conditional share capital up to 200 000 fully paid-in registered shares with a total nominal value up to CHF 2 000 000 for the exercise of stock option rights granted to officers and other key employees.

At the Shareholders' Meeting of 13 May 2009, the shareholders decided to create additional conditional share capital of up to 500 000 fully paid-in registered shares with a total nominal value of up to CHF 5 000 000 for the exercise of conversion rights granted to holders of convertible debt securities to be issued by the company. Such conversion rights would have to be exercised within five years of the issuance of such convertible debt securities.

18 TREASURY SHARES

	Number of shares	in CHF 1 000
Balance as per 1 January 2019	**3 000**	**172**
Balance as per 31 December 2019	**5 500**	**299**
Purchase of own shares	4 000	216
Share-based payments	−9 384	−509
Balance as per 31 December 2020	**116**	**6**

19 EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	2020	2019
Net profit attributable to Cicor shareholders in CHF 1 000	4 172	8 414
Weighted average number of ordinary shares outstanding	2 898 785	2 897 738
Basic and diluted earnings per share in CHF	**1.44**	**2.90**

20 LONG-TERM INCENTIVE PLAN (LTI-PLAN)

Cicor Technologies Ltd. has issued LTI-Plans during the financial years 2018-2020.

	LTI-Plan 2020–2022	LTI-Plan 2019–2021	LTI-Plan 2018–2020
Initial Value of Total Shareholder Return (TSR)	CHF 61.73	CHF 41.42	CHF 74.07
Target Value Total Plan Participants (excl. Social Security costs)	TCHF 320	TCHF 305	TCHF 305
Number of Plan Participants (Group Management and others)	10	9	9
Volume-weighted average price (VWAP)	CHF 32.94	CHF 55.27	CHF 68.64
Number of Performance Share Awards (PSA) Total Plan Participants	9 712	5 515	4 447
Maximum payout	200 %	200 %	200 %
Assignment of non-binding Entitlements (grant date)	1 May 2020	1 May 2019	1 May 2018
Allocation of PSA (vesting date)	1 May 2023	1 May 2022	1 May 2021

Plan participants of the LTI-Plan 2020–2022 are entitled to Cicor Technologies Ltd. shares in dependence on the relative increase of Total Shareholder Return (TSR) of the Cicor Technologies Ltd. share compared to peer companies over a period of three years (1 January 2020 to 31 December 2022).

The initial value for the measurement of the TSR is CHF 61.73 and corresponds to the Volume Weighted Average Price (VWAP) of the first 30 days of the first plan year (1 January 2020 - 31 January 2020). The assignment of the performance share awards (PSA) of the plan to the plan participants took place on 1 May 2020 (grant date). The definitive allocation of the PSAs will take place on 1 May 2023 (vesting date). The LTI-Plan is bound to a service condition of three years (1 May 2020 - 1 May 2023). The PSAs lapse if plan participants leave the company before 1 May 2023. Upon termination of the employment relationship between the plan participant and Cicor during the vesting period due to death, disability or retirement of the plan participant, all the PSAs allocated to the plan participant remain valid.

The Annual Shareholders' Meeting on 16 April 2020 approved a target value for the LTI-Plan 2020–2022 of TCHF 200 for the Group Management. This amount does not include any social security expenses. The performance of the LTI-Plan was estimated at grant date to be at 100 %, leading to a total potential compensation of TCHF 320 for all plan participants at vesting date.

The VWAP of the Cicor Technologies Ltd. share of the first ten trading days after publication of the 2019 year-end results (12 March 2020–25 March 2020) amounted to CHF 32.94. This leads to a total of PSAs of 9 712 (target value for each plan participant divided by the VWAP of CHF 32.94).

in CHF 1 000	2020	2019
Recognized through Income Statement LTI-Plan 2017–2019	21	64
Recognized through Income Statement LTI-Plan 2018–2020	98	107
Recognized through Income Statement LTI-Plan 2019–2021	98	71
Recognized through Income Statement LTI-Plan 2020–2022	69	n/a

21 PERSONNEL COSTS

in CHF 1 000	2020	2019
Wages and salaries	53 613	58 062
Social security costs	6 760	7 397
Other personnel costs	3 177	4 194
Total	**63 550**	**69 653**

22 EMPLOYEES

	2020	2019
Number of employees (FTE)		
Production	1 719	1 851
Sales and marketing	67	69
Administration	115	116
Total	**1 901**	**2 036**

23 OTHER OPERATING EXPENSES

in CHF 1 000	2020	2019
Facility costs	8 052	8 691
Maintenance costs	3 618	3 578
Other production costs	5 243	6 564
Sales and marketing costs	861	1 424
Administration costs	3 560	3 642
Total	**21 334**	**23 899**

24 FINANCIAL INCOME AND EXPENSES

in CHF 1 000	2020	2019
Income		
Interest income	32	81
Foreign exchange gains	4 671	3 693
Total	**4 703**	**3 774**
Expense		
Interest expense	852	1 055
Other financial expenses	318	307
Foreign exchange losses	5 988	5 452
Total	**7 158**	**6 814**

25 RELATED-PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Cicor Technologies Ltd., Boudry, and the subsidiaries listed in note 3.
The governing and supervisory bodies of Cicor Technologies Ltd. are the only other related parties.
As per 31 December 2020, HEB Swiss Investment AG, the main shareholder, holds 29.35 % of total shares outstanding. Other principal shareholders are presented in the notes of the financial statements of Cicor Technologies Ltd.

Compensation of key management personnel of the Group

The remuneration of the Board of Directors and the Management also include the remuneration recorded at subsidiaries. Detailed information concerning compensation is published within the Remuneration Report on pages 31/32.

26 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

– credit risk
– market risk
– liquidity risk

This note presents information about the Group's exposure to each of the above risks. Further quantitative disclosures are included throughout these consolidated statements. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The following paragraphs give an overview of the extent of the above mentioned risks.

Credit risk

The credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligation. The assets mainly exposing the Group to a credit risk are: cash, cash equivalents and trade accounts receivable. The Group minimizes credit risk arising on cash and cash equivalents by investing in funds of high credit-rated banks. These investments generally have a maturity of less than three months.

The Group's exposure to credit risk arising from trade receivables is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk. The danger of risk concentration is generally minimized by the large number of customer credit balances, as no single customer accounts for more than 6 % of consolidated sales 2020 (2019: no single customer acc counted for more than 6 % of consolidated sales).

The carrying value of financial assets reflects the maximum credit risk and is presented in the table below:

in CHF 1000	2020	2019
Cash and cash equivalents	43 135	33 660
Trade receivables	30 679	36 444
Other accounts receivable	3 363	2 779
Other currrent assets	487	559
Total	**77 664**	**73 442**

Every operational unit has a credit policy under which each new customer is analyzed individually for creditworthiness. Purchase limits are established for each customer which represent the maximum open amount possible. Customer lists are reviewed in a monthly meeting with the Group Management. On a quarterly basis, the allowances made according to the Group's rules laid down in the financial manual are closely monitored.

Market risk

The market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of risk management is to manage and control market risk exposures within acceptable limits.

Currency risk

The Cicor Technologies Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective currencies of Group entities. The currencies in which these transactions are primarily denominated are Swiss francs (CHF), euros (EUR), Singapore dollars (SGD) and US dollars (USD). These risks are mostly offset by cash flows from financial assets or liabilities resulting from opposite operational transactions (natural hedge). As of 31 December 2020, the following foreign exchange forwards for the hedging of currency risks on Group loans with a remaining period of up to 18 months are outstanding:

in CHF 1000	Assets		Liabilities		Purpose
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	
Foreign exchange forwards	433	506		–	Hedging
Total	**433**	**506**	**–**	**–**	

Interest rate risk

The interest rate risk is the risk that there is a change in market value or future cash flow of a financial instrument if there is a change in interest rate.

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing financial debts. The Group's policy is to manage its interest cost using a mix of fixed and variable debt. For the syndicated bank loan, the interest rate was reduced in 2020 from an average of 1.27 % to an average of 0.92 %. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments is presented in note 12.

Liquidity risk

The liquidity risk is the risk that Cicor Technologies Ltd. cannot meet its financial obligations when they are due.

A syndicated loan of CHF 69.5 million (utilized as per 31 December 2020: CHF 55.5 million) is available to secure short- to long-term financing requirements (see note 12). Compliance with the financial covenants defined in the syndicated loan is a central element of the Group's financial risk management. The respective bank covenants were fulfilled at all reporting dates. The short-term liquidity risk is reduced by the cash flow generated by operations, the trend of which is monitored continuously.

The following table shows the contractual cash flows of financial liabilities including interest payments as of 31 December:

2020 in CHF 1 000	Carrying amount	Contractual cash flow	2021 contractual cash flow	2022 contractual cash flow	2023 contractual cash flow	2024 contractual cash flow	2025 and after contractual cash flow
Financial liabilities	56 752	57 574	3 823	53 751	–	–	–
Trade payables	22 556	22 556	22 556	–	–	–	–
Other current liabilities and accruals	17 157	17 157	17 157	–	–	–	–
Total	**96 465**	**97 287**	**43 536**	**53 751**	**–**	**–**	**–**

2019 in CHF 1 000	Carrying amount	Contractual cash flow	2020 contractual cash flow	2021 contractual cash flow	2022 contractual cash flow	2023 contractual cash flow	2024 and after contractual cash flow
Financial liabilities	50 347	52 042	4 067	2 590	45 385	–	–
Trade payables	28 065	28 065	28 065	–	–	–	–
Other current liabilities and accruals	19 029	19 029	19 029	–	–	–	–
Total	**97 441**	**99 136**	**51 161**	**2 590**	**45 385**	**–**	**–**

The net carrying amount of financial assets and liabilities is a reasonable approximation of the fair value. No significant deviations between the net carrying amount and the fair value were noted.

Financial liability is measured using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period.

27 RESEARCH AND DEVELOPMENT

Cicor Group does not have any costs for research activities, but on average spends about 7 % to 8 % of sales as development costs.

28 SUBSEQUENT EVENTS

No events took place between 31 December 2020 and 10 March 2021 that would require an adjustment to the amounts recognized in these consolidated financial statements.

Statutory Auditor's Report

To the General Meeting of Cicor Technologies Ltd., Boudry

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cicor Technologies Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement 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 38 to 64) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and its consolidated results of operations 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 Auditing Standards. 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.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

VALUATION OF INVENTORY ALLOWANCES

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.

VALUATION OF INVENTORY ALLOWANCES

Key Audit Matter

As per 31 December 2020, the Group had inventory balances, including work-in-progress (WIP) balances, of CHF 49.9 million. The Group's business model drives a variety and complexity of products, mainly electronic components, devices and systems. Management has to apply judgment in assessing the level of allowance required to account for slow-moving, excess or obsolete inventory items.

Our response

Our procedures included, amongst others, the following:

— Obtaining an understanding of the Group's process for determining inventory allowances and, for specific significant entities, testing the effectiveness of key controls that mitigate the risk of over- or understatement of the inventory allowances;
— Challenging the appropriateness of the Group's methodologies and assumptions based on our understanding of the individual businesses within the Group, taking into account the nature of their

Inventory allowances are determined using methodologies that the Group deems appropriate to the respective business.

The level of judgment involved in assessing whether an allowance should be recognized and how it should be measured, coupled with the fact that allowance movements impact operating profit/loss, results in inventory allowances being a key area that our audit was concentrated on.

inventories, information on inventory turnover and consumption rates in the past as well as expected future usage, and evidence gained from observing physical inventory counts;

— Testing the mathematical accuracy of the calculation of the inventory allowances on a random sample basis; and
— Assessing on a sample basis the recoverability of inventory through comparison of net realizable values to cost, considering where applicable the expected cost to complete. This also involved tracing recognized cost amounts back to source documents.

For further information on the valuation of inventory allowances refer to the following:

— Note 2.2 to the consolidated financial statements (significant accounting principles, inventories, page 44)
— Note 7 to the consolidated financial statements (inventories, page 51)

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that 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 Swiss Auditing Standards 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.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Group's internal control.
— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 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.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Kurt Stocker Licensed Audit Expert Auditor in Charge	David Grass Licensed Audit Expert

St. Gallen, 10 March 2021

KPMG AG, Bogenstrasse 7, PO Box 1142, CH- St. Gallen

FINANCIAL STATEMENTS OF THE CICOR TECHNOLOGIES LTD.

BALANCE SHEET

in CHF 1 000	31.12.2020	31.12.2019
Assets		
Cash and cash equivalents	22 413	17 418
Other current receivables		
– Third party	496	115
– Subsidiaries	6 910	3 473
Short-term loans to Group companies	1 909	1 871
Accruals	601	264
Current assets	**32 329**	**23 141**
Financial assets third party	–	425
Long-term loans to Subsidiaries	45 852	50 942
Long-term loans to Subsidiaries subordinated	–	18 000
Investments	67 236	83 236
Non-current assets	**113 088**	**152 603**
Total assets	**145 417**	**175 744**
Liabilities and shareholders' equity		
Financial liabilities		
– Subsidiaries	13 208	14 109
– Third parties	2 000	2 000
Other liabilities		
– Subsidiaries	–	3
– Third parties	28	–
Accrued expenses	350	861
Current liabilities	**15 586**	**16 973**
Non-current interest bearing liabilities		
– Third parties	53 500	44 500
Non-current liabilities	**53 500**	**44 500**
Ordinary share capital	29 021	29 021
Legal capital reserve		
– General reserve	1 467	1 467
– Capital contribution reserves	99 085	103 424
– Share premium	917	1 073
Voluntary retained earnings		
– Loss brought forward	–20 415	–20 952
– Net (loss) / profit of the year	–33 738	537
Treasury shares	–6	–299
Shareholders' equity	**76 331**	**114 271**
Total liabilities and shareholders' equity	**145 417**	**175 744**

INCOME STATEMENT

in CHF 1 000	2020	2019
Income		
Financial income	3 082	3 133
Interest received from Group companies	999	1 349
Interest received from third parties	–	3
Total income	**4 081**	**4 485**
Expenses		
Financial expense	2 270	2 460
Administrative expense	1 464	1 487
Impairment	34 000	–
Tax	85	1
Total expenses	**37 819**	**3 948**
Net (loss)/profit of the year	**–33 738**	**537**

NOTES TO THE FINANCIAL STATEMENTS OF THE CICOR TECHNOLOGIES LTD.

1 PRINCIPLES

General aspects

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Non-current assets

Non-current assets include long-term loans and investments. Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded, but unrealized profits are not recognized. Investments are valued at their acquisition cost adjusted for impairment losses, if any.

Treasury shares

Treasury shares are recognized at historical costs and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the equity.

Long-term interest-bearing liabilities

Interest-bearing liabilities are recognized in the balance sheet at nominal value. Issue costs for financial debts are capitalized and amortized on a straight-line method over the financial debt maturity period.

Foregoing a cash flow statement and additional disclosures in the notes

As Cicor Technologies Ltd. has prepared its consolidated financial statements in accordance with a recognized accounting standard (Swiss GAAP FER), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

Derivative financial instruments

Derivative financial instruments for hedging purposes of balance sheet items are stated at fair value upon conclusion of the contract and are shown under other current receivables and financial assets 3rd respectively financial liabilities. Consequently, the derivative financial instruments are valued at market value at each end of period whereas non-realized gains and losses are recognized in the financial result. The market values of the derivative financial instruments are derived from the market prices at the end of the period. To hedge currency risks, the Group makes use of foreign exchange forwards.

2 INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

Loans to subsidiaries

Loans in the amount of TCHF 22 450 have been granted to our companies in Switzerland, Romania and Asia. Loans in the amount of TEUR 13 960 have been granted to our companies in Germany and Romania. Loans in the amount of TUSD 8 725 have been granted to our companies in Asia. A loan in the amount of TSGD 3 700 has been granted to one of our companies in Asia.

INVESTMENTS

in CHF 1,000, unless otherwise stated	Participation in %	Currency	31.12.2020	31.12.2019
Cicorel SA, Boudry/Switzerland*	100	CHF	8 000	8 000
Engineering/Production/Sales/Distribution				
Reinhardt Microtech AG, Wangs/Switzerland*	100	CHF	1 800	1 800
Engineering/Production/Sales/Distribution				
Reinhardt Microtech GmbH, Ulm/Germany	100	EUR	500	500
Engineering/Production/Sales/Distribution				
RHe Microsystems GmbH, Radeberg/Germany*	100	EUR	216	216
Engineering/Production/Sales/Distribution				
Electronicparc Holding AG, Bronschhofen (Wil)/Switzerland*	100	CHF	23 271	23 271
Holding/Finance				
Swisstronics Contract Manufacturing AG, Bronschhofen (Wil)/Switzerland	100	CHF	3 000	3 000
Engineering/Production/Sales/Distribution				
Systronics SRL, Arad/Romania	100	RON	5 145	5 145
Production/Sales				
Systel Italia SRL, Milano/Italy	100	EUR	10	10
Sales/Distribution				
ESG Holding Pte Ltd., Singapore*	100	SGD	1 896	1 896
Holding/Finance				
Cicor Asia Pte Ltd., Singapore	100	SGD	2 000	1 000
Sales/Distribution				
Cicor Ecotool Pte Ltd., Singapore	n/a	SGD	n/a	1 000
Engineering/Production				
PT Cicor Panatec, Batam/Indonesia	100	USD	300	300
Production				
Brant Rock Enterprises Corporation, British Virgin Islands	100	USD	10	10
Holding/Finance				
Cicor Anam Ltd., Anam/Vietnam	100	USD	1 500	1 500
Production				
Suzhou Cicor Technology Co. Ltd., China	100	CNY	39 432	39 432
Production				
Cicor Americas Inc., USA*	100	USD	10	10
Sales/Distribution				
Cicor Management AG, Bronschhofen (Wil)/Switzerland*	100	CHF	250	250
Management Services				

* Directly held subsidiaries

Non-current interest-bearing liabilities

Cicor signed a syndicated bank loan agreement on 30 June 2017 on a total line of CHF 75 million. Up to 31.12.2020 the total line of the syndicated bank loan has been reduced to CHF 69.5 million and was utilized by CHF 55.5 million cash on 31 December 2020 (please refer to page 56 for further information).

Capital structure

	31.12.2020	31.12.2019
Share capital at 31 December		
2 902 092 (2019: 2 902 092) registered shares of CHF 10.–	29 020 920	29 020 920

Issued capital and changes in capital structure

During 2020 and 2019, the company's share capital did not change. Cicor Technologies Ltd. is a holding company established under Swiss law. According to the provisions of law governing the appropriation of retained earnings by holding companies, the share capital and appropriations to the general legal reserve to the extent of 20 % of share capital as well as the reserve for treasury shares may not be distributed.

Dividend

Any dividend distribution must be proposed by the Board of Directors and approved by the Annual Shareholders' Meeting. At the Shareholders' Meeting on 16 April 2020, the shareholders decided a withholding tax-free distribution of CHF 1.50 per share (totalling MCHF 4.3) from the capital contribution reserve. At the Annual Shareholders' Meeting on 15 April 2021, the Board of Directors will propose a withholding tax-free distribution of CHF 1.00 per share (totalling MCHF 2.90) from the capital contribution reserve. For more information refer to page 59.

Authorized capital

At the Shareholders' Meeting on 16 April 2020, the shareholders decided to renew the authorization of the Board of Directors to increase the share capital by a maximum of 600 000 fully paid-in shares at a nominal value of CHF 10 until 16 April 2022.

Conditional capital

At the Shareholders' Meeting of 13 May 2009, the shareholders decided to increase the conditional share capital up to 200 000 fully paid-in registered shares with a total nominal value up to CHF 2 000 000 for the exercise of stock option rights granted to officers and other key employees under an employee stock option plan. There are currently no stock option plans for members of the Management in place.

At the Shareholders' Meeting of 13 May 2009, the shareholders decided to create additional conditional share capital of up to 500 000 fully paid-in registered shares with a total nominal value of up to CHF 5 000 000 for the exercise of conversion rights granted to holders of convertible debt securities to be issued by the company. Such conversion rights would have to be exercised within five years of the issuance of such convertible debt securities.

Treasury shares

Number of shares	
1 January 2019	**3 000**
Purchase of own shares	2 500
31 December 2019	**5 500**
Purchase of own shares	4 000
Share-based payments	–9 384
31 December 2020	**116**

Financial income

The financial income mainly consists of the dividends of Electronicparc Holding AG (TCHF 400), RHe Microsystems GmbH (TCHF 533) and Reinhardt Microtech AG (TCHF 1 500) and of foreign exchange gains (TCHF 649).

Administrative expense

The administrative expense mainly consists of remuneration to the Board of Directors of TCHF 270 and stewardship costs of TCHF 947 (costs charged by Cicor Management AG, costs for the annual report and Annual Shareholders' Meeting as well as consulting, investor relations and audit costs).

Investment/impairment

The investment in Cicorel SA was increased by TCHF 18 000 due to the fact that the subordinated loan has been converted to equity as of 31.12.2020. The investment in Cicorel SA has then been impaired by TCHF 34 000.

3 OTHER INFORMATION

Full-time equivalents

Cicor Technologies Ltd. does not have any employees.

Collateral provided for liabilities of third parties

For a lease contract between Cicorel and a Swiss insurance company, Cicor Technologies Ltd. grants a guarantee in favor of the said insurance company in the amount of TCHF 7 976, which represents the discounted value of future rental payments.

in CHF 1,000	31.12.2020	31.12.2019
Guarantee in favour of a Swiss insurance company	7 976	3 081

Pledged assets

The shares of the following companies are in deposit with Commerzbank AG and pledged as collateral for the syndicated credit line contracted in 2017: Cicorel SA, Electronicparc Holding AG, Swisstronics Contract Manufacturing AG, Reinhardt Microtech AG and RHe Microsystems GmbH.

Principal shareholders

The following shareholdings correspond to the ones reported according to the regulations of the Swiss Stock Exchange (SIX Swiss Exchange) and updated as in the shares register per year-end.

	31.12.2020 Number of shares	in %[1]	31.12.2019 Number of shares	in %[1]
HEB Swiss Investment AG, Zurich, Switzerland	851 705	29.35	851 705	29.40
LLB (Swiss) Investment AG, Zurich, Switzerland	121 176	4.17	118 676	4.10
Escatec Holdings Ltd., Port Vila, Vanuatu	110 840	3.82	111 194	3.84
FundPartner Solutions (Suisse) SA, Geneva, Switzerland	95 385	3.28	n/a	n/a
Credit Suisse Funds AG, Zurich, Switzerland	94 732	3.26	n/a	n/a

[1] in % of the total outstanding shares

Compensation of Board of Directors and Management 2020

Please refer to pages 31 to 32.

Shareholdings of Board of Directors and Management

in CHF 1 000	2020 Number of shares	2020 Number of options	2019 Number of shares	2019 Number of options
Robert Demuth	5 124	n/a	5 124	n/a
Andreas Dill	1 000	n/a	1 000	n/a
Erich Haefeli	–	n/a	–	n/a
Total current Board members	**6 124**	**–**	**6 124**	**–**

in CHF 1 000	2020 Number of shares	2020 Number of options	2019 Number of shares	2019 Number of options
Alexander Hagemann	6 892	n/a	1 700	n/a
Patric Schoch	9 403	n/a	4 711	n/a
Total current Management	**16 295**	**–**	**6 411**	**–**

Shares or options on shares for members of the Board and employees

In 2020 and 2019, no shares or options on shares were allocated to members of the Board or to employees. As of 31 December 2020, there are no active stock option plans.

Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

4. PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

in CHF 1 000	2020
Loss brought forward 1.1.	– 20 415
Net loss of the year	– 33 738
Loss brought forward 31.12.	– 54 153

At the Annual Shareholders' Meeting on 15 April 2021, the Board of Directors will propose a withholding tax-free distribution of CHF 1.00 per share (totalling MCHF 2.90) from the capital contribution reserve.

KPMG

Statutory Auditor's Report

To the General Meeting of Cicor Technologies Ltd., Boudry

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cicor Technologies Ltd., which comprise the balance sheet as at 31 December 2020, and the income statement 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 68 to73) for the year ended 31 December 2020 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 Auditing Standards. 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 entity 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.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

VALUATION OF INVESTMENTS AND LONG-TERM LOANS TO SUBSIDIARIES

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.

VALUATION OF INVESTMENTS AND LONG-TERM LOANS TO SUBSIDIARIES

Key Audit Matter

The financial statements of Cicor Technologies Ltd. as per 31 December 2020 include investments in subsidiaries in the amount of CHF 67.2 million and long-term loans to subsidiaries in the amount of CHF 45.9 million.
The company annually reviews investments and long-term loans to subsidiaries for impairment on an individual basis.

In performing the impairment tests, management determined the recoverable amounts using a discounted cash flow model.

Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment tests as well as the appropriateness of management's assumptions.

This comprised:

— Retrospectively assessing the accuracy of management's past projections by comparing historical forecasts to actual results;

— Agreeing forecasts used in the impairment tests to current expectations of management and the business plans approved by the Board of Directors; and

The impairment assessment of investments and long-term loans to subsidiaries requires significant management judgment, in particular in relation to the forecast cash flows, future growth rates and the discount rates applied, and is therefore a key area that our audit was concentrated on.

— Challenging the robustness of key assumptions on a sample basis, including forecast cash flows, long-term growth rates and discount rates, based on our understanding of the commercial prospects of the respective investments and comparison with publicly available data.

For further information on valuation of investments and long-term loans to subsidiaries refer to the following:

— Note 1 to the financial statements (non-current assets, page 70)

— Note 2 to the financial statements (long-term loans to subsidiaries, page 70)

Responsibility of the Board of Directors 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 entity'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 entity 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 Swiss Auditing Standards 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.

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

— Identify and assess the risks of material misstatement of the financial statements, 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 internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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 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.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Kurt Stocker
Licensed Audit Expert
Auditor in Charge

David Grass
Licensed Audit Expert

St. Gallen, 10 March 2021

KPMG AG, Bogenstrasse 7, CH-9001 St. Gallen