EXPANDING HORIZONS WITH FINEBLANKING, FORMING AND E-LAMINATION STAMPING

FEINTOOL GROUP

Annual Report 2023

FEINTOOL

Expanding Horizons.

IMPORTANT KEY FIGURES AT A GLANCE

	2023	2022	2021 [1]	2020 [1]	2019 [1]
	01/01/–12/31/23	01/01/–12/31/22	01/01/–12/31/21	01/01/–12/31/20	01/01/–12/31/19
Operating figures in CHF m					
Net sales	847.7	833.8	588.1	492.0	632.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	84.0	84.6 [2]	85.6 [3]	53.2 [4]	67.7
Operating profit (EBIT)	29.9	27.3 [2]	34.4 [3]	3.0 [4]	18.9
Net earnings	17.8	17.6	19.2	-3.9	10.7
Return figures in %					
EBITDA margin	9.9	10.1 [2]	14.5 [3]	10.8 [4]	10.7
EBIT margin	3.5	3.3 [2]	5.9 [3]	0.6 [4]	3.0
Net return on sales	2.1	2.1	3.3	-0.8	1.7
Return on invested capital (ROIC) [5]	4.6	3.8	5.2	0.3	3.2
Cash flow and balance sheet statistics in CHF m					
Cash flow from operating activities	75.1	54.7	75.8	41.5	82.0
Cash flow from investing activities (net)	-55.2	-80.1	-37.4	-40.2	-51.8
Free cash flow	19.9	-25.4	38.3	1.3	30.2
Total assets	807.8	915.0	684.4	677.1	706.3
Equity	488.2	540.5	338.4	293.9	309.9
Liabilities	319.7	374.5	346.0	383.2	396.4
Net debt	24.2	42.1	120.7	146.9	140.8
Equity ratio	60.4 %	59.1 %	49.4 %	43.4 %	43.9 %
Gross investments	56.1	40.0	57.4	43.3	56.3
Key figures per share in CHF					
Earnings per share (basic)	1.21	1.59	3.92	-0.80	2.17
Distribution per share [6]	0.34 [7]	0.34	1.00	0.00	0.00
Equity per share	33.11	36.66	68.85	59.80	63.05
Other					
Number of employees at year-end (excl. apprentices)	3 230	3 277	2 478	2 570	2 641

[1] Including Fineblanking Technology segment, which was sold in the 2023 financial year.

[2] In the 2022 financial year, it was decided to change the Swiss pension fund as of January 1, 2023. The changed conditions have a negative one-off effect of CHF 5.2 million (amount excl. tax effect) on the statement of comprehensive income in the financial year. In this overview, EBITDA and EBIT are presented without this effect.

[3] In the 2020 financial year, Feintool received a loan of USD 8.4 million under the PPP program in the United States to mitigate the impact of the COVID-19 pandemic. In the first half of 2021, the government assured the company that this loan would not have to be repaid. Feintool also received CHF 3.9 million (amount excl. tax effect) in immediate aid from the Swiss government in the year 2021 to mitigate the effects of the COVID-19 pandemic. In addition, due to capacities no longer required at one plant, the company recognized an impairment loss on manufacturing equipment totaling CHF 12.1 million (amount excl. tax effect). In this overview, EBITDA and EBIT are presented without these effects.

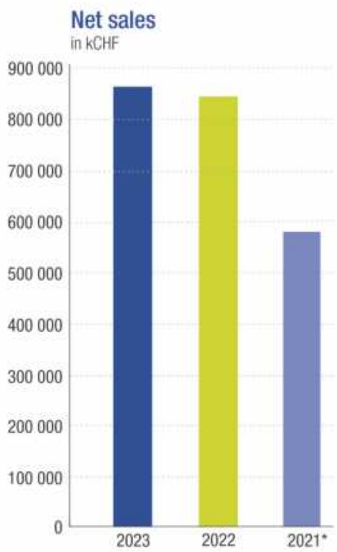
[4] In the 2020 financial year, the company agreed to a change in benefits in the Swiss pension plan and a curtailment due to the staff reduction measures, which had a positive one-off effect of CHF 6.3 million on comprehensive income for the period in accordance with IAS 19 (amount excl. tax effect). In addition, due to capacities no longer required at two plants, an impairment loss on manufacturing equipment totaling CHF 5.9 million was recognized (amount excl. tax effect). In this overview, EBITDA and EBIT are presented without these effects.

[5] Feintool uses for ROIC the following definition: NOPAT divided by capital invested, whereas capital invested is equal to equity plus nebt debt.

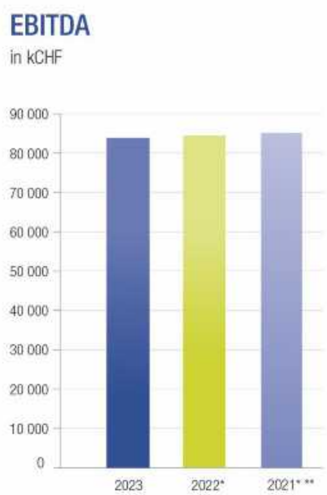
[6] Dividends and repayment of reserves from capital contributions.

[7] Board of Directors' proposal.

"Increased EBIT margin despite strong cost pressure"



*Including Fineblanking Technology segment, which was sold in the 2023 financial year.



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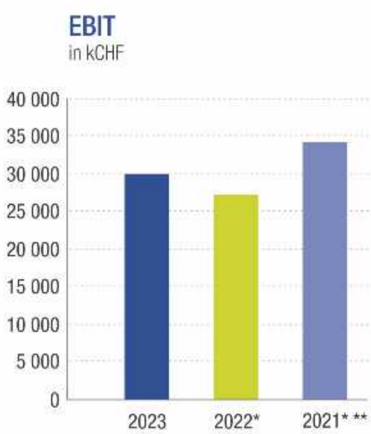


*without one-off effects
**Including Fineblanking Technology segment, which was sold in the 2023 financial year.

ALEXANDER VON WITZLEBEN TORSTEN GREINER

Dear Shareholders,

In the 2023 financial year, the Feintool Group reached important strategic milestones and made operational progress in a challenging environment. The sale of the capital goods business enabled us to concentrate on our core technological areas of expertise – electrolamination stamping, fineblanking, and forming. Tool making, which is an important area of expertise that sets Feintool apart in the market in all three core technologies, was not part of the divestment.

By securing important major orders in the fields of electric vehicle drives, the hydrogen economy, and wind energy, the Feintool Group underscored its successful focus on pioneering applications in the field of green energy. The generation, storage, and use of green energy will play an increasingly important role for Feintool in the coming years and contribute an ever greater share of sales.

Across the different regions and product applications, developments varied in the 2023 financial year.

The automotive segment, which accounts for around 80% of Feintool's sales, recorded slight growth. The sudden reversal of Covid-19 policy in China led to the closure of automotive plants in the first quarter and presented Feintool with particular challenges. The initial negative impact was reflected in sales, but customer demand recovered over the course of the year and led to a solid result in Asia. Previous supply chain problems, particularly in the case of semiconductors, also eased over the course of the year. In the United States, business performance was very solid right from the start of the year and enabled Feintool to achieve a strong annual result – despite the strike by the American auto union UAW in the fall of 2023.

We recorded a significant decline in volumes in the industrial business, which accounts for around 20 percent of Feintool's sales and is currently concentrated mainly in Europe. In this area, 2023 initially got off to a successful start. From the second quarter onwards, however, economic trends and an environment characterized by inflation made business considerably more difficult. In particular, Germany suffered a noticeable decline in economic output, which led to a drop in sales and a decline in earnings in the industrial business. Higher energy costs and rising wages had a negative overall impact on profitability.

Our performance

Despite these challenges and economic conditions, the Feintool Group generated sales of CHF 847.7 million in the 2023 financial year, primarily in foreign currencies. The appreciation of the CHF against the EUR, USD, CNY, and JPY cost Feintool CHF 39.4 million in sales in 2023. Without the foreign exchange effects, reported sales would have been 4.7% higher. The sales forecast for 2023 had already been adjusted in the spring of the year due to the sale of the capital goods business (with Feintool retaining a 15% stake). Earnings before interest and taxes (EBIT) amounted to CHF 29.9 million (EBIT margin: 3.5%) and the equity ratio was a solid 60.4%. As such, Feintool slightly exceeded its guidance of an EBIT margin of approximately 3%. Feintool was able to make up for the weaker first half of the year over the course of the remaining year thanks to positive business performance in Asia and the United States as well as successful customer negotiations in Europe.

Despite the ratio of orders received to sales (book-to-bill ratio) standing slightly below 1 due to the economic situation, the generally satisfactory order situation will ensure that capacities will be fully utilized over the medium term, as the lifetime value of orders received in 2023 totaled approximately CHF 782 million and the Group's order backlog amounted to around CHF 6 billion. This strong performance validates our strategy (see below). At the Annual General Meeting on April 23, 2024, we will propose the distribution of a dividend of CHF 0.34 per share.

Our strategy

In 2023, the Feintool Group strengthened its global market position as a leading supplier of high volume, precision parts. As a technology-driven Group, we are pursuing a growth strategy that is systematically focused on the promising markets for electric motors, generators, and the hydrogen economy, while at the same time being underpinned by our successful business activities in the field of internal combustion and hybrid drives. We have already reduced the share of sales accounted for by components in this traditional area to less than 50 percent. This is because we see ourselves as an integral part of the global transformation towards the generation, storage, and use of green energy. In concrete terms, this means that Feintool is one of the largest suppliers of main drives for electric cars and electric commercial vehicles and is investing primarily in battery and hydrogen-powered mobility. Furthermore, our components are used in wind and hydroelectric power plants as well as in industrial electric drives for (heat) pumps, machines, and building technology. We are also involved in electric motor product development and are developing the necessary innovative tooling solutions. In addition, we are taking advantage of opportunities in the field of internal combustion and hybrid drives and are operating very successfully in these markets. We benefit from our technological edge in fineblanking and forming and used this expertise to successfully exploit order opportunities for new applications in 2023. The Feintool Group is capable of meeting the investment requirements necessary for its transformation process from its own financial resources thanks to its solid balance sheet and low level of debt.

Expanding into India to strengthen Asian business

Business in China and Japan also proved to be strong in 2023. Based on Feintool's excellent market position in Asia, we will continue to grow in this region. The market in India offers great potential, as according to Statista, 4.58 million cars were produced on the subcontinent in 2023, with a clear upward trend. We are currently laying the foundation in India with an initial investment of CHF 15 million and founded the company Feintool System Parts India with a new production site in the Pune metropolitan region at the beginning of 2024. In doing so, we are meeting the needs of our long-standing customers. The new Feintool plant in India brings us closer to our business partners and also improves our carbon footprint thanks to significantly shorter delivery routes. Production in Pune is expected to start in the summer of 2025. In the first phase, seat adjusters will be manufactured for various large automobile manufacturers. Feintool is the global market leader when it comes to this fineblanked component. In the future, high-precision parts for applications in the fields of battery and hydrogen-powered mobility, industry, and renewable energy will also be produced in India.

We continue to see significant opportunities in China, which is currently the largest single market in the automotive sector by far. Feintool systematically invested there in 2023 and closed the 2023 financial year with a solid result. Today, Feintool is the only company in China that can offer the key technologies of fineblanking, stamping, and FEINforming (at its Taicang site near Shanghai) and forming (at its Tianjin site) from a single source. Production in the field of electrolamination stamping launched in Taicang in 2023. The plant is developing into an important hub for the production of rotors and stators for electric motors as well as bipolar plates for fuel cells. Feintool's innovative, patented glulock® bonding technology for rotors and stators is meeting with considerable customer interest in China.

Feintool was also able to assert itself against stiff competition and secure a major order from an established fuel cell manufacturer in China. Within the scope of this order, Feintool will supply metallic bipolar plates for a new generation of fuel cells. Feintool completed construction of a fourth production hall in Taicang in the first half of 2023. As a result, the company has the capacity to manufacture up to ten million bipolar plates per year in high volume production. Operations will commence in the course of 2024. Feintool's engineering expertise and local presence were the decisive factors in the customer's decision to award us the contract. Unlike in Europe, the market for plug-in hybrids has also grown strongly in China and contributed to the excellent sales performance and strong earnings. Feintool has established itself in China as a domestic technology leader with a global footprint, and the prospects for noteworthy new orders are promising.

We can also look back on a successful 2023 financial year in Japan. Our presence in the country also opens up opportunities for other Feintool locations to generate new business. For example, the System Parts USA business unit successfully acquired an order from Toyota for seat adjusters.

Strong market position in the USA

In North America, Feintool benefits from its leading market position in fineblanking and forming as well as from customers' high level of confidence in our innovation and competitiveness. In 2023, System Parts USA was able to successfully acquire new business, even against competitors that had received prior orders, and therefore gained market share. For the second time in a row, orders received in 2023, with a lifetime sales value of approximately USD 400 million, stood twice as high as the value of current annual sales, with a value of roughly USD 200 million. This has enabled us to continuously expand our strong market position in the United States. We are pleased with the high level of orders and our solid performance, which led to strong results for Feintool USA in the past financial year.

Our business in the United States with fineblanked and formed parts is developing very well. Due to the high number of orders received, in 2023 we began expanding the plant in Nashville. We are leveraging our strong position in Feintool's traditional business while keeping an eye on the development of battery electric vehicles (BEVs). The market for this segment is developing more slowly in the United States than in Europe and Asia, although it is also recording continuous growth there.

Major orders in Europe

In Europe, overall business fell short of expectations in 2023. In this context, business in stamping was more encouraging than in fineblanking/forming. At the beginning of the year, the Stamping Europe business unit secured a multi-year order from a renowned American automaker. The order encompasses the supply of stator and rotor stacks for the electric main drive of passenger cars and has a lifetime sales value in the three-digit million-euro range. Our one-of-a-kind glulock® MD bonding technology is being used in high volume production for the first time in the manufacture of these components. Feintool also entered a new long-term partnership with a renowned European pump manufacturer. This order encompasses the supply of stators and rotors for the electric drive of pumps for various industrial applications and has a lifetime volume in the double-digit million-euro range.

Feintool will invest around EUR 30 million to grow its electrolamination stamping business and further expand the plant in Tokod, Hungary. We see great potential for future electrolamination business in Tokod.

Due to the economic trends in 2023, however, the industrial business suffered a decline in sales over the course of the year and remained well below expectations through the end of the year.

Business performance in fineblanking/forming in Europe was unsatisfactory overall and characterized by declining sales. Feintool responded by strengthening its sales organization in 2023.

Sustainable business development

Feintool's sustainability activities are making an impact – in 2023, the Group successfully underwent an ESG rating by the agency Morningstar/Sustainalytics. The extensive catalog of questions and assessments is essentially focused on how the respective companies manage ESG risks. In this process, five risk severity levels are identified that can impact the value of the company. Feintool received an excellent initial rating of "17.7 – Low Risk." The result lies in the top 19% of Feintool's peers.

In 2023, the Board of Directors increased the number of governance staff with a view to the requirements of sustainable economic development and decided to include ESG criteria in the compensation policy for senior executives. This resolution will be implemented in 2024. In addition, the Feintool Group's sustainability reporting was adapted to new national regulatory requirements and further optimized with a view to international standards. In this context, enhanced risk management is particularly important both to Feintool and its upstream and downstream supply chains. As part of the risk analysis, the Group published a new Code of Conduct for Suppliers and implemented it in the regions.

Regarding individual measures implemented in the 2023 financial year, three areas are worth mentioning: the enhancement of employer attractiveness through numerous programs, the upcoming switch to green electricity through new solar panel installations at the Chinese plants, and the successful TISAX certification in information security (TISAX stands for Trusted Information Security Assessment Exchange).

Outlook

We are looking to the 2024 financial year with confidence; the order situation is stable and broad-based.

The economic slowdown in industrial business in Europe last year is neither a structural development nor a long-term trend. The market will recover. The eurozone economy as a whole has increased its productivity in recent years and will benefit from this.

The Feintool Group's main value driver is electrolamination stamping, and the market is growing in this field: the CAGR (compound annual growth rate) for BEVs in the automotive sector stands at 20% and in industrial applications at 5 to 10%. In the stamping business, Feintool is ideally positioned worldwide – in China, the company possesses the leading technologies and infrastructure. The Group continued its global rollout with the founding of System Parts India. And in the United States, we are also expanding our electrolamination stamping expertise in line with specific market conditions.

Feintool stands out from the crowd thanks to its innovations – we are continuing to develop the unique glulock® technology with new processes. We see promising opportunities for the sale of bipolar plates, as the growth rate for electrolysis systems is rising sharply worldwide – albeit from a comparatively low level today. Ahead of all other countries, China is resolutely driving the advancement of hydrogen technology for decarbonization. When it comes to manufacturing cans and lids for battery cells, we will be taking the next steps. These components are usually made of aluminum or thin sheets of steel, which are manufactured using forming and fineblanking technology. Large quantities are required for electric vehicle batteries – and Feintool has the necessary expertise for large-scale production.

Feintool is, of course, aware of the major challenges – we are seeing weaker overall growth in the automotive industry worldwide. The shortage of skilled workers also requires increased efforts in the fields of recruitment, training, and the development of selected talented individuals on a global scale. For this reason, Feintool launched an employer branding campaign titled “Details matter. You matter.” The campaign positions the company as an attractive employer that values the expertise and know-how of each of its employees. Furthermore, the focus lies on the exceptional dedication to excellence and quality that is shared by everyone at Feintool.

Guidance/medium-term targets

Despite the challenging market conditions, we anticipate slight organic growth and a further improvement in profitability for the 2024 financial year: We expect to generate sales of around CHF 800 – 850 million with an EBIT margin of approximately 4%. We are confirming our medium-term targets (> CHF 1 billion in sales with an EBIT margin of 6 – 8% in 2026).

Our thanks go to you

The Feintool Group is rising to the challenges of the markets and mastering the transformation processes in the industry, which are taking place around the world in varying degrees and at different speeds.

We would like to thank you for the trust you have placed in us and the constructive support you have always given us. We would also like to thank our customers, many of whom have been with us for many years, and all our business partners, with whom we work together to develop innovative solutions.

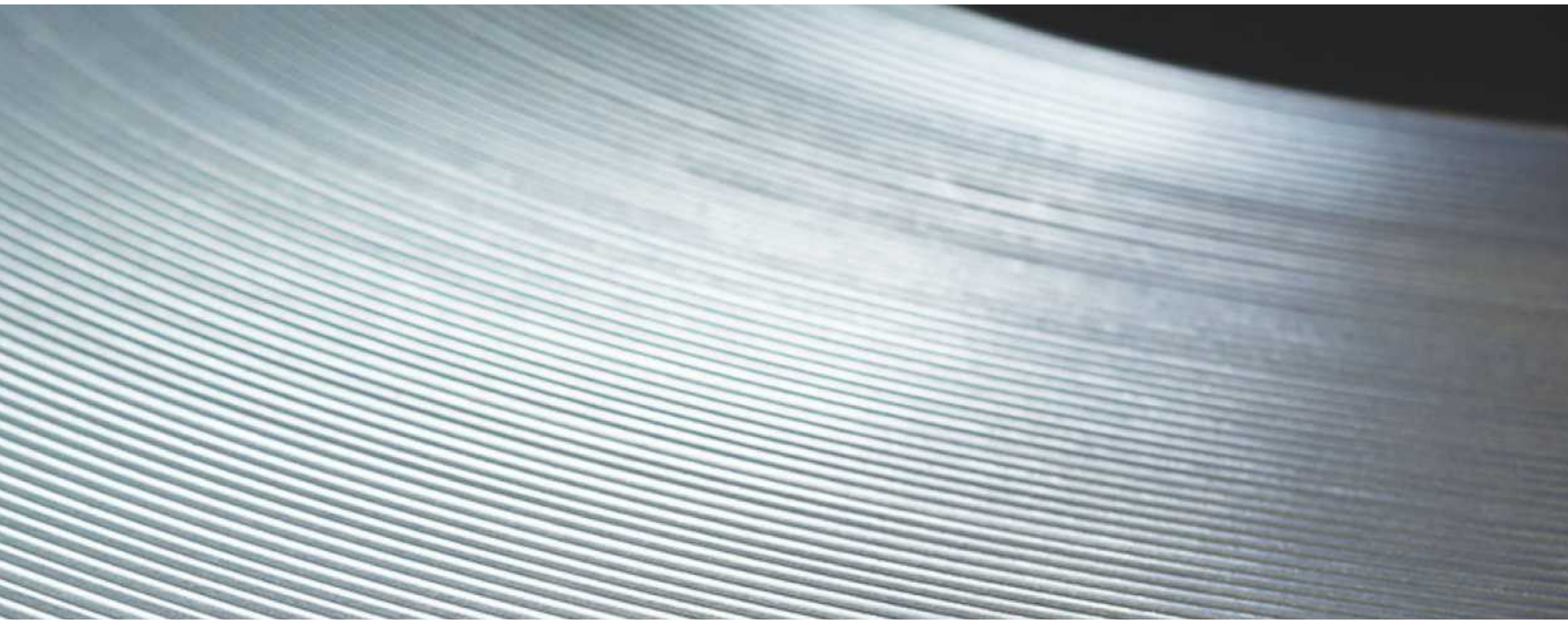
Finally, ensuring that the Feintool Group performs at a high level in a challenging market environment requires flexibility, expertise, and a great deal of dedication from our 3,300 employees on three continents. We know that we can always rely on their knowledge, experience, and courage to tackle new challenges, and would like to thank each and every one.

ALEXANDER VON WITZLEBEN
Chairman of the Board of Directors

TORSTEN GREINER
Chief Executive Officer

FEINTOOL GROUP

Headwind in net sales due to strong CHF –
3.5 % EBIT-Margin despite strong cost pressure



FINANCIAL REVIEW

as at December 31, 2023

BUSINESS PERFORMANCE

General information

The consolidated financial statements for 2023 apply to Feintool International Holding AG and its subsidiaries. They cover the period January 1 to December 31, 2023.

The sale of the capital goods business (the Fineblanking Technology segment) was completed on June 7, 2023. In the 2023 financial report, this business area is presented in the consolidated statement of comprehensive income under discontinued operations. To make the 2023 report comparable with that of the previous year, in the consolidated statement of comprehensive income 2022 the capital goods business is also classified as discontinued operation. When comparing the consolidated statement of comprehensive income with that of the previous year, it should also be noted that the Kienle & Spiess companies have only been consolidated since March 1, 2022.

One-off effect in previous year

In the previous year, Feintool decided to liquidate its own pension fund in Switzerland and joined a joint plan. This had a one-off non-cash negative effect of CHF 5.2 million due to the change of plan. Unless expressly stated otherwise, the following information applies to Feintool's operating business excluding this one-off effect.

Orders received, order backlog and expected releases

In 2023, Feintool received orders with a lifetime value of around CHF 782 million (previous year CHF 1 030 million). Due to the difficult economic environment the record level of the previous year was not reached, and the book-to-bill-ratio is slightly below 1 (0.92). The large share of incoming orders attributable to e-mobility is extremely promising. The new multi-year contract for a renowned American OEM with a lifetime volume in the triple-digit million euro range is particularly noteworthy. For the first time, the innovative glulock® Multidot (MD) bonding technology will be used in high volume production for the main drives of electric cars. This order was communicated in July 2023. Feintool has as of December 31, 2023 an order book of roughly CHF 6 billion and has therefore a solid future workload.

Feintool's customers continuously send the company the expected releases for the next six months. Customers have the ability to postpone or even cancel releases that they have already entered into our ordering systems, however. In times of considerable uncertainty and as a result, increased volatility, this early indicator becomes less reliable. As such, Feintool has decided not to publish this key figure at the present time.

Net sales performance

Consolidated sales rose in the reporting currency by 1.7 % to CHF 847.7 million (previous year: CHF 833.8 million). As Kienle + Spiess was only included for ten months in the previous year, the increase came mainly from the stamping sales, which are now fully included. Sales generated by Kienle + Spiess in the first two months of 2023 amounted to CHF 54.4 million, resulting in inorganic sales growth of 6.5 %. Currency effects negatively impacted sales by CHF 39.4 million (-4.7 %). Organic decrease came to approximately -0.1 %. As a result, Feintool recorded an increase in net sales of 6.4 % expressed in local currency.

Net sales in the System Parts Europe segment increased by 4.5 %, from CHF 556.3 million to CHF 581.5 million. Currency effects had a negative impact of CHF 16.1 million; in local currency, sales in Europe thus increased by 7.4 %. On average, quantities sold by the fineblanking and forming plants were down slightly compared with the FY 2022. In addition, volumes in the industrial business of electrolamination stamping were also lower than in the previous year. Volumes for the main drives of battery electric vehicles developed satisfactorily.

Net sales in the System Parts USA segment decreased by 6.3 % in the reporting currency to CHF 179.7 (previous year: CHF 191.7 million). The currency effect of the US dollar in the amount of CHF 11.6 million had a negative impact on sales, resulting in an decrease in sales in local currency of 0.2 %. The decline in sales in the US was driven by lower steel prices (price effects). The volume (parts delivered) was in 2023 higher than in 2022.

Net sales in the System Parts Asia segment increased by 0.7 % to CHF 89.9 million (previous year: CHF 89.3 million). Currency effects had a negative impact of CHF 11.7 million. Business in Asia, adjusted for currency effects, thus grew by 13.9 %. The increase in sales in local currency was driven by higher volumes.

Overall, the Feintool Group sold products and services with a total value of CHF 552.9 million in Europe, thus increasing the region's share to 65.2 % (previous year: CHF 526.8 million, equal to 63.2 %). With sales of CHF 195.8 million, equal to 23.1 % of total sales (previous year: CHF 203.4 million or 24.4 %), the share of sales generated in North America decreased. Sales in Asia decreased to CHF 99.0 million, thus this region's share fell to 11.7 % (previous year: CHF 103.6 million or 12.4 %).

Key expense items

Material is by far the largest cost component for Feintool, whereby material costs also include costs for external processing of parts such as heat treatment or coating. In the reporting year, the material-to-sales ratio decreased from 54.3 % to 54.1 % – taking changes in inventories into account – and the cost of materials totaled CHF 451.7 million (previous year: CHF 455.8 million). Two effects played an important role in the material-to-sales ratio. The growth in the electrolamination stamping business increased the ratio. In Stamping Europe the material costs accounted for roughly 62 % of sales in 2023. This was then compensated with the in average lower steel prices in Europe and US.

Labor costs totaled CHF 213.5 million (previous year - excluding one-off effects: 216.4 million). In relation to output (net sales plus changes in inventories), the labor-to-sales ratio decreased from 26.0 % to 25.2 %. The labor-to-sales ratio thus remained roughly constant year over year. Production capacities remained underutilized at some sites, however.

Other operating expenses rose by CHF 3.4 million to CHF 96.8 million. As a percentage of sales, the ratio slightly increased to 11.4 % (previous year: 11.2 %). Inflation drove this increase in other operating expenses. The ratio to sales was offset, however, by passing prices on to customers and the lower OPEX ratio of the electrolamination stamping business.

Earnings before interest, taxes, depreciation, and amortization (EBITDA)

Operating earnings before interest, taxes, depreciation, and amortization (EBITDA) decreased slightly by CHF 0.6 million to CHF 84.0 million in the reporting year (previous year: CHF 84.6 million). At 9.9 %, the EBITDA margin in the financial year stood slightly lower than in the previous year (10.2 %). Good volumes in US and Asia had a positive impact on the margin while the lower quantities in fineblanking and forming Europe and the low volumes in the industrial business (electrolamination stamping in Europe) gave headwind on margins.

Depreciation, amortization, and impairment losses

Depreciation and amortization decreased to CHF 54.2 million in the reporting year (previous year: CHF 57.3 million). The depreciation and amortization rate decreased from 6.9 % to 6.4 %. The decline in capital expenditures in the past periods led to lower depreciation and amortization rates. In addition, the growing electrolamination stamping business is also less capital intensive. This also has a positive impact on the depreciation and amortization rate. At CHF 56.1 million, capital expenditures in the reporting period were in the same range as the yearly depreciation and amortization.

Earnings before interest and taxes (EBIT)

Feintool generated operating earnings before interest and taxes (EBIT) of CHF 29.9 million (previous year: CHF 27.3 million). Thus, the operating EBIT margin stood at 3.5 % (previous year: 3.3 %). As such, the EBIT margin in 2023 stood roughly 20 basis points higher than in the previous year.

Operating earnings generated by the System Parts Europe segment declined by CHF 9.3 million to CHF 20.1 million (previous year: CHF 29.4 million). As a result, the EBIT margin in the parts business in Europe stood at 3.5 % (previous year: 5.3 %). Profitability in Europe suffered from low capacity utilization in fineblanking and forming and from the low volumes in the industrial business (stamping).

Operating earnings generated by the System Parts USA segment rose by CHF 6.7 million to CHF 12.6 million (previous year: CHF 5.9 million). As a result, the EBIT margin in the parts business in the United States stood at 7.0 % (previous year: 3.1 %). The margins in the USA were positively impacted by the higher volumes.

Operating earnings generated by the System Parts Asia segment rose by CHF 2.0 million to CHF 9.2 million (previous year: CHF 7.2 million). As a result, the EBIT margin in the parts business in Asia stood at 10.3 % (previous year: 8.0 %). The improvement in profitability in Asia was the result of operational improvements and higher volumes.

Financial result

The net financial result of CHF -5.9 million decreased slightly compared to the previous year (CHF -5.6 million). Adjusted for currency effects, the negative net financial result increased by CHF 1.1 million to CHF -7 million (previous year: CHF -6.0 million). Interest expenses increased primarily due to the in average higher interest rates. The high volatility in various currencies led to currency gains of CHF 1.1 million in the reporting year (previous year: currency gains of 0.4 million). Net debt at the end of the year stood at CHF 24.2 million, CHF 17.9 million lower than at the end of the previous year (CHF 42.1 million).

Taxes

In the 2023 financial year, the Feintool Group recognized tax expense of CHF 6.2 million. On the one hand, many Feintool companies achieved solid results, which led to a tax burden. On the other hand, some companies suffered losses. In countries where loss carryforwards expire relatively quickly, these losses are not capitalized.

Group result

Discontinued operations (capital goods business) resulted in a net loss of CHF -22.1 million. Overall, the group reported a consolidated net loss of CHF -4.3 million (previous year: profit of CHF 16.5 million).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Total assets decreased by CHF 107.1 million, equal to 11.7 %, to a total of CHF 807.8 million (previous year: CHF 915.0 million). This decline resulted from the sale of the capital goods business (Fineblanking Technology segment). The deconsolidation of the sold segment reduced total assets by CHF 38.2 million. In addition the lower inventory levels helped to reduce the total assets. Moreover the appreciation of the CHF against the main foreign currencies of Feintool (EUR, USD, CNY and JPY) did lead to a lower consolidated amount of total assets.

Current assets decreased from CHF 350.0 million in the previous year to CHF 302.1 million. Trade receivables decreased to CHF 82.2 million (previous year CHF 94.4 million). As a percentage of sales, trade receivables decreased slightly from 11.3 % to 9.7 %. This was mainly due to low sales in December compared with the previous year. Inventories and contract assets decreased significantly by CHF 42.3 million to CHF 114.1 million (previous year: CHF 156.4 million) as a result of the lower inventory level at the year-end 2023 and as a result of the in lower steel prices. Prepaid expenses and accrued income decreased slightly to CHF 4.8 million (previous year: CHF 5.0 million). Cash and cash equivalents at the year-end totaled CHF 82.2 million (previous year: CHF 78.6 million).

Operating net working capital decreased by CHF 29.8 million to CHF 110.3 million (previous year: CHF 140.1 million), thus amounting to 13.0 % of sales (previous year: 16.3 %). In particular, the lower inventory level and the lower steel prices had a positive impact on this number. This is reflected in the decrease in trade receivables by CHF 12.9 million and in the decrease in inventories (CHF -38.2 million). The decrease in trade payables (CHF -16.5 million) had a negative impact on net working capital.

Total non-current assets decreased significantly by CHF 59.2 million or 10.5 % to CHF 505.8 million (previous year: CHF 565.0 million). The sale of the Fineblanking Technology segment resulted in a decrease in non-current assets of CHF 6.7 million. Without the divestment effect, non-current assets would therefore also have declined compared with the end of 2022. This decrease is mainly due to translation effects (appreciation of the CHF). Property, plant, and equipment decreased by CHF 38.0 million to CHF 361.3 million. Intangible assets decreased by CHF 11.3 million to CHF 122.4 million. Financial assets also decreased and now amount to CHF 8.8 million. Deferred tax assets decreased by CHF 7.0 million to CHF 13.3 million (previous year: CHF 20.3 million).

On the liabilities side, total liabilities decreased by CHF 54.8 million to CHF 319.7 million (previous year: CHF 374.5 million). Trade payables and other liabilities decreased by CHF 19.2 million and amounted to CHF 83.4 million. Tax liabilities, deferred income, current and non-current provisions, and deferred tax liabilities decreased by a cumulative CHF 12.8 million to CHF 68.2 million. Liabilities for employee benefits (IAS 19) decreased by CHF 8.5 million to CHF 61.6 million due to the sale of the press business. The revaluation of employee benefits recognized directly in equity had a negative impact of CHF -2.5 million.

Interest-bearing debt decreased by CHF 14.3 million to CHF 106.4 million (previous year: CHF 120.7 million). A total of CHF 27.9 million of the interest-bearing liabilities are short-term in nature. Non-current interest-bearing liabilities totaled CHF 78.5 million for the reporting period. Taking available cash and cash equivalents into account, net debt decreased by CHF 17.9 million and thus totaled CHF 24.2 million (previous year: CHF 42.1 million). With CHF 261.6 million in cash and cash equivalents and available, confirmed lines of credit, Feintool has considerable financial flexibility (previous year: CHF 239.5 million).

Shareholder’s equity stood at CHF 488.2 million on December 31, 2023 (previous year: CHF 540.5 million). As a result, the equity ratio increased slightly from 59.1 % to 60.4 %. The reduction of the balance sheet had a positive effect on the equity ratio while the decrease of the equity had a negative impact. The Statement of Changes in Equity shows that net income from operations decreased equity by CHF 4.3 million. Currency translation differences of CHF 40.5 million also had the biggest negative impact. The revaluation of employee benefit obligations resulted in a negative effect of CHF -2.5 million. In addition, CHF 5.0 million in dividends was distributed to shareholders. The other items had a slightly negative effect overall (CHF -0.1 million).

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flow from operating activities increased to CHF 75.1 million (previous year CHF 54.7 million) due to the lower net working capital. Net working capital decreased by CHF 9.2 million in the reporting period (previous year: increase of CHF 19.5 million), mainly due to lower quantities in the inventory and due to lower material prices. At CHF 55.2 million, cash flow from investing activities resulting from ordinary operations stood clearly above the previous year's level (CHF 28.0 million). Taking the acquisition of Kienle + Spiess into account, cash flow from investing activities totaled CHF 80.1 million in the previour year. Overall, this resulted in a free cash flow of CHF 19.9 million (previous year: CHF -25.4 million). Excluding the purchase of Kienle & Spiess (CHF 52.2 million), the free cash flow of the FY 2022 was at CHF 26.7 million. So the operational free cash flow is on similar level like in 2022. As such, Feintool was once again able to finance its capital expenditures from its operating business.

EMPLOYEES

The number of employees* (excluding trainees) decreased by 47 to 3 230 in the financial year (previous year: 3 277). In addition, 105 young people (previous year: 94) are undergoing vocational training at our companies. In terms of organic growth, the number of employees thus remained at roughly the same level as at the end of 2022. Feintool had 2 159 employees in Europe at the end of 2023, equal to 66.9 % of the total workforce, and 140 less than in the previous year. In the United States, the number of employees grew by 61 to 568 (equal to 17.6 %), while in Asia the number increased by 32 to 503 (15.6 %).

* Calculated as full-time equivalents on the reporting date

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 2023 financial year (January 1 to December 31, 2023)

Continued operation	Note	**2023** in CHF 1 000	in %	**2022** in CHF 1 000 re-presented [1]	in %
Net sales	4	**847 705**	**100.0**	**833 810**	**100.0**
Change in finished and semi-finished goods and work in progress		-6 831		3 452	
Capitalized self-generated assets	5	2 849		1 551	
Material expenses		-451 654		-455 794	
Personnel expenses	6	-213 516		-211 256	
Other operating expenses	7	-96 766		-93 320	
Other operating income	8	2 252		1 040	
Earnings before interest, taxes, depreciation and amortization (EBITDA) [2] [3]		**84 039**	**9.9**	**79 483**	**9.5**
Depreciation and amortization		-54 165		-57 333	
Operating profit (EBIT) [2] [4]		**29 874**	**3.5**	**22 150**	**2.7**
Financial expenses	9	-17 001		-16 247	
Financial income	10	11 103		10 624	
Earnings before taxes		**23 976**	**2.8**	**16 527**	**2.0**
Income taxes	11	-6 169		1 090	
Net income continued operation attributable to Feintool shareholders		**17 807**	**2.1**	**17 617**	**2.1**
Discontinued operation					
Net income discontinued operation after tax attributable to Feintool shareholders	2	-22 101		-1 132	
Net income attributable to Feintool shareholders		**-4 294**		**16 485**	

[1] Comparative information has been re-presented due to a discontinued operation. Further information on discontinued operation is provided in section 2 of the notes.

[2] One-off effects in financial year 2022:
Change pension fund CHF -5.2 million

[3] Includes the operating result before depreciation and amortization, (net) financial income and income tax.

[4] Includes the operating result before (net) financial income and income tax.

	Note	2023 in CHF 1 000	in %	2022 in CHF 1 000 re-presented [1]	in %
Other comprehensive income					
Items that may be and are reclassified to profit or loss					
Translation differences [2]		-40 474		-21 650	
Items that may not be reclassified to profit or loss					
Reassessment of net defined benefit liability (asset)		-3 282		21 608	
Income taxes on non recycable items		756		-5 645	
Total other comprehensive income		**-43 000**		**-5 687**	
Total comprehensive income attributable to Feintool shareholders		**-47 295**		**10 797**	
Net income attributable to Feintool shareholders	13	-4 294		16 485	
Total comprehensive income attributable to Feintool shareholders	13	-47 295		10 797	
Basic earnings per share (in CHF)	13	-0.29		1.48	
Diluted earnings per share (in CHF)	13	-0.29		1.48	
Basic earnings per share continued operation (in CHF)	13	1.21		1.59	
Diluted earnings per share continued operation (in CHF)	13	1.21		1.59	
Number of employees as of December 31					
Number of employees excl. 105 (previous year 94) trainees		**3 230**		**3 277**	

[1] Comparative information has been re-presented due to a discontinued operation. Further information on discontinued operation is provided in section 2 of the notes.

[2] In the financial year 2023, translation differences of kCHF 1 405 have been recycled based on the sale of the “Fineblanking Technology” segment.

CONSOLIDATED BALANCE SHEET

for the 2023 financial year (as at December 31, 2023)

	Note	12/31/2023 in CHF 1 000	in %	12/31/2022 in CHF 1 000	in %
ASSETS					
Current assets					
Cash and cash equivalents		82 182		78 569	
Trade and other receivables	14	95 915		107 149	
Tax receivables		5 082		2 814	
Inventories	15	114 128		152 298	
Net contract assets	16	–		4 142	
Prepaid expenses and accrued income	17	4 775		5 041	
Total current assets		**302 082**	**37.4**	**350 013**	**38.3**
Non-current assets					
Property, plant and equipment	18	361 296		399 251	
Intangible assets and goodwill	19	122 370		133 655	
Financial assets	20	8 770		11 694	
Deferred tax assets	12	13 321		20 353	
Total non-current assets		**505 757**	**62.6**	**564 953**	**61.7**
TOTAL ASSETS		807 839	100.0	914 966	100.0
LIABILITIES					
Current liabilities					
Financial liabilities	21	27 850		39 045	
Trade and other payables	22	83 427		102 622	
Tax liabilities		9 915		10 377	
Accrued expenses and deferred income	23	22 429		28 617	
Current provisions	24	12 562		8 856	
Total current liabilities		**156 183**	**19.3**	**189 517**	**20.7**
Non-current liabilities					
Financial liabilities	21	78 537		81 630	
Non-current provisions	24	1 882		3 296	
Deferred tax liabilities	12	21 441		29 887	
Employee benefit liabilities	25	61 645		70 125	
Total non-current liabilities		**163 505**	**20.3**	**184 938**	**20.2**
Total liabilities		**319 688**	**39.6**	**374 455**	**40.9**
Equity	26				
Share capital		147 445		147 445	
Capital reserves		209 655		212 149	
Retained earnings		241 015		250 339	
Treasury shares		-457		-389	
Translation differences		-109 507		-69 033	
Total equity		**488 151**	**60.4**	**540 511**	**59.1**
TOTAL EQUITY AND LIABILITIES		807 839	100.0	914 966	100.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 2023 financial year (January 1 to December 31, 2023)

in CHF 1 000	Share capital	Treasury shares	Capital reserves	Retained earnings	Translation differences	Total equity
January 1, 2022	**49 148**	**-475**	**116 729**	**220 348**	**-47 383**	**338 367**
Translation differences	–	–	–	–	-21 650	-21 650
Reassessment of net defined benefit liability (asset), net of tax	–	–	–	15 963	–	15 963
Total other comprehensive income	**–**	**–**	**–**	**15 963**	**-21 650**	**-5 687**
Net income attributable to Feintool shareholders	–	–	–	16 485	–	16 485
Total comprehensive income attributable to Feintool shareholders	**–**	**–**	**–**	**32 448**	**-21 650**	**10 797**
Capital increase [1]	98 297	–	98 178	–	–	196 475
Dividend	–	–	-2 457	-2 457	–	-4 914
Purchase/(sale) of treasury shares	–	-726	–	–	–	-726
Share-based management remuneration [2]	–	812	-301	–	–	511
December 31, 2022	**147 445**	**-389**	**212 149**	**250 339**	**-69 033**	**540 511**
January 1, 2023	**147 445**	**-389**	**212 149**	**250 339**	**-69 033**	**540 511**
Translation differences	–	–	–	–	-40 474	-40 474
Reassessment of net defined benefit liability (asset), net of tax	–	–	–	-2 526	–	-2 526
Total other comprehensive income	**–**	**–**	**–**	**-2 526**	**-40 474**	**-43 000**
Net income attributable to Feintool shareholders	–	–	–	-4 294	–	-4 294
Total comprehensive income attributable to Feintool shareholders	**–**	**–**	**–**	**-6 820**	**-40 474**	**-47 295**
Dividend [3]	–	–	-2 504	-2 504	–	-5 008
(Purchase)/sale of treasury shares	–	-663	–	–	–	-663
Share-based management remuneration [2]	–	595	10	–	–	605
December 31, 2023	**147 445**	**-457**	**209 655**	**241 015**	**-109 507**	**488 151**

[1] On May 13, 2022, 9 829 684 new shares, each with a nominal value of CHF 10, were issued as capital increase.

[2] The share based management remuneration involves payment of part of the salary in shares.

[3] The General Meeting held on April 25, 2023 approved the Board of Directors' proposed dividend distribution of CHF 0.34 per registered share from earnings for the financial year ended December 31, 2022.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the 2023 financial year (January 1 to December 31, 2023)

	Note	2023 in CHF 1 000	2022 in CHF 1 000
Net income attributable to Feintool shareholders		-4 294	16 485
Depreciation, amortization and impairment	18, 19	54 163	59 025
(Gain)/loss on disposal of property, plant and equipment	7, 8	91	465
Loss on disposal of discontinued operation	2	22 101	–
Increase/(decrease) in provisions and valuation allowances	25	-2 332	3 354
Other non-cash changes		-8 279	-5 166
Income taxes		6 169	-1 993
Received / paid Income taxes		-5 316	-3 740
Financial result		3 624	5 833
Cash flows from operating activities before change in net working capital (NWC)		**65 927**	**74 263**
Increase/decrease in:			
Accounts receivables	14	-3 729	10 120
Inventories and net contract assets	15, 16	14 818	-20 767
Prepaid and accrued expenses and income	17, 23	1 497	-6 784
Accounts payables	22	-3 417	-2 117
Cash flows from operating activities		**75 096**	**54 715**
Investments in property, plant and equipment	18	-49 188	-27 910
Disposals of property, plant and equipment	18	4 862	2 089
Investments in intangible assets	19	-4 459	-1 246
Disposals of intangible assets	19	-46	648
Increase in financial assets	20	-322	-2 465
Decrease in financial assets	20	129	608
Interest received		251	160
Other financial income	10	-7	147
Purchase of consolidated investments net of cash	3	–	-52 169
Disposal of discontinued operation net of cash	2	-6 419	–
Cash flows from investing activities		**-55 198**	**-80 138**
Free cash flow [1)]		**19 898**	**-25 423**

[1)] Includes the cash flows from operating activities and the cash flows from investing activities

	Note	2023 in CHF 1 000	2022 in CHF 1 000
Capital increase	26	–	196 979
Dividends paid		-4 876	-4 914
Purchase of treasury shares		-663	-726
Other changes in equity		12	-303
Borrowing of interest-bearing liabilities	21	36 245	156 660
Repayment of interest-bearing liabilities	21	-27 092	-279 385
Payment of financial lease liabilities		-7 413	-8 396
Interest paid		-4 761	-5 778
Cash flows from financing activities		**-8 548**	**54 137**
Translation differences Cash and cash equivalents		-7 737	-1 908
Change in cash and cash equivalents		**3 613**	**26 806**
Cash and cash equivalents at the beginning of the period		78 569	51 763
Cash and cash equivalents at the end of the period		82 182	78 569

Lease payments are classified as follows on the statement of cash flows:
– Cash payments for the amortization portion are recognized as financing activities.
– Cash payments for the interest portion are recognized in cash flow from financing activities.
– Cash payments for non-capitalized leases are recognized in cash flow from operating activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at December 31, 2023

BUSINESS PERFORMANCE

Feintool International Holding AG, Industriering 8, 3250 Lyss, is a public limited company under Swiss law with headquarters in Lyss, Switzerland ("Company"). The consolidated financial statements for the period from January 1 to December 31, 2023, include the Company and its subsidiaries ("Feintool"). Feintool is an internationally active technology market leader in the field of fineblanking, formed steel components and stamped electro sheet metal products. Cost-effectiveness, superior quality, and high productivity distinguish these technologies. As an innovation driver, Feintool continually pushes the boundaries of these technologies and develops intelligent solutions to meet its customers' requirements. Feintool offers innovative tools and state-of-the-art manufacturing processes for all aspects of high-volume sheet metal applications in the automotive industry and other demanding industrial sectors as well as renewable energies. The processes used support the megatrends of green energy generation, storage, and application.

With locations in Europe, US, China and Japan, the Feintool Group is represented in the world's major automotive markets. Headquartered in Lyss, Switzerland, the Group has a headcount of 3 230. At its various locations, Feintool provides training for 105 young people mainly as polymechanics, constructing engineers and commercial employees.

GENERAL INFORMATION

The consolidated financial statements for the financial year are based on the financial statements of the Group companies as at December 31, 2023, which were prepared in accordance with consistent accounting policies.

The consolidated financial statements are prepared in accordance with Swiss law and the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The accounting principles of the SIX Swiss Exchange Listing Regulations have also been observed. In the management's opinion, the consolidated financial statements give a true and fair view of the Group's financial position, results of operations and cash flows.

The consolidated financial statements are prepared on a going-concern basis under the historical cost convention, with the exception of derivative financial instruments (measured at fair value) and net liability or assets from defined benefit plans (measured at present value of defined benefit obligations less fair value of plan assets).

The consolidated financial statements are prepared in Swiss francs (CHF), with amounts rounded to the nearest thousand (1 000). They are available in English.

DISCONTINUED OPERATION

On June 7, 2023, Feintool sold Feintool Technologie AG, Lyss, Feintool Equipment Corp., Cincinnati, USA and Feintool Fineblanking Technology (Shanghai) Co., Ltd., Shanghai, China to the German Certina Group. All activities of the "Fineblanking Technology" segment and related areas that are sold are reported in the statement of comprehensive income in a separate item "discontinued operation". The year end 2022 figures have been re-presented accordingly (see also section 2 "Disposal of discontinued operation").

FINANCIAL COVENANTS

Further information on financial covenants is provided in section 21 of the Notes. As of December, 31st 2023, all the covenants had been met.

IMPACTS OF OECD GLOBAL MINIMUM TAX RATE

Switzerland has enacted new tax legislation to implement the global minimum top-up tax. Feintool expects to be subject to the top-up tax in relation to its operations in Hungary, where the statutory profit tax rate is around 10 percent. However, since the newly enacted tax legislation in Switzerland is effective only from January 1, 2024, there is no current tax impact in the period ended December 31, 2023.

Feintool has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

KEY ESTIMATES

The consolidated financial statements contain assumptions and estimated amounts which affect the amounts reported. Should these estimates and assumptions prove incorrect or incomplete, this may substantially affect the amounts reported and therefore Feintool's financial position, results of operations and cash flows.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Feintool regularly reviews whether the depreciation period chosen at the time matches the actual useful life, or capacity utilization rate, of the item of property, plant and equipment. If significant differences between the depreciation period and useful life are identified, the depreciation period is adjusted accordingly. If the expected cash flows on the item of property, plant and equipment no longer cover future depreciation, impairment losses are recognized.

Intangible assets/goodwill

The fair value of intangible assets is estimated at the date of acquisition. The residual value (difference between the purchase price and fair value of net assets acquired) represents goodwill. The intangible assets acquired have a finite life and are therefore amortized. Goodwill is not amortized, but is instead tested annually for impairment. The allocation to intangible assets and goodwill on the acquisition date therefore has an effect on amortization in subsequent periods.

When testing goodwill for impairment, various estimates are made which require medium and long-term (terminal value) estimates. This relates to both internally projected data (cash flow, growth rates, etc.) and external parameters (discount rate). Should these estimates prove incorrect, significant changes in value might result. Further information is given in section 19.2 of the Notes.

Current tax receivables and deferred tax assets

Feintool is liable to taxation in various jurisdictions. Provisions for income taxes incurred worldwide are based on estimates. For many transactions and calculations in its ordinary business, the tax charge is uncertain. If actual tax charges differ from the estimated charges, the corresponding adjustment is recognized in the financial year in which the definitive assessment is made. Management considers the corresponding estimates to be realistic and the corresponding provisions to be appropriate. Deferred tax assets are formed from temporary differences, and from tax loss carryforwards, but only if realization is deemed probable. The recoverable amount of capitalized tax assets recognized for loss carryforwards is therefore based on future forecasts for the relevant taxable entity over a period of several years. Should these future forecasts prove incorrect, significant changes in value might result.

Research & development

On its balance sheet, Feintool carries purchased as well as its own research and development work if the following conditions are met cumulatively:

- Technical feasibility of completion of the intangible asset, so that it will be available for sale directly or indirectly
- Intention to complete and sell the asset directly or indirectly
- Ability to sell the asset directly or indirectly
- Evidence of the future benefit to the products of the intangible asset
- Availability of adequate financial, technical and other resources for conclusion of the development
- Reliable measurability of the production costs

All the above points are based on assumptions. Should these assumptions prove incorrect or incomplete, this may substantially affect valuation of the corresponding intangible asset. Further information is given in section 19.1 of the Notes.

Provisions

Provisions are recognized if (a) a present obligation to a third party has arisen as a result of a past event, (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (c) the amount of the obligation can be reliably estimated. Provisions are recognized for a number of possible events and are explained in detail in section 24 of the Notes. By definition, however, they involve a higher degree of estimation than other items in the balance sheet, since the estimated obligations may result in a higher or lower outflow of funds depending on the outcome of the situation.

SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

With the exception of newly issued or revised Standards and Interpretations that became effective in the financial year, Feintool essentially applies the same accounting policies as those applied in the previous year. On Januar 1, 2023, Feintool introduced the following new (adapted) standards and interpretations:

- IFRS 17 – Insurance Contracts (January 1, 2023)
- IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (January 1, 2023)
- IAS 8 – Definition of Accounting Estimate (January 1, 2023)
- IAS 12 – International Tax Reform – Pillar Two Model Rules – Amendments (May 23, 2023)
- IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (January 1, 2023)
- IFRS 17 and IFRS 9 – Comparative Information (January 1, 2023)

Feintool is either unaffected by these changes, or the changes have no material effect on its financial position, results of operations or cash flows.

NEW ACCOUNTING REQUIREMENTS

Various new IFRS regulations were published on the balance sheet date, but have not yet entered into force. Feintool decided against early adoption of the following standards, revised standards and interpretations. Feintool plans to adopt the changes from the financial years beginning on or after the date indicated:

- IAS 1 – Classification of liabilities as current or non-current (January 1, 2024)
- IFRS 16 – Lease Liability in a Sale and Leaseback (January 1, 2024)
- IAS 1 – Non-current Liabilities with Covenants (January 1, 2024)

Feintool is assessing the impacts of the revised Standards and Interpretations. Based on its initial findings, Feintool does not foresee any significant impacts on its financial position, results of operations or cash flows.

BASIS OF CONSOLIDATION

The consolidated financial statements in principle encompass the annual financial statements of Feintool International Holding AG, Lyss (Switzerland), in addition to the financial statements of all Group companies in which Feintool International Holding AG directly or indirectly owns more than 50 % of the voting rights or that it controls in any other way. A list of all investments is provided below:

Company	Locations, country	Proportion of capital and voting rights as of December 31, 2023	Proportion of capital and voting rights as of December 31, 2022	Consolidation method
Feintool International Holding AG [1)]	**Lyss, CH**	**100 %**	**100 %**	**Full**
Feintool Automotive System Parts (Tianjin) Co. Ltd. [2)]	Tianjin, CN	100 %	100 %	Full
Feintool Engineering Co. Ltd. [3)]	Atsugi, J	n/a	100 %	n/a
Feintool Fineblanking Technology (Shanghai) Co., Ltd. [4)]	Shanghai, CN	0 %	100 %	n/a
Feintool Holding GmbH [5)]	**Bayreuth, GER**	**100 %**	**100 %**	**Full**
Feintool System Parts Ettlingen GmbH	Ettlingen, GER	100 %	100 %	Full
Feintool System Parts Jena GmbH	Jena, GER	100 %	100 %	Full
Feintool System Parts Obertshausen GmbH	Obertshausen, GER	100 %	100 %	Full
Feintool System Parts Oelsnitz GmbH	Oelsnitz, GER	100 %	100 %	Full
Feintool System Parts Ohrdruf GmbH [6)]	Ohrdruf, GER	100 %	100 %	Full
Feintool System Parts Sachsenheim GmbH [7)]	Sachsenheim, GER	100 %	100 %	Full
Stanzwerk Jessen GmbH [5)]	Frankfurt, GER	n/a	100 %	n/a
Feintool System Parts Jessen GmbH	Jessen, GER	100 %	100 %	Full
Jela Immobilien GmbH	München, GER	100 %	100 %	Full
Feintool Japan Co. Ltd.	Atsugi, J	100 %	100 %	Full
Feintool Precision System Parts (Taicang) Co. Ltd.	Taicang, CN	100 %	100 %	Full
Feintool System Parts Lyss AG [1)]	Lyss, CH	n/a	100 %	n/a
Feintool System Parts Most s.r.o.	Most, CZ	100 %	100 %	Full
Feintool Technologie AG [4)]	Lyss, CH	15 %	100 %	Financial investment
Feintool U.S. Operations, Inc.	**Cincinnati, USA**	**100 %**	**100 %**	**Full**
Feintool Cincinnati, Inc.	Cincinnati, USA	100 %	100 %	Full
Feintool Equipment Corp. [4)]	Cincinnati, USA	0 %	100 %	n/a
Feintool New York, Inc.	**White Plains, USA**	**100 %**	**100 %**	**Full**
One Holland Ave. Development LLC	Cincinnati, USA	100 %	100 %	Full
Feintool Tennessee, Inc.	Nashville, USA	100 %	100 %	Full
Feintool System Parts Tokod kft. [7)]	Tokod, HU	100 %	100 %	Full

[1)] On January 1, 2023, Feintool System Parts Lyss AG, Switzerland was absorbed by Feintool International Holding AG, Switzerland.

[2)] Feintool Automotive System Parts (Tianjin) Co. Ltd. carried out a capital increase in the amount of EUR 1.15 million in the prior financial year.

[3)] On June 1, 2023, Feintool Engineering Co. Ltd., Atsugi, was absorbed by Feintool Japan Co. Ltd., Atsugi.

[4)] On June 7, 2023 Feintool sold Feintool Technologie AG, Lyss, Feintool Equipment Corp., Cincinnati, USA and Feintool Fineblanking Technology (Shanghai) Co., Ltd., Shanghai, China to the German Certina Group. Feintool and Certina Group are pursuing close technological cooperation, particularly in the area of hydrogen technologies. Feintool therefore retains a strategic minority interest of 15 % in Feintool Technologie AG.

[5)] On January 1, 2023, Stanzwerk Jessen GmbH, Germany was absorbed by Feintool Holding GmbH, Germany.

[6)] Feintool Holding GmbH holds a 60 % stake in Feintool System Parts Ohrdruf GmbH. The remaining 40 % is held by Feintool International Holding AG.

[7)] On March 1, 2022, Feintool Holding GmbH, Bayreuth, Germany, acquired 100 % of the shares of the German company Kienle + Spiess GmbH, located in Sachsenheim, Germany, with its subsidiary Kienle + Spiess Hungary Kft., located in Tokod, Hungary. As of December 31, 2022 Kienle + Spiess Hungary Kft. was sold by Kienle + Spiess GmbH to Feintool International Holding AG. As of January 1, 2023 Kienle + Spiess GmbH was renamed to Feintool System Parts Sachsenheim GmbH and Kienle + Spiess Hungary Kft. was renamed to Feintool System Parts Tokod Kft.

[8)] Feintool Precision System Parts (Taicang) Co. Ltd. carried out a capital increase in the amount of CNY 50.27 million in the financial year.

METHOD OF CONSOLIDATION

All companies that Feintool controls are included in the consolidated financial statements according to the full consolidation method. Assets and liabilities as well as income and expenses are therefore included in full in the consolidated financial statements. Minority interests in equity and income are disclosed separately in the consolidated balance sheet and the statement of comprehensive income. Intercompany liabilities, credits, expenses and income are offset. Unrealized temporary gains on inventories or assets are eliminated on consolidation.

ACQUISITIONS AND GOODWILL

Newly acquired companies are consolidated using the acquisition method. The balance sheet and income statement are consolidated at the date on which control is obtained. The difference between the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiring party, on the one hand, and the purchase price, on the other, is recognized as goodwill. Acquisition costs are charged immediately to the statement of comprehensive income. After initial measurement, goodwill is reported at cost less any impairments. Goodwill is tested for impairment annually by calculating the recoverable amount (higher of fair value minus disposal costs and value in use) of the relevant cash generating units or group of cash generating units. Where the recoverable amount is less than the carrying amount, an impairment is recognized in the statement of comprehensive income.

Decisions are often made on the level of the cash generating units (CGU). Sales are centralized within the CGUs; orders are distributed across them on the basis of the specific skills of individual plants (machinery, employee experience). This optimizes cash flows for the CGU, although the cash flows of the individual production locations change randomly. Feintool is deciding about impairments on the level of the relevant CGU.

CURRENCY TRANSLATION

The Feintool Group used the following exchange rates in financial years:

		2023		2022	
		Closing rate	Average rate	Closing rate	Average rate
China	CNY 100	11.7766	12.5047	13.3544	14.0234
Eurozone	EUR 1	0.9260	0.9725	0.9847	1.0015
Japan	JPY 100	0.5923	0.6263	0.7001	0.7191
Czech Republic	CZK 100	3.7453	4.0663	4.0832	4.0882
USA	USD 1	0.8380	0.8975	0.9232	0.9555

FINANCIAL ASSETS AND LIABILITIES

Classification and Valuation of financial assets

In the first instance Feintool Group classifies a financial asset as “Amortized costs” or as “Fair value through profit and loss” (“FVTPL”). Classification is based on the basis of the company’s business model for the control of financial assets and the characteristics of the contractual payment flows of the financial asset.

Financial assets are measured at amortized cost if the following two conditions are met:

- The financial asset is contained within the scope of a business model, the objective of which is to keep financial assets for the absorption of contractual payment flows, and:
- The contractual conditions of the financial asset lead to payment flows at specified points in time that exclusively represent principal repayments and interest payments on the outstanding capital sum.

In the initial calculation, the Feintool Group values a financial asset (with the exception of a trade receivable with no significant financing component) at fair value. Trade receivables with no significant financing components are initially recognized at the transaction price.

The following valuation guidelines apply for the subsequent valuation of financial assets:

- Financial assets at amortized cost:
  The subsequent valuation of these assets is based on the procurement costs carried over. The interest earned is to be calculated according to the effective interest method. The procurement costs carried over are to be reduced by any depreciations. Interest earned, foreign currency gains and value adjustments are recorded through profit and loss.
- Financial assets at FVTPL:
  The subsequent valuation of these assets is recorded through profit and loss.

Feintool does not currently apply hedge accounting.

Impairment of financial assets

Expected credit losses are recorded. This model applies for financial assets at amortized cost as well as for contract assets. At the Feintool Group, the financial assets at amortized costs consist of trade and other receivables, cash and cash equivalents, and other current and non-current financial assets.

Under IFRS 9, the expected credit losses are valued based on one of the following two principles:

- 12-month credit loss: default event is expected in the next 12 months;
- credit loss expected over the duration: default event is expected over the full duration.

For trade and other receivables and similar receivables, the Feintool Group records the credit losses expected over the duration.

The calculation of the expected credit losses takes into account experience values and future expected losses based on market development, client position, and other components.

According to IFRS 9, the expected credit losses must likewise be evaluated with the following financial assets:

- Cash and cash equivalents
- Prepaid expenses and accrued income
- Non-current financial assets

Feintool does not expect any material credit losses for these items.

Financial liabilities

Financial liabilities mainly include debt and trade payables, which are measured at amortized cost. Financial liabilities designated at fair value through profit or loss (derivatives) are stated at fair value. Non-current financial liabilities are measured using the effective interest method. In addition to the actual interest payments, interest expenses therefore also include the amounts of annual interest cost and pro rata transaction costs.

Financial liabilities are de-recognized when repaid.

ABS-Program

The Feintool Group has a revolving receivables purchase agreement with Weinberg Capital DAC (the program’s special purpose entity) governing the sale of trade receivables. The negotiated structure provides for the sale of the Feintool Group’s trade receivables as part of an ABS transaction. The receivables are being sold by the Feintool Group to the program’s special purpose entity.

Under this ABS program with a maximum value of up to kCHF 23 150, the Feintool Group’s European subsidiaries sold receivables valued at kCHF 15 565 (previous year kCHF 14 123) as of December 31, 2023, of which kCHF 3 287 (previous year kCHF 1 911) was retained as purchase price retentions. These funds are held as hedging reserves but are not paid out and are recognized as other receivables. The basis for the transaction is the assignment of trade receivables from individual Feintool companies to the program's special purpose entity as part of an undisclosed assignment. The program's special purpose entity does not have to be consolidated under IFRS 10, as Feintool has neither the decision-making power nor any significant vested interest and there is no link between decision-making power and the variability of returns from the program's special purpose entity.

The Feintool Group continues to perform receivables management (servicing) for the receivables sold.

Feintool is meeting the requirements regarding the derecognition of financial liabilities in accordance with IFRS 9.3.2.1, as the receivables are transferred in accordance with IFRS 9.3.2.4 b). An assessment pursuant to IFRS 9.3.2.6 has shown that Feintool has neither substantially transferred nor retained all of the risks and rewards. This means that in accordance with IFRS 9.3.2.16, Feintool must recognize its continuing involvement.

The maximum amount of the continuing involvement of kCHF 296, i.e. the amount for which Feintool is still liable for the default risk, will continue to be reported under trade receivables with a corresponding other financial liability. Any interest to be expected until receipt of payment is not recognized for reasons of materiality.

BALANCE SHEET

Trade receivables/other receivables

This item contains accounts receivable from ordinary business activities. Bad debt provisions on trade receivables are calculated and recognized based on the expected credit losses. Other receivables are stated at their nominal amount less expected credit losses. Notes on the calculation of the expected credit loss can be found under “Financial assets and liabilities”. The payment terms are within the usual business practice and are usually between 30 and 90 days.

Inventories

Raw materials and purchased goods are stated at weighted average cost. Finished and semi-finished goods are stated at cost of manufacturing including manufacturing and material overheads, but at no more than their net realizable values. Inventories with low turnover and obsolete items are written down. Work in progress is stated at the cost of conversion.

Property, plant and equipment

Depreciation is recognized on a straight-line basis over the estimated useful life. As a rule, land is not written down. Impairments (see separate section) are recognized when the carrying amount no longer appears to be recoverable. Such impairments are presented separately.

As a rule, the following depreciation periods are applied:

Buildings:	20 to 50 years
Plant and equipment:	5 to 15 years
Vehicles:	3 to 5 years
IT hardware:	2 to 5 years

Capitalized costs that are closely linked to leased premises are depreciated over a maximum of the contractually agreed lease term.

Funds that are not related to a specific asset are capitalized and amortized on a straight-line basis over the period of the associated stipulations/conditions.

Leases

The Feintool Group will recognize a right-of-use asset and a lease liability at the beginning of the lease term, except in the following two cases:

- Leases of low-value assets
- Short-term leases with a lease term of twelve months or less

In both cases, lease payments are recognized as an expense on the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease.

The right-of-use asset is amortized on a straight-line basis from the date of commencement to the end of the lease term unless ownership of the underlying asset is transferred to the company at the end of the lease term or the cost of the lease reflects the fact that the company will exercise a purchase option. In this case, the right-of-use asset is amortized over its useful economic life, which is determined in accordance with the rules for property, plant, and equipment. Similar to assets held by the Group, the recoverability of the right-of-use asset is also reviewed if there are indications of impairment.

The right-of-use asset is recognized under property, plant, and equipment and the lease liability under current and noncurrent financial liabilities.

The following contract terms or depreciation periods generally apply:

Property:	3 to 10 years
Machines:	5 to 15 years
Other tangible assets:	3 to 5 years

Further information is given in section 7, 18 and 21 of the Notes.

Intangible assets

Intangible assets primarily include goodwill, in acquisitions purchased customer relations, technology, patents, software, land-use-rights and certain development costs. The latter are only capitalized if the technical feasibility of completing an asset that is ready for market can be demonstrated, the costs can be measured reliably and the costs appear to be feasible based on the marketplace. Intangible assets are capitalized at cost and amortized over their estimated useful life on a straight-line basis. Any impairments are recognized when the carrying amount no longer appears to be recoverable. Such impairments are presented separately.

Intangible assets (with the exception of goodwill) have a finite life and are amortized as follows:

Patents:	max. 11 years
Capitalized development costs:	3 to 5 years, max. 10 years
Software:	2 to 5 years
Customer relations:	max. 15 years

Provisions

Provisions are recognized if (a) a present obligation to a third party has arisen as a result of a past event, (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (c) the amount of the obligation can be reliably estimated. No provisions are recognized for future operating losses. Provisions are recognized for restructuring efforts when the Group company has a constructive obligation to implement restructuring as a result of communicating the plan to the individuals affected by it, and provided the costs can be reliably determined on the basis of a detailed plan. Reversals of provisions no longer required are recognized when the item for which the provision was originally recognized no longer exists or it is no longer probable that this item will occur.

Deferred taxes

Deferred taxes are accounted for using the balance sheet liability method. Under this method, the tax implications of temporary differences between carrying amounts in the consolidated financial statements and the tax base are recognized as a non-current liability or asset. They are generally calculated on the basis of actual or expected local rates of tax. Deferred tax liabilities are calculated for all taxable temporary differences. Deferred tax assets, including those for tax loss carryforwards and expected tax credits, are only recognized if it is probable that profits will be available for realizing the loss carryforwards and tax credits.

Changes in deferred taxes are recognized in the income statement except for deferred taxes on amounts recognized directly in other comprehensive income, which are also recognized in other comprehensive income.

Share-based payments

Shares are transferred to Group management as part of the remuneration at a contractually predefined amount. The number of shares depends on the average price in October/November. The shares have a staggered lock-in period of 1-4 years. Disbursement takes usually place in December. Individual members of the Board of Directors receive a contractually predefined number of shares. The shares are locked in for five years. The valuation corresponds to the price at the time of allocation.

Employee benefit plans

The Group operates various employee benefit plans, which differ depending on the circumstances of the individual company. The benefit plans are financed through contributions made by the employer and/or the employee to state pension systems, separate legal entities (trusts, insurance companies) or through the accumulation of corresponding provisions in the balance sheet of the company itself.

In the case of defined contribution plans, the accrued expenses correspond to the agreed contributions by the Group companies. In the case of defined benefit plans, the costs are calculated by independent experts in the form of an actuarial report using the projected unit credit method. The calculations are updated periodically. Benefit plans operated by external providers are funded plans, while the agreed commitments of the Group companies themselves are unfunded plans. The liability carried consists of the defined benefit obligation as defined by the actuary, less any assets recognized at fair value.

The expense recorded in the statement of comprehensive income is an actuarial calculation of the cost less contributions from employees. This comprises:

- Current service cost
- Interest on the net defined benefit liability
- Reassessments of defined benefit obligations

The current past service cost is recognized in personnel expense. The impact of changes in pension plan benefits is also reported in personnel expenses. The interest on the net defined benefit liability is recognized in financial expense. The expense or income from reassessments is recognized as other comprehensive income in the statement of comprehensive income.

Other long-term obligations to employees, such as anniversaries or sabbatical leave programs are recognized using the same methodology, with the exception that any actuarial changes are recognized in personnel expense.

Equity

Equity represents the residual value (assets less liabilities). Capital reserves result from premium payments made by shareholders, transactions involving treasury shares, employee options and the fair value of conversion rights at the time of issue. Retained earnings comprise the income earned and retained by the Group as well as the reassessment of the net defined benefit liability (asset). Acquisitions of treasury stocks are deducted from equity at cost. Other payments from equity instruments (derivatives classified as equity) are also taken directly as equity.

REVENUE RECOGNITION

Net sales – Revenue from contracts with customers

Under IFRS 15, income is recorded from the point when the client takes control of the product or service. The following provides an overview of the fundamental valuation guidelines.

Sale of series parts

The client gets control upon the delivery of the series parts – depending on the arrangement of the income terms. The net sales are recorded at this specific point in time. In the case of client complaints as a result of quality deficiencies, the client issues an invoice to Feintool. These complaints are dealt with swiftly and – where justified – are recorded in material expenditure.

Sale of tools

Feintool also sells tools in connection with parts production. Since these tools remain in the corresponding production facility for the parts production, invoicing takes place after the "Production Part Approval Process" (PPAP) or during the delivery period of the parts.

Other operating income/expenses

Other operating income includes gains on the disposal of property, plant and equipment, investments and various smaller items of income, such as revenue from staff restaurants, IT costs charged to third parties and letting income.

Other operating expenses include operating costs with the exception of material cost and personnel expenses as well as depreciation.

Gains/losses on the disposal of property, plant and equipment are recognized when ownership and the incidental risks and rewards are transferred.

Material expenses
The cost of materials includes the following costs associated with production:
- Raw materials, consumables, and supplies
- Trade parts
- Third-party work on materials and goods
- Direct procurement costs (freight, customs duties, etc.)
- Recognition of adjustments in the value of acquired inventories

Income from recycling scrap metal is deducted from the cost of materials.

Research & development
Order-related development costs are capitalized as work in progress. Research & development costs are charged in full to the statement of comprehensive income in the year in which they are incurred, provided they are not capitalized. Development costs for new products are capitalized only if there is a likely prospect of realization in technical and market terms, the cost can be measured reliably and it is probable that the expected future economic benefit attributable to the asset will belong to Feintool.

Interest
Interest is recognized using the effective interest method. Interest not yet received or paid is reported at the end of the reporting period in deferred income or expense. Interest is reported on the statement of comprehensive income under financial result.

1 SEGMENT INFORMATION

1.1 Products and services 2023 in CHF 1 000	System Parts Europe	System Parts USA	System Parts Asia	Total segments	Corporate	Elimina-tions	Total continued operation	Discontin-ued operation [1]	Total incl. discontin-ued operation
Net sales	581 491	179 688	89 905	851 084	–	-3 379	847 705	10 631	858 336
- Intercompany income	-2 882	-190	-167	-3 239	–	3 239	–	–	–
Total net sales – Group [2]	**578 609**	**179 498**	**89 738**	**847 845**	**–**	**-140**	**847 705**	**10 631**	**858 336**
EBITDA	**55 738**	**22 670**	**17 778**	**96 186**	**-12 244**	**97**	**84 039**	**-2 945**	**81 094**
Depreciation and amortization	-35 610	-10 019	-8 559	-54 188	-2 155	2 178	-54 165	-666	-54 831
Operating profit (EBIT)	**20 128**	**12 651**	**9 219**	**41 998**	**-14 399**	**2 275**	**29 874**	**-3 611**	**26 263**
Financial expenses							-17 001		
Financial income							11 103		
Income taxes							-6 169		
Net income attributable to Feintool Holding shareholders							**17 807**		
Number of employees	**2 132**	**568**	**503**	**3 202**	**28**	**–**	**3 230**		
Assets	**476 917**	**127 791**	**131 785**	**736 493**	**293 072**	**-221 715**	**807 850**		
Net working capital [3]	**74 376**	**24 878**	**16 476**	**115 730**	**30 701**	**-36 137**	**110 294**		
Investments in property, plant and equipment/intangible assets (incl. leases)	**28 863**	**16 676**	**7 949**	**53 488**	**10 385**	**-7 815**	**56 058**		

1.2 Geographical areas 2023	Switzerland	Europe excl. Switzerland	America	Asia	Total
Total net sales – Group [4]	**7 907**	**545 012**	**195 762**	**99 024**	**847 705**
thereof Germany		341 249			
thereof USA			135 903		
thereof Japan				31 689	
thereof China				60 183	
Fixed and intangible assets	**26 018**	**329 740**	**60 920**	**66 988**	**483 666**

1.3 Products and services 2022 in CHF 1 000	System Parts Europe	System Parts USA	System Parts Asia	**Total segments**	Corporate	Elimina-tions	**Total continued operation**	Discontin-ued operation [1]	**Total incl. discontin-ued operation**
Net sales	556 281	191 727	89 263	**837 271**	–	-3 461	**833 810**	27 163	**860 973**
- Intercompany income	-3 470	-48	-12	**-3 530**	–	3 530	**–**	–	**–**
Total net sales – Group [2]	**552 811**	**191 679**	**89 251**	833 741	**–**	**69**	833 810	**27 163**	860 973
EBITDA	**64 737**	**17 468**	**17 718**	99 923	**-9 398**	**-5 877**	84 648	**1 066**	85 714
One-off effects in the financial year [5]	-4 233		–	**-4 233**	-932	–	**-5 165**	-1 202	**-6 367**
EBITDA after one-off effects	60 504	17 468	17 718	**95 690**	-10 330	-5 877	**79 483**	-136	**79 347**
Depreciation and amortization	-35 325	-11 536	-10 541	**-57 402**	-2 227	2 296	**-57 333**	-1 692	**-59 025**
Operating profit (EBIT)	**29 412**	**5 932**	**7 177**	42 521	**-11 625**	**-3 581**	27 316	**-627**	26 689
One-off effects in the financial year [5]	-4 233	–	–	**-4 233**	-932	–	**-5 165**	-1 202	**-6 367**
Operating profit (EBIT) after one-off effects	25 179	5 932	7 177	**38 288**	-12 557	-3 581	**22 150**	-1 829	**20 322**
Financial expenses							**-16 247**		
Financial income							**10 624**		
Income taxes							**1 090**		
Net income attributable to Feintool Holding shareholders							17 617		
Number of employees	**2 262**	**507**	**469**	3 238	**39**	**–**	3 277		
Assets	**560 447**	**130 519**	**143 140**	834 106	**331 505**	**-295 174**	870 437		
Net working capital [3]	**93 503**	**25 906**	**18 095**	137 504	**-8 729**	**1 235**	130 010		
Investments in property, plant and equipment/intangible assets (incl. leases)	**25 579**	**6 849**	**4 091**	36 519	**2 848**	**-13**	39 354		

1.4 Geographical areas 2022	Switzerland	Europe excl. Switzerland	America	Asia	**Total**
Total net sales – Group [4]	**8 444**	**518 318**	**203 438**	**103 610**	833 810
thereof Germany		329 023			
thereof USA			131 354		
thereof Japan				27 755	
thereof China				67 738	
Fixed and intangible assets	**27 986**	**366 759**	**24 179**	**77 849**	496 773

The following footnotes are applicable to the 2023 and 2022 financial years.

1) As of June 2023, Feintool sold the segment "Fineblanking Technology", in which the companies Feintool Technologie AG, Lyss, Feintool Equipment Corp., Cincinnati, and Feintool Fineblanking Technology (Shanghai) Co., Ltd. have been included, to the German Certina Group. Accordingly, the segment will be reported as "discontinued operations" in the 2023 and 2022 financial years. Feintool Engineering Co. Ltd. has been transferred from Fineblanking Technology and is reported in the 2023 and 2022 financial years in the System Parts Asia segment.

2) Total Net Sales include "Sales from products transferred over time" about CHF 4.8 million (previous year kCHF 8.5 million). The net sales have been recognized in the discontinued operations. The remaining net sales in this segment mainly consist of tool sales and services.

3) Net working capital comprises trade receivables, inventories, net assets of construction contracts and prepaid expenses and accrued income less trade payables, advance payments received from customers and accrued expenses and deferred income. The remaining receivables and liabilities is included in the calculation for "Corporate".

4) Net sales is allocated to countries based on the customer's domicile.

5) In the 2022 financial year, it was decided to change the Swiss pension fund as of January 1, 2023. The changed conditions have a negative one-off effect of kCHF 7 767 on the statement of comprehensive income in the 2022 financial year. Thereof occured kCHF 2 602 in the discontinued operations.
Also in the 2022 financial year, the discontinued operations received an allowance of kCHF 1 400 to mitigate the impact of the Covid-19 pandemic.

Segment reporting is in accordance with internal reporting, and the one-time effects demonstrated have thus been factored into the group performance assessment by the Board of Directors and the management.

The following explanations on the segment information apply to the financial years 2023 and 2022.

The System Parts Europe, USA and Asia segments develop, produce and sell high-precision system components and assemblies using fineblanking and forming technology as well as electrical steel stamping. The segments also sell production-specific tools to third-party customers. The production and internal sale of tools is also included in this segments.

"Corporate" comprises the figures for Feintool International Holding AG and the German sub-holding company Feintool Holding GmbH.

The item discontinued operation includes the disposal of the segment "Fineblanking Technology", in which the companies Feintool Technologie AG, Lyss, Feintool Equipment Corp., Cincinnati, USA and Feintool Fineblanking Technology (Shanghai) Co., Ltd., Shanghai, China have been included.

The operating profit/loss comprises all operating income and expenses directly attributable to the individual segments. This includes all cross-segment expenses, which are charged directly. Feintool's financing is undertaken at the Group level. Financial expenses and income, financial liabilities as well as taxes, are therefore reported only at the Group level and do not appear in the segment reports. Feintool generates 10.6 % (previous year 13.4 %) of consolidated sales with one customer. Income is generated in all segments. With the other customers, the share is less than 10.3 % (previous year 10.6 %) in each case.

There is no reconciliation of data in management reports and data contained in the financial reports, as internal and external reporting are subject to the same valuation principles.

2 DISCONTINUED OPERATION

As of June 7, 2023, Feintool sold the segment "Fineblanking Technology", in which the companies Feintool Technologie AG, Lyss, Feintool Equipment Corp., Cincinnati, and Feintool Fineblanking Technology (Shanghai) Co., Ltd. have been included, to the German Certina Group. With the divest of the capital good business, the Feintool Group has positioned itself as a pure player in the business area of high volume parts production manufactured by the technologial processes of fineblanking, forming and electrolamniation stamping. Feintool and Certina Group are pursuing close technological cooperation, particularly in the area of hydrogen technologies. Feintool therefore retains a strategic minority intererst of 15 % in Feintool Technologie AG. The interest is included in the financial assets in the consolidated balance sheet.
The assets and liabilities of these companies were not yet reported separately as held for sale or discontinued operations in the annual report as of December 31, 2022. Comparative figures in this financial statements were re-presented accordingly.

2.1 Results of discontinued operation	2023 in CHF 1 000	2022 in CHF 1 000
Net sales	10 631	27 163
Total operating expenses	-14 242	-28 991
Operating profit (EBIT)	**-3 611**	**-1 828**
Financial result	-130	-206
Net income before income tax	**-3 741**	**-2 034**
Income tax	-155	902
Net income from discontinued operations	**-3 896**	**-1 132**
Loss from sale of discontinued operation	-18 205	–
Effect on net income of the period	**-22 101**	**-1 132**
Earnings per share in CHF		
Basic earnings per share	-1.50	-0.10
Diluted earnings per share	-1.50	-0.10
Cash flow		
From operating activities (incl. change in NWC)	-5 473	-6 529
From investing activities	628	-126
From financing activities	3 508	1 128
Net cash flow for the period	**-4 845**	**-6 655**
Effect on the financial position of Feintool Group		
Cash and cash equivalents	-4 767	
Receivables and accrued income	-6 053	
Inventories and net contract assets	-20 611	
Non-current assets	-5 405	
Deferred tax assets	-1 323	
Financial liabilities	3 776	
Payables	4 762	
Deferred income and provisions	7 804	
Employee benefit liabilities	4 875	
Net assets and liabilities	**-16 942**	
Consideration paid in cash	-1 652	
Cash and cash equivalents disposed of	-4 767	
Net cash outflow	**-6 419**	

3 ACQUISITION OF INVESTMENTS

3.1 Acquisitions during fiscal year 2023

There were no acquisitions in fiscal year 2023.

3.2 Acquisitions during fiscal year 2022

On March 1, 2022, Feintool Holding GmbH, Bayreuth, Germany, acquired 100 % of the shares of the German company Kienle + Spiess GmbH, located in Sachsenheim, Germany, with its subsidiary Kienle + Spiess Hungary Kft., located in Tokod, Hungary. Kienle + Spiess is one of the leading suppliers in rotors and stators for highly efficient electric motors. With this acquisition, Feintool is significantly expanding its latest business pillar, electric sheet stamping and its production capacity. As of January 1 2023 Kienle + Spiess GmbH was renamed to Feintool System Parts Sachsenheim GmbH and Kienle + Spiess Hungary Kft. was renamed to Feintool System Parts Tokod Kft.

	03/01 - 12/31/2022
3.2.1 Unconsolidated net operating income of the interest acquired	in CHF 1 000
Net Sales	217 512
EBIT	14 630

3.2.2 Consideration for the interests acquired	in CHF 1 000
Cash and cash equivalents	77 775
Total consideration	**77 775**

3.2.3 Identifiable assets and liabilities	in CHF 1 000
Cash and cash equivalents	25 606
Trade and other receivables [1]	38 438
Inventories	38 177
Property, plant and equipment	102 190
Intangible assets [2]	31 182
Financial liabilities	-76 677
Trade and other payables	-34 579
Provisions	-2 818
Deferred tax liabilities	-5 577
Employee benefit asset	-66 786
Net identifiable assets	**49 155**

[1] The trade receivables comprise gross contractual amounts due of kCHF 37 819, of which kCHF 348 was expected to be uncollectable at the date of acquisition.

[2] In intangible assets is mainly the value of customer contracts and relationships, as well as value of technology contained.

3.2.4 Goodwill at the acquisition date	in CHF 1 000
Total consideration	77 775
Net identifiable assets	-49 155
Goodwill [1]	**28 621**

[1] Goodwill at historical rates on the acquisition date. For the Feintool Group, goodwill represents the value that it would have had to pay in order to independently set up a profitable operation for the production of rotors and stators for highly efficint electric motors in the automobile. With its acquisition, Feintool is positioning itself as one of Europe's leading manufacturers of motor cores for battery electric vehicles (BEV) and hybrids (HEV), industrial drives and regenerative energies. Goodwill is not tax deductible.

The costs incurred by the Feintool Group for the acquisition of Kienle + Spiess amounted to around kCHF 1 500. In particular, this includes the fees of external lawyers and advisers. The costs were recognized in other operating expenses and amounted in financial year 2021 as well as in financial year 2022 to around kCHF 700 each.

4 NET SALES

	2023	**2022**
	in CHF 1 000	in CHF 1 000
Gross sales	857 918	839 874
Sales deductions	-10 213	-6 064
Total net sales	**847 705**	**833 810**

5 CAPITALIZED SELF-GENERATED ASSETS

	2023	**2022**
	in CHF 1 000	in CHF 1 000
Self-generated tools	486	757
Capitalized development costs	2 354	710
Other capitalized self-generated assets	9	84
Capitalized self-generated assets	**2 849**	**1 551**

6 PERSONNEL EXPENSES

	2023	**2022**
	in CHF 1 000	in CHF 1 000
Salaries and wages	176 489	165 038
Social security contribution [1]	28 886	37 684
Other personnel expenses	8 141	8 534
Total personnel expenses	**213 516**	**211 256**
of which direct personnel expenses [2] [3]	98 046	100 770
of which indirect personnel expenses [3]	115 470	110 328

[1] In the financial year 2022, it was decided to change the Swiss pension plan as of January 1, 2023. The changed conditions had a negative one-off impact of kCHF 5 165 on the statement of comprehensive income in previous year. The one-off impact is included in social security expenses. See also note 1 and 24 in the notes.

[2] Direct personnel expenses are personnel expenses that can be directly assigned to the production process.

[3] The effect of the change of the Swiss pension plan is included in the previous year in the direct personnel expenses with kCHF 2 110 and in the indirect personnel expenses with kCHF 3 048.

In the 2023 financial year, various Feintool Group companies received short-time work compensation totaling kCHF 67 (previous year: kCHF 125), which was deducted directly from labor costs. At the end of the financial year, the Feintool Group had 3 230 employees (previous year: 3 277) and 105 vocational trainees (previous year: 94).

7 OTHER OPERATING EXPENSES

	2023 in CHF 1 000	2022 in CHF 1 000
Repair and maintenance	43 818	39 334
Energy	20 443	24 569
IT costs	6 003	5 782
Rental and leasing expenses	2 400	2 247
thereof expenses for short-term leases	952	932
thereof expenses for low-value assets	641	690
thereof miscellaneous	810	717
Sales and marketing expenses	2 944	2 788
Administration and distribution expenses	14 981	12 541
Loss on the disposal of property, plant and equipment	231	578
Taxes and duties (not including income taxes)	1 201	2 005
Other expenses	4 745	3 476
Total other operating expenses	**96 766**	**93 320**

8 OTHER OPERATING INCOME

	2023 in CHF 1 000	2022 in CHF 1 000
Gain on the disposal of property, plant and equipment	139	113
Other income [1]	2 113	927
Total other operating income	**2 252**	**1 040**

[1] Other income includes mainly carve-out services related to the disposal of discontinued operations.

9 FINANCIAL EXPENSES

	2023 in CHF 1 000	2022 in CHF 1 000
Interest expense	4 928	4 118
Other financial expenses [1]	2 365	2 216
Foreign exchange losses	9 708	9 913
Total financial expenses	**17 001**	**16 247**

[1] Besides bank charges, other financial expenses include annual amortization of establishing cost for the promissory note, syndicated loan and ABS program, market making costs and valuation expenses from hedging.

10 FINANCIAL INCOME

	2023 in CHF 1 000	2022 in CHF 1 000
Interest income	249	159
Other financial income [1]	–	130
Foreign exchange gains	10 854	10 335
Total financial income	**11 103**	**10 624**

[1] Other financial income comprises valuation income from hedging.

11 INCOME TAXES

11.1 Analysis of income taxes	2023 in CHF 1 000	2022 in CHF 1 000
Tax credits/charges for the reporting period	5 356	7 507
Tax credits/charges from previous years	579	61
Deferred income taxes	234	-8 658
Total income taxes	**6 169**	**-1 090**

The decrease in income taxes is caused by the capitalization of tax loss carryforwards in previous period.

11.2 Analysis of tax charge	2023 in CHF 1 000	2022 in CHF 1 000
Earnings before taxes	**23 976**	**16 527**
Weighted tax rate as % [1]	25.0 %	24.4 %
Expected overall tax expense / income	**5 994**	**4 033**
Effect of tax rates in foreign jurisdictions	-776	5 089
Non tax-deductible expense	374	838
Non-taxable income	-6 383	-3 622
Unrecognized tax loss carryforwards from the current year	5 016	5 268
Use of unrecognized loss carryforwards from previous years	-993	-709
Recognition of previously unrecognized loss carryforwards	-277	-5 225
Use of unrecognized deductible temporary differences	272	–
Tax credits/charges from previous years	579	61
Effect of changes in tax rates	607	-1
Changes in estimates related to prior years	1 762	-157
Tax benefit on equity investments	–	-6 470
Other effects	-6	-195
Effective income tax expense (+) / tax income (-)	**6 169**	**-1 090**
Effective income tax expense as %	**25.7 %**	**-6.6 %**

[1] The weighted tax rate is calculated from the income tax rates likely to apply to the income of the individual Group companies in the respective tax jurisdiction, which naturally varies according to the actual earnings figures.

12 DEFERRED TAXES

12.1 Carrying amounts in CHF 1 000	12/31/2023 Deferred tax assets	12/31/2023 Deferred tax liabilities	12/31/2022 Deferred tax assets	12/31/2022 Deferred tax liabilities
Deferred taxes for temporary differences				
Current assets	1 978	565	2 658	1 741
Non-current assets	3 571	34 521	3 992	38 385
Provisions and other liabilities	3 848	1 574	5 125	1 276
Employee benefit plans	8 972	1 300	8 904	1 448
Loss carryforwards	11 472	–	12 635	–
Total gross values	**29 840**	**37 960**	**33 315**	**42 849**
Netting	-16 519	-16 519	-12 962	-12 962
Total carrying amounts	**13 321**	**21 441**	**20 353**	**29 887**
of which recognized in the balance sheet as deferred tax assets	13 321		20 353	
of which recognized in the balance sheet as deferred tax liabilities		21 441		29 887
Net deferred tax assets/liabilities		**8 120**		**9 534**

Feintool does not disclose deferred taxes related to earnings not distributed as dividends, which will presumably be reinvested permanently in subsidiaries. The tax effect is estimated as not material.

12.2 Statement of net deferred taxes assets/liabilities	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Start of period	**-9 534**	**-8 159**
Recognition and reversal of temporary differences	-234	9 574
Temporary differences arising on tax rate changes	–	15
Temporary differences arising on acquisition/sale of entities	-160	-5 577
Temporary differences recognized directly in equity	756	-5 645
Translation differences	1 052	258
End of period	**-8 120**	**-9 534**

12.3 Unrecognized tax assets

Deferred tax assets, including those for tax loss carryforwards and expected tax credits, are only recognized if it is probable that profits will be available against which the loss carryforwards and tax credits can be utilized.

12.4 Tax loss carryforwards	**12/31/2023** in CHF 1 000	**12/31/2022** in CHF 1 000
Total tax loss carryforwards	130 301	126 943
of which recognized loss carryforwards	54 867	62 013
Total unrecognized tax loss carryforwards	**75 434**	**64 930**
of which expiring within 1 year	3 738	2 823
of which expiring in one to five years	29 175	24 402
of which expiring in more than five years	42 521	37 705
Tax effects of unrecognized tax loss carryforwards	**17 208**	**15 006**

Income taxes and information regarding the tax charge are shown in Note 11.

13 CONSOLIDATED EARNINGS PER SHARE

13.1 Average number of shares outstanding	**2023** Number	**2022** Number
Average number of shares outstanding	14 744 526	11 124 454
Less number of treasury shares (weighted)	-20 509	-12 299
Average number of shares outstanding – undiluted	14 724 017	11 112 155
Average number of shares outstanding – diluted	14 724 017	11 112 155

13.2 Net income Feintool Group	**2023** in CHF 1 000	**2022** in CHF 1 000
Net income of the Feintool Group (continued operation) – undiluted	17 807	17 617
Net income of the Feintool Group (continued operation) – diluted	17 807	17 617

No dilution effects were recognized in the financial year.

13.3 Earnings per share	**2023** in CHF	**2022** in CHF
Undiluted earnings per share (continued operation)	1.21	1.59
Diluted earnings per share (continued operation)	1.21	1.59

Earnings per share are calculated on the basis of the consolidated net income for the financial year divided by the average number of shares in circulation. No dilution effects were recognized in the financial year.

14 RECEIVABLES

14.1 Trade and other receivables	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Trade receivables	82 501	95 460
Valuation allowances	-269	-1 102
Total trade receivables (net)	**82 232**	**94 358**
Bills receivable	2 290	3 017
Outstanding VAT credits	2 526	3 685
Receivables from ABS program [1)]	3 287	1 911
Other receivables	5 580	4 178
Total trade and other receivables	**95 915**	**107 149**

[1)] As of December 31, 2023, trade receivables with a value of kCHF 25 290 were sold under factoring and ABS programs (previous year kCHF 18 658).

14.2 Maturity profile of receivables	in CHF 1 000	Carrying amount	Not yet due	Overdue up to 30 days	Overdue for 31-90 days	Overdue for 91-180 days	Overdue for more than 180 days
12/31/2023							
Trade receivables		82 501	69 246	9 641	2 316	1 056	242
Valuation allowances		-270	-7	–	-11	-102	-150
Total receivables (net)		**82 231**					
12/31/2022							
Trade receivables		95 460	78 674	10 138	3 686	1 157	1 805
Valuation allowances		-1 102	-1	–	-30	-25	-1 046
Total receivables (net)		**94 358**					

14.3 Valuation allowance on receivables	2023 in CHF 1 000	2022 in CHF 1 000
Start of period	**-1 102**	**-635**
Change in scope of consolidation	41	-330
Translation differences	–	5
Recognized	-212	-568
Reversed	41	104
Used	962	322
End of period	**-270**	**-1 102**

15 INVENTORIES

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Raw material	38 980	60 986
Tool spare elements	28 765	29 189
Finished and semi-finished goods	48 697	75 151
Work in progress	19 057	18 653
Valuation allowances on inventories	-21 371	-31 681
Total inventories	**114 128**	**152 298**

16 CONTRACT ASSETS

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Contract assets	–	8 223
Prepayments received	–	-2 967
Valuation allowances on construction contracts	–	-1 114
Total net contract assets	**–**	**4 142**

After the sale of the Fineblanking Technology Segment, there are no more contract assets as of December 31, 2023.

17 PREPAID EXPENSES AND ACCRUED INCOME

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Prepaid expenses for customer orders [1)]	3 330	3 572
Issue costs of promissory note and syndicated loan	172	173
Tax accruals	407	403
Scrap and material income	362	241
Other prepaid expenses and accrued income	504	652
Total prepaid expenses and accrued income	**4 775**	**5 041**

[1)] Prepaid expenses for customer orders includes expenses for constructions that are assigned to a specific order. These prepaid expenses are released on a straight-line basis over the course of the order.

18 PROPERTY, PLANT AND EQUIPMENT

18.1 Overview assets	2023 in CHF 1 000	2022 in CHF 1 000
Own property, plant and equipment	322 105	346 317
Right-of-use from leased assets	39 191	52 934
Total carrying amounts	**361 296**	**399 251**

18.2 Summary of own property, plant and equipment (in CHF 1 000)	Real estate	Machinery	Other property, plant and equipment	Total
Cost of acquisition as at 01/01/2022	**140 446**	**387 638**	**54 918**	**583 002**
Additions	2 019	2 070	23 814	**27 903**
Disposals	-141	-6 814	-1 548	**-8 503**
Reclassifications [1]	10 067	10 297	-33 573	**-13 209**
Acquired in business combinations	32 427	49 525	20 238	**102 190**
Translation differences	-5 906	-14 298	-2 552	**-22 756**
As at 12/31/2022	**178 912**	**428 418**	**61 297**	**668 627**
Additions	2 521	8 203	38 460	**49 184**
Disposals	-223	-8 878	-1 999	**-11 100**
Reclassifications [1]	9 027	20 329	-21 288	**8 068**
Disposals of discontinued operations	-48	-3 925	-5 112	**-9 085**
Translation differences	-13 595	-40 723	-5 605	**-59 923**
As at 12/31/2023	**176 594**	**403 424**	**65 753**	**645 771**
Accumulated depreciation as at 01/01/2022	**-50 748**	**-231 445**	**-15 545**	**-297 738**
Additions	-5 046	-34 319	-3 259	**-42 624**
Disposals	138	5 898	772	**6 808**
Translation differences	2 057	8 327	860	**11 244**
As at 12/31/2022	**-53 599**	**-251 539**	**-17 172**	**-322 310**
Additions	-5 095	-32 389	-2 623	**-40 107**
Disposals	177	5 187	877	**6 241**
Disposals of discontinued operations	48	2 975	3 572	**6 595**
Reclassifications	14	-7 250	-18	**-7 254**
Translation differences	4 612	26 727	1 830	**33 169**
As at 12/31/2023	**-53 843**	**-256 289**	**-13 534**	**-323 666**
Net carrying amounts				
As at 12/31/2022	**125 313**	**176 879**	**44 125**	**346 317**
As at 12/31/2023	**122 751**	**147 135**	**52 219**	**322 105**

[1] Reclassifications include positions of immaterial assets amounting to kCHF -758 (previous year kCHF -672), of assets in leasing amounting to kCHF 8 910 (previous year kCHF -13 381), revaluation of assets amounting to kCHF -93 (previous year kCHF 861) and reclassifications to costs amounting to kCHF 9.

Other property, plant and equipment includes installations, vehicles and assets under construction. Assets under construction amounted to kCHF 42 474 in the year under review (previous year kCHF 39 431). Gains on asset disposals are recognized as other operating income (section 8). A gain of kCHF 139 (previous year kCHF 113) was generated in the reporting year. Losses on asset disposals are stated as other operating expenses (section 7). In the year under review, this loss totaled kCHF 231 (previous year kCHF 578). As at December 31, 2023, the Feintool Group had entered into purchase commitments for the purchase of property, plant and equipment totaling approx. kCHF 39 358 (previous year kCHF 18 235).

18.3 Summary of leased property, plant and equipment in CHF 1 000	Real estate	Machinery	Other property, plant and equipment	Total
Cost of acquisition as at 01/01/2022	**11 469**	**86 767**	**3 078**	**101 314**
Additions	4 059	587	2 951	**7 597**
Disposals	-1 723	-168	-430	**-2 321**
Reclassifications	–	4 775	7 745	**12 520**
Translation differences	-365	-4 237	-245	**-4 847**
As at 12/31/2022	**13 440**	**87 724**	**13 099**	**114 263**
Additions	165	2 662	1 054	**3 881**
Disposals	-58	-1 280	-572	**-1 910**
Reclassifications [1)]	–	-1 640	-7 270	**-8 910**
Disposals of discontinued operations	-5 511	–	-1 082	**-6 593**
Translation differences	-678	-5 789	-377	**-6 844**
As at 12/31/2023	**7 358**	**81 677**	**4 852**	**93 887**
Accumulated depreciation as at 01/01/2022	**-3 914**	**-49 680**	**-1 801**	**-55 395**
Additions	-1 985	-7 318	-988	**-10 291**
Disposals	1 211	168	397	**1 776**
Translation differences	70	2 452	59	**2 581**
As at 12/31/2022	**-4 618**	**-54 378**	**-2 333**	**-61 329**
Additions	-1 343	-6 534	-804	**-8 681**
Disposals	58	681	562	**1 301**
Reclassifications	-16	7 341	–	**7 325**
Disposals of discontinued operations	2 188	–	552	**2 740**
Translation differences	259	3 574	115	**3 948**
As at 12/31/2023	**-3 472**	**-49 316**	**-1 908**	**-54 696**
Net carrying amounts				
As at 12/31/2022	**8 822**	**33 346**	**10 766**	**52 934**
As at 12/31/2023	**3 886**	**32 361**	**2 944**	**39 191**

In the 2023 financial year, interest expenses from lease liabilities were incurred in the amount of kCHF 631 (previous year kCHF 646).

[1)] This position includes reclassifications to own property, plant and equipment amounting to kCHF 8 910.

19 INTANGIBLE ASSETS

19.1 Summary of intangible assets in CHF 1 000	Goodwill	Capitalized development costs [1]	Software	Customer relations	Other intangible assets [2]	Total
Cost of acquisition as at 01/01/2022	**61 629**	**10 554**	**8 739**	**–**	**31 837**	**112 759**
Additions	–	850	427	–	1	**1 278**
Disposals	–	–	-695	–	-10	**-705**
Reclassifications	–	–	672	16 637	-16 637	**672**
Acquired in business combinations	28 621	–	241	24 163	6 778	**59 803**
Translation differences	-4 644	–	-269	–	-3 337	**-8 250**
As at 12/31/2022	**85 606**	**11 404**	**9 115**	**40 799**	**18 633**	**165 557**
Additions	–	3 473	983	–	4 884	**9 340**
Disposals	–	-10 990	-229	-9	-5 086	**-16 314**
Reclassifications	–	–	758	–	–	**758**
Disposals of discontinued operations	–	–	-1 340	–	–	**-1 340**
Translation differences	-5 737	–	-510	–	-3 821	**-10 068**
As at 12/31/2023	**79 869**	**3 887**	**8 777**	**40 790**	**14 610**	**147 933**
Accumulated depreciation as at 01/01/2022	**–**	**-6 664**	**-7 657**	**–**	**-12 528**	**-26 849**
Additions	–	-1 660	-574	-1 342	-2 534	**-6 110**
Disposals	–	–	57	–	–	**57**
Reclassifications	–	–	–	-5 107	5 107	**–**
Translation differences	–	–	248	–	752	**1 000**
As at 12/31/2022	**–**	**-8 324**	**-7 926**	**-6 449**	**-9 203**	**-31 902**
Additions	–	-860	-620	-2 668	-1 229	**-5 377**
Disposals	–	8 959	207	–	282	**9 448**
Reclassifications	–	–	-26	–	–	**-26**
Disposals of discontinued operations	–	-653	1 175	–	–	**522**
Translation differences	–	1	422	–	1 349	**1 772**
As at 12/31/2023	**–**	**-877**	**-6 768**	**-9 116**	**-8 802**	**-25 563**
Net carrying amounts						
As at 12/31/2022	**85 606**	**3 080**	**1 189**	**34 350**	**9 430**	**133 655**
As at 12/31/2023	**79 869**	**3 010**	**2 009**	**31 674**	**5 808**	**122 370**

[1] Research and development expenses amounting to kCHF 860 (previous year kCHF 4 132) were charged to the consolidated statement of comprehensive income.

[2] Other intangible assets primarily comprise patents and licenses as well as land-use-rights.

19.2 Other information – Goodwill	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Cash-generating unit System Parts China	9 556	10 837
Cash-generating unit System Parts Fineblanking & Forming Europe	8 729	9 283
Cash-generating unit System Parts Stamping Europe	61 582	65 486
Total carrying amounts	**79 869**	**85 606**

The following impairment test was performed for all business units in the financial year: The recoverable amounts for the cash-generating units are calculated on the basis of the value in use and compared with the carrying amount. The values in use were calculated using the DCF method (discounted cash flow method). The Feintool Group uses the results from the respective current business plan with the assumptions contained therein regarding price, market and market share development. The first three plan years are approved by the Board of Directors, the further two plan years by the Group CFO. The growth rates are based on the forecasts of established institutions and on the Group's own past experience of price and market share development. A discount rate based on the weighted average cost of capital of the Feintool Group is used to discount future cash flows. The impairment tests for the financial year 2023 are approved by the Audit Committee meeting.

The goodwill of the cash-generating unit System Parts Stamping Europe contains the goodwill of Feintool System Parts Jessen GmbH and its subsidiaries acquired in the financial year 2018 as well as the goodwill of Kienle + Spiess GmbH and Kienle + Spiess Hungary Kft. acquired in the financial year 2022.

19.3 Parameter for Discount rate			2023			2022
	System Parts China	System Parts Europe (Fineblanking & Forming)	System Parts Europe (Stamping)	System Parts China	System Parts Europe (Fineblanking & Forming)	System Parts Europe (Stamping)
Discount rate after taxes	9.7	9.2	9.2	10.6	7.9	7.9
Discount rate before taxes	10.1	10.0	10.0	11.3	8.2	8.2
Terminal growth rate	3.6	1.0	2.0	3.6	1.0	2.0

As of the date of the impairment test, the recoverable amount of the cash-generating unit System Parts China exceeded the net carrying amount by kCHF 13 579 (previous year kCHF 3 646). An increase in the weighted average cost of capital after taxes to 10.6 % (previous year 10.9 %) or a decrease in the growth rate to 2.4 % (previous year 3.3 %) would lead to a situation where the value in use equates the net carrying amount.
For the cash-generating unit Stamping Europe the recoverable amount exceeded the net carrying amount by kCHF 8 111 (previous year kCHF 15 468). An increase in the weighted average cost of capital after taxes to 9.4 % (previous year 8.2 %) or a decrease of the growth rate to 1.8 % (previous year 1.7 %) would lead to a situation where the value in use equates the net carrying amount.
For the cash-generating unit System Parts Europa (Fineblanking & Forming) the recoverable amount exceeded the net carrying amount by kCHF 21 795 (previous year kCHF 15 280). An increase in the weighted average cost of capital after taxes to 10.7 % (previous year 8.7 %) or a decrease of the growth rate to -1.3 % (-0.1 %) would lead to a situation where the value in use equates the net carrying amount.

20 FINANCIAL ASSETS

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Loans to third parties	52	67
Non-current receivables	8 308	11 134
Rental deposit accounts	408	492
Financial assets	**8 770**	**11 694**

The weighted average interest rate in the reporting period was 0.17 % (previous year 0.20 %).
Non-current receivables refers to tools the customer has ordered but not yet or only partially paid for. Amortization is based on either the parts produced or an agreed payment plan.

21 FINANCIAL LIABILITIES

21.1 Current financial liabilities	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Current liabilities to banks	7 238	4 960
Current portion of non-current liabilities to banks	–	494
Current portion of lease liabilities	6 761	8 973
Current liabilities from promissory note	13 851	24 618
Total current financial liabilities	**27 850**	**39 045**

The weighted average interest rate in the reporting period was 1.4 % (previous year 1.5 %).

21.2 Non-current financial liabilities	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Non-current promissory note	32 847	49 191
Non-current liabilities to banks	24 110	2 438
Non-current lease liabilities	21 580	30 001
Total non-current financial liabilities	**78 537**	**81 630**

The weighted average interest rate in the year under review was 2.2 % (previous year 1.2 %).

On July 15, 2021 and July 17, 2023 promissory notes in the amount of kEUR 75 000 were issued. Thereof kEUR 51 000 have a fixed interest rate and kEUR 24 000 are floating (variable interest rate). The loan is divided into the following tranches:

- kEUR 14 500, term until fiscal year 2024
- kEUR 29 500, term until fiscal year 2026
- kEUR 18 000, term until fiscal year 2027
- kEUR 6 000, term until fiscal year 2028
- kEUR 7 000, term until fiscal year 2030

Standard covenants are defined in the loan agreement. The only material covenant to be complied with is:
- Equity ratio > 25 %

As of December 31, 2023, all the covenants relating to the promissory note had been met.

On December 15, 2022, Feintool signed a CHF 100 million syndicated loan agreement in cash loans with six banks with a term until December 15, 2027. The material covenants to be complied with are
- Equity ratio > 25 %
- Net Senior Debt/EBITDA < 3.5x

As of December 31, 2023, the syndicated loan had not been used (previous period CHF 0) and all the covenants had been met.

Credit agreements concluded on a bilateral basis with various banks also contain standard covenants, that are largely equivalent to those of the syndicated loan. As of December 31, 2023, all the covenants had been met.

If the Group or companies were unable to meet one or several covenants of the syndicated loan, promissory note or bilateral debts, the banks would have the right to terminate the loans at short notice. As at December, 31st 2023, Feintool has kCHF 261 600 (previous year kCHF 239 500) in unused, confirmed creditlines at the bank and available cash.

21.3 Reconciliation of financial liabilities	**2023** in CHF 1 000	**2022** in CHF 1 000
Start of period	**120 675**	**172 511**
Cash flows net [1]	1 740	-131 121
Non-cash changes	-14 409	74 249
thereof acquisition	–	76 677
thereof discontinued operations	-3 776	–
thereof new leases	-10 633	-2 428
Translation differences	-1 619	5 036
End of period	**106 387**	**120 675**

[1] This item includes the borrowing of interest-bearing debt of kCHF 36 245 (previous year kCHF 156 660), the repayment of interest-bearing lease liabilities of kCHF 7 413 (previous year repayment kCHF 8 396) and the repayment of interest-bearing debt of kCHF 27 092 (previous year kCHF 279 385).

22 TRADE AND OTHER PAYABLES

	12/31/2023 in CHF 1 000	**12/31/2022** in CHF 1 000
Trade payables	65 489	81 050
Prepayments from third parties	4 040	7 088
Notes payable	1 844	2 926
Liabilities from ABS [1]	6 704	5 283
Social security liabilities	1 048	1 406
Outstanding VAT liabilities	1 759	1 258
Other liabilities	2 543	3 611
Total trade and other payables	**83 427**	**102 622**

[1] Liabilities from ABS include all customer payments not yet forwarded and the corresponding liability in respect to the continuing involvement from ABS. Further information on the ABS program can be found in the notes to the financial statements, section "financial assets and liabilities".

23 ACCRUED EXPENSES AND DEFERRED INCOME

	12/31/2023 in CHF 1 000	**12/31/2022** in CHF 1 000
Accruals for salary, bonus, overtime, additional hours	11 747	12 276
Outstanding accounts payable	6 745	7 955
Outstanding installations and other work to be fulfilled in relation to customer orders	3 237	6 750
Accruals for environmental risks	342	–
Other accrued expenses and deferred income	358	1 636
Total accrued expenses and deferred income	**22 429**	**28 617**

24 PROVISIONS

in CHF 1 000	Warranties	Other provisions	Total
Total provisions as at 01/01/2022	**2 884**	**9 535**	**12 420**
Recognized	765	9 693	10 458
Used	-537	-10 436	-10 973
Reversed	-344	-1 669	-2 013
Change in scope of consolidation	441	2 377	2 818
Translation differences	-20	-537	-557
Total provisions as at 12/31/2022	**3 189**	**8 963**	**12 152**
of which current provisions	1 372	7 484	8 856
of which non-current provisions	1 817	1 479	3 296
Recognized	172	12 780	12 952
Used	-57	-2 757	-2 814
Reversed	–	-4 391	-4 391
Change in the scope of consolidation	-2 493	-60	-2 553
Translation differences	-47	-855	-902
Total provisions as at 12/31/2023	**764**	**13 680**	**14 444**
of which current provisions	541	12 021	12 562
of which non-current provisions	223	1 659	1 882

Provisions for actual warranty events cover the estimated cost arising from warranty services provided by the Group companies, which the company must cover for contractual reasons or due to its conduct. The outflow of funds occurs as and when the warranties are taken up, over a maximum of three years.

“Other provisions” include provisions for restructuring, scrap rebates, customer complaints and mainly price reductions that were not passed on. Various small items are also included. The expected duration of the outflow of funds is 1 to 2 years.

25 EMPLOYEE BENEFIT PLANS

25.1 Overview of net employee benefit liabilities (assets)	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Net defined benefit liability (asset)	59 973	67 846
Jubilee benefits	1 361	1 825
Other benefit obligations	311	454
Total net employee benefit liabilities (assets)	**61 645**	**70 125**

The assets of the employee benefit plans do not include treasury shares (previous year kCHF 0). The Group does not own assets belonging to the retirement fund (previous year tangible assets CHF 0).

The "Net defined benefit liability (asset)" item contains various benefit plans in Switzerland, Germany and Japan. The net liability from the Swiss plan amounts to kCHF 9 454 (previous year kCHF 11 751), the German plan to kCHF 50 316 (previous year kCHF 55 685) and the Japanese plan to kCHF 202 (previous year kCHF 408). On account of the materiality of the figures, only the Swiss and German plans are shown in section 25.3 onwards.

Swiss plan

The majority of Feintool employees in Switzerland are insured against the risks of death, old age and disability through an independent collective foundation. The benefits provided by the Feintool pension solution exceed the minimum level prescribed by the Federal Occupational Old Age, Survivors' and Disability Pension Act (BVG). The typical retirement age is 65 for men and 64 for women. Employees have a right to early retirement from age 58, in which case the conversion rate is reduced in accordance with the longer expected pension payment period and the absence of contribution payments prior to retirement. Furthermore, employees can withdraw their retirement pension in full or in part as a lump sum. The amount of pension paid out is arrived at from the conversion rate, which is applied to the insured individual's accumulated retirement savings at the time of retirement. The accumulated retirement assets are arrived at from the employee and employer contributions paid into the individual savings account of each insured member, together with the interest credited to the retirement assets, vested benefits brought in and any voluntary payments made by the insured person. The interest rate paid on the retirement assets is set by the Board of Trustees each year.

German plans

The German plans comprise:

- A "Works Agreement on the Introduction of an Occupational Pension Plan" concluded on June 25, 1998 that was terminated effective December 31, 2005 with the announcement that new employees would no longer be able to join the pension scheme from January 1, 2006, and that any entitlements already accrued would be frozen effective December 31, 2005.
- A pension scheme dated June 1, 1975 for all employees who joined the company by December 31, 1983.
- Individual commitments to certain managers.

This essentially includes the right to a lifetime pension payable upon retirement, disability and/or death. The level of monthly pension entitlement on reaching the retirement age of 65, amounts to approximately 50 % respectively 30 % of the annual pensionable income broken down into a monthly amount; the annual pensionable income is deemed to be the fixed annual income at the time the pension becomes due for payment.

Japanese plan

The Japanese plan includes all employees who have worked at the company for three or more years. Employees are entitled to a pension from age 60.

25.2 Change in defined benefit liability (asset)	Defined benefit obligation 2023 in CHF 1 000	Defined benefit obligation 2022 in CHF 1 000	Plan assets 2023 in CHF 1 000	Plan assets 2022 in CHF 1 000	Net defined benefit liability (asset) 2023 in CHF 1 000	Net defined benefit liability (asset) 2022 in CHF 1 000
As at January 1	**187 602**	**165 061**	**-119 756**	**-143 768**	**67 846**	**21 293**
Recognized in income statement						
Current service cost	2 700	3 739	–	–	2 700	3 739
Interest expenses (income)	3 945	1 909	-1 949	-959	1 996	950
General and administrative expenses	–	–	102	263	102	263
Impact of change of plan [1]	–	7 767	–	–	–	7 767
Total	**6 645**	**13 415**	**-1 847**	**-696**	**4 798**	**12 719**
Recognized in other comprehensive income						
Expense/(income) from remeasurement of						
Actuarial loss/(gain) due to:						
Change in demographic assumptions [2]	–	–	–	–	–	–
Change in financial assumptions	6 905	-41 364	–	–	6 936	-41 364
Experience adjustment	-1 911	-322	–	–	-1 911	-322
Expense/(income) on plan assets (excluding interest income)	–	–	-1 743	20 079	-1 743	20 079
Translation differences	-3 722	-3 620	464	338	-3 288	-3 282
Total	**1 272**	**-45 306**	**-1 279**	**20 417**	**-6**	**-24 889**
Other						
Change in the scope of consolidation	-53 069	65 253	48 494	–	-4 575	65 253
Contributions from employer	-3 341	-3 097	-4 749	-3 433	-8 090	-6 530
Contributions from employees	1 859	2 683	-1 859	-2 683	–	–
Benefits paid out	-10 693	-10 407	10 693	10 407	–	–
Total	**-65 244**	**54 432**	**52 579**	**4 291**	**-12 665**	**58 723**
As at December 31	**130 275**	**187 602**	**-70 303**	**-119 756**	**59 973**	**67 846**
of which Swiss plans	75 813	127 611	-66 359	-115 860	9 454	11 751
of which German plans	52 270	57 535	-1 954	-1 849	50 316	55 686
of which Japanese plans	2 191	2 455	-1 990	-2 047	201	408

[1] In the financial year 2022, it was decided to change the Swiss pension plan as of January 1, 2023. The changed conditions, whereas the increase of the conversion rate to 5.75 % (previously 4.40 %) being the most significant, have a negative one-off impact of kCHF 7 767 on the statement of comprehensive income of the previous year.

[2] As at December 31, 2023, the weighted-average duration of pension benefit obligations was 12.6 years for the Swiss plan (previous year 11.9 years) and 11 - 15.1 years for the German plans (previous year 11 - 15.5 years). Feintool uses the BVG 2020 G mortality table (same as previous year) in Switzerland and Heubeck RT 2018 G (same as previous year) in Germany for the hypothetical life expectancy.

The expected contributions made to the employee benefit plans for the following financial year amount to kCHF 8 100 in the case of employer contributions and kCHF 1 900 in the case of employee contributions.

25.3 Plan assets of defined benefit plans	2023 in %	2022 in %
Equities	27.6	0.0
Bonds	35.2	0.0
Real estate (including real estate funds)	20.3	4.3
Other	14.1	87.1
Cash	2.8	8.6
Total	**100.0**	**100.0**

Swiss plan

The plan assets are invested by an AAA-rated bank in line with the predefined strategy. The following limits apply to investment:

- Equities < 50 %
- Bonds < 52 %
- Real estate < 27 %
- Alternative investments < 19 %

Currencies other than the CHF are hedged. With the exception of directly held real estate, all investments are traded on a public exchange.

25.4 Defined benefit plan obligations – actuarial assumptions	2023 in %	2022 in %
Swiss plan		
Discount rate	1.5	2.3
Future increase in wages and salaries	1.8	1.8
German plans		
Discount rate	3.5 - 3.6	3.4 - 3.9
Future increase in wages and salaries	0 - 2.5	0 - 2.5
Future increase in pensions	2.0	2.0

25.5 Defined benefit plan obligations – actuarial assumptions	2023 in years	2022 in years
Swiss plan		
Life expectancy at age 65 for newly retired persons		
Men	22.9	22.8
Women	24.7	24.6
Life expectancy at age 65 for employees currently aged 45		
Men	25.1	25.1
Women	26.6	26.6
German plans		
Life expectancy at age 65 for newly retired persons		
Men	21.0	20.8
Women	24.4	24.2
Life expectancy at age 65 for employees currently aged 45		
Men	23.7	23.6
Women	26.6	26.5

25.6 Defined benefit plan obligations – sensitivity analysis	2023 in CHF 1 000	2022 in CHF 1 000
Swiss plan		
Change in discount rate -0.25 %	2 389	3 676
Change in discount rate +0.25 %	-2 246	-3 468
Change in wages and salaries -0.25 %	-173	-235
Change in wages and salaries +0.25 %	176	234
German plans		
Change in discount rate -0.25 %	897	1 678
Change in discount rate +0.25 %	-854	-1 539
Change in wages and salaries -0.25 %	n/a	n/a
Change in wages and salaries +0.25 %	n/a	n/a

26 EQUITY

26.1 Share capital	12/31/2023 Number/CHF	12/31/2022 Number/CHF
Number of shares	14 744 526	14 744 526
Nominal value	10	10
Share capital	147 445 260	147 445 260

On May 13, 2022, the Feintool Group concluded a capital increase. The transaction resulted in the creation of 9 829 684 new Feintool shares with a par value of CHF 10 each at the transaction price of CHF 20.51 each. kCHF 98 297 was credited to the share capital and kCHF 103 315 to the capital reserves. Costs in connection with the capital increase in the amount of kCHF 5 137 were charged to the capital reserves.

26.2 Conditional capital	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Start of period	**558**	**558**
Increase	29 489	–
End of period	**30 047**	**558**

26.3 Capital Band

By resolution of the General Assembly on April 25, 2023, the Board of Directors is authorized, for a period ending on April 30, 2026, to increase the share capital in one or more stages to a maximum of CHF 176 934 310 (upper limit of the capital band) by issuing a maximum of 2 948 905 registered shares with a par value of CHF 10.00 and to reduce the share capital in one or more steps to not less than CHF 140 073 000 (lower limit of the capital band) either by cancelling a maximum of 737 226 registered shares at a par value of CHF 10.00 each or by a corresponding reduction of the par value of the registered shares. A reduction and a re-increase may take place simultaneously.

	12/31/2023		12/31/2022	
26.4 Treasury shares – changes	Number	in CHF 1 000	Number	in CHF 1 000
Start of period	**16 532**	**389**	**7 369**	**475**
Bought	30 000		35 000	
Sale/transfer	-26 233		-25 837	
End of period	**20 299**	**457**	**16 532**	**389**
of which trading portfolio	20 299		16 532	

In the 2023 financial year, 30 000 shares were purchased at an average price of CHF 22.11 (previous year 35 000 shares at an average price of CHF 20.75) and 26 233 shares transfered at an average price of CHF 20.10 (previous year 25 837 shares at an average price of CHF 27.42) for the share-based management remuneration. Treasury shares are reserved primarily for management remuneration.

27 SHARED BASED PAYMENT PLANS

As a component of the bonus, 31 233 shares (previous year 25 837) were allocated to the Board of Directors, the Group Management and other managers in the financial year at a transaction value of kCHF 605 (previous year kCHF 520). Of this amount, 10 000 shares have been distributed in January 2024, 21 233 shares in December 2023. All shares were transferred from treasury shares and were transferred directly to the ownership of the recipient.

28 OFF-BALANCE SHEET TRANSACTIONS, CONTINGENT LIABILITIES

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Contingent obligations	5 390	5 601
Contingent liabilities	**5 390**	**5 601**

Contingent obligations comprise funding that has been received and is subject to certain conditions. In the event of a breach of these conditions, there is a risk that these funds or a portion of them will have to be repaid.

Feintool owns properties at some locations that are either contaminated or suspected of being contaminated. Under the supervision of the local authorities, Feintool is remediating these plots of land to remove the corresponding pollution and contaminants. Based on our current assessment, these activities are not expected to have a significant impact on the Feintool Group's net assets, financial position, or results of operations.

At the end of the reporting period, Feintool was not involved in any significant court proceeding. However, disputes relating to product liability, promotional activities, labor law and unfair dismissals, anti-trust law, securities trading, sales and marketing practices, health and safety, environmental and tax-related claims, state investigations and copyright law are always possible. Such proceedings could result in substantial claims being brought against Feintool that may not be covered by insurance policies. Feintool believes, however, that any such proceedings would not have a significant effect on the Group's financial position, operating results or cash flows.

29 ASSETS PLEDGED AS SECURITY FOR OWN LIABILITIES

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Real estate	11 320	12 391

30 ECONOMIC RISKS

Continuously growing protectionism with rising tariffs, the change in raw material and energy prices as well as the persistently high external trade imbalances entail risks for the future development of the global economy. These factors could lead to a further decline in global economic growth. The inherent uncertainties cause stronger exchange rate fluctuations, and a continuation of the weakness of the euro in particular. The scenarios described could give rise to severe adverse effects for Feintool.

Management of financial risks

Financial risk management is based on the directives approved by the Board of Directors and Group Management. The principles of risk management and the processes applied are reviewed on a regular basis in order to address changes in the market environment and in Feintool's activities.

Besides standards for general financial risk management, these directives include standards for specific aspects of liquidity, interest rate, exchange rate and default risk management, the use of derivative financial instruments, capital procurement and the policy on investing surplus liquidity. Capital procurement within the Group is mostly undertaken on a centralized basis.

Liquidity risk

Liquidity risk denotes the risk that the Feintool Group may at some point in the future be unable to meet its regular payment obligations on time and in full. Feintool must ensure that the Group is able to meet its payment obligations at all times. This will be the case if sufficient funds can be generated by the cash flow from operating activities or if the necessary financial resources can be raised on the financial markets or from banking institutions. Feintool Group's management considers an operating liquidity reserve equivalent to one month's costs of the Group (approx. kCHF 50 000) to be adequate. This liquidity reserve can also be secured through unused credit lines. Management receives regular reports - at least quaterly - on the Group's present and anticipated liquidity status, giving it an overview of the liquidity situation.

Feintool has a syndicated loan of kCHF 100 000 (previous year kCHF 100 000), promissory notes in the amount of kEUR 75 000 (previous year kEUR 75 000), bilateral credit loans and several leasing and rental contracts (more details in section 21).

These contracts contain standard covenants, particularly
- equity ratio > 25 %
- net senior debt / EBITDA < 3.5x

Were the Group or individual companies unable to meet these covenants, the banks would have the right to terminate the loans at short notice. As at December 31, 2023, all covenants had been met. As at December 31, 2023, Feintool had kCHF 261 600 (previous year kCHF 239 500) in unused, confirmed credit lines at the bank and cash.

Financial liabilities – carrying amounts and cash outflows in CHF 1 000	**Carrying amount**	Due within 1 year	Due within 3 years	Due within 5 years	Due in more than 5 years	**Total**
12/31/2023						
Liabilities [1]	**76 580**	76 580	–	–	–	**76 580**
Accrued expenses and deferred income [2]	**7 445**	7 439	–	–	–	**7 439**
Current liabilities to banks	**7 238**	7 238	–	–	–	**7 238**
Lease liabilities	**28 341**	6 907	9 708	7 486	5 164	**29 265**
Other liabilities to banks	**70 808**	13 855	29 078	28 812	–	**71 745**
Total	**190 412**	**112 019**	**38 786**	**36 298**	**5 164**	**192 267**
Foreign exchange futures [3]						
Cash inflows	**13**	13	–	–	–	**13**
Cash outflows	**37**	37	–	–	–	**37**
12/31/2022						
Liabilities	**92 870**	92 870	–	–	–	**92 870**
Accrued expenses and deferred income	**9 590**	9 590	–	–	–	**9 590**
Current liabilities to banks	**4 960**	4 960	–	–	–	**4 960**
Lease liabilities	**38 974**	9 164	10 999	7 755	11 793	**39 711**
Other liabilities to banks/bonds	**76 741**	25 263	18 365	29 573	5 948	**79 149**
Total	**223 135**	**141 847**	**29 364**	**37 328**	**17 741**	**226 280**
Foreign exchange futures [3]						
Cash inflows	**210**	210	–	–	–	**210**
Cash outflows	**18**	18	–	–	–	**18**

[1] Excluding social security obligations, advance payments from third parties and outstanding VAT obligations.

[2] Excluding accruals for salary, bonus and overtime as well as outstanding installations and other work to be fulfilled in relation to customer orders.

[3] For details see section 31.5.

Interest rate risk

Interest rate risk can have a negative impact on the Group's earnings as a result of higher interest rates on borrowings or lower interest rates on assets. Furthermore, changes in interest rates can affect the fair value of underlying financial instruments. Depending on the expected trend in interest rates, Feintool obtains financing at either fixed or variable rates. There are currently financial liabilities from the promissory note loan due to fixed and variable interest payments, from bank loans mainly variable rates, and from lease liabilities with fixed rates, fixed terms and running amortization. Interest rate management is mostly undertaken on a centralized basis so as to limit the impact of interest rate changes on net financial income/finance costs.

A 0.5 % increase in the adjustable interest rate would adversely affect pretax profits by kCHF 557.

Exchange rate risk

Owing to its geographical diversification, Feintool is exposed to exchange rate risk particularly in relation to the euro (EUR), US dollar (USD), the Chinese currency yuan (CNY), the Japanese yen (JPY), the Czech crown (CZK) and the Hungarian Forint (HUF). Changes in exchange rates can affect the fair value of existing financial instruments and in particular the expected future cash flows. As far as possible, the Group uses natural hedges in order to offset the impact of exchange rate fluctuations. It seeks to ensure that costs are incurred in the same currency as the resulting income. The resulting surpluses (euro in particular) and requirements (Swiss franc in particular) at Group level are coordinated centrally in the various currencies. The net position of the most important foreign currencies is hedged over a period of usually six to twelve months, as required.

The Feintool Group's exchange rate risk is calculated by way of the following sensitivity analysis. The table shows the impact on total earnings if foreign currencies were decreased by 5 % versus the Swiss franc and simultaneously all other variables were to remain the same.

Sensitivity analysis exchange rate risk	2023 Base amounts in EUR 1 000 / USD 1 000	2023 Effect in CHF 1 000	2022 Base amounts in EUR 1 000 / USD 1 000	2022 Effect in CHF 1 000
EUR – Comprehensive Income	42 054	-1 418	-21 400	1 014
USD – Comprehensive Income	2 208	-15	5 818	-126

Other market risks

The fair value of financial instruments may change as a result of exchange rates, interest rates or changes in credit ratings, and may therefore affect the Group's financial position and earnings. Feintool seeks to minimize the net effect of market risks through a balanced financing and asset structure.

Derivative financial instruments

Derivative financial instruments are used to minimize existing interest rate or exchange rate risks. The positive and negative fair values in the section 31.5 show current market values. The contract volumes also shown indicate the extent of the exposure to derivatives.

Capital structure

In terms of capital management, the Group's objective is to ensure that the business has the financial means necessary to continue as a going concern, and to provide the resources required to achieve the Group's objectives so that added value can be generated for shareholders and other stakeholders and a cost-effective, low-risk capital structure can be maintained. Among the criteria used by the Group to monitor its capital structure are the equity ratio and net financial liabilities. In addition, it monitors the main covenants (equity, net senior debt/EBITDA) under the syndicated loan agreement.

The equity ratio is calculated as the ratio of equity to total assets. Net financial liabilities consist of current and non-current interest-bearing liabilities less cash and cash equivalents.

The Group's aims for an equity ratio of at least 40 % and for a net debt/EBITDA ratio of less than 1. Comments on the aforementioned ratios are provided in the Financial Review (chapter "Consolidated Balance Sheet"). In terms of dividends policy, Feintool aims to pay shareholders approximately 30 % of consolidated annual profit in the form of a dividend.

Credit risk

Feintool's credit risk is the book value of the recognized financial assets with the exception of financial guarantees. In this case, the guaranteed amount corresponds to the credit risk.

The avoidance of clumping risks and a concentration of the financial investments on first-rate counterparties should help to avoid bigger loan losses. The Feintool Group carries out its banking business exclusively with nationally and internationally renowned banks. It specifies the type of transactions that the subsidiaries are permitted to carry out with the banks.

Default risk

Default risk is the risk that a counterparty will be unable to meet its liabilities to the Group companies. By avoiding cluster risk and concentrating financial investments among first-class counterparties, it should be possible to avoid extensive credit default risk. The automobile sector is the focal point of Feintool's operations. By definition, this market segment involves a certain risk for Feintool's operations. As far as normal customer credit balances are concerned, outstanding receivables are constantly monitored as part of the process of regular reporting by the Group companies to head office. As at December 31, 2023, the overall default risk amounts to kCHF 185 101 (previous year kCHF 193 284). Feintool generates more than 10.6 % (previous year 13.4 %) of consolidated sales for one customer. Income is generated in all segments. With the other customers, the share is less than 10.3 % (previous year 10.6 %) in each case.

The Feintool Group banks exclusively with renowned national and international institutions that have a minimum rating of BBB. It specifies the type of transactions that the subsidiary companies may conduct with the banks.

31 FINANCIAL INSTRUMENTS

31.1 Financial assets in CHF 1 000	Financial assets at amortised cost	Financial assets at fair value through profit and loss	Total
Cash and cash equivalents	82 182	–	**82 182**
Prepaid expenses and accrued income [1]	747	13	**760**
Receivables	93 389	–	**93 389**
Financial assets	8 770	–	**8 770**
Total carrying amounts as at 12/31/2023	**185 088**	**13**	**185 101**
Cash and cash equivalents	78 569	–	**78 569**
Prepaid expenses and accrued income [1]	-653	210	**-443**
Receivables	103 464	–	**103 464**
Financial assets	11 694	–	**11 694**
Total carrying amounts as at 12/31/2022	**193 074**	**210**	**193 284**

31.2 Financial liabilities in CHF 1 000	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss	Total
Accrued expenses and deferred income [1]	7 445	–	**7 445**
Trade payables	76 580	–	**76 580**
Current financial liabilities	27 850	–	**27 850**
Non-current financial liabilities	78 537	–	**78 537**
Total carrying amounts as at 12/31/2023	**190 412**	**–**	**190 412**
Accrued expenses and deferred income [1]	9 591	–	**9 591**
Trade payables	92 870	–	**92 870**
Current financial liabilities	39 045	–	**39 045**
Non-current financial liabilities	81 630	–	**81 630**
Total carrying amounts as at 12/31/2022	**223 136**	**–**	**223 136**

The carrying amounts do not differ significantly from the fair values.

[1] Excluding accruals for salary, bonus and overtime as well as outstanding installations.

31.3 Fair value hierarchy

Feintool has measured financial instruments at fair value and uses the following hierarchy to determine fair value.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Feintool holds only financial instruments in Level 2 amounting to kCHF -24 net (previous year kCHF 192).

31.4 Classification of financial income/financial expenses in CHF 1 000	Cash and cash equivalents	Measured at fair value	Loans and receivables	Other financial liabilities	Total
Carrying amounts as at 12/31/2023	**82 182**	**-24**	**102 159**	**190 412**	
Interest income/expenses	–	–	249	-4 928	**-4 679**
Other financial income/expenses	–	18	-3 786	1 403	**-2 365**
Change in valuation allowances on customer receivables and bad debt losses	–	–	95	–	**95**
Total net gain/loss 2023	**–**	**18**	**-3 442**	**-3 525**	**-6 949**
Carrying amounts as at 12/31/2022	**78 569**	**192**	**115 158**	**223 136**	
Interest income/expenses	–	–	160	-4 185	**-4 025**
Other financial income/expenses	–	-891	-1 196	-2	**-2 089**
Change in valuation allowances on customer receivables and bad debt losses	–	–	113	–	**113**
Total net gain/loss 2022	**–**	**-891**	**-923**	**-4 187**	**-6 001**

31.5 Derivative financial instruments outstanding in CHF 1 000	Fair values positive	Fair values negative	Contract volumes
Futures contracts	13	37	9 007
Foreign currency instruments	**13**	**37**	**9 007**
Total derivative financial instruments as at 12/31/2023	**13**	**37**	**9 007**
Futures contracts	210	18	4 206
Foreign currency instruments	**210**	**18**	**4 206**
Total derivative financial instruments as at 12/31/2022	**210**	**18**	**4 206**

Currency instruments primarily relate to the hedging of foreign-currency risks in euros. The life of the foreign exchange futures is a few months.

32 RELATED PARTIES

32.1 Compensation paid to members of the Board of Directors and Group Management

Levels of compensation paid to the Board of Directors and Group Management are defined by the Nomination and Compensation Committee and approved by the Board of Directors. Total compensation (excluding tax-allowable expenses), specifically fees, salaries, credits, bonuses and benefits in kind agreed during the financial year and paid directly or indirectly to the members of the Board of Directors and Group Management, amounted to kCHF 3 039 (previous year kCHF 2 292).

	2023	2022
	in CHF 1 000	in CHF 1 000
Wages (including cash bonuses), fees [1]	2 179	1 549
Contributions to pension plans	541	481
Share-based payment [2]	319	263
Total	**3 039**	**2 292**

[1] Incl. benefits in kind (Provision of company cars, etc.).

[2] For the Chairman of the Board of Directors, allocation of a predefined number of shares. The shares are locked in for five years. The valuation corresponds to the price at the time of allocation. For the 2023 financial year, the shares were transferred on January 4, 2024. Group Management is entitled to a predefined amount in Swiss francs. Remuneration is in the form of shares. The number of shares depends on the average price in October/November. The shares have a staggered lock-in period of 1-4 years. Disbursement took place in December.

32.2 Other related parties

As of December 31, 2023, there were no liabilities to other related parties (previous year CHF 0).

33 MAJOR SHAREHOLDERS

	Shareholders register / Received notifications	Disclosure according to FinFraG
Artemis Beteiligungen I AG und Michael Pieper	50.1 %	50.1 % on 21.05.2022
Geocent AG	9.8 %	9.7 % on 12.11.2008

Information on significant shareholders are based on the shareholders register or on notifications received by Feintool. A disclosure obligation exists if a person or group(s) is/are subject to the disclosure requirement when reaching, exceeding or falling below the threshold of 3, 5, 10, 15, 20, 25, 33.3, 50 or 66.6 percent of the voting rights of Feintool International Holding AG. Disclosure reports made during the reporting year in accordance with Art. 120 of the Financial Market Infrastructure and Market Conduct in Securities and Derivatives Trading (FinMIA) and the provisions of the Financial Market Infrastructure Ordinance (FinMIO) can be viewed on the reporting and publication platform of SIX Swiss Exchange (https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html).

34 EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

35 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by the Board of Directors on February 21, 2024 and will be submitted to the Annual General Meeting for approval on April 23, 2024.

KPMG

Statutory Auditor's Report

To the General Meeting of Feintool International Holding AG, Lyss

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Feintool International Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 20 to 66) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Accuracy and existence of revenue

Valuation of goodwill

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.

Accuracy and existence of revenue

Key Audit Matter

Total consolidated net revenue from continued operation of the financial year 2023 amounted to CHF 847,705 thousand. System Parts Europe contributed 68.2%, System Parts USA 21.2% and System Parts Asia 10.6% to this revenue. Revenue from the discontinued operation (former segment Fineblanking Technology) amounted to CHF 10,631 thousand.

Revenue is a key performance indicator and therefore in the focus of internal and external stakeholders. In the System Parts segments, revenues comprise serial production parts.

The segments System Parts are characterised by high volumes that are produced within a short timeframe by using customised tools. In general, a client orders a customised tool in connection with the corresponding serial production. The correct recognition of revenue of such multiple-component contracts, also with a view to the appropriate period, is particularly relevant, taking into account the respective delivery terms.

Our response

We assessed the revenue recognition throughout the process, starting with the order intake until final invoicing and also considering the IT systems, and examined if transactions are recognised in a complete and correct way. We also assessed the operating effectiveness of key controls applicable to revenue recognition within the internal control system.

In addition, we performed, amongst others, the following procedures:

— On a sample basis we reconciled revenues with the corresponding supporting documents to confirm the correct transfer of control related to the goods sold to the client and corroborated that revenues were recognised accurately.

— Based on a sample of delivery notes and corresponding receipts of payment we tested if the revenues existed and were recognised in the correct period. Bases on beforementioned sample, we have also reconciled the accounts receivable as of balance sheet date.

— As it relates to the multiple-component contracts, we selected a sample to test if the individual components were correctly recorded in the system also taking into account the contractually agreed terms.

— We furthermore performed analytical procedures, among others on margin analyses, development of prices and volumes of the largest clients and the distribution of sales throughout the year. Concerning the cut-off, we tested deliveries around the balance sheet date.

For further information on revenue refer to the following:

— Note Accounting Principles on pages 26-35

— Note 1 Segment Information on pages 36-38

— Note 4 Net Sales on page 41

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Valuation of goodwill

Key Audit Matter

As at 31 December 2023, the consolidated financial statements included goodwill amounting to CHF 79,869 thousand.

Goodwill has to be assessed for impairment by management at least on a yearly basis by determining the value in use, which is then compared to the carrying amount.

As part of the goodwill impairment test the discounted cashflow (DCF) method is applied. This requires the use of a number of key assumptions and estimates by management, including assumptions regarding expected future cash flows, long-term growth rates, future profitability levels and applicable discount rates, as well as assessments concerning the determination and allocation of assets to the cash generating units (CGUs).

In relation to total assets and net assets as per December 31, 2023, goodwill is of material importance. Due to slower global demand, uncertainty related to the worldwide supply-chain issues and technology change in the automotive sector, the economic environment remains challenging. However, current uncertainty remains highest in the European automotive business where also significant changes in the legal and regulatory framework are due in the coming years.

In the financial year 2023 no impairment of goodwill was identified.

There is a risk that a potential impairment of goodwill is not or not adequately identified due to inappropriate assumptions and estimates.

Our response

Amongst others, we have performed the following audit procedures:

— We evaluated the determination of the CGUs by management as well as the methodological and mathematical correctness of the valuation method used for the impairment test.

— Also, we assessed the appropriateness of the most important assumptions used to determine the value in use as well as the method applied for the cash-flow projections. This included the allocation of goodwill to the CGUs, the long-term growth rates and the determination of the discount rate based on our business understanding of the respective CGUs. In this respect, we made comparisons with publicly available market data, where possible. Our valuation specialists supported us in assessing the discount rate.

— Furthermore, we gained an understanding of the business plans and made comparisons with prior-year assumptions. Also, we traced the data used in the business plans back to the budgets and medium-term planning approved by the Board of Directors.

— We also conducted retrospective analyses of relevant business plan assumptions to evaluate the historical forecasting accuracy.

Moreover, we assessed the appropriateness of the disclosures related to the impairment test.

For further information on goodwill refer to the following:

— Note Accounting Principles on pages 26-35

— Note 3 Acquisition of Investments on page 40

— Note 19 Intangible Assets on pages 50-51

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Other Information

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

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

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

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

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, 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.

KPMG

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

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

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Yannick Peter
Licensed Audit Expert

Zurich, 22 February 2024

FEINTOOL INTERNATIONAL HOLDING AG

Financial Review of the 2023 Financial Year

(from January 1 to December 31, 2023)

FEINTOOL INTERNATIONAL HOLDING AG BALANCE SHEET

for the 2023 financial year (as at December 31, 2023)

	Note	12/31/2023 in CHF 1 000	in %	12/31/2022 in CHF 1 000	in %
ASSETS					
Current assets					
Cash and cash equivalents		30 946		15 401	
Trade receivables	1	9 640		7 844	
Other receivables	2	5 366		5 547	
Inventories	3	4 539		–	
Prepaid expenses and accrued income	4	2 321		1 631	
Total current assets		**52 812**	**10.2**	**30 423**	**5.7**
Non-current assets					
Property, plant and equipment	5.1	13 952		116	
Right-of-use assets	5.2	1 368		1 434	
Intangible assets	6	9 280		2 614	
Financial assets	7	218 767		284 724	
Investments	8	222 706		218 906	
Total non-current assets		**466 073**	**89.8**	**507 794**	**94.3**
TOTAL ASSETS		518 885	100.0	538 217	100.0
LIABILITIES					
Current liabilities					
Trade payables	9	4 496		33 708	
Other payables		569		360	
Current interest bearing liabilities	10	47 657		24 041	
Tax liabilities		1 216		1 697	
Accrued expenses and deferred income	11	4 265		2 233	
Total current liabilities		**58 203**	**11.2**	**62 039**	**11.5**
Non-current liabilities					
Non-current interest bearing liabilities	12	24 007		1 058	
Non-current provisions		753		499	
Total non-current liabilities		**24 760**	**4.8**	**1 557**	**0.3**
Total liabilities		**82 963**	**16.0**	**63 596**	**11.8**
Shareholder's equity					
Share capital	13.1	147 445		147 445	
General legal reserves from capital contributions	13.2	222 613		225 117	
Voluntary retained earnings					
Profit carry forward		86 455		125 403	
Result for the year		-20 134		-22 955	
Treasury shares	14	-457		-389	
Total equity		**435 922**	**84.0**	**474 621**	**88.2**
TOTAL EQUITY AND LIABILITIES		518 885	100.0	538 217	100.0

FEINTOOL INTERNATIONAL HOLDING AG STATEMENT OF INCOME

for the 2023 financial year (January 1 to December 31, 2023)

	Note	2023 in CHF 1 000	2023 in %	2022 in CHF 1 000	2022 in %
INCOME					
Operating income	15	75 359	72.8	32 056	48.7
Income from investments		4 600	4.4	11 814	17.9
Financial income	16	23 572	22.8	22 018	33.4
Total income		**103 531**	**100.0**	**65 888**	**100.0**
EXPENSES					
Change in finished and semi-finished goods and work in progress		-99	-0.1	–	
Material expenses		15 089	14.6	–	
Personnel expenses	17	26 864	25.9	7 594	11.5
Other operating expenses	18	28 204	27.2	12 829	19.5
Depreciation		4 015	3.8	1 166	1.7
Impairment losses on investments and intercompany loans		12 758	12.3	30 749	46.7
Financial expenses	19	36 291	35.1	35 031	53.2
Prior-period expenses	20	628	0.6	1 103	1.7
Income Taxes		-85	-0.1	371	0.6
Total expenses		**123 665**	**119.4**	**88 843**	**134.8**
RESULT FOR THE YEAR		**-20 134**	**-19.4**	**-22 955**	**-34.8**

NOTES TO THE FINANCIAL STATEMENTS OF FEINTOOL INTERNATIONAL HOLDING AG

as at December 31, 2023

PRINCIPLE

General

Feintool International Holding AG has its headquarters in Lyss, Switzerland. The 2023 financial statements were prepared in accordance with the provisions of Swiss accounting law (Art. 32 of the Swiss Code of Obligations). The main applied valuation principles that are not required by law are described in the following. It should be borne in mind that, in order to ensure long-term prosperity of the company, the option of forming and releasing hidden reserves is exercised.
The purpose of Feintool International Holding AG is to manufacture and distribute tools as well as to provide engineering services and other services, particularly in the field of fineblanking, forming and stamping technology. The company can acquire, manage and transfer patens, trademarks and technical and industrial knowledge, acquire, manage and sell land, participate in other companies and establish subsidiaries. The company may participate in group financing, in particular by granting loans to its direct or indirect shareholders or other group companies or by providing guarantees or other security.

Merger with Feintool System Parts Lyss AG

On January 1, 2023, Feintool System Parts Lyss AG, Switzerland was merged with Feintool International Holding AG, Switzerland. The balance sheet and the income statement show the aggregated values in the financial year 2023. The previous year shows the values of Feintool International Holding AG exclusive the values of Feintool System Parts Lyss AG.
According to the merger agreement dated April 25, 2023 the assets (CHF 28 311 942.38) and liabilities (CHF 41 800 621.19) of Feintool System Parts Lyss AG (CHE-108.138.861) were merged with Feintool International Holding AG resulting in a loss from merger of CHF 13 488 678.81 which is recorded in profit carry forward.

Inventories and unbilled services

Inventories and unbilled services are generally recognized at cost. If the net realizable value at the balance sheet date is lower than the acquisition or production cost, this value is recognized in the balance sheet. The cost of acquisition is determined using the weighted average cost method, while the production costs are determined on the basis of standard full costs.

Property, plant and equipment

Property, plant and equipment are valued at acquisition or production cost less accumulated depreciation and impairment losses. Property, plant and equipment, with the exception of land, are depreciated on a straight-line basis.

Treasury shares

Treasury shares are recognized at the time of acquisition at cost as a minus line item in equity. In the event of resale, the profit or loss is booked in the income statement and not directly into equity.

Revenue recognition

Sales are recognized when the risks and rewards of ownership have been transferred to the customer or the service has been rendered. This normally occurs upon delivery of the product.

Share-based payments

Treasury shares are used for share-based payments to the Board of Directors and employees. The shares are purchased at a market price. They are recognized at a fixed price in the regulations for the issue and transferred to the entitled beneficiary free of charge. The corresponding expense including social security contributions is reported in personnel expenses.

Leases

Leasing transactions are accounted for according to economic power of disposal. Leasing and rental contracts are classified as a finance lease if the connected risks and rewards which are inherent in ownership of the leased asset are transferred to Feintool International Holding AG. All other leasing transactions represent operating leases. In the case of a finance lease, the right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.The value of the leased item is capitalized in property, plant and equipment and at the same time recognized as a lease liability. The depreciation of the property, plant and equipment and the amortization of the lease liability take place over the term of the contract. In case of an operative leasing, the rental and leasing payments are recognized directly in profit or loss.

Intercompany rental and lease agreements continue to be recognized as rental and lease expenses in each accounting period in which resulting expenses are incurred. This means that the right-of-use asset leased under such contracts is not capitalized, nor is a lease liability recognized. A total of kCHF 229 is recognized as an expense from such contracts in the income statement for 2023 (previous year kCHF 54).

Omission of cash flow statement and additional information in the Notes to the Financial Statements

Feintool International Holding AG prepares its consolidated financial statements in accordance with a recognized standard for accounting (IFRS) and consequently omits additional disclosures in the Notes to the Financial Statements and a report on the cash flow statement in these financial statements as set forth in the statutory provisions.

1 TRADE RECEIVABLES

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Accounts receivable – intercompany	5 541	7 844
Accounts receivable – third parties	4 099	–
Total trade receivables net	**9 640**	**7 844**

2 OTHER RECEIVABLES

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Other receivable – third parties	4 831	931
Interest bearing receivable – intercompany 1)	535	4 616
Total other receivables	**5 366**	**5 547**

1) Interest bearing receivable related to zero balance cash pools

3 INVENTORIES

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Raw material	1 026	–
Finished and semi-finished goods	1 301	–
Work in progress	3 667	–
Valuation allowances	-1 455	–
Total inventories	**4 539**	**–**

4 PREPAID EXPENSES AND ACCRUED INCOME

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Prepaid expenses – third parties	2 321	1 550
Prepaid expenses – intercompany	–	81
Total prepaid expenses and accrued income	**2 321**	**1 631**

5 PROPERTY, PLANT AND EQUIPMENT

5.1 Own property, plant and equipment

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Real estate	4 936	–
Machinery	7 871	–
Other fixed assets	1 145	116
Total property, plant and equipment	**13 952**	**116**

5.2 Property, plant and equipment in lease

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Right-of-use on buildings	1 088	1 362
Other Right-of-use assets	280	72
Total right-of-use assets	**1 368**	**1 434**

6 INTANGIBLE ASSETS

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Capitalized development costs	3 010	2 309
Software	499	305
Patents and licences [1)]	5 771	–
Total intangible assets	**9 280**	**2 614**

1) On January 1, 2023, patents amounting to kCHF 6 348 have been transferred from Feintool System Parts Sachsenheim GmbH. They are depreciated on a straight-line basis over 11 years.

7 FINANCIAL ASSETS

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Financial assets – third parties	5	–
Loans – intercompany	218 762	284 724
Total financial assets	**218 767**	**284 724**

8 INVESTMENTS

Company	Locations, country		Capital	Proportion of capital and voting rights as of December 31, 2023	Proportion of capital and voting rights as of December 31, 2022
Feintool International Holding AG [1]	**Lyss, CH**	**CHF**	**49 148 420**	**100 %**	**100 %**
Feintool Automotive System Parts (Tianjin) Co. Ltd. [2]	Tianjin, CN	EUR	26 350 000	100 %	100 %
Feintool Engineering Co. Ltd. [3]	Atsugi, J	JPY	400 000 000	n/a	100 %
Feintool Fineblanking Technology (Shanghai) Co., Ltd. [4]	Shanghai, CN	USD	2 500 000	0 %	100 %
Feintool Holding GmbH [5]	**Bayreuth, GER**	**EUR**	**818 000**	**100 %**	**100 %**
Feintool System Parts Ettlingen GmbH	Ettlingen, GER	EUR	766 937	100 %	100 %
Feintool System Parts Jena GmbH	Jena, GER	EUR	3 068 000	100 %	100 %
Feintool System Parts Obertshausen GmbH	Obertshausen, GER	EUR	1 000 000	100 %	100 %
Feintool System Parts Oelsnitz GmbH	Oelsnitz, GER	EUR	550 000	100 %	100 %
Feintool System Parts Ohrdruf GmbH [6]	Ohrdruf, GER	EUR	2 556 000	100 %	100 %
Feintool System Parts Sachsenheim GmbH [7]	Sachsenheim, GER	EUR	3 068 000	100 %	100 %
Stanzwerk Jessen GmbH [5]	Frankfurt, GER	EUR	3 000 000	n/a	100 %
Feintool System Parts Jessen GmbH	Jessen, GER	EUR	1 000 000	100 %	100 %
Jela Immobilien GmbH	München, GER	EUR	25 000	100 %	100 %
Feintool Japan Co. Ltd.	Atsugi, J	JPY	225 000 000	100 %	100 %
Feintool Precision System Parts (Taicang) Co. Ltd. [8]	Taicang, CN	USD	20 800 000	100 %	100 %
Feintool System Parts Lyss AG [1]	Lyss, CH	CHF	3 100 000	n/a	100 %
Feintool System Parts Most s.r.o.	Most, CZ	CZK	100 000 000	100 %	100 %
Feintool Technologie AG [4]	**Lyss, CH**	**CHF**	**2 000 000**	**15 %**	**100 %**
Feintool U.S. Operations, Inc.	**Cincinnati, USA**	**USD**	**6**	**100 %**	**100 %**
Feintool Cincinnati, Inc.	Cincinnati, USA	USD	500	100 %	100 %
Feintool Equipment Corp. [4]	Cincinnati, USA	USD	100	0 %	100 %
Feintool New York, Inc.	**White Plains, USA**	**USD**	**1 000**	**100 %**	**100 %**
One Holland Ave. Development LLC	Cincinnati, USA	USD	–	100 %	100 %
Feintool Tennessee, Inc.	Nashville, USA	USD	–	100 %	100 %
Feintool System Parts Tokod kft. [7]	Tokod, HU	EUR	336 807	100 %	100 %

[1] On January 1, 2023, Feintool System Parts Lyss AG, Switzerland was absorbed by Feintool International Holding AG, Switzerland.

[2] Feintool Automotive System Parts (Tianjin) Co. Ltd. carried out a capital increase in the amount of EUR 1.15 million in the prior financial year.

[3] On June 1, 2023, Feintool Engineering Co. Ltd., Atsugi, was absorbed by Feintool Japan Co. Ltd., Atsugi.

4) On June 7, 2023 Feintool sold Feintool Technologie AG, Lyss, Feintool Equipment Corp., Cincinnati, USA and Feintool Fineblanking Technology (Shanghai) Co., Ltd., Shanghai, China to the German Certina Group. Feintool and Certina Group are pursuing close technological cooperation, particularly in the area of hydrogen technologies. Feintool therefore retains a strategic minority interest of 15 % in Feintool Technologie AG.

5) On January 1, 2023, Stanzwerk Jessen GmbH, Germany was absorbed by Feintool Holding GmbH, Germany.

6) Feintool Holding GmbH holds a 60 % stake in Feintool System Parts Ohrdruf GmbH. The remaining 40 % is held by Feintool International Holding AG.

7) On March 1, 2022, Feintool Holding GmbH, Bayreuth, Germany, acquired 100 % of the shares of the German company Kienle + Spiess GmbH, located in Sachsenheim, Germany, with its subsidiary Kienle + Spiess Hungary Kft., located in Tokod, Hungary. As of December 31, 2022 Kienle + Spiess Hungary Kft. was sold by Kienle + Spiess GmbH to Feintool International Holding AG. As of January 1, 2023 Kienle + Spiess GmbH was renamed to Feintool System Parts Sachsenheim GmbH and Kienle + Spiess Hungary Kft. was renamed to Feintool System Parts Tokod Kft.

8) Feintool Precision System Parts (Taicang) Co. Ltd. carried out a capital increase in the amount of CNY 50.27 million in the financial year.

9 TRADE PAYABLES

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Current liabilities – third parties	4 157	1 119
Current liabilities – related parties	–	148
Current liabilities – intercompany [1]	339	32 441
Trade payables	**4 496**	**33 708**

1) The high balance of current liabilities - intercompany in prior year was caused by the purchase of Feintool System Parts Tokod GmbH.

10 CURRENT INTEREST BEARING LIABILITIES

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Current interest bearing liabilities – third parties	59	–
Current interest bearing liabilities – intercompany [1]	47 082	23 659
Current leasing liabilities	516	382
Total current interest bearing liabilities	**47 657**	**24 041**

1) Interest bearing liabilities related to zero balance cash pools.

11 ACCRUED EXPENSES AND DEFERRED INCOME

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Accruals for salary, bonus, overtime	2 157	1 293
Outstanding accounts payable	1 294	728
Other accrued expenses	814	–
Accrued expenses – intercompany	–	212
Total accrued expenses and deferred expense	**4 265**	**2 233**

12 NON-CURRENT FINANCIAL LIABILITIES

	12/31/2023 in CHF 1 000	12/31/2022 in CHF 1 000
Non-current interest bearing liabilities – third parties [1]	23 150	–
Non-current leasing liabilities	857	1 058
Total non-current interest bearing liabilities	**24 007**	**1 058**

[1] The increase of non-current interes bearing liabilities is caused by the promissory note issued on July 2023.
Feintool has a syndicated loan agreement with six banks. In December 2022 Feintool signed a new syndicated loan agreement. This new loan agreement of kCHF 100 000 has a duration of 5 years. As of December 31st 2023 no withdrawal was done from this loan. The covenants include a net debt / EBITDA ratio and an equity ratio.

13 SHARE CAPITAL

13.1 Share capital

	12/31/2023 Number/CHF	12/31/2022 Number/CHF
Number of shares	14 744 526	14 744 526
Nominal value	10	10
Share capital	147 445 260	147 445 260

On May 13, 2022, the Feintool Group concluded a capital increase. The transaction resulted in the creation of 9 829 684 new Feintool shares with a par value of CHF 10 each at the transaction price of CHF 20.51 each.

13.2 General legal reserves from capital contributions

The statutory reserves from capital contributions include the premium from capital increases, less the previous dividend distributions. The distribution from reserves from capital contributions is treated in the same way as the repayment of capital for tax purposes. The Swiss Federal Tax Administration (FTA) has confirmed that the reported reserve from capital contributions is recognized as a capital contribution pursuant to Art. 5 (1bis) Swiss Withholding Tax Act.

13.3 Capital band

By resolution of the General Assembly on April 25, 2023, the Board of Directors is authorized, for a period ending on April 30, 2026, to increase the share capital in one or more stages to a maximum of CHF 176 934 310 (upper limit of the capital band) by issuing a maximum of 2 948 905 registered shares with a par value of CHF 10.00 and to reduce the share capital in one or more steps to not less than CHF 140 073 000 (lower limit of the capital band) either by cancelling a maximum of 737 226 registered shares at a par value of CHF 10.00 each or by a corresponding reduction of the par value of the registered shares. A reduction and a re-increase may take place simultaneously.

14 TREASURY SHARES

	12/31/2023		12/31/2022	
	Number	in CHF 1 000	Number	in CHF 1 000
Start of period	**16 532**	**389**	**7 369**	**475**
Bought	30 000		35 000	
Sale/transfer	-26 233		-25 837	
End of period	**20 299**	**457**	**16 532**	**389**
of which trading portfolio	20 299		16 532	

In the 2023 financial year, 30 000 shares were purchased at an average price of CHF 22.11 (previous year 35 000 shares at an average price of CHF 20.75) and 26 233 shares transferred at an average price of CHF 20.10 (previous year 25 837 shares at an average price of CHF 27.42) for the share-based management remuneration. Treasury shares are reserved primarily for management remuneration.

15 OPERATING INCOME

	2023	2022
	in CHF 1 000	in CHF 1 000
Operating income – third party	25 378	82
Operating income – intercompany	12 004	–
Income from intercompany services	35 827	31 974
thereof licenses and patents	18 370	16 698
thereof other management services	6 188	5 886
thereof IT services	5 668	6 096
thereof internal services, building maintenance/services and staff restaurant	134	1 010
thereof other intercompany services	5 467	2 284
Other operating income	2 150	–
Total operating income	**75 359**	**32 056**

16 FINANCIAL INCOME

	2023	2022
	in CHF 1 000	in CHF 1 000
Interest income – third party	100	27
Interest income – intercompany	4 632	4 275
Foreign exchange gains	18 840	17 716
Total financial income	**23 572**	**22 018**

17 PERSONNEL EXPENSES

	2023 in CHF 1 000	2022 in CHF 1 000
Salaries and wages	21 263	5 851
Social security contribution	3 275	843
Other personnel expenses	2 326	900
Total personnel expenses	**26 864**	**7 594**

Feintool International Holding AG employed 196 employees at the end of the year (previous year 38 excl. employees of Feintool System Parts Lyss AG; calculated in Full Time Equivalents and incl. Apprentices and trainees).

18 OTHER OPERATING EXPENSES

	2023 in CHF 1 000	2022 in CHF 1 000
Research and development	529	1 868
Patents and licenses	3 328	1 543
Corporate communication and investor relations	1 173	1 285
Information technology	7 149	5 655
Consulting	2 828	1 358
Rent	774	127
Repair and maintenance	3 187	112
Energy	1 005	–
Loss on the disposal of property, plant and equipment	2 246	–
Expenses from intercompany services	3 635	461
Other expenses	2 350	420
Total other operating expenses	**28 204**	**12 829**

19 FINANCIAL EXPENSES

	2023 in CHF 1 000	2022 in CHF 1 000
Interest expense – third party	386	1 049
Other financial expenses – third party [1]	1 352	1 729
Foreign exchange losses	34 553	32 253
Total financial expenses	**36 291**	**35 031**

[1] Besides bank charges, other financial expenses include lead syndication commissions (annual amortization of establishing cost for the syndicated loan), valuation expenses from currency hedges and market making costs.

20 PRIOR-PERIOD EXPENSES

Prior-period expenses relates to prior-period expenses from intercompany services.

21 CONTINGENT LIABILITIES IN FAVOR OF THIRD PARTIES

	31.12.2023	**31.12.2022**
	in CHF 1 000	in CHF 1 000
Guarantees and warranties for investments	13 533	22 393
Subordination clauses in favor of subsidiaries	–	18 955
Joint and several liability as regards cash pooling	p.m.	p.m.
Joint and several liability as regards Swiss VAT group	n/a	p.m.

On July 15, 2021 and July 17, 2023 promissory notes amounting to kEUR 75 000 were issued. The issuer for the promissory notes borrowed in the year 2016 and 2021 is Feintool Holding GmbH based in Germany with a guarantee from Feintool International Holding AG.

22 SHAREHOLDINGS OF GROUP MANAGEMENT AND THE BOARD OF DIRECTORS INCLUDING RELATED PARTIES

	12/31/2023	**12/31/2022**
	Number of registered shares	Number of registered shares
Alexander von Witzleben, Chairman of the Board of Directors [1]	92 771	50 057
Christian Mäder, Deputy Chairman of the Board of Directors [2]	n/a	–
Dr. Marcus Bollig, Member of the Board of Directors	–	–
Norbert Indlekofer, Deputy Chairman of the Board of Directors	–	–
Heinz Loosli, Member of the Board of Directors	781	781
Total Board of Directors	**93 552**	**50 838**
Torsten Greiner, CEO starting from January 2023	5 000	–
Knut Zimmer, CEO until December 2022	n/a	14 124
Samuel Künzli, CFO	4 611	2 611
Total Group Management	**9 611**	**16 735**
Total other employees	**1 929**	**1 429**

[1] Held directly and indirectly; the 10 000 shares with a value of CHF 179 600 as remuneration for the 2023 financial year were assigned on January 4, 2024.

[2] Christian Mäder, previously member of the Board of Directors, waived further candidacy on April 25, 2023. The compensation refers to the period from January 1, 2023 to April 24, 2023.

The shares are valued at a price of CHF 18.14 (previous year: CHF 20.60) as of December 31, 2023. This results in a total value of kCHF1 906 (previous year: kCHF 1 435).

23 LIABILITIES DUE TO PENSION FUNDS

There was no liability to the pension fund as of December 31, 2023 (previous year kCHF 0).

24 EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

25 PROPOSAL BY THE BOARD OF DIRECTORS

The Board of Directors will propose to the Annual General Meeting an ordinary dividend of CHF 0.17 per registered share for the financial year 2023.

	12/31/2023 in CHF
Retained earnings carry forward	99 943 431
Loss from merger	-13 488 679
Result for the year	-20 134 499
Available earnings	**66 320 252**
Payment of an ordinary dividend of CHF 0.17	-2 506 569
Gain Carryforward	**63 813 683**

Since the general legal reserves and retained earnings have reached 50 % of the share capital, no further allocation will be made.

In addition to the ordinary dividend as proposed above, the Board of Directors will request that an additional dividend of CHF 0.17 per registered share be distributed from the capital contribution reserves:

	12/31/2023 in CHF
Capital contribution reserves before distribution	**222 612 717**
Transfer from capital contribution reserves to voluntary retained earnings and payment of an additional dividende of CHF 0.17	-2 506 569
Capital contribution reserves after distribution	**220 106 148**

This corresponds to a maximum total dividend distribution of kCHF 5 013 (previous year kCHF 5 013). The amount of the dividend distribution depends on the amount of the dividend-eligible shares at the time of the distribution. No dividends will be distributed on treasury shares.

KPMG

Statutory Auditor's Report

To the General Meeting of Feintool International Holding AG, Lyss

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Feintool International Holding AG (the Company), which comprise the balance sheet as at 31 December 2023, and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 73 to 84) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

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

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

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of

Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism 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 the Company'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 Company'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 Company 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.

KPMG

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of 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

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Yannick Peter
Licensed Audit Expert

Zurich, 22 February 2024

CORPORATE GOVERNANCE

Good governance is a core component of our corporate strategy

- **Board of Directors**
- **Chief Executive Officer***
  Head of System Parts
  Torsten Greiner
- **Chief Financial Officer***
  Samuel Künzli

- **Chief Sales Officer**
  Lars Reich
- **Chief Human Resources Officer**
  Luana Kinner
- **Chief Communications Officer**
  Karin Labhart
- **Chief Information Officer**
  Matthias Zanger
- **Head of Business Development**
  Dr. Hans-Jörg Domian

- **Head of Business Unit Fineblanking/Forming Europe**
  Dr. Winfried Blümel
- **Head of Business Unit Stamping Europe**
  Gregor Eipert
- **Head of Business Unit USA**
  Christoph Trachsler
- **Head of Business Unit Asia**
  Marcel Pernici

Operational management structure by 31 December 2023

* Executive board in accordance with the Ordinance on Excessive Compensation for Listed Companies (VegüV)

1 GROUP STRUCTURE AND SHAREHOLDERS

1.1 Group structure

1.1.1 Operational Group structure

Feintool's operational management structure can be found in the diagram on the previous page.

The division of responsibilities between the Board of Directors, CEO and Group Management is explained in section 3.6. Further information, such as the current Articles of Association for the Feintool Group, can be found online at https://www.feintool.com/wp-content/uploads/2023/06/FIH_Statuten_2023-04-25_en.pdf.

1.1.2 Listed company

Name and registered office:	Feintool International Holding AG, 3250 Lyss (Switzerland)
Place of listing:	SIX Swiss Exchange
Swiss security no.:	932009
ISIN:	CH0009320091
Telekurs:	FTON
Reuters:	fton.s
Stock market capitalization: [1]	CHF 267 097 478 (as at December 31, 2023)

[1] Without 20 299 treasury shares.

Key share prices in 2023 financial year:

Highest	22/05/2023	CHF	24.90
Lowest	12/12/2023	CHF	17.80
Closing price	12/29/2023	CHF	18.14

With 2 463 shareholders (previous year 2 461), the number of shareholders increased over the last twelve months by 2. As of December 31, 2023, the free float amounts to 40.1 % (previous year 40.1 %).

More information on Feintool shares is available on our website at https://www.feintool.com/company/investor-relations/.

No subsidiary companies are listed.

1.1.3 Unlisted companies

The unlisted subsidiaries that are included in the scope of consolidation of Feintool International Holding AG are listed in section 8 of the Notes to the Financial Statements of Feintool International Holding AG.

1.2 Major shareholders

		Disclosure according to FinMIA
Artemis Beteiligungen I AG und Michael Pieper	50.1 %	50.1 % on 21.05.2022
Geocent AG	9.8 %	9.7 % on 12.11.2008

Information on significant shareholders are based on the shareholders register or on notifications received by Feintool. A disclosure obligation exists if a person or group(s) is/are subject to the disclosure requirement when reaching, exceeding or falling below the threshold of 3, 5, 10, 15, 20, 25, 33.3, 50 or 66.6 percent of the voting rights of Feintool International Holding AG. Disclosure reports made during the reporting year in accordance with Art. 120 of the Financial Market Infrastructure and Market Conduct in Securities and Derivatives Trading (FinMIA) and the provisions of the Financial Market Infrastructure Ordinance (FinMIO) can be viewed on the reporting and publication platform of SIX Swiss Exchange (https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html).

In the reporting period, there were no disclosure obligations regarding holdings pursuant to Article 120 FMIA.

1.3 Cross-shareholdings

Feintool International Holding AG does not have any cross-shareholdings.

2 CAPITAL STRUCTURE

2.1 Ordinary capital

As at December 31, 2023, the share capital of Feintool International Holding AG amounted to CHF 147 445 260, comprising 14 744 526 fully paid-up registered shares with a par value of CHF 10 each.

2.2 Authorized and conditional capital

Authorized capital

The General Assembly as of April 20, 2021 resolved the creation of CHF 10 million of authorized capital which expired on April 19, 2023.

Capital band

By resolution of the General Assebly on April 25, 2023, the Board of Directors is authorized, for a period ending on April 30, 2026, to increase the share capital in one or more stages to a maximum of CHF 176 934 310 (upper limit of the capital band) by issuing a maximum of 2 948 905 registered shares with a par value of CHF 10.00 and to reduce the share capital in one or more steps to not less than CHF 140 073 000 (lower limit of the capital band) either by cancelling a maximum of 737 226 registered shares at a par value of CHF 10.00 each or by a corresponding reduction of the par value of the registered shares. A reduction and a re-increase may take place simultaneously.

Conditional capital for stock options plans

In accordance with Art. 3b, para. 2 of the Articles of Association (https://www.feintool.com/wp-content/uploads/2023/06/FIH_Statuten_2023-04-25_en.pdf), the share capital is to be increased, to the exclusion of the subscription rights of existing shareholders, by a maximum of CHF 557 500 through the issue of a maximum of 55 750 registered shares to be fully paid up and with a par value of CHF 10 each (stock option plan). However, no stock options were issued. For further details of the capital structure, please see section 13 of the Notes to the Financial Statements of Feintool International Holding AG.

2.3 Changes in capital

Share capital

Date	Description	Number	Nomina value [1]	Increase/ decrease [1]	Capital [1]	Number of shares
12/31/2021	held				49 148 420	4 914 842
05/13/2022	increase	9 829 684	10	98 296 840	147 445 260	14 744 526
12/31/2022	held				147 445 260	14 744 526
12/31/2023	held				147 445 260	14 744 526

[1] in CHF

Authorized capital

Date	Description	Number	Nominal value [1]	Increase/ decrease [1]	Capital [1]	Number of shares
04/20/2021	created [2]	1 000 000	10	10 000 000	10 000 000	1 000 000
12/31/2021	held				10 000 000	1 000 000
12/31/2022	held				10 000 000	1 000 000
04/19/2023	expired [3]	-1 000 000	10	-10 000 000	–	–
12/31/2023	held				–	–

[1] in CHF

[2] The General Assembly as of April 20, 2021 resolved the creation of CHF 10 million of authorized capital with an expiration date of April 19, 2023.

[3] The authorization expired in the reporting period on April 19, 2023.

Conditional capital

Date	Description	Number	Par value [1]	Increase/ decrease [1]	Capital [1]	Number of shares
12/31/2021	held				557 500	55 750
12/31/2022	held				557 500	55 750
04/25/2023	increase	2 948 905	10	29 489 050	30 046 550	3 004 655
12/31/2023	held				30 046 550	3 004 655

[1] in CHF

2.4 Shares

The 14 744 526 registered shares of Feintool International Holding AG have a par value of CHF 10 each and are fully paid up. One registered share corresponds to one vote. There are no voting right restrictions, and there are no voting or preference shares (unitary share structure). All shares have equal dividend rights. Feintool International Holding AG does not have any participation capital.

2.5 Dividend right certificates

Feintool International Holding AG does not have any dividend right certificates.

2.6 Limitations on transferability and nominee registrations

2.6.1 Limitations on transferability for each share category

In accordance with Art. 4 of the Articles of Association, the voting rights attached to shares and other rights that accompany voting rights may only be exercised by those recorded in the share register as voting shareholders. The Board of Directors may refuse registration as a shareholder with voting rights if a person acquiring shares does not expressly declare that they have acquired the shares in their own name and at their own expense.

2.6.2 Granting of exceptions

No exceptions to the above limitations on transferability were granted during the financial year.

2.6.3 Nominee registrations

As stated in section 2.6.1, there are no privileges or restrictions with regard to transferability with the exception of the nominee registrations clause.

2.6.4 Procedures and conditions for canceling privileges and transfer restrictions laid down in the Articles of Association

Any amendment to these provisions (easing or limitation) requires the approval of at least two-thirds of the votes represented and an absolute majority of the share par values represented (Art. 12 of the Articles of Association).

2.7 Convertible bonds and options

There were no convertible bonds or options issued as at December 31, 2023.

MEMBERS OF THE BOARD OF DIRECTORS, FEINTOOL INTERNATIONAL HOLDING AG

As at December 31, 2023

ALEXANDER VON WITZLEBEN
Chairman of the Board of Directors

Function

Member of the Board of Directors (non-executive)

Committees

Member of the Nomination and Compensation Committee and the Audit Committee

Education

Studied economics at the University of Passau (GER)

Professional background

- **1990–1993** KPMG Deutsche Treuhand Gesellschaft, Munich (GER) Lead Auditor
- **1993–2007** Jenoptik AG, Jena (GER) Chief Financial Officer, later as Chief Executive Officer from 2004
- **2007–2008** Franz Haniel & Cie. GmbH, Duisburg (GER) Member of the Executive Board
- **2009–present** Chairman of the Board of Directors of Feintool International Holding AG, Lyss (CH)

Additional activities and vested interests

- Executive Chairman of the Board of Directors of Arbonia AG, Arbon
- Chairman of the Supervisory Board of PVA TePla AG, Wettenberg (GER)
- Chairman of the Supervisory Board of VERBIO SE, Leipzig (GER)
- Member of the Board of Directors of Artemis Holding AG, Hergiswil
- Member of the Supervisory Board of Siegwerk Druckfarben AG & Co. KGaA, Siegburg (GER)
- Member of the Board of Directors of KAEFER SE Co. KG, Bremen (GER)
- Member of the Advisory Board of Innoviz Technologies Ltd., Nitzba (ISR)

DR. MARCUS BOLLIG
Member of the Board of Directors

Function

Member of the Board of Directors (non-executive)

Education

- Degree in Mechanical Engineering at RWTH Aachen University (1987–1993)
- Scientific work at RWTH Aachen, Universidad Politécnica de Madrid and University of California San Diego with subsequent doctorate (1993–1998)

Professional background

- **1998–2011:** Various functions in the development of four-cylinder en-gines at BMW AG
- **2011–2013:** Vice President Project New Technologies Electrification at BMW AG
- **2013–2016:** Vice President Efficient Dynamics at BMW AG
- **2016–2019:** Vice President Research for Complete Vehicles at BMW AG
- **2019–2021:** Vice President Transmission, Powertrain at BMW AG
- **2021–2022:** Vice President Process Powertrain at BMW AG
- **Since 2022:** Managing Director at the German Association of the Automotive Industry

NORBERT INDLEKOFER
Member and Vice Chairman of the Board of Directors

Function
Member of the Board of Directors (non-executive)

Education
Degree in mechanical engineering, University of Stuttgart

Professional background
- **2014–2016** Schaeffler AG CEO Automotive
- **2011–2014** Schaeffler AG Automotive: Member Management Board Transmission Systems and Member of the Executive Board
- **2009–2010** Schaeffler Automotive: Chairman of the Management Board
- **2006–2009** INA-Schaeffler KG Chairman of GL: Transmissions and Chassis Systems
- **2006–2009** LUK Group Chairman of the Management Board

Additional activities and vested interests
- Member of the Board of Directors of Autoneum Holding AG in Winterthur (CH)
- Member of the Advisory council of ATESTEO GmbH & Co. KG in Alsdorf (GER)

HEINZ LOOSLI
Member of the Board of Directors

Function
Member of the Board of Directors (non-executive)

Education
B.Sc. Electrical Engineering, Federal Diploma in Marketing and Sales, Stanford Executive Program (SEP)

Professional background
- **1978–1994** H. A. Schlatter AG: Sales Manager (1978–1984)
  Country Manager for China (1985–1988)
  Head of profit center “Automation” (1988–1994)
- **1994–1996** Ascom Autelca AG: Head of Ticketing Division
- **1996–2009** Feintool Group: Head of Presses and Systems at Feintool AG Lyss and later of Feintool System Parts
- **2009–2016** Feintool Group CEO

Additional activities and vested interests
Chairman of the Advisory Board of Felss Group GmbH, Königsbach-Stein (GER)

3 BOARD OF DIRECTORS

3.1 Members of the Board of Directors

As of December 31, 2023, the Board of Directors comprised four members. The members of the Board of Directors did not belong to the executive management of Feintool or any of its subsidiaries either in the financial year or in the three preceding financial years. Apart from the business relationships listed for individual members of the Board of Directors, there were no business relationship with Feintool or its subsidiaries in the financial year or in the three preceding financial years.

3.2 Other activities and commitments

Other activities and commitments are also listed in the portraits and above in section 3.1.

3.3 Number of mandates permitted

According to Article 18b of the Articles of Association, members of the Board of Directors, Group Management and, where applicable, the Advisory Board may not hold or exercise more than (i) 8 additional, paid mandates, of which no more than 4 at companies whose equity securities are listed on a stock exchange, and (ii) 8 unpaid mandates, expense allowances not being deemed to constitute compensation.

3.4 Election and terms of office

3.4.1 Principles of the election procedure and restrictions on terms of office for members of the Board of Directors

The General Meeting elects members of the Board of Directors by voting for them individually, and also elects the Chairman from amongst the Board members. The term of office of the members and the Chairman of the Board of Directors ends at the latest at the conclusion of the ordinary General Meeting following that at which they were elected, subject to any prior resignation or dismissal. Members of the Board of Directors are indefinitely eligible for reappointment. No age limits apply for members of the Board of Directors.

3.4.2 Principles of the election procedure and restrictions on term of office for members of the Compensation and Nomination Committee

The General Meeting elects a Compensation and Nomination Committee consisting of one or more members. The members of the Compensation and Nomination Committee are elected individually. Only members of the Board of Directors may be elected. The term of office for the members of the Compensation and Nomination Committee ends at the latest at the conclusion of the ordinary General Meeting following that at which they were elected. Members may be re-elected.

3.4.3 Principles of the election procedure and restrictions on the term of office for the independent proxy

The General Meeting elects an independent proxy. Natural persons, legal persons or partnerships may be elected. Their independence may not be compromised, either in fact or appearance, and is based on Article 728 paras. 2–6 of the Swiss Code of Obligations.

The term of office of the independent proxy ends at the conclusion of the ordinary General Meeting following that at which they were elected. Members may be re-elected.

3.4.4 Initial election and remaining term of office of each member of the Board of Directors

Name	Member since	Term of office until AGM on
Alexander von Witzleben	1998	04/23/2024
Dr. Marcus Bollig	2020	04/23/2024
Norbert Indlekofer	2018	04/23/2024
Heinz Loosli	2017	04/23/2024

3.5 Internal organizational structure

The Chairman of the Board of Directors is elected by the General Meeting. In accordance with Article 13 of the Articles of Association, the Chairman of the Board of Directors leads the General Meeting and heads the Board of Directors, which makes decisions as a collective body.

In accordance with Article 14 of the Articles of Association, the Board of Directors will constitute itself, taking account of the General Meeting's election of the Chairman of the Board of Directors and the members of the Compensation and Nomination Committee.

At its first meeting after the ordinary General Meeting, the Board of Directors elects a Deputy Chairman; it also appoints a Secretary, who is not required to be a member of the Board of Directors. The Board of Directors also elects the members of the Audit Committee.

3.5.1 Distribution of responsibilities on the Board of Directors

In the financial year, Alexander von Witzleben held the office of Chairman. Norbert Inldekofer served as Deputy Chairman. No Secretary to the Board of Directors is currently appointed. These tasks are being undertaken by the members of the Board of Directors.

3.5.2. Composition of all Board committees and their duties and authority

Audit Committee

The current members of the Audit Committee are Norbert Indlekofer (Chairman) and Alexander von Witzleben.

The Audit Committee submits draft proposals to the Board of Directors on the following issues:

- Coordinating the external audit, particularly defining the scope of the audit; instructing internal audit, particularly determining the focal points
- Monitoring financial reporting and overseeing auditors (quarterly discussion of financial reporting with the CEO and CFO; monthly discussions between the Chairman of the Audit Committee and the CFO; discussion of interim results with the CEO and CFO; discussion of annual financial statements with CEO, CFO and auditors)
- Analyzing and assessing possible weak points in the financial reporting results and the internal control system (ICS)
- Assessing the functionality of the internal control system
- Proposing the commissioning of special audits to the Board of Directors
- Monitoring the company's credit and cash flow situation and business relationships with banks
- Monitoring and coordinating all mergers and acquisitions (M&A) activity
- Selecting and proposing external advisors

Compensation and Nomination Committee

The current members of the Compensation and Nomination Committee are Norbert Indlekofer (Chairman) and Alexander von Witzleben.

The Compensation and Nomination Committee submits draft proposals to the Board of Directors on the following issues:

- The composition (fixed, variable, proportion of shares, etc.) and amount of the compensation of members of the Board of Directors, Group Management and, if applicable, the Advisory Board
- Ensuring the termination provisions contained in the employment contracts of members of Group Management and other senior executives are commensurate with market conditions and provide protection for the company
- Verifying that compensation paid is in line with market rates and performance standards
- Verifying and authorizing any internal business between senior executives or persons closely associated with them and companies in the Feintool Group

In the 2023 financial year, the Compensation and Nomination Committee and the Audit Committee assumed their responsibilities in accordance with the respective regulations.

3.5.3 Working methods of the Board of Directors and its committees

In accordance with Art. 3.5 of the Organizational Regulations, the Board of Directors meets at least four times a year, for one day on each occasion. In the reporting period, the Board of Directors held four detailed meetings. The CEO and CFO attended all the meetings. Additional members of operational management also attended if the topic was relevant to them.

The Audit Committee and the Compensation and Nomination Committee meet as required, but at least two detailed meetings must take place for each committee each year. All proposals arising from both committees were discussed at the regular meetings of the Board of Directors. The Audit Committee met three times and the Compensation and Nomination Committee three times in the period under review. These meetings usually last half a day and are in preparation for the next meeting of the Board of Directors.

3.6 Division of responsibilities between the Board of Directors and Group Management

In accordance with Art. 15 of the Articles of Association, the Board of Directors is the supreme body of the company with responsibility for supervising Group Management. It represents the company externally and deals with all matters not assigned to any other corporate body by law, the Articles of Association or the Organizational Regulations. In accordance with Art. 6.5a of the Organizational Regulations, the Board of Directors delegates overall management to the CEO, where permitted under the law and provided such responsibilities are not expressly assigned to the Board of Directors. The Board of Directors' responsibilities include decisions statutorily assigned to it regarding financial and information policies as well as decisions relating to investments, cooperation agreements, contracts, real estate and shareholdings, provided such decisions are of special significance to the company and they exceed a specified scale, together with resolutions concerning internal and external auditing.

The CEO's responsibilities include management of the company's operations, as well as drawing up requisite remits, directives and guidelines within the framework of the organizational structure approved by the Board of Directors. The CEO is responsible for managing and organizing Group Management and also represents the company in dealings with the Board of Directors, the general public and the authorities.

In accordance with the resolution by the Board of Directors on April 14, 2014, the CEO and CFO constitute Group Management as defined by the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares ("ERCO").

Group Management determines binding, Group-wide management instruments (planning, accounting, management information systems and controlling) and is responsible for developing the corporate culture. It is also responsible for developing and periodically reviewing the corporate strategy and for its implementation. Group Management prepares information on all matters that fall under the responsibility of the Board of Directors and is also responsible for ensuring that the Board's resolutions are implemented.

3.7 Information and control instruments of Group Management

At its meetings, all members of the Board of Directors and members of Group Management have an obligation to provide the required information. If necessary, other senior executives may also be involved. At such meetings, the Chairman informs the other members of the Board of Directors about their activities since the last Board meeting; the CEO reports on current business developments and the CFO comments on financial reporting.

As part of the Feintool Group's Management Information System (MIS), members of the Board of Directors receive a regularly report from Group Management informing them about the financial and business situation of the company and relevant company segments. This report contains information on market and sector developments and risks, the income statement and balance sheet as well as key figures (growth, margins and development, order entry and order backlog, etc.) and detailed quarterly, interim and annual financial statements, which are then commented on by the CEO and the CFO at meetings held specifically for this purpose. This includes a data comparison with the prior years and with the budgeted figures. A detailed risk report is prepared once a year, which is explained and discussed at a meeting (see also the risk report). Between meetings, the CEO also informs the members of the Board of Directors about extraordinary events, either in writing or by telephone.

Between meetings of the Board of Directors, each member may ask the CEO to provide information at any time regarding the performance of the business and, with the approval of the Chairman, regarding individual transactions; members may also request the inspection of business documents. Such requests should be forwarded to the Chairman in writing.

Internal Audit

Internal Audit concentrates on areas of operational and strategic risk management in addition to the internal control system. It conducts group-wide audits, analyses and interviews. The annual audit schedule is approved by the Audit Committee in cooperation with the external auditors. Internal Audit reports regularly to the Audit Committee on a project-related basis, either in writing or verbally.

GROUP MANAGEMENT

As at December 31, 2023

TORSTEN GREINER
Chief Executive Officer

Function
CEO Feintool Group

Education
M.Sc. Mechanical Engineering, Leibniz University Hannover

Professional background
- **1986–1989** Boge Kompressoren Bielefeld: Vocational training as a machine fitter
- **1994–2002** Robert Bosch GmbH: Production Manager World Closure Systems Division (since 2001)
- **2002–2011** Brose Schließsysteme GmbH & Co KG: Executive Vice President Business Division Closure Systems (since 2005)
- **2011–2022** Edscha Holding GmbH: Chairman of the Board of Management
- **Since January 1, 2023** CEO of the Feintool Group, Head of the System Parts segment

Additional activities and vested interests
- Kamax Holding: Member of the Advisory Board
- VDA Manufacturing Group 3: Advisory Board Member

Samuel Künzli
Chief Financial Officer

Function
CFO Feintool Group

Education
Master in Accounting and Finance, University of St. Gallen
Swiss CPA (Certified Public Accountant)

Professional background
- **2008–2012** KPMG Zurich: Auditor
- **2012–2013** Stadler Rail: CFO Stadler Minsk (Belarus)
- **2014–2018** Stadler Rail: CFO Division Central Europe
- **2019–2020** Stadler Rail: CFO Division Switzerland
- **Since April 2021** CFO Feintool Group

4 GROUP MANAGEMENT

4.1 Members of Group Management

In accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (“ERCO”), Group Management consisted of two members as of December 31, 2023. The management structure can be found in the organizational chart shown in section 1.1.1 of this report.

4.2 Other activities and commitments

Other activities and commitments are also listed in the portraits and above in section 4.1.

4.3 Number of mandates permitted

According to Article 18b of the Articles of Association, members of the Board of Directors, Group Management and, where applicable, the Advisory Board may not hold or exercise more than (i) 8 additional, paid mandates, of which no more than 4 at companies whose equity securities are listed on a stock exchange, and (ii) 8 unpaid mandates, expense allowances not being deemed to constitute compensation.

4.4 Management contracts

There are no management contracts between the Feintool Group and third parties.

5 COMPENSATION, SHAREHOLDINGS AND LOANS

5.1 Basic principles of the compensation system

5.1.1 Board of Directors

Based on a proposal by the Compensation and Nomination Committee, the Board of Directors determines once a year at its year-end meeting the level of compensation paid to its members on the basis of their activities and responsibilities, while taking due account of prevailing market and industry levels. The comparative group includes Swiss and German listed companies of a similar size in the automotive supplier industry which do business with their own manufacturing plants in the most important production markets. If necessary, the Compensation and Nomination Committee will consult external advisers.

5.1.2 Group Management

The Compensation and Nomination Committee determines all components of the compensation paid to the CEO on the basis of the contractual agreement. For the other members of Group Management, the Compensation and Nomination Committee makes its decision following proposals submitted by the CEO on the basis of the respective contractual agreements. This is reported to the Board of Directors at its regular meeting at the end of each year. Where necessary, external advisers are consulted when determining the compensation and stock option plans for Group Management. The members of executive management were not present at the meetings where their remuneration was discussed.

If required, Feintool commissions an external consulting firm to review Group Management’s compensation in comparison with the external labor market. The peer group comprises Swiss and German listed industrial companies with a similar size, with a focus on automotive suppliers, which do business with their own manufacturing plants in the most important production markets. The comparison includes basic, overall and direct compensation as well as selected fringe benefits (occupational pension, company car and lump-sum expenses).

5.2 Elements of the compensation system

5.2.1 Board of Directors

The compensation paid to members of the Board of Directors consists of a fixed component plus the lump-sum reimbursement of expenses and an attendance fee. Members of the various committees are reimbursed individually with a fixed component and an attendance fee. If meetings of the Board of Directors and the various committees take place immediately after each other, the attendance fee is paid only once.

Compensation paid to the Chairman of the Board of Directors is based on a fixed proportion of their salary (fixed component). Depending on the company’s financial performance, the Chairman also receives free shares in Feintool International Holding AG. These shares are locked in for a specified period. The economic development is measured by the operating earnings (EBIT).

5.2.2 Group Management

The compensation paid to Group Management is based on a fixed proportion of each individual's salary (fixed component). In addition, the amount of compensation is determined directly by the attainment of targets and performance of each member of Group Management, as well as the financial performance of the company (variable component). The performance-related bonus is determined on the basis of operating results (EBIT) and the degree to which annually agreed individual objectives have been achieved. The bonus for the CEO is entirely calculated according to the EBIT of the Feintool Group. For the CFO, the ratio of operational to personal objectives is approximately 70:30. The variable compensation component paid to the members of Group Management is between 30 % and 70 % of the fixed salary component.

Members of Group Management receive part of their fixed compensation in the form of shares, which are locked in on a staggered basis for up to four years. Details are set out in the "Regulations for the issue of employee shares and options to members of the Board of Directors and Senior Executives," as issued by the Board of Directors in 2005.

Members of Group Management also receive customary fringe benefits (company car, risk insurance and retirement, management insurance cover and voluntary insurance).

5.2.3 Statutory regulations regarding compensation

Article 18 of the Articles of Association constitutes the statutory basis for remuneration. The Articles of Association are available on https://www.feintool.com/wp-content/uploads/2023/06/FIH_Statuten_2023-04-25_en.pdf.

5.3 Compensation for acting members of governing bodies

Full details of the effective compensation can be found on the Remuneration Report.

6 SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 Voting right restrictions and proxies

In accordance with Art. 10 of the Articles of Association, each share carries one vote. Only those shareholders entered in the share register are entitled to vote at the General Meeting. A shareholder may only be represented at the General Meeting by their own legal representative, another shareholder who attends the meeting and is entered in the share register, or the independent proxy. The proxy must be given written authorization. Attending members of the Board of Directors shall decide on the recognition of proxies. Restrictions on voting rights and the associated regulations can be found in section 2.6.1 of this Corporate Governance Report.

In accordance with Art. 10a of the Articles of Association, shareholders will be able to give the independent proxy instructions regarding any motions for business announced in the notice of convocation and any motions for business not announced in the notice of convocation, as well giving them general instructions regarding any new items of business in accordance with Art. 700 para. 3 of the Swiss Code of Obligations.

Shareholders will be able to issue their authorization and instructions to the independent proxy, including in electronic form, up to 4 p.m. on the third working day prior to the date of the General Meeting. This deadline shall be deemed to have been met if the authorization and instructions are received by the independent proxy by that time. The independent proxy is obliged to exercise the voting rights conferred on them by the shareholders as instructed. If they have not received any instructions, they shall abstain from voting.

6.2 Quorum requirements

All resolutions at the General Meeting are made by a legally required majority. In the event of a tied vote, the Chairman casts the deciding vote.

6.3 Convocation of the General Meeting

In accordance with Art. 9 of the Articles of Association, the General Meeting must be convened at least 20 days in advance by publication of a notice in the Swiss Official Gazette of Commerce. In addition, registered shareholders will receive a written invitation.

6.4 Agenda items

In accordance with Article 9 of the Articles of Association, shareholders who individually or jointly hold at least 10 % of the share capital or hold shares with a par value of at least CHF 1 million may request the inclusion of a particular item for discussion, at the latest 40 calendar days prior to the General Meeting. Such items must be submitted in writing, citing the item for discussion and the proposals.

6.5 Entries in the share register
In accordance with Article 10 of the Articles of Association, all shareholders entered in the share register with voting rights, together with registered nominees, are entitled to attend the General Meeting and to vote. Shareholders who are entered in the share register by 5:00 p.m. on Monday, April 15, 2024 (closing date) are invited to the General Meeting.

7 CONTROL AND DEFENSE MEASURES

7.1 Duty to make an offer
Duty to make an offer at Feintool International Holding AG is governed by the current legal conditions described in Article 135 para. 1 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA). The Articles of Association do not contain any provisions regarding opting out or opting up.

7.2 Clauses on changes of control
No clauses on changes of control have been agreed for the benefit of the Board of Directors, Group Management or any other senior executives in the company.

8 AUDITORS

8.1 Duration of the mandate and term of office of the lead auditor
At the General Meeting held on April 25, 2023, KPMG AG, Zurich, was elected as statutory auditors for one year. Roman Wenk is the lead auditor for the term of the mandate.

8.1.1 Date of assumption of the auditing mandate
KPMG AG, Zurich, was elected for the first time at the General Meeting on January 25, 2011.

8.1.2 Date on which the lead auditor took up office
The lead auditor from KPMG AG is replaced every seven years in accordance with statutory regulations. Roman Wenk has held the position of lead auditor since financial year 2017.

8.2 Auditing fees
The auditing fees agreed with KPMG AG in respect of the financial statements for the 2023 financial year amounted to CHF 655 600.

8.3 Additional fees
In the reporting period, KPMG AG agreed a total fee of CHF 112 000 for transfer pricing topics, audit-related services and other services.

8.4 Information instruments pertaining to external audit
The auditors attended two meetings of the Audit Committee. In addition to the annual audit report, KPMG AG prepares a comprehensive report on the results of its audit for the Board of Directors. At the end of the financial year, the Audit Committee, with the CEO and CFO also in attendance, discusses the comprehensive report to the Board of Directors and the auditors' report with the auditors.

The external auditors are periodically re-evaluated by means of a tendering process. They are elected at the General Meeting by a motion submitted by the Board of Directors. Besides the minimum legal requirements, selection criteria include relevant qualifications, sector experience and cost-effectiveness.

9 INFORMATION POLICY

Feintool communicates actively with shareholders, the media and investors. The company provides regular information on its business performance in the form of press releases and holds at least two press conferences per year. Twelve press releases were published during the financial year from January 1 to December 31, 2023. Interested parties are welcome to visit our factories. Furthermore we offer the financial community the opportunity to gain direct insights into our business at one of our manufacturing sites. In the reporting period, members of Group Management held around 50 individual meetings with existing or prospective investors. A further 100 or so existing or prospective investors were also welcomed at group meetings.

Five institutes are currently publishing reports on Feintool's business performance:

Bank	Name
Baader Helvea	Michael Roost
Kepler Cheuvreux	Doron Lande
Research Partners AG	Robin Seydoux
Stifel	Alexander Koller
Zürcher Kantonalbank	Walter Bamert

Shareholders in Feintool International Holding AG receive interim and annual reports on request, and are kept regularly informed about new corporate developments of interest to them in the form of shareholder letters. During the 2023 financial year, two such letters were sent on the subjects of the 2022 year-end financial results and the 2023 interim results.

The dates of the most important publications and events are given below:

Publication	Date
Media conference results fiscal year 2023	February 22, 2024
Publication of annual report	February 22, 2024
Annual Shareholder Meeting	April 23, 2024
Media conference results half-year 2024	August 21, 2024
Media conference results fiscal year 2024	February 27, 2025

The latest corporate information can be found on our website under "Media Releases" (https://www.feintool.com/insights-2/). You can also subscribe to this information by filling out the contact form on the website (https://www.feintool.com/newsletter-subscribe/). Annual reports, dates and other useful information can also be found at https://www.feintool.com. Information can also be requested from investor.relations@feintool.com.

10 TRADING BLACKOUT PERIODS

The Board of Directors defines trading blackout periods during the preparation of the semi-annual and the annual financial statements. A blackout period applies to the Board of Directors, the Group Management and all persons who, in the course of their work, have access to the preparation of the Feintool Group's financial figures. During a reasonable period of time before and after the publication of the annual and semi-annual financial statements of Feintool International Holding AG these persons named may not trade in Feintool shares. Ad hoc blackout periods may be set by the Board of Directors, the Chairman of the Board of Directors or the CEO for other non-public information.

11 SIGNIFICANT CHANGES AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

RISK ASSESSMENT

Feintool conducts a comprehensive risk assessment within the Group every year. This is based on the following pillars:

- Quality and crisis management, based on ISO 9001 and IAFT 16949
- Environmental management, based on ISO 14001
- Insurance management
- Internal control system
- Risk analysis management
- Business continuity management

The way in which each business unit is structured, the nature of the periodic procedures undertaken, and the manner in which these procedures are audited and reported are defined in writing. Control over each business unit is exercised by one or more bodies. In addition, each business unit also has persons responsible for it.

Insurance management is organized centrally by Feintool. Annual meetings are held with the Group insurance broker. At these meetings, the insurance coverage for risks in relation to third-party liability, the supply of goods and services and transportation is tailored to the Group's insurable risks. The insurance coverage is adjusted in the event of any changes.

Feintool introduced its internal control system (ICS) worldwide in 2007 and 2008 to comply with regulations and avert any damage that might be caused by staff or malicious third parties. The following processes are subject to the ICS:

- Sales/purchasing
- Logistics/warehousing/scrap
- Work in progress and contract assets
- Property, plant and equipment
- Salaries and wages
- Finance and leasing
- Information technology
- Annual financial statements

A flow chart for each process shows where the various loss risks can arise. These risks are summarized in a risk control inventory and assigned to one or more manual or automatic checks. Feintool's internal audit unit periodically examines the effectiveness of the ICS within the Group companies.

Feintool sees risk analysis management as the periodic analysis of risks that jeopardize the Group's success or its ability to achieve its targets. Feintool bases this as far as possible on the ISO 31000 process. Every year, each Group company defines – on the basis of a predefined risk matrix – which of these risks could be significant for the company. The individual risks are then assessed in accordance with their probability of occurrence and the extent of loss. Risk mitigation strategies, corresponding actions and the person responsible are determined for each of the top five risks.

Business continuity management involves designing procedural scenarios for the occurrence of loss or damage, the aim being to ensure the continuation of production or deliveries to (key) customers. The following areas are covered:

- Loss of key employees
- Occupational and plant security
- Procedure in the event of loss/damage to goods or buildings
- Loss of key suppliers, machines, tools and IT applications/hardware
- Loss of infrastructure incl. IT (or parts thereof)
- Significant customer complaints and recalls

Corresponding documentation in relation to all these areas exists within the Group companies and is reviewed at least once every year.

Feintool Group's risk manager produces an annual risk report concerning insurance management, the internal control system, risk analysis management and business continuity management for submission to the Group Management and Board of Directors. They make the key decisions on any risk-minimizing measures to be implemented. The ISO-based business units are subject to separate reporting.

Information on our activities relating to ESG risk management can be found in the Sustainability Report 2023.

For financial risks please also consider section 30 of the Notes to the consolidated Financial Statements.

REMUNERATION REPORT

1 PRINCIPLES OF THE COMPENSATION SYSTEM

1.1 Board of Directors

Based on a proposal from the Compensation and Nomination Committee, the Board of Directors determines once a year at its year-end meeting the level of compensation paid to its members on the basis of their activities and responsibilities, while taking due account of prevailing market and industry levels. The comparative group includes companies of a comparable size in the automotive industry which do business with their own manufacturing plants in the most important markets. The Compensation and Nomination Committee consults external advisers if required. The remuneration is based on the contractual agreements.

1.2 Group Management

The Compensation and Nomination Committee determines all components of the compensation paid to the CEO on the basis of the contractual agreement. For the CFO, the Compensation and Nomination Committee makes its decision following proposals submitted by the CEO on the basis of the respective contractual agreements. This is reported to the Board of Directors at its regular meeting at the end of each year. If required, external advisers are consulted when determining the compensation and stock option plans for Group Management.

If required, Feintool commissions an external consulting firm to review Group Management's compensation as compared against the external labor market. The peer group comprises internationally active industrial companies of a similar structure and size, with a focus on automotive suppliers as well as other industrial companies. The comparison includes basic, overall and direct compensation as well as selected fringe benefits (occupational pension, company car and lump-sum expenses).

2 ELEMENTS OF THE COMPENSATION SYSTEM

2.1 Board of Directors

The compensation paid to members of the Board of Directors consists of a fixed component and an attendance fee. Members of the various committees are paid a separate fixed component and attendance fee. Where meetings of the Board of Directors and the various committees are held immediately after one another, the attendance fee is paid once only.

The compensation paid to the Chairman of the Board of Directors is based on a fixed proportion of his salary (fixed component). Depending on the company's financial performance, the Chairman also receives free shares in Feintool International Holding AG. These shares are locked in for five years.

2.2 Group Management

The compensation paid to Group Management is based on a fixed proportion of each individual's salary (fixed component). In addition, the amount of compensation is determined directly by the attainment of targets and performance of each member of Group Management, as well as the financial performance of the company (variable component).The performance-related bonus is determined on the basis of operating results (EBIT) and the degree to which annually agreed individual objectives have been achieved. For the CFO, it is based on a ratio of approximately 70:30 operating to personal targets. The bonus for the CEO is calculated entirely according to the EBIT of the Feintool Group. The variable compensation component paid to CEO and CFO is between 20 % and 50 % of the fixed salary component. The current bonus payments in 2023 reflect the business performance in the year under review.

Members of Group Management receive part of their fixed compensation in the form of shares, which are locked in on a staggered basis for up to four years. Details are set out in the “Regulations for the issue of employee shares and options to members of the Board of Directors and Senior Executives”, as issued by the Board of Directors in 2005. Members of Group Management also receive customary fringe benefits (company car, risk insurance and retirement, management insurance cover and voluntary insurance).

3 COMPENSATION FOR ACTING AND FORMER MEMBERS OF GOVERNING BODIES

3.1 Board of Directors

The general meeting held on April 25, 2023 has approved a maximum total amount of of CHF 1.5 million for the remuneration of the Board of Directors for the period of the general meeting 2023 until the ordinary general meeting in 2024. This includes 10 000 shares of Feintool International Holding AG.
The following compensation was paid during the compensation period. These figures relate to the period from January 1 to December 31. [1)]

in CHF	Fixed salary [2)]	Shares/ options [3)]	Contributions to pension plans [4)]	Total
In the 2023 financial year				
Alexander von Witzleben, Chairman	250 000	179 600	122 275	**551 875**
Christian Mäder, Deputy Chairman [5)]	45 000	–	–	**45 000**
Dr. Marcus Bollig, Member	45 000	–	6 154	**51 154**
Norbert Indlekofer, Deputy Chairman [6)]	136 667	–	13 417	**150 084**
Heinz Loosli, Member	45 000	–	–	**45 000**
Total Board of Directors	**521 667**	**179 600**	**141 846**	**843 113**
In the 2022 financial year				
Alexander von Witzleben, Chairman	250 000	103 000	119 657	**472 657**
Christian Mäder, Deputy Chairman	137 500	–	–	**137 500**
Dr. Marcus Bollig, Member	45 000	–	3 875	**48 875**
Norbert Indlekofer, Member [6)]	75 000	–	6 826	**81 826**
Heinz Loosli, Member	45 000	–	–	**45 000**
Total Board of Directors	**552 500**	**103 000**	**130 358**	**785 858**

1) The compensation paid to the Board of Directors is determined for the period between the ordinary General Meeting at which the individual member is elected and the following ordinary General Meeting. In this report, the compensation paid relates to the financial year (January 1 to December 31) and is accrued accordingly.

2) Fixed compensation including attendance fee.

3) Allocation of a predefined number of shares. The amount of the shares is 10 000 (previous year 5 000). The shares are locked in for five years. The valuation corresponds to the price at the time of allocation. The value of the shares for tax purposes is CHF 134 208 (previous year CHF 76 967). This includes a discount for the lock-in period.

4) Payments made by the employer to the state pension schemes (AHV/IV) and the occupational pension fund.

5) Christian Mäder, previously Deputy Chairman of the Board of Directors, waived further candidacy on April 25, 2023. The compensation refers to the period from January 1, 2023 to April 25, 2023.

6) The fixed salary for 2023 and 2022 includes CHF 30 000 for strategy consulting.
Norbert Indlekofer has been elected as Deputy Chairman by the General Meeting on April 25, 2023.

The Chairman of the Board of Directors is in each case granted a loan equivalent to the withholding tax on his shares; this is offset against the fixed salary on a straight-line basis in the same year. There were no loans at the end of the year.

With the above exception, no loans or securities were granted to members of the Board of Directors in the reporting years.

3.2 Group Management

The general meeting held on April 28, 2022 has approved a maximum total amount of CHF 2.5 million for the remuneration of the Group Management for the period January 1 until December 31, 2023.

in CHF	Fixed salary [1]	Variable salary [2]	Shares/options [3]	Benefits in kind [4]	Contributions to pension plans [5]	Total
In the 2023 financial year						
Torsten Greiner, CEO	585 000	131 989	99 900	10 954	89 333	**917 176**
Samuel Künzli, CFO	347 260	94 148	39 960	6 080	85 859	**573 307**
Total Group Management	**932 260**	**226 137**	**139 860**	**17 034**	**175 192**	**1 490 483**
In the 2022 financial year						
Knut Zimmer, CEO	472 000	138 225	119 996	9 625	272 879	**1 012 725**
Samuel Künzli, CFO	315 260	55 000	40 012	6 080	77 445	**493 797**
Total Group Management	**787 260**	**193 225**	**160 008**	**15 705**	**350 324**	**1 506 522**

[1] Contractually agreed salary (excluding tax-allowable expenses).

[2] Bonus in accordance with individual contractual agreements. Payment in each case is made in the new financial year.

[3] Fixed entitlement in Swiss francs. Remuneration is in the form of shares. The number of shares depends on the average price of the two preceding months before disbursement. For Torsten Greiner it was 5 000 shares, for Samuel Künzli 2 000 (previous year 2 000) and Knut Zimmer in previous year 5 998. They have a staggered lock-in period of 1 to 4 years. Disbursement took place in December. The taxable value of the shares, which includes the discount for the lock-in period, is for Torsten Greiner CHF 86 541, Samuel Künzli CHF 34 616 (previous year CHF 34 661) and Knut Zimmer in previous year CHF 103 951.

[4] Provision of company cars, etc.

[5] Payments made by the employer to the state pension schemes (AHV/IV) and the occupational pension fund.

The highest compensation was paid to Torsten Greiner, CEO (previous year Knut Zimmer, CEO).

No securities or loans were provided to members of Group Management in the reporting years.

3.3 Former members of Group Management

The remuneration below refers to the period after departure of the members of Group Management from January 1 until December 31:

in CHF	Fixed salary [1]	Variable salary	Shares/options	Benefits in kind	Contributions to pension plans [2]	Total
2023 total for former members	472 000	–	–	9 625	223 676	**705 301**
2022 total for former members	–	–	–	–	–	**–**

[1] Contractually agreed salary.

[2] Payments made by the employer to the state pension schemes (AHV/IV) and the occupational pension fund.

4 SHAREHOLDINGS OF BOARD OF DIRECTORS AND GROUP MANAGEMENT

	12/31/2023 Number of registered shares	**12/31/2022** Number of registered shares
Alexander von Witzleben, Chairman of the Board of Directors [1]	92 771	50 057
Christian Mäder, Deputy Chairman of the Board of Directors [2]	n/a	–
Dr. Marcus Bollig, Member of the Board of Directors	–	–
Norbert Indlekofer, Deputy Chairman of the Board of Directors	–	–
Heinz Loosli, Member of the Board of Directors	781	781
Total Board of Directors	**93 552**	**50 838**
Torsten Greiner, CEO starting from January 2023	5 000	–
Knut Zimmer, CEO until December 2022	n/a	14 124
Samuel Künzli, CFO	4 611	2 611
Total Group Management	**9 611**	**16 735**

[1] Held directly and indirectly; the 10 000 shares with a value of CHF 179 600 as remuneration for the 2023 financial year were assigned on January 4, 2024.

[2] Christian Mäder, previously member of the Board of Directors, waived further candidacy on April 25, 2023. The compensation refers to the period from January 1, 2023 to April 24, 2023.

5 POSITIONS HELD IN OTHER COMPANIES

5.1 Board of Directors

Member	Company	Country	Position
Alexander von Witzleben, Chairman	Arbonia AG	Switzerland	Executive Chairman of the Board of Directors
	Artemis Holding AG	Switzerland	Member of the Board of Directors
	Innoviz Technologies Ltd.	Israel	Member of the advisory board
	KAEFER SE & Co. KG	Germany	Member of the Board of Directors
	PVA TePla AG	Germany	Chairman of the advisory board
	Siegwerk Druckfarben AG & Co. KGaA	Germany	Member of the advisory board
	Verbio SE	Germany	Chairman of the advisory board
Dr. Marcus Bollig, Member	Verband der Automobilindustrie e.V.	Germany	Managing Director
Norbert Indlekofer, Deputy Chairman	Autoneum Holding AG	Switzerland	Deputy chairman of the Board of Directors
	ATESTEO GmbH & Co. KG	Germany	Member of the advisory council
Heinz Loosli, Member	Felss Group GmbH	Germany	Chairman of the advisory board

5.2 Group Management

Member	Company	Country	Position
Torsten Greiner, CEO	Kamax Holding GmbH & Co. KG	Germany	Member of the advisory board
	Verband der Automobilindustrie e.V. (VDA)	Germany	Member of Manufacturing Group III
Samuel Künzli, CFO	Tewo-Treuhand AG	Switzerland	Chairman of the Board of Directors

Report of the statutory auditor

To the General Meeting of Feintool International Holding AG, Lyss

Report on the Audit of the Remuneration Report

Opinion
We have audited the Remuneration Report of Feintool International Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the notes 3.1, 3.2, 3.3, 4, 5.1 and 5.2 on pages 106 to 109 of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the Remuneration Report complies with Swiss law and the Company's articles of incorporation.

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

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

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the notes 3.1, 3.2, 3.3, 4, 5.1 and 5.2 on pages 106 to 109 in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

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

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

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

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

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

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

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

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

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Yannick Peter
Licensed Audit Expert

Zurich, 22 February 2024

GLOSSARY

Artemis Beteiligungen I AG – A holding company controlled by Franke Artemis Holding (i.e. Michael Pieper) which acquired a majority share of 50.32 % in Feintool on September 30, 2014. It acquired the shares entirely from its sister company Artemis Beteiligungen III AG, which had held a majority share in Feintool since April 7, 2011.

Automatic transmissions – These help to make a car more comfortable to drive and also to reduce emissions. The high level of complexity in their construction and the precision requirements mean fineblanked and formed parts from Feintool are particularly suitable. The different types include continuously variable transmission (CVT), dual clutch transmission (DCT), simple automated gearboxes, and torque-converter transmissions, currently with up to ten gears.

BEV – Battery electric vehicle (energy is stored in a battery, drive comes from an electric motor).

Cold forming – Forming refers to changing the form of a body made of sheet steel with tools by means of processes such as bending. Unlike forging and casting processes, with cold forming the forming takes place without mechanical processing or machining (material removal). Furthermore, no heating takes place as is evident in the name. Cold forming is an efficient process that is particularly suitable for the production of complex precision components, such as those required in the automotive industry.

Dual clutch transmission – Automated gearbox which uses two sub-transmissions and two clutches to enable fully automated gear changes with virtually no interruption of traction.

Electro sheet stamping – Electro sheet stamping refers to the stamping of individual rotor/stator elements from electro sheet.

ERCO – Ordinance against Excessive Remuneration in Listed Companies Limited by Shares. This is an implementing regulation by the Federal Council, which came into force on January 1, 2014.

Expected releases in the high-volume parts segment – In the System Parts segment, the order backlog represents the expected releases for the next six months. The customer can move, adjust or cancel these releases at any time. Thus, the order backlog in the high-volume parts segment is merely an important early indicator.

Fuel cell (FC) – Serves to generate power for electric drive in fuel-cell or hydrogen-powered vehicles. Fuel-cell vehicles are therefore hybrids with a drive consisting of a hydrogen tank and fuel cells, plus a small battery and an electric motor.

Fineblanking – Differs from normal stamping in that it works with three forces (blanking forces), rather than just one. Two of these brace the material for the part from above and below, and only the third force functions as a blanking force. The result is clean, laceration- and tear-free fineblanked surfaces, precise components, and either less or no subsequent processing depending on their use.

HEV – Hybrid electric vehicle, a vehicle with hybrid drive.

Hybrid – A vehicle with more than just one integrated drive concept; generally refers to a combination of electric drive and an internal combustion engine.

Laser cutting – Laser cutting is a highly flexible process for cutting components out of sheet/electro sheet, especially for particularly large components and/or particularly small series (prototypes, small batches) in the production of rotor/stator packages.

Number of strokes – Number of pressing motions in one stamping, fineblanking or forming press within one minute.

Orders received/order backlog in the investment goods business – In the Fineblanking Technology segment, the orders received and order backlog represent legally binding orders.

Overall equipment effectiveness (OEE) – Overall key production figure for the assessment of a plant, linking availability, machine output, and quality level.

Plug-in hybrid electric vehicle (PHEV) – A hybrid vehicle with a battery that can be charged via a plug socket.

Press portfolio – Feintool's fineblanking presses are designed for economical and efficient production of precision parts. Feintool offers various different product series for differing requirements:

- **FB one –** Hydraulic fineblanking press. The FB one is the newest series in the press portfolio. Compared to other fineblanking presses, it permits even more economical manufacturing of flexibly produced high-precision components in a way that saves resources and impresses through the adaptability of its modular structure. In future, it will replace hydraulic presses in the X-TRA and HFA series. Thanks to its modular structure and the cutting-edge technology integrated into the control system and hydraulics, the new press series covers all the common applications of existing hydraulic presses.

- **XFTspeed –** Servomechanical fineblanking presses
  The XFTspeed series combines the advantages of hydraulics with servo technology and mechanics, and thus achieves high stroke rates and minimal run times.
  Main areas of application: Thin and delicate or critical parts requiring a high level of precision, removing and process reliability.

- **HFA –** Hydraulic fineblanking presses
  Principal use: flat components in high volumes. Thanks to its servo drive, the X-TRA presses are particularly suitable for processing high-tensile and stainless steels.

  – HFAplus: This series is ideal for universally flexible production of demanding fineblanked components. Here, the various different add-on options provide for an optimal configuration tailored to requirements.

  – HFAspeed: This series boasts a strong drive and optimized hydraulic system, which thus achieves high stroke rates when fitted with appropriately configured tools.

  – HFAsmart: This series has the fundamental features of the HFAplus series, but is optimized for smaller investment budgets.

- **X-TRA –** Thanks to its highly dynamic and controlled ram, the hydraulic X-TRA series is designed for high-strength parts and high stroke rates, as this press concept manages to eliminate the dreaded sudden impact almost entirely. The main areas of use are production using stainless or high-tensile steels.

Punch-packaging – Punch-packaging refers to the production process for interlocking sheet packages such as stators and rotors for electric motors made of strip in a progressive stamping tool. It differs from packaging and joining (e.g. by means of welding or gluing) of stamped sheets in that the latter processes take place outside the stamping machine in a special machine or rig. The height of the sheet package can be preselected with punch-packaging in the stamping machine. Packages of any chosen height can be created.

Rotor/stator packages – The stator is the non-moving part and the rotor the rotating part of an electric motor. The rotor and stator package comprises the core of the relevant component, consisting of stamped and packaged electro sheet elements.

Servo drive – Feintool uses the servo drive both for mechanical and hydraulic fineblanking presses. The advantage: The servo drive makes it possible to program the path of the ram precisely. This makes it possible to reduce the speed of the cutting process – which lasts a fraction of a second – in a controlled manner, thus sparing the workpiece and the tool. The ram then subsequently travels its path to the next cut all the faster. Servo-driven presses significantly increase removing.

Simulation – Experimental analysis of fineblanking and forming processes by means of complex software.

Tools – It is within these that the components take shape in stamping or fineblanking presses or forming systems. In order to make production more economical and efficient, Feintool combines fineblanking and forming processes in one tool. A three-stage tool, for example, can carry out cutting, bending and deburring at the same time. To produce a multifunctional component ready for fitting, only one press and one tool are required.

ADDRESSES OF OUR OPERATING COMPANIES

as at December 31, 2023

Company	Address	Phone/Fax	Mail
Switzerland			
Feintool International Holding AG	Industriering 8 3250 Lyss Switzerland	Phone +41 32 387 51 11 Fax +41 32 387 57 81	feintool-fih@feintool.com
Feintool International Holding AG (System Parts)	Industriering 53 3250 Lyss Switzerland	Phone +41 32 387 51 11 Fax +41 32 387 57 79	feintool-pbel@feintool.com
Feintool International Holding AG (Tooling/Engineering)	Industriering 53 3250 Lyss Switzerland	Phone +41 32 387 51 11 Fax +41 32 387 57 79	feintool-pbel@feintool.com
Europe			
Feintool System Parts Ettlingen GmbH	Englerstrasse 18 76275 Ettlingen Germany	Phone +49 7243 320 20 Fax +49 7243 320 240	feintool-pbee@feintool.com
Feintool System Parts Jena GmbH	Löbstedter Strasse 85 07749 Jena Germany	Phone +49 3641 506 100 Fax +49 3641 506 300	feintool-pbej@feintool.com
Feintool System Parts Jessen GmbH	Rehainer Strasse 14 06917 Jessen Germany	Phone +49 3537 272 0 Fax +49 3537 272 222	feintool-psej@feintool.com
Feintool System Parts Most GmbH	Havran 164 435 01 Havran Czech Republic	Phone +420 733 589 070	feintool-pbem@feintool.com
Feintool System Parts Obertshausen GmbH	Ringstrasse 10 63179 Obertshausen Germany	Phone +49 6104 401 0 Fax +49 6104 401 204	feintool-pfef@feintool.com
Feintool System Parts Ohrdruf GmbH	Ringstrasse 13 99885 Ohrdruf Germany	Phone +49 3624 335 0 Fax +49 3624 335 200	feintool-pfeo@feintool.com
Feintool System Parts Oelsnitz GmbH	Hoffeldstrasse 2 09376 Oelsnitz Germany	Phone +49 3729 830 299 0 Fax +49 3729 830 299 111	feintool-pbeo@feintool.com
Feintool System Parts Sachsenheim GmbH	Bahnhofstrasse 23 74343 Sachsenheim Germany	Phone +49 3729 830 299 0 Fax +49 3729 830 299 111	feintool-pses@feintool.com
Feintool System Parts Vaihingen	Steinbeisstrasse 46 71665 Vaihingen an der Enz Germany	Phone +49 3729 830 299 0 Fax +49 3729 830 299 111	feintool-pses@feintool.com
Feintool System Parts Tokod Kft.	Kossuth Lajos út 130. 2531 Tokod Hungary	Tel. +36 (06) 33 515 100 Fax +36 (06) 33 515 191	feintool-pset@feintool.com

Company	Address	Phone/Fax	Mail
Americas			
Feintool Cincinnati, Inc.	11280 Cornell Park Drive Cincinnati, OH 45242, USA	Phone +1 513 247 01 10 Fax +1 513 247 00 60	feintool-pbuc@feintool.com
Feintool Tennessee, Inc.	2930 Old Franklin Road Antioch, TN 37013, USA	Phone +1 615 641 77 70 Fax +1 615 641 79 95	feintool-pfut@feintool.com
Asia			
Feintool Japan Co., Ltd. (Equipment)	Atsugi Plant, 260-53, Hase, Atsugi City Kanagawa Prefecture, 243-0036 Japan	Phone +81 46 248 44 41 Fax +81 46 247 20 08	feintool-ftj@feintool.com
Feintool Japan Co., Ltd. (System Parts)	Atsugi Plant, 260-53, Hase, Atsugi City Kanagawa Prefecture, 243-0036 Japan	Phone +81 46 248 44 41 Fax +81 46 247 20 08	feintool-pbja@feintool.com
Feintool Japan Co., Ltd. (System Parts)	Tokoname Plant, 178 Ikeda, Aza Kume, Tokoname City Aichi Prefecture, 479-0002 Japan	Phone +81 569 44 04 00 Fax +81 569 44 04 35	feintool-pbjt@feintool.com
Feintool Automotive System Parts (Tianjin) Co., Ltd.	No 216 Jingsi Road, Tianjin Kong Gang Economic Zone 300308 Tianjin, P. R. China	Phone +86 22 5926 58 38 Fax +86 22 5926 58 38	feintool-pfct@feintool.com
Feintool Precision System Parts (Taicang) Co., Ltd.	No 15 Qingdao East Road Taicang 215400, Jiangsu Province, P. R. China	Phone +86 512 5351 51 86 Fax +86 512 5351 54 32	feintool-pbct@feintool.com

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Feintool International Holding AG
Investor Relations
Industriering 8 · 3250 Lyss
Switzerland
Phone +41 32 387 51 11
investor.relations@feintool.com
www.feintool.com