

2020

Program of the Annual
General Meeting on 23 April 2021

Including short version of Annual Report 2020

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Dear Shareholders,

Last year was in many respects a turbulent and exceptionally challenging year for the Mikron Group. The spread of the coronavirus has fundamentally reshaped our industrial and working world, and the structural change underway in the automotive industry continued at a faster pace. We look back on difficult decisions and some painful losses. Over the long term, however, 2020 will also be remembered by us as a year of tightening our structures and concentrating our resources. In a tough market environment, we reacted fast, adapted to the new circumstances, and invested in the future.

The coronavirus pandemic impacted our two business segments Mikron Automation and Mikron Machining Solutions to different degrees. The year was especially challenging for the Mikron Machining division, which operates primarily in the automotive industry. After suffering a slump even before the pandemic, this market ground almost to a complete halt at times during 2020. With the sector currently undergoing an extensive transformation, Mikron does not expect to see a significant increase in demand for machining systems on the part of established customers in the automotive industry over the medium term. The service and tools business was also severely impaired by the pandemic and the related company closures and travel restrictions. Mikron Automation fared better: Remaining largely successful, the business segment profited from its solid positioning in the pharmaceutical and medtech sectors – its main market – where the pandemic also generated new demand.

In this difficult market environment, we had to institute some key changes: We significantly reduced our capacity and cost base in the Mikron Machining division and focused the production of machining systems on one location. Within the Mikron Automation business segment, we resized our Berlin site, which exclusively serves automotive customers. It will be closed in mid-2021 after all pending customer projects have been completed.

These major restructuring measures already began to show an impact in the second half of 2020. The widescale investments that we have made in digitalization also paid off to an unexpected degree in this unusual year. Our smart services and digitalized processes have never been more vital than during the coronavirus pandemic.

The appended short version of the Annual Report contains a review of the 2020 financial year. The full Annual Report is available in English as an online version (<https://report.mikron.com>) and as a PDF.

Due to the coronavirus pandemic, we unfortunately have to deviate from the planned General Meeting on 23 April 2021. The Annual General Meeting is not open to the public. Voting is only possible via the independent proxy.

We ask all shareholders to delegate their voting rights via written power of attorney to the independent proxy (Mr. Urs Lanz, notary and advocate, Hauptstrasse 54, 2560 Nidau). If you would like to submit a vote at the General Meeting, make a proposal on an agenda item or ask questions, you can do so in writing to the extent permitted. We will take note of your vote and record it in the minutes, comment on proposals and answer the questions in writing. Please send us your vote or questions by 21 April 2021 to ir.mma@mikron.com.

We thank you for your understanding and look forward to welcoming you personally to our Annual General Meeting again next year.



Heinrich Spoerry
Chairman of the Board of Directors

Agenda and proposals

1. Annual Report 2020

1.1 Management Report, Financial Statements of Mikron Holding AG and Consolidated Financial Statements 2020 of the Mikron Group; reports of the statutory auditor

Proposal

The Board of Directors proposes the approval of the Management Report, the Financial Statements of Mikron Holding AG and the Consolidated Financial Statements 2020 of the Mikron Group.

Remarks

A comprehensive review of the 2020 financial year is included in the Annual Report 2020 (available in English only at www.mikron.com/reports), which also contains the reports of the statutory auditor, information on corporate governance, and the Compensation Report. A short version of the Annual Report can be found on pages 11 to 30 of this invitation.

1.2 Advisory vote on the Compensation Report 2020

Proposal

The Board of Directors proposes that the Compensation Report 2020 be approved. An advisory vote will be held in accordance with Art.13 of the Articles of Association.

Remarks

The Compensation Report (pages 53 to 58 of the Annual Report 2020) outlines the principles and elements of the remuneration payable to the Board of Directors and Group Management. It details the remuneration paid in the year under review to the members of the Board of Directors and Group Management, and shows their shareholdings in Mikron Holding AG.

2. Discharge of members of the Board of Directors and Group Management

Proposal

The Board of Directors proposes to discharge the members of the Board of Directors and Group Management for the 2020 financial year.

3. Appropriation of retained earnings

in CHF 1,000

| | |
|--|---------------|
| Profit carried forward | 25,368 |
| Shortfall in proceeds from sale of treasury shares | -234 |
| Loss of the year | -26,459 |
| Loss carried forward | -1,325 |

Proposal

The Board of Directors proposes to carry forward the balance sheet result of December 31, 2020 of CHF -1,325,000 to the new account.

4. Elections relating to the Board of Directors

4.1 Members of the Board of Directors

The one-year term of office of the entire Board of Directors expires at the Annual General Meeting 2021. With the exception of Heinrich Spoerry, all members of the Board of Directors will be standing for re-election.

Proposal

The Board of Directors proposes that the following be elected for a term of one year until the conclusion of the Annual General Meeting 2022:

- 4.1.1 Paul Zumbühl, Swiss
(born in 1957)
- 4.1.2 Eduard Rikli, Swiss
(born in 1951)
- 4.1.3 Patrick Kilchmann, Swiss
(born in 1958)
- 4.1.4 Andreas Casutt, Swiss
(born in 1963)
- 4.1.5 Hans-Michael Hauser, German
(born in 1970)

Remarks

For more information on current members of the Board of Directors standing for re-election, please see the Annual Report 2020, Corporate Governance section, page 38.

4.2 Chairman of the Board of Directors

Proposal

The Board of Directors proposes the election of Paul Zumbühl as Chairman of the Board of Directors for a term of one year until the conclusion of the Annual General Meeting 2022.

4.3 Members of the Remuneration Committee

The one-year term of office of the members of the Remuneration Committee expires at the Annual General Meeting 2021. Patrick Kilchmann and Andreas Casutt are standing for re-election. The Board of Directors intends to reappoint Patrick Kilchmann as Chairman of the Remuneration Committee, provided his re-election by the Annual General Meeting.

Proposal

The Board of Directors proposes the election of the following as members of the Remuneration Committee for a term of one year until the conclusion of the Annual General Meeting 2022:

- 4.3.1 Patrick Kilchmann, Swiss
(born in 1958)
- 4.3.2 Andreas Casutt, Swiss
(born in 1963)

5. Approval of the total future remuneration payable to the Board of Directors and Group Management

5.1 Remuneration payable to the Board of Directors

Proposal

The Board of Directors proposes the approval of the total remuneration payable to the members of the Board of Directors for the period up to the next Annual General Meeting of maximum CHF 550,000.

Remarks

The maximum total amount proposed is CHF 550,000 (previous year: CHF 540,000) for the five members of the Board of Directors for the term of office until the next Annual General Meeting the basic fee (including remuneration for the work in the Board Committees), the flat-rate expenses as well as all contributions to the Social security. The total remuneration will be issued in the form of shares in Mikron Holding AG and otherwise in the form of cash amounts aligned. The shares to be allotted are blocked for at least 3 years.

The remuneration effectively paid will be disclosed in the Compensation Report for the 2021 financial year and be the subject of the related advisory vote to be held at the Annual General Meeting in 2022.

5.2 Remuneration payable to Group Management

Proposal

The Board of Directors proposes that the following be approved as remuneration payable to Group Management:

- 5.2.1. The total fixed and performance-related remuneration which may be paid to Group Management during the 2022 financial year of maximum CHF 1.9 million.
- 5.2.2. The allocation of 15,228 shares for the past financial year 2020, which valued at the price on 19 March 2021, corresponds to a value of CHF 91,063.
- 5.2.3. The allocation of the remaining 14,276 shares from LTI Bank to departing CEO Bruno Cathomen, which valued at the price on 19 March 2021, corresponds to a value of CHF 85,370.

Remarks

The proposed total amount of a maximum of CHF 1.9 million is related to the compensation of the three members of Group Management. This includes a

maximum compensation for the CEO of around CHF 0.75 million. In addition, an allocation of shares under the Long-Term Incentive Plan for the financial years 2018 to 2020 will be applied for the 2020 financial year.

The maximum total amount of 1.9 million is made up of the following amounts for the respective compensation components:

- Basic remuneration: maximum of CHF 1.1 million. The Board of Directors will stipulate the actual remuneration for 2022 at the end of 2021.
- Variable remuneration: maximum of CHF 0.4 million, subject to maximum attainment of targets by all members of Group Management.
- Pension and supplementary benefits, as well as employer contributions to social insurance: maximum of CHF 0.4 million. The amount of the effective obligations depends, among other factors, on the basis and variable remuneration effectively paid, on the age structure of the members of Group Management and on the insurance contributions.

The remuneration effectively paid in relation to proposal 5.2.1 will be disclosed in the Compensation Report for 2022 and be the subject of the related advisory vote to be held at the Annual General Meeting in 2023.

6. Election of the independent proxy

Proposal

The Board of Directors proposes the re-election of Urs Lanz, notary and advocate from Nidau, as the independent proxy until the conclusion of the Annual General Meeting 2022.

7. Election of the statutory auditor

Proposal

The Board of Directors proposes the re-election of PricewaterhouseCoopers AG, Bern, as statutory auditor for the 2021 financial year.

Organizational information

Annual Report

The Annual Report (Review of Operations, Financial Report of Mikron Holding AG and of the Mikron Group) as well as the auditor's reports for 2020 are available for inspection at the company's administrative offices at Güterstrasse 20, 4900 Langenthal, Switzerland.

The Annual Report is available on the website www.mikron.com as a PDF file and can also be viewed in an online version at <https://report.mikron.com>. The program of the Annual General Meeting is also available on the website for viewing and downloading.

Right to vote

Those shareholders of Mikron Holding AG entered in the share register as "with voting rights" up to and including 16 April 2021 are entitled to vote. No entries will be made in the share register from 19 to 23 April 2021.

Conduct of the Annual General Meeting and appointment of proxy

Due to the Corona pandemic, the Annual General Meeting of Mikron Holding on 23 April 2021 will not be open to the public. Votes may only be cast via the independent proxy.

All shareholders are requested to delegate their votes to the independent proxy (Mr. Urs Lanz, Notary Public and Attorney

at Law, Hauptstrasse 54, 2560 Nidau) by means of a written power of attorney. Anyone wishing to vote at the Annual General Meeting, submit a motion on an agenda item or ask questions may do so in writing as far as permissible. The Board of Directors will take note of all votes and have them recorded in the minutes. It will comment on motions and answer questions in writing. Votes and questions should be sent by 21 April 2021 to: ir.mma@mikron.com.

Biel, March 2021

Mikron Holding AG
Mühlebrücke 2
CHF-2502 Biel
Phone: +41 32 321 72 00
ir.mma@mikron.com

Annual Report 2020
Short version

Key Figures

| in CHF million, except number of employees | 2020 | | 2019 | | +/- | |
|---|-------|--------|-------|-------|-------|--------|
| Key performance data | | | | | | |
| Order intake ¹⁾ | 267.3 | | 288.5 | | -21.2 | -7.3% |
| Machining Solutions | 96.0 | | 119.4 | | -23.4 | -19.6% |
| Automation | 171.5 | | 169.2 | | 2.3 | 1.4% |
| Net sales | 257.8 | | 327.6 | | -69.8 | -21.3% |
| Machining Solutions | 96.3 | | 151.5 | | -55.2 | -36.4% |
| Automation | 161.7 | | 177.2 | | -15.5 | -8.7% |
| Order backlog ¹⁾ | 161.6 | | 157.4 | | 4.2 | 2.7% |
| Machining Solutions | 38.2 | | 38.1 | | 0.1 | 0.3% |
| Automation | 123.4 | | 119.4 | | 4.0 | 3.4% |
| Research and development | 6.5 | | 10.4 | | -3.9 | -37.5% |
| Number of employees (end of year) ¹⁾ | 1,331 | | 1,486 | | -155 | -10.4% |
| Machining Solutions | 545 | | 707 | | -162 | -22.9% |
| Automation | 759 | | 750 | | 9 | 1.2% |
| Earnings | | | | | | |
| EBITDA ¹⁾ , as % of net sales | -8.9 | -3.5% | 22.9 | 7.0% | -31.8 | n/a |
| EBIT ¹⁾ , as % of net sales, before restructuring costs | -4.7 | -1.8% | 14.1 | 4.3% | -18.8 | n/a |
| Machining Solutions | -13.6 | -14.1% | 1.1 | 0.7% | -14.7 | n/a |
| Automation | 9.1 | 5.6% | 12.9 | 7.3% | -3.8 | -29.5% |
| EBIT ¹⁾ , as % of net sales | -20.8 | -8.1% | 14.1 | 4.3% | -34.9 | n/a |
| Machining Solutions | -21.6 | -22.4% | 1.1 | 0.7% | -22.7 | n/a |
| Automation | 1.1 | 0.7% | 12.9 | 7.3% | -11.8 | -91.5% |
| Operating result, as % of net sales | -20.1 | -7.8% | 14.0 | 4.3% | -34.1 | n/a |
| Loss/profit for the year, as % of net sales | -22.1 | -8.6% | 8.8 | 2.7% | -30.9 | n/a |
| Cash flow | | | | | | |
| Cash flow from operating activities (incl. changes in net working capital), as % of net sales | 9.2 | 3.6% | 7.3 | 2.2% | 1.9 | 26.0% |
| Balance sheet | | | | | | |
| Balance sheet total | 277.1 | | 289.5 | | -12.4 | -4.3% |
| Current assets | 164.7 | | 178.0 | | -13.3 | -7.5% |
| Cash and current financial assets | 40.4 | | 44.1 | | -3.7 | -8.4% |
| Non-current assets | 112.4 | | 111.5 | | 0.9 | 0.8% |
| Current liabilities | 115.6 | | 103.6 | | 12.0 | 11.6% |
| Long-term liabilities | 16.0 | | 16.6 | | -0.6 | -3.6% |
| Shareholders' equity, as % of balance sheet total | 145.5 | 52.5% | 169.2 | 58.5% | -23.7 | -14.0% |

1) Alternative performance measures, see Annual Report 2020, pages 96 to 98, or www.mikron.com/apm

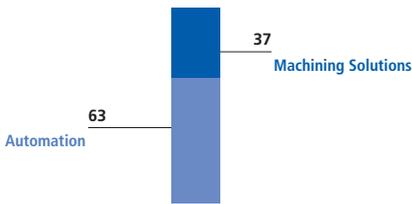
Sales

CHF 257.8 million

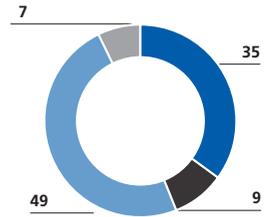
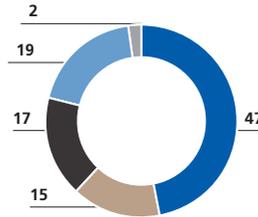
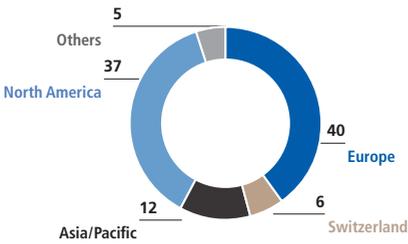
CHF 96.3 million

CHF 161.7 million

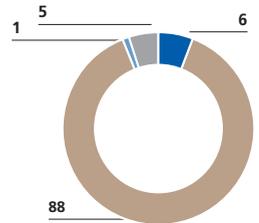
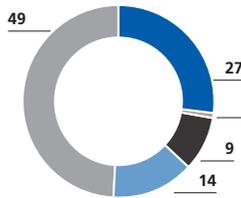
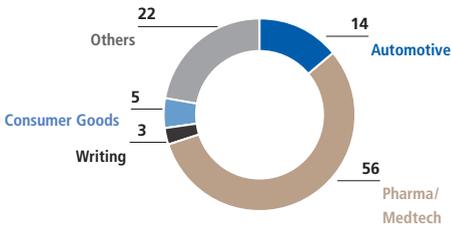
By segment in %



By region in %



By industry in %



Management Report (excerpt)

In the 2020 financial year, which was strongly impacted by the COVID-19 crisis, the Mikron Group's sales declined from CHF 327.6 million to CHF 257.8 million (-21.3%). While the Mikron Automation business segment held up well particularly in its main market – the pharmaceutical and medtech sectors, the Mikron Machining Solutions business segment suffered considerably owing to the general mood of uncertainty and low demand for machining systems especially in the automotive industry. Both business segments incurred substantial restructuring costs in the first half of 2020. The measures taken had a positive impact already in the course of the second half. Order intake, net sales and EBIT improved compared with the first half. At the end of 2020, the Mikron Group's order backlog of CHF 161.6 million was already higher than the corresponding figure at the end of 2019 (CHF 157.4 million, +2.7%). The Group's EBIT for 2020 amounts to CHF -4.7 million before restructuring costs and to CHF -20.8 million after restructuring costs (2019: CHF 14.1 million). Overall, Mikron is facing the current challenges in a stronger position, with a significantly improved cost structure and with secured liquidity.

Group business review

The two business segments Mikron Automation and Mikron Machining Solutions both look back on a difficult business year. While Mikron Automation held up well overall, due to the good positioning in its main sales market of pharmaceutical and medical technology, the Machining Solutions segment was more affected by the COVID-19 crisis. Demand for machining systems in the automotive industry, its main sales market had already fallen sharply before the outbreak of COVID-19. The pandemic further worsened the situation and also severely impacted the service and tooling business.

The extensive restructuring programs were implemented consistently and rapidly in both

business segments. Restructuring cost of CHF 16.1 million burdened the results in 2020 while the reduced cost base showed positive effects already in the second half-year. In the Mikron Machining Solutions business segment, capacity was significantly reduced, and production of manufacturing systems concentrated at one site. In the Mikron Automation business segment, the Berlin site will be closed by mid-2021.

Both business segments have systematically continued digitalization at all levels and further increased data security. An external data attack was successfully repelled in the reporting year.

The COVID-19 pandemic

The COVID-19 pandemic has affected the various Mikron locations in different ways. Measures Mikron has taken in response to the COVID-19 crisis include:

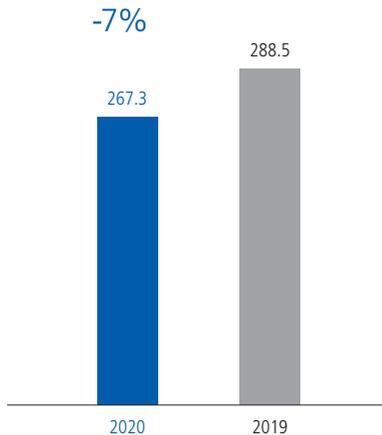
- An immediate travel stop from Europe and the US to Asia back in January 2020
- Protective measures for employees at all locations
- Working from home wherever possible from day one, thanks to functioning digital systems and processes
- No dividend distribution for the 2019 fiscal year
- Relocation of tool production from Agno (Switzerland) to Rottweil (Germany) during the officially imposed lockdown in Ticino.

Order intake and net sales

The Mikron Group reported order intake of CHF 267.3 million in 2020, representing a decrease of 7.3% compared with the prior year (CHF 288.5 million). The Mikron Automation business segment increased its order intake to CHF 171.5 million (previous year: CHF 169.2 million, +1.4%), while the Mikron Machining Solutions business segment saw a decline to CHF 96.0 million (previous year: CHF 119.4 million, -19.6%).

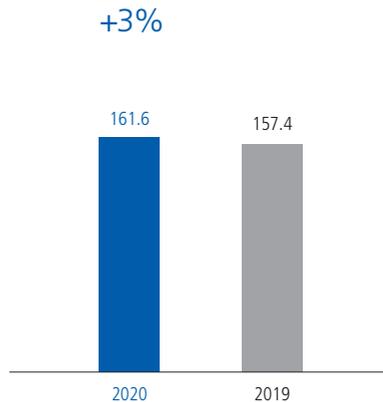
Order intake

in CHF million



Order backlog

in CHF million



Annual sales
in CHF

257.8 million

2020

327.6 million

2019

Posting annual net sales of CHF 257.8 million, the Mikron Group fell 21.3% short of the prior-year's result of CHF 327.6 million. While Mikron Automation's net sales of CHF 161.7 million were 8.7% behind the previous year's figure, Mikron Machining Solutions recorded net sales of CHF 96.3 million (2019: CHF 151.5 million, -36.4%). Europe remains Mikron's most important market, with approximately 46% of total net sales in 2020 (2019: 54%). With a share of 37%, North America is now quite close behind (previous year: 25%). The strongest market segment is by far the pharmaceutical and medtech sector with 56% (previous year: 38%). The automotive industry contributed 14% (prior year: 30%) to total net sales.

Capacity utilization and order backlog

While the Mikron Automation business segment enjoyed good capacity utilization – apart from the Berlin site – throughout the 2020 financial year, this was not the case for the Mikron Machining Solutions business segment. During the first half of the year, the Mikron Group decided to concentrate the machine manufacturing business in the Machining division at the Agno site in response to reduced demand from the automotive industry for metal cutting machines and implemented a comprehensive restructuring program. The Mikron Tool division was able to supply its customers in full from Rottweil (Germany) during the plant closure in Agno imposed by the authorities in Switzerland.

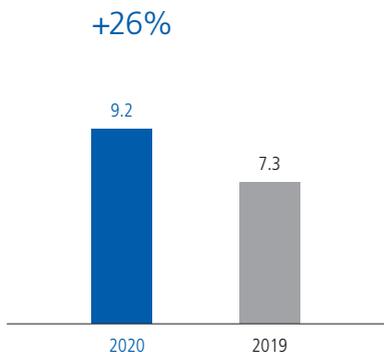
At CHF 161.6 million, the Mikron Group's order backlog at the end of 2020 was 2.7% higher than the prior-year figure. While the Machining Solutions business segment reported an order backlog at the level of the previous year (+0.3%), the Automation segment increased the same figure by 3.4%.

Profitability

EBIT for the 2020 business year was negatively impacted by one-off expenses in connection with the restructuring measures. In total, restructuring costs of CHF 16.1 million were booked. Due to the significant drop in sales in the Mikron Machining Solutions business segment and the lack of volume at the Berlin site in the Mikron Automation business segment, the Group's EBIT (before restructuring costs) of CHF -4.7 million in 2020 was significantly

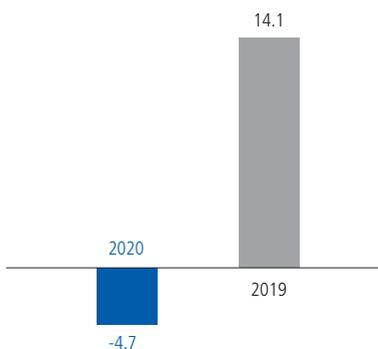
Cash flow from operating activities

in CHF million



EBIT, before restructuring costs

in CHF million



lower than in 2019 (CHF 14.1 million). The Automation business segment, whose results are strongly negatively impacted by the Berlin site, posted EBIT (before restructuring costs) of CHF 9.1 million (2019: CHF 12.9 million). EBIT before restructuring costs for the Mikron Machining Solutions business segment, at CHF -13.6 million, was also well below the prior-year figure of CHF 1.1 million. After restructuring costs, which include the redimensioning of the Berlin site and capacity adjustments in Agno and Rottweil, Group EBIT stands at CHF -20.8 million. The loss for the 2020 business year is CHF -22.1 million (2019: CHF 8.8 million).

Balance sheet, financing and equity ratio

Overall, the Mikron Group's balance sheet remains strong. Mikron is free of net debt and reports a healthy equity ratio.

Cash and cash equivalents plus current financial assets of CHF 40.4 million significantly exceed interest-bearing liabilities of CHF 24.1 million. The current financial assets of CHF 2.0 million are mainly invested in Swiss franc bonds with a residual maturity of less than one year. The net cash position remained at a high CHF 16.3 million or 6% of net sales (prior year: 7%).

Net working capital amounts to CHF 22.8 million (prior year: CHF 41.8 million) or 9% (prior year: 13%) of net sales. The reduction was mainly supported by lower inventories and the increase of short-term provisions.

Outlook

The Mikron Automation business segment started 2021 with a solid order backlog and is anticipating further encouraging developments in the pharmaceutical and medtech sectors.

In the Mikron Machining Solutions business segment, the restructuring in the machining division is essentially complete, with capacity reduced and concentrated on one site. The new platform Mikron MultiX is proving its worth with new customers. New digital services and products have already proved successful in practice. Concrete signs of recovery in demand for tools and services were noted at the end of 2020.

However, it is difficult to estimate how quickly demand will recover in the machine business. The unpredictable further development of the COVID-19 pandemic and the possible impact on customers' investment decisions do not allow any concrete forecasts to be made at present. Mikron is facing the current challenges in a stronger position and with a significantly improved cost structure compared to the beginning of 2020. For the entire Group, we expect a slight increase in sales and a return to profitability in the 2021 financial year.

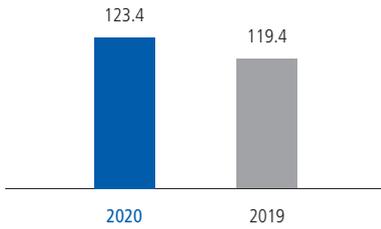
Mikron Automation

The Mikron Automation business segment held up well overall in the 2020 financial year despite the COVID-19 crisis. This was due in particular to its good positioning in the main sales market of pharmaceutical and medical technology. In terms of both order intake and order backlog at the end of the year, Mikron Automation succeeded in outperforming the previous year's figures and compensating for the lack of volume from the automotive industry.

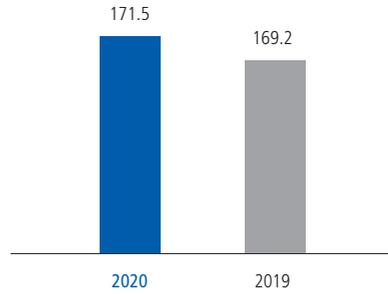
Even in crisis-ridden 2020, Mikron Automation was able to win new customers in its core target market of pharmaceutical and medical technology. These include companies that manufacture COVID-19 test device systems. Thanks to the specific assembly and testing expertise in diagnostic products that it has built up over the past few years, Mikron Automation was able to complete these projects not only efficiently and to the high quality expected by the customer, but also in a very short time.

All Mikron Automation's sites in Switzerland, the US and Asia were well utilized overall throughout the year. Only the Berlin site, which operates exclusively for the automotive industry and has already experienced highly volatile demand in the past, had significantly too few orders. Because the medium-term market outlook here is also comparatively poor, Mikron will close this plant by mid-2021 once the customer projects still in progress have been completed.

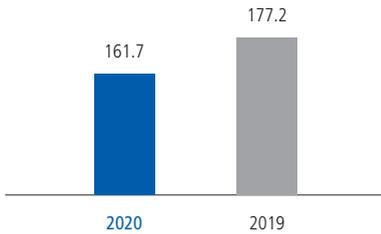
Order backlog
in CHF million



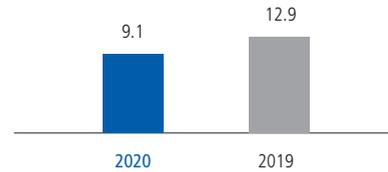
Order intake
in CHF million



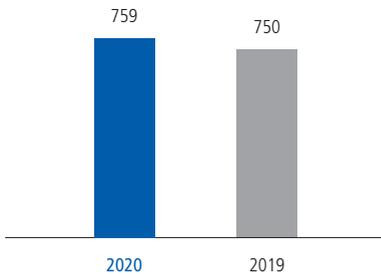
Net sales
in CHF million



EBIT, before restructuring costs
in CHF million



Number of employees



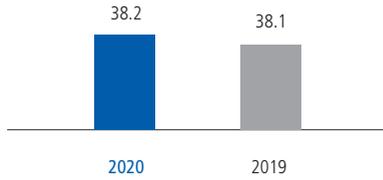
Mikron Machining Solutions

The Machining Solutions business segment looks back on an extremely difficult 2020 financial year that was heavily impacted by the COVID-19 crisis. In the main sales market of the automotive industry, demand for the Mikron Machining division's manufacturing systems had already reduced before the outbreak of the pandemic, which further worsened the situation and also severely impacted the service and tooling business for many months. One bright spot is the increase in sales in these areas towards the end of the year – including from the automotive industry.

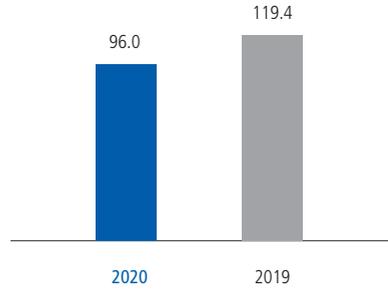
The Mikron Machining division began 2020 with a very low order backlog. The outbreak of the COVID-19 pandemic further slowed demand for Mikron's highly productive manufacturing machines in all sales markets. During the first half of the year, the Mikron Group decided to concentrate the machine manufacturing business in the Mikron Machining division at the Agno site. Mikron Machining Solutions implemented the restructuring program initiated in the spring as planned.

In particular, the short-term closure of many plants in the automotive industry resulted in a significant drop in sales of special tools for Mikron Tool in the first half of the year. In the standard tools business, which is broadly diversified across markets, Mikron Tool was able to keep order intake stable throughout the year.

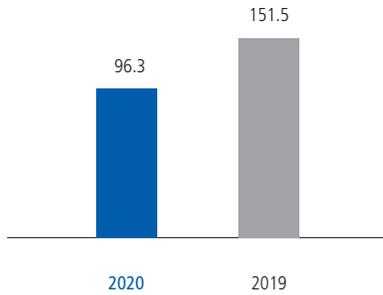
Order backlog
in CHF million



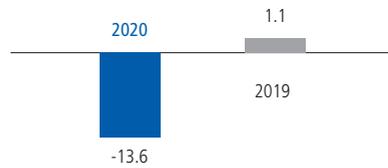
Order intake
in CHF million



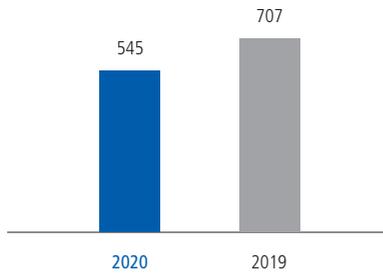
Net sales
in CHF million



EBIT, before restructuring costs
in CHF million



Number of employees



Consolidated Financial Statements 2020 of the Mikron Group

Consolidated income statement

CHF 1,000

| | 2020 | | 2019 | |
|---|----------------|--------------|----------------|-------------|
| Net sales | 257,819 | 100% | 327,553 | 100% |
| Change in work in progress/finished goods | -2,684 | | 984 | |
| Capitalized own production | 0 | | 1,006 | |
| Material costs and subcontractors | -94,473 | | -120,256 | |
| Personnel expenses | -124,328 | | -134,409 | |
| Other operating income | 1,433 | | 1,560 | |
| Other operating expenses | -46,459 | | -54,222 | |
| Depreciation of tangible assets | -8,304 | | -6,885 | |
| Amortization of intangible assets | -2,127 | | -1,375 | |
| Recycling of goodwill | -962 | | 0 | |
| Operating result | -20,085 | -7.8% | 13,956 | 4.3% |
| Financial result | -2,289 | | -474 | |
| Ordinary result | -22,374 | -8.7% | 13,482 | 4.1% |
| Non-operating result | -687 | | 161 | |
| Loss/profit before taxes | -23,061 | -8.9% | 13,643 | 4.2% |
| Income taxes | 986 | | -4,877 | |
| Loss/profit | -22,075 | -8.6% | 8,766 | 2.7% |
| Net earnings per share – undiluted | -1.35 | | 0.54 | |
| Net earnings per share – diluted | -1.35 | | 0.54 | |

Consolidated balance sheet

| CHF 1,000 | 31.12.2020 | | 31.12.2019 | |
|---|----------------|---------------|----------------|---------------|
| Current assets | | | | |
| Cash and cash equivalents | 38,420 | | 37,992 | |
| Current financial assets | 2,021 | | 6,152 | |
| Accounts receivable | 18,959 | | 21,889 | |
| Inventories | 56,085 | | 61,171 | |
| Net assets from customer projects | 38,514 | | 40,764 | |
| Other current receivables | 4,917 | | 4,800 | |
| Prepaid expenses | 5,770 | | 5,276 | |
| Total current assets | 164,686 | 59.4% | 178,044 | 61.5% |
| Non-current assets | | | | |
| Tangible assets | 75,644 | | 73,781 | |
| Intangible assets | 3,758 | | 5,224 | |
| Investment property | 27,912 | | 28,415 | |
| Deferred tax assets | 5,126 | | 4,048 | |
| Total non-current assets | 112,440 | 40.6% | 111,468 | 38.5% |
| Total assets | 277,126 | 100.0% | 289,512 | 100.0% |
| Current liabilities | | | | |
| Short-term financial liabilities | 14,205 | | 11,527 | |
| Accounts payable | 20,362 | | 20,205 | |
| Net liabilities from customer projects | 41,625 | | 39,621 | |
| Short-term provisions | 16,463 | | 9,791 | |
| Other current liabilities | 3,360 | | 3,536 | |
| Accrued expenses | 19,593 | | 18,969 | |
| Total current liabilities | 115,608 | 41.7% | 103,649 | 35.8% |
| Long-term liabilities | | | | |
| Long-term financial liabilities | 10,116 | | 10,063 | |
| Long-term provisions | 818 | | 509 | |
| Deferred tax liabilities | 5,065 | | 6,071 | |
| Total long-term liabilities | 15,999 | 5.8% | 16,643 | 5.7% |
| Shareholders' equity | | | | |
| Share capital | 1,671 | | 1,671 | |
| Treasury shares | -3,212 | | -3,658 | |
| Capital reserves | 95,595 | | 95,830 | |
| Retained earnings | 51,465 | | 75,377 | |
| Total shareholders' equity | 145,519 | 52.5% | 169,220 | 58.5% |
| Total liabilities and shareholders' equity | 277,126 | 100.0% | 289,512 | 100.0% |

Consolidated statement of cash flow

| CHF 1,000 | 2020 | 2019 |
|---|----------------|---------------|
| Cash flow from operating activities | | |
| Loss / profit | -22,075 | 8,766 |
| Depreciation and amortization | 10,431 | 8,260 |
| Recycling of goodwill | 962 | 0 |
| Revaluation of investment property | 503 | 493 |
| Net gain (-) / loss (+) on sale of non-current assets | 115 | -156 |
| Changes in provisions | 7,021 | 4,160 |
| Changes in deferred taxes | -2,442 | 2,378 |
| Other non-cash items | 434 | 1,033 |
| Movement in accounts receivable | 2,450 | 1,917 |
| Movement in inventories | 4,077 | 3,847 |
| Movement in net assets/liabilities from customer projects | 4,302 | -11,383 |
| Movement in accounts payable | 3,203 | -8,913 |
| Movement in other receivables and prepaid expenses | -733 | -837 |
| Movement in other current liabilities and accrued expenses | 927 | -2,284 |
| Cash flow from operating activities | 9,175 | 7,281 |
| Cash flow from investing activities | | |
| Investments in tangible assets | -14,382 | -9,349 |
| Divestments of tangible assets | 328 | 571 |
| Investments in intangible assets | -946 | -1,962 |
| Divestments of financial assets | 4,000 | 10,688 |
| Cash flow from investing activities | -11,000 | -52 |
| Cash flow from financing activities | | |
| Distribution to shareholders | 0 | -3,256 |
| Increase (+)/repayment (-) of financial liabilities | 5,125 | 8,603 |
| Repayment (-) of finance lease liabilities | -2,136 | -1,902 |
| Interest received | 101 | 339 |
| Interest paid | -479 | -418 |
| Cash flow from financing activities | 2,611 | 3,366 |
| Effect of exchange rate changes on cash and cash equivalents | -358 | -170 |
| Net cash flow | 428 | 10,425 |
| Increase (+)/decrease (-) of cash and cash equivalents | 428 | 10,425 |
| Cash and cash equivalents at beginning of period | 37,992 | 27,567 |
| Cash and cash equivalents at end of period | 38,420 | 37,992 |

Notes

1. General information

Mikron Holding AG is a limited company under Swiss law, domiciled in Biel. Its shares are listed on the SIX Swiss Exchange.



The full Annual Report 2020 can be viewed and downloaded on the Mikron website:

www.mikron.com/reports

It is also available as an online version:

<https://report.mikron.com>

2. Accounting principles

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER. However, the data presented in the short version of this report should be read in conjunction with the full annual report for the year 2020. This short version does not fulfill all the disclosure requirements of Swiss GAAP FER nor are the accounting principles set out.

3. Scope of consolidation

The consolidated financial statements include Mikron Holding AG, Biel, and all Swiss and foreign subsidiaries which the parent company, directly or indirectly, controls either by holding more than 50% of the voting rights or by some other form of control.

Corporate Governance and Compensation

The full corporate governance and compensation reports are part of the full annual report, which is available on the Mikron website (www.mikron.com/reports).

Corporate structure

Based in Biel, Mikron Holding AG is organized as a holding company under Swiss law and directly or indirectly holds all Mikron companies worldwide. Mikron Holding AG is listed on SIX Swiss Exchange in Zurich (Security Symbol MIKN/ISIN CH0003390066) and on 31 December 2020 had a market capitaliza-

tion of CHF 90.2 million. The Mikron Group is organized by divisions. For the purposes of reporting, two business segments and the Corporate Service organization have been identified.

Principles of the Mikron Group compensation policy

Fair and transparent

The compensation models are simple, clearly structured and transparent. They guarantee fair remuneration that reflects responsibilities and competencies.

Results- and performance-based

Part of the remuneration paid is linked directly to the Mikron Group's results and to individual performance.

Long-term incentive

Part of the compensation can be paid in the form of shares subject to a lockup period. This gives recipients a share in the company's long-term performance and ensures alignment with shareholder interests.

Geared to the labor market

Compensation is geared to the market environment so as to attract and retain talent managers and employees.

The business segments are structured according to product and service type and encompass all the functions required by an independent company, such as sales, development, production, logistics and administration. The centralized special departments, such as Accounting and Controlling, Treasury, Corporate Communications and Corporate IT Services, are part of the Corporate Service, which supports the individual companies as well as the Board of Directors and Group Management in their management and control functions. Among other things, the Corporate Service reports the income and expenditure related to an industrial property that is not required for operations and is rented out to third parties.

The Mikron Group consists of 13 active companies worldwide. The corporate structure and the companies are listed in the Annual Report. The Mikron Group's management structure is independent of its legal structure.

Board of Directors

The Board of Directors is entrusted with the ultimate direction of the Company as well as the supervision of the management. It represents the Company towards third parties and attends to all matters which are not delegated to or reserved for another corporate body of the Company by law, the Articles of Association or the regulations. It issues guidelines on corporate policy and keeps itself informed about the course of business. The duties of Mikron Holding AG's Board of Directors are defined in the Swiss Code

of Obligations, the Articles of Association (www.mikron.com/aaa) and the Organizational Rules.

The company's Board of Directors consists of five members. None of them maintains a significant business relationship with the Group.

- **Heinrich Spoerry**, lic. oec., MBA, Swiss, born in 1951, Chairman, non-executive, first elected 2001, elected until 2021
- **Eduard Rikli**, Dipl. Ing. ETH, Dr. sc. Tech. ETH, Swiss, born in 1951, Vice-Chairman, non-executive, first elected 2010, elected until 2021
- **Patrick Kilchmann**, Dipl. phys. ETH, lic. oec. HSG, Swiss, born in 1958, member, non-executive, first elected 2011, elected until 2021
- **Andreas Casutt**, Dr. iur., LL.M., Swiss, born in 1963, member, non-executive, first elected 2013, elected until 2021
- **Hans-Michael Hauser**, MSc Physics, MSc Mathematics, Engineer, MBA, German, born in 1970, member, non-executive, first elected 2016, elected until 2021
- **Paul Zumbühl**, Dipl. Ing., MBA, AMP. Swiss, born in 1957, member, non-executive, first elected 2018, elected until 2021

Group Management

The Board of Directors delegates the task of operational management to the members of Group Management. Group Management comprises the CEO, the CFO and the division heads.

- **Bruno Cathomen**, CEO, Head of Mikron Machining Solutions, Swiss, born in 1967, joined 2009
- **Rolf Rihs**, Head of Mikron Automation, Swiss, born in 1963, joined 2002
- **Javier Perez Freije**, CFO, Spanish, born in 1975, joined 2018

defined by the General Meeting. It approves the compensation paid to members of the Board of Directors, the Board Chairman and the entire Group Management.

Information on the compensation paid in 2020 can be found in the full annual report.

Auditors

The Annual General Meeting elects the auditors for one year at a time. Since 2004, PricewaterhouseCoopers AG, Berne has held the auditing mandate at Mikron Holding AG, its companies and the Mikron Group. Since the 2015 business year Norbert Kühnis, as lead auditor, has been responsible for the mandate.

Significant shareholders

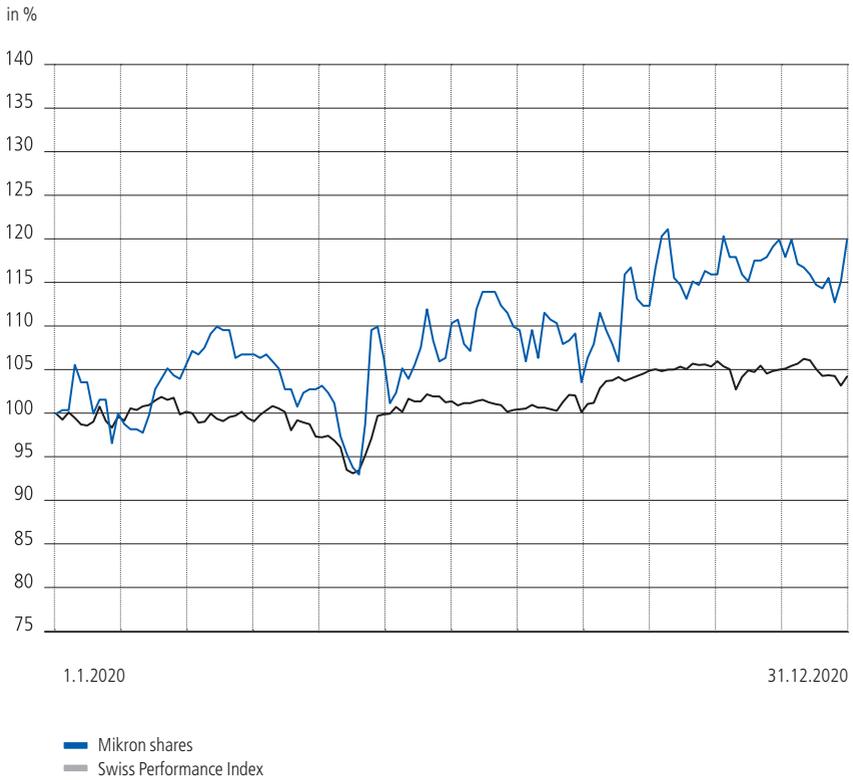
The following table illustrates the shareholder structure of Mikron Holding AG. It also lists and names those shareholders who, as at December 31, 2020, hold 3% or more of the voting rights of Mikron Holding AG.

Compensation

Overall responsibility for defining the basic principles of compensation lies with the General Meeting. The Board of Directors determines compensation within the boundaries

| Shareholders | 31.12.2020 | | 31.12.2019 | |
|---|--|---------------|--|---------------|
| | Number of shares of CHF 0.10 par value each | | Number of shares of CHF 0.10 par value each | |
| Ammann Group Holding AG | 6,996,335 | 41.9% | 6,992,335 | 41.8% |
| Rudolf Maag | 2,348,588 | 14.1% | 2,348,588 | 14.1% |
| Public shareholders | 7,128,731 | 42.6% | 7,175,666 | 42.9% |
| Board of Directors and Group Management | 239,090 | 1.4% | 196,155 | 1.2% |
| Total | 16,712,744 | 100.0% | 16,712,744 | 100.0% |

Share performance



The Mikron Group

The Mikron Group develops, produces and markets highly precise, productive and adaptable automation solutions, machining systems and cutting tools. Rooted in the Swiss culture of innovation, Mikron is a global partner to companies in the automotive, pharmaceutical, med-tech, consumer goods, writing instruments and watchmaking industries.

The Mikron Group enables its customers to increase quality and industrial productivity. The Group has over 100 years of experience, state-of-the-art technologies, and a global service. The two business segments Mikron Automation and Mikron Machining Solutions are based in Switzerland (Boudry and Agno). Additional production sites are located in the USA, in Germany, Singapore, China and Lithuania. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN). The Mikron Group employs a total workforce of around 1,350.

Mikron Holding AG
Mühlebrücke 2
CH-2502 Biel

Phone +41 32 321 72 00
Fax +41 32 321 72 01

ir.mma@mikron.com

Published in English and German

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Except for the historical information contained herein, the statements in this short version of the annual report are forward-looking statements that involve risks and uncertainties.

