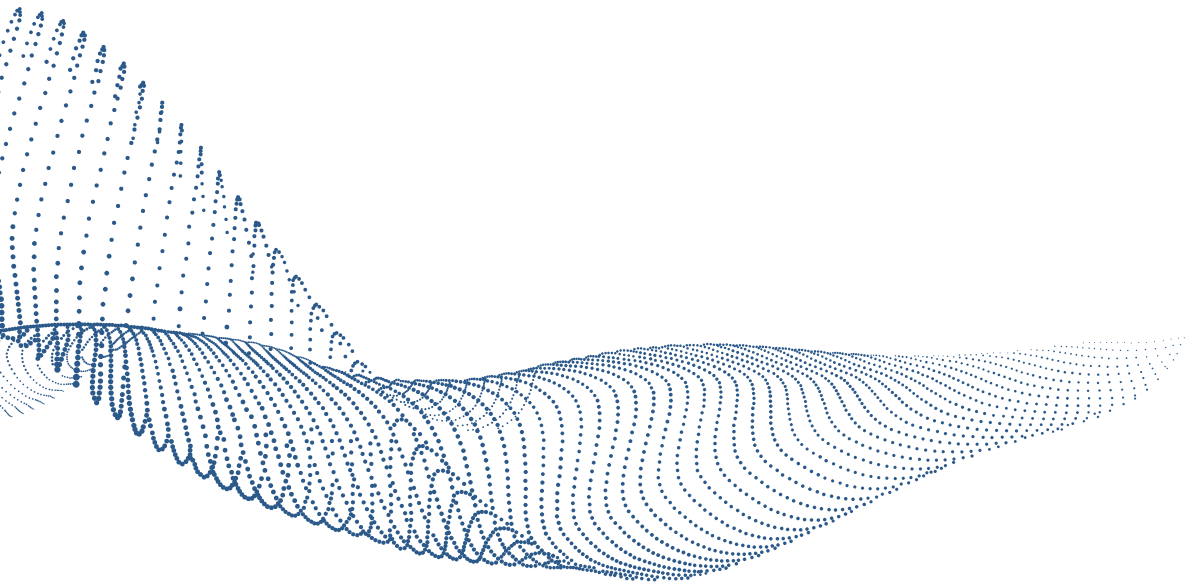




INFICON

Inspired by visions. Proven by success.



ANNUAL REPORT

2023

Company Overview

INFICON provides world-class instruments for gas analysis, measurement and control.

These analysis, measurement and control products are essential for gas leak detection in air conditioning, refrigeration, and automotive manufacturing.

They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells, LED lighting, and industrial vacuum coating applications.

Other users of vacuum based processes include the life sciences, research, aerospace, food and general packaging, heat treatment, laser cutting, oil and gas transportation and processing, alternative energy, utilities, and many other industrial processes.

We also leverage our expertise to provide unique, toxic chemical analysis products for emergency response, security, and environmental monitoring as well as instruments for energy and petrochemical applications.

INFICON was formed in June 2000 from the instrumentation businesses of three well-known international vacuum technology companies which were merged in 1996 under the Swiss Company OC Oerlikon.

Our initial public offering was November 9, 2000, both on SIX Swiss Exchange and NASDAQ. In 2005, INFICON delisted its stock from NASDAQ. INFICON started to pay out dividends in 2006. Since our inception, we have acquired and integrated various companies and technologies.

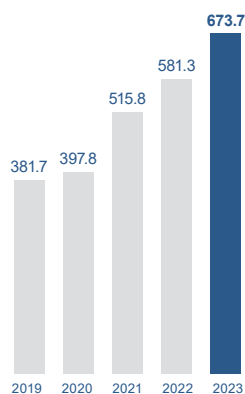
Innovation is key at INFICON. In our 24 years of existence we have developed and launched over 100 new products.

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INFICON publishes its annual report online. This edition has been optimized for easy reading on your computer and mobile devices.

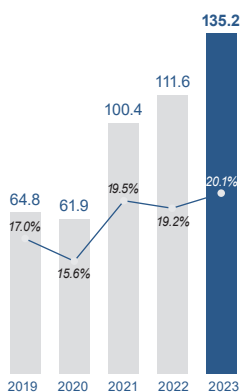
Additional copies of this report may be downloaded from the Investors section of our website, www.inficon.com, Investor section

Key Figures – At a Glance



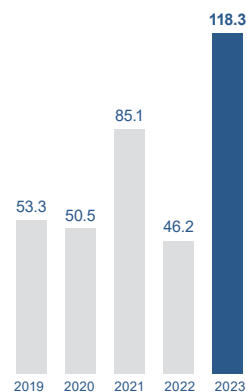
Net sales

(US Dollars in Millions)



Operating income

(in % of Net sales)



Cash flow from operations

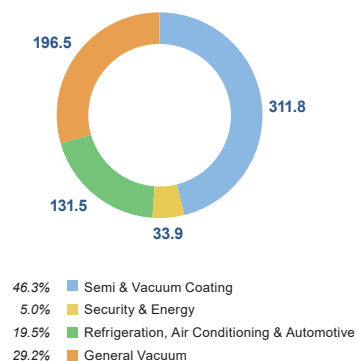
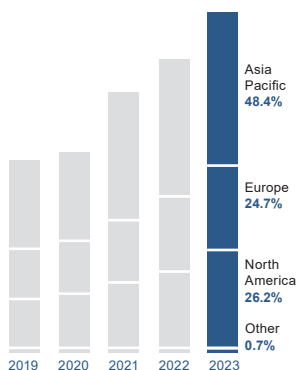
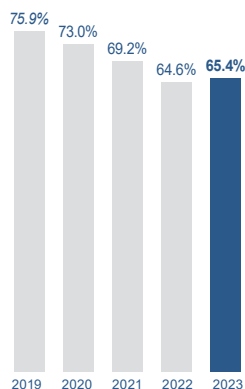
(US Dollars in Millions)

According to Swiss GAAP FER

(US Dollars in Millions, except per share amounts)

	2019	2020	2021	2022	2023
Net sales	381.7	397.8	515.8	581.3	673.7
Research and development	34.4	39.0	47.0	45.5	48.5
Selling, general and administrative expense	89.1	87.1	99.5	109.6	125.9
Operating income	64.8	61.9	100.4	111.6	135.2
<i>in % of net sales</i>	17.0%	15.6%	19.5%	19.2%	20.1%
EBITDA	73.2	72.4	111.8	122.3	146.4
<i>in % of net sales</i>	19.2%	18.2%	21.7%	21.0%	21.7%
Net income	52.8	49.3	80.3	88.5	105.7
<i>in % of net sales</i>	13.8%	12.4%	15.6%	15.2%	15.7%
Cash and short-term investments	57.4	60.1	65.6	45.9	101.6
Free Cash Flow	34.5	34.9	61.4	10.9	94.8
Cash flow from operations	53.8	50.5	85.1	46.2	118.3
Capital expenditures	18.4	14.1	30.3	33.7	23.4
Total assets	275.0	305.2	365.2	429.4	519.5
Stockholders' equity	208.8	222.9	252.6	277.4	340.0
<i>Equity Ratio in %</i>	75.9%	73.0%	69.2%	64.6%	65.4%
Employees	1,183	1,220	1,297	1,456	1,616

Key Figures – At a Glance



Equity Ratio

Direct Sales by Geographic Region

2023 Sales by End Market

(US Dollars in Millions)

According to Swiss GAAP FER

(US Dollars in Millions, except per share amounts)

	2019	2020	2021	2022	2023
Ratios per Share					
Earnings per share – diluted	21.66	20.18	32.87	36.22	43.24
Free cash flow per share – diluted	13.93	14.28	25.13	4.47	38.80
Return on equity %	25.5%	22.8%	33.8%	33.4%	34.2%

Dividend/Distribution per share (CHF)	18.00	16.00	21.00	18.00	20.00
Share price (CHF) at December 31,	768.50	808.00	1,338.00	809.00	1,206.00

Direct Sales by Geographic Region

Asia-Pacific	153.8	172.6	248	276.3	325.8
Europe	110.6	116.2	133.6	145.3	166.7
North America	112.5	104.7	128.1	155.3	176.8
Other	4.8	4.3	6.1	4.4	4.4

Sales by End Market

Semi & Vacuum Coating	163.7	191	261.4	305.3	311.8
Security & Energy	26.6	19.7	21.2	23.1	33.9
Refrigeration, Air Conditioning & Automotive	84.4	79.6	99.8	100.9	131.5
General Vacuum	107	107.5	133.4	152.0	196.5

* Free cash flow results from net cash provided by operating activities less purchases of PPE and Intangibles

Recent Milestones and Achievements

Corporate				
CHF 22.00 distribution per share for 2018 from legal reserves from capital contributions and from retained earnings	CHF 18.00 distribution per share for 2019 from retained earnings	CHF 16.00 distribution per share for 2020 from retained earnings	CHF 21.00 distribution per share for 2021 from retained earnings	CHF 18.00 distribution per share for 2022 from retained earnings CHF 20.00 proposed distribution per share for 2023

Acquisitions / Divestments				
		+ Fil-Tech Inc, Assets of a Designer and Manufacturer of Quartz Crystal Microbalance (QCM) sensors, April 30, 2021	+ Assets of a distribution partnership with Meisa – Montjaes Electromecánicos e Ingenieria SA de CV., June 2022	

Sales / Marketing / Achievements				
<p>ON Semiconductor Supplier of the Year Award for FabGuard®</p> <p>Launch of “myRGA” Linxon® RGA</p> <p>MPH Transpector® Variant “MSolo” for NASA’s moonlander mission</p>	<p>Launch of Webinar landing page, starting with March 2020, 54 Webinars with 1,295 attendees have been carried out</p> <p>New Service Center in Dresden (DE) since Q4 2020</p>	<p>New and expanded sales office & service centre in Guangzhou</p> <p>New website launched March 31, 2021</p> <p>Technology Day for Analysts, Investors and Media, November 24, 2021 in Balzers/FL</p> <p>Successful placement of INFICON robotic leak detection combined with 3D vision solution for refrigeration & Air Conditioning</p>	<p>Establishment of a sales subsidiary in Mexico, April 2022</p> <p>New merged location in Korea including office, assembly production, service & repair with own clean room</p> <p>Expansion of worldwide production capacities by 50% (Balzers (LI), Cologne (DE) and Aaland (FI))</p> <p>Establishment of a global Digital Demand Generation Team to streamline and enhance digital communication</p> <p>Successful launch of new UL 6000 Fab Plus</p> <p>Successful launch of HAPSITE® CDT</p>	<p>Establishment of INFICON Innovation Center in Taiwan for the semiconductor industry.</p> <p>Expansion of the global service footprint, including a new service center in Arizona.</p> <p>Winner of R&D 100 award, HSG Manufacturing Award, and TSMC Supplier Recognition for Production Support & ESG Collaboration.</p> <p>Strengthening global communication and launching website 2.0 with improved usability.</p> <p>Fostering innovation in research projects with renowned research institutions and key customers.</p>

Recent Milestones and Achievements

Technology Leadership

<p>2019</p> <p>Launch of a compact Self Plasma Optical Emission System for contamination control of <10nm front end processes</p> <p>Fusion LNE certification for Biomethane Application in France</p> <p>Successful FabGuard® solution for Subfab.</p> <p>Launch of INFICON D-TEK Stratus®, the first refrigerant leak detector that pinpoints leaks and guides to leaks with the innovative cloud hunting mode</p>	<p>2020</p> <p>Launch of Transpector® CPM version for harsh Semiconductor applications</p> <p>Launch of IMM Thin Film Deposition Monitor product family for better and more precise repeatability</p> <p>Launch of D-TEK 3, an award-winning new hand-held Refrigerant Leak Detector for unparalleled performance</p>	<p>2021</p> <p>Transpector AXP, latest model in the family of market-leading Transpector RGAs</p> <p>UL6000 Fab, most precise, durable and thus reliable testing system on the market</p> <p>Augent® OPG550 Optical Plasma Vacuum Gauge is a compact and intelligent solution for vacuum monitoring</p> <p>xPart Coatings, highly uniform, particle free, atomic layer deposition (ALD) thin films applied on customer specific three dimensional parts for use in extreme harsh applications such as semiconductor production processes</p>	<p>2022</p> <p>New UL6000 Fab PLUS, a all-new leak detector featuring the novel I-RISE technology with a rate-of-rise in under 10 seconds</p> <p>Ion Reference Gauge IRG080, a first-of-a-kind vacuum sensor developed for precise total pressure measurement in vacuum systems</p> <p>Transpector® APX, 3 additional variants were launched to support the emerging customer needs of process monitoring for harsh applications in the evolution of Moore's Law</p> <p>HP100, newest sensor in our optical portfolio. The sensor is a self-generating plasma-based sensor which extends the range from our current Quantus LP100 sensor</p> <p>IMC-300, newest deposition controller used in OLED and optical coating industries</p> <p>HAPSITE® CDT, extended capabilities over the legacy HAPSITE ER continue to show high customer value as demonstrated at military exercises</p>	<p>2023</p> <p>IRG080, the award-winning hot ion gauge with a range of 10⁻⁶ Pa to 10⁻² Pa with unprecedented accuracy.</p> <p>Trigon™ BCG552 is an ATM to UHV Vacuum TripleGauge, 3 sensing elements in 1 flange.</p> <p>ELT3000 PLUS electrolyte leak detector for non-destructive battery leak testing in automated high-speed production lines.</p> <p>FLUE-Mate™, the all-in-one combustion analyzer to improve efficiency and safety with user-friendly design.</p> <p>FabGuard® ASG-100 S2 is a fail-to-safe system for abatement control, reducing emissions, fuel and oxidizer consumption.</p> <p>Quantus® HP100, an optical sensor with improved detection capability supplementing the Quantus LP100.</p> <p>Magnesium Sensitive Crystals, preserving high stability and reproducibility of OLED processes.</p> <p>I-Guide^{3D} 350 scanner, is the first fully automated 3D robotic leak testing system that offers millimetric precision for the HVAC-R industry.</p>
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Target Markets

Semi & Vacuum Coating	Security & Energy	Refrigeration, Air Conditioning & Automotive	General Vacuum
Market			
<p>In situ metrology, sensors, components, process control, and smart manufacturing software for semiconductor manufacturers, manufacturers of capital equipment for semiconductor devices (OEMs), and for thin film coating applications including flat panel displays (LCD and OLED), solar cells, LED lighting systems, data storage media, scientific and consumer optics, and architectural glass coatings.</p>	<p>Analysis of chemical agents and toxic industrial chemicals in air, water or soil for military, emergency response and environmental events.</p> <p>Gas analysis for petrochemical industry, including oil and gas production and refining, alternative energy sources.</p> <p>Leak detection and monitoring of landfills, industrial processes, and utilities.</p> <p>Leak-testing of utility gas and water piping.</p>	<p>Leak detection for quality control in the manufacturing of commercial and consumer air conditioners and appliances.</p> <p>Technologies for air conditioners and airbags, fuel tanks, lithium-ion batteries, fuel cells, and other components in the automotive industry.</p> <p>After-sale service for repair.</p>	<p>Vacuum technology applications such as aerospace, heat treating, analytical instrumentation, food packaging, vacuum furnace and metallurgy, and research reached through private-label partners who are global manufacturers of vacuum pumps. INFICON also serves a growing portion of this market directly.</p>
Growth Drivers			
<p>Growing demand for electronic content in consumer products.</p> <p>Complex manufacturing calls for bespoke process control and smart manufacturing software.</p> <p>Miniaturization for portability and mobile communication.</p> <p>Rising demand for intelligent sensors (MEMS, optical, etc.)</p> <p>Increase sustainability of manufacturing processes.</p> <p>Strong growth of new applications (Big Data, IoT, Virtual/Augmented reality, artificial intelligence, 5G and autonomous driving).</p>	<p>Imminent threats to national and global political and economic stability.</p> <p>Fear of terror, leads governments to allocate resources to homeland security.</p> <p>Government agencies (military, police, etc.) faced with more and new tasks for national emergencies.</p> <p>Growing environmental concerns and increase needs for alternative energy technologies.</p>	<p>Regulations to reduce environmental pollution and increase energy efficiency.</p> <p>Rising demand for air conditioning and new refrigerants.</p> <p>Growing demand for household appliances in emerging economies.</p> <p>Lithium-ion battery and fuel cell technologies, E-mobility.</p> <p>Increasing demand for leak tight automotive parts.</p>	<p>Life Science.</p> <p>R&D budgets.</p> <p>Easier use of vacuum for industrial and research applications.</p> <p>Rising quality standards.</p> <p>Global GDP growth.</p> <p>New energy and fuel applications.</p> <p>Food packaging, extended shelf life.</p>

Target Markets

Semi & Vacuum Coating	Security & Energy	Refrigeration, Air Conditioning & Automotive	General Vacuum
Long-term market trends			
Ambient Intelligence			Ambient Intelligence
Sustainability	Sustainability	Sustainability	Sustainability
Wealth/consumption		Wealth/consumption	Wealth/consumption
International Security	International Security		
Products			
Industrial gas analyzers, mass spectrometers, and process control sensors.			Industrial gas analyzers, mass spectrometers, and process control sensors.
Vacuum gauges, controllers, components and feedthroughs.		Vacuum gauges, controllers, components and feedthroughs.	Vacuum gauges, controllers, components and feedthroughs.
Leak detectors	Leak detectors	Leak detectors	Leak detectors
Thin film controllers			
	Chemical detectors and monitors		
	Micro gas chromatography		Micro gas chromatography
Application-based software solutions			
Quartz crystal technologies			Quartz crystal technologies
RF sensing technology			
xParts coating technology			
		Service tools	

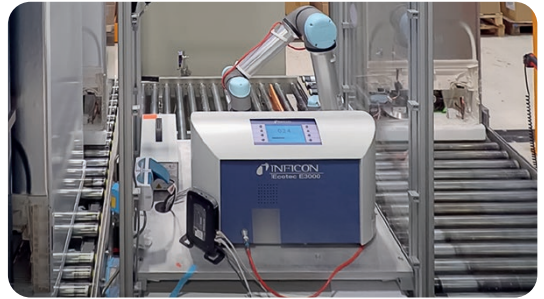
Product Highlights 2023

In 2023, INFICON launched a series of new products and technologies, including various first-of-a-kind innovations as well as updated versions of existing products.



Trigon™ BCG552

Introducing the Trigon™ gauge series: BAG (SingleGauge), BPG (DualGauge), and BCG (TripleGauge®), that have been launched in 2023. These gauges redefine precision, reliability, and versatility in vacuum measurement. Featuring a Bayard-Alpert sensing element, Trigon™ excels in high vacuum measurements (5×10^{-10} to 2×10^{-2} mbar), empowering extraordinary results across diverse industries.



3D Robotic Leak Testing

The new I-Guide^{3D} 350 scanner is the first fully automated 3D robotic leak testing system for end-of-line inspection, offering millimetric precision.

This leak testing system meets the highest accuracy requirements of HVAC-R industry and can be used with tracer gases and all variations of refrigerants.



FLUE-Mate™

FLUE-Mate™ is the all-in-one combustion analyzer, equipped with an integrated manometer, thermometer and cracked heat exchanger test.

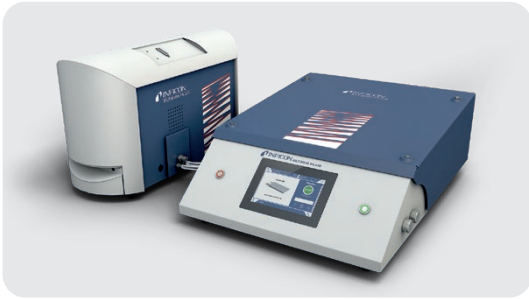
This user-friendly tool pairs with the free mobile FLUE-Mate app to make data monitoring, logging and sharing easier than ever.



FabGuard® ASG-100

ASG-100 is a fully integrated and Smart abatement control system that, when used in conjunction with FabGuard, reduces carbon emissions along with reduced fuel and oxidizer consumption.

ASG-100 intelligently controls the abatement based upon real-time processing needs, all while maintaining Semi S2 and S10 compliance.



ELT3000 PLUS

The ELT3000 PLUS Battery Electrolyte Leak Detector, offers a unique, non-destructive leak testing solution for all metal-ion battery cells, including fragile pouch cells. It is the only system that detects electrolyte leakage directly.

Based on mass spectrometer technology, it can find leaks down to the micrometer range, up to 1,000 times smaller than the ones found with traditional pressure test methods.



Quantus® HP100

Quantus HP100 is the newest gas analyzer supplementing the market-proven Quantus LP100. It supports a higher pressure regime than Quantus LP100 and with improved detection capability. The inaugural shipment to a top-tier semiconductor manufacturer has sparked interest from other semiconductor manufacturers, along with the wider vacuum market and research institutions.



IRG080

This R&D 100 award-winning hot ion gauge sets a new standard. It is the first commercial product complying to the ISO TS 6737 international norm, suitable as reference standard in the range of 10^{-6} Pa to 10^{-2} Pa.

IRG080 offers unprecedented accuracy (<1%), better repeatability (<1%), reproducibility (<1%) and long-term stability within a robust design.



Magnesium Sensitive Crystals

Magnesium Sensitive Crystals fill a significant gap in the manufacturing of OLED displays. Up until now, there was no solution for the difficulties of realizing fast magnesium (Mg) detection.

INFICON has developed Magnesium Sensitive OLED Crystals specifically for the OLED market to preserve the high stability and reproducibility of OLED processes.

Letter to our Shareholders

Dear Shareholders, dear Stakeholders

We would like to give you here detailed insights into the important developments and topics of our business year 2023, and we want to provide some more information about the Group strategy going forward. First and foremost, INFICON looks back on a successful business year 2023. Sales grew by 15.9% to USD 673.7 million. The operating profit reached USD 135.2 million or a strong 20.1% of sales. INFICON closed the year with a net result of USD 105.7 million, an increase of 19.4% over the prior year. We discuss these results in more detail in the financial section of this report. Here, we want to give you, dear share- and stakeholders, more insight into the important topics and developments of the business year 2023 and our strategy going forward.

Serving many different and diverse application areas with benchmark vacuum and gas analysis sensors and measurement components, service tools, and smart manufacturing software and process control software has supported the sound development of INFICON in the business year 2023. Our broad positioning helped us to mitigate the cyclicity of some of our target markets, and overcome the globally challenging economic situation. We concluded the expansion programs of the past years. INFICON now benefits from the added production capabilities and capacities and the improved processes in our operations. We successfully ramped up production and shipments and could thus begin to reduce the thick order books, systematically. Yet, the timely procurement and the quality of specialty components such as certain electronic components remained a challenge for the bigger part of the year.

We continued to focus on cutting-edge research and development projects with leading-edge academic institutes and key customers to leverage our technological expertise to come up with solutions for the emerging challenges of the industries we serve. INFICON has launched a series of new and enhanced products in 2023 and expanded its position as a top supplier in a growing array of application areas. Sustainability remains a

clear focus of INFICON – both in our own manufacturing and business processes as well as by helping our suppliers and customers minimize their impact on the environment relying on INFICON components, tools, and software. More detailed information regarding sustainability related topics are presented in the sustainability report starting on page 35.

The objective for the coming years is clear. We want to move even closer to our global customer base – technologically and geographically. And we aim to support and expand our market position as the most flexible, responsive, and trusted technology partner of choice. We are working on the next expansion needs and growth opportunities. Our proven strategy, the robust business model, our flexible production processes, and the strong financial results enable INFICON to pursue these objectives. With a view to the achievements of 2023, the excellent strategic positioning, and the defined growth path for the future, the Board of Directors proposes to the upcoming Annual General Meeting of Shareholders to distribute a dividend of CHF 20.00 per share.

Sales growth in all target markets and world regions

Year-on-year, INFICON 2023 grew in all target markets and world regions. While all regions witnessed increases between 13% and 18%, INFICON achieved on average a plus of around 30% in the non-semiconductor-oriented target markets while the **Semi and Vacuum Coating** market closed a difficult year in that industry with a remarkable increase of 2%. This market contributed with USD 311.8 million 46.3% to Group Sales. While the memory chip sub-market suffered from a considerable slowdown in the reporting year, INFICON was still able to grow its business in this complex global market. Our broad diversification in the semiconductor and vacuum coating markets supported the demand for our products and services. Our technologically leading benchmark analysis sensors and tools continue to be specified for and designed into the latest generation of semiconductor manufacturing equipment. Customers rely on our regular upgrades and enhancements of our production control software FabGuard®, our production scheduler

Letter to our Shareholders

Final Phase Systems® and its various software modules and extensions for smart manufacturing. This also includes the latest data analytics and machine learning capabilities such as our SmartFDC®. While the outlook for this market is still somewhat mixed in the short-term, INFICON remains very positive for the mid- to longer-term as the industry investments into leading-edge nodes and advanced chip designs continue in all key markets and world areas. With our wide array of sensors, monitoring tools, software, and upcoming product launches, and the expansion of our production capabilities, we are ready to benefit from the next broad industry upswing.

Sales to the **General Vacuum** market grew by 29.3% to USD 196.5 million, representing 29.2% of Group sales. INFICON is globally the most competitive “full-liner” and thus the “go-to” partner in the vacuum instrumentation market. In 2023, we saw especially strong demand from Europe and Asia. Sales to this market follow on the one hand the global economic trend. On the other hand, we also see a growing demand for our components from an ever-broader range of new and emerging applications, as new industries discover the advantages of vacuum technology. We remain positive for the development in this market for the future.

Refrigeration, Air Conditioning, and Automotive reported 30.3% higher sales of USD 131.5 million. This was 19.5% of overall sales. This market benefitted from the rising demand for leak testing as the automotive industry moves away from combustion to electric or hydrogen-powered vehicles. Batteries and battery modules as well as fuel cells need to be uncompromisingly leak tight for safe operation. The traditional air conditioning and refrigeration business developed steadily. Late in the year, INFICON made first steps to set-up a new sales and service and production entity in Malaysia to strengthen its customer proximity in Asia.

The smallest and most volatile market **Security & Energy** achieved a yearly sales increase of 46.7% to USD 33.9 million or some 5% of Group sales. Sales to this market typically depend on large public sector

orders. During the reporting year, INFICON shipped rising numbers of the latest version of its leading person-portable analysis system HAPSITE®. This unique tool identifies and analyzes volatile organic compounds used in industrial activities or emerging from landfills, or can identify narcotics, explosives and chemical weapons. The existing and growing part of the sales in this market come from applications in the safe production and transportation of natural and green gas (e.g., biomethane, hydrogen) and the maintenance of pipelines in the public utility sector.

Well-mastered operational challenges

INFICON achieved these robust sales figures against the backdrop of a gradually normalizing, yet for the larger portion of the reporting year still challenging global economic situation. The international disputes over trade, tariffs, and access to technology as well as the wars in the Ukraine and the Near East negatively impacted the worldwide sourcing markets and global trade and logistics. It continued to be a challenge to purchase some key metals and electronic components. As many other industrial Groups, INFICON had to liaise with sourcing brokers. These additional brokerage costs and our strategically increased stocks put margins under some pressure, yet it helped to keep production not only up and running but allowed us to increase our output. As INFICON had seen its order backlog increase continuously in the last years, we have added roughly some 50% of manufacturing capacity over the last three years to accommodate the rising demand. In 2023, we clearly started to benefit from these enhancements. However, while operations grew considerably, they did not completely run at full capacity yet, due to availability of specialty components in some cases or due to insufficient quality of purchased components in other cases. Still, overall, we are pleased how well our organization mastered these various manufacturing challenges.

Strategic bearings for the future growth path

The sales and growth pattern discussed above illustrates INFICON's strategic positioning and drive. As a leader in vacuum instrumentation and smart man-

ufacturing software, INFICON focuses on an array of key technologies. With this focus, we profit from large synergies in R&D and manufacturing, and are thus able to continuously enhance our distinct and market-leading technology expertise. The Group leverages this capability across a growing realm of applications.

The largest group of colleagues in our sales organization are application engineers. They work daily with the customer – and even more importantly at our customers, worldwide. This exceptional close customer collaboration enables INFICON to team-up with its customers to research and develop the next generation of customer-oriented solutions. We complement this collaboration with strategic R&D projects where our engineers join renowned international research teams from different academic areas in the leading-edge work. We are proud to be part of projects at CERN, the European Nuclear Research Center, at ITER, the most ambitious fusion energy projects in the world today, at ETH, The Swiss Federal Institute of Technology, and at NASA, the US Space Agency, to name a few.

INFICON's offering is key to a growing range of applications and industries. While INFICON groups its sales into the four target markets, each of these comprises many global submarkets, each with their own market dynamics. The goal, however, is typically the same. INFICON's customers can monitor and control their own production processes better, enhancing the overall production yield, minimizing waste and making best use of their input and process materials. INFICON thus contributes largely to the productivity, profitability, and sustainability of key technology-based industries. These industries globally benefit from an overall over-proportionate growth dynamic.

In 2023, a series of new and enhanced products were successfully launched and well received by our customers. We are proud to say that independent third parties acknowledge INFICON's commitment to technology and excellence. We are proud to say that independent third parties acknowledge INFICON's commitment to technology and excellence. In 2023, we received a prestigious R&D 100 award for our reference gauge. In addition, TSMC, a global top tier chipmaker, presented INFICON with a special supplier recognition honoring our contribution to them in terms of production optimization and sustainability.

We are grateful for the strong relationships with our customers, suppliers, research and business partners, and our shareholders. We experience our day-to-day interaction as a mutually beneficial partnership based on transparency, cooperation, and trust. We look forward to continuing our dialog with all of you.

Best regards,

Dr. Beat Lüthi, Chairman
Oliver Wyrsch, CEO
Matthias Tröndle, CFO



From left to right: Matthias Tröndle (CFO), Oliver Wyrsch (CEO), Dr. Beat Lüthi (Chairman)

Investor Relations



Company Capital

The share capital of INFICON HOLDING AG consists of 2,445,161 registered shares with a nominal value of CHF 5 each.

Stock Market Trading

The registered shares are listed on SIX Swiss Exchange under

- the SIX Security Number 1102994
- ISIN CH0011029946
- the symbol IFCN

Important Dates*

*Subject to change

April 4, 2024: Annual General Meeting of Shareholders
 April 25, 2024: First quarter 2024 results
 July 31, 2024: Second quarter 2024 results/half-year results 2024
 October 24, 2024: Third quarter 2024 results
 March 2025: Fourth quarter 2024 results/Year-end results 2024

Internet/E-mail Alerts

E-mail alerts: The latest financial information from INFICON can automatically be sent via E-mail alert; sign up is available in the Investors section of the INFICON website www.inficon.com

	2019	2020	2021	2022	2023
Key figures per share (CHF)					
Price at year-end	768.50	808.00	1,338.00	809.00	1,206.00
Highest price	779.50	821.00	1,362.00	1,370.00	1,226.00
<i>Date</i>	<i>Dec 23</i>	<i>Dec 02</i>	<i>Dec 28</i>	<i>Jan 04</i>	Dec 14
Lowest price	468.40	488.60	800.00	633.00	823.00
<i>Date</i>	<i>Jan 03</i>	<i>Mar 23</i>	<i>Jan 04</i>	<i>Sep 29</i>	Jan 03
Earnings per share (diluted)	21.66	20.18	32.87	36.22	43.24
Equity per share	85.66	91.23	103.30	113.47	139.12
Dividend/Distribution per share	18.00	16.00	21.00	18.00	20.00

* The proposed distribution is to be paid out from legal reserves.

Global Presence



● **INFICON HOLDING AG**, Bad Ragaz, Switzerland, Parent Company

● Syracuse, NY, USA*	○ Corregidora Qro., Mexico*	○ Hefei, China
● Balzers, Liechtenstein*	○ Monterrey, Mexico	○ Hong Kong*
● Cologne, Germany*	○ Blackburn, United Kingdom*	○ Tainan City, Taiwan
● Longmont, CO, USA*	○ Courtaboeuf, France*	○ Chubei City, Taiwan*
● Austin, TX, USA	○ Copenhagen, Denmark*	○ Bungdang, Korea*
● Overland Park, KS, USA*	○ Verona, Italy	○ Kumamoto, Japan
● Newton, MA, USA	○ Bozen, Italy*	○ Hiroshima, Japan
● Linköping, Sweden*	○ Dresden, Germany	○ Kasugai, Japan
● Mariehamn, Finland*	○ Singapore*	○ Osaka, Japan
● Shanghai, China*	○ Chengdu, China	○ Kawasaki-Shi, Japan*
○ Santa Clara, CA, USA	○ Beijing, China	○ Sendai, Japan
○ Phönix, AZ, USA	○ Guangzhou, China*	

- Group Administration
- Main Centers of Competence
- Specialized Centers of Competence
- Sales, Application and Service Offices

*Legal entities

Group Organization

(as of March 4, 2024)

Board of Directors and Group Management

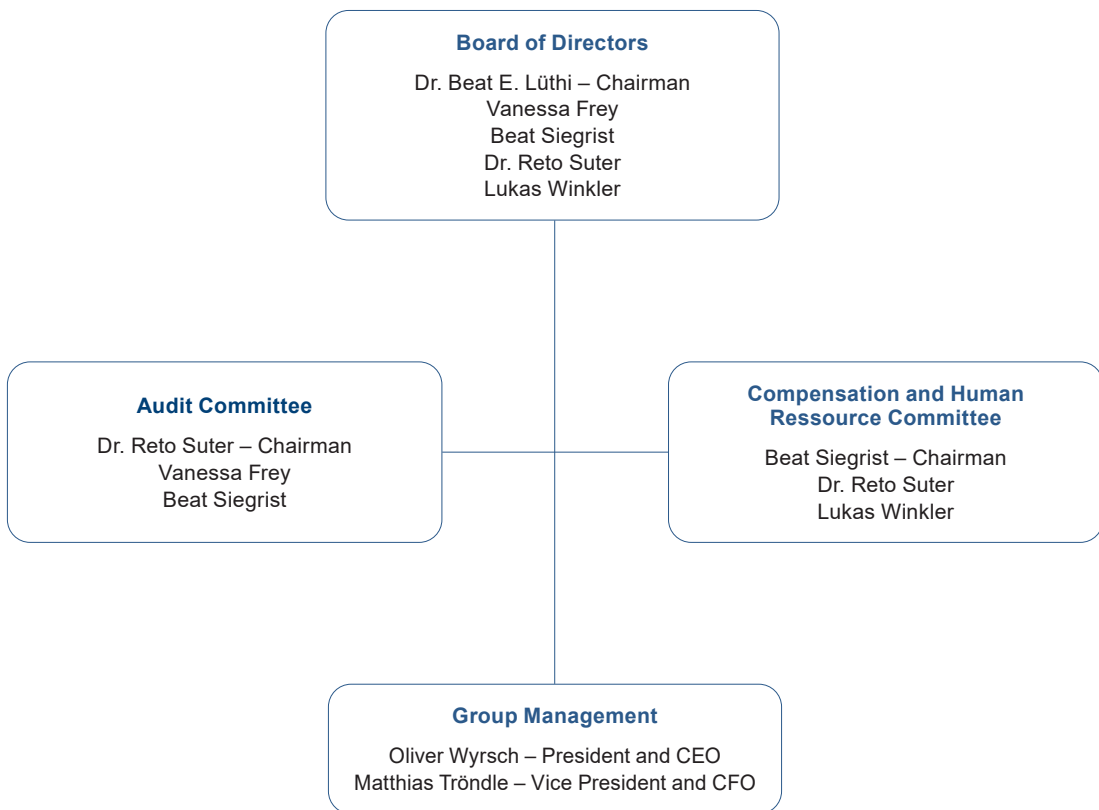


Left side from front to back: Matthias Tröndle (CFO), Beat Siegrist, Lukas Winkler

Right side from front to back: Oliver Wyrsch (CEO), Dr. Beat Lüthi (Chairman), Vanessa Frey, Dr. Reto Suter

Group Organization

(as of March 4, 2024)



Board and Executive Secretary

Carolin Siebert, General Secretary to the Board of Directors
INFICON HOLDING AG, Hintergasse 15 B, CH-7310 Bad Ragaz, Switzerland
Tel. +41 81 300 4980
E-mail: carolin.siebert@inficon.com

Corporate Governance

Introduction

This Corporate Governance Report explains the principles of management and control of INFICON HOLDING AG at the highest corporate level in accordance with the Directive on Information relating to Corporate Governance (the Corporate Governance Directive) in its current version issued by the SIX Swiss Exchange on June 29, 2022 entry into force Jan 1, 2023.

Corporate governance of INFICON HOLDING AG complies with the principles and recommendations of the "Corporate Governance – Swiss Code of Best Practice".

INFICON HOLDING AG is committed to continually reviewing its corporate governance framework, with a view to related developments.

Information on Board of Directors and Company Management compensation is outlined in our Compensation Report, beginning on page 30.

Furthermore, the Company's internal guidelines regarding corporate governance are provided in its Articles of Incorporation, Organizational Regulations, Board Committee Charters, Code of Business Conduct and Ethics, as well as internal policies.

The following Corporate Governance Report follows the structure of the SIX Directive on Information relating to Corporate Governance.

1 Group Structure and Shareholders

1.1 Group Structure

Operational Group Structure

See page 17.

INFICON HOLDING AG is the parent company of the INFICON Group which operates from 17 countries and consists of a parent company, 8 manufacturing companies and 11 sales and service subsidiaries. The legal entity structure of the INFICON group is seen on page 15.

Listed Corporation: INFICON HOLDING AG

INFICON HOLDING AG is based in Bad Ragaz, Switzerland. It has a share capital of made up of 2,445,161 shares with a nominal value of CHF 5 each. Registered shares are listed on SIX Swiss Exchange under security number 1102994, ISIN CH0011029946 and symbol IFCN.

Since January 3, 2012, the registered shares of INFICON HOLDING AG are traded on SIX Swiss Exchange's Domestic Standard.

Market capitalization at December 31, 2023 was TCHF 2,948,864 based on shares outstanding.

Share Capital and Percentage of Shares Held by Subsidiaries

See statutory financial statements, Note 2.3, "Investments".

1.2 Significant Shareholders

Shareholder Structure

Based on number of registered shareholders as of December 31, 2023.

Number of shares	Number of shareholders
> 50,000	3
10,000–50,000	10
1–9,999	4,362
Total	4,375

Corporate Governance

Shareholders by Country

Based upon number of registered shareholders as of December 31, 2023.

Country	Number of shareholders
Switzerland	3,907
Germany	216
United States of America	67
Liechtenstein	44
Rest of Europe	70
Rest of World	71
Total	4,375

Major Shareholders

See statutory financial statements, Note 3.2, “Significant Shareholders”.

1.3 Cross-shareholdings

INFICON HOLDING AG has no cross-shareholdings.

2 Capital Structure

2.1 Capital (Issued, Authorized & Conditional)

Registered shares of CHF 5 each at December 31, 2023:

Issued share capital	2,445,161	TCHF 12,226
Capital bandwidth	lower limit MCHF 11,615	upper limit MCHF 12,837

The issued share capital comprises 2,445,161 registered shares of CHF 5 each. Each share entitles the registered owner to one vote at the General Meeting of Shareholders, as well as a share of dividends or distribution from capital contribution reserve, if any, declared by the Company and proceeds from liquidation, corresponding to its nominal value as a percentage of the total nominal value of issued share capital.

2.2 Conditional Share Capital

Since the latest revision in March 2023 the Articles of Incorporation provide no more conditional capital (according to Art. 653 of the Swiss Code of Obligations).

2.3 Capital Bandwidth

The Articles of Incorporation provide a capital bandwidth (according to Art. 653s–653v of the Swiss Code of Obligations) with an lower limit of MCHF 11,615 and an upper limit of MCHF 12,837. Within the scope of the capital bandwidth, the Board of Directors is authorised to increase or reduce the share capital once or several times and in any amount until March 30, 2028, or until the capital bandwidth expires earlier, or to acquire or sell shares directly or indirectly. The Articles of Incorporation can be accessed via the following weblink <https://www.inficon.com/media/9261/download/Articles-of-Association.pdf?v=1&inline=true&language=en>

2.4 Changes in Shareholders' Equity

Changes in shareholders' equity are presented in the consolidated statements of shareholders' equity section of the consolidated financial statements for INFICON HOLDING AG for the years ended December 31, 2023 and 2022.

2.5 Shares

For further information refer to Note 2.1, “Capital” as above. No participation certificates are issued.

2.6 Profit Sharing Certificates

The Company currently has no profit sharing certificates.

2.7 Limitations on Transferability and Nominee Registrations

The Articles of Incorporation contain no special regulations regarding limitations on transferability and nominee registrations.

2.8 Convertible Bonds and Warrants/Options

The Company currently has no convertible bonds or bonds with warrants.

Corporate Governance

3 Board of Directors

3.1 Members of the Board of Directors, other Activities and Vested Interests, and Internal Organizational Structure

Board of Directors and Management Board

Our Articles of Incorporation provide that the Board of Directors may consist of three or more members at any time. Directors are elected and removed by shareholder resolution. Members of our Board of Directors serve one-year terms and may be re-elected upon completion of their term of office. The shareholders may remove the directors without cause. Our five directors currently in office were elected by shareholder resolution.

All members of the Board of Directors are non-executive Board members.

According to the law, the Board of Directors is responsible for the ultimate direction and supervision of INFICON HOLDING AG. The Board of Directors has delegated the conduct of the day-to-day business operations to the Company's Group Management comprising the Chief Executive Officer and Chief Financial Officer. Group Management is responsible for the management of INFICON HOLDING AG and for all other matters except for those reserved by law and the Articles of Incorporation. The Board of Directors is required to resolve all matters, which are not defined by the law, Articles of Incorporation, or management bylaws as being the responsibility of any other governing body. According to the Swiss Code of Obligations and to the Articles of Incorporation the following non-transferable and inalienable responsibilities are incumbent on the Board of Directors:

- the ultimate management, i.e. the determination of the strategy, its resources and its supervision, of the Holding and the Group and the issuance of the necessary policies and directives including the definition of corporate goals and the planning of financial resources
- the determination of the organization of the Holding and the Group;
- the structuring of the accounting system, the financial controls and the financial planning of the Holding and the Group;

- the appointment and the removal of the Members of the Group Management, the approval of their job descriptions and the granting of the signatory power to members of the Group Management and to employees of the Holding;
- the ultimate supervision of the persons entrusted with the management of the Holding and the Group, in particular with regard to compliance with the law, the Articles of Incorporation, regulations and directives;
- the preparation of the Holding's business report and other reports including but not limited to the compensation report and the report on non-financial matters pursuant to Article 964c CO as well as the preparation of the Shareholders' Meetings and the implementation of their resolutions;
- the submission of a request for a debt-restructuring moratorium and notification of the judge in case of overindebtedness of the Holding;
- the passing of resolutions regarding the subsequent payment of non-fully paid-in shares;
- the passing of resolutions confirming capital increases in the share capital and regarding the amendments to the Articles of Incorporation entailed thereby;
- the examination of the professional qualifications of specially qualified auditors in those cases in which the law foresees the use of such auditors.

The Board of Directors, as of the date of this report, has established an Audit Committee and a Compensation and Human Resources Committee. Each of these committees has regulations, which outline its duties and responsibilities. The Board of Directors elects the Chairman for each committee. The committees meet regularly carrying out preparatory work to provide the Board of Directors with updates and recommendations at its regular meetings. Their respective chairperson sets the agendas for the committee meetings. The length of the meetings range from an hour up to an entire day, depending on the agenda as decided by the chairman.

Corporate Governance

Sustainability is anchored at all corporate levels at INFICON. The Board of Directors determines the corporate strategy, including all aspects relating to sustainability/ESG. Sustainability topics are discussed several times a year by the Board of Directors and Group Management depending on their urgency. To strengthen its sustainability approach, the Board has implemented a Sustainability Council consisting of the Board members Dr. Reto Suter, Lukas Winkler and CFO Matthias Tröndle. The council defines roadmap, reviews targets, studies the regulatory developments in the ESG area and supports the Audit Committee in non-financial reporting.

Sustainability reporting on all material topics, results and target achievement for further development of material topics (see page 39 ff.) are discussed and developed together with Group Management and the dedicated Board of Directors representative several times a year and at least two times a year by the Board of Directors and Group Management. The sustainability reporting covers the required elements of non-financial reporting in accordance with the requirements of Art. 964b of the Swiss Code of Obligations and is approved by the Board of Directors.

Overview Board

Board of Directors (5 members)

Chairman	Dr. Beat E. Lüthi
Members	Beat Siegrist, Vanessa Frey, Dr. Reto Suter, Lukas Winkler
Audit Committee Financial- and non-financial reporting, risk management, compliance, audit, accounting & internal controls, financial health	Dr. Reto Suter, Chairman Vanessa Frey Beat Siegrist
Compensation and Human Resource Committee Compensation and benefits, nomination, career development, goal setting, culture	Beat Siegrist, Chairman Dr. Reto Suter Lukas Winkler
Sustainability Council Formally established in 2023, this Council defines roadmap, reviews targets, studies the regulatory developments in the ESG area, supports Audit Committee in non-financial reporting.	Lukas Winkler, Lead Dr. Reto Suter Matthias Tröndle, CFO

The Audit Committee

The Audit Committee consists of three non-executive members of the Board of Directors. Currently, the Audit Committee is comprised of the following members:

Dr. Reto Suter, Chairman
Vanessa Frey
Beat Siegrist

The responsibilities of the Audit Committee include:

- Recommending to the Board of Directors the independent public accountants to be selected to conduct the annual audit of our books and records;
- Reviewing the proposed scope of such audit and approving the audit fees to be paid;
- Reviewing the adequacy and effectiveness of our accounting and internal financial controls with the independent public accountants and our financial and accounting staff;
- Reviewing and approving transactions between the Company, its directors, officers and affiliates; and
- Reviewing and reassessing, on an annual basis, the adequacy of our audit committee charter.

The Compensation and Human Resources Committee

The Compensation and Human Resources Committee is to provide a general review of our compensation and benefit plans to ensure they meet corporate financial and strategic objectives, as well as to make recommendations to the Board regarding appointment, dismissal and career development of executive management positions. The responsibilities of the Compensation and Human Resources Committee also include the goal settings and the administration of employee incentive plans. The Compensation and Human Resources Committee consists of three non-executive members of the Board of Directors. Currently, the Compensation and Human Resources Committee is comprised of the following members:

Beat Siegrist, Chairman
Dr. Reto Suter
Lukas Winkler

Corporate Governance

Frequency of Meetings of the Board of Directors and its Committees

The Board of Directors holds four or more meetings per year and additional ad hoc meetings and conference calls as necessary. The Audit Committee holds three meetings per year in addition to five virtual meetings. The Compensation and Human Resources Committee holds three or more meetings per year in addition to one virtual meeting.

The following table does not include preparation of meetings, travel time as well as various separate meetings:

- Meetings with audit firm
- Meetings with Group Management
- Meetings with shareholders

Number of meetings and conference calls in 2023:

	Board of Directors	Audit Committee	Compensation and Human Resources Committee
Number of physical meetings in 2023	3	2	2
Approx. average duration of physical meetings (in hours)	7.3h	1.4h	3.7h
Dr. Richard Fischer (until March 30, 2023)	0	0	0
Vanessa Frey	3	2	2
Dr. Beat E. Lüthi	3	2	2
Beat Siegrist	3	2	2
Dr. Reto Suter	3	2	2
Lukas Winkler (as of March 30, 2023)	3	2	2
KPMG calling in	0	2	0

	Board of Directors	Audit Committee	Compensation and Human Resources Committee
Number of virtual meeting in 2023	0	4	0
Approx. average duration of virtual meetings (in hours)	0h	0.5h	0h
Dr. Richard Fischer (until March 30, 2023)	0	1	0
Vanessa Frey	0	3	0
Dr. Beat E. Lüthi	0	4	0
Beat Siegrist	0	4	0
Dr. Reto Suter	0	4	0
Lukas Winkler (as of March 30, 2023)	0	3	0
KPMG	0	1	0

Number of hybrid meetings in 2023	2	2	2
Approx. average duration of hybrid meetings (in hours)	1.0h	1.3h	0.5h
Dr. Richard Fischer (until March 30, 2023)	1	1	1
Vanessa Frey	2	2	2
Dr. Beat E. Lüthi	2	2	2
Beat Siegrist	2	2	2
Dr. Reto Suter	2	2	2
Lukas Winkler (as of March 30, 2023)	1	1	1
KPMG	0	1	0

The meetings took place in Buchs (Switzerland), Obbürgen (Switzerland), Cologne (Germany) and Syracuse (USA).

Corporate Governance

The Company's Board of Directors is composed of:

Dr. Beat E. Lüthi, Citizen of Switzerland, 1962

Chairman of the Board of Directors

Educational Background

- 1980–1986 Swiss Federal Institute of Technology, ETH, Master in Electrical Engineering
- 1987–1990 Ph.D. at ETH/BWI on "Management of Industrial Software Projects"
- 1994 INSEAD, Fontainebleau France, International Executive Program

Executive Experience

- 1987–1990 Zellweger Uster, Project Manager
- 1990–1998 Mettler-Toledo, Business Unit Manager
- 1994–1998 Mettler-Toledo (Switzerland) AG, General Manager
- 1998–2002 Feintool International, CEO and Member of the Board
- 2002–2007 Mettler-Toledo, Laboratory Division CEO
- Since 2007 CTC Analytics AG, CEO and Member of the Board

Previous Board Mandates

- 2002–2005 Soudronic AG, Member
- 2007–2010 Uster Technologies AG, Member
- 2007–2011 Addex Pharma SA, Member
- 2002–2013 Bossard AG, Member
- 2017–2020 Orell Füssli Holding AG, Member
- 2010–2023 Straumann AG, Member

Current Board Mandates

- Since 2012 INFICON HOLDING AG, Chairman
- Since 2021 Skan AG, Member

Vanessa Frey, Citizen of Switzerland, 1980

Director, Member of the Audit Committee

Educational Background

- 2000–2002 University of St. Gallen, Switzerland Undergraduate Studies in Economics, Business Administration and Law
- 2003–2004 Stockholm School of Economics, Sweden Master of Science in International Economics and Business Major in Finance

Executive Experience

- 2004–2006 Handelsbanken Capital Markets, Corporate Finance, Stockholm, Sweden
- 2007 HSZ Group, Asset Manager, Hong Kong
- Since 2007 Corisol Holding AG, Family Office, Zug, CEO

Previous Board Mandates

- 2010–2011 South Pole Carbon Asset Management
- 2010–2012 Absolute Invest, Member
- 2012–2018 Garaventa Lift AG, Vice Chairwoman
- 2016–2019 Zur Rose Group AG, Member

Current Board Mandates

- Since 2002 Corisol Holding AG, Member
- Since 2008 Swiss Small Cap Invest, Member
- Since 2008 KWE Beteiligungen AG, Member
- Since 2012 INFICON HOLDING AG, Member
- Since 2014 Schweiter Technologies AG, Member
- Since 2018 Tata 1mg, Member
- Since 2023 Avilan Ocean Foundation, Chairwoman
- Since 2023 fit4future Foundation, Chairwoman

Beat Siegrist, Citizen of Switzerland, 1960

Director, Member of the Audit Committee, Chairman of the Compensation and Human Resources Committee

Educational Background

- 1980–1985 Swiss Federal Institute of Technology, ETH, Master in Electrical Engineering
- 1987–1988 INSEAD, Fontainebleau France, MBA

Executive Experience

- 1985–1986 Contraves AG (Defense Equipment), Development Engineer
- 1987–1993 McKinsey&Co. (Consulting), first McKinsey Fellows in Switzerland, Consultant and Project Manager
- 1993–1995 Outsourcing AG (Reorganisation and Outsourcing of Productions), Founder and CEO
- 1996–2008 Schweiter Technologies (Machinery Equipment for Textiles, Semiconductor and Optics), CEO
- 2008–2012 Essilor (Ophthalmic Lens Manufacturer), Member of the Executive Team and President of machinery division Satisloh, which was sold to Essilor from Schweiter Technologies

Corporate Governance

Previous Board Mandates

2002–2012 Ismeqa Semiconductor Holding SA, Chairman
2000–2013 Satisloh Holding AG, Member
1996–2017 SSM Schärer Schweiter Mettler AG, Chairman
2013–2018 Garaventa Accessibility AG, Chairman

Current Board Mandates

Since 2003 Phoenix Mecano AG, Member
Since 2008 Schweiter Technologies AG, Member
Since 2010 INFICON HOLDING AG, Member
Since 2019 The Island Rum Company AS, Member
Since 2022 Bomatec Holding AG, Member

Dr. Reto Suter, Citizen of Switzerland, 1971

Director, Chairman of the Audit Committee, Member of the Compensation and Human Resources Committee

Educational Background

1991–1996 University of Zurich, Switzerland
Master's Degree in Banking and Finance
1996 University of Washington, Seattle, Visiting
Student MBA Courses
1997–1999 University of Zurich, Switzerland
Ph.D. in Banking and Finance

Executive Experience

1997–1999 Go4Equity AG, Switzerland, Co-Founder
and CFO
2001–2004 Tendo Corporate Finance, Switzerland,
Partner
2004–2013 Horizon21, Switzerland, Partner (–2009),
CEO (–2011), CIO (–2013)
2013–2017 Lonrho Ltd., London, COO/CIO, Member of
the Main Board, Member of the Executive
Management Committee
Since 2017 Siegfried Holding AG, Switzerland, CFO

Previous Board Mandates

2004–2014 Nord-Süd Verlag AG, Chairman
2009–2011 Invision Private Equity AG, Member
2014–2017 Gallimedia Holding AG, Member
2013–2018 Lonrho Holdings Limited, London

Current Board Mandates

Since 2021 INFICON HOLDING AG, Member

Lukas Winkler, Citizen of Switzerland, 1962

Director, Member of the Compensation and Human Resources Committee

Educational Background

1982–1986 Swiss Federal Institute of Technology
(ETH), Zürich, Dipl. Ing. ETH, BWI
1999–2001 Syracuse University, NY, USA, Executive MBA

Executive Experience

1987–1989 General Motors Europe AG, Switzerland,
Engineer
1989–1991 Maschinenfabrik Rieter AG, Switzerland,
Project Manager
1991–1992 Maschinenfabrik Rieter AG, Switzerland,
Department Head
1993–1994 UNAXIS-Balzers AG, Liechtenstein and
Switzerland, Manager Logistics
1995–1996 UNAXIS-Balzers AG, Liechtenstein and
Switzerland, Manager Production
1996–2003 Balzers and Leybold Instrumentation and
INFICON AG, Liechtenstein,
Vice President and General Manager
(member of the Executive Team)
2004–2022 INFICON HOLDING AG, Bad Ragaz,
Chief Executive Officer

Current Board Mandates

Since 2018 Inovu Group AG, Member
Since 2020 Avantama AG, Member
Since 2023 INFICON HOLDING AG, Member

3.2 Other Activities and Vested Interests

Pursuant to Article 21 c) of the company's Articles of Incorporation the Board members maximum number of board mandates is twenty with not listed companies whereof five with listed companies. For further information refer to Note 3.1.

3.3 Elections and Terms of Office

In accordance with the Ordinance and the company's Articles of Incorporation members of the Board of Directors and its Chairman as well as Compensation and Human Resources Committee members are elected for a respective one-year term of office.

Election occurs at the General Meeting of Shareholders. The members of the Board of Directors were elected individually as follows:

Corporate Governance

Board of Directors	Date First Elected	Term Expires
Dr. Beat E. Lüthi	May 2012	April 2024
Vanessa Frey	May 2012	April 2024
Beat Siegrist	May 2010	April 2024
Dr. Reto Suter	March 2021	April 2024
Lukas Winkler	March 2023	April 2024

Board of Directors	Date First Elected	Term Expires
Dr. Beat E. Lüthi	May 2012	April 2024
Vanessa Frey	May 2012	April 2024
Beat Siegrist	May 2010	April 2024
Dr. Reto Suter	March 2021	April 2024
Lukas Winkler	March 2023	April 2024

3.4 Internal Organizational Structure

Refer to page 15.

3.5 Definition of Areas of Responsibility

The Board of Directors has delegated authority to the Company's Group Management comprising the Chief Executive Officer and Chief Financial Officer to execute the Company's approved annual budget. INFICON HOLDING AG has a comprehensive financial and enterprise reporting system to gather and report its financial results. The quarterly financial results are reviewed and approved by the Audit Committee prior to issuance to the public. Additionally, the Board of Directors provides oversight and approval for potential acquisitions or strategic partnerships.

The responsibility for Sustainability/ESG matters was defined in the year 2020 by the Board of Directors. In 2023, a Sustainability Council was formally established. We have selected and appointed ESG representatives from both the Board of Directors (Lukas Winkler and Dr. Reto Suter) and Group Management (Matthias Troendle/CFO).

3.6 Information and Control Instruments vis-à-vis Group Management

Information regarding the current state of the business is provided continuously at the meetings of the Board of Directors in an appropriate format and is presented by the persons bearing responsibility for oversight of the financial and operational aspects of the business.

The Board of Directors receives monthly reports from Group Management.

Furthermore, the Audit Committee reviews the financial performance and assesses the effectiveness of the internal and external audit processes as well as the internal risk management and processes.

Members of the Board of Directors and Group Management attend the Audit Committee meetings.

The external auditors, KPMG AG, Zurich, conduct their audit in compliance with Swiss law and in accordance with Swiss auditing standards.

3.7 Board independence

In accordance with the Organizational Regulations, the Board evaluates the independence of its members annually based on defined independence criteria.

The evaluation of the independence of the candidates for a Board membership is an important factor when the Board of Directors prepares its annual proposal for the composition of the Board. We apply the Swiss law the "Swiss Code of Best Practice for Corporate Governance", INFICON's independence criteria (see below), and the disclosure rules of the Directive on Information relating to Corporate Governance of the Swiss Stock Exchange (SIX) Regulations. The Board's ultimate goal is the overall independence of the Board. Also, we strive for an appropriate diversity among its members. Due to the several age-related changes in Group and Extended Management team in 2022/23 the Board decided to stay as stable as possible until the new management team is successfully in operation.

After the retirement of Dr. Richard Fischer the former CEO Lukas Winkler was elected to the Board. This was very important for us as it guarantees stability and supports INFICON's future success.

The Board is aware that Lukas Winkler's election to the Board of Directors will keep him for another two years not-independent according to the applied independence criteria. However, his long-term industry experience, his international network and the continuity is considered very beneficial and a key aspect in the proposed election.

Corporate Governance

Independence criteria

For the INFICON Board, a director is considered independent if the director:

- is not, and has not been for the prior three years, employed as an executive officer or in another function at the Group or any of its subsidiaries;
- is not, and has not been for the prior three years, an employee or affiliate of our external auditor;
- does not maintain a material direct or indirect business relationship with the Group or any of its subsidiaries, and
- has not been at any time during the prior three years, part of an interlocking directorate in which a member of the Executive Board serves on the compensation committee of another company that employs the Board member.

The age and length of tenure a Board member has served are not criteria for his or her independence.

However, the board aims for a healthy distribution between experienced and new Board members.

Significant shareholder status is also not considered a criterion for independence unless the shareholding exceeds 30% of the Group's share capital. Board members with immediate family relationships would not qualify as independent.

The Board also assesses whether individual Board members depend financially on the income from the compensation of the INFICON Board membership and further assess whether other commitments prevent the person from devoting enough time to the INFICON Board mandate. Possible conflicts of interest, related party transactions, and other commitments that could jeopardize a director's independence are also considered. While the INFICON Group is not subject to such standards, the Board and the CHR Committee acknowledge that some proxy advisors apply different standards for assessing the independence of our Board members, for example regarding tenure and significant shareholding status.

Independence statement

According to the evaluation carried out by the Board, 4 out of 5 Board of Directors proposed for AGM election in 2024 are considered independent:

Board Member	Independence Rating/ Comments
Dr. Beat E. Lüthi, Chairman	Independent
Dr. Reto Suter, Chairman Audit Committee	Independent
Beat Siegrist, Chairman CHR Committee	Independent/Mr. Beat Siegrist and Ms. Vanessa Frey's family are both holding significant share capital of the SIX listed SCHWEITER Group. Mr. Beat Siegrist serves as non-executive Member and Ms. Vanessa Frey as a non-executive Member of the Board. This fact and the fact that SCHWEITER and INFICON don't have any business interferences are not jeopardizing the independence of Ms. Vanessa Frey and Mr. Beat Siegrist based on INFICON's independence criteria.
Vanessa Frey	Independent / Ms. Vanessa Frey's family is a long-time anchor shareholder with 19.6% of INFICON's share capital.
Lukas Winkler	Mr. Winkler was CEO of INFICON HOLDING AG until the end of 2022 and therefore non-independent from 2023–2025 according to Swiss Code of Best Practice.

Corporate Governance

4 Group Management

4.1 Members of Group Management, other Activities and Vested Interests, Management Contracts

Our Group Management is responsible for our day-to-day management. The officers have individual responsibilities established by our Organizational Regulations and by the Board of Directors.

Oliver Wyrsch, Citizen of Switzerland, 1977

President and Chief Executive Officer (since January 2023)

Educational Background

1998–2003 Swiss Federal Institute of Technology (ETH), Zürich, Master's Degree in Computer Science and Business Administration

Executive Experience

2004–2006 Accenture, Switzerland and Germany, Consultant

2006–2009 Booz & Company, Switzerland (today: Strategy & PWC), Senior Engagement Manager

2009–2011 Clinerion (Start-up in Health Data Management), Switzerland, Vice President Products & Projects / Head Software Engineering

2011–2018 Mettler Toledo International Inc., Germany (2011–2014) General Manager Vision and Track & Trace Solutions for the Pharma Industry; USA (2014–2018) Head of Strategic Business Unit Machine Vision Inspection

2018–2022 INFICON Inc., USA, President and Head of US Business

from 2023 INFICON HOLDING AG, Bad Ragaz, Chief Executive Officer

Matthias Tröndle, Citizen of Germany, 1960

Vice President and Chief Financial Officer (since September 2008)

Educational Background

1982–1985 University of Cooperative Education, Mannheim, Degree in Business Administration (Diplom-Betriebswirt)

Executive Experience

1985–1988 Digital Equipment Corporation (DEC), Stuttgart, Financial Analyst Software Development and Sales

1988–1995 Hewlett Packard GmbH, Germany, Senior Financial Analyst Headquarters Germany Finance Manager of two subsidiaries in Germany and Switzerland Accounts Receivables and Credit Manager Accounting & Reporting Manager Leasing & Remarketing Commercial Manager Leasing & Remarketing Division

1995–2003 Solectron GmbH, Germany, Director Finance Germany

2003–2003 Solectron Romania SRL, Timisoara – Romania, Director Finance Eastern Europe (9 months)

2003–2008 Solectron Europe BV, Amsterdam, Senior Director Finance Europe

Since 2008 INFICON HOLDING AG, Switzerland, Chief Financial Officer

4.2 Other Activities and Vested Interests

Pursuant to Article 21 c) of the company's Articles of Incorporation Group Management members maximum number of board mandates is five with not listed companies whereof one with listed companies. Refer to Note 4.1 for any activities and vested interests.

4.3 Management Contracts

INFICON HOLDING AG has not entered into any management contracts with third parties outside the Group.

5 Compensation, Shareholdings and Loans

Please refer to Note 3.3 "Shares owned by Group Management and Members of the Board of Directors, including any related parties", of the statutory financial statements of INFICON HOLDING AG for details of Board members' and Group Managements' shareholdings and to the Compensation Report for disclosures pertaining to compensation, as well as the content and method of determining the compensation and shareholdings programs. Pursuant to Article 21, no loans or advances were made by the INFICON Group to members of the Board of Directors or to Group Management during the financial year.

Corporate Governance

6 Shareholder Participation

6.1 Voting-Rights and Representation Restrictions

Each INFICON share carries one vote at our shareholders' meetings. Voting rights may be exercised only after a shareholder has been recorded in our share register (Aktienbuch) as a shareholder with voting rights. INFICON may enter into agreements with banks or financial companies which hold shares for the account of other persons (nominees) regarding the exercise of the voting rights related to the shares.

INFICON shares are cleared and settled through SIX Securities Services AG. The shares will not be physically represented by certificates but will be managed collectively in book-entry form by SIX Securities Services AG. Shareholders are therefore not entitled to have their shares physically represented and delivered in certificate form (aufgehobener Titeldruck). They can, however, request a statement confirming their ownership of the shares.

6.2 Statutory Quorums

The Articles of Incorporation contain no quorums greater than that set out by the applicable legal provisions.

6.3 General Meetings of Shareholders

The Articles of Incorporation contain no rules on the convocation of the General Meeting of Shareholders that differ from applicable legal provisions.

6.4 Agenda

Shareholders holding at least 0.5% of the share capital have the right to request in writing, at least 50 days prior to the day of the respective shareholders' meeting, that a specific proposal be discussed and voted upon at such shareholders' meeting.

6.5 Entries into the Share Register

Only those shareholders with voting rights whose names were recorded in the Company's register of shareholders on the respective closing date may attend the General Meeting of Shareholders and exercise their voting rights. The Board of Directors endeavors to set the closing date for registration as close as possible to the date of the General Meeting of Shareholders, i.e. not more than 3 to 4 weeks before the General Meeting of Shareholders. There are no exceptions to this rule regarding the closing date for registration.

The Board of Directors has regular contact to our stakeholders. The Board of Directors is available at any time to address the concerns of stakeholders and shareholders. Matters brought forward by shareholders within the context of the General Meeting are dealt with in accordance with the Articles of Incorporation. During the reporting period 2023 no matters were submitted directly to the Board of Directors.

7 Changes of Control and Defense Measures

7.1 Duty to Make an Offer

The Company's Articles of Incorporation do not include "opting-out" or "opting-up" clauses and accordingly under Article 135 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading a shareholder who acquires 33 ⅓% or more of the Company's shares is obliged to submit a public offer for the remaining shares.

7.2 Clauses on Changes of Control

The Directors, Management & Key Employee Share-based plans contain a provision whereby all unvested outstanding options vest and blocked shares release upon change in control.

8 Auditors

8.1 Duration of the Mandate and Term of Office of the Lead Auditor

Statutory auditors pursuant to Art. 727 and 728, respectively, of the Swiss Code of Obligations is KPMG AG, Zurich, elected for one year. KPMG AG commenced its mandate as statutory auditors of INFICON HOLDING AG in April 2014. The lead engagement partner, Mr. Roman Wenk, has been responsible for the audit of the statutory and consolidated financial statements of INFICON HOLDING AG since financial year 2021. The significant subsidiaries of INFICON HOLDING AG are audited by member firms of KPMG AG.

8.2 Auditing Fees

Audit fees of the Group Auditor for the 2023 audit were approximately TUSD 346.

8.3 Additional Fees

Additional fees of TUSD 17 were paid to the Group Auditor in 2023.

8.4 Supervisory and Control Instruments Pertaining to the Audit

Each year the Audit Committee reviews and discusses the scope of the proposed audit work and the timely quarterly reviews, and evaluates the performance and fees of the auditors. Periodically the lead auditor participates in the Audit Committee meetings. In 2023 the audit firm attended one virtual meeting, one hybrid meeting and two meeting calling in (see Frequency of Meetings of the Board of Directors and its Committees).

Criteria applied to the performance and compensation evaluation of KPMG AG includes: technical and operational competence, independent and objective view, sufficient resources employed, focus on areas of significant risk to INFICON, ability to provide effective, practical recommendations and effective communication and coordination with the Audit Committee and financial management.

Following the audit work, the auditors submit a report on their results, including all communications required, to the Audit Committee and to the Board of Directors in accordance with Swiss auditing standards. The Audit Committee meets with the auditors to discuss and review their feedback. Based on this information, the Audit Committee determines changes and improvements as necessary.

9 Information policy

INFICON HOLDING AG pursues an information policy which is based on truthfulness, timeliness, and continuity. Matters affecting the share price are published immediately as ad hoc announcements, in accordance with ad hoc publicity requirements of SIX Swiss Exchange.

Annual financial reports are published online for the benefit of shareholders and potential investors in March following the year-end closing.

Key financial figures are prepared and issued in a press release on a quarterly basis.

A 2023 half-year report was published online in July 2023.

Information available for investors can be found at www.inficon.com

Information on general trading blackout periods

The Board of Directors and Compliance Committee determines within the Insider Trading Policy the generally applicable trading blackout periods in the context of the quarterly/half-year and annual financial statements.

For the Board of Directors, the Group Management, the Executive Team members and their direct reports, Financial Controller and other persons who have insight into the preparation of the financial figures of the INFICON Group (Corporate Insiders) a trading blackout period applies.

No corporate insider may purchase, sell or enter into any other transaction with respect to INFICON shares during any blackout period. A blackout period will apply from the first day following the last month of each fiscal quarter (i.e., beginning on January 1, April 1, July 1 and October 1 of each year) up to and including two full trading days after the public release of INFICON's quarterly or annual financial results.

In addition to these regularly scheduled blackout periods, INFICON may from time to time impose additional blackout periods during which there exists Material Non-public Information about INFICON. These blackout periods will be determined by the Compliance Officer and will vary in length.

Information available for investors can be found at www.inficon.com.

Compensation Report

Introduction

This Compensation Report describes the principles of remuneration at INFICON. The report is prepared in accordance with Art. 732 and the following of the Swiss Code of Obligations, entry into force January 1st, 2023. The report also follows the recommendations defined in Appendix 1 to the Swiss Code of Best Practice for Corporate Governance published by economiesuisse and complies with Chapter 5 of the Appendix to the SIX Swiss Exchange Guidelines concerning information on corporate governance. This compensation report is in line with the Articles of Incorporation. The Articles of Incorporation are available online at <https://ir.inficon.com/Corporate%20Governance/>

Unless indicated otherwise, all information refers to the financial year closed on December 31, 2023. In this Report, all share-based payments are calculated and disclosed with reference to the year of allotment (grant date). Shared based remuneration is calculated using fair value of the share at date of allotment. All other compensation is disclosed according to the accrual principle, i.e. the compensation is reported in the period (i.e. financial year) in which it is recorded in the financial statements.

Compensation Highlights of the Board of Directors and Group Management

CHF 1,000	2023	2022
Board of Directors	771	764
	800	800
Number of members	5	5
Group Management	1,556	2,278
	2,200	3,500
Number of members	2	2

■ Actual compensation ■ Approved compensation AGM

1 Remuneration Policy

INFICON is a globally active Group. Its remuneration policy follows general market practices. It also considers the individual performance. This ensures the Group's ability to hire and retain the right talents. Individual remuneration corresponds to the scope of responsibilities, reflects the specific requirements of a position, the needed personal skills, the individual performance, and the Group's economic success. INFICON's remuneration policy is generally performance oriented and includes a variable component for all staff.

The Compensation and Human Resources Committee (hereinafter referred to as "CHR Committee") reviews the principles of the remuneration policy annually. Based on a proposal of CHR Committee, the Board of Directors decides on the level of compensation for the Members of the Board and Group Management annually, once the Board has received the audited financial results. The CHR Committee consists of three Members of the Board of Directors – currently Beat Siegrist (Chairman), Lukas Winkler and Dr. Reto Suter.

2 Board of Directors Compensation

The compensation to the members of the Board of Directors consists of a fixed yearly cash element that makes up 2/3 of the total compensation and a defined share allotment that accounts for 1/3 of the total compensation. The compensation includes contributions to the Swiss social security and unemployment insurance. The shares are subject to a 3-year mandatory holding period. The number of shares allotted is calculated based on the average share price on the fifth trading day following the Ordinary Annual General Meeting. The cash component of the remuneration is paid out to the Members of the Board of Directors on the basis of the term of office. The allocation of shares takes place five days after the Annual General Meeting for the following period of office.

Compensation Report

Board Compensation overview 2023

in TCHF	Annual Board fees	Cash 2/3	Shares 1/3 (*)
Board Chair	240.0	160.0	80.0
Chair AC Committee	120.0	80.0	40.0
Chair CHR Committee	120.0	80.0	40.0
Board Member	94.5	63.0	31.5

(*) Shares at market value. Final amount of shares is subject to roundings.

Neither attendance fees nor flat rate expenses are paid. Direct incurred expenses such as e.g. for travel and accommodation are reimbursed.

The CHR Committee annually proposes the total compensation levels for the Chairman and the other Members of the Board. The CHR Committee bases its judgement on Committee Member's experience. If needed, the CHR Committee may use external compensation surveys and professional insights. The Board of Directors then deliberates on the level of the total compensation for the Members of the Board. The total amount of the compensation is finally proposed to the Ordinary Annual General Meeting for the term of office until the closing of the following Ordinary Annual General Meeting of Shareholders.

The total compensation paid to the Board of Directors conforms to conferred responsibilities and market conditions.

3 Compensation to Members of Group Management

Based on a proposal of the CHR Committee, the Board of Directors asks the Ordinary Annual General Meeting annually for the approval of the compensation for Group Management.

The CHR Committee bases its judgement on Committee Member's experience and, if deemed necessary, by external compensation benchmarks.

Elements and structure of compensation

The compensation for the Members of Group Management consists of the following elements:

Structure of Compensation 2023

Purpose	Element	Period
Base Salary	Fixed compensation	
	Cash	
	Car allowance	continuous,
	Benefits	monthly
Short-term goal achievement	Variable compensation	
	1 Cash bonus	1 year
	2 Compensation in shares	3 years
	Long-term incentive	

The compensation system for Members of Group Management is structured as follows:

	Fixed compensation	Variable compensation		Range
	Base salary	Cash bonus	Share plan	
		Target ⁽¹⁾	Target ⁽¹⁾	min-max ⁽²⁾
CEO	100%	45%	45%	0–200%
Other members	100%	40%	40%	0–200%

(1) 100% target achievement, all percentages are based on base salary

(2) Total variable compensation (cash and shares) capped at 200% of annual base salary

Compensation Report

Variable compensation

The variable compensation reflects the individual performance and the Group's financial results.

The following table shows the key performance indicators and their respective weighting.

Key performance indicators for the Group Management (as a percent of base salary)

	Weighting Chief Executive Officer	Weighting Group Management
Operating Income	72%	64%
Asset Management	4%	4%
Cost Control	4%	4%
Individual Performance	10%	8%
Total	90%	80%

The financial performance-based bonus depends on the annual results of operating income, asset management, and cost control, weighted for 72% for Group Management and 80% for the CEO. The financial performance-based bonus criteria must meet a certain minimum threshold for eligibility.

The individual performance goals, weighted 10% for the CEO respectively 8% for the Group Management, are based on individual performance objectives. These personal goals also include an objective related to our ESG (Environmental, Social and Governance) initiatives.

For Group Management Members, the total target variable compensation is at 80% of the base salary and 90% for the CEO. The total variable annual compensation is capped at 200% of the annual base cash compensation.

50% of the variable compensation is paid in cash (table "Structure of Compensation – 1 Cash bonus"). It serves as an incentive to achieve short-term goals.

Another 50% is provided by shares (table "Structure of Compensation – 2 Compensation in shares"). The variable share program is a long-term incentive and aims at establishing a long-term relationship with the enterprise in line with the shareholders' interests. These shares are subject to a three-year blocking period.

The composition and amount of the variable compensation are in accordance with the sector and labor market. They are periodically reviewed.

The Board of Directors – following preparation and recommendation by the CHR Committee – determines the metrics for the specific target bonus as well as the range between maximum and minimum variable compensation. The achievement levels of the financial performance goals are calculated based on the annual result after the closing of the financial year. The achievement levels of the individual performance are determined by the CHR Committee and the proposal is submitted to the Board of Directors.

The following table shows the 2023 performance indicators and achievements for the CEO.

Key performance indicators and achievement for the CEO (as a percent of base salary)

	Target weighting	Achieved weighting
Operating Income	72.0%	90.2%
Asset Management	4.0%	2.2%
Cost Control	4.0%	5.9%
Individual Performance	10.0%	11.3%
Total	90.0%	109.6%

This achievement results in a total variable compensation of TCHF 439 for the CEO, 50% in cash and 50% in shares with a three year blocking period that are allotted in 2024.

The average share price on the fifth trading day following the Ordinary Annual General Meeting will serve as the calculation base to establish the number of shares. For the CFO, the base salary increased by 3% in 2023. The variable compensation was adjusted according to the financial performance and the individual performance goals.

Compensation Report

4 Authority and Determination of Compensation

INFICON's CHR Committee acts as the relevant body in accordance with the Art. 733 of the Swiss Code of Obligation and its Articles of Incorporation.

The CHR Committee prepares the recommendations submitted to the Board of Directors for compensation for the Board of Directors and Group Management.

The CHR Committee consists of at least three members of the Board of Directors. They are elected by the Ordinary Annual General Meeting of the Shareholders for a term of office that runs until the end of the next Ordinary Annual General Meeting of the Shareholders. Re-election is allowed.

The CHR Committee constitutes itself. It appoints its chairperson from among its Members. The Board of Directors has issued rules on the organization and decision-making powers of the CHR Committee.

The CHR Committee has the following duties and competencies in particular to prepare and submit to the Board of Directors:

1. The determination of compensation principles for Group Management;
2. The total amounts of compensation for the Board of Directors and Group Management;
3. The fixed and variable compensation of Group Management;
4. Amendments and changes to the Articles of Incorporation in respect to the system of compensation.

The compensations of the Board of Directors and the fixed and variable compensations of Group Management are subject to approval by the Ordinary General Meeting of the Shareholders.

5 Severance Compensations

No severance payments have been contractually defined for members of the Board of Directors or the Group Management. For the financial year 2023 and 2022 no severance compensations were paid.

6 Employment Contracts

The Company may enter into fixed-term or open-ended employment contracts with the Members of the Group Management. Fixed-term employment contracts shall have a maximum duration of one year; a renewal is allowed.

The employment contracts for Members of Group Management stipulate no provision for unusually long notice periods or contract terms. Open-ended employment contracts for Members of Group Management have a notice period of a maximum of twelve months and make no provisions for unusually long notice periods or contracts terms.

Non-competition agreements are allowed. In compensation for such agreements, a compensation may be paid for a maximum of one year, not exceeding the affected Member's last annual salary and may in no case exceed the average compensation of the last three financial years.

Compensation Report

7 Compensations to the Board of Directors and Group Management

The compensation to Members of the Board of Directors and the aggregate compensation to Group Management shown in the tables below are gross values and based on the accrual principle. Shared based remuneration is calculated using fair value of the shares at date of allotment.

a) Compensations 2023

Board of Directors

CHF 1,000	Base compensation in cash	Compensation in shares	*Other compensation	Total compensation
Dr. Beat E. Lüthi Chairman	150	81	74	305
Dr. Richard Fischer (until March 2023) Vice Chairman	23	–	1	24
Vanessa Frey Member	62	32	7	101
Beat Siegrist Chairman of CHR Committee	79	40	9	128
Dr. Reto Suter Chairman of Audit Committee	79	40	9	128
Lukas Winkler (since March 2023) Member	47	32	6	85
Total	440	225	106	771
Approval by the Annual General Meeting 2023				800

* Other remuneration comprise payments mainly related to social insurance contributions.

Group Management

CHF 1,000	Fixed compensation			Variable compensation			Total compensation
	Base salary	*Other compensation	Total	Cash bonus	Com-pensa-tion in shares	*Other compensation	
Oliver Wyrsch President and Chief Executive Officer	406	20	426	220	0	98	744
Total	751	43	794	389	182	191	1,556
Approval by the Annual General Meeting 2023							2,200

* Other compensations comprise payments mainly related to social insurance contributions and car allowances.

b) Compensations 2022

Board of Directors

CHF 1,000	Base compensation in cash	Compensation in shares	*Other compensation	Total compensation
Dr. Beat E. Lüthi Chairman	126	64	62	252
Dr. Richard Fischer Vice Chairman	94	47	8	149
Vanessa Frey Member	63	32	8	103
Beat Siegrist Chairman of CHR Committee	80	41	9	130
Dr. Reto Suter Chairman of Audit Committee	80	41	9	130
Total	443	225	96	764
Approval by the Annual General Meeting 2022				800

* Other remuneration comprise payments mainly related to social insurance contributions.

Group Management

CHF 1,000	Fixed compensation			Variable compensation			Total compensation
	Base salary	*Other compensation	Total	Cash bonus	Com-pensa-tion in shares	*Other compensation	
Lukas Winkler President and Chief Executive Officer	455	20	475	150	393	460	1,403
Total	790	42	832	260	630	556	2,278
Approval by the Annual General Meeting 2022							3,500

* Other compensations comprise payments mainly related to social insurance contributions and car allowances.
The purchase for early retirement of the CEO amounted TCHF 306 in 2022.

The compensation to the Chairman increased by 21.0%. The compensation to the other Board Members remained unchanged, the role of Vice Chairman was abandoned and the total remuneration of the Board of Directors therefore remained stable overall. The shares have been granted for the current term of office until the next Ordinary Annual General Meeting of the Shareholders. The allotment occurs five trading days after the Ordinary Annual General Meeting of the Shareholders (grant date). The total amount of compensation of TCHF 771 compares to an amount of TCHF 800 approved by the Ordinary Annual General Meeting of Shareholders. The difference mainly reflects higher amounts reserved for potential employer contributions for social security and unemployment insurance as well as pension contributions.

Compensation Report

The compensation to Group Management decreased by 31.7% compared with the previous year. The difference in total compensation between the year 2023 and 2022 mainly reflects changes in base compensation and variable performance-related compensation elements (cash bonus and compensation in shares) as well as the purchase into the pension fund for early retirement of the former CEO. The average share price on the fifth trading day after the Ordinary Annual General Meeting served as calculation base to establish the number of shares, which are allotted on July 1st. The variable compensation was adjusted according to the achievement of the financial and individual performance targets.

The total amount of compensation for Group Management of TCHF 1,556 compares to the maximum ceiling amount of TCHF 2,200 approved by the Ordinary Annual General Meeting of the Shareholders.

The differences reflect mainly two facts: The amounts reserved for the potential addition of further Members to Group Management as well as the amounts reserved for a potential disadvantage compensation have both not been required at all.

In 2023 the former CEO Lukas Winkler received a share compensation in the total amount of TCHF 1,682. Of these, shares in the amount of TCHF 1,500 relate to the long-term remuneration proposed to and approved by the Annual General Meeting held in 2019. The other shares in the amount of TCHF 182 relate to the variable compensation due for 2022.

In 2023 the average employee pay, including variable compensation and social security contributions reached TCHF 110.2 and in 2022 TCHF 111.6.

This compared to the total compensation of the CEO in the amount of TCHF 744 in 2023 represents a factor of 6.8x (after a factor of 13.3x in 2022).

8 Compensations for Former Members of Governing Bodies

There was no compensation to former members of the Board of Directors in 2023 and 2022.

9 Additional Fees and Remunerations

No additional fees or remunerations were paid to members of the Governing Bodies and their related parties in 2023 and 2022.

10 Loans to Members of Governing Bodies

No loans were granted to current or former members of governing bodies and their related parties during 2023 and 2022. No such loans were outstanding as of December 31, 2023 and December 31, 2022.

11 Shares owned by Group Management and Members of the Board of Directors, including any related Parties

	2023	2022
Board of Directors:		
Dr. Beat E. Lüthi, Chairman	1,642	1,554
Dr. Richard Fischer, Vice Chairman (until March 2023)	–	26,239
Vanessa Frey, Member*	208	173
Beat Siegrist, Member	14,738	15,694
Dr. Reto Suter, Member	126	82
Lukas Winkler, Member (since March 2023)	5,770	–
Total Board of Directors	22,484	43,742
Group Management		
Oliver Wyrtsch, President & CEO (since 2023)	976	–
Lukas Winkler, President & CEO (until 2022)	–	4,396
Matthias Tröndle, Group CFO	469	657
Total Group Management	1,445	5,053

* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.6% (2022: 19.6%) in INFICON HOLDING AG.

12 Comparable Functions of the Members of the Board of Directors and the Group Management

Dr. Beat E. Lüthi, Chairman of the Board of Directors
Since 2007 CTC Analytics AG, CEO and
Member of the Board
Since 2021 Skan AG, Member

Vanessa Frey, Director, Member of the Audit Committee
Since 2007 Corisol Holding AG, CEO
Since 2002 Corisol Holding AG, Member
Since 2008 Swiss Small Cap Invest, Member
Since 2008 KWE Beteiligungen AG, Member
Since 2014 Schweiter Technologies AG,
Member
Since 2018 Tata 1mg, Member
Since 2023 Avilan Ocean Foundation,
Chairwoman
Since 2023 fit4future Foundation, Chairwoman

Beat Siegrist, Director, Member of the Audit Committee, Chairman of the Compensation and Human Resources Committee
Since 2003 Phoenix Mecano AG, Member
Since 2008 Schweiter Technologies AG,
Member
Since 2019 The Island Rum Company AS,
Member
Since 2022 Bomatec Holding AG, Member

Dr. Reto Suter, Director, Chairman of the Audit Committee, Member of the Compensation and Human Resources Committee
Since 2017 Siegfried Holding AG, Switzerland,
CFO

Lukas Winkler, Director, Member of the Compensation and Human Resources Committee
Since 2018 Inovu Group AG, Member
Since 2020 Avantama AG, Member

The members of the Group Management have no comparable functions.

13 Outlook changes in compensation system for 2024

In 2023, the incentive plans for Group Management were revised under the direction of the CHR Committee. As of 2024, the variable compensation will be in the form of a short-term incentive plan (STI) and a long-term incentive plan (LTI).

The STI is an annual cash bonus designed to reward for business performance. The STI is based on predefined performance objectives including operating income (weighted 80%) and strategic targets (weighted 20%). The STI payout can range from 0% to 200% of target and is capped at 100% of the fixed compensation.

The LTI is designed to foster the long-term success of the company. The LTI is awarded in the form of shares restricted for a period of three years and granted based on operating income (weighted 50%) and sales growth targets (weighted 50%) in the year prior to the grant. The LTI at grant is capped at 100% of the fixed compensation.



Report of the statutory auditor

To the General Meeting of INFICON HOLDING AG, Bad Ragaz

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of INFICON 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 tables a) and b) in section 7 on page 34 as well as section 5 and 7 to 12 on pages 33 to 36 of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying 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 tables a) and b) in section 7 as well as section 5 and 7 to 12 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

Bruno Casutt
Licensed Audit Expert

Zurich, 4 March 2024

INFICON Sustainability Report 2023

Report on non-financial matters 2023

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INFICON Sustainability Report 2023

Report on non-financial matters 2023

SUSTAINABILITY – A CORE PILLAR OF INFICON’S STRATEGY

This chapter of the Annual Report outlines INFICON’s perception and understanding of sustainability and the respective actions taken. It explains the customer-focused, technological, and sustainable approach of INFICON’s value proposition and describes the Company’s relationships with its stakeholder groups including customers, employees, investors, the hosting communities, its business partners, and suppliers. This chapter also describes general environmental, social as well as governance and leadership related aspects of INFICON’s business. This chapter serves as report on non-financial matters according to the Swiss Code of Obligations. It covers the business model as well as environmental matters, social issues, employee-related issues, respect for human rights and combatting corruption issues. See also reference table for Art. 964b Swiss Code of Obligations on page 68.

As a global leader in instruments for gas analysis, measurement and control, and smart manufacturing solutions. INFICON’s business model is deeply rooted in its commitment to do business sustainably in economic, environmental and social terms as well as regarding governance and leadership. In our business decisions and conduct, we consider economic, environmental and social aspects at both strategic and operational levels. This approach lies at the heart of the Group’s long-term strategic orientation, its value creation, market leadership, and thus long-term success and profitable growth. Our emphasis on sustainability provides guidelines for INFICON’s customer-oriented innovation management, its global purchasing and production processes, its risk management as well as the conduct of its customer relations. Sustainability is also a primary goal of all our innovation work; INFICON products help our customers to minimize the impact of their activities on the economy, nature, and people.

INFICON aims at sparingly and sustainably utilizing resources and compensating appropriately for their use, allowing prosperity today and for future generations. This compensation includes reasonable dividends for shareholders, fair payments for our workers and business partners, as well as the disbursement of taxes in the various jurisdictions we operate in. Sustainability is also an important factor that helps us attract, recruit, and retain the best talents. We are aware that employees and customers want to understand the purpose of a company. When they comprehend a corporation’s approach to ESG, and know and share its goals, employees see their work as a meaningful contribution to the company, the society, and the planet. This increases motivation, loyalty, and performance. Suppliers and customers, too, value their relationship with a company more when they can relate to the purpose of a company.

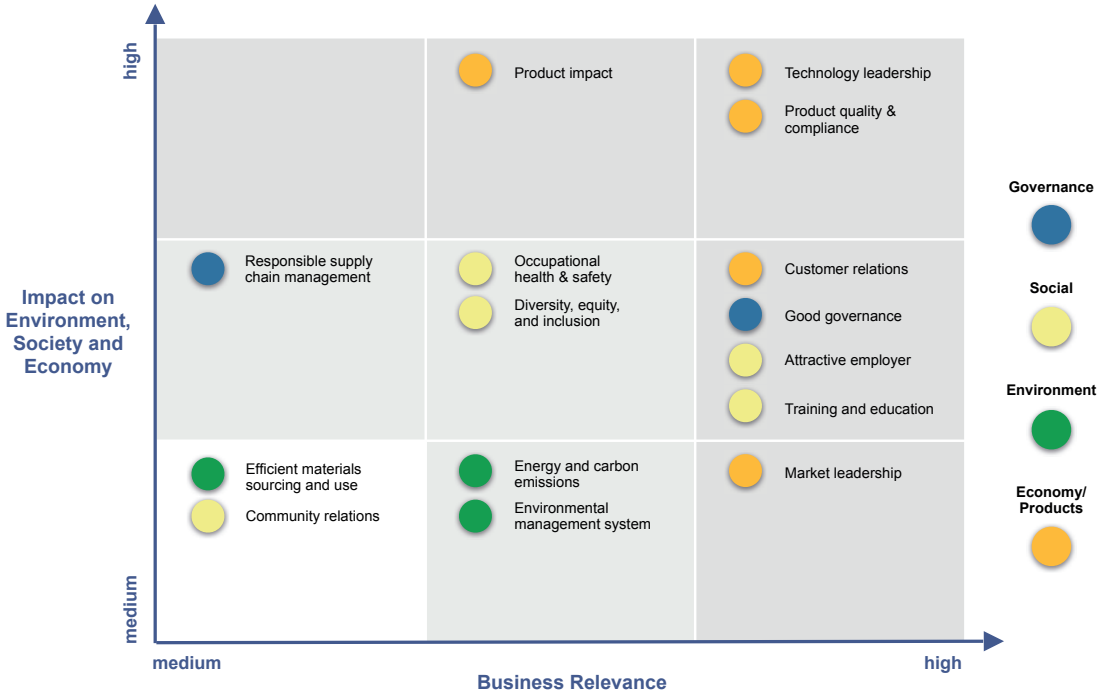
IDENTIFICATION OF MATERIAL TOPICS

For the 2023 sustainability report and report on non-financial matters, we have reviewed all the gathered information and available data and consecutively; we modified, updated, and further expanded the scope of this report.

At the start of this process, we have updated the materiality analysis in terms of a double materiality approach. We consider topics as material that are important to INFICON with regard to their business relevance, and/or have a significant economic, environmental, or social impact.

The materiality matrix on next page shows and prioritises the identified topics. The sustainability and non-financial report is structured according to these material topics into the categories Economy/Products, Governance, Environment, and Social.

Materiality matrix



STAKEHOLDER MANAGEMENT AND KEY STAKEHOLDER CONCERNS

Developing and maintaining good relationships with all stakeholders is key for long-term business success. INFICON regularly engages with its stakeholders in a broad and systematic variety of ways to understand their needs and to gain insights into changing market requirements, trends, and developments. Above all, day-to-day communications are the most important form of interaction. Daily contact with customers, suppliers, and business partners, as well as personal discussions among employees indicate what topics are relevant to the individual stakeholder groups.

Each organization identifies and prioritizes its stakeholders and their interests, discussion topics, and values by means of formal management reviews, SWOT analyses, or dedicated stakeholder analyses as part of our

ISO certified management system. Overall, INFICON defines stakeholders as entities that engage in economic transactions with the Company, or as entities affected by its actions. The Company’s key stakeholders are described below.

INFICON’s customers faced a demanding global business environment in 2023. In addition to the ongoing international trade, tax and industry policy disputes, the Russian aggression war on Ukraine, the war between Israel and Palestine caused sourcing bottlenecks for certain components and materials, and clogged or disrupted international trade routes.

INFICON interacts in many different formats with its global customer base to understand their high expectations. The tables below summarize the interaction formats and topics:

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Examples of engagement formats	Key needs and concerns
Daily interaction	Reliable customer service
Regular personal contact	Quality/good value products
Video conferences	Meeting the technical specs and requirements
Workshops/visits	Fast response times
Webinars, technical trainings	Reliable on-time delivery
Conferences, presentations, speaker opportunities	Health and safety impacts of products
Training and application videos	Explaining features and competitive advantages
Social media, newsletters, case study articles, emails	Providing general information, generating visibility online
Trade shows (virtual and physical)	Show and explain innovation and performance
Industry associations	Assess overall industry and technology trends
Completion of Responsible Business Alliance surveys at customer requests	

Understanding our customers' most pressing needs is a prerequisite for our business. INFICON experiences great customer loyalty and a rising demand for its products, technologies, and services. Our key account managers and technical staff frequently meet with customers. In fact, close to 10% of INFICON's staff are application engineers. They work daily with – and even more importantly so at – our customers, worldwide. This customer intimacy enables INFICON to team-up with its clients to research and develop the next generation of customer-oriented solutions.

Over the last couple of years, new electronic formats of customer engagement became more frequent. INFICON addresses the broader customer base at industry-specific tradeshows and conferences, on industry association panels, through webinars and technical training videos, as well as newsletter and e-mails. INFICON has also expanded its presence on various social media platforms. INFICON's new state-of-the-art multimedia studios allows us to create compelling videos to train our customers and to educate the public at large about the advantages of INFICON's technologically leading offering.

In our robust exhibition schedule in North America, Europe and Asia, we focus especially on delivering talks and presentations on topics relevant for today's market challenges. We participated also in a series of new industry trade shows e.g. focusing on the battery and car industry as well as food packaging.

At the same time, INFICON continues to advocate the electronic interaction formats in many occurrences as ecologic alternative for frequent travels. INFICON experts engage with their counterparts by frequent video conferences, virtual reality assisted tools, and social media. We also like to accept opportunities to present our array of products and services directly at customers and research institutions. During the reporting year 2023, INFICON was e.g. invited to present its offering at CERN, the European Organization for Nuclear Research, in Geneva/Switzerland, or at Global Foundries, Dresden/Germany.

INFICON's employees are a key asset to the Group. We want to be known as a reliable, fair, and caring employer keeping employees safe, highlighting job security at INFICON, and attracting and retaining talents as best as possible. INFICON intensified internal communication in the past years via different channels ranging from on-site staff gatherings, hybrid to virtual town-hall meetings, from sharing information on the intranet to more frequent newsletters, from job related training sessions to the INFICON identity workshops, and special topic meetings. Depending on the locations, e.g. town-hall meetings take mostly place monthly, in certain locations quarterly. As INFICON is expanding its global operations to accommodate future growth, hiring and especially on-boarding new staff and talents locally requires good communication skills and a high level of attention.

Examples of engagement formats	Key needs and concerns
Daily interaction	Health and safety
Regular staff meetings	Job security
Regular town-hall meetings	Flexible communications and information sharing
Intranet, newsletters	Business situation
Trainings	Onboarding, daily Workload
Employee representatives	Compensation, training and education

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INFICON's suppliers are key to our flexible manufacturing model. Shortages had occurred in the wake of the COVID-19 pandemic, the different national strategies to cope with it, and more recently because of the international trade, tax, and industrial policy disputes, the wars in the Ukraine and in the Middle East. The globally rapidly rising demand for semiconductor products, electronics and other key components created shortages on the supply markets. Continuous sourcing of certain components became very challenging, especially in Asia and China in particular. Well-established, mutually beneficial, reliable and resilient supplier relationships are vital, yet not sufficient. INFICON had to engage various brokers to safeguard its supply of certain components and materials.

INFICON's purchasing departments and quality specialists closely interacted on a day-to-day basis with key suppliers, focusing on securing the needed quantities and the correct quality of components at reasonable prices. The quality of the components we receive from our suppliers is a critical aspect of our overall INFICON product quality. To increase the reliability and consistency of the components we use in our products, we have instituted Quality Business Reviews (QBRs). These important QBRs are conducted every quarter to assure that quality is maintained. We conduct onsite audits bi-annually or more frequently, if required. We also offer specific trainings for supply partners at INFICON sites. We continue to emphasize on site or virtual supplier visits and audits, in order to keep the quality of the goods delivered to INFICON up as best as possible. Overall, INFICON has increased its inspections of incoming components in recent years, focuses on dual sourcing where possible, and continues to monitor the quality of goods sourced as the Group is globally ramping up its activities.

Examples of engagement formats	Key needs and concerns
Regular, daily interaction	Prices
Supplier visits	Required volumes
Supplier audits	Specifications
Quality and pricing meetings	Reliable on-time delivery
Forecasting systems	Volumes, capacity, planning

INFICON's local communities know the Company as a responsible corporate citizen and frequently contact us regarding topics such as sponsorship and support of local events or even political initiatives. Local communities and the public at large ask for more transparency in terms of environmental, social and governance data. Regulatory developments also rise the requirements regarding non-financial disclosures.

Examples of engagement formats	Key needs and concerns
Engagement projects	Sponsorship
Funding requests	Support with personnel
Open-door events	Other contributions and support

The international financial community is an important stakeholder group for a publicly listed Company. INFICON engages in a continuous dialogue with its investors and the financial community by means of its Annual Report, Interim Reports, its quarterly earnings releases, presentations and online conferences, its Annual General Meeting of Shareholders, Technology Days, as well as national and international roadshows, the attendance at financial conferences, and receiving visitors at its headquarters.

The investors and analysts are keen to understand how INFICON is generating value today and in the future. They want to learn about the product pipeline that continues to define the market benchmarks and thus secures the Company's long-term successful positioning. The financial community is specifically interested in visiting the Company on-site. Management has more frequently received analysts and investors e.g. at the Balzers (LIE) worksite – close to its headquarters – than in previous years. Investors and analysts want to understand INFICON's core technological competence in vacuum technology. Information on this topic is publicly available on the internet, highlighted in INFICON's reports and presentations, and addressed at the Technology Days that take place from time to time. A next Technology Day is planned for late 2024. INFICON management interacts on average with about 200 investors and analysts per year via various channels.

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Examples of engagement formats	Key needs and concerns
Financial reports and press releases	Growth
Annual report and Sustainability report	Profitability
Annual general meeting	Long-term success
Analyst conferences/ summits and calls	Product pipeline, development projects
Technology days (every four to five years)	End-market developments
Roadshows	Sustainability
Reversed-Roadshows	

International industry associations provide important interaction and discussion platforms for INFICON on a variety of topics including industry-specific compliance and conformity issues, products and process certifications and tax contributions.

INFICON is member of the following associations via its subsidiaries:

INFICON AG/Liechtenstein:

- American Vacuum Society (AVS)
- SAQ (Swiss Association for Quality)
- SEMI (Microelectronics industry association)
- Swiss-American chamber of commerce
- Swiss Association for Standardization (SNV)
- Swissmem
- Swissvacuum
- Vacuum Society

INFICON GmbH/Germany:

- BG ETEM
- Deutscher Kaffeeverband e.V.
- Deutsche Vakuum-Gesellschaft e.V.
- DIL – Deutsches Institut für Lebensmitteltechnik e.V.
- DIN – Deutsches Institut für Normung e.V.
- DLG – Deutsche Landwirtschafts-Gesellschaft e.V.
- IHK – Industrie- und Handelskammer zu Köln
- kölnmetall – Arbeitgeberverband
- SPECTARIS e.V. – Deutscher Industrieverband
- ZLV – Zentrum für Lebensmittel- und Verpackungstechnologie e.V.

INFICON Inc. /Syracuse (USA):

- AAFP (Arkansas Association, Food Protection)
- Air Conditioning, Heating & Refrigeration Institute (AHRI)
- American Public Gas Association
- Centerstate CEO
- Heating, Air Conditioning and Refrigeration International Distributors (HARDI)
- IAFP (International Association, Food Protection)
- Interior Climate Control Committee (ICCC)
- MACNY (Manufacturers Association of Central New York)
- MEMA – Vehicle Suppliers Association
- Mobile Air Conditioning Society (MACS)
- Manufacturing Leadership Council
- National Association of Manufacturers (NAM)
- National Coffee Association
- National Defense Industrial Association
- Packaging Machinery Manufacturers Institute
- Poultry Federation
- SWANA (Solid Waste Association of North America)
- Society of Automotive Engineers (SAE)
- Southern Gas Association
- Wisconsin Cheese Makers Association

Universities and Research Institutes are significant technology partners. INFICON is currently part of several research projects with leading universities, research institutes, and science partnerships located in the US and in Europe. To name a few, we are proud to be part of projects e.g. at CERN, the European Nuclear Research Center, at ITER, the most ambitious fusion energy projects in the world today, at ETH, the Swiss Federal Institute of Technology, or at NASA, the US Space Agency.

The cooperation with such bodies is an important source of novel expertise in new fields of research. The projects range from basic research to applied developments and industrial manufacturing, and cover areas from physics, chemistry into medical applications. INFICON also seeks to find new and refine core technologies for its vacuum technology components through the cooperation with those research institutes. The complexity of vacuum technology and its rapid technical and scientific development requires a permanent and close look at developments in the core and in neighboring and sometimes even rather distant disciplines such as

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optics and acoustics. We also co-develop new materials including ceramics, glasses, metal alloys, and innovative novel coatings that promise new properties beneficial for the performance and longevity of our customers' or our products, that open or require new vacuum technology procedures and applications. INFICON also cooperates with academic bodies to bring data analysis projects forward, as rapidly analyzed data are a key to next-generation innovations. On a regular basis, we also accept speaker opportunities to interact with the academic world and engage with the next generation of young engineers. We also mentor young scientist e.g. during their bachelor or master theses or in other scientific projects. Our close cooperation with universities and research institutes promotes INFICON's attractiveness as employer. Young experts get to know our products, our research and development capabilities, our technological leadership position. The close cooperation with these academic and applied scientific bodies helps INFICON to attract young talents.

INFICON'S BUSINESS MODEL

INFICON's strategy and business model anchor on our core competencies. We are (1) a technology company focusing on vacuum technology. We offer world-leading sensors, components and instruments as well as control and smart manufacturing software for a growing range of today's and tomorrow's key industries and applications. We want to be recognized as the (2) innovation partner of choice capable of delivering the smartest solutions for our customers' upcoming needs. And, last but not least, as a Company, we (3) develop, produce and sell our products and services using a flexible manufacturing model built around our own state-of-the-art manufacturing, R&D, and service units on the one side and our excellent supplier management and our customer centricity on the other.

At INFICON, we synergistically leverage our scientific expertise in the specific, yet broad and expanding field of vacuum technology into a growing range of applications and industries. Our R&D and manufacturing efforts are group-wide coordinated and managed in three competence centers. In Syracuse (USA) we focus on sensors and software. In Cologne (DE), the focal topic

is leak detection while the specialists for pressure management are located in Balzers (LIE). The Chapter on Market Leadership sheds some more light on our R&D, Sales & Service, and Innovation teams and their work.

With our combined know-how we serve four defined target markets: The biggest one being the global Semiconductor and Vacuum Coating market, followed by the General Vacuum Application market serving both industrial as well as academic customers. Our products and services are also key in the Refrigeration, Air Conditioning, and Automotive industries. Last but not least we serve the Security and Energy market. The contribution of the various target markets to INFICON's overall Group sales are discussed in more detail in the Letter to Shareholders and the Financial Report of this Annual Report.

While the backbone of our products and services in all these global markets is INFICON's mastery of vacuum technology, they are quite diverse. Common to all of them is the fact that these technology driven markets typically grow faster in the longer term than the worldwide GDP benefitting from global megatrends and growth drivers as shown on page 6. Our target markets follow at times different economic trends and business cycles in the shorter term. INFICON's broad market position makes the Company thus less prone to business cycles overall.

The complexity of the markets we serve also shows in INFICON's customer orientation. Cooperation, collaboration, co-creation are key in continuously bringing our offering to the next level of excellence. Many INFICON colleagues daily work with and even at our clients. At INFICON, we thoroughly understand our customers' most pressing needs. This approach has allowed us to secure top 1 or 2 position in the markets we serve. We are proud to be acknowledged as the trusted "must-go-to" innovation and solution partner to our customers.

INFICON's innovation, manufacturing, and production competence rests on the three above-mentioned, state-of-the-art equipped Centers of Competence, and seven smaller, specialized locations. Understanding the vital underlying aspects of vacuum technology, we develop and design solutions for the next generations of our

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customers' technology applications. Yet, we do not manufacture all components ourselves. In fact, INFICON's activity relies on a flexible manufacturing model and an excellently managed, international sourcing.

INFICON's has over 1,000 suppliers globally. The largest 20 make up for about 40% of INFICON's sourcing. Looking at the regional split of our suppliers, around 50% of INFICON's direct suppliers come from Europe and they cover with around 63% the majority of the sourcing volume. North American suppliers represent around 36% and the remainder is from Asia. The main sourcing categories are electronic, mechanical, or metalworking items, pumps and printed circuit boards. For more details please refer to chapter "Responsible supply chain management" on page 53.

The Covid-19 pandemic, the international trade, tax, and tariff disputes, and the ramifications of the war in the Ukraine and the Mideast conflict into the stable energy supply and international logistics have highlighted the major risks associated with INFICON's flexible production model. Securing the right amount of the right products in the correct quality has become a challenge. While INFICON has mostly been able to safeguard ongoing supplies, the seamless deliveries came at a price. Like many other companies, we had to engage independent supply brokers to search and secure urgently needed components for INFICON on the international sourcing markets.

We serve our markets directly with products bearing brands of the INFICON Group, and/or indirectly through private label products we produce for third parties. This approach guarantees on all markets and in all industries the most suitable customer proximity and the best and most responsive customer service. INFICON has sales and service centers all over the world, as shown on page 15 of this report.

Our clear technological focus on the growing realm of vacuum technology applications, our customer-oriented approach to innovation and development, INFICON's flexible manufacturing and sourcing model, as well as our direct and indirect sales efforts help us avoid and mitigate the effects of many risks associated with international business. This gives INFICON the leeway to devote full attention to unforeseen risks that inevitably occur in today's complex world.

We believe that INFICON's successful strategy and proven business model is a long-term and sustainable basis for mutually beneficial stakeholder relations as discussed further in this report.

ECONOMIC TOPICS

Technology leadership

Understanding and anticipating our customers' most pressing, emerging, and future needs, spurs and drives innovation. At INFICON, we understand industrial innovation as a multi-layered process ranging from continuous enhancements and optimization efforts for existing product categories, to screening, applying and leveraging the latest scientific discoveries into new use cases, products, and services. Innovation power and technology leadership as a result are firm foundations of our business model.

INFICON is an expert in developing market-leading instruments for gas analysis, measurement, and control. In many industries, our products are recognized as technology benchmarks. The high innovation pace allows INFICON to hold and expand its number 1 to 2 position in all target markets. During the reporting year, INFICON has launched a series of new and enhanced products. A summary of these innovations including photos and descriptions is shown on the pages 8–9 in this report. On page 5, we discuss our technological leadership positions in greater detail, highlighting how our expertise defines our offering for the various targets we serve.

Market leadership

INFICON's business model has proven to be strong for over 20 years. Our products and services allow us to generate solid cash flows to solidify and grow the business. INFICON is active and present in all world areas. We operate in very competitive target markets, where we hold leading positions, generally as one of the top-two global solution providers. See page 15 for an overview map showing INFICON's global presence.

INFICON covers the global target markets with three brands. We also manufacture and supply private label products for large industrial players. Please refer to pages 6–7 for an overview on INFICON's target markets. The goal is clear: INFICON wants to offer competent

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services, consultancy and training covering the full customer-buying circle. INFICON's global sales and service organization counts around 400 people, and includes functions in sales and marketing, application engineering, customer service, order management, logistics, as well as finance and administrative staff. Customers around the globe benefit locally and efficiently from a comprehensive range of installation, commissioning, calibrating, maintenance, repair, and device rental services. Important to note, well over 150 application engineers work most of the time directly at our key customers. They have access to their production facilities and really understand the customers' challenges and most pressing needs. This cooperation is an essential basis of INFICON's customer-oriented value creation.

To meet these expectations, INFICON has embarked on a comprehensive investment strategy in 2021. This 3-year program saw its completion in 2023. The initiative has added some 50% additional capacity Group-wide. INFICON has already identified the next opportunities for organic growth and plans to complement these expansion projects also by targeted technology acquisitions.

Global competition keeps the innovation pace high. INFICON strives to provide customers with the best available technology for their complex and rapidly evolving vacuum technology production processes and tools. INFICON devices guarantee maximum accuracy of measurement results. Our products and services help customers gain the best control and predictability of their processes and maximize productivity and yield while minimizing production time, material usage, scrap rate and labor and maximizing the product life cycle. Employing INFICON components and instruments leads to the overall lowest cost of ownership and best sustainability in the longer term. Group-wide, some 250 people are primarily devoting their work for our research and development work.

INFICON operates as a truly customer-oriented Company. We are keen on turning our customers' emerging needs into our own innovation targets. Through our close cooperation with Original Equipment Manufacturers (OEMs) and end-product manufacturers, we gain important information about both their needs as well as the needs of their customers, which in many instances are also our customers for end-user products.

On top of that, customers can rely on the INFICON's trained assistance from distributors and agents. We analyze customer feedback carefully. We collect spontaneously expressed responses. In addition, we sporadically distribute customer surveys in the various regions, for specific markets, or certain product categories to unveil otherwise unexpressed customer wishes and opinions. We also systematically monitor external and internal data such as customer complaints, product rejections, as well as insights from our own development efforts or quality assurance processes. On these grounds, we define measures and derive actions for our own processes to close the customer feedback loop full circle.

The proximity to our customers is an important source of innovation. Our sales and service staff learn about our customers' technical challenges help them develop new applications, and spur our own in-house innovation and developments. Customer proximity includes also the strategy to be geographically as close as possible to our customers. In 2023, INFICON moved physically again closer to customers in Asia:



Celebration ceremony for new production line in Shanghai Nov 2023

Vacuum gauge production line in Shanghai: On November 3rd, INFICON celebrated the opening of our new vacuum gauge production line at the factory in Shanghai, a strong sign of our commitment to our customers in the Chinese market. Together with international and local management, employees and partners, our CEO Oliver Wyrsh proudly inaugurated the new site.

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Guangzhou Application Center. China is a world leader in battery development and production. A close cooperation with China enables us to stay close to technological progress and to gain shares in this very important market. That is why INFICON has started to establish an Application Center in Guangzhou. At the beginning, the focus will be on leak-detection products related to the battery business. The official opening of the Guangzhou Application Center will be March 4, 2024.



Guangzhou (CN) Application Center

Sales, Service, and Production site in Malaysia. In 2023, INFICON took first steps to found and set up a new Sales, Service, and Production site in Malaysia. This new entity is also expected to open in 2024.

Customer Relations

Strongly connected to our customers, INFICON was formed and operates since as a truly customer-oriented Company. We are keen on turning our customers' emerging needs into our own innovation targets. Through our close cooperation with OEMs and end-product manufacturers, we gain important information about both their needs as well as the needs of their customers, which in many instances are also our customers for end-user products.

INFICON's global sales and service organization includes globally approximately 400 people. In addition to office staff, about half of them are highly skilled service and application engineers who are in constant dialogue with our customers. On top of that, customers can rely on the INFICON's trained assistance from distributors and agents. We analyze customer feedback carefully. We collect spontaneously expressed

responses. In addition, we sporadically distribute customer surveys in the various regions, for specific markets, or certain product categories to unveil otherwise unexpressed customer wishes and opinions.

We also systematically monitor external and internal data such as customer complaints, product rejections, as well as insights from our own development efforts or quality assurance processes. On these grounds, we define measures and derive actions for our own processes to close the customer feedback loop full circle.

The proximity to our customers is an important source of innovation. Our sales and service staff learn about our customers' technical challenges. Our aim is to develop new applications that address our customers' most pressing needs. The valuable customer feedback spurs our own in-house innovation and development processes. While our research and development efforts are congregated according to the Group's centers of technological competence, the outcome of INFICON's innovations process is then focused on the four target markets we serve. In each of these target markets, we serve various customer groups.

In the largest target market, **Semiconductor & Vacuum Coating**, we address two major customer groups: The first consists of semiconductor or thin-film coating end-users and their top-tier suppliers. They seek to optimize their manufacturing processes, maximize output yields, and run their operations as environment-friendly as possible. INFICON gas and vacuum instruments, sensors as well as process control and smart manufacturing software help semiconductor manufacturers ("fabs") optimize their production processes and increase the yield and quality of their wafer production. Our products and services also help fabs to monitor the storage, transport and usage of their often corrosive and even hazardous raw and process materials and are thus vital for the environmental protection efforts of our customers and contribute thus to the overall sustainability of the industry.

OEMs form a second large customer group in this market. We supply them with vacuum and thin film technology components, which they integrate into their semiconductor or vacuum coating production equipment and tools.

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In the **General Vacuum** market, we supply vacuum analysis, control, and measurement instruments to a broad array of customers. They include e.g. leading and innovative companies and organization in the life science and analytics industries, in the food packaging business, and the global research and academic community.

In the **Refrigeration, Air Conditioning, and Automotive** market, our customers specialize in cooling appliances and services. They focus on quality control, leak tightness of their products, and on leak detection when servicing the installed base of products. Leak tightness is also of paramount importance for many components in modern cars – from engines to fuel tanks and airbags, and an increased focus on leak-testing lithium-ion batteries, battery stacks, and fuel-cells. INFICON products support the change from combustion to electric or hydrogen powered vehicles. We have designed and developed leak-testing devices specifically for this rapidly growing market.

In the **Security & Energy** market, we supply public and private sector clients with devices to rapidly detect and analyze gases and volatile organic compounds. INFICON products help identify chemical agents and hazardous volatile compounds and thus increase the safety of people and the environment.

Product quality and compliance

INFICON wants to be recognized as the benchmark supplier of best-in-class products in its target markets. Superior product quality is of utmost importance for INFICON's long-term existence and growth. It has a profound impact on the ability to maintain and increase market shares by outperforming the competition. INFICON's quality principles apply both to design and manufacturing processes. They help reduce scrap and waste in our own production, reduce energy and raw material consumption in our customers' processes and applications, and extend the life cycle of their finished products. Thus, at INFICON, the notion of sustainability lies at the heart of our lean manufacturing and lean facility management efforts.

Compliance with all legal requirements ensures that no restricted materials of environmental concern enter production. This quality approach is a true differentiator and helps us position ourselves as number 1 to 2 in all target markets.

At INFICON, the design for manufacturability and the continuous improvements in production reduce scrap and ensure efficient material use of raw materials and components during all steps of production. Our compliance process ensures that replacement materials are developed and evaluated in order to eliminate raw materials, chemicals, or components of environmental concern. While there are no Group-wide targets, all locations have formulated individual goals for scrap in production and/or so-called cost of poor quality (COPQ) targets. Finding and eliminating the root cause for COPQ (scrap, waste, customer complaints, problems in production, sorting, rework etc.) is an important part of our quality management system.

On a corporate level, INFICON monitors and documents quality according to the ISO 9001:2015 requirements in a yearly Management Review. All ISO certified locations provide their respective information for a consolidated Group report. The final document contains over 200 pages and covers quality performance and indicators on many levels. An audit (ISO 9001 and 14001) conducted at INFICON Balzers (LIE) in November 2022 revealed no non-conformances. During 2023 INFICON Aaland (FI) passed an audit with very good results, too. There were no non-conformances, just some recommendations. INFICON Balzers (LIE) and INFICON Cologne (DE) passed their audits without any non-conformances.

Quality means producing results that meet the requirements for a defined purpose, ultimately generating permanent customer satisfaction. Quality is a key factor in determining our market position. Both our external and internal customers determine to what extent their requirements are met and therefore set the standard of the quality of our products and services. INFICON's quality principles are documented in our quality policy.

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They include the following elements:

1. Customer satisfaction and market knowledge are determining factors: Satisfying our customers' expectations is of primary importance to our success. Our strategic orientation builds on a thorough knowledge of the markets we serve.
2. Our employees are the key to our success: We foster teamwork and understanding of environmental issues and promote extensive communication in an attractive work environment. We provide adequate vocational and advanced training and professional development to highly motivated employees that are committed to our high quality goals.
3. Know-how ensures future success: To offer our customers innovative solutions, we constantly cultivate and enhance our know-how through active collaboration with our suppliers and future partners.
4. Quality is the result of managed processes: We constantly optimize our business processes in order to supply our customers with products and services that meet the agreed to quality standards. We comply with state-of-the-art methods and fulfill special customer requirements, e.g. CE/CC requirement (Copy Exactly / Change Control).
5. Comprehensive continuous improvement: We measure our performance with defined key metrics and take the required corrective measures.

INFICON monitors the success of its quality policy by the customer feedback given during quality audits performed on-site.

Products with economic, social and environmental impacts

Our innovation efforts and our strong product pipeline inherently guarantee for the Company's technological leadership, long-term growth and prosperity. At the same time, they make an important contribution to resource conservation at our customers' and help protect the environment and humankind. All our research, development, and innovation goals encompass ideas to inherently promote a positive social and environmental outcome.

Understanding how INFICON products help achieve economic, environmental and social goals is a very important aspect of the corporate purpose discussion. It helps promote the engagement and commitment of our employees and solidifies the positive reputation of INFICON in the public at large.

INFICON's flexible manufacturing model involves materials and components sourced from many different suppliers. We strive to use materials and components that minimize negative impacts on our environment. INFICON's products help reduce environmental impacts, prevent leakages etc., help customers reduce waste and increase yield.

Looking at key product categories, their positive effect can be described as follows:

- **Leak detectors** find even the most microscopic holes. Absolute tightness is often a prerequisite for the flawless and safe functioning of our customers products. Just think of diverse products and applications such as of e.g. airbags, gas pipelines, AC equipment, batteries and battery packs, and food packaging. Our leak detectors also spot harmful gases so they can rapidly be sealed off. In capital-intensive industries such as the manufacturing of semiconductors, employees must find and repair leaks very quickly.

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- **Vacuum gauges** control production processes and reduce waste and energy consumption. INFICON gauges offer superior accuracy and reliability in compact designs. Four different technologies cover the whole range of vacuum from ultra-high vacuum up to atmospheric pressure. The Pirani technology enables cost-effective measurement in the low and medium vacuum range. The Capacitance Diaphragm technology enables precise measurement in the low vacuum range, whereas the ultra- and high-vacuum ranges are covered by the Hot or Cold Ionization technologies. Each technology is available as a standalone sensor or combined with complementary measurement technologies.
- **Process control and Smart manufacturing software** helps semiconductor manufacturers optimize their processes, minimize waste, maximize output, and – at the same time – maximize the environment-friendly and most sustainable use of raw and process materials.
- **Gas analyzers/Chemical identification systems** generate contamination profiles needed to rapidly remove a hazardous risk or to contain valuable and often hazardous process gases. INFICON developed HAPSITE® ER person-portable Gas Chromatograph-Mass Spectrometer (GC/MS) to help responders quickly identify and accurately quantify a broad range of chemicals in unknown samples to provide actionable data, in order to protect the health and safety of themselves and others. The new HAPSITE CDT is taking the HAPSITE family to the next level with improved analytical capabilities and ease of use.

INFICON's vital contribution to the sustainability of our customers' manufacturing processes was highlighted in 2023 when TSMC recognized INFICON for their impact supporting TSMC's ESG performance. INFICON sensors and smart manufacturing software help semiconductor manufacturers around the world meet their production and ESG goals. Fabs use INFICON products to measure during process to ensure chip quality, optimize material and power consumption during critical steps like chamber cleans, reduce down time during preventative maintenance cycles, and monitor abatement systems to reduce greenhouse gas usage, driving reliable semi operations with maximum productivity and highest efficiency. Being recognized by TSMC,

reinforces the significant role INFICON solutions play in driving semiconductor manufacturing sustainability roadmaps.



TSMC Supplier Recognition for Production Support & ESG Collaboration

INFICON's commitment to innovation and market leadership was also recognized when INFICON Balzers (LIE) won a 2023 Swiss Manufacturing Award for Industry Excellence. This prestigious award, presented by the University of St. Gallen (HSG) in collaboration with ETH Zurich, recognizes the company's significant contribution to improving the industrial landscape of Switzerland and Liechtenstein. This recognition is a symbol of the company's commitment to maintaining and improving Swiss manufacturing standards on a global scale.



Employees of INFICON Balzers (LIE) with the HSG Manufacturing Award

Of 379 companies from 21 different industries and with 950 production locations, INFICON Balzers (LIE) has secured a top 5 position. This recognition reflects the company's commitment to excellence and innovation in a highly competitive environment. INFICON's Balzers site was honored for its achievements in Advanced

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Lean and Automation Techniques; Strategic Production Expansion; Focus on innovation and environmental friendliness; Strong supplier relationships; Increased quality standards, and impressive growth trajectory.

GOVERNANCE TOPICS

Good governance

INFICON has implemented high standards of Corporate Governance and business ethics. Separate chapters on Corporate Governance and on INFICON's compensation practices are included in this report and disclose further information in a systematic manner. Here, it is important to note that the Board of Directors and Group Management comprise different persons, that there is no overlap of offices, and no conflicts of interest. Corporate information continuously flows between Management and the Board supported by a solid information system. Employees, shareholders and the public at large regularly receive information about INFICON's business and financial performance.

Effective risk assessment is an integral part of INFICON's Group-wide enterprise risk management and is governed by policies reviewed by the Board of Directors. Early identification and professional management of these risks is fundamental to business success and increasingly includes also social and environmental risks. The permanent observation and control of the risks is a management objective, the effective risk management is a key factor in maintaining INFICON's value over the long term. Risks, threats and opportunities to specific business units as well as the Group are outlined and discussed during INFICON's Annual Strategy review with the Board of Directors. Besides other elements, the strategic review covers the critical topics like Market analysis, Major projects and initiatives, SWOT Analysis and key financial data. A risk management process at the Group level ensures that risks are continuously and consistently (i) identified, (ii) assessed, (iii) monitored, (iv) managed and (v) reported. Through the risk assessment procedures, risks are identified and their likelihood of occurrence and possible extent of impact is assessed. Further the impact levels, measures and actions as well as responsibilities are defined. Good governance at INFICON also implies high ethical and moral standards as set out in

the INFICON Business Ethics Policy. We expect compliance with these guiding principles in the daily work of any INFICON employee on all levels and in all functions. As a Company and corporate citizen, INFICON itself adheres to fair and good business practices in a broad sense. ESG criteria are part of the incentive system of Group Management. In 2023, the objectives for Group Management included qualitative targets, analysis and implementation of new regulations (local and global) as well as supporting various internal initiatives. We are also aware that a Company benefits from infrastructure and public services in the various jurisdictions where we are active. Therefore, good governance also includes fair tax practices.

Business ethics policy

INFICON's Business Ethics Policy defines the fundamental principles of ethical business behavior and the responsibilities of every employee and Company representative. A proper conduct includes compliance with the law, ordinances and regulations, as well as accounting principles and procedures. Compliance is instrumental as we strive to avoid any violation of the law or other regulations. In 2023, INFICON has closely monitored the various legal revisions made or planned in various jurisdictions to early adapt its processes to upcoming ESG reporting requirements. Compliant with the requirements in force, we have again expanded the scope and content of this report.

In addition to regular internal reviews, 2023 saw also external audits at various sites focusing on quality, financial performance, and/or IT systems and security. INFICON welcomed several customers on-site to conduct their own supplier reviews or more formalized Responsible Business Alliance surveys. All these meetings highlight the importance of our sound Business Ethics Policy and our commitment to comply with the law.

Human Rights are important to INFICON; as a company we want to be fully compliant with Human Rights. Our corporate culture promotes compliance with Human Rights and we define measures to support them. So, our corporate policies also forbid child or forced labor and stipulate honesty and integrity in personal behavior. As new laws came and come into force regarding child or forced labor, INFICON augmented its report accordingly.

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Our business ethics policy gives guidance for political contributions, gifts, fees and commissions. Our policy also covers topics such as conflict of interest and other potential misconduct. It provides employees with guidelines about how to behave in the international business environment, how to handle corporate and confidential information, it defines employment practices, as well as health and safety procedures. We seek to support diversity on all hierarchy levels. INFICON's Business Ethics Policy is publicly available online at <https://www.inficon.com/about-us/company/>.

Violations of the Code of Conduct must be reported promptly by the employee to his/her direct supervisor or, if necessary, to the audit committee of INFICON's Board (Dr. Reto Suter, In der Deisten 11, 8125 Zollikerberg, Switzerland, email: INFICON@whistleblowercontact.com). All information received from the employee will be treated confidentially to the greatest possible extent. During the reporting year 2023, there were no incidents reported by means of this channel.

All employees joining INFICON complete a special introduction and training session on business ethics at any of their respective Company site around the globe. Bi-annually, all employees participate in a refresher course and renew their commitment to our high standards by signature. This process is overseen by the local HR teams.

Anti-Corruption

Corruption is categorically rejected – there is no tolerance at INFICON. We have guidelines on the prevention of corruption. They are communicated to all employees; all employees are also regularly trained in this subject.

INFICON assesses every year if there were any reported breaches of compliance with the policy, any confirmed incidents of corruption, or any legal actions for anti-competitive behavior or any anti-trust issues. No incidents of corruption were reported for the year under review.

Responsible supply chain management

INFICON's supplier base is truly global and counts over 1,000 production material suppliers. The group of the 20 biggest ones, make up for about 41% of INFICON's sourcing. Looking at the regional split of our suppliers, Europe accounts for about 50% of the direct suppliers. Some 62% of the sourcing volume comes from Europe. North America accounts for about 36% of the suppliers and around 30% of the sourcing volume. So, most of the sourcing comes from areas where INFICON's major production sites are also located. Based on the geographic closeness, we share the same values and a mutually beneficial understanding of longer-term business relations. The proximity to our supplier base not only fosters close supplier relations but also minimizes risks associated with purchasing.

The predominance of Europe and America as the main sourcing regions obviously reflects the actual invoicing addresses of the tier 1 suppliers. It does not include their tier 2 and 3 contractors. The proportion of material and components originally manufactured in Asia is therefore certainly higher than the roughly 8% of direct sourcing volume suggest.

There is a certain but overall rather moderate risk associated with the Asian supply markets due to the dependency on international shipment and logistics on the one hand but also on the political developments in that area on the other. In addition the very high proportion of Western European suppliers (majority from Germany and Switzerland) mean that the general risk profile of the supply chain is relatively low.

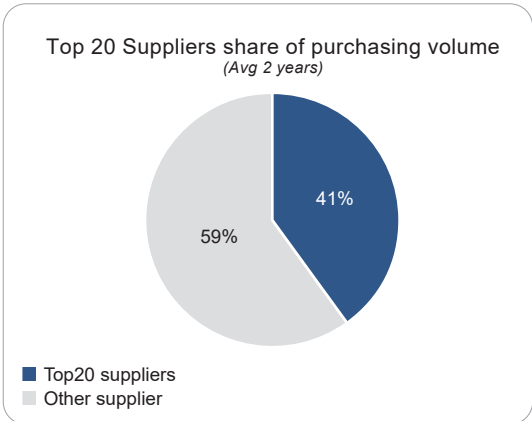
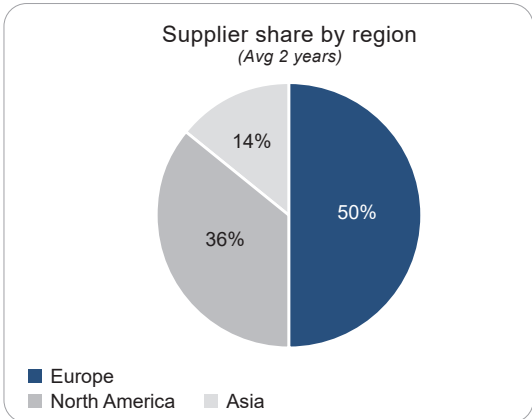
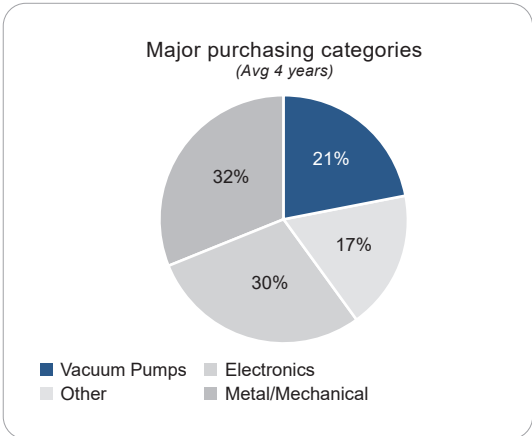
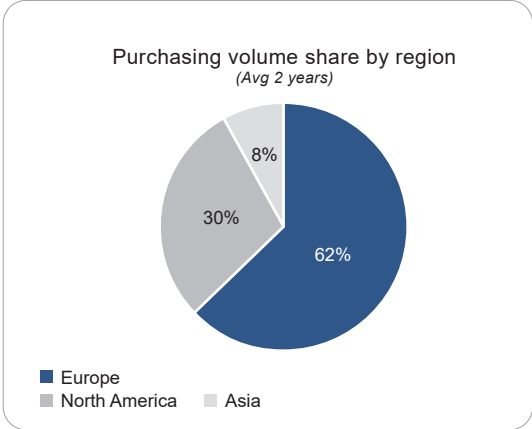
Looking at the sourced materials or items, 49% of INFICON's purchased input concerns electronic, mechanical, or metalworking items, while pumps account for 21%, and printed circuit boards for 11%.

The close cooperation with suppliers is the backbone of INFICON's flexible manufacturing model. INFICON therefore devotes a lot of attention to the careful selection, the ongoing management and continuous development of our suppliers. Selected key suppliers have e.g., signed an agreement outlining INFICON's expectations regarding requirements on the production change control process (CE/CC).

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In addition to many quality aspects, our discussions and assessments also include aspects with regard to environmental and social topics. Environment-friendly processing, compliance with environmental regulations, labor practices, and the fulfillment of occupational safety standards among our suppliers is of great importance to us and part of the supplier risk management approach. We also include vital elements such as the prevention of child or forced labor in our supplier contracts. Compliance with our business ethics policy is a standard topic at our regular supplier meetings. All of these elements are checked during supplier meetings and audits. As most of our supplier relations go back in time and build on a common long-term business perspective, INFICON liaises with its key suppliers regularly. Formal quality, technical, and legal meetings and audits are conducted at least once a year with major suppliers.

In the reporting year 2023, INFICON reviewed the due diligence obligations regarding child labor and conflict minerals and metals in accordance with the newly applicable Swiss law pursuant to Art. 964j et seq. CO. For the production sites in Europe and Liechtenstein in particular, it was determined that for the reporting year 2023 Inficon is exempt from the due diligence and reporting obligations regarding conflict minerals. The examination with regard to child labor concluded that there were no reasonable grounds to suspect child labor in the reporting year 2023 and that Inficon is exempt from the due diligence and reporting obligations regarding child labor for the reporting year 2023.



ENVIRONMENTAL TOPICS

Environmental management system

Environmental protection, safety and product stewardship are key priorities at INFICON as shown and discussed in various sections of this comprehensive Annual Report and especially the Sustainability report. Sustainability and environmental management are key components of our Company's DNA. INFICON engages in many efforts to reduce any negative impact of its business. These measures have often multiple effects – in terms of health and safety benefits for the employees, optimization of our own production processes, the minimization of environmental damage, and the quality, longevity, and recyclability of our products and services. Assessing, studying, and optimizing our environmental management system has brought us valuable insights on how INFICON can continuously optimize its environmental management.

All INFICON manufacturing sites adhere to ISO 14001:2015. According to this ISO release, all manufacturing locations are required to analyze their risks and opportunities with respect to environmental performance in a systematic way, to minimize their ecological risks, and to identify any corresponding need for action. The manufacturing facilities are themselves in charge of setting priorities and implementing the actions they deem necessary. The environmental managers at each location have created teams and programs to monitor, analyze and minimize energy consumption and other aspects detrimental to our carbon footprint.

INFICON Syracuse (USA) is a good example of how we promote these efforts: 2023 saw e.g. the formation of new ISO14001:2015 Committee to refresh Environmental Management System and introduce sustainable design tools in product engineering process.

Created in 2020, the "Green Team" in Syracuse (USA) focused in 2023 on a facility wide energy audit, the installation of occupancy and motion sensing sensors and switches to shut off lights automatically. At Syracuse (USA), the campus lawn is becoming a biologically more valuable territory to increase bird habitat, reduce heavy rainwater run-offs, reducing landscaping expenses. Currently, we are evaluation the use of engineered floating island reactors to promote the natural self-cleaning capacities of our ponds. We have also found out that the new aspect of the campus is more inspiring for employees during their breaks. Employee newsletters, a dedicated information and bookstand, an even art contest address sustainability issues on a regular basis.

To increase the visibility and importance of INFICON's sustainability efforts for all employees, we created special steering committees e.g. at the Syracuse (USA) factory. This body, led by a dedicated sustainability manager who serves as point of contact, sees to it that sustainability is incorporated into the local strategies. The manager makes sure measures are aligned with corporate goals, that teams are held accountable for progress in this area and that the momentum of the efforts is kept high, that all levels are directed onto a shared sustainability path. The team has started in 2022 to use a Kanban board to formalize, support and better visualize and prioritize the respective project management an initiatives. One of the key priorities in 2022 was the efficient data collection. We currently evaluate software to best connect to corporate data portals to support the compilation of environmental data. Internally, the importance of sustainability is highlighted by educational activities such as a new speaker series, the dissemination of internal media posts, and the creation of a confluence page to more easily disseminate information.

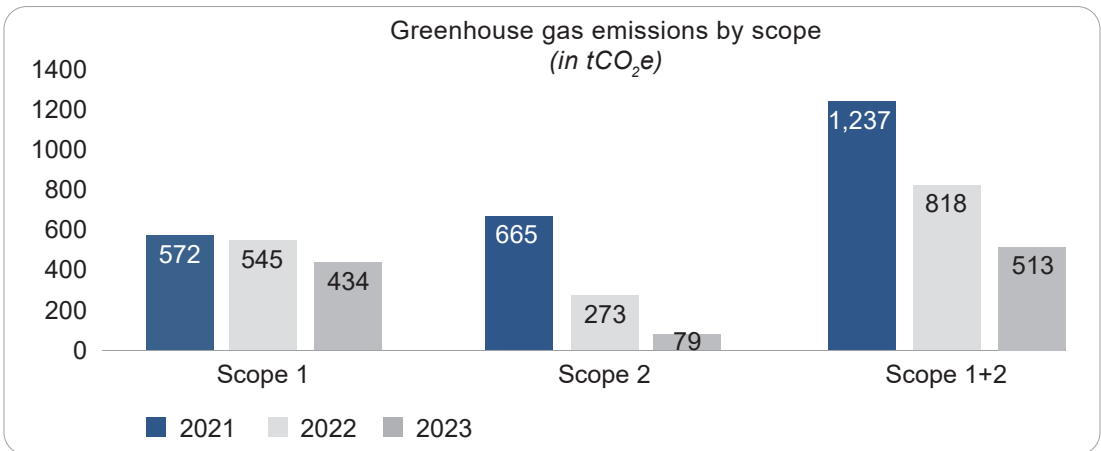
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All manufacturing facilities observe and comply with international and regional legislation, as well as guidelines. All suppliers have to sign quality and environmental agreements that they comply with all environmental laws. The Company observes the European Union's regulation on chemicals and their safe use (Registration, Evaluation, Authorization and Restriction of Chemicals-REACH). INFICON complies with the European Union's directive on the Restriction of Hazardous Substances (RoHS) addressing the use of certain hazardous substances in electrical and electronic equipment. We monitor the list substances of very high concern (SVHC Candidate List), and focus in the US on so-called conflict materials (CMRT, EMRT, TSCA). In addition, INFICON also observes the standards set out in the code of conduct of the Responsible Business Alliance (RBA) – a non-profit coalition of leading electronics companies dedicated to sustainability and improving corporate social responsibility. INFICON also completed a RBA audit in 2022 to keep abreast with the latest developments in this area. Moreover, the Company observes the UN Security Council Report S/2006/525 regarding "conflict minerals". INFICON has realized that there are more and more regulations to be observed and is aware of new emerging regulations and reporting. We are currently assessing of how to best tackle these challenges on a Group-wide level, rather than dealing with these issues on a site per site basis.

INFICON did not encounter any non-compliance with environmental laws in 2023.

Energy and carbon emissions

Given INFICON's business model and value chain, the operational carbon footprint (Scope 1 and 2) of INFICON is rather minor. Yet, fully understanding where INFICON as a company consumes energy and causes carbon emissions helps us strive for further improvements. Within our own boundaries, INFICON was repeatedly able to minimize its carbon footprint. We also want to investigate how we can further reduce our negative impact by carefully managing our supply chain and taking responsibility of the ongoing usage of our products and systems at our customers (Scope 3 domain). In both Scope 3 categories, a screening analysis was started in the reporting year. We are fully aware that a company's carbon footprint is an important topic in many shareholder relations ranging from existing to potential employees, suppliers, customers, investors and the public at large and insufficient engagement can result in reputational problems. We therefore want to be known as a company not only compliant with ESG norms, but as a company willing to go the extra mile.



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Since the first implementation of ISO 14001 as early as 1998, INFICON closely monitors and analyzes resource consumption and emissions. Our main environmental impacts and efforts relate to energy consumption and CO₂ emissions and we strive for in-house reductions of CO₂ emissions, a decrease in resource consumptions and a lowering of our ecological footprint.

	2021	2022	2023	Delta 2023– 2022
Total energy consumption in MWh	15,429	15,075	15,817	5%
Electricity	11,591	11,812	13,241	12%
of which certified green electricity	51%	81%	100%	
Natural gas ²	3,110	2,693	2,141	(21%)
District heating (wood chips)	729	570	435	(24%)
Energy consumption in MWh per employee	16.3	13.2	13.4	1%
Greenhouse gas emissions in tCO₂e³	1,237	818	513	(37%)
Scope 1: Natural gas ²	572	545	434	(20%)
Scope 2: Electricity & district heating ⁴	665	273	79	(71%)
Greenhouse gas emissions in tCO₂e per employee	1.3	0.7	0.4	(39%)
Biogenic CO ₂ emissions are reported outside of scopes	192	201	152	(24%)

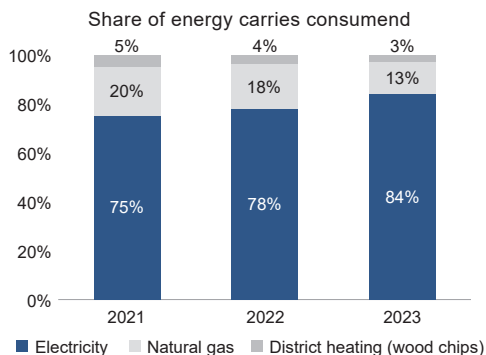
¹ The data covers our 4 largest sites: the 3 competence centers Balzers (LIE), Cologne (DE) and Syracuse (USA) as well our production site in Aaland (FI)

² In 2022 for our site Cologne (DE) only a partial consumption of natural gas was reported which is adjusted in this report.

³ Data is calculated on a market-based approach. For 2022 data Scope 2 marked-based calculations were adjusted due to more precise emission factors. For the location-based method Scope 2 emissions count 1,695t for 2023 and 1,562t for 2022. Emission factors are sourced from DEFRA 2023 and IEA 2023 and domestic electricity/district heat providers.

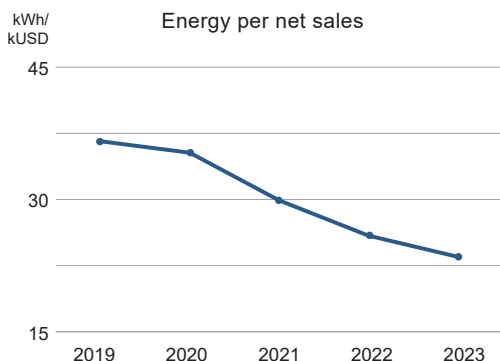
⁴ For district heating fueled by wood chips, Scope 2 emissions cover methane and nitrous oxide emissions not absorbed during growth. Biogenic CO₂ emissions are reported out of scopes and amounted to 152 tCO₂e for 2023 and 202 tCO₂e in 2022.

In 2023 the overall emission of greenhouse gases could again be lowered. After a reduction of 33% in the preceding year, 2023 saw a further reduction of 37%. INFICON was able to curtail its consumption of natural gas by 21% in the reporting year, resulting in 20% lower greenhouse gas emissions. The major contributors to this result were as follows: The measures taken to save energy for the heating and cooling of the Balzers (LIE) worksite now shows for a full year and resulted in literally zero greenhouse gas emissions from district heating. Another source of savings was the ventilation scheme at Cologne (DE) which was set back to pre-Covid-19 conditions. During the pandemic, 100% fresh outside air was pumped into the buildings. This had requested a higher proportion of cold air to be heated. As the standard ambient ventilation now only holds 35% of fresh outside air, this figure was largely reduced. We see these achievements as an incentive and stimulus to further minimize any negative impact of our economic activity as best as we can.



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As the data in the table shows, INFICON managed to limit its energy consumption to an increase of just 5% while growing its Group sales by almost 16%. We see this development as a great achievement, given the unprecedented growth registered literally at all locations.



The data covers our 4 largest sites: the 3 competence centers Balzers (LI), Cologne (DE) and Syracuse (USA) as well as our production site in Aaland (FI)

The graph above is another view and proof of INFICON's successful environmental management. Over the past five years, the energy consumption continuously went down in relation to net sales. A clear indication that the Group's operations have become more energy-efficient over time.

After much analysis and discussion, we have defined the following areas as important and highly relevant, and therefore as focus areas.

Green electricity: We have converted all major production sites to 100% certified green electricity. While the sites in Balzers (LIE), Aaland (FI) and Cologne (DE) were already converted in 2021, Syracuse (USA) has now followed suit and utilizes 100% certified green electricity.

In Finland, solar panels produce electricity on the roofs of our facilities.

Optimized Buildings, technical installations, premises: Our production and office buildings offer many interesting angles to promote sustainability, reduce energy consumption and emission of greenhouse gases.

INFICON AG, Balzers (LIE) installed a new HVAC system including an energy recovery system in 2022. Now fully operational for a full year, the system stood its test: INFICON needed no additional external heating anymore. With that a drastic reduction of energy usage was achieved. The consumption for heating and cooling went from 432,032 kWh in 2021 down to 204,606kWh in 2022 and now in 2023 down to zero. In addition, a new closed-loop cooling water concept for the laboratories and production shop floors resulted in a 87% lower water consumption.

Other actions and efficiency measures around the world

In the USA, too, sustainability is a key priority. In order to tackle the most promising and most urgent projects first, INFICON developed a 3-year environmental sustainability roadmap. Reducing food waste and composting unavoidable leftovers was such a project. At Syracuse (USA), some 5,000 pounds of food waste, leftovers and coffee grounds were composted.

At Syracuse (USA), the campus lawn is converted into a biologically more valuable habitat to increase bird habitat, reduce heavy rainwater run-offs, reducing landscaping expenses. INFICON collaborated with the State University of New York School of Environmental Forestry and their Senior Conservation Biology Capstone course to develop plans to naturalize the landscape around the East Syracuse (USA) facility. Students were invited to design plans that increased biodiversity and if possible minimized storm water run-off. We received about 20 plans. We then selected a few to proceed with.

At INFICON Aaland (FI), the rented workspace is currently being expanded by 2,000 m² of new production area. The new building is expected to be ready by the fourth quarter of 2024. The new building will include many initiatives to make it environmentally friendly. It includes i.e. charging stations for electric cars, e-bikes and of course ventilation and heating optimized for low energy consumption. Solar panels will be added to the new roofs as well. What is more, a closed loop cooling system for all buildings is reaching its completion and will soon considerably reduce water consumption.

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In addition to several smaller projects in the area of environmental protection and sustainability, INFICON Cologne (DE) is planning to install solar systems on the roofs of its buildings in 2024. These will be able to cover around 6% of annual consumption and we will be able to save around 40 tons of CO₂ with these installations.

Commuter traffic and business trips: Knowing that many issues cannot be tackled individually, INFICON AG, Balzers (LIE), has teamed up with other local industrial companies to highlight the need of a new train Swiss Railway train station close to Balzers (LIE). INFICON will cover some of the costs of the establishment of this new train stop at Trübbach/Fährhütte as this will allow commuters from the Swiss Rhine Valley to commute more comfortably to work by public transport. Regular bus service to Balzers will complement this public transport project.

To support this eco-friendly way to commute to work, INFICON installed a special charging station for bicycle or scooter batteries. Charging their batteries during work, colleagues can rapidly e-pedal or ride home after work. The parking facility for commuter cars is now supported and managed by means of a new software including the functionality to organize shared rides.

In the USA, we promote more environmental friendly ways to commute to work. INFICON colleagues now have access to a share-a-ride platform with other companies. The benefits are obvious: less people travel by themselves. This fosters a community feeling. More people can relax during the commute rather than focusing on the traffic behind the wheel. Fewer cars on the road reduces gasoline consumption.

At Syracuse (USA), 2023 saw the installation of further 10 charging ports for electric cars, expanding the overall ability to charge electric vehicles during working hours to 15 vehicles. We also installed a new bicycle shelter to encourage colleagues to ride their bikes to work.

Efficient materials sourcing and use

INFICON not only manufactures products that help our customers to optimize their own manufacturing processes, save resources and materials, and maximize output. INFICON's flexible manufacturing model involves materials and components sourced from many different suppliers. In our purchasing and manufacturing endeavors, we strive to find and use materials and components that minimize negative impacts on our environment in our own production processes and during their use at our customers. Designing new products or refining and enhancing existing instruments is generally done with environmental consequences in mind. We understand these efforts as a key contribution to INFICON's reputation as an environmentally conscientious corporation. Our developers think about ways to separate and recycle valuable materials at the end of a product's life cycle.

Often, waste is not only associated with the actual components or products sourced, but rather with packaging. In 2023, INFICON has thus drafted an Addendum to its Corporate Supplier Responsibility focusing on reducing packaging waste. This has resulted in a successful joint re-engineering project with a supplier to reduce plastic foam in packaging.

Obviously, we want to "walk the talk" ourselves: When it comes to shipping our products to our customers, INFICON in Syracuse (USA) has changed to biodegradable pallet overwraps. A bigger project included the standardization of product packaging over eight product lines with the aim to reduce packaging material. This effort resulted in using now a sling mechanism to protect our finished products during shipments rather than encapsulating them in plastic foam as before. This leads to a considerable reduction in the use of plastic foam in packaging at INFICON and to much less waste at our customers when they receive our products.

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Similar efforts were taken in Cologne (DE): A project supported by an external consultant looks at ways of packaging our products more sustainably for shipping. Tests are now in preparation to verify that the new packaging options will support the needs and guarantee safe shipment of our products. If successful, the project should save up to 90% of foam packaging. Another project looks at alternatives to replace single packaging of small items such as flanges and centering rings with blister boxes.

Waste

	2022	2023	Delta
Total waste in metric tons	296	345	17%
Waste diverted from disposal through recycling	138	205	48%
Waste directed to disposal	158	140	(11%)
Incineration with energy recovery	157	140	(11%)
Other disposal operations	0.3	0.3	7%

The data covers our 4 largest sites: the 3 competence centers Balzers (LI), Cologne (DE) and Syracuse (USA) as well as our production site in Aaland (FI)



The data for 2023 show an increase in the total amount of waste. This has to be seen against the backdrop of the massive renovation, remodeling and expansion program INFICON had concluded in 2023. The new machines and equipment installed at the various sites, obviously arrived with a fair amount of packaging. The installation work then also created additional waste. Last but not least, the higher production output requested an increased amount of materials and components sourced from outside.

SOCIAL TOPICS

INFICON – an attractive employer

INFICON is active in a highly competitive marketplace. In our quest for talents, we compete not only with often much larger corporations but also with universities, research laboratories and scientific institutions. Our success relies on attracting, developing, empowering, and retaining the most talented employees. Smart colleagues drive innovation and product excellence.

With our recently launched people initiatives the focus lies on two main objectives – Culture and People Development. This initiative will build on the positioning statement, the identity and the behavior anchors that we launched in recent years. It aims to build on the existing strong cultural foundation including also components from the past program I3C – Care, Commit, and Change.

Identity statement



During 2023 we have set up the initiative and ran a large number of workshops across the organization. All organizations are involved over a 2–3 year plan. Next to strengthening the identity and the behavior anchors further we are rolling out a global program for typology work-shops for which we have internal certified coaches and work on strengthening core concepts such as ownership, self-management, entrepreneurship, relationship and team building. In an internal process we have selected “oneINFICON” as the name of our cultural journey.

Being recognized as an attractive, modern, and fair, ESG conscientious employer where people at all levels are motivated and happy to work, helps INFICON attract, recruit and retain the best suited talents. While INFICON does not run a formal employer branding policy, the attractiveness of INFICON positions is well known in the industry. We discuss these topics with all job applicants and supporting employment agencies. Apart from competitive payment, we offer all our workers attractive performance-based financial benefits. We also recognize, that our sustainability efforts are

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enablers that supports and allows us to execute the strategic initiatives and growth plans. The personal goals for INFICON's top management include certain sustainability targets such as e.g. to support efforts expanding the scope of ESG information, facilitate non-financial data gathering, promote our commitment to be sustainable as a company, or define further KPIs.

Our colleagues welcome INFICON's flexible working hours and work patterns, our canteens where staff of all levels meet and mingle, attractive lifelong learning and development programs, and many after-work social activities that often include the families of our colleagues.

Social activities take place regularly at all locations. They include e.g. barbecue or summer festivals, family days, Christmas and year-end parties, planned and spontaneous get-togethers to celebrate success and pre-defined milestones, Company outings. These events also take local customs and workforce preferences into account (as e.g., skiing days in Switzerland and Liechtenstein or jointly visiting the Carnival at Cologne (DE) with international participation; moon festival or Lunar New Year celebrations in Asia, mid-summer parties in Scandinavia, St. Patrick's day or Halloween in the USA). Apart from these instances, regular management updates at every INFICON site create a shared culture that fosters identification, team spirit, creative cooperation, and intercultural inclusion.

A comprehensive HR program structures INFICON's dialogue with its staff and workforce. Every new colleague receives a formal introduction to the Group and the respective site on his or her first day. HR continues to be in regular contact with all employees supported by numerous programs rolled out across the whole Group. These include courses on our Company values and business ethics, professional health and safety training, the pillars of personal health (body, spirit, and soul), INFICON's value-based approach to corporate governance, leadership, and motivation.

Every colleague annually discusses his or her performance and achievements, satisfaction, motivation, personal development goals as well as communication aspects at work with their immediate managers in

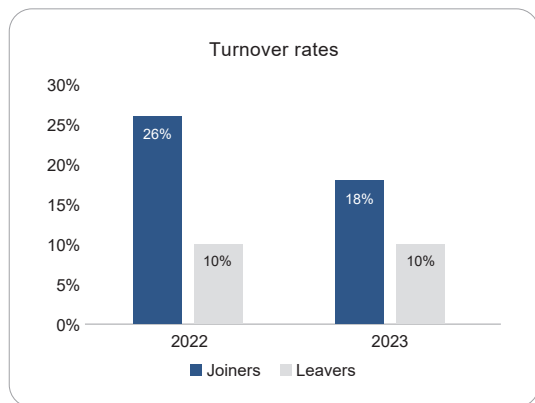
a structured appraisal dialogue. At Balzers (LIE) and Cologne (DE), everyone prepares individually for these annual discussions. At Balzers, so-called energizing talks complement this process mid-year. The Human Resources departments oversee this process and assess the long-term success with key performance indicators such as employee satisfaction, loyalty, and fluctuation, as well as participation in the various ongoing training, workshops, and development programs.

Even in these challenging times, INFICON managed to fill openings in its staff in reasonably short times. The HR teams also conducted farewell interviews when colleagues retired or chose to continue their careers outside of INFICON to systematically collect feedback on INFICON as an employer.

Fluctuation

All numbers in Headcount	2022	2023
Employee turnover	288	217
Joiners in Headcount	117	127
Leavers in Headcount	26%	18%
Joiner Rate	10%	10%

*The data covers our 4 largest sites: the 3 competence centers Balzers (LIE), Cologne (DE) and Syracuse (USA) as well as our production site in Aaland (FI)
Rates are calculated by dividing the total number of joiners/leavers by the total number of employees in the respective year.*



Diversity, equity, and inclusion

INFICON's long-term success as a high-tech Company active in a competitive marketplace relies on its competent staff. We are therefore always looking for the best available person for any job opening and seek to create the right mix of people, technical capabilities, and human competence across our Group. INFICON's employment policies and procedures provide for equal opportunity, pay, and fairness in employment decisions. They comply with the respective laws in the various jurisdictions where our major worksites are located. In this way, we also aim to reduce interpersonal conflicts, which are detrimental to the corporate culture and employee motivation and, last but not least, also harbor the risk of legal disputes, and a negatively impacted reputation e.g. as a supplier. In Balzers (LIE) we pay standard market salaries and regularly compare these with companies in the region. This is based on function, training, experience and market wages. Regularly means that we take part in the Swissmem salary comparison every year. This comparison allows us to check whether equal pay is guaranteed for the same job and function.

The extract from employment regulations from Balzers (LIE) states that "Equality between women and men: INFICON ensures that there is no gender-specific discrimination, particularly with regard to employment, allocation of tasks, organization of working conditions, remuneration, training and further training, promotion and dismissal".

INFICON's workforce is very diverse in terms of nationalities: our employees working at our Balzers (LIE) location come from 13 different nationalities. Also, at the other major production sites in Cologne (DE) and Syracuse (USA), our colleagues have widespread national backgrounds. We do not discriminate based on race, color, ancestry, place of origin, religious belief, physical or mental disability, age, gender, sexual orientation, marital status, family status or source of income, and we take steps to comply with all applicable affirmative action legislation. Since 2021, INFICON job offers explicitly invite diverse, female, and male applicants.



Diversity Equity Inclusion

The societal narrative of the past few years has raised the awareness for additional aspects of diversity. At INFICON, we are convinced that we perform better, are more innovative, and even minimize risks, if and as we welcome and actively bring together people with all sorts of backgrounds and personal orientation. We also believe that as a company we can thus make a difference for our colleagues, hosting communities, and the society at large. In 2023, we thus put a special focus on Diversity, Inclusion, and Equity.

The Diversity, Equity, and Inclusion (DEI) Committee seeks to assist management and employees in creating a welcoming, supportive workplace for all our employees. In 2023, the Committee introduced our Diversity of Thought (DoT) Model as a guiding principle of our efforts, which values diverse perspectives, ideas, and opinions within the organization. This model encourages the inclusion of individuals with different backgrounds, experiences, and viewpoints, and supports our belief that the best decisions are made when a variety of viewpoints are considered. By fostering a culture of open-mindedness and inclusivity, we hope to benefit from a wider range of creative solutions, better decision-making, and a more innovative and adaptable environment. We feel this approach is crucial not just to live the INFICON values, but to remain a leading-edge innovator with our customers.

Our committee's other 2023 accomplishments include the release of our 2026 Target State and the development of the organization's growth plans to implement the DoT Model across the organization; establishing All-Gender, Single-Use Bathroom Spaces; and creating dedicated Expectant Mother parking spaces. We use these efforts to live our DEI values day-to-day.

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We also endeavor to ensure that all employees are treated fairly in all aspects of the employment relationship, including performance appraisals, compensation, opportunities for advancement, and disciplinary matters. While INFICON supports a gender diverse personnel policy, the nature of our technology driven business may serve as a reason why the workforce, the Executive Management, and the Board of Directors consist of more men than women. The age split shows that all age groups are well represented in INFICON's workforce, more evenly spread on a staff level, while Management and Board have higher average ages.

INFICON Aaland (FI) supported the local government in 2023 and welcomed an apprentice with disabilities to work in the factory for two days a week. This is part of a program to rehabilitate people with disabilities so they can get a job. This was a valuable experience for everyone.

Occupational health and safety

The safety and well-being of our staff is very important to INFICON. We want to be known as a company offering safe, ergonomically optimized, inspiring jobs that foster a harmonious work spirit. In doing so, we not only minimize job related risks in terms of health and safety, but we also make a positive contribution to the well-being of our workforce and their families at large. By investing in the health of our employees, we ensure that our operations run smoothly. At the same time, we minimize the risks of productivity losses and disruptions, potential costs from litigation, penalties, or fines. Very important to us, we want to be seen and known as an attractive employer. A positive reputation is important to safeguard future growth opportunities.

The Business Ethics Policy declares personal health and safety of all employees a top priority. We have adopted policies and procedures to ensure that we meet and exceed all applicable health and safety laws and regulations as well as prevailing industry standards. We track all these measures by key performance indicators on incidents, accidents, absenteeism. We evaluate feedback from our human resource departments, our workforce, and from our insurance companies.

A regularly reviewed training program ensures implementation of all safety policies and procedures. Training topics range from general safety at work courses, specific instructions for special jobs or equipment and sessions on how to adjust one's workstation ergonomically, to firefighting courses, lessons on applicable chemical laws, and teachings on how to correctly handle critical chemicals, to name a few examples. Regular escape, rescue and evacuation drills familiarize the employees with the facilities at the various works sites. Training of occupational health and safety related topics is e.g. part of the onboarding program for every new colleague.

At INFICON's Syracuse (USA) plant all employees are trained in work safety, health, and work-place ergonomics. Various hygienic measures put in place to fight the COVID-19 pandemic remain in place: Masks and hand-sanitizing gels are still widely available on the premises.

As in prior years, INFICON put up an on-site flu shot clinic in October 2023 as a service for all employees.

At INFICON in Balzers (LIE), hand-sanitizing gel is still available at the entrances and we promote social health measures such as sneezing etiquette, a strict if-sick-stay-at-home policy and cautiousness in any physical contact. All production equipment is CE compliant. Identification and assessment of risks is done with the help of SUVA (Swiss work accident insurance) guidelines/checklists or external experts if appropriate. In 2023, a special focus was the replacement of office furniture with ergonomically adjustable workstations.

At INFICON, employees and workers are involved in the development, implementation and evaluation of the occupational health and safety management system. Everybody should report any relevant EHS findings, incidents, accidents or potential risks to their supervisors or a dedicated safety officer and all employees are invited to make suggestions. The work sites have clearly structured reporting schemes. At Cologne (DE), any injury and accident is brought to the attention of the Human Resources Department using a special form. In the case of work/ travel accidents with a lost time of more than three working days, it is also reported to the Employer's Liability Insurance Association. If an accident occurs, the nature and scope of occupational

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health and safety compliance are investigated. If necessary, experts help to clarify the situation, reassess risks and implement corrective measures. Syracuse (USA) has a reporting ticket system; an incident is flagged to the EHS manager who then follows up with employees, supervisors, and witnesses to determine the root cause and possible risk mitigation steps. In Balzers (LIE), an accident report form supports the notification process to the HR department. In addition, all accidents and near accidents are brought to the attention of the safety officer for a root cause analysis and for the implementation of corrective/preventive actions as appropriate with the help of SUVA checklists.

On a more personal level, INFICON Balzers (LIE) supports already for years programs such as the cycle to work initiative. 75 colleagues participated in 2023, cycling jointly on 1,482 days a total of 24,291 km saving the equivalent of 4,285 kg of CO₂ emissions. We offer free yoga sessions twice a week, and encourage workers to join jogging or walking groups, or participate in local employee runs. INFICON supports a corporate soccer team – the IFCN Kickers – who compete with other corporate football teams in a local championship. They offer freshly cooked food for lunch that is partly paid for by the Company. INFICON offers fresh fruits free of charge and invites people to drink enough water at fresh water dispensers available all over the facilities. We handed personalized drinking bottles out all colleagues to promote this effort and to reduce the waste caused by disposable drinking cups. For each drinking bottle handed out to our employees, INFICON Balzers (LIE) donated in total CHF 5,000 for charitable purposes. Colleagues who prefer hot beverages can get boiling water for free. Our safety manual also calls to take the necessary measures to prevent home and leisure accidents (e.g. warm-up).

At INFICON Cologne (DE), the use of bottled drinking water was drastically lowered by water dispensers located throughout the premises. Free organic fruit as well as allowances for sport clubs and other ways to promote a healthy lifestyle complement the efforts.

INFICON Aaland (FI) supports a “no smoking” project to encourage and support colleagues wanting to quit smoking. In addition, a local health team meets monthly to discuss ways of supporting a healthy lifestyle. All employees get some financial support to join local sports clubs, gym memberships, or equivalent. Another outcome of these meetings is the participation for 2024 at local health and sustainability days.

At INFICON Syracuse (USA), the workforce participated eagerly in corporate sporting events of all sorts, including a mid-winter fitness challenge, regular yoga sessions, or the Syracuse (USA) workforce run. This community-wide 5K event benefits a local charity. The 2023 beneficiary of the run's success was AccessCNY, an organization that offers person-centered services that empower individuals of all ages and abilities to reach their full potential as part of our shared community.

INFICON workers regularly meet in organized corporate groups.

Occupational health and safety

	2022	2023
Accidents resulting in at least one lost work day	7	6
Lost work days	17	48
Accident Frequency Rate (AFR)	0.9	0.7
Accident Severity Rate (ASR)	2.1	5.7

The data covers our 4 largest sites: the 3 competence centers Balzers (LIE), Cologne (DE) and Syracuse (USA) as well as our production site in Aaland (FI). Rates are calculated by dividing accidents/lost work days and are per 200,000 working hours.

Reported figures from all worksites suggest that INFICON colleagues stayed healthy during the reporting year.

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Ongoing education and training

INFICON sees itself as a learning organization. It therefore offers ongoing training for all employees to empower everyone with the required knowledge and skills to optimally fulfil their current responsibilities and perform in their respective jobs. We also want to inspire our colleagues so they internally apply for opportunities for new or different jobs. These are e.g. jobs with more responsibilities or jobs where they can better contribute to the overall success, performance, and innovation power of the Group with their accumulated and continuously broadened education and training. Fostering an atmosphere where our staff realizes how their contribution is appreciated builds trust, resilience, and commitment. Investing into ongoing education and training is therefore well worthwhile. This is even true, if an employee at some stage in his or her career decides to seek opportunities outside of INFICON, as they will continue to be ambassadors for INFICON on the global job market.

The trainings offered respond both to the needs of the individuals as well as the requirements of the market and the Company as a whole. They unleash the employees' potential, creativity, and motivation to secure, stimulate and transfer expertise and knowledge. At INFICON Balzers (LIE), employees are e.g. offered English lessons with the aim to train our colleagues to take Cambridge Exams at various levels. INFICON Syracuse (USA) offers German-language classes through a local teacher.

Data from our locations in Balzers (LIE), Cologne (DE) and Syracuse (USA) as well as our manufacturing site in Aaland (FI) show that in 2023, the average hours of training per employee increased again and reached a level of 9.4 hours.

Composition of workforce

All numbers in	2022	Share	2023	Share
Headcount				
Employees (excl. apprentices, interns, trainees, externals)	1,091	97%	1,181	96%
Apprentices, interns, trainees, externals	31	3%	43	4%

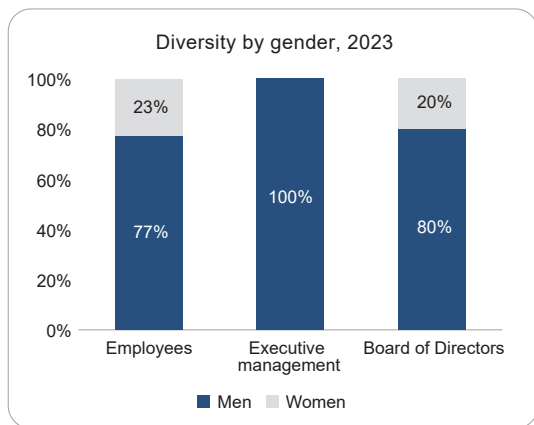
Employees by employment contract (excl. apprentices, interns, trainees, externals)

Permanent	1,056	97%	1,131	96%
Fixed-term	35	3%	50	4%

Employees by employment type (excl. apprentices, interns, trainees, externals)

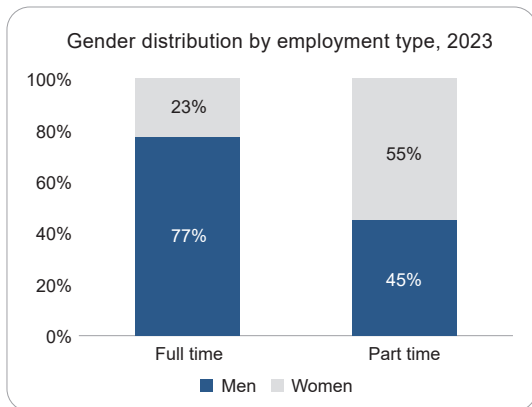
Full time	1,034	95%	1,120	95%
Part time	57	5%	61	5%

The data covers our 4 largest sites: the 3 competence centers Balzers (LIE), Cologne (DE) and Syracuse (USA) as well as our production site in Aaland (FI)

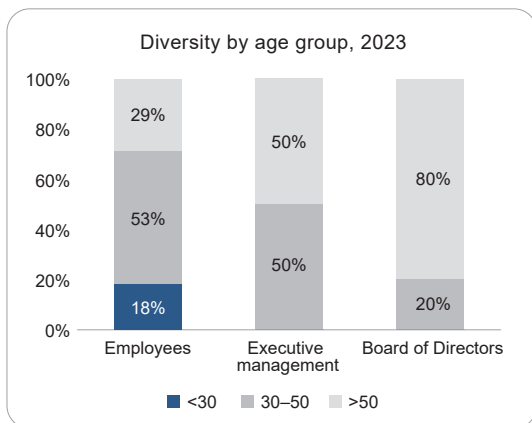


The data covers our 4 largest sites: the 3 competence centers Balzers (LIE), Cologne (DE) and Syracuse (USA) as well as our production site in Aaland (FI)

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Excl. apprentices, interns, trainees, externals



The data covers our 4 largest sites: the 3 competence centers Balzers (LIE), Cologne (DE) and Syracuse (USA) as well as our production site in Aaland (FI)

Community relations

INFICON cares for its employees not only when they are at work. We understand that our colleagues are part of their communities and the society. By means of our workforce and directly as a corporate citizen, INFICON is part of these communities, too. We strive for good relations with our hosting communities, our direct neighbors, the educational systems, and many other kinds of networks relevant for our staff and for us as a Company. INFICON thus supports many local activities where our colleagues eagerly participate. It makes us proud to be recognized as an active, caring, responsible and thus attractive employer and partner to society.

Besides our commitment to the training of young colleagues and the ongoing education of our own workforce, we host e.g., in the Principality of Liechtenstein, special out-of-school weeks for students. We welcome a whole class for one week in a special business-oriented course where the students familiarize themselves with economy, business, and management. Students of the local university of applied sciences were also given a tour through our production followed by a Q&A session with management. We also support special initiatives to promote technical vocational training and science-oriented jobs for young adults, hold so-called future days when kids can accompany their parents or relatives to learn more about their work. In addition, INFICON sponsors the work on a bachelor thesis at a local university of applied sciences in southeastern Switzerland.

INFICON Cologne (DE) yearly welcomes girls aged 12 to 14 to give them more insight into technical and scientific job opportunities. Internships for pupils and students as well as the cooperation with various agencies that run such programs or help students to find part-time employment during their study years complement this initiative.

In the USA, INFICON supports not-for-profit organizations that are dear and important to our employees and the local community. A voluntary team of eight employees forms a Council that manages the corporate budget for charitable contributions. This involvement provides opportunities for INFICON colleagues to do voluntary work with the Samaritan Center, the Salvation Army, the Humane Association and others, or to participate individually in charity funding walks, runs, or bike-a-thons. A special focus of INFICON Syracuse (USA) lies on the next generation: We support Onondaga Community College (OCC). OCC offers degree programs in electrical technology, electromechanical technology, mechanical technology, and other certificates that graduate potential candidates for our workforce. We also frequently host high school students from the Syracuse (USA) school district in our facility to give them an overview of how STEM (science, technology, engineering and mathematics) learning can turn into career opportunities. We also contribute to the MACNY (MACNY – The Manufacturers Association of Central New York) collegiate sponsorships.

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In Finland, INFICON is a member of the local sustainability community called “Bärkraft”. This entity was founded by the local government. We attend meetings every other month to discuss and promote local sustainability matters together with government and other local companies, understanding that some issues should be tackled not alone but together. (www.barkraft.ax)

The INFICON Management team discusses the Company’s DNA and INFICON’s identity statement at meetings and workshops at all sites and at various management and employee levels to promote a shared understanding. We remind our colleagues about the essentials of this initiative on posters, behavioral anchors, personalized pins and notebooks. Our identity statement forms an integral part of the yearly employee surveys. Our identity statement focusses on authentic, simple, individual, and future oriented ambitions.

- **Create:** We enable visionary technologies for tomorrow
- **Live:** We live performance, joy and individual growth
- **Care:** We make our world safer and better

OUTLOOK AND GOALS

Our goal and outlook for the coming years is to focus on the following areas:

- Concrete plans for further improvements in production buildings are developed and analyzed as part of the strategy development process, then continuously discussed in the review and budget process and brought to a conclusion (e.g. energy recovery, geothermal and solar energy, thermal insulation).
- Scope 3 Emission screening: Understanding, testing feasibility and implementation, and screening of indirect greenhouse gas emissions in the value chain.
- Circularity in Production/Products: Pilot circularity initiatives in production and products, with one pilot project serving as a testing ground.

- **Team Health:**
Prioritize the health and well-being of teams, ensuring a positive and sustainable working environment.
- **Diversity and Inclusion:**
Champion diversity and inclusion initiatives to create a more equitable and innovative workplace.
- **Technology Leadership:**
Foster technology leadership through continuous innovation and pivot experiments.
- **Bottom-Up and Local Initiatives**
 - Foster change through bottom-up and local initiatives, empowering teams to take ownership. Encourage innovation and adaptation based on regional needs and contexts.
 - Globalize sustainability education efforts.
 - Define global on-boarding training and seminars that include INFICON’s sustainability goals & principles.
- Closely follow the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for Swiss companies and the EU taxonomy regulations. We will follow and watch the various regional and local developments and requirements examine their implementation and, if necessary, address them step-by-step.

To support these goals, the individual targets of the Group Management for 2024 also contain elements of the sustainability ambitions described above.

To strengthen its sustainability approach, the Board had defined a dedicated representative for ESG and sustainability matters. In 2023, a formal Sustainability Council was established. It is led by Lukas Winkler, Board member, as Chairperson; Reto Suter, Board member, and Matthias Tröndle, CFO, complement this group. The council will define a roadmap, reviews targets, studies the regulatory developments in the ESG area and supports the Audit Committee in non-financial reporting.

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REFERENCE TABLE FOR ART. 964B SWISS CODE OF OBLIGATIONS

The table below shows which material topics cover the required elements of non-financial reporting in accordance with the requirements of Art. 964b of the Swiss Code of Obligations. The signature of the Board of Directors (p. 68) confirms its approval of the sections of the report listed below. Also the vote of the General Meeting to approve the report on non-financial matters pursuant to Art. 964c of the Swiss Code of Obligations in the form of a note is limited to the content of these sections.

Requirements of Art. 964b CO	Referenced chapters in the non-financial report	Page
General information		
Business model	INFICON's Business Model	45
Identification of material non-financial matters	Identification of material topics	40
Non-financial matters		
Environmental matters	Environmental management system	55
	Energy and carbon emissions	56
	Efficient materials sourcing and use	59
Social issues	Community relations	66
Employee-related issues	INFICON – an attractive employer	60
	Diversity, equity, and inclusion	62
	Occupational health and safety	63
	Ongoing education and training	65
Respect for human rights	Good governance	52
	Responsible supply chain management	53
Combating corruption	Good governance	52

For the Board of Directors:



Dr. Beat L. Lüthi
Chairman of the Board of Directors



Dr. Reto Suter
Chairman of the Audit Committee

March 4, 2024



INFICON has reported in accordance with the GRI Standards for the period from 01 January 2023 to 31 December 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standard(s)	None

General Disclosures

GRI Standard	Disclosure	Location/Information	Omission
GRI 2: General Disclosures 2021	2-1 Organizational Details	18	
	2-2 Entities included in the organization's sustainability reporting	80	
	2-3 Reporting period, frequency and contact point	Fiscal year 2023, annually Contact: Matthias Tröndle, Vice President and CFO INFICON HOLDING AG, Hintergasse 15 B CH-7310 Bad Ragaz, Switzerland Tel. +41 81 300 4980 Fax +41 81 300 4988 E-mail: matthias.troendle@inficon.com	
	2-4 Restatements of information	no restatements of information	
	2-5 External assurance	no external assurance	
Activities and workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	45–46	
	2-7 Employees	65–66	
	2-8 Workers who are not employees	65–66	

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GRI Standard	Disclosure	Location/Information	Omission
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	20–24	
	2-10 Nomination and selection of the highest governance body	20–24	
	2-11 Chair of the highest governance body	21, 23	
	2-12 Role of the highest governance body in overseeing the management of impacts	21	
	2-13 Delegation of responsibility for managing impacts	25	
	2-14 Role of the highest governance body in sustainability reporting	21	
	2-15 Conflicts of interest	25, 52	
	2-16 Communication of critical concerns	52	
	2-17 Collective knowledge of the highest governance body	23	
	2-18 Evaluation of the performance of the highest governance body	30	
	2-19 Remuneration policies	30	
	2-20 Process to determine remuneration	30, 31	
	2-21 Annual total compensation ratio	35	
Strategy, policies and practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	40	
	2-23 Policy commitments	52	
	2-24 Embedding policy commitments	52	
	2-25 Processes to remediate negative impacts	52, 55	
	2-26 Mechanisms for seeking advice and raising concerns	41	
	2-27 Compliance with laws and regulations	52, 56, 63	
	2-28 Membership associations	44	
	Stakeholder engagement		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	41	
	2-30 Collective bargaining agreements	Collective bargaining agreements exist in Germany and Sweden (about 21% of work force).	

INFICON Sustainability Report 2023

MATERIAL TOPICS

GRI Standard	Disclosure	Location/Information	Omission
GRI 3: Material Topics 2021	3-1 Process to determine material topics	40	
	3-2 List of material topics	41	
Economic topics			
Technology leadership			
GRI 3: Material Topics 2021	3-3 Management of material topics	46	
Market leadership			
GRI 3: Material Topics 2021	3-3 Management of material topics	46–48	
Customer relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	48–49	
Product quality and compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	49–50	
Product impact			
GRI 3: Material Topics 2021	3-3 Management of material topics	50–52	
Governance topics			
Good governance			
GRI 3: Material Topics 2021	3-3 Management of material topics	52–53	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	53	
	205-2 Communication and training about anti-corruption policies and procedures	53	
	205-3 Confirmed incidents of corruption and actions taken	53	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	53	
Responsible supply chain management			
GRI 3: Material Topics 2021	3-3 Management of material topics	53–54	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	53–54	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	53–54	

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GRI Standard	Disclosure	Location/Information	Omission
Environmental topics			
Environmental management system			
GRI 3: Material Topics 2021	3-3 Management of material topics	55–56	
Energy and carbon emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	56–59	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	57	
GRI 302: Energy 2016	302-3 Energy intensity	57	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	57	
	305-2 Energy indirect (Scope 2) GHG emissions	57	
	305-5 Reduction of GHG emissions	57, 59	
Efficient materials sourcing and use			
GRI 3: Material topics 2021	3-3 Management of material topics	59–60	
GRI 306: Waste 2020	306-3 Waste generated	60	
	306-4 Waste diverted from disposal	60	
	306-5 Waste directed to disposal	60	
Social topics			
Attractive employer			
GRI 3: Material topics 2021	3-3 Management of material topics	60–61	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	61	
Diversity, equity, and inclusion			
GRI 3: Material topics 2021	3-3 Management of material topics	62–63	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	65	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	62	
Occupational health and safety			
GRI 3: Material topics 2021	3-3 Management of material topics	63–64	

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GRI Standard	Disclosure	Location/Information	Omission
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	63	
	403-2 Hazard identification, risk assessment, and incident investigation	63	
	403-3 Occupational health services	63–64	
	403-4 Worker participation, consultation, and communication on occupational health and safety	63	
	403-5 Worker training on occupational health and safety	63	
	403-6 Promotion of worker health	64	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64	
	403-9 Work-related injuries	64	
Training and education			
GRI 3: Material topics 2021	3-3 Management of material topics	65	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	65	
Community relations			
GRI 3: Material topics 2021	3-3 Management of material topics	66–67	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	66–67	

Financial Review

(US Dollars in Millions)

Income Statement

Net Sales

In 2023, net sales increased by 15.9% or USD 92.4 million to USD 673.7 million from USD 581.3 million in 2022. This includes a negative impact from currency exchange rates (FX impacts) of USD 2.4 million or 0.4% as well as an increase of 0.2% or USD 1.3 million from acquisitions. Excluding the negative FX impacts net sales increased organically by 16.1% in 2023.

Despite a difficult year in the semiconductor industry, sales to the Semi & Vacuum Coating market had a remarkable increase of USD 6.5 million or 2.1% to USD 311.8 million. This market contributed 46.3% to the Group Sales.

The General Vacuum market sales surged by USD 44.5 million or 29.3% and represents 29.2% of the Group Sales.

Refrigeration, Air Conditioning & Automotive sales increased by 30.3% or USD 30.6 million to USD 131.5 million, which represents 19.5% of the Group Sales.

Sales to the Security & Energy market increased clearly by 46.8% or USD 10.8 million.

Gross Profit

Gross profit margin slightly increased from 45.9% in the previous year to 46.0% for 2023, the development was in line with sales.

Research and Development

Research and development costs increased to USD 48.5 million or 7.2% of net sales, as compared with USD 45.5 million or 7.8% in 2022. R&D costs increased by 6.6% including an unfavorable FX impact.

Selling, General, and Administrative (SGA)

Selling, general, and administrative costs increased to USD 125.9 million or 18.7% of sales in 2023 from USD 109.6 million or 18.9% of sales in 2022. The increase of 14.6% is in line with the sales development, including additional resources and an unfavorable FX impact.

Operating Income

The income from operations reached USD 135.2 million or 20.1% of sales for 2023 from USD 111.6 million or 19.2% of sales for 2022. This increase was driven by the substantially higher volume and a tight cost control.

Financial Result

The financial result reached USD (6.5) million after USD (4.5) million in 2022. This decrease is essentially driven by foreign currency losses.

Income Taxes

Provision for income taxes was USD 23.0 million or 17.9% of earnings before taxes for 2023 compared with USD 18.4 million or 17.2% of income before taxes for 2022. The tax rate of 2023 increased slightly due to the mix in the profit composition of our various international entities.

Net Income and Diluted Earnings per Share

Net income and diluted earnings per share were USD 105.7 million and USD 43.24 per share for 2023, as compared with USD 88.5 million and USD 36.22 per share for 2022. The increase of 19.4% in diluted earnings per share is in line with the 19.4% increase in net income.

Financial Review

(US Dollars in Millions)

Balance Sheet and Liquidity

Cash and cash equivalents at December 31, 2023 totaled USD 101.6 million, which represents an increase of USD 55.7 million as compared to USD 45.9 million at December 31, 2022. Cash flow from operations totaled to USD 118.3 million in 2023 as compared to USD 46.2 million in 2022. This increase is largely due to a higher net income and a reduced increase in inventories.

Inventories increased by USD 18.5 million to USD 153.8 million at December 31, 2023 as compared to USD 135.3 million at December 31, 2022. Inventory turns decreased to 2.4 in 2023 (2022: 2.8) using a 4-point average of quarter-end inventory balances.

Property, Plant & Equipment increased by USD 14.1 to USD 126.4 at December 31, 2023 compared to USD 112.3 at December 31, 2022. This reflects the conclusion of a major expansion program over 3 years.

Short-term financial liabilities at December 31, 2023 are USD 57.2 million (December 31, 2022: USD 43.4 million), reflecting two short-term loans one of which in favor of the Landesbank Baden-Württemberg with an amount of USD 32.2 million and the second with an amount of USD 23.9 million in favor of the Credit Suisse AG.

Short-term provision increased to USD 31.3 million at December 31, 2023 compared to USD 24.6 million at December 31, 2022 mainly due to higher variable compensation.

Consolidated Balance Sheet

(US Dollars in Thousands, except share and per share amounts)

	<i>Note</i>	December 31, 2023	December 31, 2022
Assets			
Cash and cash equivalents		101,616	45,898
Trade accounts receivable	3	97,475	96,527
Inventories	4	153,776	135,318
Prepayments and accrued income		4,678	5,024
Other current assets		10,230	10,512
Total current assets		367,775	293,279
Property, plant, and equipment	5	126,408	112,321
Intangible assets	6	6,123	6,070
Deferred tax assets		17,431	15,188
Financial assets		1,754	2,552
Total non-current assets		151,716	136,131
Total assets		519,491	429,410
Liabilities and Shareholders' Equity			
Trade accounts payable		26,051	23,353
Short-term financial liabilities	7	57,215	43,374
Short-term provisions	8	31,310	24,635
Income taxes payable		18,809	16,961
Accrued expenses and deferred income	9	16,860	14,915
Other current liabilities		17,887	18,825
Total current liabilities		168,132	142,063
Long-term provisions	8	6,144	4,853
Deferred tax liabilities		4,893	4,569
Long-term financial liabilities		0	65
Long-term liabilities		336	414
Total non-current liabilities		11,373	9,901
Total liabilities		179,505	151,964
Common stock	10	6,860	6,860
Capital Reserves		(484)	(631)
Treasury shares		(1,347)	(738)
Retained earnings		341,481	283,624
Foreign currency translation		(6,524)	(11,669)
Total shareholders' equity		339,986	277,446
Total liabilities and shareholders' equity		519,491	429,410

Consolidated Statement of Income

(US Dollars in Thousands, except share and per share amounts)

Year ended December, 31	Note	2023	2022
Net sales		673,713	581,297
Cost of sales		(364,098)	(314,622)
Gross profit		309,615	266,675
Research and development		(48,521)	(45,514)
Selling expense		(33,283)	(28,746)
General and administrative expense		(92,611)	(80,810)
Operating income		135,200	111,605
Financial result	13	(6,504)	(4,521)
Ordinary income		128,696	107,084
Non-operating result		0	(136)
Earnings before income taxes (EBT)		128,696	106,948
Income taxes	14	(23,020)	(18,421)
Net income		105,676	88,527
Earnings per share:			
Basic		43.24	36.22
Dilution		0.00	0.00
Diluted		43.24	36.22

Consolidated Statement of Shareholders' Equity

(US Dollars in Thousands, except share and per share amounts)

	Note	Common stock	Capital reserves	Treasury Shares	Retained earnings	Foreign currency translation	Total shareholders' equity
Balance at January 1, 2022		6,860	—	(554)	251,360	(5,080)	252,586
Net income					88,527		88,527
Foreign currency translation adjustments						(6,589)	(6,589)
Acquisition of treasury shares				(3,307)			(3,307)
Stock-based compensation			(631)	3,123			2,492
Dividend					(54,520)		(54,520)
Adjustment of Goodwill	12				(1,743)		(1,743)
Balance at December 31, 2022		6,860	(631)	(738)	283,624	(11,669)	277,446
Balance at January 1, 2023		6,860	(631)	(738)	283,624	(11,669)	277,446
Net income					105,676		105,676
Foreign currency translation adjustments						5,145	5,145
Acquisition of treasury shares				(3,685)			(3,685)
Stock-based compensation			147	3,076			3,223
Dividend					(47,819)		(47,819)
Balance at December 31, 2023		6,860	(484)	(1,347)	341,481	(6,524)	339,986

Consolidated Statement of Cash Flow

(US Dollars in Thousands, except share and per share amounts)

Year ended December, 31	Note	2023	2022
Cash flows from operating activities:			
Net income		105,676	88,527
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	5	14,697	12,592
Amortization	6	2,200	1,937
Result from disposal of fixed assets		0	136
Changes in operating assets and liabilities, excluding effects from acquisition:			
Trade accounts receivable		276	(17,159)
Inventories		(14,533)	(48,940)
Other assets		2,672	1,156
Trade accounts payable		(154)	5,045
Accrued liabilities and provisions		6,396	(7,450)
Income taxes payable		(273)	6,304
Other liabilities		(6,023)	3,072
FX impact excluding cash		7,321	1,013
Net cash provided by operating activities		118,255	46,233
Cash flows from investing activities:			
Purchase of property, plant and equipment	5	(21,794)	(32,769)
Disposal of property, plant and equipment	5	483	389
Purchase of intangible assets	6	(1,639)	(2,539)
Disposal of intangible assets	6	5	0
Acquisitions of businesses net of cash acquired	17	0	(5,643)
Loans granted and received		(5)	2
Net cash used in investing activities		(22,950)	(40,560)
Cash flows from financing activities:			
Cash dividend paid		(47,819)	(54,520)
Purchase/disposal of treasury shares		(462)	(816)
Proceeds from borrowings		43,423	106,252
Repayments of borrowings		(36,678)	(73,973)
Net cash used in financing activities		(41,536)	(23,057)
Effect of exchange rate changes on cash and cash equivalents		1,949	(2,346)
Change in cash and cash equivalents		55,718	(19,730)
Cash and cash equivalents at beginning of period		45,898	65,628
Cash and cash equivalents at end of period		101,616	45,898

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

1 Description of Business

INFICON HOLDING AG (INFICON or the “Company”) is domiciled in Bad Ragaz, Switzerland, as a corporation (Aktiengesellschaft) organized under the laws of Switzerland.

The Company’s stock is traded on the SIX Swiss Exchange in Switzerland. INFICON provides world-class instruments for gas analysis, measurement and control, and our products are essential for gas leak detection in air conditioning, refrigeration and automotive manufacturing. They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells and industrial vacuum coating applications. Other users of vacuum based processes include the life sciences, research, aerospace, packaging, heat treatment, laser cutting and many other industrial processes. The Company also leverages its expertise in vacuum technology to provide unique, toxic chemical analysis products for emergency response, security, and environmental monitoring.

INFICON has best in class manufacturing facilities in Europe, the United States and China, as well as subsidiaries in China, Denmark, Finland, France, Germany, India, Italy, Japan, Korea, Liechtenstein, Singapore, Sweden, Switzerland, Taiwan, Mexico, the United Kingdom and the United States.

2 Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements give a true and fair view of the financial position, results of operations and cash flows of the Company. They have been prepared in accordance with the complete set of Swiss GAAP Accounting and Reporting Recommendations (Swiss GAAP FER) and are based on the subsidiaries’ annual financial statements at December, 31, which are prepared using uniform classification and accounting policies. The consolidated financial statements are prepared under the going concern assumption, based on the historical cost principle with the exception of certain items such as derivative financial instruments and short-term investments, which are carried on the balance sheet at their fair value. The consolidated financial statements comply with the Listing Rules of the SIX Swiss Exchange and the provisions of Swiss Corporation Law. The Board of Directors of INFICON HOLDING AG approved the consolidated financial statements on March 4, 2024 for submission to the Annual General Meeting on April 4, 2024.

Consolidation

These consolidated financial statements include INFICON HOLDING AG and all companies that INFICON controls. Control exists if INFICON (the “Group”) holds directly or indirectly more than half of the voting rights, or has other means of controlling the company.

The financial statements of subsidiaries are prepared using uniform classification and accounting policies. The reporting date for INFICON HOLDING AG, all subsidiaries and the consolidated financial statements is December 31.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

The full consolidation method is applied to all subsidiaries over which control exists. Their assets, liabilities, income and expenses are incorporated in full. The purchase method of consolidation is used to account for the acquisition of subsidiaries. Under this method, the carrying amount of the investment in a subsidiary is offset against the Group's share of the fair value of the subsidiary's net assets. Intercompany transactions and balances are eliminated. Unrealized intercompany profits on goods and services supplied within the Group but not yet sold to third parties are eliminated on consolidation.

Companies acquired or established or those in which the Group increases its interest and thereby obtains control during the year are consolidated from the date of formation or date on which control commences. Companies are deconsolidated from the date that control effectively ceases upon disposal or a reduction in ownership interest.

The following companies are included in these consolidated financial statements:

Company	Domicile	Participation rate
INFICON HOLDING AG	Bad Ragaz (CH)	
INFICON (Guangzhou) Instruments Co., Ltd.	Guangzhou (CN)	100%
INFICON Instruments Shanghai Co. Ltd.	Shanghai (CN)	100%
INFICON GmbH	Cologne (DE)	100%
INFICON Aaland Ab	Mariehamn (FI)	100%
INFICON S.A.R.L.	Courtaboeuf (FR)	100%
INFICON Ltd.	Hong Kong (HK)	100%
INFICON S.r.l.	Bozen (IT)	100%
INFICON Co., Ltd.	Kawasaki-shi (JP)	100%
INFICON Ltd.	Bungdang (KR)	100%
INFICON AG	Balzers (LI)	100%
INFICON AB	Linköping (SE)	100%
INFICON Pte. Ltd.	Singapore (SG)	100%
INFICON Ltd.	Chubei City (TW)	100%
INFICON Ltd.	Blackburn (UK)	100%
INFICON Inc.	Syracuse, NY (US)	100%
INFICON EDC Inc.	Overland Park, KS (US)	100%
INFICON InstruTech LLC.	Longmont, CO (US)	100%
INFICON ApS	Kopenhagen (DK)	100%
IFCN.SW, S. de R.L. de C.V.	Corregidora Qro., Mexico	100%

Significant Accounting Policies and Estimates

The preparation of financial statements in conformity with Swiss GAAP FER requires management to make estimates and assumptions that affect the reported and disclosed amounts of (contingent) assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses. Management bases its estimates and judgments on historical experience and on various other factors believed to be reasonable under the circumstances that form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The main estimates include provisions, allowances for trade accounts receivables and inventories.

Cash and Cash Equivalents and Short-Term Investments

The Company considers all highly-liquid investments with an original maturity of three months or less as of balance sheet date to be cash equivalents. The Company classifies investments with an original maturity of more than three months as of balance sheet date as short-term investments. Short-term investments consist of certificates of deposit, time deposits, or money market mutual funds.

Trade Accounts Receivable

Trade accounts receivable and other current receivables are recognized at nominal value less allowance for any impairment. Doubtful receivables are provided for by way of specific allowances for known or alleged specific risks. Furthermore, an additional lump-sum allowance is set-up based on accounts receivable aging and taking into account the actual losses expected based on past experience.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

Inventories

Inventories are stated at the lower of cost and net realizable value. Purchasing discounts received are offset against the production cost of inventories. Production cost comprises all direct material and manufacturing costs as well as those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined by the moving average method. Appropriate allowances are made for slow-moving inventories and obsolete inventories are fully written off. If the net realizable value of inventories is lower than their purchase price or production cost, then their carrying amount is written down as necessary.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, less accumulated linear depreciation and less any impairment loss. Expenditures for major renewals and improvements that extend the useful lives of property, plant and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in earnings. The Group does not depreciate land.

The estimated useful lives and depreciation periods in years are as follows:

Category	Years
Buildings	20–30
Building and land improvements	10–20
Machinery and equipment	5–10
Vehicles	5–10
Content, furniture and fixtures	5–10
Business machines	5–10
Information technology (hardware)	3–5
Demonstration equipment	2

Intangible Assets

Acquired intangible assets are recognized in the balance sheet if they are to bring measurable benefits to the company over several years. They are valued at historical cost less straight-line amortization over the estimated useful lives of 3 to 10 years. Customer relationships are not considered as Intangible Assets.

Goodwill

Goodwill arising on business combinations represents the excess of the cost of acquisition over the Group's interest in the fair value of the recognized assets and liabilities at the date of acquisition. Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalization and amortization of goodwill is disclosed in the notes to the consolidated financial statements. For the determination of goodwill from acquisitions, parts of the purchase price contingent on future performance are estimated at the date of acquisition. Any changes in contingent consideration are offset against goodwill in equity.

Impairment of Non-current Assets and Goodwill

At every balance sheet date an assessment is made for non-current assets (in particular property, plant, equipment, intangible assets, financial assets as well as goodwill offset against equity) whether indicators for impairment exist. If indicators for a continuous impairment exist, the recoverable amount of the asset is determined. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset belongs. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized separately in the income statement. As goodwill is fully offset against equity at the date of acquisition, impairment of goodwill will not affect income, but be disclosed in the notes to the consolidated financial statements.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

Pension Benefits

Pension benefit assets and obligations are recognized in the consolidated financial statements according to legal regulations of the respective countries. The actual economic impact of pension plans is calculated at each balance sheet date. A pension asset is recorded when an economic benefit exists, meaning that such economic benefit will be used to reduce future pension contributions by the Company. A pension liability is recognized when an economic obligation exists, meaning if the requirements to record a provision are met.

Trade Payables and Other Payables

Trade accounts payable and Other liabilities are recognized at par value.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. A provision for the expected costs associated with restructuring is recognized when a detailed restructuring plan has been developed and the measures have been approved and communicated before the balance sheet date.

Revenue Recognition

Revenues primarily relate to the sale of instruments for gas analysis, measurement and control and is recognized when risks and rewards as well as control has been passed to the acquirer and income and related expense can be determined reliably. This generally coincides with the delivery of the instruments.

Research and Development

Research and development costs are expensed as incurred.

Shipping and Handling Costs

Revenue and costs associated with shipping products to customers are included in sales or cost of sales.

Share-based Plan

In 2014 a share program for the Board of Directors has been introduced. The shares are subject to a 3-year mandatory holding period.

In 2015 a share program for the Group Management and Key Employees has been introduced. The shares to the Group Management are granted on July 1st and are subject to a holding period of 3 years.

As to Key Employees, within this plan, 50% of the shares are allotted on the grant date and are subject to a four-year blocking period. The remaining 50% will be allotted over the next four years – one fourth each year – and will not be subject to any block- ing period.

Share-based compensation is stated at fair value at the grant date and recognized in personnel expense in the period in which the service is performed.

Income Tax Expense

Current income tax is calculated on taxable profits for the year and recognized on an accrual basis. Deferred income tax is provided, using the liability method, on all temporary differences and recognized as tax liabilities or assets. Temporary differences arise between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The same method is also used to provide for differences arising on acquisitions between the fair value and tax base of the assets acquired. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right and intends to settle its current tax assets and liabilities on a net basis. Deferred tax is calculated using local tax rates that have been enacted by the balance sheet date. Tax losses carried forward and tax credits are recognized as deferred tax assets to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

Foreign Currency Translation

The functional currency of the Company's foreign subsidiaries is the applicable local currency. For those subsidiaries, assets and liabilities are translated to US Dollars at year-end exchange rates. Income and expense accounts are translated at the average monthly exchange rates in effect during the year. The effects of foreign currency translation adjustments are taken to retained earnings (currency translation difference) and not recognized in the income statement.

The following foreign exchange rates versus the US Dollar have been applied when translating the financial statements of the Company's major subsidiaries:

Currency		Period-end rates	Average rates
		2023	2022
Swiss Franc	USD	1.1933	1.0832
Euro	USD	1.1050	1.0666
Japanese Yen	USD	0.0071	0.0076
Hong Kong Dollar	USD	0.1280	0.1283
Chinese Renminbi	USD	0.1407	0.1450
Korean Won	USD	0.0008	0.0008

3 Trade Accounts Receivable

Trade accounts receivable and related bad debt allowance are recorded as follows as at December 31:

	2023	2022
Trade accounts receivable, gross	100,139	98,977
Bad debt allowance	(2,664)	(2,450)
Total trade accounts receivable, net	97,475	96,527

4 Inventories

Inventories and related reserves consist of the following at December 31:

	2023	2022
Raw material	101,754	87,478
Work-in-process	6,305	6,052
Finished goods	55,704	51,113
Advance Payments to suppliers	1,440	1,324
Inventory Valuation Adjustment	(11,427)	(10,649)
Balance at December 31,	153,776	135,318

5 Property, Plant, and Equipment

The components of property, plant, and equipment consist of the following at December 31:

Property, plant, and equipment 2023	Land	Buildings	Machinery and equipment	Leasehold improvements	Prepayments and tangible fixed assets under construction	Demonstration equipments	Other tangible fixed assets	Total property, plant, and equipment
At cost								
At January 1, 2023	2,360	50,961	100,433	30,401	17,598	8,842	15,959	226,554
Additions	–	3,855	9,147	526	7,608	996	1,484	23,616
Disposals	–	(330)	(7,229)	(2,458)	(356)	(248)	(215)	(10,836)
Reclassifications	–	384	6,974	821	(8,683)	(10)	314	(200)
Exchange Differences	74	685	6,044	2,294	1,105	15	584	10,801
At December 31, 2023	2,434	55,555	115,369	31,584	17,272	9,595	18,126	249,935

Property, plant, and equipment 2022	Land	Buildings	Machinery and equipment	Leasehold improvements	Prepayments and tangible fixed assets under construction	Demonstration equipments	Other tangible fixed assets	Total property, plant, and equipment
Accumulated depreciations:								
At January 1, 2023	–	22,005	60,248	13,133	–	7,976	10,871	114,233
Depreciation	–	1,924	8,540	1,852	–	852	1,528	14,696
Disposals	–	(330)	(7,371)	(2,190)	–	(248)	(214)	(10,353)
Reclassifications	–	–	(364)	303	–	(10)	(3)	(74)
Exchange Differences	–	282	3,295	1,046	–	–	402	5,025
At December 31, 2023	–	23,881	64,348	14,144	–	8,570	12,584	123,527

Property, plant, and equipment 2022	Land	Buildings	Machinery and equipment	Leasehold improvements	Prepayments and tangible fixed assets under construction	Demonstration equipments	Other tangible fixed assets	Total property, plant, and equipment
Net book values:								
At January 1, 2023	2,360	28,956	40,185	17,268	17,598	866	5,088	112,321
At December 31, 2023	2,434	31,674	51,021	17,440	17,272	1,025	5,542	126,408

Property, plant, and equipment 2022	Land	Buildings	Machinery and equipment	Leasehold improvements	Prepayments and tangible fixed assets under construction	Demonstration equipments	Other tangible fixed assets	Total property, plant, and equipment
At cost								
At January 1, 2022	2,489	49,540	88,366	15,821	19,595	9,659	14,913	200,383
Additions	–	1,914	5,319	9,341	14,486	754	1,671	33,485
Disposals	–	–	(1,270)	(412)	(0)	(1,067)	(531)	(3,280)
Reclassifications	–	382	9,501	5,450	(16,126)	(26)	819	–
Exchange Differences	(129)	(875)	(1,483)	201	(357)	(478)	(913)	(4,034)
At December 31, 2022	2,360	50,961	100,433	30,401	17,598	8,842	15,959	226,554

Property, plant, and equipment 2022	Land	Buildings	Machinery and equipment	Leasehold improvements	Prepayments and tangible fixed assets under construction	Demonstration equipments	Other tangible fixed assets	Total property, plant, and equipment
Accumulated depreciations:								
At January 1, 2022	–	20,527	54,216	12,824	–	8,718	10,708	106,993
Depreciation	–	1,730	7,777	950	–	771	1,364	12,592
Disposals	–	–	(855)	(408)	–	(1,048)	(523)	(2,834)
Reclassifications	–	–	32	–	–	(32)	–	–
Exchange Differences	–	(252)	(922)	(233)	–	(433)	(678)	(2,518)
At December 31, 2022	–	22,005	60,248	13,133	–	7,976	10,871	114,233

Property, plant, and equipment 2022	Land	Buildings	Machinery and equipment	Leasehold improvements	Prepayments and tangible fixed assets under construction	Demonstration equipments	Other tangible fixed assets	Total property, plant, and equipment
Net book values:								
At January 1, 2022	2,489	29,013	34,150	2,997	19,595	941	4,205	93,390
At December 31, 2022	2,360	28,956	40,185	17,268	17,598	866	5,088	112,321

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

6 Intangible Assets

Intangible assets 2023	Technology	Software	Trademarks & Patents		Other	Total
At cost						
At January 1, 2023	12,133	12,500	1,652	1,448		27,733
Additions	189	1,637	–	13		1,839
Disposals	(88)	(668)	–	–		(756)
Reclassifications	–	182	–	–		182
Exchange Differences	658	1,086	132	125		2,001
At December 31, 2023	12,892	14,737	1,784	1,586		30,999
Accumulated amortization						
At January 1, 2023	9,440	9,730	1,141	1,352		21,663
Amortization	532	1,494	159	15		2,200
Disposals	(83)	(668)	–	–		(751)
Reclassifications	–	57	–	–		57
Exchange Differences	612	879	100	116		1,707
At December 31, 2023	10,501	11,492	1,400	1,483		24,876

Net book values

At January 1, 2023	2,693	2,770	511	96		6,070
At December 31, 2023	2,391	3,245	384	103		6,123

Intangible Assets 2022	Technology	Software	Trademarks & Patents		Other	Total
At cost						
At January 1, 2022	12,080	10,083	–	3,370		25,533
Additions	155	2,335	–	49		2,539
Disposals	–	(87)	–	–		(87)
Reclassifications	–	260	1,665	(1,925)		–
Exchange Differences	(102)	(91)	(13)	(46)		(252)
At December 31, 2022	12,133	12,500	1,652	1,448		27,733

Accumulated amortization

At January 1, 2022	9,009	8,688	–	2,341		20,038
Amortization	527	1,244	151	15		1,937
Disposals	–	(87)	–	–		(87)
Reclassifications	–	–	993	(993)		–
Exchange Differences	(96)	(115)	(3)	(11)		(225)
At December 31, 2022	9,440	9,730	1,141	1,352		21,663

Net book values

At January 1, 2022	3,071	1,395	–	1,029		5,495
At December 31, 2022	2,693	2,770	511	96		6,070

7 Short-term financial liabilities

Total short-term financial liabilities at December 31, 2023 amount to USD 57,215. Thereof USD 32,219 in favor of the Landesbank Baden-Württemberg at December 31, 2023 with an interest rate of 1.46%–2.67% p.a., USD 23,866 in favor of the Credit Suisse AG with an interest rate of 2.38%–2.61% p.a. and USD 1,130 is owed to a customer for financing manufacturing equipment at no interest.

8 Provisions

Provisions 2023	Warranty	Pension	Bonus & Commissions	Other	Total
At January 1, 2023	3,811	3,088	17,900	4,689	29,488
Addition	537	1,360	24,264	3,680	29,841
Usage	(31)	(41)	(17,319)	(3,034)	(20,425)
Release of unused amounts	(403)	–	(1,840)	(61)	(2,304)
FX difference	93	18	648	95	854
At December 31, 2023	4,007	4,425	23,653	5,369	37,454
Short term	3,695	87	23,653	3,875	31,310
Long term	312	4,338	–	1,494	6,144

Provisions 2022

Provisions 2022	Warranty	Pension	Bonus & Commissions	Other	Total
At January 1, 2022	3,817	624	23,002	9,268	36,711
Addition	284	3,077	18,522	3,700	25,583
Usage	(126)	(492)	(22,881)	(7,193)	(30,692)
Release of unused amounts	(67)	–	(1,302)	(69)	(1,438)
FX difference	(97)	(121)	(407)	(51)	(676)
Reclassification	–	–	966	(966)	–
At December 31, 2022	3,811	3,088	17,900	4,689	29,488
Short term	3,505	–	17,900	3,230	24,635
Long term	306	3,088	–	1,459	4,853

Discounting

There are no material discounting effects for the long-term provisions.

Warranty

INFICON gives warranties in connection with the products and services it provides. These are based on local legislation or contractual arrangements.

The provision is calculated from past experience. The current provision for liability claims is based on actual claims reported, which are generally settled within one year. The long-term provision is based on historical experience for warranties with more than one year remaining warranty period.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

9 Accrued Expenses and Deferred Income

The components of accrued liabilities are as follows at December 31:

	2023	2022
Salaries, wages and related costs	5,337	5,011
Deferred revenue	2,494	2,666
Professional fees	955	710
Other	8,074	6,528
Balance at December 31,	16,860	14,915

10 Shareholders' Equity

As of December 31, 2023, shareholders' equity consists of issued and outstanding bearer shares 2,445,161 (2022: 2,445,161) with a par value of CHF 5 (2022: CHF 5). Each share entitles the registered owner to one vote at the General Meeting of Shareholders, as well as a share of dividends or distribution from capital contribution reserve, if any, declared by the Company and proceeds from liquidation, corresponding to its nominal value as a percentage of the total nominal value of issued share capital.

As of December 31, 2023 the remaining available balance of conditional share capital amounts to 0 shares (2022: 9,694 shares). Based on the new articles of association of the company no more conditional share capital exists.

The Articles of Incorporation provide a capital bandwidth (according to Art. 653s–653v of the Swiss Code of Obligations) with an lower limit of CHF 11,615 and an upper limit of CHF 12,837. The Articles of Incorporation can be accessed via the following weblink <https://www.inficon.com/media/9261/download/Articles-of-Association.pdf?v=1&inline=true&language=en>

a) Treasury Shares 2023

	Number of treasury shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	855			
Purchases March 6, 2023	588	924.50	909.00	915.38
Purchases March 7, 2023	586	911.00	889.00	898.42
Purchases March 8, 2023	326	897.00	879.00	887.51
Purchases March 13, 2023	468	860.00	839.00	848.74
Purchases March 14, 2023	461	869.00	850.00	861.29
Purchases March 15, 2023	500	893.00	871.00	883.38
Purchases March 16, 20223	71	920.00	890.00	895.25
Purchases October 23, 2023	179	992.00	980.00	984.52
Purchases October 24, 2023	571	1,010.00	966.00	978.64
Allocation to Members of the Board of Directors	(246)			
Allocation to Group Management and Key Employees	(3,010)			
Balance as of December 31	1,349			

b) Treasury Shares 2022

	Number of treasury shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	520			
Purchases January 18, 2022	283	1,174.00	1,164.00	1,170.39
Purchases January 19, 2022	217	1,188.00	1,158.00	1,173.94
Purchases January 24, 2022	390	1,078.00	1,052.00	1,062.24
Purchases January 25, 2022	110	1,134.00	1,088.00	1,104.47
Purchases February 14, 2022	250	1,026.00	1,012.00	1,020.18
Purchases February 15, 2022	250	1,062.00	1,026.00	1,048.45
Purchases April 27, 2022	316	892.00	878.00	881.06
Purchases April 28, 2022	484	919.00	880.00	892.45
Purchases September 19, 2022	99	656.00	643.00	648.91
Purchases September 20, 2022	268	668.00	658.00	662.97
Purchases September 21, 2022	133	677.00	663.00	671.26
Purchases December 12, 2022	230	838.00	813.00	823.67
Purchases December 13, 2022	270	857.00	831.00	840.06
Allocation to Members of the Board of Directors	(232)			
Allocation to Group Management and Key Employees	(2,733)			
Balance as of December 31	855			

At December 31, 2023, the acquisition costs for a number of 3,750 shares purchased during the year amounted to USD 4,052 compared with USD 3,249 at December 31, 2022, for a number of 3,300 purchased shares in 2022.

The statutory or legal reserves that may not be distributed, amount to CHF 2,590 at December 31, 2023 (December 31, 2022: CHF 2,590).

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

11 Share-based Plans

Share Plans

In 2014 a share program for the Board of Directors has been introduced. The shares are subject to a 3-year mandatory holding period.

In 2015 a share program for the Group Management & Key Employees has been introduced. It is intended that the plan will provide an additional incentive for key employees to maintain continued employment, contribute to the future success and prosperity, and enhance the value of the Company.

The shares to the Group Management are granted on July 1st and are subject to a holding period of 3 years.

As to Key Employees, within this plan, 50% of the shares are allotted on the grant date and are subject to a four-year blocking period. The remaining 50% will be allotted over the next four years – one fourth each year – and will not be subject to any blocking period.

The relevant share price for allocation purposes is the average price of the shares as of the fifth trading day after the Ordinary Annual General Meeting.

The impact of all share-based plans on the income statement as per December 31, 2023 amounts to USD 3,483 (2022: USD 2,573).

12 Goodwill

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalization and amortization of goodwill is disclosed below:

Theoretical movement schedule for goodwill:

	2023	2022
At cost		
At January 1,	33,380	31,598
Additions from acquisitions of subsidiaries	–	1,100
Subsequent Purchase Price Adjustments	–	643
Exchange Differences	175	39
At December 31,	33,555	33,380
Accumulated amortization		
At January 1,	27,911	23,860
Amortization expense	3,792	4,051
Exchange Differences	25	–
At December 31,	31,728	27,911
Theoretical net book values		
At January 1,	5,469	7,738
At December 31,	1,827	5,469

Goodwill is theoretically amortized on a straight-line basis usually over 5 years.

Impact on income statement:

	2023	2022
Operating income according to income statement	135,200	111,605
Amortization of goodwill	(3,792)	(4,051)
Theoretical operating income incl. amortization of goodwill	131,408	107,554
Net income according to income statement	105,676	88,527
Amortization of goodwill	(3,792)	(4,051)
Theoretical net income incl. amortization of goodwill	101,884	84,476

Impact on balance sheet:

	2023	2022
Equity according to balance sheet	339,986	277,446
Equity as % of total assets	65.4%	64.6%
Theoretical capitalization of goodwill (net book value)	1,827	5,468
Theoretical equity incl. net book value of goodwill	341,813	282,914
Theoretical equity incl. net book value of goodwill as % of total assets incl. net book value of goodwill	65.8%	65.9%

No indication for impairment of goodwill has been identified.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

13 Financial Result

The financial result consists of the following:

	2023	2022
FX Gain/Loss	(5,659)	(3,681)
Interest Income/Expense	(845)	(840)
Total financial result	(6,504)	(4,521)

14 Income Taxes

Tax expense consists of the following:

	2023	2022
Current tax expense	22,910	19,937
Deferred tax expense	110	(1,516)
Total income taxes	23,020	18,421

As of December 31, 2023, the group average tax rate for calculating deferred taxes was 17.9% (2022: 17.2%). The tax rate of 2023 increased due to the mix in the profit composition of our various international entities.

The capitalization of the effects from tax loss carryforwards is reassessed annually and based on current assumptions and estimates by management. The total amount of tax loss carryforwards that can be used is USD 425 (2022: USD 2,135). Thereof USD 105 can be used indefinitely. The entitlement for deferred income taxes on tax losses carried forward not yet used was USD 77 at December 31, 2023, as compared with USD 375 at December 31, 2022. USD 22 have been recognised as deferred tax asset.

15 Earnings per Share

The Company computes basic earnings per share, which is based on the weighted average number of common shares outstanding, and diluted earnings per share, which is based on the weighted average number of common shares outstanding and all dilutive common equivalent shares outstanding. The dilutive effect of options, if any, is determined under the treasury stock method using the average market price for the period.

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31:

	2023	2022
Numerator:		
Net income	105,676	88,527

Denominator:		
Weighted average shares outstanding	2,443,812	2,444,306
Effect of dilutive stock options	0	0
Denominator for diluted earnings per share	2,443,812	2,444,306

Earnings per share:		
Basic	43.24	36.22
Dilution	0.00	0.00
Diluted	43.24	36.22

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

16 Employee Benefit Plans

INFICON employees in Liechtenstein, Germany and Japan participate in contributory and non-contributory defined benefit plans. Benefits under the defined benefit plans are generally based on years of service and average pay. The company funds the plans in accordance with local regulations in the specified countries.

The economical benefits and economical obligations of the pension plans and the relating pension benefit expenses are summarized in the following table:

	Surplus / deficit		Group's economic share		Change from prior period recognized in the current result of the period		Contributions concerning the business period		Pension costs within personnel expense	
	2023	2023	2022	2023	2023	2023	2023	2023	2023	2022
Pension institutions with surplus	2,675	-	-	-	-	2,699	2,699	2,569		
Pension institutions with deficit	(3,034)	(3,016)	(1,951)	994	811	1,806	2,083			
Pension institutions without own assets	-	(1,319)	(1,138)	258	21	279	196			
Total	(359)	(4,334)	(3,089)	1,253	3,531	4,784	4,848			

	Surplus / deficit		Group's economic share		Change from prior period recognized in the current result of the period		Contributions concerning the business period		Pension costs within personnel expense	
	2022	2022	2021	2022	2022	2022	2022	2022	2022	2021
Pension institutions with surplus	872	-	-	-	-	2,569	2,569	1,885		
Pension institutions with deficit	(1,377)	(1,951)	(585)	1,400	683	2,083	1,223			
Pension institutions without own assets	-	(1,138)	(1,203)	88	108	196	136			
Total	(505)	(3,089)	(1,788)	1,488	3,360	4,848	3,244			

The disclosed table covers the employee benefit plans of INFICON GmbH (DE), INFICON AG (LI) and INFICON Co., Ltd. (JP).

As of December 31, 2023 one of pension institutions for INFICON GmbH (DE) has a deficit of USD 3,034 for which a provision of USD 3,016 has been recognised. For the pension institution of INFICON Co., Ltd (JP) a provision of USD 1,319 has been recognised.

17 Acquisitions

Sales Distribution partnership with Meisa – Montjaes Electromecánicos e Ingeniería SA de CV.

On June 30, 2022, the company acquired assets of a distribution partnership with Meisa – Montjaes Electromecánicos e Ingeniería SA de CV.

The purchase price was USD 1,100. The acquired assets comprise the customer list, which is fully reflected in the goodwill recognised within equity.

The following table summarizes the fair values of the assets acquired at the acquisition date.

As of April 1	2022
Assets acquired	-
Goodwill	1,100
Total	1,100
Cash used for acquisition	1,100

The total purchase price was USD 1,100, thereof USD 700 was paid in 2022 and USD 400 in 2023.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

18 Commitments and Contingencies

A summary of contractual commitments and contingencies is as follows:

At December 31, 2023	Operating Leases	Purchase Commitments	Total
2024	7,354	10,262	17,616
2025	5,630	1,893	7,523
2026	5,190	801	5,991
2027	4,805	—	4,805
2028	4,186	146	4,332
Thereafter	13,576	—	13,576
Total	40,741	13,102	53,843

At December 31, 2022	Operating Leases	Purchase Commitments	Total
2023	7,481	19,993	27,474
2024	5,951	2,207	8,158
2025	5,009	520	5,529
2026	4,529	—	4,529
2027	3,048	3	3,051
Thereafter	14,600	—	14,600
Total	40,618	22,723	63,341

The Company leases some of its facilities and machinery and equipment under operating leases, expiring in years 2024 through 2035. Generally, the facility leases require the Company to pay maintenance, insurance and real estate taxes.

Purchase obligations include amounts committed under legally enforceable contracts or purchase orders for goods or services with defined terms as to price, quantity, delivery and termination liability.

The Group has a number of risks arising in the ordinary course of business from contingent or probable liabilities in connection with litigation and outstanding tax assessments.

Provisions have been recognized to the extent that the outcome of such matters can be reliably estimated. No provisions have been made where the outcome is uncertain or the risk is not quantifiable.

At year-end 2023, no guarantees in favor of third parties existed. The Group has not given any other guarantees in respect of its business relationships with third parties. There are no subordination agreements with third parties.

INFICON HOLDING AG granted a guarantee in favor of an affiliated company to cover a credit facility with a bank in Europe. One of the credit facility is drawn.

19 Business Segments

The Company is a global supplier of instrumentation for gas analysis, measurement and control. The Board of Directors is responsible for the ultimate direction and supervision of INFICON HOLDING AG and delegates the day to day management to Group Management. In 2013, the Board of Directors decided to condense the management of the Company to only comprising the CEO and the CFO as this best reflects the operational management of INFICON.

Group Management steers the business globally and the allocation of resources, assessment of performance and the respective reporting is made for the Group as a whole.

Although the Company discloses net sales into various end markets, the Company uses a key account concept and thus focuses on customers, regardless of products, technologies or regions.

Since the Company operates in one global segment, all information required by FER31 can be found in the consolidated financial statements.

20 Related Party Transaction

In 2023 no related party transaction took place. In 2022, Corisol Holding AG, a company owned by members of the Frey family, including Vanessa Frey, board member of INFICON HOLDING AG granted a short-term loan of USD 54,061 to INFICON HOLDING AG. The loan was granted in CHF with CHF 50,000. The agreed interest was 0.05%. The temporary loan was repaid completely as of December 31, 2022.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

21 Additional Information Required by Swiss Law and Swiss GAAP FER

As required by article 959 of the Swiss Code of Obligations as well as by Swiss GAAP FER 3.10 the following supplementary information is disclosed:

	2023	2022
Total personnel costs	197,984	170,058

Compensations Disclosure

Please refer to the Compensation Report for disclosures pertaining to compensations to the Board of Directors and Group Management.

Shares and Share Options owned by Members of the Board of Directors and Group Management

The number of shares and options owned by the Board of Directors and Group Management for the years ended December 31:

	2023	2022
Board of Directors:		
Dr. Beat E. Lüthi, Chairman	1,642	1,554
Dr. Richard Fischer, Vice Chairman (until March 2023)	–	26,239
Vanessa Frey, Member *	208	173
Beat Siegrist, Member	14,738	15,694
Dr. Reto Suter, Member	126	82
Lukas Winkler, Member (since March 2023)	5,770	–
Total Board of Directors	22,484	43,742

Group Management

Oliver Wyrsch, President & CEO (since 2023)	976	–
Lukas Winkler, President & CEO (until 2022)	–	4,396
Matthias Tröndle, Group CFO	469	657
Total Group Management	1,445	5,053

* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.6% (2022: 19.6%) in INFICON HOLDING AG.

22 Subsequent Events

The Company has evaluated subsequent events for the whole Group (including Holding AG and all subsidiaries) through March 4, 2024, which represents the date when the consolidated financial statements were available to be issued. Two subsequent events took place:

In January 2024, INFICON Inc. Syracuse has acquired the assets of FabTime Inc., a provider of cycle time management software and consulting services to semiconductor manufacturers, located in San Luis Obispo, California with a purchase price of USD 4,500 including earn-out payments. The acquisition marks a strategic step in INFICON's pursuit of delivering advanced factory optimization and process control solutions for the semiconductor industry. Through March 4, 2024 a purchase price allocation was not yet available.

In February 2024 INFICON Malaysia Sdn. Bhd. has been incorporated for future manufacturing, service and sales.



Statutory Auditor's Report

To the General Meeting of INFICON HOLDING AG, Bad Ragaz

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of INFICON HOLDING AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023 and the consolidated statement of 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 76 to 91) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss 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 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



REVENUE RECOGNITION

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.



REVENUE RECOGNITION

Key Audit Matter

Revenues are an important metric considered by external and internal stakeholders. Revenues recognized for the year ended 31 December 2023 amounted to USD 673.7 million and primarily related to the sale of instruments for gas analysis, measurement and control.

The Group recognizes revenues related to the sale of instruments when risks, rewards and control are transferred to the counterparty. In general, contractual agreements with customers define when risks and rewards are transferred. There is a risk that revenue may be recognized in the wrong accounting period.

There is an additional risk that revenues may be deliberately overstated or understated as a result of management override resulting from the pressure management may feel to achieve planned results in the current or future periods. This could for example occur by manipulating inputs in the Group's accounting system.

Our response

We performed testing of the key controls around revenue recognition, which included performing walkthroughs and testing the design and implementation of internal controls.

Among others, our substantive procedures included detailed cut off testing of revenue transactions to either side of the balance sheet date with reference to shipping documentation. Utilizing audit software tools, we investigated differences in prices and quantity between the sales order, shipping documentation and invoice.

In addition to the procedures described above, we further addressed the risk of management override by utilizing our audit software tools to identify high-risk journal entries that were based on specific characteristic surrounding the risk of an overstatement or understatement of revenues.

For further information on revenue recognition refer to the following:

- Note 2 "Summary of Significant Accounting Policies" to the consolidated financial statements

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 compensation 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 Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Bruno Casutt
Licensed Audit Expert

Zurich, 4 March 2024

Balance Sheet

INFICON Holding AG, Bad Ragaz/Switzerland

(CHF in Thousands)

	Notes	December 31, 2023	December 31, 2022
Assets			
Cash		5,231	3,587
Other short-term receivables			
from third parties		92	–
from companies in which the entity holds an investment		627	3,484
from companies in which the entity holds an indirect investment		86	113
Prepaid expenses and accrued income		329	271
Total current assets		6,365	7,455
Financial assets			
Long-term loans granted to companies in which the entity holds an investment	2.1	32,063	46,923
Long-term loans granted to companies in which the entity holds an indirect investment	2.2	9,218	10,155
Investments	2.3	148,540	148,540
Intangible assets	2.4	1,119	976
Total non-current assets		190,940	206,594
Total assets		197,305	214,049
Liabilities and Shareholders' Equity			
Other short-term liabilities			
to third parties	2.5	890	177
to companies in which the entity holds an investment		2,626	1,169
to companies in which the entity holds an indirect investment		85	–
Short-term interest-bearing liability	2.6	47,000	39,000
Short-term provisions	2.7	570	1,773
Accrued expenses and deferred income	2.8	2,257	3,231
Total short-term liabilities		53,428	45,350
Total liabilities		53,428	45,350
Share capital	2.9	12,226	12,226
Legal capital reserves			
Reserves from capital contributions	2.10	620	620
Legal retained earnings			
Legal retained earnings in the narrower sense		2,590	2,590
Treasury shares	2.11	(1,266)	(654)
Available earnings			
Profit brought forward		110,109	128,831
Profit for the year		19,598	25,086
Total shareholders' equity		143,877	168,699
Total liabilities and shareholders' equity		197,305	214,049

Statement of Income

INFICON Holding AG, Bad Ragaz/Switzerland

(CHF in Thousands)

Year ended December 31,	Notes	2023	2022
Dividend income	2.12	10,820	9,998
Royalty income	2.13	17,169	16,948
Management fees income	2.14	13,455	12,604
Other financial income	2.15	2,737	3,187
Total income		44,181	42,737
Personnel expenses		3,237	4,830
Other operating expenses	2.16	13,168	10,378
Amortization/depreciation on non-current assets		386	366
Financial expenses	2.17	6,842	417
Direct taxes	2.18	950	1,660
Total expenses		24,583	17,651
Profit for the year		19,598	25,086

Notes to the Financial Statements

INFICON Holding AG, Bad Ragaz/Switzerland

1 Principles

1.1 General Aspects

The financial statements of INFICON HOLDING AG, Bad Ragaz (the "Company"), were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

The information contained in the financial statements relates to the ultimate parent company alone, while the consolidated financial statements reflect the economic situation of INFICON Group as a whole.

1.2 Valuation Methods and Translation of Foreign Currencies

Assets and liabilities in foreign currencies are translated into Swiss Francs using year-end rates of exchange, except investments which are translated at historical rates. Transactions during the year in foreign currencies are translated at the exchange rates effective at the relevant transaction dates. Foreign currency gains and losses are recognized in the statement of income.

1.3 Financial assets

Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded but unrealized profits are deferred. Financial assets include long-term loans to subsidiaries.

1.4 Investments

The investments in subsidiaries are carried at lower of cost or their intrinsic value.

1.5 Treasury Shares

Treasury shares are recognized at acquisition costs including transaction costs and deducted from shareholders' equity at the time of acquisition. The acquisition costs are calculated with the FIFO method (first in – first out). In case of resale, the gain or loss is recognized through the voluntary retained earnings.

1.6 Share-based payments

Share-based compensation programs for the Board of Directors are in place since 2014 and for Group Management and Key Employees since 2015. Treasury shares are used in these programs and the cost is determined by reference to the average market price of the shares as of the fifth trading day after the Ordinary Annual General Meeting. The difference between the acquisition costs and the average market price at grant date is allocated to the retained earnings.

For the Board of Director's program, costs are allocated over the first year after allocation (vesting period). The costs of granted shares are recognized in other operating expenses.

1.7 Cash Flow statement and additional disclosures

As INFICON HOLDING AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (Swiss GAAP FER), no cash flow statement and notes with additional information are required for the Company.

Notes to the Financial Statements

INFICON Holding AG, Bad Ragaz/Switzerland

2 Disclosure on Balance Sheet and Income Statement Items

2.1 Long-term loans granted to companies in which the entity holds an investment

maturity	interest rate in %	December 31,	
		2023	2022
Up to ten years	4.75	MUSD 36.0	MUSD 40.0
Up to five years	3.75	MUSD 1.3	MUSD 1.1
Up to five years	3.00	MEUR 0.9	–
Up to five years	0.75	–	MEUR 3.0
Up to five years	0.25	–	MCHF 6.0

2.2 Long-term loans granted to companies in which the entity holds an indirect investment

At December 31, 2023, long-term loans granted to companies in which the entity holds an indirect investment included a long-term loan granted to an indirect held subsidiary. The interest rate is 5% p.a. and the maturity is more than five years.

2.3 Investments

The subsidiaries included in INFICON HOLDING AG's investment portfolio are shown below.

Company	Currency	December 31,	
		2023	2022
INFICON Inc.		(in 1,000)	(in 1,000)
Syracuse, USA			
Share Capital	USD	*	*
Share in capital and voting rights		100%	100%
Purpose: Manufacturing, Sales and Service			
INFICON AG			
Balzers, Liechtenstein			
Share Capital	CHF	6,000	6,000
Share in capital and voting rights		100%	100%
Purpose: Manufacturing, Sales and Service			
INFICON GmbH			
Cologne, Germany			
Share Capital	EUR	1,026	1,026
Share in capital and voting rights		100%	100%
Purpose: Manufacturing, Sales and Service			
INFICON Aaland Ab			
Mariehamn, Finland		(in 1,000)	(in 1,000)
Share Capital		60	60
Share in capital and voting rights		100%	100%
Purpose: Manufacturing			

Company	Currency	December 31,	
		2023	2022
INFICON AB			
Linköping, Sweden			
Share Capital	SEK	3,810	3,810
Share in capital and voting rights		100%	100%
Purpose: Manufacturing and Sales			
INFICON Aps			
Copenhagen, Denmark			
Share Capital	DKK	50	50
Share in capital and voting rights		100%	100%
Purpose: Sales			
INFICON Ltd.			
Blackburn, United Kingdom			
Share Capital	GBP	400	400
Share in capital and voting rights		100%	100%
Purpose: Sales and Service			
INFICON S.A.R.L.			
Courtaboeuf, France			
Share Capital	EUR	108	108
Share in capital and voting rights		100%	100%
Purpose: Sales and Service			
INFICON S.r.l.			
Bozen, Italy			
Share Capital	EUR	10	10
Share in capital and voting rights		100%	100%
Purpose: Sales			
INFICON Co., Ltd.			
Kawasaki-Shi, Japan			
Share Capital	JPY	90,000	90,000
Share in capital and voting rights		100%	100%
Purpose: Sales			
INFICON Ltd.			
Chubei City, Taiwan			
Share Capital	TWD	52,853	52,853
Share in capital and voting rights		100%	100%
Purpose: Sales			
INFICON Ltd.			
Bungdang-Ku, Korea			
Share Capital	KRW	600,000	600,000
Share in capital and voting rights		100%	100%
Purpose: Manufacturing and Sales			
INFICON Pte. Ltd.			
Singapore			
Share Capital	SGD	1,797	1,797
Share in capital and voting rights		100%	100%
Purpose: Sales			
INFICON Ltd.			
Hong Kong			
Share Capital	HKD	8,780	8,780
Share in capital and voting rights		100%	100%
Purpose: Sales			

Notes to the Financial Statements

INFICON HOLDING AG, Bad Ragaz/Switzerland

Company	Currency	December 31,	
		2023	2022
INFICON (Guangzhou) Instruments Co., Ltd. Guangzhou			
Share Capital	RMB	9,837	9,837
Share in capital and voting rights		100%	100%
Purpose: Service			
INFICON Instruments (Shanghai) Co., Ltd. Shanghai			
Share Capital	USD	2,180	2,180
Share in capital and voting rights		100%	100%
Purpose: Manufacturing			
INFICON EDC Inc. Overland Park, USA			
Share Capital	USD	500	500
Share in capital and voting rights **		100%	100%
Purpose: Manufacturing, Sales and Service			
INFICON InstruTech LLC Longmont, USA			
Limited Liability Company			
Equity Interest **		100%	100%
Purpose: Manufacturing and Sales			
IFCN.SW Corregidora Qro., Mexico			
Share Capital	MXN	10	10
Share in capital and voting rights		100%	100%
Purpose: Sales			

* INFICON Inc. has issued 100 shares at a nominal value of USD 0.01 per share

** Indirect participation

2.4 Intangible assets

Intangible assets mainly consist of capitalised costs of patents, trademarks, technologies and softwares.

2.5 Other short-term liabilities to third parties

In CHF 1,000	December 31,	
	2023	2022
Liabilities to third parties	847	64
Liabilities due to pension fund	–	59
Liabilities to governing bodies (Auditors)	43	54
Total	890	177

2.6 Short-term interest-bearing liability

	interest rate in %	December 31,	
		2023	2022
Landesbank Baden-Württemberg	1.46–2.67	MCHF 27	MCHF 39
Credit Suisse AG	2.38–2.61	MCHF 20	–

2.7 Short-term provisions

The short-term provisions relate to pending bonuses for the financial year 2023.

2.8 Accrued expenses and deferred income

In CHF 1,000	December 31,	
	2023	2022
Liabilities to third parties	1,812	2,856
Liabilities due to pension fund	57	–
Liabilities to governing bodies (Board of Directors and auditors)	388	375
Total	2,257	3,231

2.9 Issued, authorized and conditional share capital

Share capital in the amount of CHF 12,226 (2022: CHF 12,226) consists of 2,445,161 (2022: 2,445,161) registered shares at a nominal value of CHF 5 each.

2.10 Reserves from capital contributions

The reserves from capital contributions include the premium from capital increases in the years 2000–2021, less the distributions to shareholders.

Due to existing different practices regarding the accounting of the stamp duties incurred in connection with the increase in share capital there is a deviation of the reserves from capital contributions stated in the statutory financial statements of INFICON HOLDING AG (CHF 620,476) and the amount the Swiss Federal Tax Administration recognizes (CHF 88,855) at December 31, 2023.

Notes to the Financial Statements

INFICON HOLDING AG, Bad Ragaz/Switzerland

2.11 Treasury shares

a) Treasury Shares 2023

	Number of treasury shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	855			
Purchases March 6, 2023	588	924.50	909.00	915.38
Purchases March 7, 2023	586	911.00	889.00	898.42
Purchases March 8, 2023	326	897.00	879.00	887.51
Purchases March 13, 2023	468	860.00	839.00	848.74
Purchases March 14, 2023	461	869.00	850.00	861.29
Purchases March 15, 2023	500	893.00	871.00	883.38
Purchases March 16, 20223	71	920.00	890.00	895.25
Purchases October 23, 2023	179	992.00	980.00	984.52
Purchases October 24, 2023	571	1,010.00	966.00	978.64
Allocation to Members of the Board of Directors	(246)			
Allocation to Group Management and Key Employees	(3,010)			
Balance as of December 31	1,349			

b) Treasury Shares 2022

	Number of treasury shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	520			
Purchases January 18, 2022	283	1,174.00	1,164.00	1,170.39
Purchases January 19, 2022	217	1,188.00	1,158.00	1,173.94
Purchases January 24, 2022	390	1,078.00	1,052.00	1,062.24
Purchases January 25, 2022	110	1,134.00	1,088.00	1,104.47
Purchases February 14, 2022	250	1,026.00	1,012.00	1,020.18
Purchases February 15, 2022	250	1,062.00	1,026.00	1,048.45
Purchases April 27, 2022	316	892.00	878.00	881.06
Purchases April 28, 2022	484	919.00	880.00	892.45
Purchases September 19, 2022	99	656.00	643.00	648.91
Purchases September 20, 2022	268	668.00	658.00	662.97
Purchases September 21, 2022	133	677.00	663.00	671.26
Purchases December 12, 2022	230	838.00	813.00	823.67
Purchases December 13, 2022	270	857.00	831.00	840.06
Allocation to Members of the Board of Directors	(232)			
Allocation to Group Management and Key Employees	(2,733)			
Balance as of December 31	855			

At December 31, 2023, the acquisition costs for a number of 3,750 shares purchased during the year amounted to TUSD 4,052 (TCHF 3,396) compared with TUSD 3,249 (TCHF 3,103) at December 31, 2022, for a number of 3,300 purchased shares in 2022. The treasury shares are reserved for compensations due in 2023. These shares are non-dividend bearing shares.

2.12 Dividend income

Dividend income consists of dividends paid by subsidiaries.

2.13 Royalty income

Royalty income consists primarily of licensing income for the use of registered patents and trademarks from subsidiaries.

2.14 Management fees income

Management fees income consists of compensation payments from group companies for management services provided by the Company.

2.15 Other financial income

Other financial income amounts to TCHF 2,737 (2022: TCHF 3,187) and consists mostly of interest income and gains from foreign currency loans to companies in which the entity holds an investment.

2.16 Other operating expenses

	December 31,	
In CHF 1,000	2023	2022
Administrative expenses	2,344	2,059
Share based payments	223	226
Consulting expenses	2,477	1,325
Withholding taxes	115	230
Other operating expenses*	8,009	6,538
Total	13,168	10,378

* In 2023 the main expense items related to insurance, IT, consulting, patent and marketing expenses as well as to fees for the Board of Directors.

2.17 Financial expenses

Financial expenses amount to TCHF 6,842 (2022: TCHF 417) and consist mostly of foreign currency losses from transactions with companies in which the entity holds an investment.

2.18 Direct taxes

The tax charge includes income and capital taxes.

Notes to the Financial Statements

INFICON Holding AG, Bad Ragaz / Switzerland

3 Other Information

3.1 Full-time Equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 10.

3.2 Significant Shareholders

The following shareholders owned more than 5 percent of voting rights:

December 31,	2023	2022
KWE Beteiligungen AG	19.60%	19.60%
7-Industries Holding B.V.	9.27%	9.27%

Any significant shareholder notifications during 2023 and since January 1, 2024, can be accessed via the following weblink to the database search page of the disclosure office:

http://bit.ly/IFCN_major_Shareholders

3.3 Shares owned by Group Management and Members of the Board of Directors, including any related parties

The number of shares owned by the Board of Directors and Group Management for the years ended December 31:

	2023	2022
Board of Directors:		
Dr. Beat E. Lüthi, Chairman	1,642	1,554
Dr. Richard Fischer, Vice Chairman (until March 2023)	–	26,239
Vanessa Frey, Member *	208	173
Beat Siegrist, Member	14,738	15,694
Dr. Reto Suter, Member	126	82
Lukas Winkler, Member (since March 2023)	5,770	–
Total Board of Directors	22,484	43,742
Group Management		
Oliver Wyrsch, President & CEO (since 2023)	976	–
Lukas Winkler, President & CEO (until 2022)	–	4,396
Matthias Tröndle, Group CFO	469	657
Total Group Management	1,445	5,053

* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.6% (2022: 19.6%) in INFICON HOLDING AG.

The members of the Group Management held together on December 31, 2023 directly and indirectly a total of 0.06% (2022: 0.21%) bearer shares or 0.06% (2022: 0.21%) of the voting rights of INFICON. The members of the Board of Directors held together on December 31, 2023 directly and indirectly a total of 20.52% (2022: 21.39%) bearer shares or 20.52% (2022: 21.39%) of the voting rights of INFICON.

3.4 Shares for Group Management, Key Employees and Members of the Board of Directors

a) Share-based compensations 2023

	Shares granted	
	Quantity	Value in CHF 1,000
Total Board of Directors	246	225
Total Group Management and Key Employees	3,010	2,688
Total	3,256	2,913

b) Share-based compensations 2022

	Shares granted	
	Quantity	Value in CHF 1,000
Total Board of Directors	232	225
Total Group Management and Key Employees	2,733	2,173
Total	2,965	2,398

As to the share-based compensations the relevant share price for allocation purposes is the average price of the share as of the fifth trading day after the Ordinary Annual General Meeting. Shares for compensation to Group Management and key employees are transferred at acquisition costs to the respective legal entity.

3.5 Contingent Liabilities

	December 31,	
In CHF 1,000	2023	2022
Guarantees in favor of an affiliated companies	1,897	2,028

The guarantees in favor of affiliated companies are to cover credit facilities with various banks in Europe. One of the credit facilities is drawn by TCHF 57.

Appropriation of Available Earnings INFICON Holding AG, Bad Ragaz / Switzerland

(Proposal of the Board of Directors)

In CHF 1,000	December 31,	
	2023	2022
Reserves from capital contributions at beginning of year	620	8,194
Distribution to shareholders	–	(7,574)
Reserves from capital contributions	620	620
Profit brought forward	153,917	173,179
Results from gain on treasury shares	136	(616)
Distribution to shareholders	(43,944)	(43,732)
Profit for the year	19,598	25,086
Available earnings	129,707	153,917

The Board of Directors proposes to the General Meeting of Shareholders the following appropriation:

Available earnings before proposed distribution	129,707
Distribution from available earnings (2023: CHF 20.00 each share)	48,903
Available earnings after proposed distribution	80,804



Statutory Auditor's Report

To the General Meeting of INFICON HOLDING AG, Bad Ragaz

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements (pages 96 to 103) 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 compensation 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.



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

Bruno Casutt
Licensed Audit Expert

Zurich, 4 March 2024

Imprint and Contact

Note regarding forward-looking statements

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “believes”, “plans”, “anticipates”, “expects”, “estimates”, “continue”, “may” and similar expressions) should be considered to be forward-looking statements. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the company to be materially different from those expressed or implied by such forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond the company’s ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the performance, security and reliability of the company’s information technology systems, political, economic and regulatory changes in the countries in which the company operates or in economic or technological trends or conditions. As a result, investors are cautioned not to place undue reliance on such forward-looking statements.

Except as otherwise required by law, INFICON disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this report.

Imprint

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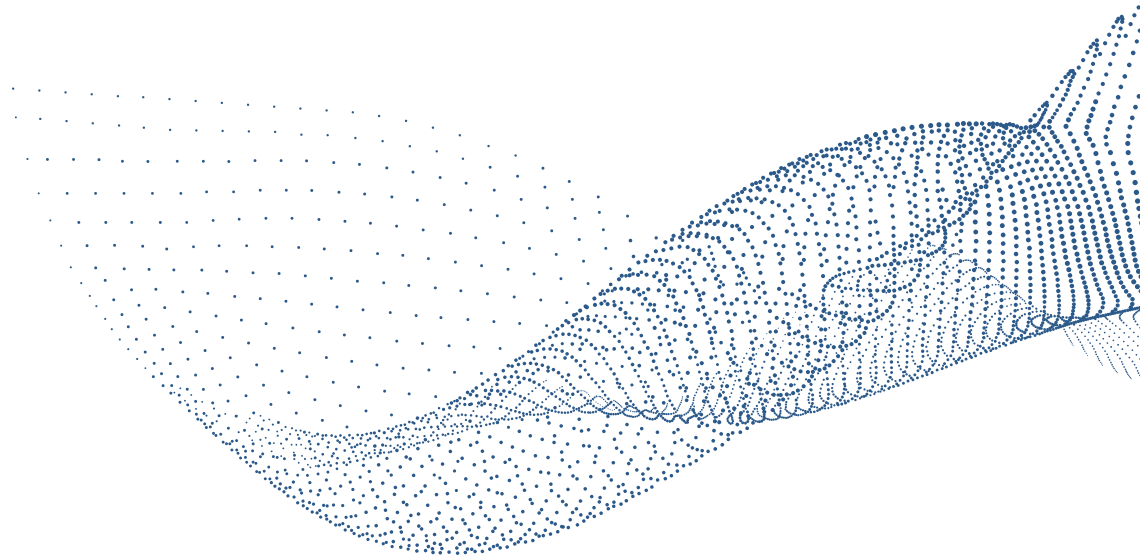
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