

ANNUAL REPORT  
**2022**

# 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.

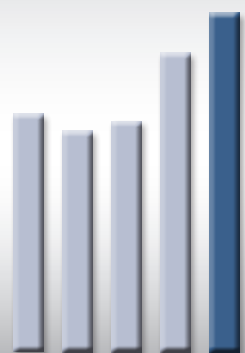
Innovation is key at INFICON. In our 23 years of existence we have developed and launched over 100 new products.

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

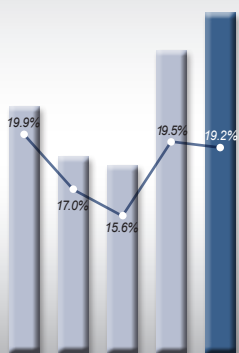
Additional copies of this report may be downloaded from the Investors section of our website, [www.inficon.com](http://www.inficon.com), Investor section

## Key Figures – At a Glance



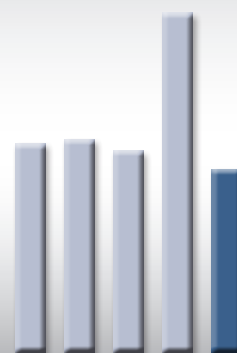
2018 2019 2020 2021 2022  
410.4 381.7 397.8 515.8 **581.3**

### Net sales



2018 2019 2020 2021 2022  
81.5 64.8 61.9 100.4 **111.6**

### Operating income (in % of Net sales)



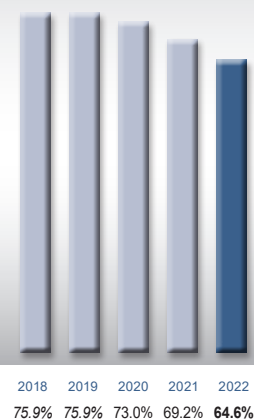
2018 2019 2020 2021 2022  
52.3 53.3 50.5 85.1 **46.2**

### Cash flow from operations

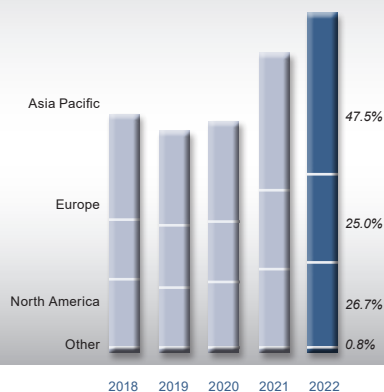
According to Swiss GAAP FER  
(US Dollars in Millions, except per share amounts)

	2018	2019	2020	2021	2022
Net sales	410.4	381.7	397.8	515.8	<b>581.3</b>
Research and development	31.7	34.4	39.0	47.0	<b>45.5</b>
Selling, general and administrative expense	91.7	89.1	87.1	99.5	<b>109.6</b>
Operating income	81.5	64.8	61.9	100.4	<b>111.6</b>
<i>in % of net sales</i>	19.9%	17.0%	15.6%	19.5%	<b>19%</b>
EBITDA	90.3	73.2	72.4	111.8	<b>122.3</b>
<i>in % of net sales</i>	22.0%	19.2%	18.2%	21.7%	<b>21%</b>
Net income	64.2	52.8	49.3	80.3	<b>88.5</b>
<i>in % of net sales</i>	15.6%	13.8%	12.4%	15.6%	<b>15.2%</b>
Cash and short-term investments	62.3	57.4	60.1	65.6	<b>45.9</b>
Cash flow from operations	52.3	53.8	50.5	85.1	<b>46.2</b>
Capital expenditures	20.3	18.4	14.1	30.3	<b>33.7</b>
Total assets	271.2	275.0	305.2	365.2	<b>429.4</b>
Long-term debt	–	–	–	0.2	<b>0.1</b>
Stockholders' equity	205.8	208.8	222.9	252.6	<b>277.4</b>
<i>Equity Ratio in %</i>	75.9%	75.9%	73.0%	69.2%	<b>64.6%</b>
Employees	1,118	1,183	1,220	1,297	<b>1,456</b>

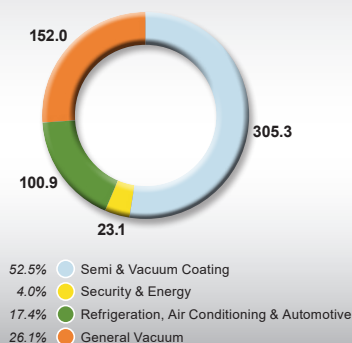
## Key Figures – At a Glance



**Equity Ratio**



**Direct Sales by Geographic Region**



**2022 Sales by End Market**

According to Swiss GAAP FER  
(US Dollars in Millions, except per share amounts)

	2018	2019	2020	2021	2022
<b>Ratios per Share</b>					
Earnings per share – diluted	26.40	21.66	20.18	32.87	<b>36.22</b>
Shareholders' equity per share – diluted	84.65	85.66	91.23	103.37	<b>113.47</b>
Free cash flow per share – diluted	12.99	13.93	14.28	25.13	<b>4.47</b>
Return on equity %	31.1%	25.5%	22.8%	33.8%	<b>33.4%</b>
Dividend/Distribution per share (CHF)	22.00	18.00	16.00	21.00	<b>18.00</b>
Share price (CHF) at December 31,	497.60	768.50	808.00	1,338.00	<b>809.00</b>

### Direct Sales by Geographic Region

	2018	2019	2020	2021	2022
Asia-Pacific	183.5	153.8	172.6	248	<b>276.3</b>
Europe	113.6	110.6	116.2	133.6	<b>145.3</b>
North America	106.1	112.5	104.7	128.1	<b>155.3</b>
Other	7.2	4.8	4.3	6.1	<b>4.4</b>

### Sales by End Market

	2018	2019	2020	2021	2022
Semi & Vacuum Coating	184.6	163.7	191	261.4	<b>305.3</b>
Security & Energy	29.0	26.6	19.7	21.2	<b>23.1</b>
Refrigeration, Air Conditioning & Automotive	81.5	84.4	79.6	99.8	<b>100.9</b>
General Vacuum	115.3	107	107.5	133.4	<b>152.0</b>

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

## Recent Milestones and Achievements

### Corporate

CHF 20.00 distribution per share for 2017 from legal reserves from capital contributions	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 proposed distribution per share for 2022
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### Acquisitions / Divestments

+ Final Phase Systems LLC, Assets of a Software Developer, Oct 1, 2018  + Techno-Tools Corp., Assets of a manufacturer of hand-held leak detectors, Oct 10, 2018			+ 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 Ingeniería SA de CV., June 2022
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### Sales / Marketing / Achievements

<p>Moving into new and larger premises for sales, application, service, and logistics in Kawasaki and Chubu, Japan</p> <p>Launch of CONTURA® S400 for food packaging industry in North America after successful launch in Europe</p> <p>R&amp;D 100 Finalist Award for Contura S400</p> <p>2018</p>	<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>2019</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>2020</p>	<p>New and expanded sales office &amp; 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 &amp; Air Conditioning</p> <p>2021</p>	<p>Establishment of a sales subsidiary in Mexico, April 2022</p> <p>New merged location in Korea including office, assembly production, service &amp; 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>2022</p>
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# Recent Milestones and Achievements

## Technology Leadership

<p>2018</p> <p>Transceptor XPR 3+ RGA integrates a new generation of miniaturized quadrupole mass spectrometer for rapid gas change monitoring</p> <p>SPOT CDS500 featuring two measuring cells for wide range pressure measurement</p> <p>IRwin Variants G, the world's most compact methane analyzer with integrated gas chromatography for ethane analysis</p> <p>XL3000, the world's most powerful sniffer leak detector for H2 and Helium</p>	<p>2019</p> <p>Launch of a compact Self Plasma Optical Emission System for contamination control of &lt;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 Transceptor® 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>Transceptor AXP, latest model in the family of market-leading Transceptor 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>Transceptor® 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>
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# Target Markets

<b>Semi &amp; Vacuum Coating</b>	<b>Security &amp; Energy</b>	<b>Refrigeration, Air Conditioning &amp; Automotive</b>	<b>General Vacuum</b>
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## Market

<p>In situ metrology and process control 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 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, 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>
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## Growth Drivers

<p>Growing demand for electronic content in consumer products.</p> <p>Increasing manufacturing complexity.</p> <p>Miniaturization for portability and mobile communication.</p> <p>Rising demand for intelligent sensors (MEMS, optical, etc.).</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&amp;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>
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## Long-term market trends

Ambient Intelligence			Ambient Intelligence
Sustainability	Sustainability	Sustainability	
Wealth/consumption		Wealth/consumption	Wealth/consumption
International Security	International Security		

# Target Markets

<b>Semi &amp; Vacuum Coating</b>	<b>Security &amp; Energy</b>	<b>Refrigeration, Air Conditioning &amp; Automotive</b>	<b>General Vacuum</b>
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## 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	



# Letter to our Shareholders

## Dear Shareholders

We are pleased to tell you that INFICON mastered significant challenges of the business year 2022 very well. Sales grew organically by 17.7% to USD 581.3 million and despite the demanding business conditions, we successfully defended our earnings margins.

The strongest sales increase was recorded in INFICON's biggest target market Semi & Vacuum Coating, where sales grew by 16.8% to USD 305.3 million and accounted for 52.5% of Group sales. Demand from both equipment manufacturers as well as logic and memory chip producers remained high. After a very strong year in Asia in 2021, we saw more momentum in America and Europe in 2022. Sales to customers in the General Vacuum market surged by 13.9% to USD 152.0 million or 26.1% of Group sales. Sales generated in the Refrigeration, Air Conditioning & Automotive market showed an increase of 1.1% to USD 100.9 million. This market accounted for 17.4% of Group sales and benefited well from the increasing demand for leak testing of batteries and battery modules. As expected, shipments of our man-portable analysis system HAPSITE picked up in the second half of the year. And lastly, Security & Energy market reported 9% higher sales of USD 23.1 million. For more financial details, please consult the financial review further down in this Annual Report. Overall, INFICON is pleased with the 2022 financial results and the Board of Directors proposes to the Annual General Meeting of Shareholders the distribution of a cash dividend of CHF 18.00 per share.

Let's take a look at the major challenges and key issues in 2022.

While the COVID-19 pandemic today seems to be for the most part behind us, it kept a tight grip on all of us for most of 2022. It affected, even interrupted international supply chains, caused many shortages for metals and electronic components and devices, led repeatedly to shut-downs in supply industries in Asia – and especially in China. Cross-border meetings in person were still complicated. INFICON managed to secure its vital supplies of electronic components, yet at temporarily significantly higher cost. We maintained trusted and durable relationships with our key customers. And most

importantly, most of our colleagues at work coped well with the pandemic and we were thus able to keep our operations up and running.

In parallel, management expanded the world-wide manufacturing capacities by roughly 50% and kept the expansion projects well on track. The board considers this as a great achievement. In 2022 the whole Group invested around USD 34 million in these expansion measures and even topped the prior year investments of around USD 30 million. These complex expansion project asked for many adaptations of our processes and procedures yet did not cause any serious interruptions. INFICON is excellently positioned today to service our customers even more timely and flexibly in the future.

Because of the war in Ukraine, the chances of suffering from energy shortages became immanent and asked for management attention and fast action. We took measures to guarantee an uninterrupted energy supply installing e.g., mobile power generation units at our factories.

INFICON management continued to invest into future growth by expanding the research and development teams internationally. Important new products were introduced during 2022 and a solid pipeline of product and technology innovations is ready for launch in 2023. More interesting opportunities are coming up for the following years. Keeping the product and service portfolio at the forefront of technology is vital to expand INFICON's global market position.

Considerable means were again devoted to making INFICON's operations more sustainable. All production sites were switched to 100 percent renewable electricity. At Balzers, after a thorough analysis of the heating and cooling systems, the annual consumption was significantly reduced by 50%. With heat recuperation from the production processes the energy consumption will be further reduced in the coming years. In Syracuse/New York, the colleagues can enjoy a new landscaping concept designed to promote biodiversity around the production and office buildings. Shareholders are invited to read more about INFICON's achievements in this realm in the ESG report chapter included in this Annual Report.

## Letter to our Shareholders

A further major objective of 2022 was to design a smooth and seamless transition process as key management positions at Group level and at various key production sites changed during the year. INFICON was very successful in this process, as three out of four positions could be filled with internal talents and in addition we successfully filled one position with a female. Most prominently, Lukas Winkler – CEO of the INFICON Group for 20 years – decided to pass his leadership position by year-end. With Oliver Wyrsch, INFICON was able to present an internal successor for the position of Group CEO in spring. Lukas and Oliver greatly worked together during the remainder of the year to provide for a seamless hand-over. Oliver was formerly in charge of the American business of INFICON. With his nomination, the American operations based in Syracuse/ New York got a new leader. We also saw management changes in Europe: the long-time managing directors at Cologne and Balzers retired from their positions, too.

Another aspect of leadership at INFICON are the imminent changes in the Board of Directors. Dr. Richard Fischer decided – after 20 years of Board Membership – to hand over this strategic leadership position. Board and Management would like to thank Richard Fischer for his devoted work in INFICON's steering body and the many important contributions he made to INFICON's strategic development with his broad international industry network.

The Board of Directors proposes to elect Lukas Winkler as a new member of the Board at the upcoming Annual General Meeting, in order to count on Lukas Winkler's long-established global industry network also in the future.

At year-end, around 1500 INFICON colleagues contributed to the Group result. This is a considerable increase over the prior year. Attracting new and retaining of hired talent at all levels and in all functions throughout the organization is very important to us and a clear priority. INFICON is known in the marketplace as a good and caring employer. The many long-time employees are a tell-tale proof of the job attractiveness at INFICON. We would like to take this opportunity to welcome all new employees and thank the growing INFICON staff for their continued commitment and work. Together we mastered all the challenges of 2022. Thank you very much.

We are also grateful for the good relationships with our supplier, business counterparts, and customers. We experience our day-to-day interaction as a mutually beneficial partnership based on transparency, cooperation, and trust. We look forward to continuing our dialogue with all of you.

Finally, yet importantly, we would like to thank you, dear Shareholders, for your loyalty and support. We are delighted to invite you in person to our upcoming Annual General Meeting where we can again interact directly.

Yours sincerely,

Dr. Beat E. Lüthi  
Chairman

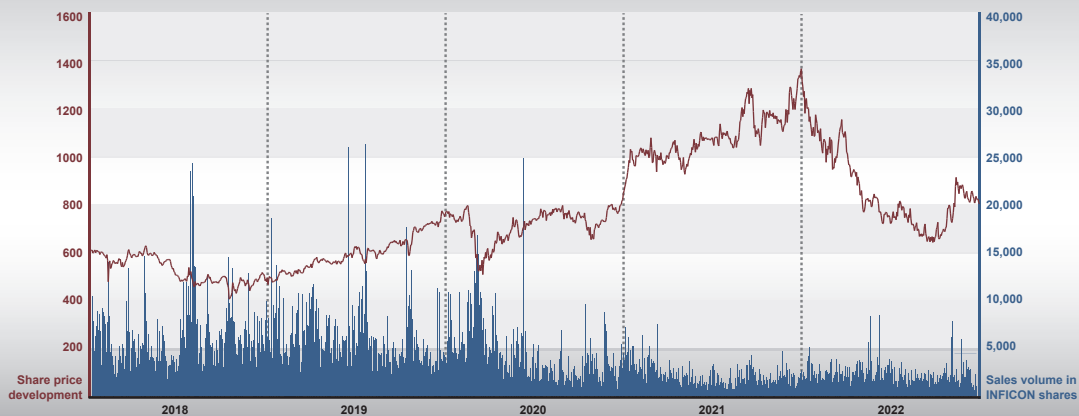
Lukas Winkler  
CEO

Matthias Tröndle  
CFO



*From left to right: Matthias Tröndle (CFO), Dr. Beat E. Lüthi (Chairman), Oliver Wyrsch (CEO since 01/01/2023), Lukas Winkler (CEO until 31/12/2022)*

# 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

March 30, 2023: Annual General Meeting of Shareholders  
 April 26, 2023: First quarter 2023 results  
 July 27, 2023: Second quarter 2023 results/half-year results 2023  
 October 19, 2023: Third quarter 2023 results  
 March 2024: Fourth quarter 2023 results/Year-end results 2023

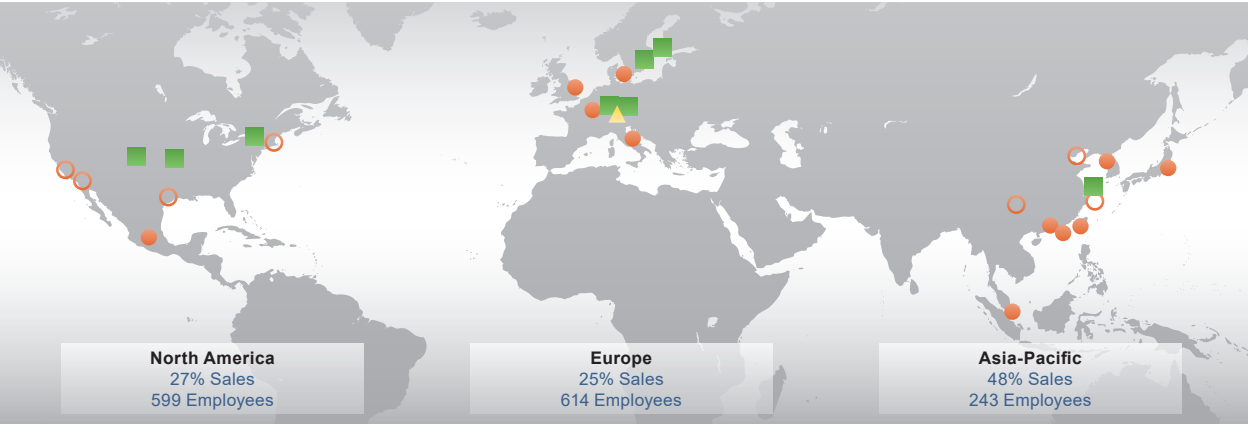
## Internet/E-mail Alerts

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](http://www.inficon.com)

	2018	2019	2020	2021	2022
<b>Key figures per share (CHF)</b>					
Price at year-end	497.60	768.50	808.00	1,338.00	<b>809.00</b>
Highest price	636.00	779.50	821.00	1,362.00	<b>1,370.00</b>
Date	Apr 23	Dec 23	Dec 02	Dec 28	Jan 04
Lowest price	403.80	468.40	488.60	800.00	<b>633.00</b>
Date	Oct 11	Jan 03	Mar 23	Jan 04	Sep 29
Earnings per share (diluted)	26.40	21.66	20.18	32.87	<b>36.22</b>
Equity per share	84.65	85.66	91.23	103.30	<b>113.47</b>
Dividend/Distribution per share	22.00	18.00	16.00	21.00	<b>18.00</b>

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

# Global Presence



▲ **INFICON Holding AG**  
Bad Ragaz, Switzerland  
Parent Company

■ **INFICON AG**  
Balzers, Liechtenstein

■ **INFICON Inc.**  
Syracuse, NY, USA

■ **INFICON AB**  
Linköping, Sweden

■ **INFICON Instruments Shanghai Co. Ltd.**  
Shanghai, China

■ **INFICON GmbH**  
Cologne, Germany

■ **INFICON Aaland Ab**  
Mariehamn, Finland

● **INFICON S.A.R.L.**  
Courtaboeuf, France

● **INFICON Ltd.**  
Blackburn, United Kingdom

● **INFICON S.r.l.**  
Bozen, Italy

● **INFICON Pte. Ltd.**  
Singapore

● **INFICON Ltd.**  
Hong Kong

● **INFICON (Guangzhou) Instruments Co., Ltd.**  
Guangzhou, China

● **INFICON Ltd.**  
Chubei City, Taiwan

● **INFICON Ltd.**  
Bungdang, Korea

● **INFICON Co., Ltd.**  
Kawasaki-Shi, Japan

● **INFICON ApS**  
Copenhagen, Denmark

● **IFCN.SW**  
Corregidora Qro., Mexico

■ **INFICON EDC Inc.**  
Overland Park, KS, USA

■ **INFICON InstruTech LLC**  
Longmont, CO, USA

- ▲ Group Administration/Management
- Manufacturing
- Sales entities
- Sales offices

# Group Organization

(as of February 28, 2023)

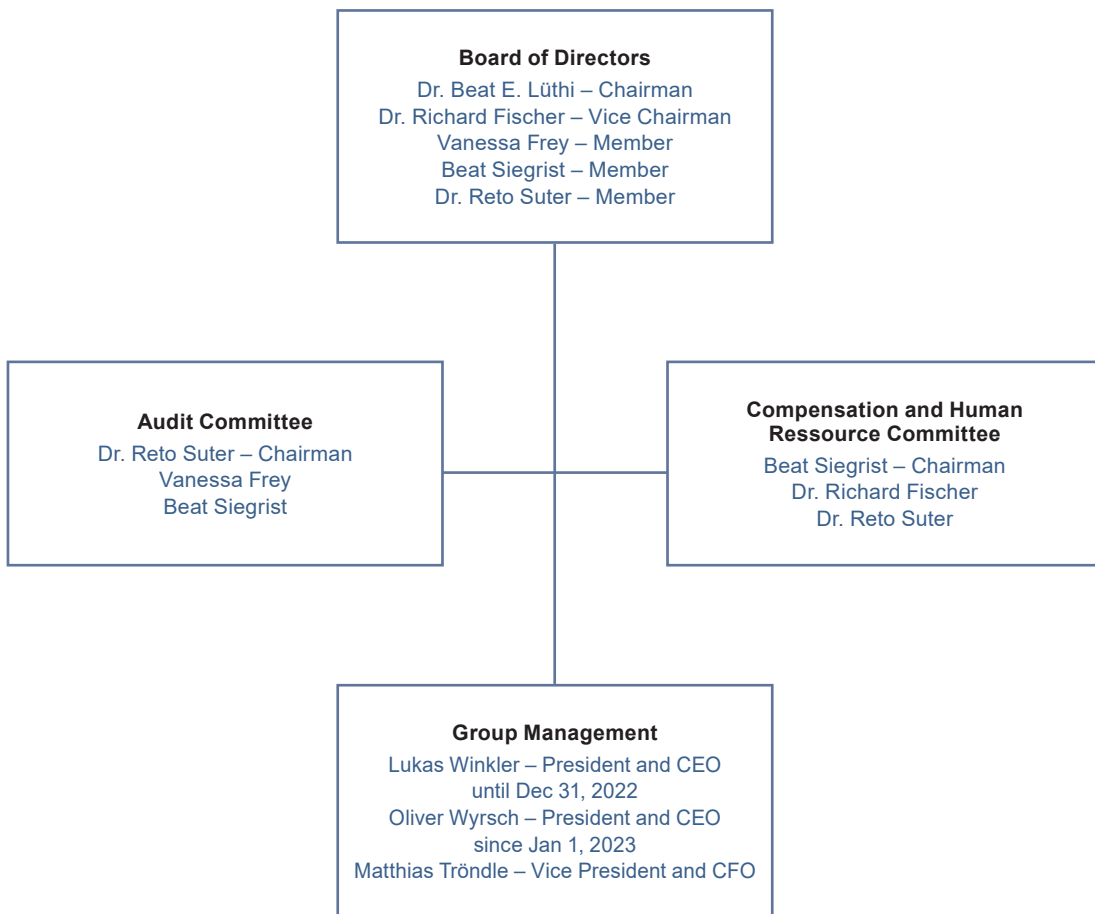
## Board of Directors and Group Management



*From left to right: Dr. Reto Suter, Matthias Tröndle (CFO), Beat Siegrist, Lukas Winkler (CEO until 31/12/2022), Vanessa Frey, Dr. Beat Lüthi (Chairman), Oliver Wyrsh (CEO since 01/01/2023), Dr. Richard Fischer*

# Group Organization

(as of February 28, 2023)



## Board and Executive Secretary

Elisabeth Kühne, General Secretary to the Board of Directors  
INFICON HOLDING AG, Hintergasse 15 B, CH-7310 Bad Ragaz, Switzerland  
Tel. +41 81 300 4980  
Fax +41 81 300 4988  
E-mail: [elisabeth.kuehne@inficon.com](mailto:elisabeth.kuehne@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 26.

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 13.

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 11.

#### 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, 2022 was TCHF 1,978,135 based on shares outstanding.

#### Share Capital and Percentage of Shares Held by Subsidiaries

See statutory financial statements, Note 2.4, "Investments".

### 1.2 Significant Shareholders

#### Shareholder Structure

Based on number of registered shareholders as of December 31, 2022.

Number of shares	Number of shareholders
> 50,000	4
10,000–50,000	13
1–9,999	4,394
<b>Total</b>	<b>4,411</b>

# Corporate Governance

## Shareholders by Country

Based upon number of registered shareholders as of December 31, 2022.

Country	Number of shareholders
Switzerland	3,950
Germany	217
United States of America	62
Liechtenstein	48
Rest of Europe	63
Rest of World	71
<b>Total</b>	<b>4,411</b>

## 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, 2022:

Issued share capital	2,445,161	TCHF 12,226
Conditional share capital	9,694	TCHF 48

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 Authorized and Conditional Share Capital

The Board of Directors is currently not authorized to issue new registered shares.

The Articles of Incorporation provide for a conditional capital (according to Art. 653 of the Swiss Code of Obligations) of a maximum of TCHF 48 through the issuance of 9,694 registered shares of CHF 5 each by the exercise of option rights granted to employees and members of the Board of Directors of the Company. Since May 7, 2021, no exercisable options exist. In 2021 3,200 options had been exercised.

### 2.3 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, 2022 and 2021.

### 2.4 Shares

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

### 2.5 Profit Sharing Certificates

The Company currently has no profit sharing certificates.

### 2.6 Limitations on Transferability and Nominee Registrations

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



# Corporate Governance

## 2.7 Convertible Bonds and Warrants/Options

In 2014, the Directors' Stock Option Plan and in 2015 the Key Employee Stock Option Plan were terminated. On May 7, 2021, all exercisable options had been exercised or had expired.

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

## 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 already defined a dedicated representative for ESG and sustainability matters in 2020 in the person of Dr. Richard Fischer. Furthermore, it has already been decided that a Sustainability Council consisting of 3 persons (two Board members and Group Management) will be established in 2023. The council will define 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 57) 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 is reviewed and approved by the Board of Directors and Group Management as part of the development of the Annual Report.

## Overview Board

<b>Board of Directors</b> (5 members)	
<b>Chairman</b> Dr. Beat E. Lüthi	
<b>Members</b> Beat Siegrist, Vanessa Frey Dr. Reto Suter, Lukas Winkler (proposed member from 2023)	
<b>Audit Committee</b> Dr. Reto Suter, Chairman Vanessa Frey Beat Siegrist	Financial- and non-financial reporting, risk management, compliance, audit, accounting & internal controls, financial health
<b>Compensation and Human Resource Committee</b> Beat Siegrist, Chairman Dr. Reto Suter Lukas Winkler (proposed member from 2023)	Compensation and benefits, nomination, career development, goal setting, culture
<b>Sustainability Council</b> Lukas Winkler, Lead (proposed member from 2023) Dr. Reto Suter Matthias Tröndle, CFO	<b>New Council</b> , formally established in 2023 Council defines roadmap, reviews targets, studies the regulatory developments in the ESG area, supports Audit Committee in non financial reporting.

## 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. Richard Fischer  
Dr. Reto Suter

## 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 2022:

	Board of Directors	Audit Committee	Compensation and Human Resources Committee
<b>Number of meetings in 2022</b>	4	3	3
<b>Approx. average duration of physical meetings (in hours)</b>	7.2 h	0.8 h	1.3
Dr. Richard Fischer	4	3	3
Vanessa Frey	4	3	3
Dr. Beat E. Lüthi	4	3	3
Beat Siegrist	4	3	3
Dr. Reto Suter	4	3	3
KPMG calling in	0	2	0
<b>Number of virtual meeting in 2022</b>	2	5	1
<b>Approx. average duration of virtual meetings (in hours)</b>	0.6 h	1 h	0.5 h
Dr. Richard Fischer	2	3	1
Vanessa Frey	2	4	1
Dr. Beat E. Lüthi	2	5	1
Beat Siegrist	2	5	1
Dr. Reto Suter	2	5	1
KPMG	0	2	0

The meetings took place in Zurich (Switzerland), Vitznau (Switzerland), Cologne (Germany) and Balzers (Liechtenstein).

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
2007–2011	Stadler Rail AG, Member
2002–2013	Bossard AG, Member
2017–2020	Orell Füssli Holding AG, Member

#### Current Board Mandates

Since 2010	Straumann AG, Member
Since 2012	INFICON Holding AG, Chairman
Since 2021	Skan AG, Member

# Corporate Governance

## **Dr. Richard Fischer, Citizen of Austria, 1955**

Vice Chairman of the Board of Directors and Member of the Compensation and Human Resources Committee

### *Educational Background*

1973–1979 Technical University of Vienna,  
Master of Science in Electrical and  
Electronical Engineering  
1979–1982 Technical University of Vienna,  
Assistant Professor, Ph.D. with excellence

### *Executive Experience*

1982–1984 Gama, Access Systems, Austria,  
R&D Manager and Technical Director  
1984–2004 VAT Holding AG, Switzerland, CEO

### *Previous Board Mandates*

1990–2011 ARS GmbH, Member  
2008–2009 Netservice AG, Chairman  
2003–2014 VAT Holding AG, Switzerland, Chairman

### *Current Board Mandates*

Since 2003 INFICON Holding AG, Member  
Since 2020 Obrist Engineering, 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

## **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 Out-  
sourcing 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

### *Previous Board Mandates*

2002–2012 Ismeca 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, Chairman  
Since 2010 INFICON Holding AG, Member  
Since 2019 The Island Rum Company AS, Member  
Since 2022 Bomatec Holding AG, Member

# Corporate Governance

## 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 2017	Siegfried Group, various
Since 2021	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-five 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:

Board of Directors	Date First Elected	Term Expires
Dr. Beat E. Lüthi	May 2012	March 2023
Dr. Richard Fischer	May 2003	March 2023
Vanessa Frey	May 2012	March 2023
Beat Siegrist	May 2010	March 2023
Dr. Reto Suter	March 2021	March 2023

## 3.4 Internal Organizational Structure

Refer to page 13.

## 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 Sustainability/ESG responsibility was defined in the year 2020 by the Board of Directors: We have selected and appointed both a ESG representative from the Board of Directors (Dr. Richard Fischer) and the CFO and Group Management member Matthias Troendle.

## 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.

# Corporate Governance

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.

The replacement of Dr. Richard Fischer who is no longer available for Board reelection after 20 years of Board membership and the proposed election of the former CEO Mr. Lukas Winkler as a new Member of the Board of Directors are very important occurrences for us and for INFICON's future success. The Board is aware that Lukas Winkler election to the Board of Directors will keep him for three 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

## 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.

# Corporate Governance

## Independence statement

According to the evaluation carried out by the Board, 4 out of 5 Board of Directors proposed for AGM election in 2023 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 Chairman 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.

## 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.

#### Lukas Winkler, Citizen of Switzerland, 1962

President and Chief Executive Officer (from January 2004 until December 2022)

#### *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 (former KLH Holding AG), Member
- Since 2020 Avantama AG, Member

# Corporate Governance

## **Oliver Wyrsh, Citizen of Switzerland, 1977**

President and Chief Executive Officer (from 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 2022 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 2022 audit were approximately TUSD 342.

### 8.3 Additional Fees

No additional fees were paid to the Group Auditor in 2022.

### 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 2022 the audit firm attended two virtual meetings 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 2022 half-year report was published online in July 2022.

Information available for investors can be found at [www.inficon.com](http://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](http://www.inficon.com).

# Compensation Report

## Introduction

This Compensation Report describes the principles of remuneration at INFICON. The report is prepared in accordance with the Swiss Ordinance against Excessive Compensation with respect to Listed Stock Corporations of November 20, 2013 (hereinafter referred to as "Ordinance"). The report also follows the recommendations defined in Appendix 1 to the Swiss Code of Best Practice for Corporate Governance published by economieuisse 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, 2022. In this Report, all share-based payments are calculated and disclosed with reference to the year of allotment (grant date). 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

in T CHF	2022	2021
<b>Board of Directors</b>	<b>764</b>	<b>733</b>
	<b>800</b>	<b>800</b>
Number of members	5	5
<b>Group Management</b>	<b>2,278</b>	<b>1,842</b>
	<b>3,500</b>	<b>3,500</b>
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), Dr. Richard Fischer 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

in TCHF	Annual Board fees	Cash 2/3	Shares 1/3 (*)
Board Chair	189.0	126.0	63.0
Board Vice Chair	141.0	94.0	47.0
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

Purpose	Element	Period
Base Salary	<b>Fixed compensation</b>	
	Cash	
	Car allowance	continuous,
Benefits	Social security insurance, pension plan	monthly
	<b>Variable compensation</b>	
Short-term goal achievement	1 Cash bonus	1 year
	2 Compensation in shares	3 years
Long-term incentive	3 CEO long-term incentive	4-7 years
	<i>Shareholder alignment</i>	

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

	Fixed compensation	Variable compensation			LTI share plan
	Base salary	Cash bonus	Share plan	Range	
		Target <sup>(1)</sup>	Target <sup>(1)</sup>	min-max <sup>(2)</sup>	Range
CEO	100%	45%	45%	0–200%	0–2 MCHF
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. In 2021, the share plan for the Group Management was

adapted and aligned to the plan for the Board of Directors. 50% shares with a three-year holding period replaced the former split into 25% shares and 25% restricted shares (allocation over four years).

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 2022 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%	62.0%
Asset Management	4.0%	2.4%
Cost Control	4.0%	5.6%
Individual Performance	10.0%	9.4%
Total	90.0%	79.4%

This achievement results in a total variable compensation of TCHF 361 for the CEO, 50% in cash and 50% in shares with a three year blocking period.

In 2019, a long-term incentive plan was introduced for the CEO (table "Structure of Compensation – 3 CEO long-term incentive"). The Board of Directors and CHR Committee have established performance targets, levels and achievement criteria, as well as other conditions and deadlines. The amount of the long-term remuneration is variable and can amount to a maximum of MCHF 2 gross (excluding social security contributions). The amount of the remuneration depends on the timing of the occurrence of the specified operating

# Compensation Report

income goal. The remuneration is granted only once, is share-based and could have been paid out in 2022 at the earliest. The agreement is valid until 2025 at the latest. This long-term remuneration was proposed to and approved by the Annual General Meeting held in 2019.

At the end of 2022 the achievements of the long-term incentive plan had been reviewed. Based on the established performance targets and achievement criteria the long-term remuneration did result in an amount of MCHF 1,5.

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 8% in 2022. The variable compensation was adjusted according to the financial performance and the individual performance goals.

## 4 Authority and Determination of Compensation

INFICON's CHR Committee acts as the relevant body in accordance with the Ordinance Against Excessive Compensation with respect to Listed Stock Corporations 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 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 contract terms.

Non-competition agreements are allowed for the period following termination of the employment contract. In compensation for such agreements, a compensation not exceeding the affected Member's last annual salary may be paid for up to one year.

# 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.

### a) Compensations 2022

#### Board of Directors

	Base compensation in cash	Compensation in shares	*Other compensation	Total compensation
CHF 1,000				
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
<b>Total</b>	<b>443</b>	<b>225</b>	<b>96</b>	<b>764</b>
Approval by the Annual General Meeting 2022				800

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

#### Group Management

	Fixed compensation			Variable compensation				Total compensation
	Base salary	*Other compensation	Total	Cash bonus	Com-pensa-tion in shares	*Other compensation	Total	
CHF 1,000								
Lukas Winkler President and Chief Executive Officer	455	20	475	150	393	460	1,003	1,478
<b>Total</b>	<b>790</b>	<b>42</b>	<b>832</b>	<b>260</b>	<b>630</b>	<b>556</b>	<b>1,446</b>	<b>2,278</b>
Approval by the Annual General Meeting 2022								3,500

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

### b) Compensations 2021

#### Board of Directors

	Base compensation in cash	Compensation in shares	*Other compensation	Total compensation
CHF 1,000				
Dr. Beat E. Lüthi Chairman	126	64	32	222
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 (as of March 31, 2021) Chairman of Audit Committee	—	41	3	44
Dr. Thomas Staehelin (until March 30, 2021) Chairman of Audit Committee	80	—	5	85
<b>Total</b>	<b>443</b>	<b>225</b>	<b>65</b>	<b>733</b>
Approval by the Annual General Meeting 2021				800

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

#### Group Management

	Fixed compensation			Variable compensation			Total compensation	
	Base salary	*Other compensation	Total	Cash bonus	Com-pensa-tion in shares	*Other compensation		
CHF 1,000								
Lukas Winkler President and Chief Executive Officer	455	20	475	290	231	116	637	1,112
<b>Total</b>	<b>765</b>	<b>40</b>	<b>805</b>	<b>465</b>	<b>369</b>	<b>203</b>	<b>1,037</b>	<b>1,842</b>
Approval by the Annual General Meeting 2021								3,500

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

The compensation to the Chairman and the other Board Members did not change compared with the previous year. 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 764 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 base compensation to Group Management increased by 3.3% compared with the previous year. The difference in total compensation between the year 2022 and 2021 mainly reflects changes in 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 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 1<sup>st</sup>. 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 2,278 compares to the maximum ceiling amount of TCHF 3,500 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 2022 the average employee pay, including variable compensation and social security contributions reached TCHF 111.6 and in 2021 TCHF 112.8.

This compared to the total compensation of the CEO in the amount of TCHF 1,478 in 2022 represents a factor of 13.3x (after a factor of 9.9x in 2021).

## 8 Compensations for Former Members of Governing Bodies

There was no compensation to former members of the Board of Directors.

## 9 Additional Fees and Remunerations

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

## 10 Loans to Members of Governing Bodies

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





# 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 dated 28 February 2023 of INFICON Holding AG for the year ended 31 December 2022. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the tables a) and b) in section 7 on page 30 as well as sections 8 to 10 on page 31 of the compensation report.

In our opinion, the information on remuneration, loans and advances in the remuneration report complies with Swiss law and Art. 14-16 VegüV.

### Basis for Opinion

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

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

### Other Information

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

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

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

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

### Board of Directors' Responsibilities for the remuneration report

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



### **Auditor's Responsibilities for the Audit of the remuneration report**

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

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

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

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

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

KPMG AG

Roman Wenk  
Licensed Audit Expert  
Auditor in Charge

Benjamin Marte  
Licensed Audit Expert

Zurich, 28 February 2023

## Sustainability – a core aspect 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 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.

As a global leader in instruments for gas analysis, measurement, and control, 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. INFICON's approach to sustainability is comprehensive and holistic. 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. It also is an important factor in terms of employer branding and helps INFICON attract, recruit, and retain the best-suited talents.

Our commercial accomplishments and our solid financial backbone allow INFICON not only to successfully master crises such as the COVID-19 pandemic, disturbances in the international supply chain, and as a new challenge, potential energy shortages. Our commercial and financial performance is also the grounds for our long-term and customer-centered approach to innovation, our state-of-the-art manufacturing capabilities, our strong relations with our workforce, communities, customers, investors and other stakeholders.

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. The multidimensional business and stakeholder approach allows INFICON to drive innovation and its long-term business goals ahead while observing high ethical business standards in general, striving for the least possible impact on the environment, and providing for human and ecological health.

We are aware that employees and customers want to know the purpose of a company. When they understand 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 value their relationship with a company also more when they can relate to the purpose of a company.

INFICON thus assumes responsibility for its actions with a view to the economy, nature, and the people. In 2022, the INFICON Management team discussed the Company's DNA and INFICON's identity statement at meetings and workshops at various management and employee levels to promote a shared understanding. We are implementing our defined aims and ambitions, as well as methods and measures of how we want to contribute to the common goals of humankind.

INFICON's identity statement focusses on authentic, simple, individual, and future-oriented enterprise goals.

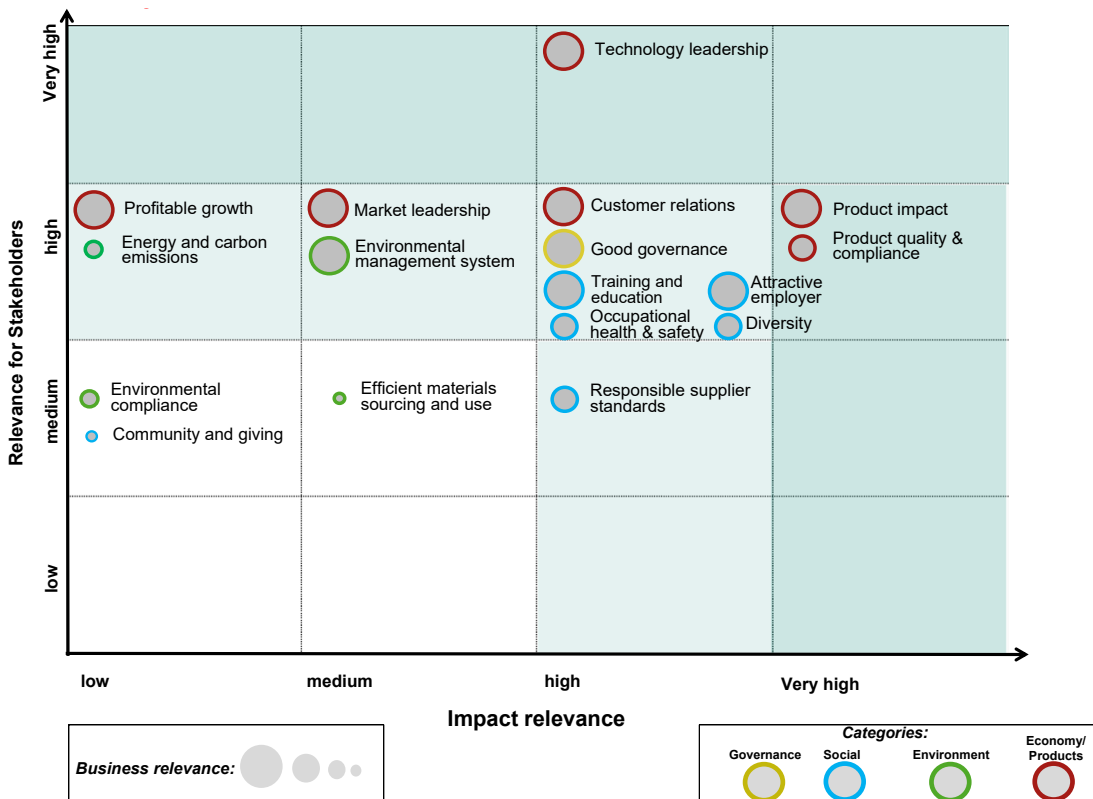
- **Create:** We enable visionary technologies for tomorrow
- **Live:** We live performance, joy and individual growth
- **Care:** We make our world safer and better

# INFICON Sustainability Report 2022

## Identification of material topics

We have reviewed the information gathered for this report and then modified, updated, and further expanded the scope of information in this report in various sections. In doing so, the GRI Sustainability Reporting Standards and the materiality analysis carried out in 2020 served as guidance for our yearly revision and the expansion of the content of this report. With a view to the materiality of topics, we consider those as material that are important to INFICON from an internal Company perspective, and/or from an external stakeholder perspective, and/or have a significant economic, environmental, or social impact. In our yearly review of the materiality assessment, INFICON identified no need for any changes. The materiality matrix below thus shows and ranks the identified material topics to depict INFICON's business model and stakeholder view according to the three dimensions "business relevance", "relevance for stakeholders", and "impact relevance".

## Materiality matrix



## Stakeholder Management

### Key stakeholder concerns

Developing good relationships with all stakeholders is key for the long-term business success. INFICON regularly engages with its stakeholders in a broad and systematic variety of ways to understand their needs and 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 clearly 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 the 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 are affected by its actions. The Company's key stakeholders are customers, employees, suppliers, the academic world, shareholders, and local communities.

### Key stakeholder concerns

**INFICON's customers** faced a demanding global business environment in 2022. While the COVID-19 pandemic lost some of its force in Europe and America, it continued to affect important sourcing markets in Asia and China in particular. In addition to the ongoing international trade, tax and industry policy disputes aggravated sourcing bottlenecks and led to certain scarcity issues for a series of important components and materials. INFICON interacted in many different formats with its global customer base to understand their high expectations. The table below summarizes the interaction formats and topics:

Examples of engagement formats	Key needs and concerns
<b>Daily interaction</b> <b>Regular personal contact</b>	Reliable customer service Quality/good value products Meeting the technical specs and requirements
<b>Video conferences</b> <b>Workshops/visits</b> <b>Webinars, technical trainings</b>	Fast response times  Reliable on-time delivery Health and safety impacts of products
<b>Conferences</b> <b>Social media, newsletters, emails</b> <b>Trade shows (virtual and physical)</b>	Providing general information Show and explain innovation and performance Assess overall industry and technology trends
<b>Industry associations</b>	

Understanding our customers' most pressing needs from an early stage is a prerequisite for delivering reliable customer service in challenging times. INFICON experiences great customer loyalty and rising demand for its products, technology, and services. As the pandemic had limited international travel especially in 2020 and 2021, new electronic formats of customer engagement have become more widely accepted. As travelling has become easier again in 2022 in many world regions, our key account managers and technical staff was able to meet more often again with customers. Yet INFICON continues to advocate the electronic formats in many occurrences as ecologic alternative for frequent travels. To certain regions or countries, cross-border travel remained still difficult if not impossible in 2022. Business trips to China were still not possible. So, INFICON experts engaged with their counterparts in these regions by frequent video conferences, virtual reality assisted tools, and social media. Apart from key accounts, INFICON addressed the broader customer base at industry-specific tradeshows and conferences, on industry association panels, through webinars and technical training videos as well as newsletter, e-mails and an expanded presence on social media. INFICON has expanded its presence on various social media platforms to facilitate getting in touch with the company.

# INFICON Sustainability Report 2022

**INFICON's employees** still face the consequences of the COVID-19 pandemic in certain ways at the various production and service sites. Most of the restrictions and precautionary measures were gradually alleviated, yet some remained in place and have become part of our normal daily routine, as e.g. using disinfectant lotions for proper hand hygiene and where possible working partially from home.

INFICON remained focused on being a reliable and caring employer throughout the pandemic, keeping employees safe, highlighting job security at INFICON and retaining existing colleagues as best as possible. INFICON intensified internal communication in the pandemic years via different channels ranging from on-site staff gatherings 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 meetings. 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	Workload
Employee representatives	Compensation, training and education

**INFICON's suppliers** often struggle with severe bottlenecks. Shortages occurred in the wake of the COVID-19 pandemic, different national strategies to cope with it, and because of the international trade, tax, and industrial policy disputes, and last but not least as a consequence of the war in the Ukraine. The globally rapidly rising demand for semiconductor products, electronics and other key components created shortages on the supply markets. With China being a key sourcing market for such components, the country's "zero COVID" strategy caused recurring industry shutdowns and supply scarcity. Continuous sourcing of certain components became very challenging. Well-established, mutually beneficial, reliable and resilient supplier relationships are still key, yet proved not to be sufficient. INFICON had to engage

various component brokers to safeguard its supply of certain components and materials from different countries. INFICON's purchasing departments and specialists closely interacted on a day-to-day basis with key suppliers, focusing on securing the needed quantities of components at reasonable prices. At the same time, INFICON continued to emphasize on site or virtual supplier visits and audits, in order not to compromise the quality of the goods delivered to INFICON given the tight conditions on the sourcing market.

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** see and know INFICON as a corporate citizen and frequently contact the corporation regarding topics such as sponsorship and support of local events or initiatives. Local communities and the public at large ask for more transparency of environmental, social and governance data. Regulatory developments also indicate that requirements regarding non-financial disclosures will increase.

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** community is obviously an important stakeholder group for a publicly listed Company. INFICON engages in a continuous dialogue with its investors and the financial community at large by means of its Annual Report, Interim Reports, its quarterly earnings releases, presentations and WEB-conferences, its Annual General Meeting of Shareholders, Technology Days, as well as national and international roadshows and the attendance at financial conferences. The investors and analysts are keen to understand how INFICON is generating value today and in the future. Especially in Europe and America, meetings with analysts, brokers, and investors have increased in the year under review as travelling became

# INFICON Sustainability Report 2022

less restricted. These stakeholders want to learn about the product pipeline that continues to define the market benchmarks and thus secures the Company's long-term successful positioning. They also want to understand INFICON's core technological competence in vacuum technology, which 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. INFICON management interacts on average with about 200 investors and analysts per year via various personal channels.

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

**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 following associations:

### INFICON AG/Liechtenstein:

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

### INFICON GmbH/Germany:

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

### INFICON Inc./USA:

- Centerstate CEO
- MACNY
- National Association of Manufacturers (NAM)
- National Defense Industrial Association
- Packaging Machinery Manufacturers Institute
- Southern Gas Association
- American Public Gas Association
- Air Conditioning, Heating & Refrigeration Institute (AHRI)
- Society of Automotive Engineers (SAE) – Interior Climate Control Committee (ICCC)
- Heating, Air Conditioning and Refrigeration International Distributors (HARDI)
- Mobile Air Conditioning Society (MACS)
- Manufacturing Leadership Council

**Universities and Research Institutes** are important partners. INFICON is leading currently 15 research projects with leading universities and research institutes located in the US and in Europe. The cooperation with such bodies is an important source of new expertise in new fields of research and thus in new fields of application ranging from research goals to implemented industrial manufacturing, and medical applications. INFICON also seeks to find new and refine core technologies to be integrated into 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 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.

Important to note is also the fact that the 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 and our technological leadership position. The close cooperation with these academic and applied scientific bodies helps INFICON to attract young talents.

## Good governance

Since its formation, INFICON has implemented high standards of Corporate Governance and business ethics. Separate chapters on Corporate Governance and on INFICON's compensation practices 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.

Good governance at INFICON also implies high ethical and moral standards as they are 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. Board and Management are involved and focused, ESG criteria are part of the incentive system of Group Management. In 2022, e.g., the objectives for Group Management included apart from qualitative targets the quantitative goal to reduce the Group's CO<sub>2</sub> emission by at least 3%. As shown later in this chapter, the actual reduction achieved was 59%. 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.



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## 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 addition to regular internal reviews, 2022 saw again external audits at various sites focusing on quality, financial performance, and/or IT systems and security. INFICON welcomed several customers on-site who conducted their own supplier reviews. All these meetings highlight the importance of our sound Business Ethics Policy and compliance with the law.

INFICON'S policy forbids child or forced labor and stipulates honesty and integrity in personal behavior. It 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, 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 corporate management (Dr. Reto Suter, In der Deisten 11, 8125 Zollikerberg, Switzerland, email: [INFICON@whistleblowercontact.com](mailto:INFICON@whistleblowercontact.com)). All information received from the employee will be treated confidentially to the greatest possible extent.

All new employees who start at INFICON complete a special 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.

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.

## Tax strategy

As a globally active corporation with sites around the world, INFICON benefits from the public infrastructure and other public services at the locations we or our customers operate. Tax money generally pays for the usage of public infrastructure and other public services. As a corporate citizen, INFICON complies with the applicable tax laws and pays taxes wherever we undertake commercial activity. INFICON does not engage in any aggressive tax planning or artificial structuring to minimize tax payments. INFICON's Executive Office is in charge of tax governance, control and risk management, based on regular discussions with and recommendations from the Board of Directors and external consultants.

## Economic foundation

### Value creation for our customers

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.

INFICON's business model has proven to be strong for over 20 years. Our instruments, the technology and customer targeted offering allows 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 three global solution providers. See page 11 for an overview map showing INFICON's global presence.

# INFICON Sustainability Report 2022

Large customers with multinational presence as well as local industrial clients and academic institutes can rely on INFICON to ensure a high level of service deployment around the globe. 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 services, consultancy and training covering the full customer-buying circle. INFICON's global sales and service organization counts around 350 people, and includes functions in sales and marketing, application engineering, customer service, order management, logistics, as well as specific 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.

To meet these expectations, INFICON has embarked on a comprehensive investment strategy in 2021. The 3-year program was timely executed and is already largely concluded. With investments of over USD 50 million, this initiative has added some 50% additional capacity group-wide. The projects included shop floor and equipment capacity expansions as well as investments in optimized and more flexible processes and fine-tuned practices. The following facts illustrate the scope of these significant investments:

In Balzers (LI), a whole floor of office space was converted into additional 1200 m<sup>2</sup> production space. In the Aalands (FI), the existing facility area was increased by over 50% to accommodate growth. INFICON has added 752m<sup>2</sup> production area and 260m<sup>2</sup> office space. Additional expansions are scheduled for 2023. In Cologne (DE) INFICON invested into building renovations and expansions allowing for more flexible logistics and adding additional manufacturing space. New machinery and equipment was another investment focus at Cologne. In Syracuse (USA) we renovated and changed the layout and the usage of some of the buildings, too. Formerly located at four different locations we consolidated the service tool activities in two designated areas. These changes resulted in a gain of some 30% of additional production space.



Long-term test system for vacuum gauges, Balzers (LI)



Vacuum gauge calibration systems, Balzers (LI)

## Major customer groups per target market

INFICON serves different clients in these target markets: 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 and output yields. INFICON gas and vacuum instruments as well as process control software help semiconductor manufacturers ("fabs") to optimize their production processes and increase the yield and quality of their wafer production. Our products also help fabs to monitor the storage, transport and usage of raw and process materials and are thus vital for environmental protection efforts of our customers. The second large customer group are Original Equipment Manufacturers (OEMs). We supply them with vacuum and thin film technology components, which they integrate into their semiconductor or vacuum coating production equipment and tools.

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.

# INFICON Sustainability Report 2022

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 testing lithium-ion batteries and battery stacks. 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.

## **Innovation and market leadership**

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 in the longer term. The use of INFICON tools in the refrigeration industry provides an illustrative example of this approach: Globally, almost 200 million refrigeration units are built and sold annually. They all work similarly. A compressor is the heart of the system. It liquefies a gaseous cooling agent emitting heat to the ambient. Pressurized, the liquefied coolant gets into the evaporator inside e.g. a fridge or an air conditioning unit. Absorbing heat from within the fridge or the air intake in an AC unit cools our food in the fridge or the air. In this process step, the liquid coolant changes back to its gaseous state which is then again pumped to the compressor. The leak tightness of such systems is key. Only tight systems work correctly, energy efficiently,

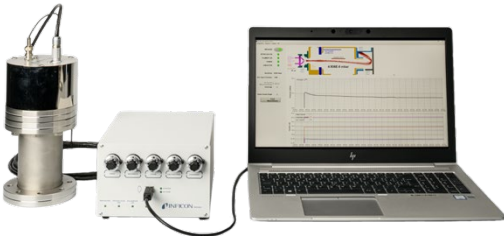
and over a long time. Besides cooling agents should not leak into the ambient. The highly sophisticated mass spectrometers and proprietary software of INFICON's Refrigerant Leak Detectors enable appliance manufacturers to detect all kinds of refrigerants during the various production steps, in the final quality testing of the finished product, and when servicing the installed devices. Spotting leaks of 0.05 grams per year, they are times more accurate than industry standards require. The benefits are obvious for the manufacturers, for consumers, and the environment.

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. 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 3 positions in all target markets.

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In 2022, INFICON launched a series of new products and technologies, including first-of-a-kind innovations and updated versions of existing products. These novelties include amongst others

- **The Ion Reference Gauge IRG080** is a first-of-a-kind vacuum sensor developed for precise total pressure measurement in vacuum systems. Based on an innovative concept of the ionization vacuum gauge (the hot cathode emits electrons travelling on a straight path into a Faraday cup), IRG080 is suitable as reference standard in the range of 10<sup>-8</sup> mbar to 10<sup>-4</sup> mbar. IRG080 offers unmatched accuracy down to 1%, predictable gas sensitivity with a very small spread, very good short-term repeatability and reproducibility. The gauge is the ideal solution for metrology and calibration. IRG080 is connected and controlled by the IRC081 display and operating unit.



- **VGC094** is a prestigious solution for vacuum process measurement, control and data log. Compatible to the wide range of INFICON passive gauges, VGC094 is able to monitor the entire pressure range from 1 × 10<sup>-11</sup> to 1000 mbar. VGC094 can be configured to control up to 4 passive gauge heads (Pirani gauges, inverted magnetron gauges) by two sets of measuring cards. The controller provides latest digital interfaces (USB, RS485, Ethernet) and user's specific communication standards with individual communication cards. VGC094 the ideal solution for long distance, high temperature or high radiation extreme applications.



- **The Transpector® APX family of products** saw 3 additional variants being launched in 2022. These products support the emerging customer needs of process monitoring for harsh applications in the evolution of Moore's Law.



- **HP100** is the newest sensor in our optical portfolio. The sensor is a self-generating plasma-based sensor that can operate in pressures of up to 1 atmosphere with part per million and extends the range from our current Quantus LP100 sensor.



- **IMC-300** the newest deposition controller used in OLED and optical coating industries offers many performance improvements, as well as, patented algorithms to predict system health, improve yield, and aid in cost reduction.



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- **HAPSITE® CDT**, extended capabilities over the legacy HAPSITE ER continue to show high customer value as demonstrated at recent military exercises and the immediate tender funding for foreign government and security agencies.



*HAPSITE CDT portable chemical identification system identifies and quantifies narcotics, explosives and toxic industrial chemical threats*



*HAPSITE CDT is designed for the needs of military, civilian and hazardous response teams that require fast, on-site analysis*

- **UL6000 Fab PLUS** is an all-new leak detector featuring the novel I-RISE technology. Leak detection is both time-consuming and complex. By measuring rate-of-rise, semiconductor- and vacuum equipment is continuously monitored during operation. Upon leak indication by this integral leak test, leak positions are then localized using the helium spraying method allowing for the required repair. This is followed by another leak test using pressure increase or so-called vacuum decay measurement – an intricate process which needs to be repeated until all leaks are detected. Moreover, to be as precise as possible, measurement times for this procedure are often particularly long for large equipment volumes. Thanks to I-RISE, our Intelligent Rate-of-rise feature, the new UL6000 Fab PLUS now performs pressure increase measurement all by itself and combines it with the helium spraying method. Our patented system enables measurement times to drop drastically, and thus helps minimize both general time for leak testing and fab equipment maintenance. Experience even faster and more precise measurement results – in under 10 seconds, independent of chamber volume.



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## 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 350 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 help them develop new applications, and spur our own in-house innovation and developments.

Cross-border travel remained constrained in various parts of the world in 2022. National or local trips were easier. INFICON's global presence proved to be a true asset. Yet, the COVID-19 pandemic made personal contacts more difficult. So, INFICON further increased its online and even virtual reality assisted communication skills by offering video meetings, virtual product demonstrations and technical webinars. We host user-group platforms such as e.g., the Leak Detection Academy, share technology roadmaps, run an INFICON channel on YouTube, and invite customers to virtual exhibitions or provide them with trial development kits. To tailor our

virtual contacts to our customers' needs, we are providing augmented reality assisted advice, training, commissioning, or problem-solving expertise for over the shoulder (OTS) applications.

## 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

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pages and covers quality performance and indicators on many levels. An audit (ISO 9001 and 14001) was conducted in Balzers (LI) in November 2022 and revealed no 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.

## 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. Two strategic customer audits took place on-site in Balzers in 2022. One planned and scheduled for our operations in China could not take place due to restrictions because of the COVID-19 pandemic.

## Products with social and environmental impact

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 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.

A revenue mapping analysis made in 2021 by an investment, wealth management and research institute and bank assesses that over 80% of INFICON's revenue is aligned to the United Nations Sustainable Development Goals (SDGs), including goals 3, 9a, 9b, and 12.

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

- **Leak detectors** 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. INFICON's newest solution is UL6000Fab. It is not only the most precise, durable and thus reliable testing system on the market, it saves time throughout the testing sequence.

<https://www.inficon.com/en/products/ul6000-fab>

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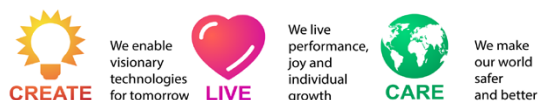
- **Vacuum gauges** control production processes and reduce waste and energy consumption. INFICON gauges offer superior accuracy and reliability in compact designs. Four different technologies cover the whole range of vacuum from ultra-high vacuum up to atmospheric pressure. The Pirani technology enables 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 stand-alone sensor or combined with complementary measurement technologies. A recent example of such a combined gauge is Augent™ OPG550. This Optical Plasma Vacuum Gauge combines two sensor technologies into one compact device for gas type monitoring from  $1 \times 10^{-7}$  to 5 mbar and to measure total pressure from atmosphere down to  $1 \times 10^{-7}$  mbar at the same time. An integrated Pirani sensor to switch off plasma above 20 mbar protects Augent. In the measurement range between  $1 \times 10^{-7}$  and 5 mbar, the gauge allows the detection of gases such as oxygen, nitrogen, hydrogen or argon. <https://www.inficon.com/en/products/opg550>. To learn more about the full range of INFICON gauges, view: <https://www.inficon.com/en/products/wide-range-vacuum-gauges>
- **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. <https://www.inficon.com/en/markets/military/hapsite-cdt-introduction>.
- Another example is Transpector APX, the latest model in the family of market-leading Transpector RGAs, specifically designed for advanced semiconductor processes such as ALD, CVD, and Etch. <https://www.inficon.com/en/products/residual-gas-analyzers>

## Social responsibility

### Employees – a core asset at INFICON

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.

In 2022, INFICON Management and personnel committees at all sites met for workshops with the goal to deepen the understanding of INFICON's DNA. Our corporate culture rests on this Identity Statement with three authentic, simple, individual, and future-oriented enterprise goals



The identity statements serve to communicate in simple terms why we as an INFICON family member get up in the morning, go to work with a smile and are passionate and enjoy what we do.

Being recognized as an attractive, modern, and fair 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 see sustainability as one of our enablers which 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.



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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, pre-defined milestones and company outings. These events also take local customs and workforce preferences into account (as e.g., skiing days in Switzerland and Liechtenstein with international participation; moon festival or Lunar New Year celebrations in Asia). 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.

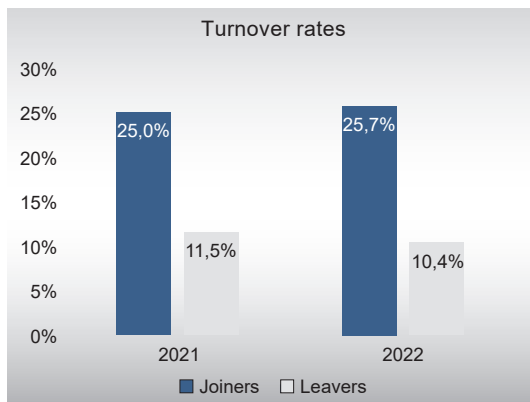
Every colleague annually discusses his or her performance and achievements, satisfaction, motivation, personal development goals as well as communication aspects at work with their immediate managers in a structured appraisal dialogue. At Balzers and Cologne, everyone prepares individually for these 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.

In 2022, the HR Team in Cologne analyzed the development turnover rate during the reporting year; the COVID-19 pandemic along with new and changing national health and safety measures on the one hand and a rising number of new colleagues joining INFICON due to the ongoing expansion process were major turnover factors. 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.

## Turnover rates

All numbers in Headcount	2021	<b>2022</b>
<b>Joiners in Headcount</b>	247	<b>288</b>
<b>Leavers in Headcount</b>	114	<b>117</b>
<b>Joiner Rate</b>	25.0%	<b>26%</b>
<b>Leaver Rate</b>	11.5%	<b>10%</b>

*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)  
Rates are calculated by dividing the total number of joiners/leavers by the total number of employees in the respective year.*



# INFICON Sustainability Report 2022

## 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 responsibilities and perform in their respective jobs. These trainings 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.

Data from our locations in Balzers (LI), Cologne (DE) and Syracuse (USA) as well as our manufacturing site in Aaland (FI) show that in 2022, the average hours of training per employee reached a level of 7.6 hours.

## Health and Safety at INFICON

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 worksites. Training of occupational health and safety related topics is e.g. part of the onboarding program for every new colleague.

An EHS program designed in 2021 was rolled out in INFICON's Syracuse plant, including respective training sessions on work safety, health and workplace ergonomics.

The COVID-19 pandemic asked for special attention during the last three years. As a Group, INFICON mastered the COVID challenges very well. According to the local requirements, different measures were still taken at the various work sites in 2022.

In January 2022, INFICON implemented a COVID vaccination policy for all employees in Syracuse. This was required in the context of INFICON's supply contracts with US federal authorities. In addition, the so called "New York Hero Act" was also implemented. It outlines the protocol and procedures when dealing with airborne infectious diseases including amongst others e.g. physical distancing, sneezing etiquette, personal protection such as face masks and gloves, and hand hygiene, health screenings when coming to work and a stay-at-home-policy if someone develops symptoms. As all local employees in Syracuse were thus vaccinated, the special COVID protocols were no longer required. As in prior years, INFICON put up an on-site flu shot clinic in October 2022 as a service for all employees.

At INFICON in Balzers, the implemented COVID-19 health and safety measures proved to be very successful. There was no significant impact from COVID-19 on e.g. working days lost due to sickness of employees over the past three years. INFICON continues to provide hand-sanitizing gel at the entrances and promotes 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.

The COVID-19 related measures taken at INFICON in Cologne over the past three years were gradually alleviated. In order to keep the risks as little as possible, INFICON still offers hand-sanitizing liquids, hands out free face masks and self-testing equipment. Overall, the pandemic was well managed as highlighted by the fact that there were no significant increases in sick leave days. In autumn 2022, colleagues at INFICON in Cologne were all invited to take free influenza vaccination shots.

## Health and safety is everybody's objective

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, 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 health and safety compliance are investigated. If necessary, experts help to clarify the situation, reassess risks and implement corrective measures. Syracuse 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, 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 supports programs such as the cycle to work initiative, yoga sessions, and encourages workers to join jogging or walking groups. INFICON also supports a soccer team – the IFCN Kickers – who compete with other corporate football teams in a local championship. In 2022, the IFCN Kickers won that tournament. Most INFICON work sites have canteens. They offer freshly cooked food for lunch that is partly paid for by the Company. INFICON also offers fresh fruits free of charge and invites people to drink enough water at fresh water dispensers available all over the facilities. Our safety manual also calls to take the necessary measures to prevent home and leisure accidents (e.g. warm-up).

## Occupational Health and Safety

	2021	2022
Accidents resulting in at least one lost work day	8	7
Lost work days	31	17
Accident Frequency Rate (AFR)	1.1	0.9
Accident Severity Rate (ASR)	4.1	2.1

*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)  
Rates are calculated by dividing accidents/lost work days and are per 200,000 working hours.*

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 and fairness in employment decisions. 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.

INFICON's workforce is very diverse in terms of nationalities: 13 different nationalities of our employees working at our Balzers/LI location. Also at the other major production sites in Cologne and Syracuse, our colleagues have widespread national backgrounds.

Against the backdrop of our diverse global workforce, the so-called "I3C Initiative" helps create a common INFICON approach and understanding in working together. Launched five years ago, the I3C initiative (Care, Commit, and Change) promotes the following key understandings:

- We care about our customers, our Company, and ourselves.
- We commit to accept responsibilities.
- We change to deliver better results.

In the context of this I3C initiative, a continued focus lies on how INFICON colleagues interact with each other. Tent-cards on the tables of meeting rooms remind everyone that it is essential to formulate requests

# INFICON Sustainability Report 2022

clearly and help colleagues understand why the request was made and by when an answer is expected. This has added a lot of commitment and accountability to internal business requests and speeded up reaction time.

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.

In 2022, no discrimination incidents were reported throughout the Group.

## Composition of workforce

All numbers in	2021	Share	2022	Share
<b>Employees (excl. apprentices, interns, trainees, externals)</b>	949	96%	<b>1,091</b>	<b>97%</b>
<b>Apprentices, interns, trainees, externals</b>	40	4%	<b>31</b>	<b>3%</b>

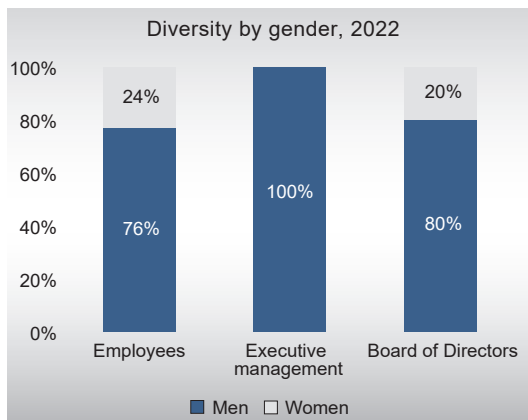
## Employees by employment contract (excl. apprentices, interns, trainees, externals)

Permanent	860	91%	<b>1,056</b>	<b>97%</b>
Fixed-term	89	9%	<b>35</b>	<b>3%</b>

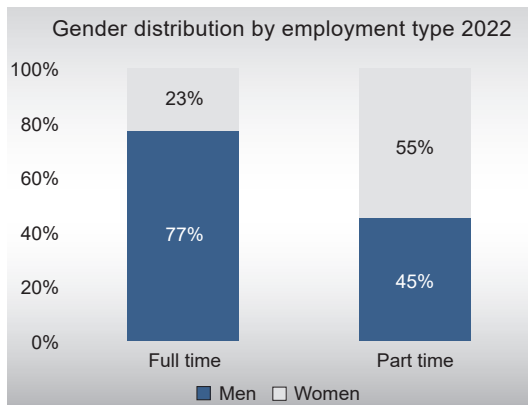
## Employees by employment type (excl. apprentices, interns, trainees, externals)

Full time	896	94%	<b>1,034</b>	<b>95%</b>
Part time	53	6%	<b>57</b>	<b>5%</b>

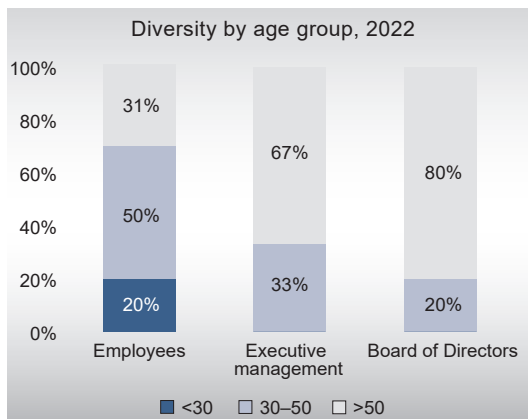
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Excl. apprentices, interns, trainees, externals



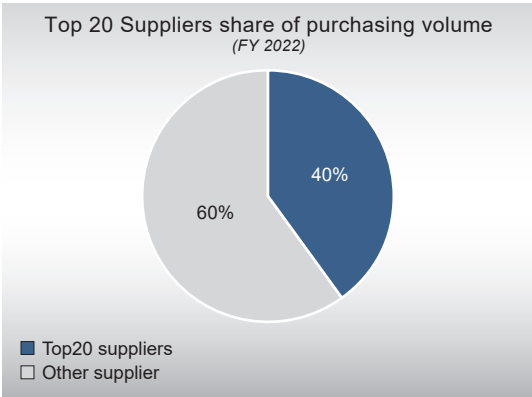
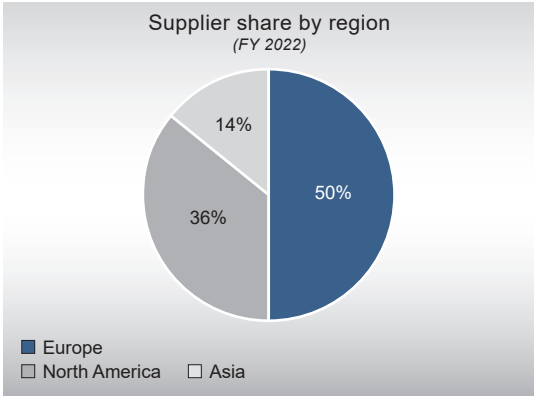
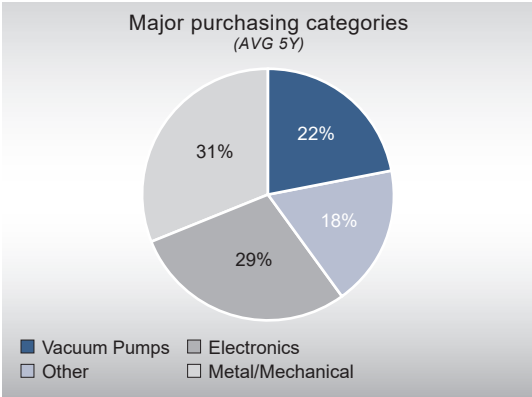
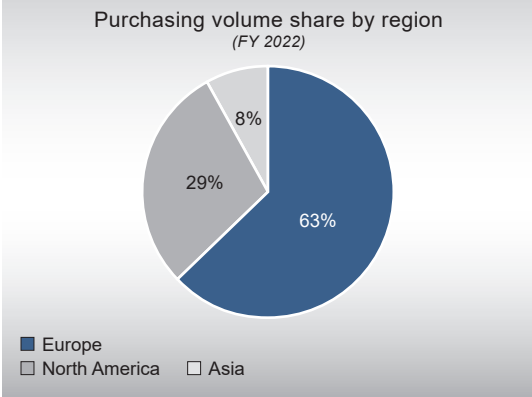
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# INFICON Sustainability Report 2022

## Responsible supplier standards

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. Key suppliers have e.g., signed an agreement outlining INFICON's expectations regarding requirements on the production change control process (CE/CC). We also include vital elements such as the prevention of child or forced labor in our supplier contracts. Compliancy with our business ethics policy is a standard topic at our regular supplier meetings.

INFICON's supplier base of over 1000 production material suppliers is truly global. Yet, the largest 20 suppliers make up for about 40% of INFICON's sourcing. Looking at the regional split of our suppliers, most of INFICON's direct suppliers come from Europe (50%), followed by North American (36%), and Asian suppliers. This view, obviously, looks at the actual invoicing addresses of the tier 1 suppliers and does not reflect tier 2 and 3 contractors. The proportion of material and components originally manufactured in Asia is certainly higher at INFICON than this regional split or the purchasing volume analysis suggest. 63% of the sourcing volume is coming from Europe and here mainly from Germany and Switzerland, 29% from America, and 8% from Asia. 49% of INFICON's sourced input concerns electronic, mechanical, or metalworking items, while pumps account for 22%, and printed circuit boards for 11%.



# INFICON Sustainability Report 2022

## Partner to our hosting communities

INFICON also cares for the communities of its employees. As a corporate citizen, we support many local activities where our colleagues eagerly participate e.g., the yearly cycle to work contest. For years, the Balzers workforce regularly ranks in the top three positions of the Liechtenstein companies whose workers manage to cycle to work on more than 50% of the summer period.

INFICON AG, Balzers, also supports a soccer team made up from INFICON colleagues who compete against other corporate teams of local companies.

Besides our commitment to the training of young colleagues and the ongoing education of our own workforce, we support e.g., in the Principality of Liechtenstein special out-of-school weeks for students. INFICON annually hosts a whole class for one week in a special business-oriented course where the students familiarize themselves with economy, business, and management. In addition, INFICON sponsors the work on a bachelor thesis at a local university of applied sciences in south-eastern Switzerland.

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 some 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 walks, runs, or bike-a-thons.

## Environmental protection

Environmental protection, safety and product stewardship have long been key priorities at INFICON. 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, minimization of environmental damage, and the quality of our products and services.

## Environmental management system

All 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. We monitor progress yearly. Created in 2020, the “Green Team” in Syracuse aligned its activities in 2022 with the global INFICON initiatives. Special attention lay in 2022 on the materials and waste analyses, water and effluent initiatives, energy and emission, as well as biodiversity. At Syracuse, the campus lawn is now being converted into a biologically more valuable habitat to increase bird habitat, reduce heavy rainwater run-offs, reducing landscaping expenses. Currently, we evaluate 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.

To increase the visibility and importance of INFICON's sustainability efforts for all employees, we created special steering committees e.g. at the Syracuse works. 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 and 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.

# INFICON Sustainability Report 2022

## Environmental compliance

All manufacturing facilities observe and comply with international and regional legislation, as well as guidelines. All critical 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 reportings. 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 2022.

## Energy and carbon emissions

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 CO<sub>2</sub> emissions and we strive for in-house reductions of CO<sub>2</sub> emissions, a decrease in resource consumptions and a lowering of our ecological footprint.

While INFICON grew sales by 12.7%, it managed to cut its overall energy consumption by 6% to 14,474 Mwh. This impressive reduction was achieved by important refurbishing projects at various production locations and thus the direct outcome of INFICON's focus on the areas of improvement defined in the prior year. One target was to energetically improve our production buildings.

Electricity is the most important energy carrier at INFICON, accounting for 81.6% of the Group wide energy consumption. Therefore we agreed – as a second important goal for the reporting year – to increase the share of electricity from renewable sources.

The combined effect of these efforts and numerous contributions from other, smaller projects such as the installation of PV panels on roof tops or better building insulations, allowed INFICON to curtail the total greenhouse gas emission by 59% to just 502 tons for the reporting year. In the prior year, the CO<sub>2</sub> emissions were already cut by 30% Group wide. Per employee the reduction reached in 2022 is 65%.

A strong focus on waste, looking for ways to avoid the generation of waste in the first place, and continued recycling efforts resulted in a total waste reduction of 23% to 295.8 tons.

These reductions are all even more impressive when mirrored against the Group wide sales growth of 16.8%, excluding negative currency effects

After much analysis and discussion, we have defined the following areas as important and highly relevant, and therefore as the priority target action areas:

**Green electricity:** We have converted all major production sites to 100% certified green electricity. In 2021 already 51% of electricity came from renewable sources, as all major production sites in Europa had switched to 100% renewable electricity. In the reporting year, we managed to source 100% green electricity also for our Syracuse/New York plant, which utilizes 100% carbon-emission-free, certified green electricity and accordingly rising the quote of green electricity now to 81%.

# INFICON Sustainability Report 2022

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



*Main building for production & offices with the new solar panels on the roof, INFICON Aaland (FI)*

**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.

In 2022, INFICON AG/Balzers installed a new HVAC system including an energy recovery system. It allowed INFICON to cut the local energy consumption for heating by half in 2022 and should allow for savings of up to 90% when the system is running for a full calendar year. We achieved this by replacing an already environmental friendly, district wood chip heating with a new system that recuperates the heat generated by the production equipment to heat the whole building. Rather than getting rid of excess heat, we now use it. For the reporting year 2022, this effort resulted in a drastic reduction of the local kWh consumption for heating and cooling from 432032 kWh to less than half, i.e. 204606 kWh, bearing in mind that the new system was only running during a portion of the year, the savings for a full year should be even bigger. We estimate that we will use up to 90% less energy for heating and cooling in the years ahead.

In addition, a new closed-loop cooling water concept for the laboratories and production shop floors should result in a significantly lower water consumption.



*Views of the new HVAC facility, Balzers (LI)*



*Views of the new HVAC facility, Balzers (LI)*

In the USA, motion detecting occupancy sensor power strips have been rolled out in the laboratories. These intelligent power strips virtually take appliances off when no motion is detected in the preset shut down period. Conventional lighting is gradually replaced with energy-efficient, motion sensor controlled LED lighting solutions. Water usage surveys led to the installation of waterless urinals and the evaluation of alternative water sources such as hydropanels that condensate moisture from the air.

At Syracuse, the campus lawn is now being converted into a biologically more valuable habitat 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.



# INFICON Sustainability Report 2022

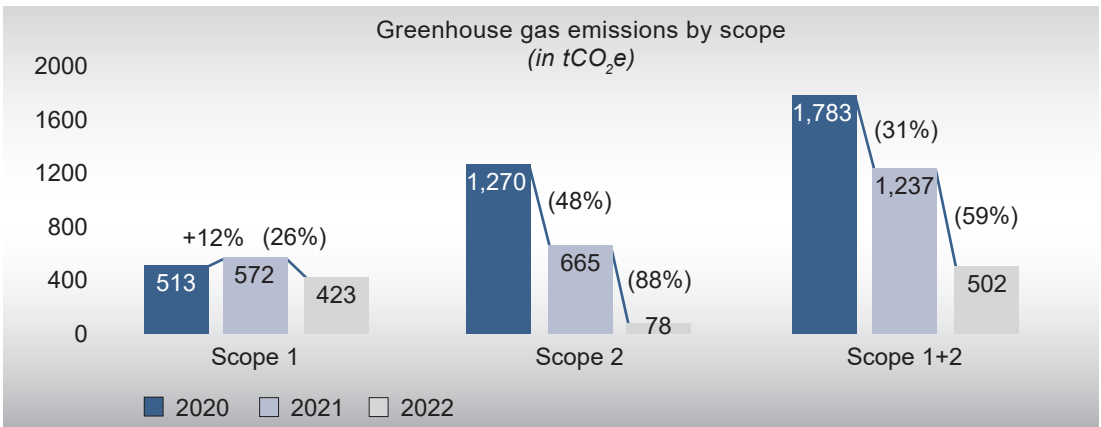
**Commuter traffic and business trips:** Knowing that many issues cannot be tackled individually, INFICON AG, Balzers, has teamed up with other local industrial companies to highlight the need of a new train Swiss Railway train station close to Balzers, Liechtenstein. INFICON will cover some of the costs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

Also in the USA, we look at how our employees come to work: Another focus lay on promoting 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.

**Short-term, our goal is to focus on the following areas:**

- Plans for further improvements in production buildings are analyzed and developed within the strategy development and review/budget process (e.g. energy recovery, geothermal and solar energy, thermal insulation).
- Scope 3 Emissions: Understanding, testing feasibility and implementation, and first attempt/trials at assessing all indirect greenhouse gas emissions in the value chain.
- Development of a target setting (KPI) and emission goals definition process
- Create, Care, Live and Sustainability as an enabler to support our strategic initiatives and growth plans. E.g.
  - Globalize sustainability education efforts
  - Define global on-boarding training and seminars that include INFICON's sustainability goals & principles.
- Review of mobility concepts, support the programs and the needed infrastructure, promote commuting by car-sharing or using public transport where possible.

Experience and skills gained during the pandemic continue to be the basis to keep business travel at a reasonable level. In this way, we support the global goals for reducing CO<sub>2</sub> emissions.



# INFICON Sustainability Report 2022

We will also 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 sustainability goals the individual goals for 2023 of the Group Management also include the above described sustainability ambitions and goals.

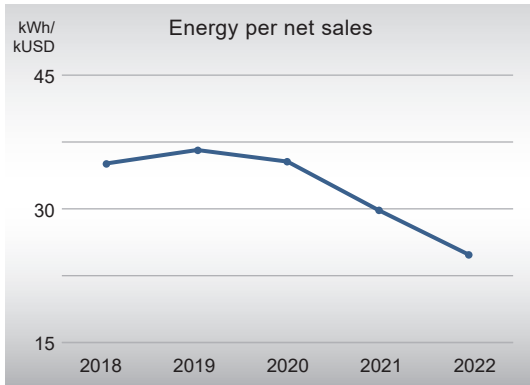
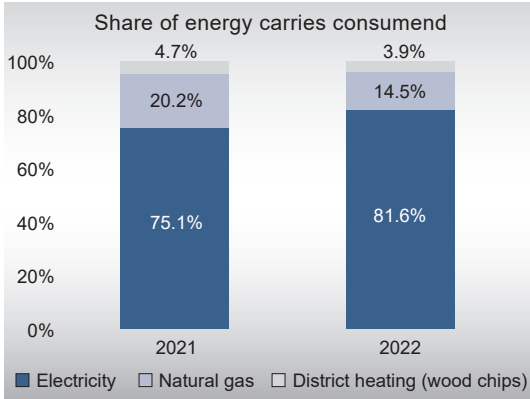
To strengthen its sustainability approach, the Board has already defined a dedicated representative for ESG and sustainability matters in 2020 in the person of Dr. Richard Fischer. Furthermore, it has already been decided that a Sustainability Council consisting of 3 persons (two Board members and Group Management) will be established in 2023. The council will define roadmap, reviews targets, studies the regulatory developments in the ESG area and supports the Audit Committee in non-financial reporting.

## Energy and Emission

	2020	2021	2022	Delta 2022- 2021
<b>Total energy consumption in MWh</b>	14,024	15,429	<b>14,474</b>	<b>(6%)</b>
Electricity	10,691	11,591	<b>11,812</b>	<b>2%</b>
of which certified green electricity	25%	51%	<b>81%</b>	
Natural gas	2,788	3,110	<b>2,093</b>	<b>(33%)</b>
District heating (wood chips)	544	729	<b>570</b>	<b>(22%)</b>
<b>Energy consumption in kWh per employee</b>	15,828	15,601	<b>12,675</b>	<b>(19%)</b>
<b>Greenhouse gas emissions in tCO<sub>2</sub>e</b>	1,783	1,237	<b>502</b>	<b>(59%)</b>
Scope 1: Natural gas	513	572	<b>423</b>	<b>(26%)</b>
Scope 2: Electricity & district heating	1,270	665	<b>78</b>	<b>(88%)</b>
<b>Greenhouse gas emissions in kgCO<sub>2</sub>e per employee</b>	2,012	1,251	<b>439</b>	<b>(65%)</b>

2022 and 2021 data in the above table covers Inficon's Big 4 locations: Balzers in Liechtenstein, Syracuse in the USA, Cologne in Germany, and Aaland in Finland. The 2020 data covers Inficon's Big 3 locations: Balzers in Liechtenstein, Syracuse in the USA and Cologne in Germany. Data is calculated on a market-based approach. For the location-based method Scope 2 emissions count 1,562t for 2022, 1,786t for 2021 and 1,660t for 2020. Emission factors sourced from DEFRA 2022 and IEA 2022 and domestic electricity providers.

# INFICON Sustainability Report 2022



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)

Due to the COVID-19 pandemic, the amount of business travel decreased in 2021 and 2022. INFICON adopted augmented and virtual reality strategies to best interact with customer over distance. Management meetings were held online. Many investor meetings were held online.

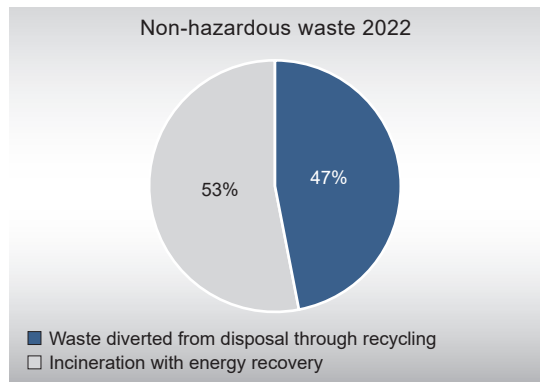
## Waste

	2021	2022	Delta
<b>Total waste in metric tons</b>	386	<b>296</b>	<b>(23%)</b>
<b>Waste diverted from disposal through recycling</b>	206	<b>138</b>	<b>(33%)</b>
<b>Waste directed to disposal</b>	181	<b>158</b>	<b>(13%)</b>
Incineration with energy recovery	173	<b>157</b>	<b>(9%)</b>
Other disposal operations	8.0	<b>0.3</b>	<b>(97%)</b>

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)

INFICON has initiated comprehensive refurbishing and shop floor expansion programs at its Syracuse and Balzers plants.

INFICON promotes a holistic view on waste: We conduct educational sessions focusing on waste and other sustainability issues to make people more aware about what each individual can do. Waste stream analyses at various production sites has resulted in the collection of single-type material waste such as e.g. clean room shoe covers. In Syracuse, we have directed 2,800 pounds of used cleanroom covers to single-material PPE recycling. We have also started to compost food waste and coffee grounds from our cafeterias. In order to increase the efficiency of our local sustainability efforts, we have created bespoke points of contacts and functions that deal with these issues. This increases the speed of implementation and relieves the burden on production and facility management teams.



# INFICON Sustainability Report 2022

The Global Reporting Initiative (GRI) provides the world's most widely used framework for sustainability reporting, offering a structured format to share information coherently and comprehensively about material issues, performance metrics and the management of sustainability-related issues.

## GRI Content Index



CONTENT INDEX  
ESSENTIALS SERVICE

2023

INFICON has reported in accordance with the GRI Standards for the period from 01 January 2022 to 31 December 2022. INFICON has not made any restatements in the reporting period that follows the requirements set out in the GRI Standards requirements. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is presented clearly and in a manner consistent with the Standards, and that the references for disclosures 2 – 1 to 2 – 5, 3 – 1 and 3 – 2 are aligned with the appropriate sections in the body of the report. This service was carried out on the English version of the report.

## Universal Standards

GRI Standard	Disclosure	Location/Information	Omission Requirement(s) omitted (RO) Reason (R) Explanation (E)
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021			
<b>The organization and its reporting practices</b>			
GRI 2: General Disclosures 2021	2-1 Organizational Details	14	
	2-2 Entities included in the organization's sustainability reporting	70	
	2-3 Reporting period, frequency and contact point	<b>Fiscal year 2022, annually</b>  <b>Contact:</b> 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: <a href="mailto:matthias.troendle@inficon.com">matthias.troendle@inficon.com</a>	
	2-4 Restatements of information	none	
	2-5 External assurance	none	
<b>Activities and workers</b>			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	40–44	
	2-7 Employees	51	
	2-8 Workers who are not employees	51	

# INFICON Sustainability Report 2022

GRI Standard	Disclosure	Location/Information	Omission Requirement(s) omitted (RO) Reason (R) Explanation (E)
<b>Governance</b>			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	16, 21, 51	
	2-10 Nomination and selection of the highest governance body	16, 21, 51	
	2-11 Chair of the highest governance body	16	
	2-12 Role of the highest governance body in overseeing the management of impacts	17	
	2-13 Delegation of responsibility for managing impacts	17	
	2-14 Role of the highest governance body in sustainability reporting	17	
	2-15 Conflicts of interest	21, 39	
	2-16 Communication of critical concerns	24	
	2-17 Collective knowledge of the highest governance body	18	
	2-18 Evaluation of the performance of the highest governance body	26	
	2-19 Remuneration policies	26	
	2-20 Process to determine remuneration	26, 27	
	2-21 Annual total compensation ration	31	
<b>Strategy, policies and practices</b>			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	34	
	2-23 Policy commitments	40, 54	
	2-24 Embedding policy commitments	47	
	2-25 Processes to remediate negative impacts	53	
	2-26 Mechanisms for seeking advice and raising concerns	36	
	2-27 Compliance with laws and regulations	40, 49, 54	
	2-28 Membership associations	38, 53	
<b>Stakeholder engagement</b>			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	34, 36	
	2-30 Collective bargaining agreements	Collective bargaining agreements exist in Germany and Sweden (about 19% of work force).	

# INFICON Sustainability Report 2022

## Topic-specific Standards

GRI Standard	Disclosure	Location/Information	Omission Requirement(s) omitted (RO) Reason (R) Explanation (E)
GRI 3: Material Topics 2021			
<b>Materiality assessment and list of material topics</b>			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	35	
	3-2 List of material topics	35	
<b>Technology leadership</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	38, 39	
<b>Product impact</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	46, 47	
<b>Product quality and compliance</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	45	
<b>Customer relations</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	45	
<b>Good governance</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	39	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	40	
	205-2 Communication and training about anti-corruption policies and procedures	40	
	205-3 Confirmed incidents of corruption and actions taken	40	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior	40	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	40	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk of incidents of forced or compulsory labor	40, 52	
<b>Training and education</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	49	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	37, 46	
	404-3 Percentage of employees receiving regular performance reviews	48	

# INFICON Sustainability Report 2022

GRI Standard	Disclosure	Location/Information	Omission Requirement(s) omitted (RO) Reason (R) Explanation (E)
<b>Attractive employer</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	47	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	48	
<b>Occupational health and safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	49	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	50	
	403-2 Hazard identification, risk assessment, and incident investigation	50	
	403-3 Occupational health services	49	
	403-4 Worker participation, consultation, and communication on occupational health and safety	49, 50	
	403-5 Worker training on occupational health and safety	49–51	
	403-6 Promotion of worker health	49–51	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49	
	403-9 Accidents and day lost	50	
<b>Diversity</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	51	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	51	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	51	
<b>Responsible supplier standards</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	52	
<b>Market leadership</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	42	
<b>Environmental management system</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	53	

# INFICON Sustainability Report 2022

GRI Standard	Disclosure	Location/Information	Omission
			Requirement(s) omitted (RO) Reason (R) Explanation (E)
<b>Efficient materials sourcing and use</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	58	
GRI 306: Waste 2020	306-3 Waste generated	58	
	306-5 Waste directed to disposal	58	
<b>Profitable growth</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	40	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	35	
<b>Energy and carbon emissions</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	54	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	57	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	56, 57	
	305-2 Energy indirect (Scope 2) GHG emissions	56, 57	
	305-5 Reduction of GHG emissions	55	
<b>Environmental compliance</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	54	
<b>Community and giving</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	37	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	37	



# Financial Review

(US Dollars in Millions)

## Income Statement

### Net Sales

In 2022, net sales increased by 12.7% or USD 65.5 million to USD 581.3 million from USD 515.8 million in 2021. This includes a negative impact from currency exchange rates (FX impacts) of USD (26.7) million or (5.2%) as well as an increase of 0.2% or USD 0.8 million from acquisitions. Excluding the negative FX impacts net sales increased organically by 17.7% in 2022.

Sales to the Semi & Vacuum Coating market have risen the most of all markets by USD 43.9 million or 16.8% to USD 305.3 million. This increase reflects a high demand from tool manufactures as well as a constant demand for chips. Growth recorded in all regions, the highest increase was in Asia.

The General Vacuum market sales increased by USD 18.6 million or 13.9%. In local currencies the dynamic growth of the market was even higher. With the highest share in Europe, the weakness of the Euro had an unfavorable impact for the converted sales in US Dollar.

Refrigeration, Air Conditioning & Automotive sales increased by 1.1% or USD 1.1 million to USD 100.9 million, which was mainly driven by a strong demand in Asia. The main driver for the growth was the internationally unchanged dynamic market for leak testing of lithium-ion batteries and battery modules.

Sales to the Security & Energy market achieved a growth of 9.0% or USD 1.9 million, due to the increasing deliveries of hapsite analyzers at the end of the year.

### Gross Profit

Gross profit margin decreased from 47.9% in the previous year to 45.9% for 2022. This decrease was driven by the bottlenecks in the procurement which led to increased material and logistics costs.

### Research and Development

Research and development costs decreased to USD 45.5 million or 7.8% of net sales, as compared with USD 47.0 million or 9.1% in 2021. Mainly influenced by a favorable FX impact, the expenditures for technology and product development remained at a high level compared to 2021.

### Selling, General, and Administrative (SGA)

Selling, general, and administrative costs increased to USD 109.6 million or 18.9% of sales in 2022 from USD 99.5 million or 19.3% of sales in 2021. This increase reflects the investments in additional employees and infrastructure resources.

### Operating Income

The income from operations reached USD 111.6 million or 19.2% of sales for 2022 from USD 100.4 million or 19.5% of sales for 2021. This increase was driven by the substantially higher volume and a tight cost control.

### Financial Result

The financial result reached USD (4.5) million after USD (0.8) million in 2021. This decrease is essentially driven by foreign currency losses.

### Income Taxes

Provision for income taxes was USD 18.4 million or 17.2% of earnings before taxes for 2022 compared with USD 19.3 million or 19.4% of income before taxes for 2021. The tax rate of 2022 decreased 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 88.5 million and USD 36.22 per share for 2022, as compared with USD 80.3 million and USD 32.87 per share for 2021. The increase of 10.2% in diluted earnings per share is in line with the 10.2% increase in net income.

# Financial Review

(US Dollars in Millions)

## Balance Sheet and Liquidity

Cash and cash equivalents at December 31, 2022 totaled USD 45.9 million, which represents a decrease of USD (19.7) million as compared to USD 65.6 million at December 31, 2021. Cash flow from operations totaled USD 46.2 million in 2022 as compared to USD 85.1 million in 2021. The main reason for the lower operating cash flow is an increase in inventories what serves the purpose to ensure an ongoing production.

Trade receivables increased by USD 14.4 million to USD 96.5 million at December 31, 2022 as compared with USD 82.1 million at December 31, 2021. This increase reflects a 4<sup>th</sup> quarter with the highest sales volume of all four quarters and in addition a 10% increase in sales versus the same quarter of the previous year.

Inventories increased by USD 46.2 million to USD 135.3 million at December 31, 2022 as compared to USD 89.1 million at December 31, 2021. The increase in stock serve the purpose to ensure an ongoing production. Inventory turns improved and reached 2.8 in 2022 (2021: 3.2) using a 4-point average of quarter-end inventory balances.

Property, Plant & Equipment increased by USD 18.9 million to USD 112.3 million at December 31, 2022 compared to USD 93.4 million at December 31, 2021. This increase is driven by an expansion program in building and equipment to increase the production capacity.

Short-term financial liabilities at December 31, 2022 are USD 43.4 million (December 31, 2021: USD 10.8 million), reflecting a short-term loan of USD 42,2 million in favor of the Landesbank Baden-Württemberg.

Long-term provision decreased to USD 4.9 million at December 31, 2022 compared to USD 7.2 million at December 31, 2021 mainly due the released provision for the earn-out payment of the FPS acquisition transacted in 2018.

# Consolidated Balance Sheet

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

<b>Assets</b>	<i>Note</i>	<b>December 31, 2022</b>	December 31, 2021
Cash and cash equivalents		<b>45,898</b>	65,628
Trade accounts receivable	3	<b>96,527</b>	82,091
Inventories	4	<b>135,318</b>	89,067
Prepayments and accrued income		<b>5,024</b>	7,564
Other current assets		<b>10,512</b>	8,852
<b>Total current assets</b>		<b>293,279</b>	253,202
Property, plant, and equipment	5	<b>112,321</b>	93,390
Intangible assets	6	<b>6,070</b>	5,495
Deferred tax assets		<b>15,188</b>	9,048
Financial assets		<b>2,552</b>	4,020
<b>Total non-current assets</b>		<b>136,131</b>	111,953
<b>Total assets</b>		<b>429,410</b>	365,155
<b>Liabilities and Shareholders' Equity</b>			
Trade accounts payable		<b>23,353</b>	19,364
Short-term financial liabilities	7	<b>43,374</b>	10,755
Short-term provisions	8	<b>24,635</b>	29,473
Income taxes payable		<b>16,961</b>	10,640
Accrued expenses and deferred income	9	<b>14,915</b>	13,683
Other current liabilities		<b>18,825</b>	16,907
<b>Total current liabilities</b>		<b>142,063</b>	100,822
Long-term provisions	8	<b>4,853</b>	7,238
Deferred tax liabilities		<b>4,569</b>	4,268
Long-term financial liabilities		<b>65</b>	241
Long-term liabilities		<b>414</b>	0
<b>Total non-current liabilities</b>		<b>9,901</b>	11,747
<b>Total liabilities</b>		<b>151,964</b>	112,569
Common stock	10	<b>6,860</b>	6,860
Capital Reserves		<b>(631)</b>	0
Treasury shares		<b>(738)</b>	(554)
Retained earnings		<b>283,624</b>	251,360
Foreign currency translation		<b>(11,669)</b>	(5,080)
<b>Total shareholders' equity</b>		<b>277,446</b>	252,586
<b>Total liabilities and shareholders' equity</b>		<b>429,410</b>	365,155

# Consolidated Statement of Income

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

Year ended December 31,	Note	2022	2021
Net sales		581,297	515,777
Cost of sales		(314,622)	(268,783)
Gross profit		266,675	246,994
Research and development		(45,514)	(47,033)
Selling expense		(28,746)	(28,916)
General and administrative expense		(80,810)	(70,604)
Operating income		111,605	100,441
Financial result	13	(4,521)	(813)
Ordinary result		107,084	99,628
Non-operating result		(136)	0
Earnings before income taxes (EBT)		106,948	99,628
Income taxes	14	(18,421)	(19,317)
Net income		88,527	80,311
Earnings per share:			
Basic		36.22	32.87
Dilution		0.00	0.00
Diluted		36.22	32.87

## 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, 2021		6,843	—	(1,382)	215,196	2,229	222,886
Net income					80,311		80,311
Foreign currency translation adjustments						(7,309)	(7,309)
Issuance of common stock from exercise of stock options		17	1,040				1,057
Acquisition of treasury shares				(1,703)			(1,703)
Stock-based compensation			(275)	2,531			2,256
Dividend			(765)		(41,494)		(42,259)
Adjustment of Goodwill	12				(2,653)		(2,653)
Balance at December 31, 2021		6,860	—	(554)	251,360	(5,080)	252,586
Balance at January 1, 2022		6,860	0	(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

# Consolidated Statement of Cash Flow

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

Year ended December 31,	Note	2022	2021
<b>Cash flows from operating activities:</b>			
Net income		<b>88,527</b>	80,311
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	5	<b>12,592</b>	10,918
Amortization	6	<b>1,937</b>	1,492
Result from disposal of fixed assets		<b>136</b>	0
Changes in operating assets and liabilities, excluding effects from acquisition:			
Trade accounts receivable		<b>(17,159)</b>	(20,771)
Inventories		<b>(48,940)</b>	(14,804)
Other assets		<b>1,156</b>	(7,525)
Trade accounts payable		<b>5,045</b>	3,675
Accrued liabilities and provisions*		<b>(7,450)</b>	16,297
Income taxes payable		<b>6,304</b>	6,803
Other liabilities		<b>3,072</b>	11,634
FX impact excluding cash		<b>1,013</b>	(2,961)
<b>Net cash provided by operating activities</b>		<b>46,233</b>	<b>85,069</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	5	<b>(32,769)</b>	(22,434)
Disposal of property, plant and equipment	5	<b>389</b>	182
Purchase of intangible assets	6	<b>(2,539)</b>	(1,231)
Disposal of intangible assets	6	<b>0</b>	1
Acquisitions of businesses net of cash acquired	17	<b>(5,643)</b>	(5,252)
Liquidation of subsidiary		<b>0</b>	67
Loans granted		<b>2</b>	(292)
<b>Net cash used in investing activities</b>		<b>(40,560)</b>	<b>(28,959)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from exercise of stock options	11	<b>0</b>	1,057
Cash dividend paid		<b>(54,520)</b>	(42,259)
Purchase/disposal of treasury shares		<b>(816)</b>	554
Proceeds from borrowings		<b>106,252</b>	56,365
Repayments of borrowings		<b>(73,973)</b>	(63,995)
<b>Net cash used in financing activities</b>		<b>(23,057)</b>	<b>(48,278)</b>
Effect of exchange rate changes on cash and cash equivalents		<b>(2,346)</b>	(2,301)
Change in cash and cash equivalents		<b>(19,730)</b>	5,531
Cash and cash equivalents at beginning of period		<b>65,628</b>	60,097
<b>Cash and cash equivalents at end of period</b>		<b>45,898</b>	<b>65,628</b>

\*Including deferred taxes

# 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 (established April 2022), 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 February 28, 2023 for submission to the Annual General Meeting on March 30, 2023.

### 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*	Corregidora Qro., Mexico	100%

\* established in 2022

## 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 2001, a stock option plan for Directors, as well as for Group Management and key employees was put in place. In 2014 the Directors' Stock Option Plan from 2001 was terminated and a share program was introduced. The shares are subject to a 3-year mandatory holding period.

In 2015 the Group Management and Key Employee Stock Option Plan from 2001 was terminated and a share program was introduced. 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.

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		
		2022	2021	2022	2021	
1	Swiss Franc	USD	1.0832	1.0937	1.0484	1.0940
	Euro	USD	1.0666	1.1334	1.0538	1.1833
	Japanese Yen	USD	0.0076	0.0087	0.0077	0.0091
	Hong Kong Dollar	USD	0.1283	0.1282	0.1277	0.1286
	Korean Won	USD	0.0008	0.0008	0.0008	0.0009

## 3 Trade Accounts Receivable

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

	2022	2021
Trade accounts receivable, gross	98,977	83,904
Bad debt allowance	(2,450)	(1,813)
<b>Total trade accounts receivable, net</b>	<b>96,527</b>	<b>82,091</b>

## 4 Inventories

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

	2022	2021
Raw material	87,478	54,651
Work-in-process	6,052	5,971
Finished goods	51,113	37,435
Advance Payments to suppliers	1,324	1,348
<b>Inventory Valuation Adjustment</b>	<b>(10,649)</b>	<b>(10,338)</b>
<b>Balance at December 31,</b>	<b>135,318</b>	<b>89,067</b>

## 5 Property, Plant, and Equipment

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

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
<b>At cost</b>								
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)
<b>At December 31, 2022</b>	<b>2,360</b>	<b>50,961</b>	<b>100,433</b>	<b>30,401</b>	<b>17,598</b>	<b>8,842</b>	<b>15,959</b>	<b>226,554</b>

<b>Accumulated depreciations:</b>								
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)	(3,280)
Reclassifications	—	—	32	—	—	(32)	—	—
Exchange Differences	—	(252)	(922)	(233)	—	(433)	(678)	(2,518)
<b>At December 31, 2022</b>	<b>—</b>	<b>22,005</b>	<b>60,248</b>	<b>13,133</b>	<b>—</b>	<b>7,976</b>	<b>10,871</b>	<b>114,233</b>

<b>Net book values:</b>								
At January 1, 2022	2,489	29,013	34,150	2,997	19,595	941	4,205	93,390
<b>At December 31, 2022</b>	<b>2,360</b>	<b>28,956</b>	<b>40,185</b>	<b>17,268</b>	<b>17,598</b>	<b>866</b>	<b>5,088</b>	<b>112,321</b>

Property, plant, and equipment 2021	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
<b>At cost</b>								
At January 1, 2021	3,093	47,662	81,395	12,792	12,201	9,207	15,948	182,298
Additions	—	532	8,061	782	16,433	1,087	1,896	28,791
Disposals	—	(11)	(3,878)	(58)	(39)	(356)	(312)	(4,654)
Reclassifications	(422)	2,421	5,078	2,798	(8,400)	49	(1,524)	—
Exchange Differences	(182)	(1,064)	(2,290)	(493)	(600)	(328)	(1,095)	(6,052)
<b>At December 31, 2021</b>	<b>2,489</b>	<b>49,540</b>	<b>88,366</b>	<b>15,821</b>	<b>19,595</b>	<b>9,659</b>	<b>14,913</b>	<b>200,383</b>

<b>Accumulated depreciations:</b>								
At January 1, 2021	392	18,807	53,240	11,287	—	8,533	11,840	104,099
Depreciation	—	1,706	6,712	494	—	800	1,206	10,918
Disposals	—	(11)	(3,759)	(56)	—	(341)	(305)	(4,472)
Reclassifications	(392)	392	(343)	1,502	—	30	(1,189)	—
Exchange Differences	—	(367)	(1,634)	(403)	—	(304)	(844)	(3,552)
<b>At December 31, 2021</b>	<b>—</b>	<b>20,527</b>	<b>54,216</b>	<b>12,824</b>	<b>—</b>	<b>8,718</b>	<b>10,708</b>	<b>106,993</b>

<b>Net book values:</b>								
At January 1, 2021	2,701	28,855	28,155	1,505	12,201	674	4,108	78,199
<b>At December 31, 2021</b>	<b>2,489</b>	<b>29,013</b>	<b>34,150</b>	<b>2,997</b>	<b>19,595</b>	<b>941</b>	<b>4,205</b>	<b>93,390</b>

# Notes to Consolidated Financial Statements

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

## 6 Intangible Assets

Intangible assets 2022	Technology	Software	Trademarks & Patents	Other	Total
<b>At cost</b>					
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
<b>Accumulated amortization</b>					
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

Intangible Assets 2021	Technology	Software	Trademarks & Patents	Other	Total
<b>At cost</b>					
At January 1, 2021	10,682	10,024	—	5,019	25,725
Additions	172	972	—	186	1,330
Disposals	—	(755)	—	(50)	(805)
Reclassifications	1,500	224	—	(1,724)	—
Exchange Differences	(274)	(382)	—	(61)	(717)
At December 31, 2021	12,080	10,083	—	3,370	25,533

### Accumulated amortization

At January 1, 2021	8,403	8,792	—	2,804	19,999
Amortization	490	796	—	206	1,492
Disposals	—	(754)	—	(50)	(804)
Reclassifications	369	188	—	(558)	(1)
Exchange Differences	(253)	(334)	—	(61)	(648)
At December 31, 2021	9,009	8,688	—	2,341	20,038

### Net book values

At January 1, 2021	2,279	1,232	—	2,215	5,726
At December 31, 2021	3,071	1,395	—	1,029	5,495

## 7 Short-term financial liabilities

Total short-term financial liabilities at December 31, 2022 amount to USD 43,374 . Thereof of USD 42,244 in favor of the Landesbank Baden-Württemberg at December 31, 2022 with an interest rate of 1.46% p.a. and USD 1,130 is owed to a customer for financing manufacturing equipment at no interest.

## 8 Provisions

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

Provisions 2021	Warranty	Pension	Bonus & Commissions	Other	Total
At January 1, 2021	3,044	1,569	11,415	7,969	23,997
Decrease in scope of consolidation	—	—	—	(3)	(3)
Addition	976	333	24,085	7,339	32,733
Usage	(130)	(236)	(10,598)	(5,800)	(16,764)
Release of unused amounts	—	(791)	(1,568)	(21)	(2,380)
FX difference	(73)	(251)	(332)	(216)	(872)
At December 31, 2021	3,817	624	23,002	9,268	36,711
Short term	3,500	313	23,002	2,658	29,473
Long term	317	311	—	6,610	7,238

### 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:

	2022	2021
Salaries, wages and related costs	5,011	5,009
Deferred revenue	2,666	1,361
Professional fees	710	859
Other	6,528	6,454
<b>Balance at December 31,</b>	<b>14,915</b>	<b>13,683</b>

## 10 Shareholders' Equity

As of December 31, 2022, shareholders' equity consists of issued and outstanding bearer shares 2,445,161 (2021: 2,445,161) with a par value of CHF 5 (2021: 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.

Under the Swiss Code of Obligations, the shareholders may decide on an increase of the share capital in a specified aggregate par value up to 50% of the existing share capital, in the form of authorized capital to be used at the discretion of the Board of Directors. The Board of Directors is currently not authorized to issue new registered shares. The General Meeting of Shareholders approved conditional share capital in the amount of 260,000 shares in 2012, which shall be issued upon the exercise of option rights granted pursuant to the Employee Incentive Plans to employees and members of the Board of Directors of the Company. The Board of Directors will regulate the details of the issuances.

As of December 31, 2022 the remaining available balance of conditional share capital amounts to 9,694 shares (2021: 9,694 shares) of each CHF 5.

## a) 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)			
<b>Balance as of December 31</b>	<b>855</b>			

## b) Treasury Shares 2021

	Number of treasury shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	1,917			
Purchases March 17, 2021	500	994.00	981.00	991.33
Purchases August 13, 2021	200	1,072.00	1,056.00	1,063.41
Purchases August 16, 2021	210	1,064.00	1,054.00	1,058.50
Purchases August 17, 2021	90	1,062.00	1,044.00	1,052.84
Purchases September 30, 2021	500	1,110.00	1,092.00	1,096.97
Allocation to Members of the Board of Directors	(222)			
Allocation to Group Management and Key Employees	(2,675)			
<b>Balance as of December 31</b>	<b>520</b>			

At December 31, 2022, the acquisition costs for a number of 3,300 shares purchased during the year amounted to USD 3,249 compared with USD 1,703 at December 31, 2021, for a number of 1,500 purchased shares in 2021.

The statutory or legal reserves that may not be distributed, amount to CHF 2,455 at December 31, 2022 (December 31, 2021: CHF 2,455 ).

# 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 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. 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 Management & Key Employee Stock Option Plan has expired May 7, 2021, all exercisable options have been exercised or have expired.

The impact of all share-based plans on the income statement as per December 31, 2022 amounts to USD 2,573 (2021: USD 2,012).

## 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:

	2022	2021
<b>At cost</b>		
At January 1,	31,598	28,945
Additions from acquisitions of subsidiaries	1,100	1,990
Subsequent Purchase Price Adjustments	643	663
Exchange Differences	39	—
At December 31,	33,380	31,598
<b>Accumulated amortization</b>		
At January 1,	23,860	19,414
Amortization expense	4,051	4,446
Exchange Differences	—	—
At December 31,	27,911	23,860
<b>Theoretical net book values</b>		
At January 1,	7,738	9,531
At December 31,	5,469	7,738

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

Impact on income statement:

	2022	2021
Operating income according to income statement	111,605	100,441
Amortization of goodwill	(4,051)	(4,446)
Theoretical operating income incl. amortization of goodwill	107,554	95,994
<b>Net income according to income statement</b>	<b>88,527</b>	<b>80,311</b>
Amortization of goodwill	(4,051)	(4,446)
Theoretical net income incl. amortization of goodwill	84,476	75,864

Impact on balance sheet:

	2022	2021
Equity according to balance sheet	277,446	252,586
Equity as % of total assets	64.6%	69.2%
Theoretical capitalization of goodwill (net book value)	5,468	7,737
Theoretical equity incl. net book value of goodwill	282,914	260,323
Theoretical equity incl. net book value of goodwill as % of total assets incl. net book value of goodwill	65.9%	71.3%

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:

	2022	2021
FX Gain/Loss	(3,681)	(1,092)
Interest Income/Expense	(840)	279
<b>Total financial result</b>	<b>(4,521)</b>	<b>(813)</b>

## 14 Income Taxes

Tax expense consists of the following:

	2022	2021
Current tax expense	19,937	20,086
Deferred tax expense	(1,516)	(769)
<b>Total income taxes</b>	<b>18,421</b>	<b>19,317</b>

As of December 31, 2022, the group average tax rate for calculating deferred taxes was 17.2% (2021: 19.4%). The tax rate of 2022 decreased 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 2,135 (2021: USD 2,433 ). Thereof USD 0 can be used indefinitely. No deferred tax assets were recognised for those tax loss carryforwards.

The entitlement for deferred income taxes on tax losses carried forward not yet used was USD 375 at December 31, 2022, as compared with USD 99 at December 31, 2021.

## 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 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:

	2022	2021
Numerator:		
<b>Net income</b>	<b>88,527</b>	<b>80,311</b>

Denominator:		
Weighted average shares outstanding*	<b>2,444,306</b>	2,443,561
Effect of dilutive stock options	<b>0</b>	0
<b>Denominator for diluted earnings per share</b>	<b>2,444,306</b>	<b>2,443,561</b>

Earnings per share:		
Basic	<b>36.22</b>	32.87
Dilution	<b>0.00</b>	0.00
<b>Diluted</b>	<b>36.22</b>	<b>32.87</b>

\* Weighted average shares outstanding for 2022 excluding treasury shares

# 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		
	2022	2022	2021	2022	2022	2022	2021
Pension institutions with surplus	1,446	—	—	—	4,652	4,652	3,108
Pension institutions with deficit	—	—	—	—	—	—	—
Pension institutions without own assets	—	(1,138)	(1,203)	(88)	(108)	(196)	(136)
<b>Total</b>	<b>1,446</b>	<b>(1,138)</b>	<b>(1,203)</b>	<b>(88)</b>	<b>4,544</b>	<b>4,456</b>	<b>2,972</b>

## 17 Acquisitions

### Final Phase Systems

On October 1, 2018, the Company acquired part of the assets of Final Phase Systems LLC a developer of comprehensive Industrial Engineering Software for the semiconductor manufacturing industry. The acquisition of FPS is the latest step in INFICON's vision to provide the semiconductor and display manufacturing industries with the most advanced factory and process control tools available.

The purchase price was USD 5,000 at closing. Additionally, there is an earn-out to be paid, based on a defined sales performance over a three-year period. The Company has performed a fair value calculation which resulted in USD 9,300 as contingent consideration and was recognised as long-term provision.

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

As of October 1	2018
Equipment	5
Intangible assets	2,075
<b>Assets acquired</b>	<b>2,080</b>
Goodwill	12,220
Total	14,300
Accrued contingent consideration	(9,300)
<b>Cash used for acquisition</b>	<b>5,000</b>

In 2022 the last earn-out payment of USD 4,943 (2021: USD 3,063) was made. The final payment exceeded the existing contingent consideration of USD 4,300 as of December 31, by USD 643.

### Fil-Tec

On April 30, 2021, the Company acquired assets and key personnel associated with Fil-Tec, Inc. and their subsidiary, Cold Springs R&D, Inc. The acquired company designs and manufactures Quartz Crystal Microbalance (QCM) sensors for display, optical coating general vacuum, and life science markets. The acquisition of Fil-Tec is the latest step for INFICON to build out the global leadership position as provider of the most advanced and highest quality QCM sensors for display and optical coating manufactures.

The purchase price was USD 2,189 at closing. The following table summarizes the fair values of the assets acquired at the acquisition date.

As of May 1	2021
Inventory	39
Equipment	60
Intangible assets	100
<b>Assets acquired</b>	<b>199</b>
Goodwill	1,990
Total	2,189
<b>Cash used for acquisition</b>	<b>2,189</b>



# Notes to Consolidated Financial Statements

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

## 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 June 1	2022
Assets acquired	—
Goodwill	1,100
Total	1,100
Cash used for acquisition	1,100

USD 700 of the total purchase price of USD 1,100 was paid in 2022. The residual amount of USD 400 will be paid 24 months after contract signing, consequently the outstanding payment is recognised as long-term liability as of December 31, 2022.

## 18 Commitments and Contingencies

A summary of contractual commitments and contingencies is as follows:

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
<b>Total</b>	<b>40,618</b>	<b>22,723</b>	<b>63,341</b>

At December 31, 2021	Operating Leases	Purchase Commitments	Total
2022	6,864	6,062	12,926
2023	5,428	5,751	11,179
2024	4,962	72	5,034
2025	4,602	—	4,602
2026	3,159	—	3,159
Thereafter	16,710	—	16,710
<b>Total</b>	<b>41,725</b>	<b>11,885</b>	<b>53,610</b>

The Company leases some of its facilities and machinery and equipment under operating leases, expiring in years 2023 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 2022, 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.

# Notes to Consolidated Financial Statements

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

## 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 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 (2021: USD 46,466 granted by the related party KWE Beteiligungen AG), 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.

## 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:

	2022	2021
Total personnel costs	<b>170,058</b>	161,052

### 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:

	2022	2021
Board of Directors:		
Dr. Beat E. Lüthi	<b>1,554</b>	1,488
Dr. Richard Fischer	<b>26,239</b>	26,190
Vanessa Frey *	<b>173</b>	140
Beat Siegrist	<b>15,694</b>	15,652
Dr. Reto Suter	<b>82</b>	40
<b>Total Board of Directors</b>	<b>43,742</b>	43,510

### Group Management

Lukas Winkler, President & CEO	<b>4,396</b>	3,755
Matthias Tröndle, Group CFO	<b>657</b>	383
<b>Total Group Management</b>	<b>5,053</b>	4,138

\* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.6% (2021: 19.5%) in INFICON Holding AG.

## 22 Subsequent Events

The Company has evaluated subsequent events for the whole Group (including Holding AG and all subsidiaries) through February 28, 2023, which represents the date when the consolidated financial statements were available to be issued.



# 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 2022 and the consolidated statement of income, consolidated statement of shareholders' equity and consolidated statement of cash flow 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 66 to 81) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and its consolidated results of operations and its consolidated cash flow 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 2022 amounted to USD 581.3 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 as a result of management override resulting from the pressure management may feel to achieve planned results. This could for example occur by manipulating inputs in the Group's accounting system.

For further information on revenue recognition refer to the following:

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

### Our response

We performed testing of the key controls around revenue recognition, which included performing walkthroughs and testing the operating effectiveness 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 purchase 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 of revenues.

### 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

Benjamin Marte  
Licensed Audit Expert

Zurich, 28 February 2023

# Balance Sheet

## INFICON Holding AG, Bad Ragaz/Switzerland

(CHF in Thousands)

	Notes	December 31, 2022	December 31, 2021
<b>Assets</b>			
Cash		3,587	5,836
Other short-term receivables			
from third parties		—	52
from companies in which the entity holds an investment		3,484	3,438
from companies in which the entity holds an indirect investment		113	—
Short-term loans granted to companies in which the entity holds an investment	2.1	—	1,120
Prepaid expenses and accrued income		271	190
<b>Total current assets</b>		<b>7,455</b>	<b>10,636</b>
Financial assets			
Long-term loans granted to companies in which the entity holds an investment	2.2	46,923	41,511
Long-term loans granted to companies in which the entity holds an indirect investment	2.3	10,155	10,057
Investments	2.4	148,540	148,540
Intangible assets	2.5	976	903
<b>Total non-current assets</b>		<b>206,594</b>	<b>201,011</b>
<b>Total assets</b>		<b>214,049</b>	<b>211,647</b>
<b>Liabilities and Shareholders' Equity</b>			
Other short-term liabilities			
to third parties	2.6	177	27
to companies in which the entity holds an investment		1,169	3,057
Short-term interest-bearing liability	2.7	39,000	8,800
Short-term provisions	2.8	1,773	—
Accrued expenses and deferred income	2.9	3,231	3,244
<b>Total short-term liabilities</b>		<b>45,350</b>	<b>15,128</b>
Long-term provisions	2.10	—	900
<b>Total long-term liabilities</b>		<b>—</b>	<b>900</b>
<b>Total liabilities</b>		<b>45,350</b>	<b>16,028</b>
Share capital			
Legal capital reserves	2.11	12,226	12,226
Reserves from capital contributions	2.12	620	8,194
Legal retained earnings			
General legal retained earnings		2,590	2,590
Voluntary retained earnings			
Available earnings			
Profit brought forward		128,831	140,440
Profit for the year		25,086	32,739
Treasury shares	2.13	(654)	(570)
<b>Total shareholders' equity</b>		<b>168,699</b>	<b>195,619</b>
<b>Total liabilities and shareholders' equity</b>		<b>214,049</b>	<b>211,647</b>

# Statement of Income

## INFICON Holding AG, Bad Ragaz/Switzerland

(CHF in Thousands)

Year ended December 31,	Notes	2022	2021
Dividend income	2.14	9,998	18,282
Royalty income	2.15	16,948	14,265
Management fees income	2.16	12,604	9,653
Other financial income	2.17	3,187	5,470
<b>Total income</b>		<b>42,737</b>	<b>47,670</b>
Personnel expenses		4,830	4,013
Other operating expenses	2.18	10,378	8,787
Amortization/depreciation on non-current assets		366	296
Financial expenses	2.19	417	336
Direct taxes	2.20	1,660	1,499
<b>Total expenses</b>		<b>17,651</b>	<b>14,931</b>
<b>Profit for the year</b>		<b>25,086</b>	<b>32,739</b>



# 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 (32<sup>nd</sup> 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 Short-term loans granted to companies in which the entity holds an investment

Short-term loans granted to companies in which the entity holds an investment consisted of a credit facility which was granted to a subsidiary. The interest rate was 0.25% p.a.. The short-term loan was paid back in full in 2022.

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

maturity	interest rate in %	December 31,	
		2022	2021
Up to five years	2.00–5.00	<b>MUSD 41</b>	MUSD 42
Up to five years	0.75	<b>MEUR 3</b>	MEUR 3
Up to five years	0.25	<b>MCHF 6</b>	—

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

At December 31, 2022, 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 6% and 5% p.a. respectively and the maturity is more than five years.

#### 2.4 Investments

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

Company	Currency	December 31,	
		2022	2021
<b>INFICON Inc.</b>		(in 1,000)	(in 1,000)
<b>Syracuse, USA</b>			
Share Capital	USD	*	*
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Manufacturing, Sales and Service			
<b>INFICON AG</b>			
<b>Balzers, Liechtenstein</b>			
Share Capital	CHF	<b>6,000</b>	6,000
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Manufacturing, Sales and Service			

Company	Currency	December 31,	
		2022	2021
<b>INFICON GmbH</b>			
<b>Cologne, Germany</b>			
Share Capital	EUR	<b>1,026</b>	1,026
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Manufacturing, Sales and Service			
<b>INFICON Aaland Ab</b>		(in 1,000)	(in 1,000)
<b>Mariehamn, Finland</b>			
Share Capital		<b>60</b>	60
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Manufacturing			
<b>INFICON AB</b>			
<b>Linköping, Sweden</b>			
Share Capital	SEK	<b>3,810</b>	3,810
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Manufacturing and Sales			
<b>INFICON ApS</b>			
<b>Copenhagen, Denmark</b>			
Share Capital	DKK	<b>50</b>	50
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Sales			
<b>INFICON Ltd.</b>			
<b>Blackburn, United Kingdom</b>			
Share Capital	GBP	<b>400</b>	400
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Sales and Service			
<b>INFICON S.A.R.L.</b>			
<b>Courtaboeuf, France</b>			
Share Capital	EUR	<b>108</b>	108
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Sales and Service			
<b>INFICON S.r.l.</b>			
<b>Bozen, Italy</b>			
Share Capital	EUR	<b>10</b>	10
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Sales			
<b>INFICON Co., Ltd.</b>			
<b>Kawasaki-Shi, Japan</b>			
Share Capital	JPY	<b>90,000</b>	90,000
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Sales			
<b>INFICON Ltd.</b>			
<b>Chubei City, Taiwan</b>			
Share Capital	TWD	<b>52,853</b>	52,853
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Sales			
<b>INFICON Ltd.</b>			
<b>Bungdang-Ku, Korea</b>			
Share Capital	KRW	<b>600,000</b>	600,000
Share in capital and voting rights		<b>100%</b>	100%
Purpose: Manufacturing and Sales			

# Notes to the Financial Statements

## INFICON Holding AG, Bad Ragaz/Switzerland

Company	Currency	December 31,	
		2022	2021
<b>INFICON Pte. Ltd.</b>			
<b>Singapore</b>			
Share Capital	SGD	1,797	1,797
Share in capital and voting rights		100%	100%
Purpose: Sales			
<b>INFICON Ltd.</b>			
<b>Hong Kong</b>			
Share Capital	HKD	8,780	8,780
Share in capital and voting rights		100%	100%
Purpose: Sales			
<b>INFICON (Guangzhou) Instruments Co., Ltd.</b>			
<b>Guangzhou</b>			
Share Capital	RMB	9,837	9,837
Share in capital and voting rights		100%	100%
Purpose: Service			
<b>INFICON Instruments (Shanghai) Co., Ltd.</b>			
<b>Shanghai</b>			
Share Capital	USD	2,180	2,180
Share in capital and voting rights		100%	100%
Purpose: Manufacturing			
<b>INFICON EDC Inc.</b>			
<b>Overland Park, USA</b>			
Share Capital	USD	500	500
Share in capital and voting rights **		100%	100%
Purpose: Manufacturing, Sales and Service			
<b>INFICON InstruTech LLC</b>			
<b>Longmont, USA</b>			
Limited Liability Company			
Equity Interest **		100%	100%
Purpose: Manufacturing and Sales			
<b>IFCN.SW</b>			
<b>Corregidora Qro., Mexico</b>			
Share Capital	MXN	10	—
Share in capital and voting rights		100%	—
Purpose: Sales			

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

\*\* Indirect participation

### 2.5 Intangible assets

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

### 2.6 Other short-term liabilities to third parties

In CHF 1,000	December 31,	
	2022	2021
Liabilities to third parties	64	27
Liabilities due to pension fund	59	—
Liabilities to governing bodies (Auditors)	54	—
<b>Total</b>	<b>177</b>	<b>27</b>

### 2.7 Short-term interest-bearing liability

The company has an outstanding short-term loan of MCHF 39 in favor of the Landesbank Baden-Württemberg at December 31, 2022 (2021: MCHF 8,8). The interest rate is 1.46% p.a. (2021: 0.11% p.a.).

### 2.8 Short-term provisions

The short-term provisions relate to pending bonuses for the financial year 2022. Further details see note 2.10.

### 2.9 Accrued expenses and deferred income

In CHF 1,000	December 31,	
	2022	2021
Liabilities to third parties	2,856	2,799
Liabilities due to pension fund	—	69
Liabilities to governing bodies (Board of Directors and auditors)	375	376
<b>Total</b>	<b>3,231</b>	<b>3,244</b>

### 2.10 Long-term provisions

The long-term provisions relating to the long-term incentive bonus plan of the companies CEO were reclassified to short-term provisions in 2022. The reclassification is due to the maturity of the bonus in 2023.

### 2.11 Issued, authorized and conditional share capital

Share capital in the amount of CHF 12,226 (2021: CHF 12,226) consists of 2,445,161 (2021: 2,445,161) registered shares at a nominal value of CHF 5 each.

### Conditional Share Capital

The articles of incorporation provide for a conditional capital of a maximum of CHF 48,470 through the issuance of 9,694 registered shares of CHF 5 each by the exercise of option rights granted to employees and members of the Board of Directors of the Company. Since May 7, 2021, no exercisable options exist.

### 2.12 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.

# Notes to the Financial Statements

## INFICON Holding AG, Bad Ragaz/Switzerland

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, 2022.

### 2.13 Treasury shares

#### a) 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)			
<b>Balance as of December 31</b>	<b>855</b>			

#### b) Treasury Shares 2021

	Number of treasury shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	1,917			
Purchases March 17, 2021	500	994.00	981.00	991.33
Purchases August 13, 2021	200	1,072.00	1,056.00	1,063.41
Purchases August 16, 2021	210	1,064.00	1,054.00	1,058.50
Purchases August 17, 2021	90	1,062.00	1,044.00	1,052.84
Purchases September 30, 2021	500	1,110.00	1,092.00	1,096.97
Allocation to Members of the Board of Directors	(222)			
Allocation to Group Management and Key Employees	(2,675)			
<b>Balance as of December 31</b>	<b>520</b>			

At December 31, 2022, the acquisition costs for a number of 3,300 shares purchased during the year amounted to TUSD 3,249 (TCHF 3,103) compared with TUSD 1,703 (TCHF 1,577) at December 31, 2021, for a number of 1,500 purchased shares in 2021. The treasury shares are reserved for compensations due in 2022. These shares are non-dividend bearing shares.

### 2.14 Dividend income

Dividend income consists of dividends paid by subsidiaries.

### 2.15 Royalty income

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

### 2.16 Management fees income

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

### 2.17 Other financial income

Other financial income amounts to TCHF 3,187 (2021: TCHF 5,470) and consists mostly of interest income and gains from foreign currency loans to companies in which the entity holds an investment.

### 2.18 Other operating expenses

	December 31,	
In CHF 1,000	2022	2021
Administrative expenses	<b>2,059</b>	2,136
Share based payments	<b>226</b>	226
Consulting expenses	<b>1,325</b>	1,206
Withholding taxes	<b>230</b>	265
Other operating expenses*	<b>6,538</b>	4,954
<b>Total</b>	<b>10,378</b>	8,787

\* In 2022 the main expense items related to insurance, IT, patent and marketing expenses as well as to fees for the Board of Directors.

### 2.19 Financial expenses

Financial expenses amount to TCHF 417 (2021: TCHF 336) and consist mostly of foreign currency losses from transactions with companies in which the entity holds an investment.

### 2.20 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,	2022	2021
KWE Beteiligungen AG	19.60%	19.50%
7-Industries Holding B.V.	9.27%	9.27%

Any significant shareholder notifications during 2022 and since January 1, 2023, can be accessed via the following weblink to the database search page of the disclosure office:

[http://bit.ly/IFCN\\_major\\_Shareholders](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:

	2022	2021
Board of Directors:		
Dr. Beat E. Lüthi	1,554	1,488
Dr. Richard Fischer	26,239	26,190
Vanessa Frey *	173	140
Beat Siegrist	15,694	15,652
Dr. Reto Suter	82	40
<b>Total Board of Directors</b>	<b>43,742</b>	<b>43,510</b>
Group Management		
Lukas Winkler, President & CEO	4,396	3,755
Matthias Tröndle, Group CFO	657	383
<b>Total Group Management</b>	<b>5,053</b>	<b>4,138</b>

\* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.6% (2021: 19.5%) in INFICON Holding AG.

The members of the Group Management held together on December 31, 2022 directly and indirectly a total of 0.21% (2021: 0.17%) bearer shares or 0.21% (2021: 0.17%) of the voting rights of INFICON. The members of the Board of Directors held together on December 31, 2022 directly and indirectly a total of 21.39% (2021: 21.28%) bearer shares or 21.39% (2021: 21.28%) 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 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
<b>Total</b>	<b>2,965</b>	<b>2,398</b>

##### b) Share-based compensations 2021

	Shares granted	
	Quantity	Value in CHF 1,000
Total Board of Directors	222	225
Total Group Management and Key Employees	2,675	1,829
<b>Total</b>	<b>2,897</b>	<b>2,054</b>

In 2014, the Directors' Stock Option Plan and in 2015 the Key Employee Stock Option Plan, both from 2001, were terminated and a share program was introduced. On May 7, 2021, all exercisable options had expired.

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	2022	2021
Guarantees in favor of an affiliated companies	2,028	2,095

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 95.

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

(Proposal of the Board of Directors)

In CHF 1,000	December 31,	
	2022	2021
Reserves from capital contributions at beginning of year	<b>8,194</b>	7,227
Share premium on exercised stock options	—	967
Distribution to shareholders	<b>(7,574)</b>	—
<b>Reserves from capital contributions</b>	<b>620</b>	8,194
Profit brought forward	<b>173,179</b>	179,779
Results from loss on treasury shares	<b>(616)</b>	(253)
Distribution to shareholders	<b>(43,732)</b>	(39,086)
Profit for the year	<b>25,086</b>	32,739
<b>Available earnings</b>	<b>153,917</b>	173,179

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

Available earnings before proposed distribution	<b>153,917</b>
Distribution from available earnings	
(2022: CHF 18.00 each share)	<b>44,013</b>
Available earnings after proposed distribution	<b>109,904</b>



# 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 2022, and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 86 to 93) 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

Benjamin Marte  
Licensed Audit Expert

Zurich, 28 February 2023



# 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.

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