

2022

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# Business Report



# SKAN Fact Sheet<sup>1</sup> (in CHF)

Order intake  
+46.9%<sup>2</sup>

411.7 m

Net sales  
+18.2%<sup>2</sup>

277.0 m

EBITDA  
+30.9%<sup>2</sup>

40.2 m

EBITDA-  
Margin  
+1.4pp<sup>2/3</sup>

14.5%

Operating  
cash flow  
+495.9%<sup>2</sup>

+61.5 m

Cash  
-15.6%<sup>2</sup>

111.0 m

Assets  
+17.0%<sup>2</sup>

388.4 m

Investments  
-32.3%<sup>2</sup>

28.9 m

Employees  
+165<sup>2</sup>

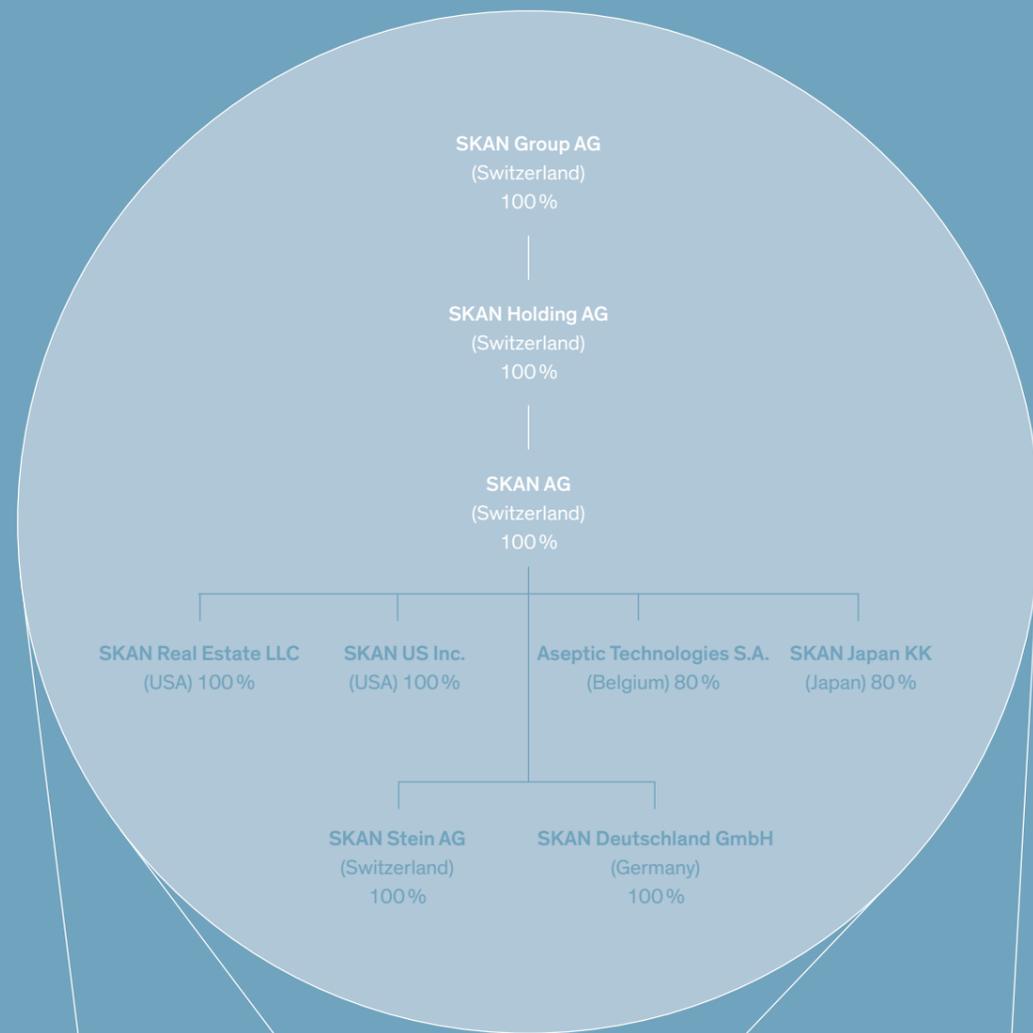
1'172

<sup>1</sup> Figures as reported

<sup>2</sup> Change compared to previous year

<sup>3</sup> Percentage points

# Locations



# Key Figures

	2022	in % of net sales	2021	in % of net sales	change in %
<b>in thousand CHF</b>					
<b>Financial key figures</b>					
Order intake	411'696		280'318		46.9%
Order backlog	360'086		226'111		59.3%
Net sales from goods and services	276'955		234'265		18.2%
EBITDA	40'154	14.5%	30'682	13.1%	30.9%
EBIT	29'461	10.6%	23'056	9.8%	27.8%
Profit for the period	21'446	7.7%	21'398	9.1%	0.2%
<b>Other key figures</b>					
Net working capital (NWC)	-12'808		-12'025		-6.5%
Return on capital employed (ROCE)	15.3%		15.8%		-3.7%
Investments <sup>2</sup> (PPE and Intangible Assets)	28'865		42'607		-32.3%
Equity	165'595		174'005		-4.8%
Equity ratio	42.6%		52.4%		-18.7%
Cash flow from operating activities	61'483		10'317		495.9%
Cash flow from investing activities	-76'418		-11'017		593.6%
Cash flow from financing activities	-4'846		67'484		nm <sup>1</sup>
Headcount as of 31 December	1'172		1'007		16.4%
<b>Segment key figures</b>					
<b>Equipment &amp; Solutions</b>					
Order intake	336'582		212'307		58.5%
Order backlog	332'748		204'464		62.7%
Net sales from goods and services	207'657		172'049		20.7%
EBITDA	22'993	11.1%	16'113	9.4%	42.7%
<b>Service &amp; Consumables</b>					
Order intake	75'114		68'011		10.4%
Order backlog	27'338		21'647		26.3%
Net sales from goods and services	69'298		58'040		19.4%
EBITDA	17'161	24.8%	13'618	23.5%	26.0%
<b>Others</b>					
Net sales from goods and services	-		4'176		nm <sup>1</sup>
EBITDA	-		952	22.8%	nm <sup>1</sup>
<b>Stock key figures</b>					
Registered shares	22'483'524		22'483'524		0.0%
Earning per share (in CHF)	0.84		0.84		0.6%
Dividend per share (in CHF)	0.25		0.24		4.2%

<sup>1</sup> not meaningful  
<sup>2</sup> Property, plant and equipment

# Letter to shareholders

The SKAN Group looks back on a successful first business year as a listed company. Order intake, sales and profits increased to new record levels. The fact that this was achieved despite headwinds caused by bottlenecks in the supply chain, price inflation for raw materials and the Ukraine crisis underlines our robust business model. To manage the strong growth, the SKAN Group expanded capacity at its production sites in Switzerland and Germany and once again expanded its workforce.



**Dr. Gert Thoenen**, BoD Chairman and **Thomas Huber**, CEO

## Dear Shareholder

Supported by strong market developments, the SKAN Group continued its growth trajectory in the financial year 2022. The continuing trend towards injectable drugs and thus towards our process solutions for the aseptic filling of biopharmaceutical substances ensured high demand from our customers. The SKAN Group again posted record-high order intake in both business segments and across all regions in 2022. The win rate for quotations remained high, mainly thanks to the qualitative and technological superiority of our equipment as well as our process know-how. As a result, SKAN once again expanded its position as number one in the high-end segment of the isolator market.

## Key figures at record level

Overall, we recorded an order intake of CHF 411.7 million, an increase of 46.9 percent compared to the previous year. The order backlog climbed to a record level of CHF 360.1 million, which gives us planning security in the equipment business for the next two years. The SKAN Group increased net sales by 18.2 percent to CHF 277.0 million. Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 30.9 percent to CHF 40.2 million, which corresponds to an EBITDA margin of 14.5 percent.

In the year under review, the SKAN Group, like other companies, was confronted by bottlenecks in the supply chain and price inflation for raw materials. The company countered this by reorganizing production processes, building up inventories and ordering key components earlier. As a result, SKAN succeeded in ensuring delivery capability, keeping productivity high and reporting record earnings despite the headwinds mentioned above. This success demonstrates the robust business model of the group.

The profit for the financial year 2022 amounts to CHF 21.4 million. The Board of Directors proposes to the Annual General Meeting of SKAN Group AG on May 3, 2023, to distribute a dividend of CHF 0.25 per share.

## Financial targets well achieved

With the realized sales growth and EBITDA margin, the SKAN Group well achieved the financial targets communicated for 2022. As we announced in the half-year report, the weaker first six months were compensated by a profitable second half. The reason is that in the first six months several projects were in the completion phase and numerous new orders were in the

design phase - both phases that generate relatively low sales and thus also low margins in absolute terms. When the new projects entered the value-intensive production phase in the second half of the year, the SKAN Group made up the shortfall in net sales and profitability as planned. The accuracy of our forecast underpins the good visibility of our business.

More detailed information on the course of business and the financial results at SKAN Group level and in the two segments Equipment & Solutions and Services & Consumables can be found in the Management Summary starting on page 24 of this Annual Report.

## New member of the management team

In order to cope with the strong growth, the SKAN Group continued to expand its workforce. At year-end 2022, the number of employees was 1'172, an increase of 165 compared to the previous year.

As of February 1, 2023, Maria Cuevas Otero has been appointed for the SKAN Group's global service business as Chief Services Officer. Maria Cuevas Otero so far spent her professional career at various companies in the industry, where besides leadership experience she also gained knowledge in digitalization. We are convinced that with her background she is ideally suited to successfully expand SKAN Group's service business.

## Commitment to sustainability

SKAN Group products make it possible to safely fill potentially life-saving medications. Our innovative isolators reduce energy consumption by 10 to 20 times compared to conventional clean-rooms and the use of protective clothing can be largely reduced. At the same time, the SKAN Group itself acts sustainably by minimizing the negative impact of its business activities on the environment, by fulfilling its responsibility towards its employees and by being committed to society.

The positive impact of our business activities and our commitment to sustainability have also been rewarded by the capital market. SIX Swiss stock exchange has included the SKAN share in its ESG indices and we can count several investors focusing on sustainable companies among our shareholders. The Sustainability Report, published for the second time in this annual report, provides information about our commitment to sustainability.

### Confident outlook

For the current fiscal year, we expect no slow-down of the high demand momentum. The fundamental growth of the global pharmaceutical market, the trend towards injectable drugs and the shift from traditional cleanrooms to superior isolator technology and the reshoring of production sites from Asia to the Western world are expected to continue unabated. Accordingly, the demand for equipment, services and consumables from SKAN will also continue. We see our strategy confirmed and are consistently implementing it to over-proportionately participate in this growth.

The start to the current year has been encouraging and the record order backlog and full project pipeline should ensure a good course of business in 2023. We are confident that we will also be able to achieve our growth targets in the current year. In terms of net sales, we expect an increase in the mid to upper teens in 2023, with both the Equipment & Solutions and Services & Consumables segments likely to grow at a similar rate. The EBITDA margin is expected between 13 and 15 percent.

### Sincere thanks

The fact that we report on a successful first financial year as a listed company is primarily thanks to our employees. They have shown their commitment and dedication to the company at all levels in 2022. On behalf of the Board of Directors and the Executive Management, we express our sincere thanks to them. Our thanks also go to our customers for their trust and to you, our esteemed shareholders, for your support. We would be pleased if we could continue to count on it.



Dr. Gert Thoenen  
Chairman of the BoD



Thomas Huber  
CEO



# SKAN at a glance

SKAN is a pioneer in the field of aseptic and aseptic-toxic manufacturing processes for the (bio)pharmaceutical industry. The company is the market and technology leader for high-quality, process-critical isolator systems for filling drugs according to strict sterility standards. In addition, the company offers its customers process support, services and consumables.

Innovative solutions and an efficient life-cycle support organization make SKAN an important partner for the pharmaceutical and biotech industry, Contract Manufacturing Organizations (CMO's) and research laboratories worldwide.

Founded in 1968, SKAN today employs over 1'170 people. More than half of them work at the Allschwil headquarters in the Life Sciences Hub of the Basel region. The other employees are spread between the subsidiaries in Switzerland, Germany, Belgium, Japan and the USA.

# Milestones in 2022

## 02.

VR Mock-up



Our process, equipped with virtual reality, for carrying out mock-ups offers the customer a fast, efficient and ecologically friendly opportunity to experience the system in more detail and in several variants during the design phase.

## 03.

1'000 Wireless GT's



The Wireless GT 2 was launched in 2021. The product is well received by our customers. In 2022, SKAN delivered the 1000th Wireless GT 2 to a customer.

## 04.

New production capacity at SKAN DE and SKAN Stein AG



The construction work to increase the production capacity at our German site in Görlitz and our Swiss site in Stein was finished in 2022. Both sites are in operation and will support the future growth of the SKAN Group.

## 05.

ebeam Competence Center



The ebeam Competence Center was put into operation at our SKAN location in Stein, Switzerland. We offer a wide range of services in inline sterilization with electron beam. This includes basic research, process developments, service and training support with the SKAN ebeam engine.

# 06.

Design Award PSI-L 2.0



An international jury commended the SKAN PSI-L 2.0 isolator with the “Red Dot” award for high design quality. SKAN is now a two-time Red Dot award winner.

# 07.

SKAN Conttest



SKAN Conttest is an innovative and globally unique measuring method to evaluate safety at work in the laboratory. It is used to realistically determine the containment performance of laboratory fume cupboards on-site. The “conttest method” was developed in the field of occupational health assessment in close cooperation with the Federal Institute of Technology, EPFL.

# 07.

Acquisition of Aseptic Technologies S.A.



In the first half of 2022, SKAN signed an agreement with the co-owner of Aseptic Technologies, Société Régionale d'Investissement de Wallonie, to purchase a further 30% of the shares, increasing its stake to 90%. A first tranche of 20% was acquired as of 1 July 2022, with two further tranches of 5% each to follow between 2023 and 2026.

# 08.

First completed apprenticeship



The first apprentice at SKANAG has successfully passed his final apprenticeship examination. Congratulations!

# Together always one step ahead

For more than 50 years we have been developing and manufacturing isolator systems for aseptic and aseptic-toxic production processes in (bio-)pharmaceutical production. We operate our business in two reporting segments: "Equipment and Solutions" (E&S) and "Services and Consumables" (S&C). Within Equipment and Solutions, we offer our customers process solu-

tions (standardized/modular and customized isolators), integrated process solutions (automated process solutions and closed-vial filling systems) as well as laboratory and cleanroom equipment. Within our Services and Consumables business, we provide global life cycle support and offer ready-to-use consumables to our customers. Innovative products, customer-spe-

cific solutions and an efficient life cycle support organization have led SKAN to become a global market leader and important partner for the (bio-)pharmaceutical industry and research laboratories. Our headquarters are located in Allschwil (Switzerland).

1 MES = Manufacturing Execution System



**Equipment and Solutions ("E&S")**

**Services and Consumables ("S&C")**

**Pure Solutions**

**Pure Solutions Trading**

- Laboratory / cleanroom equipment
- Horizontal/vertical workbenches
- Fume cupboards
- Particle counters



**Consumables**

- Personal protective equipment
- Biosanitizer

**Services**

- Qualification

**Process Solutions**

**Customized Solutions ("CusSol")**

- Customer-specific isolator solutions for aseptic manufacturing and filling
- Process warranty incl. complete GMP compliance



**Consumables**

- Biological indicator
- Spares (gloves, filters, etc.)

**System Solutions ("SysSol")**

- Modular isolators equipped flexibly with process tools
- Close collaboration with process tool partners



**Services**

- Life cycle support
- GMP requalification
- Performance studies

**Integrated Process Solutions**

**Aseptic Technologies (AT)**

- Proprietary, automated closed-vial filling equipment for small/medium-batch cell & gene therapy integrated within isolator



**Consumables**

- Closed vials
- Connectors
- Filling kits

**Services**

- Rent a machine
- Life cycle support
- GMP requalification

**Process Automation**

- Global process solution providing automated (robotic) process handling fully integrated within the isolator



**Consumables**

- Refer to process consumables

**Services**

- Refer to process services
- Digital integration into MES<sup>1</sup> and ERP systems

# Management Summary 2022

## Growth story continues

2022 was a successful financial year for the SKAN Group. The total order intake and net sales reached a new record. In 2022 the order backlog climbed from CHF 226.1 million to a record level of CHF 360.1 million, which gives SKAN a planning security in the equipment business for the next two years. Compared to the previous year, order intake increased by CHF 131.4 million from CHF 280.3 million to CHF 411.7 million, which represents a growth rate of +46.9%. Included in the order intake are only orders for which the contract has been signed and financing has been clarified. Furthermore the order funnel remains strong on a high level. Net sales increased by CHF 42.7 million from CHF 234.3 million in 2021 to CHF 277.0 million in 2022. This results in a growth rate of +18.2%.

## Equipment & Solutions segment posts strong growth

The Equipment & Solutions segment reported an order intake of CHF 336.6 million for the financial year 2022. This corresponds to an increase of 58.5 percent compared to the previous year. Based on the high order backlog, net sales also

increased significantly by 20.7 percent to CHF 207.7 million. Thanks to this buoyant growth, the Equipment & Solutions segment's share of the SKAN Group's total sales increased to 75.0 percent. Segment EBITDA rose by 42.7 percent to CHF 23.0 million, resulting in an EBITDA margin of 11.1 percent.

Whereas in the previous year we had received an above-average number of orders for high-speed systems with e-beam technology, which are suitable, among other things, for filling vaccines, customers in 2022 focused on medications that had previously been postponed due to the pandemic. For this reason, they invested more in systems for smaller production volumes. After gearing up the production site in Görlitz, Saxony, to manufacture both types of equipment at the beginning of the year, the SKAN Group is now well-positioned to adapt more flexibly to such shifts in customer demand.

The Equipment & Solutions segment made good progress with its strategic initiative to expand its offering with integrated process systems. In 2022, first major projects were sold in which the SKAN Group acts as general contractor and offers a total solution consisting of our isolator including the process system supplied by a partner company.

## Services & Consumables benefits from growing installed base

The Services & Consumables segment achieved an order intake of CHF 75.1 million in the 2022 financial year, 10.4 percent above the previous year. Net sales increased by 19.4 percent to CHF 69.3 million and EBITDA amounted to CHF 17.2 million, corresponding to an EBITDA margin of 24.8 percent.

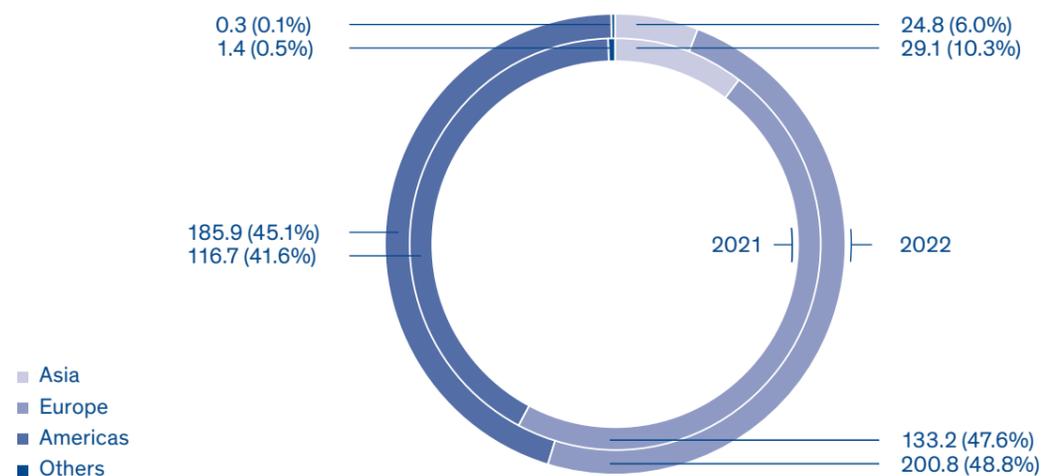
One growth driver in the service business is the steady expansion of the installed base of SKAN equipment. These require maintenance, regulatory required periodic re-qualifications as well as spare parts. As our oldest isolators on the market have reached the end of their planned service life, the retrofit business is also increasing. This involves renewing the technical equipment of the isolator and updating the software so that the isolator can continue to operate for several more years.

As expected, acceptance of the automated process solutions for closed vials from our subsidiary Aseptic Technologies continued to increase. The development pipeline of active ingredients to be filled into our closed vials grew by around 30 percent in the year under review to an order of magnitude of approximately 400 substances. In addition, the third drug re-

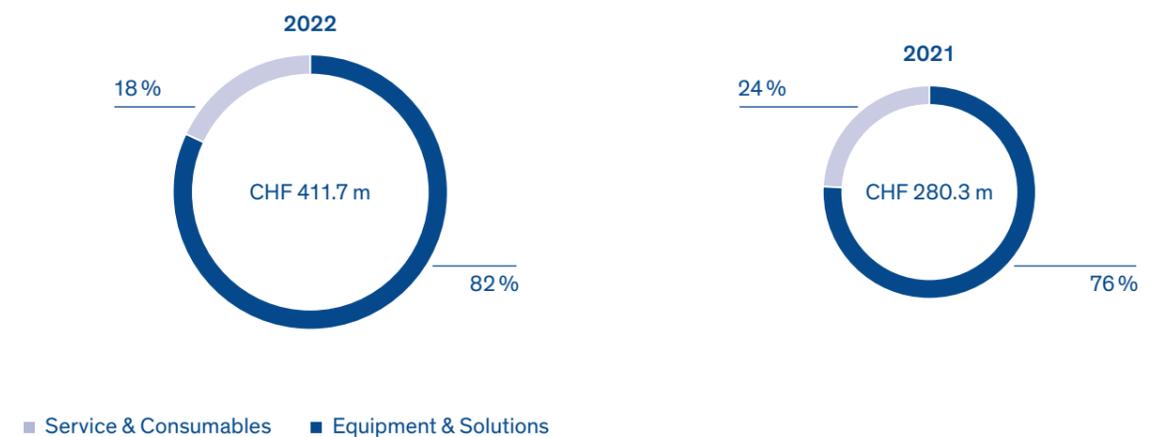
ceived regulatory approval for commercial production. The commercialization of drugs increases demand for our closed vials and thus has a positive impact on the Services & Consumables segment. The expansion of the service business is in line with Group strategy. Accordingly, we increased our stake in Aseptic Technologies to 80 percent in 2022. The stake will be expanded to 90 percent by 2026 at the latest.

Pre-approved services, the implementation of which is proceeding according to plan, will also contribute to the expansion of the service business. The appropriate facility, in the immediate vicinity of SKAN's headquarters in Allschwil, is currently undergoing interior construction and equipment with the necessary systems is to start before the end of 2023.

## Order intake by region (in CHF million)



## Order intake by segments

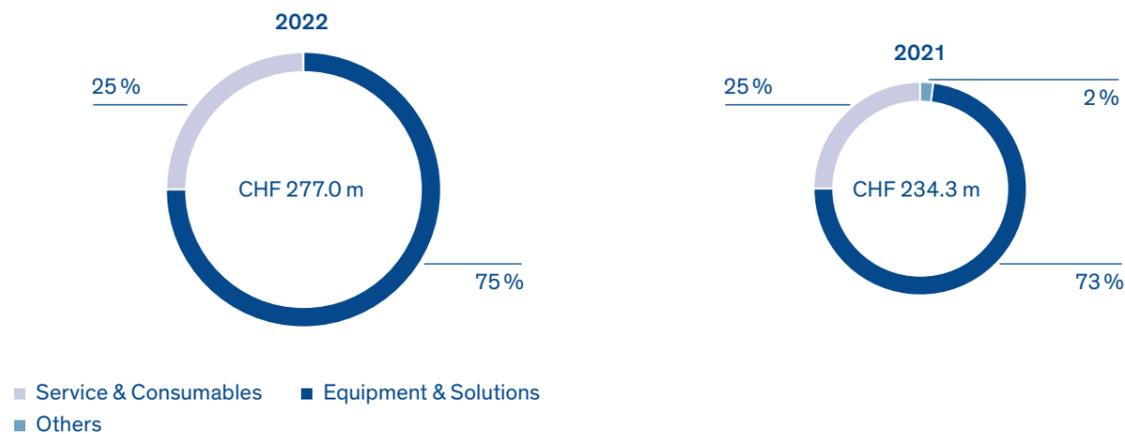


For both segments the order intake significantly increased in 2022. Overall the share of the segment Equipment & Solutions increased in 2022 compared to previous year.

**Order intake by region**

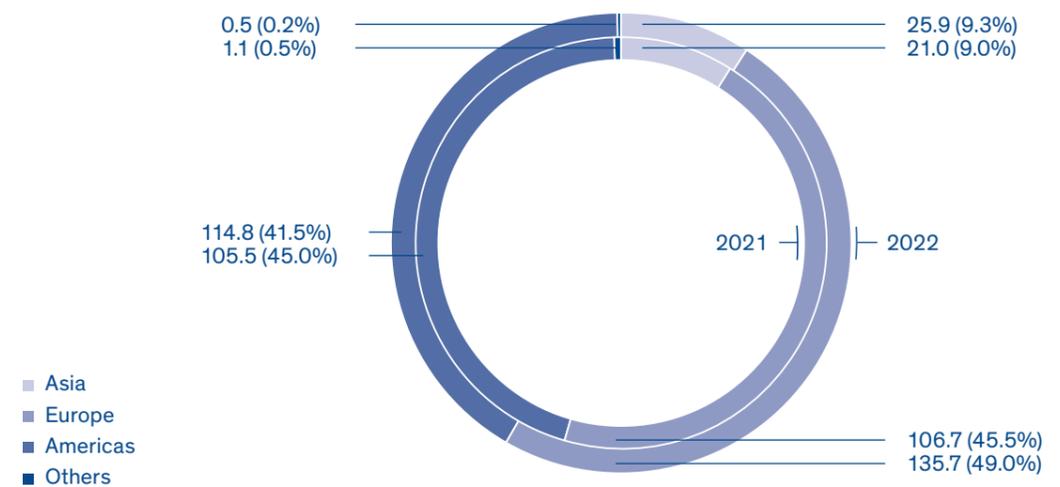
Similar to the previous year, the European and Americas markets are the strongest in 2022. With a volume of CHF 200.8 million and growth of 50.7% compared to the previous year, Europe is with 48.8% the biggest market of SKAN. The Americas market, which accounts for 45.1% of total order intake, also delivered a positive performance with a volume of CHF 185.9 million and an even a higher growth rate of 59.9%. The Asian market decreased by 14.7% and reflects 6% of the order intake 2022.

**Net sales by segments**



Compared to previous year the net sales in the Equipment & Solutions segment increased faster compared to the Service & Consumables segment. Due to that the share of the E&S segment grew on a higher rate compared to S&C in 2022.

**Net sales by region (in CHF million)**

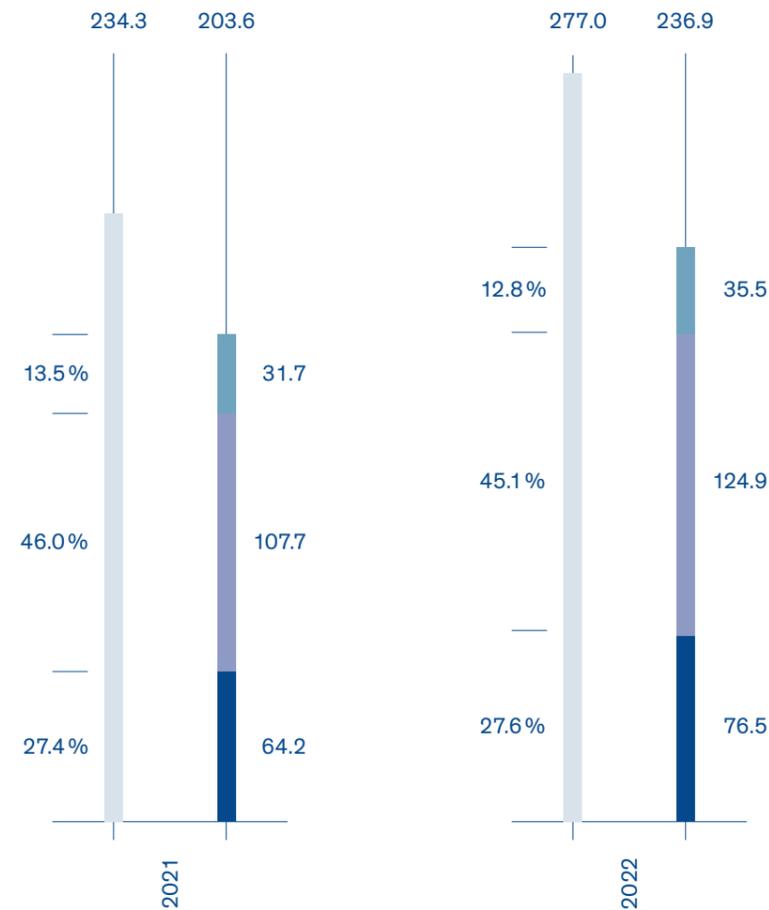


**Net sales by region**

In a regional perspective, the European market recorded robust growth of 27.3% to CHF 135.7 million compared to the previous year (CHF 106.7 million). In the segment Americas, sales grew with 8.8% from CHF 105.5 million to CHF 114.8 million. Sales in Asia also increased by 23.1% to CHF 25.9 million, which can be attributed to individual customers many of which export their products to the Western markets. Nevertheless, the share of the Asian market in total sales remains relatively stable at 9.3% compared to the previous year. In Europe and Americas, we generate 49.0% (2021: 45.5%) respectively 41.5% (2021: 45.0%) of the total sales.

## Net Sales/Expenses

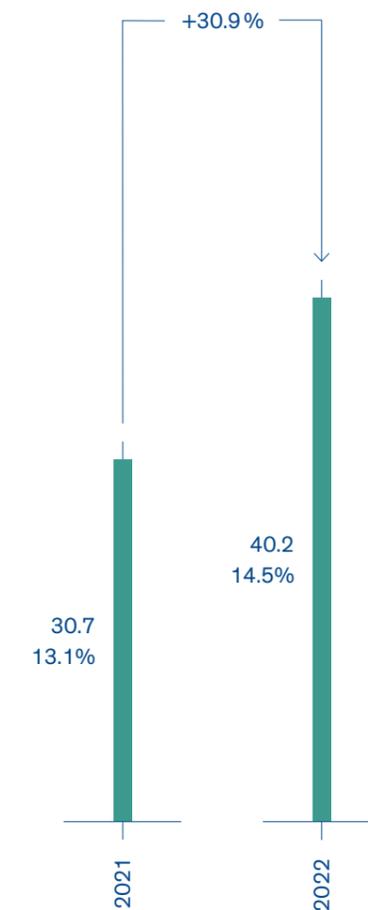
(CHF million and in % of net sales)



- Net sales
- Material and external services
- Personnel expenses
- Other operating expenses
- EBITDA

## EBITDA

(CHF million and margin in %)



With the realized EBITDA margin of 14.5% (2021: 13.1%), SKAN achieved the financial targets for 2022. Both segments contributed to the margin increase. The EBITDA of Equipment & Solutions rose by 42.7 percent to CHF 23.0 million, resulting in an EBITDA margin of 11.1%. The EBITDA of Service & Consumables amounted to CHF 17.2 million, corresponding to an

EBITDA margin of 24.8 percent (2021: 23.5%). In 2022, the material intensity was slightly higher compared to 2021. This was mainly due to higher material costs driven by higher cost inflation rates.

## Investments

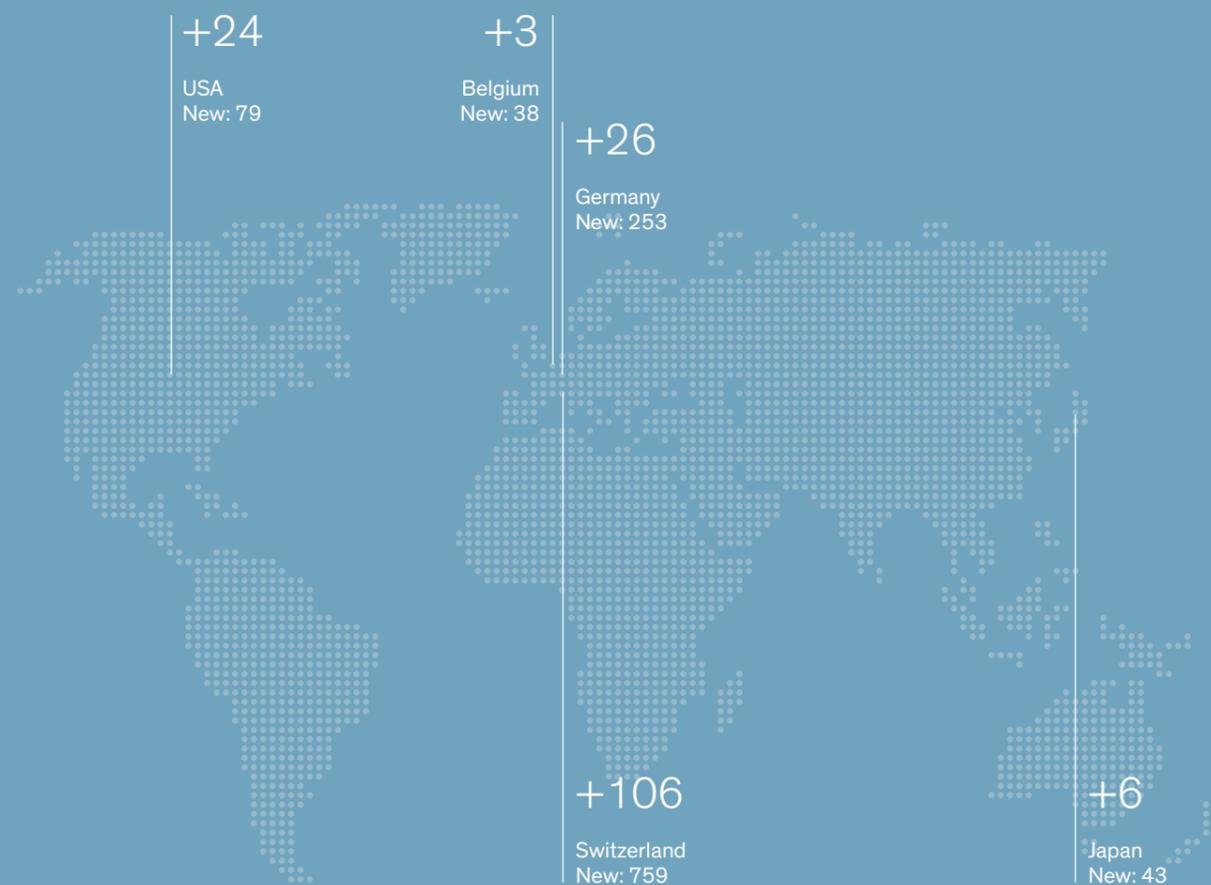
The SKAN Group invested a total of CHF 76.4 million in the financial year 2022. CHF 28.9 million of this were used for capacity expansion, particularly at the Görlitz site. The remaining funds were invested in increasing the stake in Aseptic Technologies and temporarily in interest-bearing fixed-term deposits.

The operating cash flow grew strongly from CHF 10.3 Mio. to CHF 61.5 million due to advance payments from customers for the numerous ongoing projects. Shareholders' equity at the end of 2022 amounted to CHF 165.6 million, corresponding to an equity ratio of 42.6 percent.

In 2022, SKAN grew by +165 employees to 1'172 employees globally. In addition, around 99 temporary employees are engaged at SKAN. Thus, at the end of 2022, approximately 1'271 employees worked for SKAN. The +165 employees were hired at the various locations during the financial year. The major part

of the growth took place in Switzerland (+106 employees). Personnel costs have also developed accordingly and amount to CHF 124.9 million. Compared to the previous year, personnel costs have increased by CHF 17.1 million from CHF 107.7 million.

## Headcount SKAN Group



The SKAN Group has defined a clear strategy to sustainably continue its growth path and to further increase profitability. It is aimed at consolidating market leadership, expanding the addressable market, expanding the service business and digital transformation.

SKAN has set itself medium-term targets of revenue growth in the mid- to upper teens and to gradually increase profitability level to upper teens.

In order to achieve these objectives, the Group has defined a growth strategy based on four pillars:

### Strengthen market leadership

To strengthen its market leadership, the SKAN Group will continue to invest in its manufacturing capacities and in innovations. Capacity expansion projects have been realized 2022 in Görlitz (Germany) and Stein (Switzerland). The expansion in Gembloux (Belgium) is currently ongoing. Continuous innovation is a prerequisite for SKAN to meet future customer requirements and maintain its technological leadership. For example, the company has developed a solution for cell and gene therapy processes. In addition, SKAN actively contributes to new guidelines and regulations by participating in relevant industry standard setting bodies. Finally, SKAN Group strengthens its market leadership not least by expanding the service business by leveraging its large and growing installed base.

### Expand the addressable market towards integrated process systems

In order to offer customers comprehensive solutions for their needs, SKAN is driving the expansion of its product and service offering towards integrated process solutions. This involves the expansion of the business with systems for filling in closed containers (Crystal® Closed Vial Technology of the subsidiary "Aseptic Technologies"). In parallel, SKAN is developing integrated process systems together with specialized partner companies to combine conventional and also robot-assisted filling systems with its own isolator technology and to offer customers a "one-stop-shop" solution for the aseptic filling of their pharmaceuticals.

### Expand Service and consumables business

New services include standardized solutions that enable customers to benefit from shorter design, engineering, assembly and qualification times. This can shorten the time to market for a new active ingredient by several months. Other new

services include "pay-per-use" models, where customers can use standardized isolator products flexibly against payment. The business with consumables such as "ready-to-fill" closed vials, biological indicators or aseptic connection systems has experienced significant growth over the last three years – a momentum that SKAN intends to build on.

### Accelerate digital transformation

SKAN drives digital transformation in the industry and offers a wide range of digital services to its customers. In particular, the Group increases the use of augmented and virtual reality services such as remote acceptance testing, remote training and support and virtual reality design support. This will enable SKAN to provide more efficient and flexible support to customers, while reducing its environmental footprint by reducing the need for travel. In addition, SKAN is implementing a number of Industry 4.0 initiatives such as the use of artificial intelligence for predictive maintenance.

# Risk Management

SKAN operates a risk management system that has been approved by the Board of Directors. The risk policy defines the handling of risks and a structured process that prescribes the systematic monitoring of business risks. In it, risks are identified, analyzed and evaluated with regard to probability of occurrence, extent of damage and impact on reputation. If necessary, risk mitigation and control measures are determined. The Board of Directors is periodically informed about significant changes in the risk assessment and the risk management activities carried out.

## Exchange rate risks

SKAN operates internationally and is exposed to the exchange rate fluctuation risk of various currencies. The risks relate primarily to the EURO, the US dollar and the Japanese Yen; other currencies have less influence. The exchange rate risks arise from sales in foreign currencies and similar transactions, as well as fixed assets, borrowings and investments in foreign currencies. To counteract the possible consequences of all these exchange rate risks, SKAN uses forward exchange contracts when necessary and practicable. Currency risks also arise when transactions of a business unit do not take place in the local functional currency, but in another currency. Currency risks in connection with currency translation differences at subsidiaries are not hedged.

## Interest rate risks

SKAN is exposed to interest rate risks on cash and cash equivalents and on financial liabilities. As a rule, the financial liabilities are subject to variable interest rates.

## Market and customer risks

The risk of weak demand from the main customers in the pharmaceutical industry is considered to be low due to market monitoring and the constant optimization of the sales organization. Furthermore, forward planning on the basis of rolling forecasts makes it possible to counter short-term declines and increases in demand in a cost-neutral manner by planning vacation and time accounts, particularly in the production area, or to take timely action to cut costs.

## Purchasing and material cost risks

In procurement, the focus is on optimizing purchase prices and ensuring supply reliability and quality through good supplier selection. In the area of steel construction, capacity is primarily distributed within the Group in order to utilize the most optimal and cost-effective options. To avoid supply bottlenecks, inventories of key components are closely monitored and increased if necessary.

## Assessment of the overall risk situation

Due to the long-term customer relationships and the strong position in the core areas, we operate within a favourable environment with limited risks.





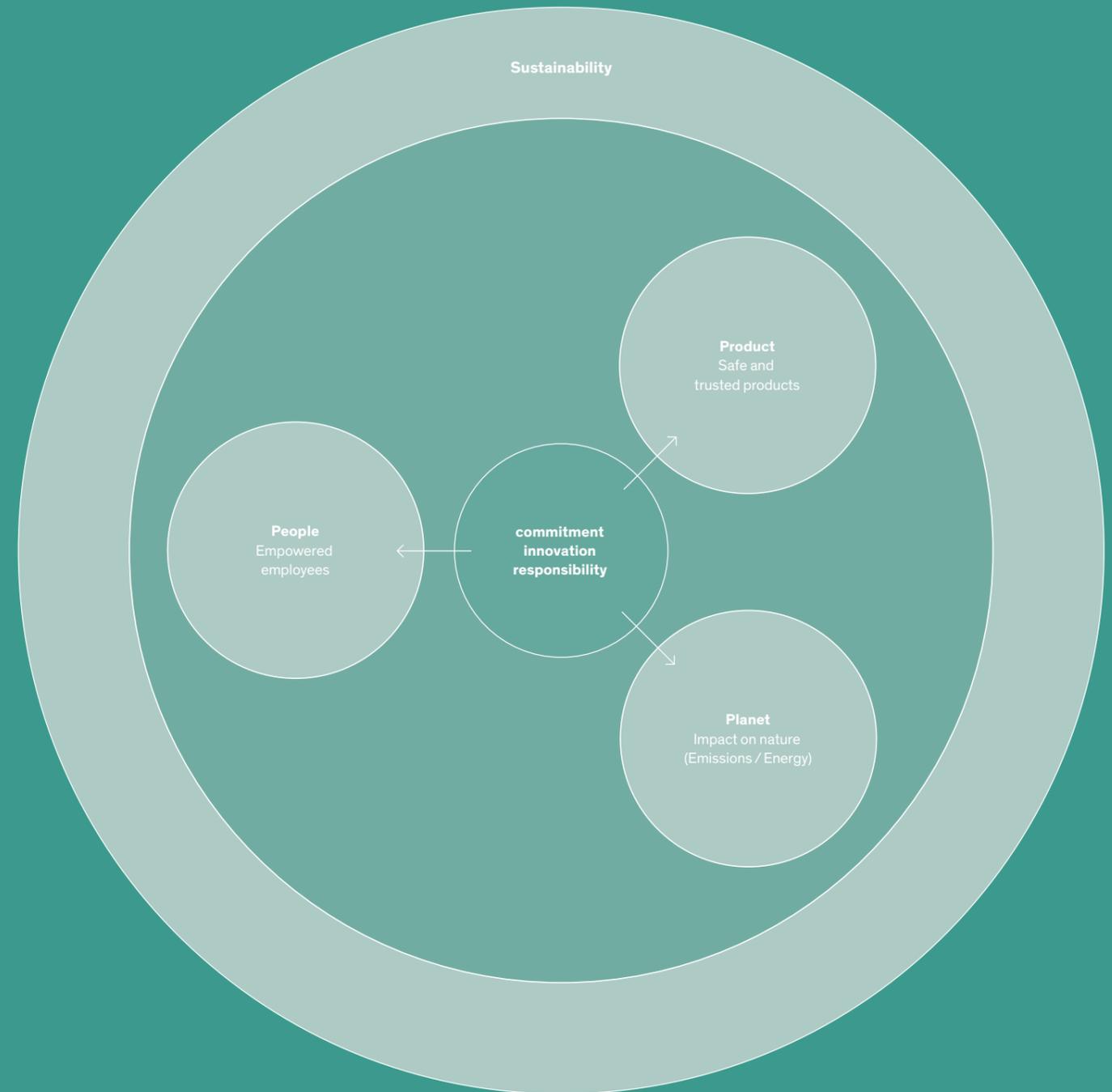
# About this report

The sustainability report covers the same reporting period as the financial report, i.e. from 1 January to 31 December 2022. We publish our sustainability report annually; the most recent report was published on 28 March 2023. <sup>2-3</sup>

The sustainability report includes the entities under financial control (fully consolidated). If disclosures relate only to individual parts of the organisation, this is indicated. <sup>2-2</sup> The relevant topic boundaries are explained in the sections on the material topics. For the current report, the updated GRI Universal Standards 2021 were applied. If information related to the previous year had to be restated as a result, or is not available, this is indicated. We did not yet set any targets for the long term development of our sustainability KPI, this is planned for 2023.

We would like to present the success of our sustainability objectively and quantifiably. This report has not been reviewed by a third-party.

# How we achieve sustainability



# 1 Our company — Who we are

## 1 Overview

SKAN Group AG is a publicly owned stock corporation. The headquarters are located in Allschwil, Switzerland. The locations of operation are as presented on the right. <sup>2-1</sup>

SKAN Group is a global market leader in the development and manufacturing of isolator systems for aseptic and aseptic-toxic production processes in the (bio-)pharmaceutical production.

We deliver our products to over 35 countries worldwide, with Western Europe and North America as our core markets. In addition to these core markets we also have significant sales activity in the Asia region, in particular in Japan. We primarily serve customers in the pharmaceutical industry, including leading global (bio-)pharmaceutical companies. <sup>2-6</sup>

Procurement is a crucial part of our business, and we seek to engage reliable and innovative suppliers with a demonstrated commitment to quality. We have long-term relationships with certain suppliers, in some cases for more than 25 years. With the exception of stainless steel sheet constructions and the turned milled parts, we buy most other components from third-party suppliers. We choose our key suppliers based on a variety of factors, including technical quality, cost and conduct in partnership. As a rule, our suppliers must accept our Supplier Code of Conduct and generally have ISO 9001 certification. Key suppliers are subject to our supplier portfolio management including regular supplier reviews, product inspections and site audits. <sup>2-6</sup>

We apply the precautionary principle in our decision making when it comes to safety and trust in our products. We have respect for all people at all times, therefore we fight all forms of discrimination, illegal employment and exploitation of workers. Our Code of Conduct [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Code\\_of\\_Conduct\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Code_of_Conduct_EN.pdf) applies to all SKAN employees. We provide topic-specific trainings, for example in 2022 all departments handling personal data participated in data privacy training. Sustainability is considered when setting the performance goals for all SKAN employees, the achievement of which co-determines the variable salary.

In our Supplier Code of Conduct, we demand from our suppliers to observe social and ecological values, including human rights and labour rights, specifically the core labour standards of the International Labour Organisation (ILO).

The responsibility for implementing our policy commitments for responsible business conduct is allocated to the operational levels, with oversight by the senior executives. <sup>2-23, 2-24</sup>

SKAN prides itself on its open corporate culture. We encourage our employees to report an incident to their supervisor, HR, the legal & compliance department or management. In Germany, we are currently testing the use of a “speak up” channel: concerns can be raised anonymously by employees via the whistleblower hotline. Any case of misconduct can be reported by third parties via [compliance@skan.ch](mailto:compliance@skan.ch). <sup>2-25, 2-26</sup>

### 2-27: Compliance with laws and regulations

	2022	2021
Incidents of Non-Compliance	None	None



Information on employees at the end of the year (head count) <sup>2-7</sup>

Employee Type	2022			2021		
	Switzerland	Germany	Others	Switzerland	Germany	Others
Permanent	759	252	160	653	226	127
Temporary	19	17	8	30	13	3
Non-guaranteed hours	55	1	-	22	1	-
Full-time	703	242	154	611	218	124
Part-time	130	28	14	94	22	6

Employee Type	2022		2021		2022	Total 2021
	Female	Male	Female	Male		
Permanent	17.3%	82.7%	17.3%	82.7%	1'171	1'006
Temporary	15.9%	84.1%	10.3%	89.7%	44	46
Non-guaranteed hours	7.1%	92.9%	0.0%	100.0%	56	23
Full-time	13.8%	86.2%	13.5%	86.5%	1'099	953
Part-time	36.0%	64.0%	42.6%	57.4%	172	122

#### Workers who are not employees <sup>2-8</sup>

In 2022, the total number of workers who are not employees was estimated at 30 (head count). They are mainly very well-trained experts who we commission for highly specific tasks for which we don't have the expertise in-house.

#### Annual total compensation ratio <sup>2-21</sup>

Ratio highest-paid individual to median: 9:1

The ratio is calculated excluding temporary employees, apprentices, internals and trainees. For each part-time employee, full-time equivalent pay rates are used. The total compensation includes the fixed compensation, variable bonus, social security contribution and other benefits. The highest-paid individual of the organization is the Group CEO.

As this is the first year that we report the annual total compensation ratio according to GRI, the median annual total compensation of the prior year is not available. Hence, the ratio of the percentage increase in annual total compensation will be reported only from the next year onwards.

## 2 Our strategic priorities and achievements

Population growth and changing demographics are some of the main drivers of the societal need for our products and our contribution to the health of people. There will be 8.55 billion people by 2030, and almost 10 billion by 2050. The average age will further increase. This in turn will drive the trend

for increased health coverage and the products that are enabled by our product portfolio.

Our strategic priorities are to deliver safe and trusted products, empower our people to innovate and enable high quality and reduce our environmental footprint by being closer to our clients.

Our focus on safe and trusted products is defined by our commitment to the highest quality standards, meeting the latest regulatory expectations and continuous innovation to support the development and manufacturing of new and life-saving medication. We measure success by the incidents of non-compliance with laws and regulations as well as our expenses for R&D. With our efforts, we contribute to the sustainable development goal "good health and well-being" (SDG 3).

Our people are at the heart of our business model. They enable innovation and are the foundation for the quality and safety of our products. We measure success by the amount of training hours our employees have undertaken, employee turnover and the diversity of our governance bodies and employees. It is our claim to create fair and attractive working conditions and hence contribute to the global targets to promote decent work and economic growth (SDG 8).

As a company, we have a responsibility towards future generations, too. Therefore, we aim to reduce our environmental footprint, with regards to greenhouse gas emissions, which are a crucial part in the fight against climate change (SDG 13).

This goal is also reflected in our strategy of decentralization. By expanding the capacity of our sites worldwide, as well as increasing our augmented reality service support, we will reduce our long distance travel activities. The SKAN Group Board of Directors will define the future ESG strategy together with the Management. <sup>2-12</sup> The responsibility for managing impacts is delegated to the Group CFO by the Audit Committee and the Group CPCO by the Nomination and Compensation Committee on a topic-specific basis. <sup>2-13</sup> Both Committees review the reported information before submitting the Sustainability Report to the Board of Directors for approval. <sup>2-14</sup> The Board of Directors reports on its oversight activities at the Annual General Meeting. <sup>2-18</sup> To advance the collective knowledge on sustainable development, the Board of Directors participates in annual training by external consultants. <sup>2-17</sup>

## 3 Our interaction with Stakeholders and our Materiality Assessment

To us at SKAN it is very important to engage with our stakeholders, most importantly with our customers, employees and shareholders to ensure we meet expectations and optimize our impacts. We are convinced that having good relations with our stakeholders and understanding their interests and concerns are key to our future success. Investor Relations communicates all critical concerns to the Chairman of the Board. In the reporting year, no critical concerns were raised. <sup>2-16</sup>

At SKAN, we have an experienced Board of Directors that has strong ties to our shareholder base which enable us to develop our business independently and with a long-term view. On a regular basis we interact with our shareholders through events and meetings as part of our Investor Relations program, which ensures we have a good understanding of our shareholders' expectations and interests.

We aim to keep regular interactions between our employees at all levels. Our Board of Directors meets with the management team on a regular basis (at least six formal meetings a year). We schedule events, trainings and annual performance reviews to keep relevant discussions going with our employees. Furthermore, we have regular employee surveys in place to enable our employees to tell us what they expect from an enabling working environment.

For us, it is also paramount to remain in close dialogue with our customers, as our future success will continue to depend upon, among other factors, our ability to maintain our relationship with existing significant customers and our ability to expand into new markets and acquire new customers. We engage with our customers through various channels such as personal contacts or surveys. To further develop our customer solutions, we are also aiming to expand the addressable markets through existing and future joint development with our customers and technology partners. With these joint developments, we can deliver integrated solutions for our customers as a "one-stop-shop" approach.

We at SKAN also engage in dialogue with policy-makers and other external stakeholders to make contributions to relevant regulations within our industry. We participate in regulatory and industry standard setting bodies to contribute to new guidelines and regulations within the industry.

The stakeholders listed in the table below have been identified by the Executive Management as important stakeholders as they exert a strong influence on the economic, environmental or social performance of the SKAN Group and vice versa. <sup>2-29</sup>

3.1 Our key stakeholders are: <sup>2-29</sup>

Key Stakeholders	Engagement Approach	Interests & Concerns (topics)
Employees	Introduction weeks for new employees, half-year and year-end information events, leadership training, annual performance reviews, employee surveys, interactive working environment, social media	Company strategy, education and perspectives, equal opportunities, remuneration, occupational health and safety
Investors/Shareholders	Annual General Meeting, Annual and Half-year Report, annual presentation of the full-year results, conference calls (e.g. at the publication of half-year results), ad hoc announcements and media releases, meetings with shareholders, investors and analysts, roadshows, Investor Relations website	Business outlook, economic value, financial figures, strategy, R&D pipeline
Customers	Personal contact through SKAN sales and service specialists, customer events, trade fairs, technical support, customer surveys, social media	Quality of products and solutions, conformity with regulations, delivery time, price of product
Regulators	Membership in working groups for guidelines and regulations, regular exchange with authorities.	Technical expertise, compliance with regulations and guidelines
NGOs / Public	Regular exchange with NGOs, authorities and municipalities	Consultation on developments of production sites, tax strategy, etc
Suppliers	Assessments, frame contracts, audits, communication of SKAN supplier code of conduct	Procurement strategy, order volume, price negotiations

Furthermore, SKAN Group is active in topic-specific initiatives and associations. The main memberships include the following organizations. <sup>2-28</sup>

- International Society for Pharmaceutical Engineering (ISPE)
  - Member of Containment Group publishing Containment Manual
  - Member ISPE DACH Special Interest Group on Robotics
- Parenteral Drug Association (PDA)
  - Member of the PDA ATMP Advisory Board and Chair of the PDA Points to consider document for the manufacturing of ATMPs
- Working groups for standards and guidelines of the European Union
  - Member of working group CEN TC 332 (Laboratory Equipment)
  - Support of European standards group EN 12469 (Microbiological Safety Benches and Lab Isolators)
- ISO
  - Member of Standards Working Group ISO TC 142 (Sterilisation of healthcare products and aseptic processing, ISO 13408)
  - Member of Swiss mirror group and Working group for ISO TC 209 (Standards for Cleanrooms and Isolators)

3.2 Our Materiality Assessment & Matrix <sup>3-1</sup>

In 2021 we conducted a materiality assessment to help determine our material topics. We have evaluated the individual topics based on two dimensions: our business activities and their economic, social and environmental impacts on the topics (SKAN's important impacts) and the topics' importance to stakeholders.

During the process of identifying material topics we gathered information on several environmental, social, and economic issues which are or may turn out to be relevant to our business and our stakeholders. Here, various internal stakeholders, including our CEO, CFO, CPCO and others were interviewed on matters relating to sustainability to evaluate our own impacts. Further, we used the engagement approaches described on the left to understand our stakeholders' views and expectations on sustainability-related topics and how they rank these topics in terms of importance. To us, it was vital to consider the input of these stakeholders in our materiality assessment, as they engage strongly with both our internal and external stakeholders who have an impact on SKAN's future success and/or are affected by our performance.

Having identified potential material topics, the strategic importance of each material topic was reviewed. In this step of the assessment we reflected on SKAN's economic, environmental and social impact on the material topics. The results of the review are plotted in the materiality matrix on the next pages. The x-axis represents SKAN's economic, environmental and social impact and the y-axis represents the importance to stakeholders. Our selection of material topics is found among the topics ranked high (right corner) in terms of importance to both our business and our stakeholders.

# Materiality Assessment Matrix

<p>Very high</p> <p>↑</p> <p>importance to stakeholders</p> <p>↓</p>				<ul style="list-style-type: none"> <li>→ Product Quality &amp; Safety (Safety &amp; Trust)</li> <li>→ Legal &amp; Regulatory Compliance</li> <li>→ Economic Performance</li> </ul>
		<ul style="list-style-type: none"> <li>→ Digitally enabled Solutions</li> <li>→ Supply Chain Efficiency</li> <li>→ Anti Corruption &amp; Bribery</li> <li>→ Labor Practices/Human Rights</li> <li>→ Data Privacy &amp; Security</li> </ul>	<ul style="list-style-type: none"> <li>→ Greenhouse Gas Emissions (direct &amp; indirect)</li> <li>→ Innovation Management</li> <li>→ Diversity &amp; Equal Opportunity</li> </ul>	<ul style="list-style-type: none"> <li>→ Employee Empowerment, Development &amp; Engagement</li> </ul>
		<ul style="list-style-type: none"> <li>→ Energy Consumption</li> </ul>	<ul style="list-style-type: none"> <li>→ Employee Health &amp; Safety</li> </ul>	
	Low	<p>← SKAN'S economic, environmental, and social impact →</p>		Very high

## 2 How we create value — safe and trusted products

The boundaries for each of the following material topics are as follows:

Material Topics	GRI Indicators - Topic-specific disclosures	Location in Value Chain		
		Upstream	Operations	Downstream
Economic Performance	201-1: Direct Economic Value Generated And Distributed	●	●	●
Product Quality & Safety (Safety & Trust)	416-2: Customer Health And Safety - Incidents of Non-Compliance 2-27: Compliance with Laws And Regulations	●	●	●
Employee Empowerment, Development & Satisfaction	401-1: New Employee Hires und Employee Turnover 404-1/2/3: Training And Education		●	
Diversity & Equal Opportunity	405-1: Diversity of Governance Bodies & Employees		●	
Innovation Management	R&D spend	●	●	●
Greenhouse Gas Management	305-1: Direct (Scope 1) GHG Emissions 305-2: Energy indirect (Scope 2) GHG Emissions	●	●	●

We performed a materiality analysis in 2021 in which we surveyed both internal and external stakeholders on matters relating to sustainability for the first time.

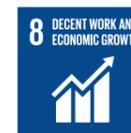
There are no significant changes from previous reporting periods in the list of material topics and topic boundaries. <sup>3-2</sup>

The following material topics were identified: <sup>3-2</sup>

- Economic Performance
- Product Quality & Safety (Safety & Trust) / Legal & Regulatory Compliance
- Employee Empowerment, Development & Engagement
- Diversity & Equal Opportunity
- Innovation Management
- Greenhouse Gas Management



We observe a sustained growth in the Biopharma business driven by the underlying megatrends of intensified and diversified medical care of an aging population in the developed world. This megatrend is flanked by the increasing expectation of the population of emerging countries to assume the same level of medical security and available performance of the medical system as in the leading countries.



The vision of SKAN is to provide, demand and to be the embodiment of SAFETY and TRUST for all stakeholders and in particular for customers with safe and trusted products. Customers are guaranteed SAFETY and can always TRUST SKAN in that we attach great importance to ensuring the highest quality standards, meeting the latest regulatory expectations and providing on-time delivery. This SAFETY, in turn, will enable our customers to be successful and to outperform their competition. We believe this is the natural base for a long-term, trustful, win-win relationship.

Three pillars are decisive for how we create value, being the material topics of product quality and safety, direct economic value generated and distributed and innovation management. With this, we contribute to the sustainable development goals “good health and well-being” and “decent work and economic growth”.

The quality and compliance of our products have a direct impact on end-customer safety. Therefore, being able to provide our customers with safe and trusted products and services is our overall objective, and we always strive to ensure that our operations are in line with the high ethical standards and the expectations of our stakeholders. Our value proposition of Safety and Trust and strict regulatory measures are the basis for this.

As we strive to ensure compliance requirements of regulatory standards, certifications, and the expectations of our customers, we have implemented the quality management system ISO 9001:2015 and installed a dedicated management team. Besides ensuring that our products meet regulatory requirements, the quality management team is also in charge of ensuring that our manufacturing processes keep up to speed with regulatory developments.

To ensure the safety of our customers, we apply the standard SN EN ISO 12100 Safety of machinery, and register our products for the CE marking for the European Union. We also develop new products and services for our customers to support them in work safety, like the robot-aided test procedure

SKAN Contest for fume cupboards. With SKAN Contest, our customers can measure whether their operators are really protected by the fume cupboard during their routine work.

In 2022, our dedicated management team conducted several site visits and internal audits to ensure compliance requirements are strictly followed at all times. Consequently, no incidents were reported in 2022.

4.16-2: Customer Health and Safety – Incidents of Non-Compliance

	2022	2021
Incidents of Non-Compliance	None	None

Maintaining our long-term financial health is key for us to be able to keep our position as a global market leader for high-end aseptic process solutions within the biopharmaceuticals industry. Our continued and sustainable economic success enables us to contribute to the wealth and well-being of our employees and the communities we are operating in, by paying wages, pensions and distributing dividends and tax payments. Further it enables us to invest in research & development and therefore boost innovation (SDG 8) and improve access to safe, effective, quality and affordable essential medicines and vaccines (SDG 3).

At SKAN, the management team is responsible for our financial stability and the growth of our operations. The management team brings a deep understanding and comprehensive expertise, which has been instrumental in growing SKAN's business in recent years and in building up and fortifying our market leadership. In addition, we have an experienced Board of Directors that has strong ties to our current shareholder base and thereby enables us to develop our business independently and with a long-term view.

We strive to sustainably continue our growth track-record, increase our recurring revenue base, and expand the profitability of our business. We aim to fairly distribute wealth created by our business to our stakeholders.

We have processes in place to measure and evaluate the effectiveness of our strategy and financial KPIs.

GRI: 201-1: Direct Economic Value Generated and Distributed

in CHF thousands	2022	2021
<b>Direct economic value generated</b>		
Revenue	277'251	237'176
<b>Direct economic value distributed</b>		
Operating cost	118'245	102'124
Employee wages and benefits	119'209	101'736
Payments to providers of capital	5'851	29'619
Payments to government	3'796	3'328
Economic value retained	30'150	369

As a driver of change within a highly dynamic and rapidly growing niche market, it is important to us to be innovative. Because rapid digitalisation transforms and changes our customers' needs and expectations on our products and services, our economic sustainability depends on our ability to seize opportunities and (re)innovate our business models. Further new and digital solutions may benefit our end-customers, by ensuring high quality medicine and may also improve the lifecycle environmental footprint of our products and our footprint by reducing the need for travel.

We are continuously investing in innovation. For example, we have developed a dedicated solution for cell and gene therapy processes. This new isolator solution was specifically designed for handling cell cultures and the production of Advanced Therapy Medicinal Products in a GMP-controlled environment. This new isolator solution is a flexible and modular platform that can be customized to ATMP processes and a wide range of cell-related processes.

In terms of innovation and regulatory know-how we aim to continuously contribute to new guidelines and regulations in relevant regulatory and industry standards setting bodies.

To further develop our customers' solutions, we are also aiming to expand the addressable markets through existing and future joint development with our fill-finish partners. With these joint developments, we can deliver integrated solutions for our customers as a "one-stop-shop" approach and improve access to safe, effective, quality and affordable essential medicines and vaccines (SDG 3).

The Covid-pandemic has accelerated our digital transformation, including the ways that we engage with our customers and the ways we create our offerings. Our digital initiatives

have started to gain impetus, but we do not know yet whether they will be sustainable or not as they are further scaled and integrated into a wide range of products and service offerings.

We aim to increase the use of our augmented and virtual reality services. Furthermore, we are striving to implement a variety of Industry 4.0 initiatives. These include the use of artificial intelligence for preventive maintenance, using smart, connected automation for predictive and proactive maintenance. In addition, the development of fully integrated systems with comprehensive data and process monitoring is planned to allow so-called "one button release" for GMP documentation, thereby reducing human operations and as such human error and increasing inefficiency as the principle of dual control may no longer be required. This is of relevance to us, given that in our industry today, around 30% of working hours are spent on documentation and qualification matters, which, if done purely manually without the support of advanced software solutions, are prone to a high error rate.

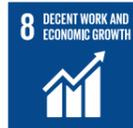
The effectiveness of our investments in our innovations is evaluated regularly in the meetings of our R&D steering committee.

Innovation Management (no GRI): R&D spend

	2022	2021
Total R&D in CHF thousands	18'464	14'806
In % of net sales	6.7%	6.3%



# 3 Empowered Employees



For employees, we are striving to be an attractive employer, providing a safe and trustful, inspiring environment, allowing room for own initiative, innovation and ensuring short decision paths. We do so to make every single employee visible in the group and to enable every employee to perform to their best. In exchange, we expect and TRUST our employees to act entrepreneurially and flexibly within their range of responsibility and follow the necessary rules to fulfil and exceed the customers' expectations.

Our employees are a key enabler of our sustainable success and two material topics are decisive in this regard, being employee empowerment, development & engagement, as well as diversity & equal opportunity. With this, we contribute to the sustainable development goals of gender equality and decent work and economic growth

To further strengthen our organization, we decided to make a few changes in the structure. We realized that our goals cannot be achieved with the current organization as the sustainable scalability would not be commercially viable. The new organization was developed in different iterations in which many members from SKAN were involved. We are convinced that the new organization set-up is a natural evolution of the existing SKAN way and helps us to follow our motto Together Always One Step Ahead.

We are strengthening our ability to be close to our customers and follow trends together with our customers, the collaboration between the different departments will be leveraged

and standardization will be followed consequently. It is also our endeavor to continue to decentralize SKAN Group in order that the functions in charge locally get the empowerment needed to be successful; this ultimately will also help us to counteract some of the current challenging economic trends and be closer to our customers.

## 1 Employee Empowerment

The continuous personal development of our employees is one of the core values of the SKAN Group. Because we believe that SKAN's success in ensuring seamless innovation and production depends in large parts on our ability to attract, retain and motivate highly skilled employees. We are therefore committed to supporting our employees in developing their full potential and continuously improving their skills.

We invest in the training and education of our employees and support their development with personalized opportunities. Our HR teams are responsible for managing employee development topics throughout the SKAN Group together with management and report to the Chief People and Culture Officer.

Our goal was to have the global HR and Academy teams work even more closely and intensively together so that knowledge and new ideas can be shared and implemented globally. Our first global HR & Academy Circle took place in Allschwil and serves as a platform for an exciting exchange within the teams. We believe that it is very important to get to know each other personally, as this promotes exchange for the future and enables us to address global employee issues in a targeted manner.

401-1: New Employees Hired and Employee Turnover

Employee Type	New employee hires 2022		Employee turnover 2022	
	Employee hires	Hires in % <sup>1</sup>	Employee exit	Turnover in % <sup>2</sup>
Total	258	23.7%	93	8.5% <sup>3</sup>
<b>Gender</b>				
Male	204	22.6%	68	7.5%
Female	54	28.6%	25	13.3%
<b>Age Group</b>				
< 30 years	97	42.3%	19	8.3%
30–50 years	139	20.5%	57	8.4%
> 50 years	22	12.1%	17	9.4%
<b>Region</b>				
Switzerland	163	23.1%	57	8.1%
Germany	47	19.6%	21	8.8%
Belgium	6	16.4%	3	8.2%
US	36	53.7%	12	17.9%
Japan	6	15.0%	0	0.0%

<sup>1</sup> Employee hires in percent of the average number of employees per year.

<sup>2</sup> Employee turnover in percent of the average number of employees per year.

<sup>3</sup> Thereof involuntary turnover: 4.9%

The calculation is based on all employees at SKAN Group excluding temporary and external employees.

#### 404-1: Training and Education

	2022	2021
Total amount of training hours	77'424	59'705
Average training hours per employee		
Male	70	47
Female	45	21
Non-Management	72	46
Management	11	8

The calculation is based on all employees at SKAN Group without SKAN Stein and Aseptic Technologies, excluding temporary and external employees as well as Top Management.

The gap in training hours between male and female employees is explained by the high amount of training hours in technical jobs, which have a low proportion of female employees.

#### 404-2 Programs for upgrading employee skills and transition assistance programs

Throughout the SKAN Group, we constantly invest and push training and education of our employees. In our knowledge-intensive business, it is key to constantly adapt, improve and develop our skills and competencies. At SKAN, we never stand still. Constant learning and development keep us fresh, confident, competent and always one step ahead!

It all starts with our onboarding program that is well structured. It covers a variety of topics, training and information and enables an intense personal exchange with and between our new hires. At SKAN we are convinced that knowing what we do and knowing who we are is key for better fulfilling our daily business - for everyone. The more we know our products, processes and people, the better we work! In order to continuously improve onboarding, we now also conduct surveys. Employees can anonymously give their opinion and suggest improvements. Furthermore, we have flat hierarchies at SKAN which encourage our employees to speak up and communicate their expectations openly.

We have implemented our apprentice program in Europe. These are our youngest talents who profit from a dual education: part-time in school, part-time with us at SKAN. Our apprenticeships cover a wide range, e.g. commercial, automa-

tion, computer scientist, designer, fitter, welder, locksmith. We have had very good experience with the training of apprentices and in the summer of 2022 the first apprentice in Switzerland graduated and continues to work for us. The apprentices are very networked within SKAN and this is a great advantage for the cooperation within the different teams. The success proves us right and that is why we will continue to expand the apprenticeships in the coming years.

Further, we connect to engineering students at an early stage by offering internships for students and trainee programs for graduates. Often, students join SKAN after graduating from university.

Because our GMP-near business requires a lot of certification of qualifications, we invest a lot in technical and role-specific training to correspond to the latest technologies, standards and findings.

All our technical employees must successfully complete our internal SKAN Academy program before they work in the field. Our engineers are trained by internal designated experts with a deep knowledge and with a broad expertise around our isolator technology, pharmaceutical processes and understand the needs of our customers to a high degree.

As we hire a lot of young talents, it is important to give them perspectives and the possibility to steadily learn and develop. We not only invest in language courses, technical courses and other programs, but we also invest a substantial part of the training budget in engineering disciplines.

Training and development are not only key in technical aspects. Therefore, we invest also a substantial part in our Management Leadership Training, that everyone who is leading people has to complete. It is a 3-level training considering the seniority aspects in leadership to offer the best impact possible for all our leaders.

Our supervisors also receive support from an external Coaching Program. All supervisors can take advantage of this and get support in the areas of Resilience and Leadership topics.

The health and well-being of our employees is of great importance to us. We offer our employees various sports lessons with two professional sports trainers and hold a health week once a year. Here, employees can have a sports health check and receive advice on healthy nutrition. In addition, we offer active breaks and adjust the workplaces ergonomically

We introduced ICAS for our employees at the end of the year. This is an external 24/7 counselling service that provides professional support with experienced counsellors and is always available to help with professional and private challenges, problems in everyday life and worries or conflicts. In this way, we want to ensure that our employees receive the necessary and neutral support, even in the case of private concerns.

#### 2 A diverse and highly qualified workforce

For us, diversity means, among other things, having employees from different backgrounds working at SKAN. We acknowledge the benefits of having a diverse workforce and strive to enhance a strong corporate culture of collaborative excellence and innovation. We aim to promote diversity within SKAN and create a working environment in which our employees feel that they can thrive and perform at their best.

Embedded in SKAN' DNA and our Code of Conduct, we have a zero tolerance policy for discrimination against our employees and business partners and are working hard on being able to ensure that our people are being treated equally. We always focus on getting the best people for any position that

fit in our teams and our company culture, therefore we make no difference between any ethnic origins, gender, sexual identity, religion, world-view or any disabilities. We are convinced that we can all learn from each other and take active social responsibility. We are proud to cooperate with an inclusive working platform as mitschaffe.ch and even had successful reintegration programs with the Swiss Social Security Institution.

For us, it is important to make our employees feel like they can speak up and report matters that concern them.

Our HR and SKAN Academy teams, who report to the Chief People and Culture Officer, are responsible for HR matters throughout the SKAN Group.

#### 405-1: Diversity of Governance Bodies & Employees

	Diversity of governance bodies 2022	Diversity of employees 2022			
		All employees	Non-Management	Management	Top Management
<b>Gender</b>					
Male	85.7%	82.7%	82.6%	83.2%	83.3%
Female	14.3%	17.3%	17.4%	16.8%	16.7%
<b>Age Group</b>					
< 30 years	0.0%	21.4%	23.4%	5.0%	0.0%
30-50 years	14.3%	62.2%	60.5%	79.2%	66.7%
> 50 years	85.7%	16.4%	16.1%	15.8%	33.3%

The calculation is based on all employees of SKAN Group excluding temporary and external employees.

#### 2-30: Collective bargaining agreements

In 2022, 3% of the employees at SKAN Group were covered by collective bargaining agreements.

# 4 Impact on nature (Emissions/Energy)



SKAN assumes an active position in strengthening environmental sustainability for the solutions offered and how the business is organized. Safety aspects and performance of the market offering remain uncompromised at all times. SKAN contributes to significant

reductions in energy consumption of aseptic manufacturing by driving isolator technology. The use of isolators allows a significant reduction in cleanroom foot print compared to conventional technology, thus saving energy for air handling and conditioning as well as grey energy for building construction, cleanroom filters and maintenance. The reduction of operational energy consumption and emissions is even more important as it contributes to savings continuously during the useful lifetime of up to 15 years and a potential subsequent re-use of the equipment for follow-up use. The essence of SKAN's environmental policy is to avoid the source of environmental pollution rather than compensating for CO<sub>2</sub> emissions via third parties.

We are committed to assessing and reducing our footprint along the value chain, as we move forward with our sustainability initiative in the future. SKAN has an impact on the environment mainly by using energy and producing emissions. Our business and products do not otherwise have a significant

impact on other environmental aspects, such as toxic waste, effluents or water usage, etc. The material topic managed is therefore mainly emissions. With this, we contribute to the sustainable development goal "climate action".

The SKAN Group acknowledges that environmental stewardship is key to avoiding future negative impacts on our planet and society. Furthermore, if we were to fail to deliver on our targets and investor expectations, not only could we face a risk to our operational results and reputation in the short-term, it could also reduce our ability to achieve our strategic long-term goals, resulting in negative impacts on the value of our business.

When it comes to reducing our emissions, we have chosen to focus our efforts on areas where we have the most impact, our travel and energy consumption. We started the following initiatives to reduce our footprint:

- Group-wide decentralization to reduce (air) travel
- Electrification/Decarbonization of service fleet
- No-plastic initiative in our offices
- Solar panels on constructions with the latest building standards

305-1: Direct (Scope 1) GHG Emissions

305-2: Energy indirect (Scope 2) GHG Emissions

Scope	Activity Type	GHG emissions in CO <sub>2</sub> e (tonnes)	
		2022	2021
Scope 1	Stationary combustion	516	524
	Mobile combustion	294	277
Scope 1	Total	810	801
Scope 2	Purchased electricity – location based	958	758
Scope 2	Location based + heat steam	958	758
	GHG emissions (Scope 1 + 2) per million net sales	6.4	6.7

Definitions according to GHG Protocol:

Stationary combustion includes fuel consumption at a facility to produce heat, steam, electricity or power.

Mobile combustion includes fuel consumption by vehicles that are owned or leased by the company.

**Additional information:**

- CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub> were all considered
- Biogenic CO<sub>2</sub> emissions are not applicable
- As per GHG Protocol companies shall choose and report a base year for which verifiable emissions data are available and specify their reasons for choosing that particular year. Companies should choose as a base year the earliest relevant point in time for which they have reliable data. Because of the Covid-pandemic, the currently measured emissions are not deemed to be sufficiently representative of an ordinary year and hence, SKAN has not yet selected a base year
- Source of the emission factors and the global warming potential (GWP) rates used:
  - Stationary Combustion: EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, 9 March 2018 <https://www.epa.gov/climateleadership/ghg-emission-factors-hub>.
  - Mobile Combustion: EPA, "Emission Factors for Greenhouse Gas Inventories", 9 March 2018
  - <https://www.epa.gov/climateleadership/ghg-emission-factors-hub>; WRI, GHG Protocol – Emission Factors from Cross-Sector Tools, April 2014
  - Purchased Electricity: European Residual Mixes 2018 v1.2 (published July 2019) – Table 2, Direct GWP (gCO<sub>2</sub>/kWh)
  - Purchased Electricity: Green-e Energy Residual Mix Emissions Rates (2018)
  - Purchased Electricity: Carbon footprint: 2020 Grid Electricity Emissions Factors - June 2020
  - Purchased Electricity: EPA, "Emission Factors for Greenhouse Gas Inventories," Table 7 Steam and Heat, 9 March 2018 <https://www.epa.gov/climateleadership/ghg-emission-factors-hub>.
- Consolidation approach for emissions, standards, methodologies, assumptions, and/or calculation tools used:
  - Controls approach
  - GHG Protocol Corporate Standard
  - Estimate used for certain fuel activity data to extrapolate to relevant period, using heating days

**Additional Disclosure:**  
Flights (miles and CO<sub>2</sub> Emissions)

	2022	2021
Flight miles	5'872'441	3'453'608
CO <sub>2</sub> emissions (in metric tons)	2'249	1'465
Flight miles per million net sales	21'204	14'743

After two years of severely restricted travel activities due to the pandemic, business-related flights have increased sharply again in 2022 after many countries eased restrictions significantly. With our strategy to further regionalize the SKAN service and support organizations, our aim is to reduce the flight miles (per million net turnover) in the coming years significantly.



# GRI Content Index

SKAN Group AG has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.

GRI 1: Foundation 2021

Applicable GRI Sector Standards: None.

GRI Standard	Disclosure	Location	Reason for omission/comment
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021			
2-1	Organizational details	Sustainability Report p. 38	
2-2	Entities included in the organization's sustainability reporting	Sustainability Report p. 36 The entities are listed in the Financial Report p. 194	
2-3	Reporting period, frequency and contact point	Sustainability report p. 36 Contact point: Corporate Governance Report p. 101	
2-4	Restatement of information	No restatements were made.	
2-5	External assurance	The Sustainability Report has not been externally assured.	
2-6	Activities, value chain and other business relationships	Sustainability Report p. 38 Business Report p. 22–23	
2-7	Employees	Sustainability Report p. 40	
2-8	Workers who are not employees	Sustainability Report p. 40	
2-9	Governance structure and composition	Corporate Governance Report p. 71–82	
2-10	Nomination and selection of the highest governance body	Corporate Governance Report p. 78	
2-11	Chair of the highest governance body	Corporate Governance Report p. 71	

GRI Standard	Disclosure	Location	Reason for omission/comment
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report p. 41	
2-13	Delegation of responsibility for managing impacts	Sustainability Report p. 41	
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report p. 41	
2-15	Conflicts of interest	Corporate Governance Report p. 71–78	
2-16	Communication of critical concerns	Sustainability Report p. 41	
2-17	Collective knowledge of the highest governance body	Sustainability Report p. 41	
2-18	Evaluation of the performance of the highest governance body	Sustainability Report p. 41	
2-19	Remuneration policies	Compensation Report p. 118–123	
2-20	Process to determine remuneration	Compensation Report p. 119–127	

GRI Standard	Disclosure	Location	Reason for omission/comment
2-21	Annual total compensation ratio	Sustainability Report p. 40	
2-22	Statement on sustainable development strategy	Business Report p. 11–12	
2-23	Policy commitments	Sustainability Report p. 38	
2-24	Embedding policy commitments	Sustainability Report p. 38 Corporate Governance Report p. 85	
2-25	Processes to remediate negative impacts	Sustainability Report p. 38 Corporate Governance Report p. 85	
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report p.38	
2-27	Compliance with laws and regulations	Sustainability Report p. 38	
2-28	Membership association	Sustainability Report p. 43	
2-29	Approach to stakeholder engagement	Sustainability Report p. 41–42	
2-30	Collective bargaining agreements	Sustainability Report p. 55	
<b>Material topics</b>			
3-1	Process to determine material topics	Sustainability Report p. 43	
3-2	Management Approach	Sustainability Report p. 46	
<b>GRI 201:2016</b>	<b>Economic performance</b>		
3-3	Management of material topics	Sustainability Report p. 48	
201-1	Direct economic value generated and distributed	Sustainability Report p. 48	
<b>GRI 416: 2016</b>	<b>Customer Health and Safety</b>		
3-3	Management of material topics	Sustainability Report p. 47	

GRI Standard	Disclosure	Location	Reason for omission/comment
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report p. 48	
<b>R&amp;D spend</b>			
3-3	Management of material topics	Sustainability Report p. 49	
<b>GRI 401: 2016</b>	<b>Employment</b>		
3-3	Management of material topics	Sustainability Report p. 52	
401-1	New employee hires and employee turnover	Sustainability Report p. 53	
<b>GRI 405: 2016</b>	<b>Diversity and Equal Opportunity</b>		
3-3	Management of material topics	Sustainability Report p. 55	
405-1	Diversity of governance bodies and employees	Sustainability Report p. 55	
<b>GRI 404: 2016</b>	<b>Training and Education</b>		
3-3	Management of material topics	Sustainability Report p. 54	
404-1	Average hours of training per year per employee	Sustainability Report p. 54	
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report p. 54	
<b>GRI 305: 2016</b>	<b>Emissions</b>		
3-3	Management of material topics	Sustainability Report p. 56	
305-1	Direct (Scope 1) GHG emissions	Sustainability Report p. 57	
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report p. 57	
	Flight miles and CO <sub>2</sub> emissions	Sustainability Report p. 58	

# Corporate Governance Report

The principles and rules of corporate governance at SKAN are laid down in numerous documents, in particular in the Articles of Association ([https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf)) and the Organizational Rules. SKAN Group AG is listed on SIX Swiss Exchange. This report complies with the Directive on Information relating to Corporate Governance (Directive Corporate Governance, DCG) of SIX Exchange Regulation AG dated 18 June 2021, which came into force on 1 October 2021.



# 1 Group structure and shareholders

## 1 Group structure

SKAN Group AG, with its registered office at Allschwil, in the canton of Basel-Landschaft, has been listed on SIX Swiss Exchange since 28 October 2021 in accordance with the Swiss Reporting Standard (security number: 1339601, ISIN: CH0013396012, security symbol: SKAN). Prior to the listing on SIX Swiss Exchange, the shares of the Company (as an investment company under its previous name "BV Holding AG") were listed on BX Swiss Ltd.

SKAN Group AG is the parent company and holds no investments in listed companies within its scope of consolidation. The market capitalization of SKAN Group AG as of 31 December 2022 is CHF 1'416'462'012.00.

SKAN Group AG is a stock corporation (Aktien-gesellschaft) organized under the laws of Switzerland in accordance with articles 620 et seq. Code of Obligations (CO) with unlimited duration. The Company was originally incorporated on 8 April 1997 as "Bern Venture Limited" under the laws of the British Virgin Islands and subsequently transferred its registered office to Bern, Switzerland (and at the same time changed its corporate name to "BV Holding AG"). The transfer of registered office was registered in the commercial register of the Canton of Bern on 30 November 2001. On 22 July 2021, the Company moved its registered office to Burgdorf, Canton of Bern, Switzerland.

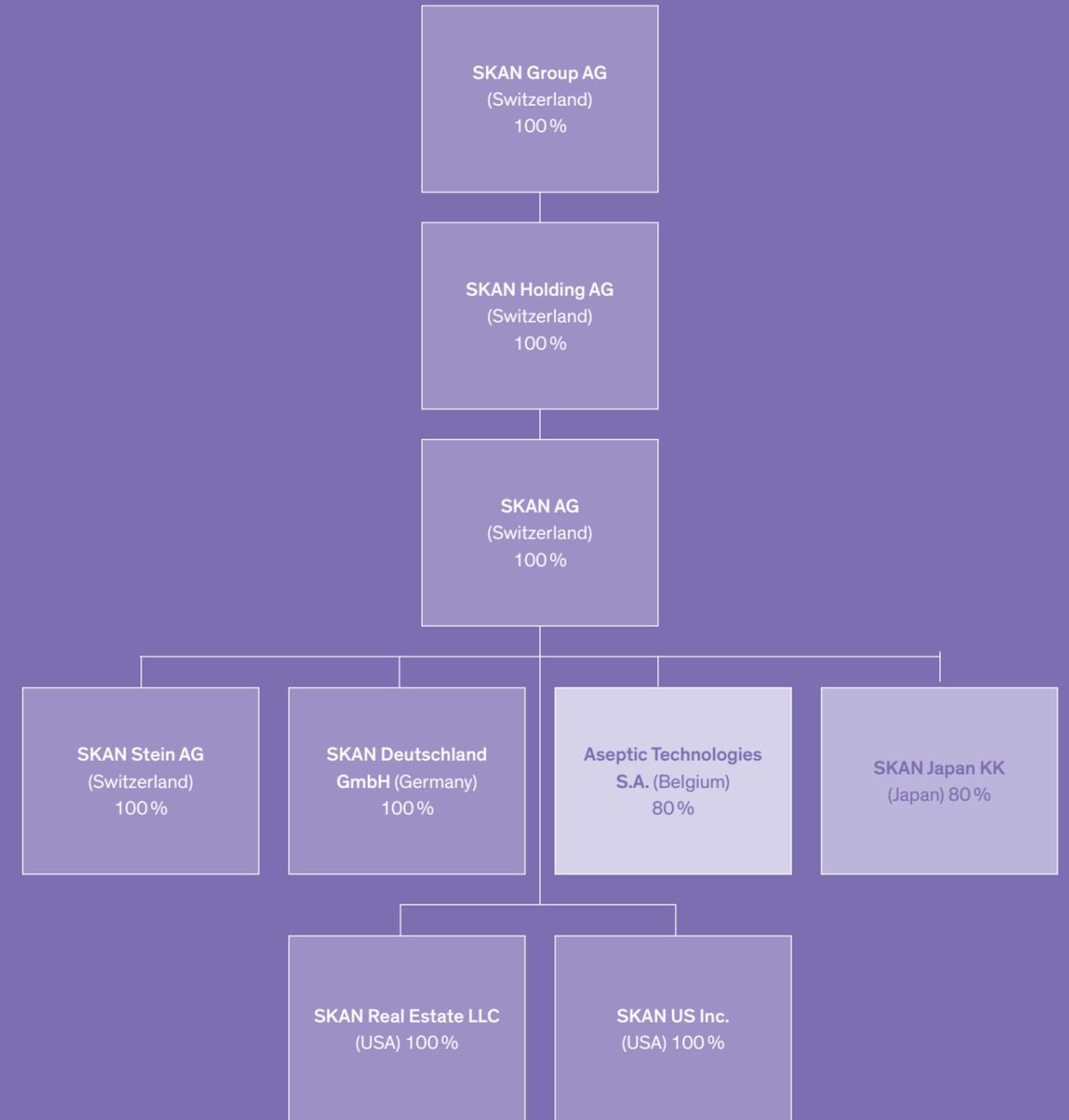
On the occasion of the extraordinary shareholders' meeting of the Company held on 4 October 2021, the Company changed its corporate name from BV Holding AG to SKAN Group AG and moved its registered office from Burgdorf, Canton of Bern to Allschwil, Canton of Basel-Landschaft, Switzerland. As a result, since 4 October 2021, the Company is registered with the commercial register of the Canton Basel-Landschaft under the company registration number CHE-109.404.396.

The Company's registered address and head office is at Kreuzstrasse 5, 4123 Allschwil, Switzerland. The Company's Legal Entity Identifier (LEI) is 506700N25H370ZSEFR11.

As of 31 December 2022, the SKAN Group comprises 9 companies worldwide (fully consolidated). An overview of the group companies including company name, registered office and share capital as well as the shareholdings held by the SKAN Group are shown in note 4.2 to the consolidated financial statements of SKAN Group AG.

Information on segment reporting by region and business units can be found in the notes to the consolidated financial statements in the financial report starting on page 154.

# Overview of our group structure



## 2 Capital structure

### Significant shareholders

According to the share register of SKAN Group AG and the disclosure notifications to SIX Exchange Regulation, the following shareholders or groups of shareholders hold 3% or more of the voting rights as at 31 December 2022.

All disclosure notifications in relation with shareholdings and SKAN Group AG are published on SIX Exchange Regulation's website and can be viewed here (incl. Lock-up group information). <https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/>

Shareholder/ Group of shareholders	Shares (percentage)	Shares (quantity)
Dr. Willy Michel <sup>1</sup>	15.46%	3'475'262
Gregor Plattner <sup>1</sup>	10.61%	2'385'737
Vera Plattner <sup>1</sup>	10.61%	2'385'737
PEMOL-Baumann-Stiftung <sup>1/2</sup>	7.82%	1'757'823
Catum GmbH (Beneficiary: Martin Reber)	4.48%	1'006'479
Thomas Huber	3.04%	683'905
<b>Total registered shares</b>	<b>100%</b>	<b>22'483'524</b>

<sup>1</sup> In connection with the IPO of SKAN Group AG, the Principal and Selling Shareholders with 6'693'983 Shares (29.77%) have committed to a maximum lock-up of 18 months, i.e. until 26 April 2023, with part of the lock-up expiring after 180 days (i.e. on 26 April 2022). More information can be viewed here: <https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/>

<sup>2</sup> Peter Bauman held also 439'455 Shares (1.95%) in his private portfolio as at 31 December 2022.

### Cross-shareholdings

There are no cross-shareholdings.

### 1 Capital

The share capital of SKAN Group AG amounts to CHF 224'835.24 as at 31 December 2022 and is divided into 22'483'524 registered shares with a nominal value of CHF 0.01 each. The entire share capital is fully paid in.

### 2 Authorized and conditional capital

As at 20 March 2018, the Company had authorized capital in the maximum amount of CHF 3'926'823.75 until 20 March 2020. This authorization expired in March 2020 without being used. Since then the Company does not have any authorized share capital.

The Company has had no changes in the conditional capital for the last three years.

### 3 Changes in capital

On 31 March 2020, the share capital was reduced from CHF 7'853'647.50 to CHF 3'665'035.50 by reducing the nominal value per share from CHF 0.75 to CHF 0.35 while the number of shares remained unchanged at 10'471'530. The capital reduction amount of CHF 4'188'612 was paid out to the shareholders in cash with value date as of 10 July 2020.

On 7 July 2021, the share capital was reduced from CHF 3'665'035.50 to CHF 104'715.30 by reducing the nominal value from CHF 0.35 to of 0.01 while the number of shares remained unchanged at 10'471'530. The capital reduction amount of CHF 3'560'320.20 was paid out to the shareholders in cash with value date as of 24 September 2021.

In October 2021, the share capital was increased by CHF 120'119.94 from CHF 104'715.30 to CHF 224'835.24 through the issuance of 12'011'994 new fully paid-in registered shares with a nominal value of CHF 0.01 each. The capital increase was carried out in connection with the IPO and to take over 783'348 registered shares from previous shareholders of SKAN Holding AG in accordance with the contribution in kind agreement/contracts of 26 October 2021, for which the contributors were issued a total of 10'280'500 new registered shares with a nominal value of CHF 0.01 each in SKAN Group AG.

The share capital of SKAN Group AG has not changed since the IPO on 28 October 2021.

### 4 Shares and participation certificates

Each share gives the right to one vote. There are no shares with preferential rights or voting shares. All registered shares are eligible for dividends, with the exception of the treasury shares held by SKAN Group AG.

SKAN Group AG has not issued any participation certificates.

### 5 Profit-sharing certificates

SKAN Group AG has not issued any profit-sharing certificates.

### 6 Limitation of transferability and nominee registrations

#### 6.1 Limitations of transferability

SKAN Group AG maintains a share register in which the owners, beneficiaries and nominees of the registered shares are entered with name, address and nationality (in the case of legal entities, the registered office).

In relation to SKAN Group AG, only those registered in the share register are recognized as shareholder, beneficiary or nominee. SKAN Group AG recognizes only one representative per registered share.

Subject to the registration limitation below, purchasers of shares are, upon request, entered in the share register as shareholders with voting rights upon proof of purchase or of the establishment of a usufruct, provided that they expressly declare that they hold the shares in their own name and for their own account.

The Board of Directors may refuse to recognize a shareholder or beneficial owner with voting rights if the shareholder, together with his or her shares already registered as having voting rights, would exceed the threshold of 20% of all registered shares entered in the commercial register. With the remaining shares, the acquirer is entered in the share register as a shareholder or beneficiary without voting rights.

Legal persons and legal communities linked by capital, voting power, management or otherwise, and all natural or legal persons or communities of persons acting in a coordinated manner by agreement, syndication or otherwise with a view to circumventing the percentage limit, shall be deemed to be one person.

# 3 Board of Directors

The registration limitation applies subject to Art. 652b para. 3 and Art. 653c para. 3 CO also in the case of the acquisition of registered shares upon the exercise of subscription rights, options and conversion rights. The limitation does not apply to the acquisition of shares by inheritance, division of inheritance or matrimonial property law.

The Board of Directors may cancel entries in the share register with retroactive effect to the date of entry if they have been made as a result of false information. It may hear the shareholder or nominee concerned in advance. The affected shareholder or nominee shall be informed immediately of the cancellation.

## 6.2 Reasons for granting exceptions during the year under review

No exceptions were granted during the year under review.

## 6.3 Admissibility of nominee registrations

Persons who do not expressly declare in their application for registration that they hold the shares for their own account (nominees) are entered in the share register as shareholders with voting rights up to a maximum of 3% of the outstanding share capital. Beyond this registration limit, nominees are entered in the share register as shareholders with voting rights if

the nominee concerned discloses the names, addresses, nationalities and shares of those beneficial owners on whose behalf he holds 0.5% or more of the outstanding share capital and if the notification requirements under the Federal Act on Financial Market Infrastructures and the Market Conduct in Securities and Derivatives Trading (FMIA) (as amended) are met. The Board of Directors is authorized to enter into agreements with nominees regarding their reporting obligations and to grant exceptions to this rule in individual cases.

In the year under review, the Board of Directors has not registered any nominees with voting rights exceeding 3%.

## 6.4 Procedure and conditions for the removal of privileges and limitations of transferability laid down in the Articles of Association

Amending or removing restrictions of transferability of registered shares requires a resolution of the general meeting passed by at least 2/3 of the votes represented and the majority of the nominal value of the shares represented at that general meeting.

## 7 Convertible bonds and options

SKAN Group AG has not issued any convertible bonds or options.

## 1 Members of the Board of Directors

According to Art. 14 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the Board of Directors is composed of at least three members, who do not need to be shareholders.

With the exception of Thomas Huber, none of the Board members carries out operative management tasks for SKAN Group AG or one of the group companies. Thomas Huber is the Group's CEO.

As at 31 December 2022, the Board of Directors is composed as follows\*:

Name	Nationality	Function	In office since	Executive management function the last 3 years	Independence according to Swiss Code of BP for CG
Dr. Gert Thoenen	Swiss	Chairman of the BoD	04.10.2021	No	Yes
Cornelia Gehrig	Swiss	Vice Chairwoman of the BoD	04.10.2021	No	Yes
Oliver Baumann	Swiss	BoD member	04.10.2021	No	Yes
Thomas Huber	Swiss	BoD member	04.10.2021	Yes (CEO of SKAN Group)	No
Dr. Beat Lüthi	Swiss	BoD member	04.10.2021	No	Yes
Gregor Plattner	Swiss	BoD member	04.10.2021	No	Yes
Patrick Schär	Swiss	BoD member	04.10.2021	No (only CEO of BV Holding AG – which was the former investment company)	Yes

\* All non-executive members of the Board of Directors except Thomas Huber are independent in the sense of the Swiss Code of Best Practice for Corporate Governance and have not served on either the Executive Management of SKAN Group AG or the management board of any subsidiary during the past three years. They do not have significant business relationships with SKAN.

Two of the non-executive members of the Board of Directors provide services at irregular intervals to SKAN or its subsidiaries. Dr. Gert Thoenen provides consulting services as partner at Lenz Caemmerer. The consulting services in 2021 primarily related to corporate, real estate (including legal advice in connection with the construction of the new headquarters

and the sale of the previously used real estate) and intellectual property law matters. During the year under review, the consulting fees directly attributable to Dr. Gert Thoenen amounted to CHF 4'047 (PY 78'013).

During the period Cornelia Gehrig also provided consulting services as partner at Cornelia Gehrig GmbH. The consulting fees directly attributable to Cornelia Gehrig amounted to CHF 2'200.

These two directly attributable consulting fees are related to their activities as Board of Directors of SKAN Group AG and included in the total board compensation, which was approved in last year's Annual General Meeting.



**Gert Thoenen, 1957**  
Dr. iur., Attorney at Law, LL.M.  
Swiss citizenship

**Position**  
Chairman of the BoD, NCC member

**Education, professional career**  
Studied law at the University of Basel, graduated in 1983, Dr. iur. 1988 (University of Basel), admitted to the bar in 1986. Currently partner at Lenz Caemmerer (Basel and Karlsruhe).

- Significant mandates**
- AIL Group (BoD member)
  - Airport Casino Basel AG & Airport Hotel Basel AG (BoD member)
  - APACO Group (BoD member)
  - Burckhardt Architektur Group (BoD member)
  - Neoperl Group (BoD member)
  - 24 Stunden Apotheke Basel AG (BoD Chairman)
  - Praxisklinik Rennbahn AG (BoD Chairman)



**Cornelia Gehrig, 1966**  
lic.rer.pol, Certified Public Accountant  
Swiss citizenship

**Position**  
Vice Chairwoman of the BoD, AC Chairwoman

**Education, professional career**  
Lic.rer.pol. (University of Bern, business administration and economics). Certified Public Accountant (EXPERTsuisse). Corporate leadership program at IMD Lausanne/Singapore. Track record as Group CFO in internationally active companies (Bystronic Group, Precious Woods Group, Ionbond Group) with overall responsibility for Global Finance & IT. Independent director since 2021.

- Significant mandates**
- Bank Cler (BoD member)
  - Ernst Schweizer AG (BoD member)
  - LUKS Group (BoD member)
  - Visana Group (BoD member until May 2023)



**Oliver Baumann, 1971**  
Federal diploma Hôtelier / Restaurateur HF  
Swiss citizenship

**Position**  
BoD member, NCC member

**Education, professional career**  
Studied business management at SHL and holds a federal diploma. Experience in corporate management in hospitality management and healthcare business. Currently Head of Hospitality and Facility management.



**Thomas Huber, 1966**  
MSc ETH  
Swiss citizenship

**Position**  
BoD member, Group CEO, Member of executive management at SKAN since 2005

**Education, professional career**  
MSc ETH Zürich  
Advanced management program (SKU/HSG 2007 & INSEAD 2017)

Since 2017 CEO SKAN Group  
2009 Chief Management Officer, Deputy CEO & member of Management  
2005 Director of Sales & member of management  
1998 Sales Manager  
1996 joined SKAN AG as Sales Engineer

- Significant mandates**
- Limbic Life AG (BoD member)



**Beat Lüthi, 1962**  
Dr. sc. techn. ETH  
Swiss citizenship

**Position**  
BoD member, NCC Chairman

**Education, professional career**  
Studied electrical engineering at ETH Zurich and Business Administration (PhD). Successfully completed the International Executive Program at the INSEAD Business School. CEO of CTC Analytics AG since 2008.

- Significant mandates**
- Apaco AG (BoD member)
  - Inficon Group (BoD Chairman)
  - Straumann Group (BoD member until April 2023)



**Gregor Plattner, 1970**  
lic. iur.  
Swiss citizenship

**Position**  
BoD member, AC member

**Education, professional career**  
Studied law at the University of Basel, graduated in 1998. Has held various management roles in IT, Sourcing, Risk Management and HR at UBS since 2005. Currently Head of Category Management for Professional Services.

- Significant mandates**
- Bonacasa Group (BoD member)



**Patrick Schär, 1977**  
lic.rer.pol.  
Swiss citizenship

**Position**  
BoD member, AC member

**Education, professional career**  
Studied business administration and economics at the University of Bern (lic.rer.pol.) and trained as a banker. CEO of BV Holding AG (BV Group) from 2010 to 2021 and CEO of TecMed AG since 2021.

- Significant mandates**
- Covalys BioSciences AG in liquidation (BoD member)
  - Gurtenfestival AG (BoD member)
  - LEM Surgical AG (BoD member)
  - Ypsomed Innovationsfonds (Board of Foundation member, Member of executive management)



From left to right:  
Front row: Patrick Schär, Oliver Baumann, Cornelia Gehrig  
Back row: Dr. Gert Thoenen, Thomas Huber, Gregor Plattner, Dr. Beat Lüthi

**3 Rules in the Articles of Association on the number of permitted activities**

According to Art. 14 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the number of mandates within the supreme management and governance bodies of legal entities outside the Company that must be entered in the Swiss commercial register or a comparable foreign register is limited for Board members to four mandates in listed companies and to seven mandates in large non-listed companies that meet the requirements of Art. 727 para. 2 no. 2 OR (ordinary audit), and to fifteen mandates in other legal entities such as small companies, foundations and associations. If mandates are exercised within several legal entities of the same group or on behalf of a group, these are counted as one mandate. Short-term exceedances are permitted.

**4 Election and term of office**

According to Art. 14 and 15 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the general meeting elects the members and the chairperson of the Board of Directors, each for a one-year term of office. The term of office ends after the conclusion of the next annual general meeting. Prior resignation and removal remain reserved. The members of the Board of Directors may be re-elected at any time.

With the exception of the election of the chairperson and the election of the members of the Nomination and Compensation Committee by the general meeting, the Board of Directors constitutes itself. As required, it elects one or several

vice-chairpersons, delegates and the secretary, who does not need to be a member of the Board of Directors. If the office of the chairperson of the Board of Directors becomes vacant, the Board of Directors designates a new chairperson from amongst its members for the remaining term.

The general meeting elects an independent proxy each year. The term of office ends after the next ordinary general meeting. Re-election is possible. If the Company does not have an independent proxy elected by the general meeting, the Board of Directors appoints one for the next general meeting.

**5 Internal organization**

**5.1 Allocation of tasks within the Board of Directors**

The Board of Directors is composed of the chairman, Dr. Gert Thoenen, and six other members. In the year under review, Cornelia Gehrig was elected as Vice-Chairwoman of the Board of Directors. The day-to-day management was assigned to Thomas Huber, who also acts as the Group's CEO.

The Board of Directors may assign the preparation and execution of its resolutions or the supervision of certain topics to committees or individual members. It must ensure appropriate reporting to its members.

The members of the Board of Directors cover a broad spectrum of competencies. Each member has an in-depth knowledge of his or her relevant areas of expertise. Together, they ensure that the Board of Directors can adequately execute its strategic oversight and control over the SKAN Group.

**Board of Directors combines diverse skills and backgrounds**

	Healthcare	Finance/ Accounting	Legal & Regulatory	M&A	Strategy	Marketing	Leadership	International markets
Dr. Gert Thoenen	●		●	●			●	
Cornelia Gehrig	●	●		●	●			●
Oliver Baumann	●					●		
Thomas Huber	●				●	●	●	●
Gregor Plattner			●	●	●		●	
Dr. Beat Lüthi	●	●		●	●		●	●
Patrick Schär	●	●		●	●			



## 5.2 Composition, duties and delimitation of competencies of all BoD committees

The Board of Directors has set up the following committees:

- the [Nomination and Compensation Committee \(NCC\)](#)
- the [Audit Committee \(AC\)](#)

The following table shows the existing committees during the year under review as well as their members.

Name	Nomination and Compensation Committee	Audit Committee
<a href="#">Cornelia Gehrig</a>		● (chairwoman)
<a href="#">Gregor Plattner</a>		●
<a href="#">Patrick Schär</a>		●
<a href="#">Dr. Beat Lüthi</a>	● (chairman)	
<a href="#">Oliver Baumann</a>	●	
<a href="#">Dr. Gert Thoenen</a>	●	

## 5.3 Working method of the Board of Directors and its committees

### Board of Directors

According to section 3.4 of the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>, the Board of Directors meets as often as the Group's business requires or when this is requested by a Board member, but at least six times a year.

The deliberations and passing of resolutions within the Board of Directors generally take place at physical meetings. Instead of meetings, telephone and video conferences or meetings using other means of electronic data transmission may also be organized.

Board meetings are convened by the chairperson or the latter's deputy. Each Board member is entitled to request a Board meeting by stating the agenda items.

The meeting is convened at least ten days in advance, unless otherwise required by urgent matters, in writing or using means of electronic data transmission (e.g. e-mail, DocuSign, etc.) and by stating the time, place and agenda items. The documents that are necessary to ensure the proper preparation of the Board meeting must be submitted to the Board members at the same time as the written notice convening the meeting. It is possible to forego complying with this deadline with the consent of all Board members, which must take place in writing or using means of electronic data transmission (e.g. e-mail, DocuSign, etc.). If all Board members are present and if no objection is raised, the meeting may be held without complying with the above-mentioned requirements.

The chairperson or the latter's deputy shall set the agenda items for the meeting. Each Board member has the right to have a specific item set on the agenda provided they submit to the chairperson a written request (also using means of electronic data transmission (e.g. e-mail, DocuSign, etc.)) at least five days before the meeting. All Board members must be informed immediately about such changes by the chairperson or his deputy.

The chairperson or, in case the latter is incapacitated, the latter's deputy presides over the meeting. In case the chairperson and the latter's deputy are incapacitated, the Board members present designate a member as chairperson of the meeting.

The CEO usually takes part in the Board meetings; any other member of Management or other individuals who are not Board members may be invited to Board meetings.

The persons taking part in the meeting who are not Board members take part in an advisory capacity but have no voting right; furthermore, they must leave the meeting as soon as the chairperson or a majority of Board members so require. The NCC and AC were established after the IPO in October 2021.

### Overview of the planned Board meetings 2023

	Meetings
Number of meetings	6 (minimum)
Average duration	6.5 hours

Participants	Number of participations
<a href="#">Dr. Gert Thoenen</a>	6
<a href="#">Cornelia Gehrig</a>	6
<a href="#">Oliver Baumann</a>	6
<a href="#">Thomas Huber</a>	6
<a href="#">Dr. Beat Lüthi</a>	6
<a href="#">Gregor Plattner</a>	6
<a href="#">Patrick Schär</a>	6

In the year under review 5 board meetings were held with an average duration of 4.5 hours. All board members participated in the meetings. The CEO was present at all board meetings. In addition to the 5 board meetings, a two day strategy workshop was held in September 2022.

### Nomination and Compensation Committee

According to Art. 21 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf) and section 3.2 of the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>, the Nomination and Compensation Committee is composed of at least three members of the Board of Directors who are elected by the general meeting on a yearly basis. The term of office ends after the conclusion of the next annual general meeting. The Board of Directors designates the chairperson of the Nomination and Compensation Committee. In the event of an early resignation of one or several Board members, the Board of Directors may designate substitute members from among its members until the conclusion of the next annual general meeting. The Nomination and Compensation Committee meets as often as business activities require, but at least twice a year.

The Nomination and Compensation Committee defines the Group's compensation policy as well as the Group's performance objectives and criteria. It monitors its implementation periodically and submits further suggestions and recommendations to the Board of Directors. The Nomination and Compensation Committee prepares the relevant Board resolutions related to the nomination and compensation of the Board members, the CEO and the other members of Management and submits corresponding proposals to the Board of Directors. The Nomination and Compensation Committee reports periodically to the Board of Directors on its activities.

The Board of Directors may transfer to the Nomination and Compensation Committee other powers and duties regarding nomination and compensation as well as related matters. The overall responsibility for the duties and powers transferred to the Nomination and Compensation Committee remains with the Board of Directors.

### Overview of the planned meetings of the Nomination and Compensation Committee 2023

	Meetings
Number of meetings	3
Average duration	1.5 hours
Participants	Number of participations
<a href="#">Dr. Beat Lüthi</a>	3
<a href="#">Oliver Baumann</a>	3
<a href="#">Dr. Gert Thoenen</a>	3

In the year under review 3 NCC meetings were held with an average duration of 1.5 hours. All NCC members participated in the meetings. The CEO was present as guest at all NCC meetings. In addition the Group CHRO / Group CPCO attended the 2 meetings.

### Audit Committee

According to section 3.3 of the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>, the Board of Directors sets up an Audit Committee composed of at least three Board members. The term of office ends after the conclusion of the next annual general meeting. The Board of Directors designates a chairperson who cannot be the chairperson of the Board of Directors. The Audit Committee meets as often as business activities require, but at least four times a year.

The Board of Directors seeks to designate independent and non-executive members within the meaning of the provisions of the Swiss Code of Best Practice for Corporate Governance as members of the Audit Committee. The majority of members, including the chairperson, must be experienced in financial and accounting matters.

The Audit Committee supports the Board of Directors in fulfilling its duties prescribed by law, in particular in the areas of financial controlling (ultimate supervision of the internal audit function and of the statutory auditor, monitoring of financial reporting) and ultimate supervision of the persons entrusted with management (internal control system). The Audit Committee's powers and duties are detailed in the Audit Committee Regulations, which can be found in Annex 3 to the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>.

The overall responsibility for the duties and powers transferred to the Audit Committee remains with the Board of Directors. The Audit Committee reports periodically to the Board of Directors on its activities.

### Overview of the planned meetings of the Audit Committee 2023

	Meetings
Number of meetings	4
Average duration	4.0 hours
Participants	Number of participations
<a href="#">Cornelia Gehrig</a>	4
<a href="#">Gregor Plattner</a>	4
<a href="#">Patrick Schär</a>	4

In the year under review 4 AC meetings were held. The CEO, CFO and Head FICO attended these meetings which took an average of 4.5 hours. The statutory auditor was guest in three meetings.

**6 Definition of areas of responsibility**

According to Art. 18 of the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the Board of Directors has the following non-transferable and inalienable duties:

- 1 the ultimate management of the Company and the issuance of the necessary directives;
- 2 the determination of the organization;
- 3 the determination of the accounting system, financial controlling and financial planning;
- 4 the designation and removal of those entrusted with management and representation as well as the determination of their signatory powers;
- 5 the ultimate supervision of those entrusted with management, particularly with regard to compliance with the laws, statutes, regulations and directives;
- 6 the preparation of the management report consisting of the annual report and the consolidated financial statements and the compensation report as well as the preparation of the general meeting and the execution of its resolutions;
- 7 the passing of resolutions on the subsequent payment of capital on non-fully paid-in shares;
- 8 the passing of resolutions on the determination of capital increases and subsequent changes to the Articles of Association;
- 9 the notification of the court in case of over-indebtedness;
- 10 other non-transferable and inalienable duties and powers of the Board of Directors in accordance with the Merger Act and other applicable laws;
- 11 the passing of resolutions on other matters that are reserved to the Board of Directors by law or the Articles of Association.

In addition to the non-transferable duties, the Board of Directors also decides upon the following in accordance with the “Chart of Authorities SKAN Group”:

- group strategy, medium-term planning and group budget
- salaries and bonus system
- non-budgeted loans
- acquisition and use of shares, share certificates and options
- investments  $\geq 1$  million
- strategic partnerships, joint ventures and indirect capital investments
- acquisition and investments in other business areas
- divestiture of divisions or fixed assets (without investments)  $\geq 0.3$  million
- acquisition, disposal or lease of buildings  $\geq 0.3$  million
- conclusion of settlements or disputes  $\geq 0.3$  million

According to section 5.1 of the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>, the Board of Directors has delegated the operational management to the management serving in a group company (SKAN AG); the latter’s rights and duties are summarized in the following paragraphs.

The CEO and members of Management are designated and dismissed by the Board of Directors.

Management runs the Group’s business under the direction of the CEO. Management decides upon all matters that are not reserved to the Board of Directors, the CEO or another body in accordance with the law and the Articles of Association [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf) or the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>.

Management must comply with the orders and instructions issued by the Board of Directors. Management reports periodically to the Board of Directors and informs the latter about the current state of affairs and important business transactions.

Significant processes and events that may have a lasting effect on the Group’s operations must be communicated immediately to the Board members by way of circular.



**7 Information and controlling instruments vis-à-vis Management**

The Board of Directors receives exactly the same information as Management. The report covers orders and revenues recorded within each business unit against the previous year and the budget. It also contains an actual and forecast cashflow

statement until the end of the year, detailed information on overhead costs against the previous year and the budget as well as financial and personnel-related indicators. The financial report gives the Board of Directors an overview of the current business activities.

Information and controlling instruments	every 5 years	once a year	twice a year	quarterly
Financial report (balance sheet, income statement, cashflow and indicators)				●
Budget		●		
Forecast				●
Strategy/Vision (5-year plan)	●			
Risk assessment		●		
Internal control system		●		

The budget is prepared once a year during the autumn for the following year. The strategy provides guidance in this respect. To this end, all cost center managers, Management and the Controlling function come together in order to prepare the budget during a two-day external workshop. Each quarter, the budget is slightly revised based on a forecast and adjusted to the current situation. The budget and the forecast are approved by the Board of Directors.

The strategy, or vision, is defined every five years for the next five years. Once a year this vision/strategy is reviewed in line with market developments and confirmed by the Board of Directors. The current vision is effective until 2025. In this respect, the Board of Directors sets the strategic direction, which is defined by Management in conjunction with the Controlling function. Finally, the strategy is critically analyzed and adopted by the Board of Directors.

SKAN promotes entrepreneurial behavior and a consistent focus on innovation and sustainable customer benefits while carefully managing risks, fully complying with the standards of conduct laid down in the binding Code of Conduct and taking appropriate account of the interests of all stakeholders. As in every year, the Board of Directors carried out a Group-wide integral risk assessment in 2022, based on the management reporting and the separate Group risk report, which includes the risk assessment process and the greatest risks and is prepared together with an external company. The risk process is implemented throughout the Group and comprises the identification, evaluation and qualitative assessment of operational, financial and strategic risks. It is linked to risk monitoring, action plans and standardized reporting. In the reporting year, the focus was on the following risks:

- Development and portfolio management: SKAN's product portfolio is to be continuously developed through targeted product management in order to maintain market leadership in the future.
- Standardization: Through standardization, growth targets can be achieved and quality increased.
- Decentralization: Thanks to further decentralization, the growth targets can be achieved, and efficiency increased. Furthermore, decentralization should shorten travel distances and protect the environment.

- Supply chain: Delays are to be avoided as far as possible through less dependence on individual suppliers and a strategic increase in certain inventories.

In addition, other topics are systematically considered at Group and national company level, in particular environmental, social and governance (ESG) issues.

The internal control system (ICS) is audited by the statutory auditor in accordance with the Swiss Code of Obligations (Art. 728 a para. 1 no. 3 and 728 b para. 1 OR) and the results are communicated to the Board of Directors in a report. Each year, the statutory auditor concentrates on various focus areas.

Internal Auditing is performed by the auditing firm KPMG. It performs the internal operational auditing function within the Group. It reports to the Audit Committee. The coordination of the implementation of auditing tasks is delegated to the CFO. Internal Audit performs audits in the Group in accordance with the audit concept proposed by the Audit Committee and defined by the Board of Directors. The audits cover the following areas on a rolling basis:

- Effectiveness of selected operational processes at Group level, in the regions and at selected Group companies
- Effectiveness of governance and risk management policies & processes
- Effectiveness of internal control processes
- Reliability and completeness of financial and operational information

Internal Audit prepares reports with recommendations for the attention of local management and the Audit Committee. Local management comments on the recommendations and takes immediate corrective action if the recommendations are accepted. If local management rejects a recommendation and Internal Audit and the CFO uphold it, it is implemented by order of the Audit Committee. Since SKAN did not have dedicated department for this, the Quality Assurance (QA) function currently fulfilled this role. For the reporting year 2023 there are 3 internal audits planned.



## 4 Management

### 1 Members of Management

The Board of Directors has delegated the management to the CEO, Thomas Huber, who has been CEO of the SKAN Group since 2017. Management is composed of the CEO as well as nine other members who are responsible for the various departments

During the reporting year the following changes in the executive management took place:

- Ralf Krämer was appointed for the position as Chief Technology Officer of the SKAN Group as of 1 April 2022. He replaces Bernd Naumann, who had been a member of the SKAN Group's Executive Management since 2009.
- As of 1 August 2022, Marina Häni was appointed for the position as Chief People & Culture Officer, succeeding Fabienne Schmid, who had been Chief Officer HR at SKAN since 2013 and a member of the Executive Management since 2016.
- Michel Gasser resigned as Group Chief Service Officer (CSO) as per 2 September 2022. Burim Maraj and Philippe Jérôme took over as Group CSO on an interim basis until 31 January 2023. As of 1 February 2023 Maria Cuevas Otero joined SKAN as Group CSO.

Further information on the members of the Group Executive Management is provided on pages 88 to 92. Information on the members who left the company in the reporting year can be found in the previous year's Corporate Governance Report at [https://ir.skan.com/download/companies/skanag/Annual%20Reports/SKAN\\_GB\\_RGB\\_220405.pdf](https://ir.skan.com/download/companies/skanag/Annual%20Reports/SKAN_GB_RGB_220405.pdf).

## 2 Members of Management

The mandates of Management are disclosed according to their importance.



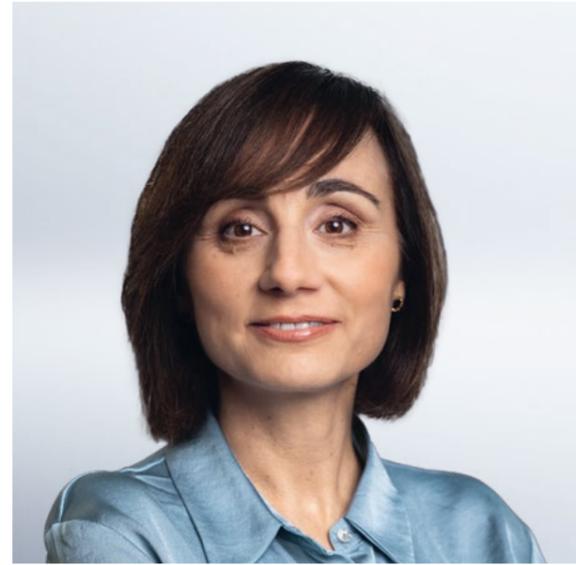
**Thomas Huber, 1966**  
Group CEO  
Chief Executive Officer  
Swiss citizenship

**Position**  
BoD member since 2012, Member of executive management at SKAN since 2005

**Education, professional career**  
MSc ETH Zürich  
Advanced management program  
SKU/HSG 2007 & INSEAD 2017

Since 2017 CEO SKAN Group  
2009 Chief Management Officer, Deputy CEO & member of Management  
2005 Director of Sales & member of management  
1998 Sales Manager  
1996 joined SKAN AG as Sales Engineer

**Significant mandates**  
→ Limbic Life AG (BoD member)



**Maria Cuevas Otero, 1976**  
Group CSO  
Chief Service Officer  
Spanish citizenship

**Position**  
Member of executive management at SKAN since 2023

**Education, professional career**  
Executive MBA HSG  
MBA, UNED Spain  
Degree Engineer in Computer Sciences,  
University of Sevilla Spain

2023 joined SKAN Group as CSO  
2020 Chief Digital Transformation Officer, SVA AG  
2015-2019 Hexagon Geosystems  
2018 Vice President Technology  
2015 Director R&D  
2007-2015 Bombardier Transportation  
2013 Head of TCMS Projects and Services  
2012 Manager Wayside and Communications  
2007 Team Lead Converter Control Applications  
2001 Development Engineer, DaimlerChrysler AG  
(today Mercedes-Benz Group), Germany

**Significant mandates**  
→ BLT AG (BoD member)



**Marina Häni, 1992**  
Group CPCO  
Chief People and Culture Officer  
Swiss citizenship

**Position**  
Member of executive management at SKAN since 2022

**Education, professional career**  
Currently MAS Human Resource Management  
Federal Diploma of Higher Education in Human Resource Management, HRSE  
Advanced Federal Diploma of Higher Education in Hospitality Management

Since 2022 CPCO SKAN Group  
2021 HR Business Partner  
2020 HR Specialist  
2019 joined SKAN AG as HR Assistant  
2014 Assistant to the Manager & Head of HR, Hotel Bad Bubendorf



**Cornelia Henny-Weiss, 1972**  
Group COO  
Chief Operation Officer  
Swiss/German citizenship

**Position**  
Member of executive management at SKAN since 2021

**Education, professional career**  
Degree in Physics, Technical University Chemnitz/Germany,  
Doctorate in Engineering, Materials Sciences,  
Technical University Dresden/Germany

Since 2021 COO SKAN Group  
2009-2020 ABB / Hitachi Power Grids  
2010 Head of Operations BiPolar Products  
2009 Project Leader BiPolar Production Extension  
2007-2009 Espros Photonics (EPC)  
2009 Fab Interface Manager  
2007 Head of Front-End-of-Line  
1997-2007 Advanced Micro Devices (AMD)  
2004 Module Shift Manager Lithography  
1999 Shift Team Leader, Senior Engineer Lithography  
1997 Materials Analyst

## 2 Members of Management

The mandates of Management are disclosed according to their importance.



### Philippe Jérôme, 1976

Group CMO / Interim Group CSO  
Chief Marketing & Sales Officer  
Interim Chief Service Officer  
French citizenship

#### Position

Member of executive management at SKAN since 2017

#### Education, professional career

ENSAM High School of Engineering  
Arts Et Métiers, SKU University of St. Gallen  
Advanced management Diploma

Since 2017 CMO SKAN Group

2015 Head of Sales Europe

2007 joined SKAN AG as Sales Manager



### Ralf Krämer, 1966

Group CTO  
Chief Technology Officer  
German citizenship

#### Position

Member of executive management at SKAN since 2022

#### Education, professional career

State-certified engineer in metal construction, Städt. gewerbliches Berufsbildungszentrum, Würzburg

Since 2022 CTO SKAN Group

2020 joined SKAN AG as Director Customized Solutions

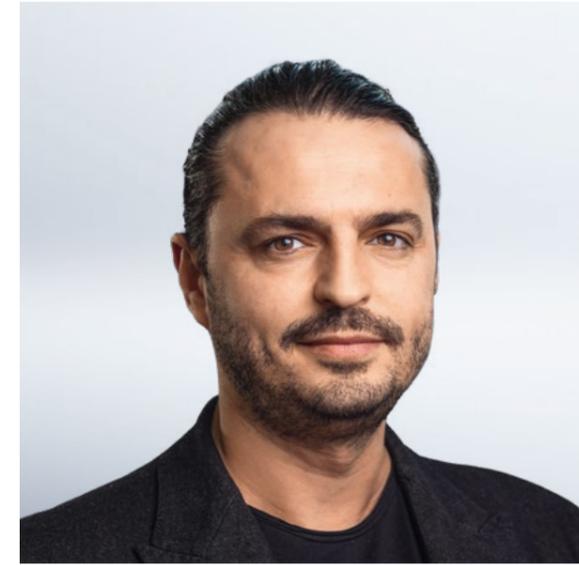
2018 Head of Operations Engineering, TETRA PAK

2017 Head of Desing Engineering, SKAN AG

2012-2016 TETRA PAK

2014 Director Future Packaging Material Technologies

2012 Department Manager Advanced film & Barrier Solutions



### Burim Maraj, 1982

Group CFO / Interim Group CSO  
Chief Financial Officer  
Interim Chief Service Officer  
Swiss citizenship

#### Position

Member of executive management at SKAN since 2012

#### Education, professional career

Executive MBA HSG

BSc in Business Administration, University of Applied Sciences and Arts of Northwest Switzerland

Since 2018 CFO SKAN Group

2012 Chief Officer IT & Controlling, SKAN AG, became member of Management

2011 Controller SKAN AG

2008 joined SKAN AG as finance & accounting and administration clerk

#### Significant mandates

→ AUTOCARE GmbH (Co-owner)

→ MARBEES GmbH (Co-owner)

→ SKANDEBERG SH.P.K. (Co-owner)



### Sascha Pawel, 1975

Group CIO  
Chief Innovation Officer  
German citizenship

#### Position

Member of executive management at SKAN since 2016

#### Education, professional career

Executive MBA HSG

Degree in Electrical Engineering / Microelectronics and Sensors University of Ilmenau

Since 2018 CIO SKAN Group

2016 COO (Chief Operations Officer) SKAN Group

2015 joined SKAN Group as Global Process Manager

2012 Director Operations High Power,

Power Integrations Switzerland / Power Integrations Group

2005-2012 CT-Concept Technologie AG

2010 Head of Technology Development and Head of Production and Quality

2007 Senior Engineer R&

2005 Project Leader ASIC Design

1999 Research Staff Member, Ilmenau Technical University, Germany

## 2 Members of Management

The mandates of Management are disclosed according to their importance.



### Martin Steegmüller, 1973

Group CPO and CDO  
Chief Pure Solutions Officer and  
Chief Digital Solutions Officer  
Swiss/German citizenship

#### Position

Member of executive management at SKAN since 2017

#### Education, professional career

Executive MBA HSG,  
Executive MBA Toronto, Canada  
BSc in Business Administration and International Marketing,  
Berufsakademie Villingen-Schwenningen, Germany

Since 2020 in addition CDO SKAN Group  
2017 joined SKAN Group as CPO  
2014 Managing Director Kuschall AG, Invacare AG,  
active wheelchairs  
2008 Area Manager Europe II, Cochlear AG,  
hearing implants  
2001–2008 GE Healthcare, General Electric (GE) Medical  
System IT GmbH:  
2005 Marketing Director Diagnostic Cardiology EMEA  
2004 Marketing Manager EMEA “Resting ECG” &  
strategic alliances / OEM  
2002 Product Manager EMEA Cardiology; CVIS (Cardio Vas-  
cular Information Systems)  
2001 E-Business/E-Commerce Manager EMEA  
1997 Area Manager Export Aluminium Composites (Display),  
Alusuisse Singen GmbH

#### Significant mandates

→ Steegmüller GmbH (BoD member)



### Thomas Zinn, 1970

Group CCO  
Chief Contracting Officer  
German citizenship

#### Position

Member of executive management at SKAN since 2020

#### Education, professional career

Degree in Engineering, University of Applied Sciences  
Albstadt-Sigmaringen,  
20+ years of experience in the development &  
manufacturing of pharmaceutical drug

2020 joined SKAN Group as CCO  
2003-2019 Novartis AG, Technical Operations  
2019 Head Process Unit Galenic in Aseptic MFG, Stein (CH)  
2018 Head Strategic Planning & PMO in Aseptic MFG, Stein (CH)  
2016 Head Drug Product Supply of Sterile Network, Stein (CH)  
2013 Plant Head (greenfield) in Aseptic MFG, Schafftenau (A)  
2011 Head Quality System in Chemical Operations, Basel (CH)  
2003 Managerial roles in Sterile Production  
(e.g. Process Manager), Stein (CH)  
1998 Methods Engineer, F. Hoffmann-La Roche AG

## 3 Mandates

According to Art. 14 of the Articles of Association [https://ir.skand.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skand.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf), the maximum number of mandates is limited to one mandate in listed companies, five mandates in large non-listed companies and fifteen mandates in other legal entities. If mandates are exercised in several legal entities of a single group or on behalf of a group, these are counted as one mandate. Short-term exceedances are permitted.

## 4 Management contracts

SKAN Group has not concluded any management contracts with third parties.



From left to right:  
Burim Maraj, Cornelia Henny-Weiss, Sascha Pawel, Philippe Jérôme, Martin Steegmüller, Marina Häni, Thomas Zinn,  
Ralf Krämer, Thomas Huber, Maria Cuevas Otero

# 5 Compensation, investments and loans

## 1 Content and method for determining compensation and participation programs

Details regarding the principles and elements of compensation and participation programs for current and former members of the Board of Directors and Management of the SKAN Group as well as the responsibility and method for their determination are provided in section 2 and 3 of the separate compensation report.

## 2 Rules in the Articles of Association

### 2.1 Rules in the Articles of Association concerning the principles governing performance-based compensation and the allocation of equity securities, conversion rights and option rights as well as the supplementary amount for the compensation of members of Management who are appointed after the vote of the general meeting on compensation

Details regarding performance-based compensation, e.g. the granting of participation instruments, conversion and option rights as well as the supplementary amount for the compensation of members of Management are provided in section 2 and 3 of the separate compensation report.

### 2.2 Rules in the Articles of Association concerning loans, credits and pension benefits to members of the Board of Directors and Management

Loans, credits and pension benefits to members of the Board of Directors and Management are shown in sections 3.2 and 3.4 of the separate compensation report.

### 2.3 Rules in the Articles of Association concerning the vote of the general meeting on compensation

Details regarding the rules on the vote of the general meeting on compensation are provided in Art. 20 of the Articles of Association [https://ir.skand.com/download/companies/skan-ag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skand.com/download/companies/skan-ag/CorporateGovernance/SKAN_Statuten_EN.pdf) and in section 2 of the separate compensation report.

# 6 Shareholders' participation rights

## 1 Voting rights restrictions and representation

Each shareholder who is registered in the share register on the day of the general meeting is entitled to participate and vote at the general shareholder meeting. Nominees have the same rights as the other shareholders provided that the conditions set out in section 2.6.3 of this report are met.

The Board of Directors may refuse to recognize a shareholder or beneficial owner with voting rights if the shareholder, together with his or her shares already registered as having voting rights, would exceed the threshold of 20% of all registered shares entered in the commercial register. With the remaining shares, the acquirer is entered in the share register as a shareholder or beneficiary without voting rights.

Joint acting shareholders linked by capital, voting power, management or otherwise, and all natural or legal persons or communities of persons acting in a coordinated manner by agreement, syndication or otherwise with a view to circumventing the percentage limit, shall be deemed to be one person.

The registration limitation applies subject to Art. 652b para. 3 and Art. 653c para. 3 CO also in the case of the acquisition of registered shares upon the exercise of subscription rights, options and conversion rights. The limitation does not apply to the acquisition of shares by inheritance, division of inheritance or matrimonial property law.

No exceptions were granted during the year under review.

Amending or removing voting right restrictions requires a resolution of the general meeting passed by at least 2/3 of the votes represented.

Shareholders may be represented at the general meeting by a third party who does not need to be a shareholder or by the independent proxy. A written power of attorney is required for representation. The Board of Directors determines the requirements for powers of attorney and instructions in detail, whereby it may also provide for electronic powers of attorney without a qualified electronic signature. The Board of Directors announces, at the latest in the invitation to the general meeting, the details and cut-off date for the granting of written and elec-

tronic powers of attorney and instructions to the independent proxy. Elections and votes may be conducted electronically by resolution of the General Meeting or by order of the chairperson. The chairperson may at any time have an open ballot or election repeated by written and/or electronic ballot if, in his/her opinion, there is any doubt as to the result of the vote.

# 7 Change of control and defensive measures

## 2 Quorums required by the articles of association

The general meeting passes its resolutions and carries out its elections by an absolute majority of the votes cast (excluding abstentions and invalid votes), unless otherwise required by law.

In the event of an election undecided in the first ballot and more than one candidate standing for election, a second ballot will be held in which the relative majority decides.

A majority of at least 2/3 of the votes represented and of the absolute majority of the nominal value of shares represented is necessary to pass a resolution on the following agenda items:

- the modification of the Company's purpose;
- the introduction or cancellation of shares with preferential voting rights;
- the limitation of the transferability of registered shares and any change and the cancellation of such a limitation;
- the limitation of the exercising of the voting right, any change and the cancellation of such a limitation;
- an authorized or conditional capital increase;
- the capital increase from shareholders' equity, against a contribution in kind or for the purpose of acquiring assets and the granting of special privileges;
- the limitation or cancellation of the subscription right;
- the change of the Company's registered office;
- the dissolution of the Company;
- the delisting of equity securities; and
- the introduction of an arbitration clause in the Articles of Association.

The passing of resolutions on mergers, demergers and conversions is governed by the provisions of the Merger Act.

## 3 Convening the general meeting

The general meeting is convened by the Board of Directors at the latest 20 days before the day of the meeting through an announcement in the Swiss Official Gazette of Commerce. Meetings may also be convened through a letter or a means of electronic data transmission (incl. e-mail or fax) to all shareholders registered in the share register. The notice convening the meeting shall indicate, besides the date, time and place of the meeting, the agenda items as well as the proposals issued by the Board of Directors and shareholders who have requested the holding of a general meeting or the placing of an item on the agenda. No resolutions may be passed on items that have not been announced correspondingly; with the exception of requests to convene an extraordinary general meeting or to conduct a special audit.

## 4 Inclusion of items on the agenda

Shareholders who represent together at least 0.5% of the share capital or the votes may request the placing of an item on the agenda. This must take place in writing at least 45 days before the meeting by stating the agenda items and the proposals.

## 5 Entries in the share register

The Board of Directors announces, at the latest in the invitation to the general meeting, the cut-off date of the entry in the share register relevant for the right to attend and vote.

## 1 Duty to make an offer

The obligation to make a public bid pursuant to Art. 135 FMIA (as amended) only exists if the threshold of 49% of the voting rights is exceeded (opting-up).

## 2 Clauses on change of control

There are no clauses on change of control in favour of the members of the Board of Directors, Management or other executives of the SKAN Group.

The Board of Directors may refuse to recognize a shareholder or beneficial owner with voting rights if the shareholder, together with his or her shares already registered as having voting rights, would exceed the threshold of 20% of all registered shares entered in the commercial register. With the remaining shares, the acquirer is entered in the share register as a shareholder or beneficiary without voting rights.

# 8 Statutory auditor

## 1 Duration of mandate and term of office of the auditor-in-charge

BDO AG has been the statutory auditor of SKAN Group AG and thus of SKAN Group since 2014. Joseph Hammel licensed audit expert has been auditor-in-charge since 2022. As defined in Art. 730a of the Swiss Code of Obligations (CO), the auditor-in-charge shall remain in office for a maximum of seven years and the statutory auditor shall be re-appointed each year for another year. Re-appointment is permitted.

## 2 Audit fees

The total audit fees charged by the statutory auditors in the year under review amounted to CHF 226'000 (PY: CHF 190'988). This includes the audit of the consolidated financial statements as well as the audit of all of the Group's material subsidiaries.

## 3 Additional fees

In the year under review there were additional fees of CHF 42'000 for advisory and tax services (PY: CHF 209'909 related to IPO topics).

## 4 Information instruments of the statutory auditor

The statutory auditor reports in writing to the Board of Directors upon completion of the interim audit as well as upon completion of the final audit. If need be, the Board of Directors may approach the statutory auditor at any time and request information.

The Audit Committee supports the Board of Directors in its ultimate supervision of the statutory auditors. The powers and duties of the Audit Committee are set out in the Audit Committee Regulations, which can be found in Annex 3 to the Organizational Regulations <https://ir.skan.com/websites/skan/English/7000/corporate-governance.html>.

In the year under review, the statutory auditor attended three meetings of the Audit Committee.

# Information policy

The SKAN Group communicates with and informs the shareholders, investors and the public in a transparent, prompt and open manner. In this respect, various information channels are available.

Notices of SKAN Group AG to the shareholders are made in the organ of publication, the Swiss Official Gazette of Commerce. In addition, notices may be given by letter or electronic data transmission (incl. e-mail or fax) to the addresses recorded in the share register, provided that their names and addresses are known.

## The following information events are scheduled:

- Presentation of the year-end results (28th March 2023): the Annual Report is published, an ad hoc announcement is published, a press and analyst conference is held
- General shareholder meeting of the SKAN Group (3<sup>rd</sup> May 2023)
- Presentation of the mid-year results (22<sup>nd</sup> August 2023): the Half-Year Report is published, an ad hoc announcement is published, a press and analyst call is held

The financial calendar is available online under the following link: <https://ir.skan.com/websites/skan/English/8000/investor-calendar.html>

Apart from the above-mentioned information events, the SKAN Group provides information during the year on significant events through press releases and shareholder letters. According to SIX Swiss Exchange AG, all SIX-listed companies are subject to the ad-hoc publication rules of the SIX Exchange Regulation.

## Other sources of information:

- Website <http://www.skan.com/>. Information publicly available at all times on the key facts and figures of the SKAN Group.
- Events <https://ir.skan.com/websites/skan/English/8000/investor-calendar.html>. All relevant events are published here (general shareholder meeting, press conferences, etc.)
- E-Mail Update Service <https://ir.skan.com/websites/skan/English/9000/skan-investor-relations.html>. Interested parties may register free-of-charge for the E-Mail Update Service.
- Press releases <https://ir.skan.com/websites/skan/English/5000/press-releases.html>. All published press releases are also made available simultaneously on SKAN's website.

## Contact details:

SKAN Group AG  
Investor Relations  
Kreuzstrasse 5  
4123 Allschwil  
Tel +41 43 268 32 32  
Mail [ir@skan.com](mailto:ir@skan.com)

# Blackout Periods

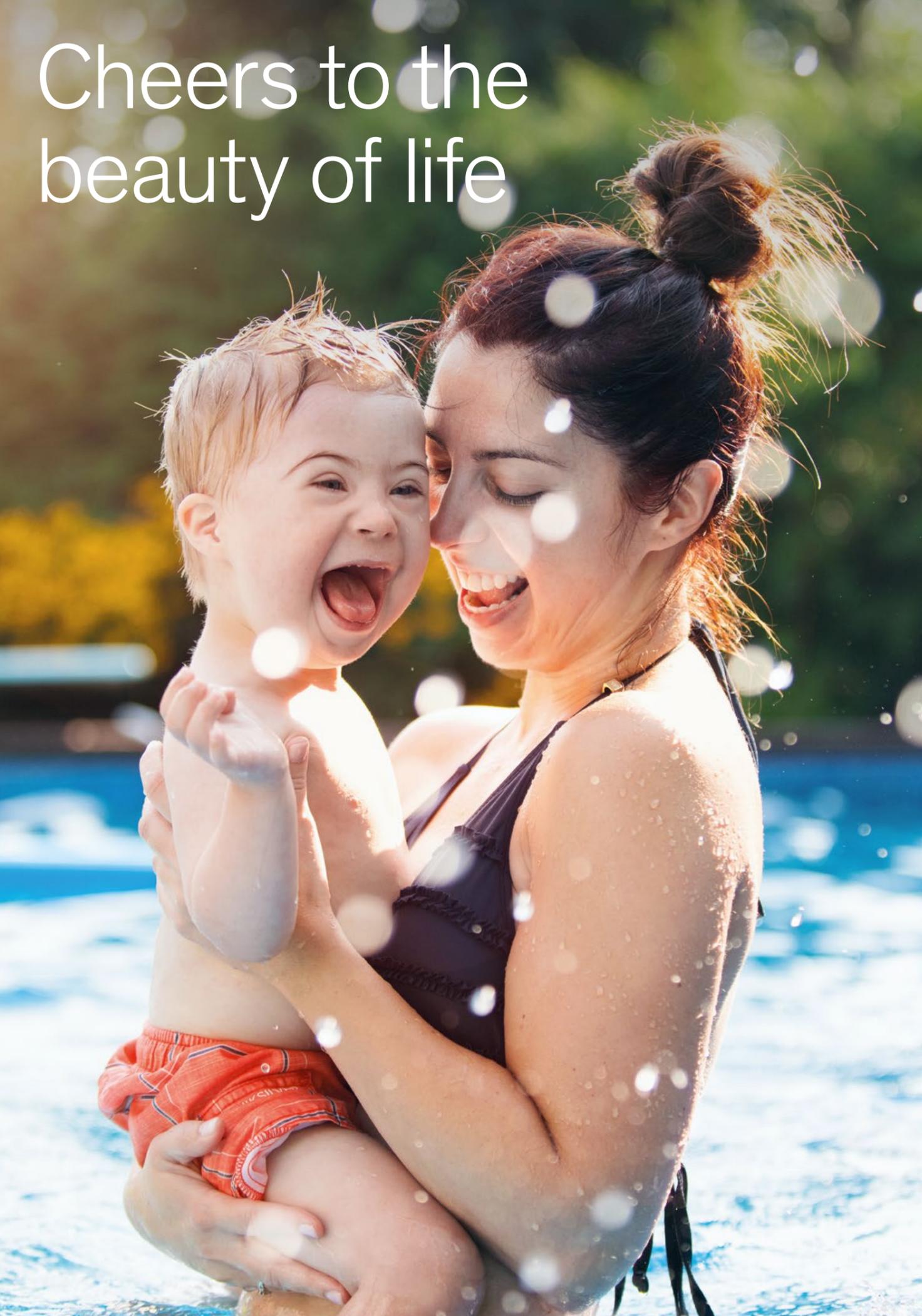
SKAN Group AG has defined general blackout periods for trading in SKAN Group AG's shares; any other securities issued by the Company, including standardized certificated or uncertificated securities, derivatives and book entry securities, which are suitable for mass trading and which are admitted for trading on SIX or another trading venue in Switzerland (for example SIX-listed bonds); and any derivatives and other financial instruments derived from any of these securities, including any option or conversion rights or any other financial instruments whose price is materially dependent on the shares of the Company. The general blackout periods apply to employees of the SKAN Group as well as their auxiliary persons (e.g. consultants, auditors) and the Board of Directors and last from 1 June for the half-year financial statements and from 1 December for the full-year financials until the trading day after the publication of the relevant financial statements.

# Material changes since the balance sheet date

No significant events occurred after the balance sheet date of 31.12.2022.



Cheers to the  
beauty of life











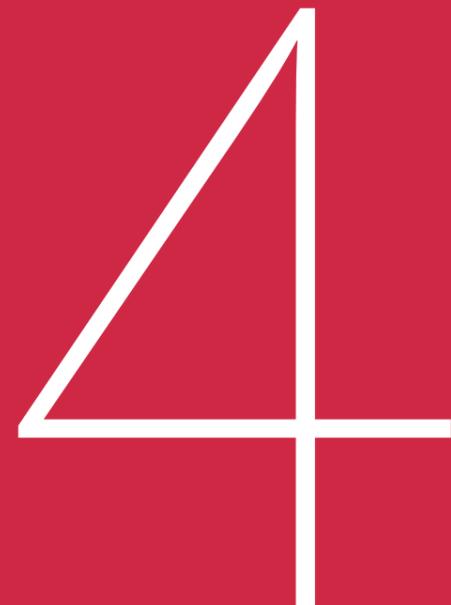


Life is a wondrous journey full of highs and lows, surprises and challenges that give us the opportunity to develop and grow. The many experiences we have every day and the relationships we build with the people around us are what makes it so beautiful. These are the things we want to protect and preserve for a lifetime. Let's do it together.

SKAN – to secure and protect life

# Compensation Report

The compensation report of SKAN Group AG provides an overview of the compensation policy, the compensation governance as well as the compensation principles and elements of SKAN Group AG. Furthermore, the report discloses the compensation of the members of the company's board of directors (Board of Directors) and the executive management (Executive Management) for the 2022 financial year and shows the shareholdings of these persons in SKAN Group AG as per 31 December 2022. The report is compliant with the provisions of the Ordinance against Excessive Compensation in Listed Stock Corporations, SR 221.331 (OaEC), the SIX Swiss Exchange (SIX) Directive on Information Relating to Corporate Governance (DCG), as well as the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse (SCBP).



SKAN Group AG's compensation policy aims to align the interests of the members of the Board of Directors and Executive Management with those of the company and its shareholders. Accordingly, the compensation is designed to attract, promote and retain highly qualified executives and specialists in order to ensure competitiveness and long-term success of the company. To reach such goals the Board of Directors has opted for a compensation system that is characterized by fairness, transparency and simplicity. Consistent with these basic principles, SKAN Group AG rewards outstanding performance appropriately and in line with market practice, while at the same time focusing on sustainable and long-term value creation.

## 1 Rules regarding compensation in the articles of association

The articles of association of SKAN Group AG (Articles of Association) [https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN\\_Statuten\\_EN.pdf](https://ir.skan.com/download/companies/skanag/CorporateGovernance/SKAN_Statuten_EN.pdf) contain, among others, the following provisions regarding compensation required by the OaEC:

- The approval of the maximum total amounts of compensation to the Board of Directors and the Executive Management by the company's general meeting (General Meeting) (Art. 20 para. 1),
- the details of the further procedure in the event of a rejection of the maximum total amounts of compensation by the General Meeting (Art. 20 para. 7),
- the principles applicable to performance-related compensation and to the allocation of equity securities, convertible rights and options (Article 20 para. 2, 3 and 10),
- the additional amount for payments to members of the Executive Management appointed after the approval of the maximum total amount of compensation of the Executive Management (Article 20 para. 4 and 5),
- the maximum duration or notice period of the agreements underlying the compensation for the members of the of the Board of Directors and the Executive Management (Art. 20 para. 9),
- the composition and tasks of the Nomination and Compensation Committee (NCC) (Article 21).

## 2 Involvement of shareholders

The Board of Directors submits three compensation-related proposals to the general meeting for approval, namely:

- on a consultative vote for the compensation report of the preceding financial year;
- on the maximum aggregate amount of compensation of the Board of Directors for the period until the next general meeting;
- on the maximum aggregate amount of compensation of the Executive Management for the following financial year.

### 3 Nomination and Compensation Committee (NCC)

The NCC deals with the compensation strategy and the performance goals and criteria of the company. In particular, it supports the Board of Directors in determining and evaluating the compensation system and the compensation principles and in preparing the proposals to the General Meeting for approval of the compensation in accordance with Article 20 of the Articles of Association. The committee prepares the relevant resolutions and submits proposals to the Board of Directors. The ultimate responsibility for the powers and tasks assigned to the NCC thus remains with the Board of Directors. The individual powers and tasks of the NCC in the area of compensation are set out in Section 1 of the annex 2 of the company's organisational regulations (Organisational Regulations).

Further details on the NCC can be found in Section 3.5.3, p. 80 of the Corporate Governance Report.

### 4 Compensation determination process

The Board of Directors determines annually the compensation of its members upon proposal of the NCC and within the limits of the maximum total amount approved by the General Meeting.

The compensation of the members of the Executive Management is determined each year – within the limits of the maximum total amount approved by the General Meeting – by the Board of Directors based on a proposal of the NCC, whose proposal in turn is based on a motion of the CEO concerning the other members of the Executive Management, the NCC submits a proposal directly to the Board of Directors regarding the compensation of the CEO.

Specifically, the NCC recommends to the Board of Directors the performance metrics applicable to the CEO, assesses the CEO's performance during the relevant period based on these metrics and proposes to the Board of Directors the compensation for the CEO based on this assessment. The performance metrics applicable to the other members of the Executive Management are determined by the CEO. The NCC, taking into account the recommendations of the CEO, reviews and recommends to the Board of Directors the individual compensation of the other members of the Executive Management based on the assessment made by the CEO.

The impact, attractiveness and competitiveness of the compensation programmes for the members of the Executive Management are reviewed at least biennially. An overview of the decision-making powers regarding the compensation of the members of the Board of Directors and the Executive Committee is set out in the table on the right:

Topic	CEO	NCC	Board of Directors	General meeting
Compensation strategy		prepares/proposes	decides	
Compensation guidelines and programmes		prepares/proposes	decides	
Performance goals and criteria of the group		prepares/proposes	decides	
Maximum aggregate compensation amounts of Board of Directors and Executive Management		prepares	prepares/proposes	decides
Individual compensation of members of Board of Directors		prepares/proposes	decides	
Performance metrics and goals applicable to CEO		prepares/proposes	decides	
Performance assessment of CEO		decides		
Individual compensation of CEO		prepares/proposes	decides	
Definition of performance metrics and goals applicable to members of Executive Management except CEO	decides			
Performance assessment of members of Executive Management except CEO	decides			
Individual compensation of members of Executive Management except CEO	proposes	prepares/proposes	decides	
Compensation report	proposes	prepares/proposes	decides	

The Chairman of the NCC reports to the Board of Directors at board meetings on its activities and matters within its area of responsibility. Moreover, the minutes of the meetings of the NCC are sent to all members of the Board of Directors.

As a rule, the members of the NCC and the Board of Directors attend and vote at the meetings at which their own compensation is discussed and decided.

# 2 Compensation principles and elements

## 1 Board of Directors

The members of the Board of Directors receive a fixed lump-sum compensation. The Board of Directors determines the amount upon proposal of the NCC at its own discretion. For its proposal the NCC takes into account the responsibilities and functions of the members. The chairmanship of the Board of Directors as well as the membership and the chairmanship in committees are additionally compensated.

The following table shows an overview of the compensation for the individual functions within the Board of Directors, valid as from the AGM 2022:

Function	Compensation per year of office in CHF
Board membership (basic fee)	35'000
Board chairmanship	25'000
Committee membership	7'500
Committee chairmanship	15'000

The board and committee fees also cover all expenses of the members of the Board of Directors. There is no additional reimbursement of expenses. The compensation of the members of the Board of Directors is paid 100% in cash. Payment is made annually in arrears.

For the compensation of the Board of Directors, the company pays the compulsory social insurance contributions to the Old-age and survivors' insurance (AHV) and Unemployment insurance (ALV). No contributions to pension funds are made.

Additionally the compensation awarded to the members of Board of Directors in office during the listing of the shares of the company under the name of BV Holding AG on BX for the time period between 1 January 2021 and their resignation as per 4 October 2021 consisted of a fixed lumpsum in cash of CHF 15'000 for the members and CHF 40'000 for the chairman as well as meeting attendance fee of CHF 250 per meeting and the mandatory social security contributions (see Section 3.1 below).

## 2 Executive Management

### 2.1 Members as per 4 October 2021

The compensation of the members of the executive management of the company consists of the basic compensation (salary) and a variable salary, both in cash.

The variable salary is limited to 5 times the monthly salary which is paid out 13 times a year. The amount of the individual basic compensation (salary) is determined by the Board of Directors at its discretion (based on proposals of the NCC, whose proposal in turn is based on a corresponding motion of the CEO concerning the other members of the Executive Management). For their proposals to the Board of Directors, the NCC and the CEO, respectively, take into account market practice, the responsibility and performance of each member. The basic compensation (salary) is paid out in thirteen instalments, whereof twelve instalments at the end of each month and one additional instalment in November.

For the determination of the variable salary the financial performance of the company and the average personal performance of all employees eligible for a variable salary during the performance period (i.e. the previous financial year) are assessed against the relevant performance goals. The performance goals relevant for the following financial year and their weighting are proposed each year in the 4th quarter by the NCC to the Board of Directors for approval (with regard to the CEO) and determined by the CEO respectively (with regard to the other members of the Executive management). The financial goal based on the EBIT is weighted at 70% and the personal goal at 30%. For the personal goal, the average goal achievement for all variable salary eligible employees determines the relevant goal achievement level for each individual Executive Management member (incl. CEO). The bonus limit is with 140%/ five times the monthly salary. In 2022 the total goal achievement was 105%.

The variable salary is paid out upon approval of the annual financial statements by the annual General Meeting. The following chart gives an overview of the mechanics of the variable salary.

For the compensation of members of the Executive Management (incl. the CEO) the company pays the compulsory social insurance contributions. The members (incl. the CEO) are covered by the company's pension plan for the Executive Management.

### 2.2 Changes in the Executive Management in 2022

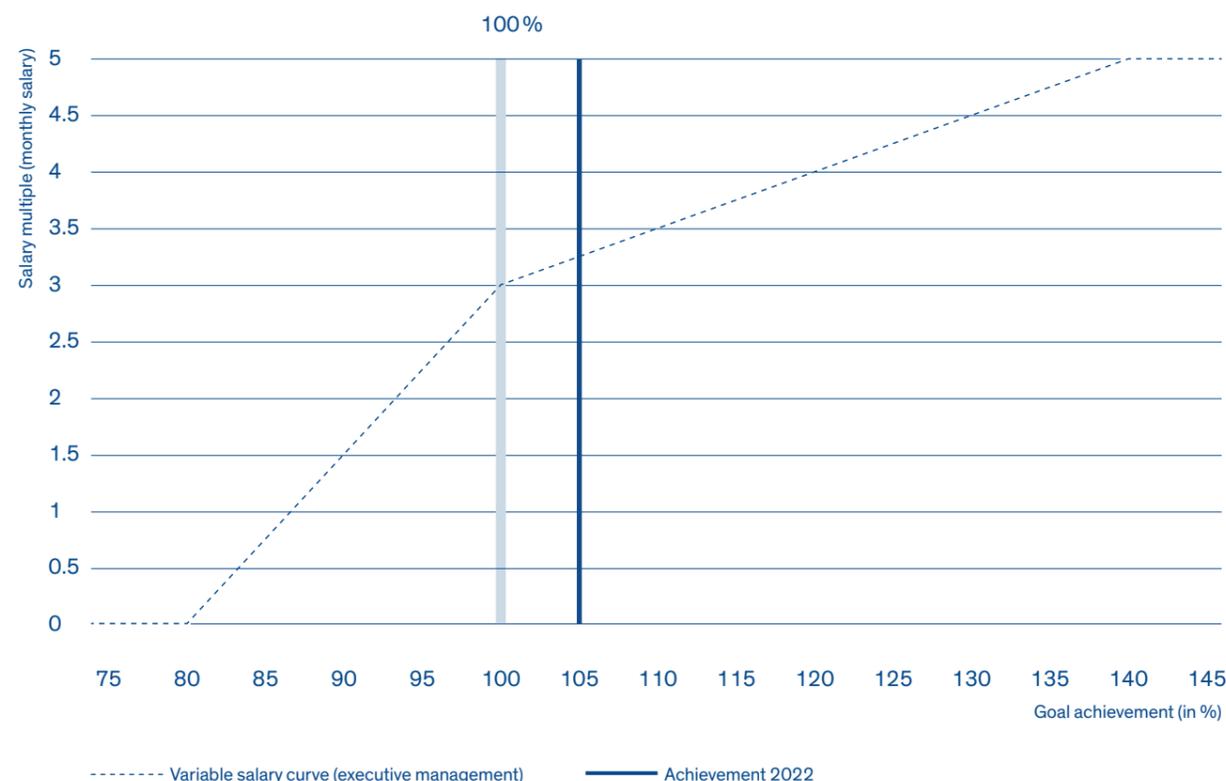
→ Ralf Krämer was appointed for the position as Chief Technology Officer of the SKAN Group as of 1 April 2022. He replaces Bernd Naumann, who had been a member of the SKAN Group's Executive Management since 2009.

→ As of 1 August 2022, Marina Häni was appointed for the position as Chief People & Culture Officer, succeeding Fabienne Schmid, who had been Chief Of-

ficer HR at SKAN since 2013 and a member of the Executive Management since 2016.

→ Michel Gasser resigned as Group Chief Service Officer (CSO) as per 2 September 2022. Burim Maraj and Philippe Jérôme have taken over as Group CSO on an interim basis until 31 January 2023. As of 1 February 2023 Maria Cuevas Otero joined SKAN as Group CSO.

## Mechanics of variable salary





SKAN

# 3 Compensation 2022

## 1 Compensation to the Board of Directors

The following table shows the compensation awarded to the members of the Board of Directors for 2022 and the

previous financial year as applicable (incl. the members in office during the listing of the shares of the company under the name of BV Holding AG on BX, who resigned as per 4 October 2021).

2022 In CHF	Fixed compensation	Social security contribution <sup>2</sup>	Total compensation
Dr. Gert Thoenen, Chairman and member of NCC	64'813	5'374	70'187
Oliver Baumann, member and member of NCC	39'780	5'440	45'220
Cornelia Gehrig, member and chairwoman of AC <sup>1</sup>	50'000	0	50'000
Thomas Huber, member	32'970	4'060	37'030
Dr. Beat Lüthi, member and chairman of NCC	46'800	6'400	53'200
Gregor Plattner, member and member of AC	39'780	5'440	45'220
Patrick Schär, member and member of AC	39'780	5'440	45'220
<b>Total</b>	<b>313'923</b>	<b>32'154</b>	<b>346'077</b>

<sup>1</sup> Board compensation is invoiced through the GmbH of Cornelia Gehrig. No social security deduction is made.

<sup>2</sup> The social security contribution includes the employee and employer portion.

2021 In CHF	Fixed compensation*	Social security contribution <sup>3</sup>	Total compensation
<b>In office since 4 October 2021</b>			
Dr. Gert Thoenen, Chairman and member of NCC	15'405	2'107	17'512
Oliver Baumann, member and member of NCC	9'700	1'326	11'026
Cornelia Gehrig, member and chairwoman of AC <sup>1</sup>	12'192	0	12'192
Thomas Huber, member	8'039	990	9'029
Dr. Beat Lüthi, member and chairman of NCC	11'411	1'561	12'972

Gregor Plattner, member and member of AC	9'700	1'326	11'026
Patrick Schär, member and member of AC <sup>2</sup>	9'700	1'326	11'026
<b>In office until 4 October 2021</b>			
Ernst Balmer, Chairman	40'750	3'268	44'018
Dr. h.c. Willy Michel, member	15'750	0	15'750
Dr. Rubino Mordasini, member	15'750	0	15'750
Thomas Plattner, member	15'750	0	15'750
<b>Total member newly elected on 4 October 2021</b>	<b>76'147</b>	<b>8'637</b>	<b>84'784</b>
<b>Total members resigned on 4 October 2021</b>	<b>88'000</b>	<b>3'268</b>	<b>91'268</b>
<b>Total</b>	<b>164'147</b>	<b>11'905</b>	<b>176'052</b>

\* incl. meeting attendance fees for members who resigned as per 4 October 2021

<sup>1</sup> Board compensation is invoiced through the GmbH of Cornelia Gehrig. No social security deduction is made.

<sup>2</sup> The table shows only the compensation to Mr Patrick Schär in 2021 in his function as member of the Board of Directors. He was only member of the Executive Management during the listing of the shares of the company under the name of BV Holding AG on BX until 4 October 2021.

<sup>3</sup> The social security contribution includes the employee and employer portion.

Compensation has increased by CHF 170'025 compared to the previous year due to higher annual compensation.

The Annual General Meeting of 4 May 2022 approved the maximum aggregate amount of compensation of CHF 550'000 (including a reserve of CHF 150'000 for additional services) for the Board of Directors for the time period between the Annual General Meeting 2022 and the Annual General Meeting 2023. The compensation awarded until the Annual General Meeting 2023 to the members of the Board of Directors of CHF 346'077 is within this limit.

## 2 Additional Information on Compensation to the Board of Directors

The Company does not grant loans or credits to current or former members of the Board of Directors or persons closely related to them. Accordingly, no such loans or credits were outstanding on 31 December 2022.

In the 2022 financial year, no compensation was awarded to former members of the Board of Directors or persons closely related to current or former members of the Board of Directors.

## 3 Compensation to the Executive Management

The following table shows the compensation awarded to the highest paid member and the remaining members of the Executive Management for 2022 and the previous year as applicable (incl. the only executive manager during the listing of the shares of the company under the name of BV Holding AG on BX who resigned as per 4 October 2021):

2022 In CHF	Fixed basic compensation (salary)	Variable bonus	Other benefits <sup>2</sup>	Social security contribution <sup>4</sup>	Total compensation
Thomas Huber, CEO <sup>1</sup>	485'458	137'046	19'502	273'104	915'110
Other members of the Executive Management	2'157'024	509'430	234'064	1'146'281	4'046'798
<b>Total</b>	<b>2'642'482</b>	<b>646'476</b>	<b>253'566</b>	<b>1'419'385</b>	<b>4'961'909</b>

2021 In CHF	Fixed basic compensation (salary)	Variable bonus	Other benefits <sup>2</sup>	Social security contribution <sup>4</sup>	Total compensation
Patrick Schär, CEO <sup>3</sup> until 4 October 2021	191'886	120'933	15'843	66'800	395'462
All other members of Executive Management, i.e. ten members of the Executive Management of the company's wholly owned subsidiary SKAN Holding AG, who became members of the Executive Management as of 4 October 2021	511'915	142'392	54'497	286'648	995'452
<b>Total</b>	<b>703'801</b>	<b>263'325</b>	<b>70'340</b>	<b>353'448</b>	<b>1'390'914</b>

<sup>1</sup> Does not include any compensation for the activities as member of the Board of Directors.

<sup>2</sup> Other benefits comprise a car allowance and if eligible a seniority gift. In case of the individuals who became members of the Executive Management as of 4 October 2021 - a fuel card and lump-sum compensation is included as well.

<sup>3</sup> Highest paid member of Executive Management in 2021. Fixed basic compensation is shown net (without social security contribution) in 2021. No longer part of Executive Management in 2022.

<sup>4</sup> The social security contribution includes the employee and employer portion.

Compensation has increased by CHF 3'570'995 compared to the previous year due to a significant increase in the average number of executive management members in 2022.

The variable bonus of the CEO (Thomas Huber) and the other members of the Executive Management in the 2022 financial year amounted to 22.3% of the fixed compensation.

The General Meeting of 4 May 2022 approved the maximum aggregate amount of compensation of CHF 7'550'000 for the Executive Management for the 2022 financial year. The compensation awarded until 31 December 2022 to the members of the Executive Management is within this limit.

## 4 Additional Information on Compensation to the Executive Management

The company does not grant loans or credits to current or former members of the Executive Management or persons closely related to them. Accordingly, no such loans or credits were outstanding on 31 December 2022.

In the 2022 financial year, no compensation was awarded to former members of the Executive Management or persons closely related to current or former members of the Executive Management. The members of the Executive Management have employment agreements with a six months notice period. They are not entitled to severance payments.

# 4 Share ownership

## 1 Board of Directors

The following table shows the number of shares in SKAN Group AG held by the individual members of the Board of Directors and persons closely related to them as per 31 December 2022 with the previous year figures.

	Function	Number as per 31.12.2022	In % of share capital	Number as per 31.12.2021	In % of share capital
Dr. Gert Thoenen	Chairman	318'174	1.4%	331'174	1.5%
Oliver Baumann	Member	0	0%	0	0%
Cornelia Gehrig	Member	85	0%	0	0%
Thomas Huber	Member	See table under Section 4.2			
Dr. Beat Lüthi	Member	0	0%	0	0%
Gregor Plattner	Member	2'385'737	10.6%	636'504	2.8%
Patrick Schär	Member	1'000	0%	1'000	0%

In scope of audit opinion

## 2 Executive Management

The following table shows the number of shares in SKAN Group AG held by the individual members of the Executive Management and persons closely related to them as per 31 December 2022 with the previous year figures.

	Function	Number as per 31.12.2022	In % of share capital	Number as per 31.12.2021	In % of share capital
Thomas Huber	CEO	683'905	3.0%	683'905	3.0%
Michel Gasser <sup>1</sup>	CSO	n/a	n/a	2'625	0%
Marina Häni <sup>2</sup>	CPCO	0	0%	n/a	n/a
Cornelia Henry-Weiss	COO	0	0%	0	0%
Philippe Jérôme	CMO	47'325	0.2%	47'325	0.2%
Ralf Krämer <sup>2</sup>	CTO	0	0%	n/a	n/a
Burim Maraj	CFO	20'489	0.1%	20'489	0.1%
Bernd Naumann <sup>1</sup>	CTO	n/a	n/a	45'946	0.2%
Sascha Pawel	CIO	140'686	0.6%	183'786	0.8%
Fabienne Schmid <sup>1</sup>	CO HR	n/a	n/a	26'247	0.1%
Martin Steegmüller	CPO & CDO	5'218	0%	5'218	0%
Thomas Zinn	CCO	0	0%	0	0%

In scope of audit opinion

<sup>1</sup> Resigned in 2022; is not a member of Executive Management as of 31 December 2022. Therefore no disclosure.

<sup>2</sup> Member of Executive Management in 2022. Therefore no disclosure for 2021.



Phone +41 31 327 17 17  
www.bdo.ch  
bern@bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Bern

## REPORT OF THE STATUTORY AUDITOR

To the general meeting of SKAN Group AG, Allschwil

### Report on the Audit of the Compensation Report

#### Opinion

We have audited the Compensation Report of SKAN Group AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on compensation, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Compensation in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) contained in the tables labeled "in scope of audit opinion" on pages 126 to 131 of the Compensation Report.

In our opinion, the information on compensation, loans and advances in the enclosed Compensation Report defined as subject to audit 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 Compensation 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 labeled "in scope of audit opinion" in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Compensation 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 Compensation 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 Compensation 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 Compensation Report

The board of directors is responsible for the preparation of a Compensation 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 Compensation Report that is free from material misstatement, whether due to fraud or error. The board of directors is also responsible for designing the compensation system and defining individual compensation packages.

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.



Phone +41 31 327 17 17  
www.bdo.ch  
bern@bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Bern

### Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information on compensation, 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 Compensation 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 Compensation 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.

Bern, 28 March 2023

BDO Ltd

Joseph Hammel  
Auditor in charge  
Licensed Audit Expert

Dennis Kanwar  
Licensed Audit Expert

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.

# Financial Statements





# Consolidated Financial Statements SKAN 2022

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# Consolidated Income Statement

in CHF thousands	Note	2022		2021	
Net sales from goods and services	1.1/1.2	276'955	100%	234'265	100%
Change in inventory of finished, unfinished goods and work in progress		4'311		3'894	
Material and external services	1.3	-80'771		-68'051	
Gross Profit		200'495	72%	170'108	73%
Personnel expenses	1.3	-124'860		-107'737	
Other operating expenses	1.3	-35'482		-31'689	
EBITDA		40'154	14%	30'682	13%
Depreciation	2.4	-8'776		-6'187	
Amortisation	2.6	-1'917		-1'440	
Operating Result (EBIT)		29'461	11%	23'055	10%
Financial expenses	3.7	-5'760		-4'687	
Financial income	3.7	1'540		5'234	
Income from associates	4.1	0		1'124	
Ordinary Result / Profit Before Income Taxes (EBT)		25'241	9%	24'726	11%
Income taxes	1.4	-3'796		-3'328	
Profit For The Period		21'446	8%	21'398	9%
Profit attributable to minority interests		2'460		10'782	
Profit attributable to shareholders of SKAN Group AG		18'986		10'616	
Basic and diluted earnings per share in CHF	1.5	0.84		0.84	



# Consolidated Balance Sheet

in CHF thousands	Note	31.12.2022		31.12.2021 <sup>1</sup>	
Cash and cash equivalents	3.1	110'982		131'539	
Fixed term deposit	3.1	25'000		0	
Trade receivables	2.1	26'039		23'301	
Other current receivables	2.1	8'630		8'555	
Inventories	2.2	37'309		23'850	
Work in progress	2.3	70'889		51'000	
Prepayments and accrued income	2.1	14'991		16'821	
<b>Total Current Assets</b>		<b>293'840</b>	<b>76%</b>	<b>255'065</b>	<b>77%</b>
Property, plant and equipment	2.4	88'045		73'326	
Financial assets	2.5	2'251		918	
Intangible assets	2.6	3'358		2'614	
Deferred tax assets	1.4	857		0	
<b>Total Non-Current Assets</b>		<b>94'510</b>	<b>24%</b>	<b>76'858</b>	<b>23%</b>
<b>Total Assets</b>		<b>388'351</b>	<b>100%</b>	<b>331'923</b>	<b>100%</b>

in CHF thousands	Note	31.12.2022		31.12.2021 <sup>1</sup>	
Trade payables	2.1	31'925		14'781	
Advance payments from customers <sup>1</sup>	2.3	124'590		77'122	
Current financial liabilities	3.3	1'609		1'095	
Other current liabilities	3.4	10'099		6'249	
Current provisions <sup>1</sup>	2.7	23'596		24'411	
Accrued liabilities and deferred income <sup>1</sup>	3.6	5'455		12'990	
<b>Current Liabilities</b>		<b>197'275</b>	<b>51%</b>	<b>136'647</b>	<b>41%</b>
Non-current financial liabilities	3.3	15'274		14'176	
Other non-current liabilities	3.5	6'727		3'809	
Deferred tax liabilities	1.4	2'891		1'898	
Non-current provisions	2.7	589		1'388	
<b>Non-Current Liabilities</b>		<b>25'481</b>	<b>7%</b>	<b>21'270</b>	<b>6%</b>
<b>Total Liabilities</b>		<b>222'756</b>	<b>57%</b>	<b>157'918</b>	<b>48%</b>
Share capital	3.2	225		225	
Capital reserves	3.2	120'093		123'671	
Retained earnings		36'980		35'849	
<b>Equity Attributable to Shareholders of SKAN Group AG</b>		<b>157'298</b>	<b>41%</b>	<b>159'745</b>	<b>48%</b>
Minority interests		8'297		14'261	
<b>Total Equity</b>		<b>165'595</b>	<b>43%</b>	<b>174'005</b>	<b>52%</b>
<b>Total Liabilities and Equity</b>		<b>388'351</b>	<b>100%</b>	<b>331'923</b>	<b>100%</b>

<sup>1</sup> The 2021 financial statements have been restated. The restatement is a reclassification in current liabilities. For further explanations see pages 150-151.

# Consolidated Cash Flow Statement

in CHF thousands	Note	31.12.2022	31.12.2021 <sup>1</sup>
Profit for the period		21'446	21'398
Depreciation and amortisation	2.4/2.6	10'692	7'627
Change of provisions (including deferred taxes) <sup>1</sup>		-528	17'875
Income from associates	4.1	0	-1'124
Other non-cash items		22	1'900
Gain on disposal of fixed assets		127	-4'049
Change of trade receivables		-3'157	-3'303
Change of inventories and work in progress		-35'761	3'389
Change of other receivables, prepayments and accrued income		786	11'365
Change of trade payables		17'586	-13'795
Change of other current liabilities, accrued liabilities and deferred income <sup>1</sup>		47'115	-30'558
Change of other non-current liabilities		3'158	-407
<b>Cash Flow from Operating Activities</b>		<b>61'483</b>	<b>10'317</b>
Outflows for purchase of fixed term deposit	3.1	-25'000	0
Outflows for property, plant and equipment	2.4	-26'129	-39'022
Inflows from disposal of property, plant and equipment		405	5'922
Outflows for purchase of financial assets		-1'428	-110
Inflows from disposal of financial assets		0	922
Outflows for purchase of intangible assets	2.6	-2'736	-3'585
Inflows from disposal of investments in associates	4.1	0	24'856
Outflows for purchase of Aseptic Technologies S.A.	4.1	-21'530	0
<b>Cash Flow from Investing Activities</b>		<b>-76'418</b>	<b>-11'017</b>

in CHF thousands	Note	31.12.2022	31.12.2021 <sup>1</sup>
Inflows/Outflows from capital increase (net)	3.2	-880	89'128
Outflows for capital reduction		0	-15'647
Distribution of profits to shareholders of SKAN Group AG		-5'396	-10'617
Distribution of profits to minority interests		-807	-3'223
Disposal of treasury shares		0	22
Issuance/Repayment of current financial liabilities		576	-50
Issuance/Repayment of non-current financial liabilities	3.3	1'661	7'871
<b>Cash Flow from Financing Activities</b>		<b>-4'846</b>	<b>67'484</b>
Net impact of foreign exchange rate differences on cash and cash equivalents		-774	937
<b>Change in Cash and Cash Equivalents</b>		<b>-20'556</b>	<b>67'721</b>
Cash and cash equivalents as at 1 January	3.1	131'539	63'818
Cash and cash equivalents as at 31 December	3.1	110'982	131'539
<b>Change in Cash and Cash Equivalents</b>		<b>-20'556</b>	<b>67'721</b>

<sup>1</sup> The 2021 financial statements have been restated. The restatement is a reclassification in current liabilities. Accordingly, there are reclassifications within the Cash Flow from Operating Activities. For further explanations see pages 150-151.

Cash and cash equivalents comprise current bank accounts, petty cash and short-term financial investments with an initial maturity of up to three months.

# Consolidated Statement of Changes in Equity

in CHF thousands	Share capital	Capital reserves	Treasury Shares	Goodwill offset	Other retained earnings	Retained earnings	Equity attributable to shareholders of SKAN Group AG	Minority interests	Total Equity
Balance as at 1 January 2021 (IFRS)	3'665	12'065	0	0	104'816	104'816	120'546	0	120'546
Swiss GAAP FER Adjustments	0	0	0	-41'008	-37'892	-78'900	-78'900	40'906	-37'994
Balance as at 1 January 2021 (FER)*	3'665	12'065	0	-41'008	66'925	25'917	41'647	40'906	82'553
Net profit for the period	0	0	0	0	10'616	10'616	10'616	10'782	21'398
Goodwill recycling	0	0	0	10'994	0	10'994	10'994	0	10'994
Dividends paid to minority interests	0	0	0	0	0	0	0	-3'223	-3'223
Sale of treasury shares	0	22	0	0	0	0	22	0	22
Capital reduction	-3'560	0	0	0	0	0	-3'560	0	-3'560
Dividends paid to shareholders of SKAN Group AG	0	-12'087	0	0	-10'617	-10'617	-22'704	0	-22'704
Increase in par value	103	0	0	0	0	0	103	0	103
Issuance of new shares	17	93'483	0	0	0	0	93'501	0	93'501
IPO-related costs charged to equity	0	-4'372	0	0	0	0	-4'372	0	-4'372
Acquisition of minority interests	0	34'560	0	0	0	0	34'560	-34'560	0
Currency translation differences	0	0	0	0	-1'061	-1'061	-1'061	356	-705
Balance as at 31 December 2021	225	123'671	0	-30'014	65'863	35'849	159'745	14'261	174'005

# Consolidated Statement of Changes in Equity

in CHF thousands	Share capital	Capital reserves	Treasury Shares	Goodwill offset	Other retained earnings	Retained earnings	Equity attributable to shareholders of SKAN Group AG	Minority interests	Total Equity
Balance as at 1 January 2022	225	123'671	0	-30'014	65'863	35'849	159'745	14'261	174'005
Net profit for the period	0	0	0	0	18'986	18'986	18'986	2'460	21'446
Dividends paid to minority interests	0	0	0	0	0	0	0	-807	-807
Dividends paid to shareholders of SKAN Group AG	0	-2'698	0	0	-2'698	-2'698	-5'396	0	-5'396
IPO-related costs charged to equity	0	-880	0	0	0	0	-880	0	-880
Aquisition of minority interests	0	0	0	0	-14'664	-14'664	-14'664	-6'866	-21'530
Currency translation differences	0	0	0	0	-492	-492	-492	-751	-1'243
Balance as at 31 December 2022	225	120'093	0	-30'014	66'994	36'980	157'299	8'297	165'595

\* Further information regarding equity is provided in Note 3.2.



# Notes to the Consolidated Financial Statements

## Information About the Report

This section provides a general understanding of the preparation and consolidation principles as well as an overview of the use of accounting applied by the management of SKAN Group AG (hereafter Management).

## General Information

SKAN Group AG (hereafter the Company) is a public limited company incorporated under Swiss law and is headquartered in Allschwil. Since 28 October 2021 the SKAN Group AG has been listed on the SIX Swiss Exchange with the security symbol "SKAN". Prior to the listing the Company and its shares were listed on BX Swiss as an investment company. With the first day of trading at SIX Swiss Exchange the Company was delisted from BX Swiss.

The SKAN Group (hereafter SKAN) is composed of SKAN Group AG and the subsidiaries presented in Note 4.2. SKAN is a leading systems provider in the field of cleanroom equipment and produces isolators for the pharmaceutical and chemical industry. SKAN isolator systems aim to protect the product, the employees and the environment during sterile and toxic applications in production, quality control as well as powder and substance processing.

The consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with Swiss GAAP FER and Swiss law and provide a true and fair view of the Group's assets, financial situation and earnings. The consolidated financial statements are presented in Swiss francs (CHF), unless stated otherwise.

The financial statements have been prepared under the historical cost convention, except where disclosed otherwise in the accounting policies and were prepared under the going concern assumption. The figures and especially the totals may contain rounding differences.

## Restatement

The Group's consolidated financial statements 2021 and certain notes herein have been restated. The provisions for "missing costs POC" and the provisions for "projects already fully invoiced" need to be disclosed in another line of the short-term liabilities. As of 31.12.2021 the provisions for "missing costs POC" and the provisions for "projects already fully invoiced"

were shown in the financial statement line "Current provisions". The provisions for "missing costs POC" relate to work already performed by a third party supplier, which is not yet invoiced (invoice not yet received by SKAN). The resulting project progress is reflected in the WIP. When the final invoice is received from the third party supplier, the effective project costs that have not yet been recognized are recognized in profit or loss and the provision recognized in advance is reversed at the same time (this results in a use of the provision that did not affect profit or loss). This "missing costs POC" are now disclosed in the financial statement line item "Accrued liabilities and deferred income".

The provisions for "projects already fully invoiced" relate to projects that have already been fully invoiced but the work has not yet been 100% completed. When the final invoice was issued, the advance payments already received were offset and the WIP was released. A corresponding provision was recognized for the work still to be performed (including margin). The "projects already fully invoiced" are now disclosed in the financial statement line item "Advance payment from customers". In the note 2.3 the projects are now shown in "Work in Progress" and "Advance payments from customers" until the project is fully finished - irrespective of whether the final invoice is sent to the customer or not.

In accordance with FER-framework/30 SKAN adapted the disclosure of the following balance sheet positions in 2021 without any impact on the result or other KPI's:

- Restatement of current provisions for long-term contracts to accrued liabilities and deferred income (kCHF 7'965)
- Restatement of current provisions for long-term contracts to advance payments from customers (kCHF 10'877)

At the same time, all related disclosures (such as the consolidated balance sheet, the consolidated cash flow statement and the notes to the consolidated financial statements) have been adjusted accordingly. All adjustments have been marked with a corresponding footnote.

in CHF thousands	31.12.2021 (reported)	Restatement	31.12.2021 (restated)
Trade payables	14'781		14'781
Advance payments from customers	66'245	10'877	77'122
Current financial liabilities	1'095		1'095
Other current liabilities	6'249		6'249
Current provisions	43'253	-18'842	24'411
Accrued liabilities and deferred income	5'025	7'965	12'990
<b>Current Liabilities</b>	<b>136'647</b>	<b>0</b>	<b>136'647</b>

## Reconciliation of equity and period result from IFRS to FER

In 2021, SKAN initially applied the accounting standard Swiss GAAP FER. The resulting effects of this transition on SKAN's equity is shown in the table below. For further information on this initial application, please refer to the notes in the consolidated financial statements of 2021.

in CHF thousands	1 January 2021
Equity in accordance with IFRS	120'546
<b>Swiss GAAP FER adjustments</b>	
Full consolidation of SKAN Group	-553
Offsetting Goodwill SKAN Group with retained earnings	-25'077
Revaluation Ziemer Group AG from fair value to at equity investment	-1'468
Offsetting Goodwill Ziemer Group with retained earnings	-10'996
Revaluation investments Ypsomed and Anecova	0
Adjustment pension benefit obligation	100
<b>Equity in accordance with Swiss GAAP FER</b>	<b>82'552</b>

### Basis of Consolidation

The consolidated financial statements are based on the individual financial statements as at 31 December, prepared in accordance with uniform principles, of all group entities of which SKAN Group AG directly or indirectly holds more than 50% of the voting rights or over which control is exercised in another way. The entities included in the scope of consolidation are presented in Note 4.2.

Capital consolidation is based on the purchase method, whereby the acquisition cost is eliminated at the time of acquisition against the fair value of net assets acquired with the remainder recorded as goodwill that is subsequently offset within the equity of the group.

Based on the full consolidation method, the assets and liabilities as well as income and expenses of the consolidated entities are fully recognised. The share attributable to minority shareholders in equity and in the income statement is presented separately in the consolidated balance sheet, the consolidated income statement and consolidated statement of changes in equity. All intercompany transactions, balances, and unrealised gains and losses resulting from intercompany transactions are eliminated.

An increase in the share of an already fully consolidated entity is regarded as a virtual repurchase from the minorities. Consequently, the difference between the purchase price and the attributable share in equity is recorded through the group's capital reserves.

Investments in which SKAN has a minority interest of at least 20% but less than 50%, or over which it otherwise has significant influence, are generally accounted for using the equity method. Investments in associates are presented separately in the balance sheet. The share in the profit of these associates is presented as part of financial income in the consolidated statement of income.

### Foreign Currency Translation

SKAN's consolidated financial statements are presented in Swiss francs (CHF). Each group entity determines its own functional currency. The positions included in the financial statements of the respective entity are valued using its functional currency.

### Foreign Currency Transactions

Foreign currency transactions are initially converted at the exchange rate defined by SKAN on a monthly basis. At the balance sheet date, monetary assets and liabilities in foreign currencies are converted at current rates and resulting foreign exchange gains / losses are presented in the income statement. Non-monetary positions, that are valued at historical acquisition or production cost in a foreign currency, are converted at the exchange rate prevailing at the time of transaction. All foreign currency differences are part of the financial result.

### Conversion Of Consolidated Individual Financial Statements

The financial statements in foreign currencies of the foreign group entities are converted into Swiss francs for consolidation purposes in accordance with the current rate method, as follows:

- Assets and liabilities at the exchange rate at the balance sheet date.
- Equity at historical rates.
- The income statement and cash flow statement at the average rate for the year.

The amount resulting from the conversion of the financial statements and from the translation of corporate loans with equity character denominated in foreign currencies are recognised in equity and offset against retained earnings without affecting the income statement. Upon the divestment of a foreign group entity, the related cumulative exchange differences are recycled to the income statement.

The exchange rates used for the conversion of group entities are as follows:

Currency	Unit	31.12.2022	Average 2022	31.12.2021	Average 2021
EUR	1	0.9847	1.0051	1.0331	1.0409
JPY	100	0.7000	0.7300	0.7924	0.8081
USD	1	0.9232	0.9548	0.9121	0.9208

### Significant Management Estimates

The preparation of the consolidated financial statements in accordance with Swiss GAAP FER requires Management to make estimates and assumptions that materially affect the financial positions of SKAN. Estimates and corresponding assumptions are based on past experience and various other relevant factors. The actual results can differ from these estimates. The estimates and its underlying assumptions are reviewed periodically and changes are recognised prospectively. The Management of SKAN has identified the following assumptions and estimates to be of special relevance to the presentation of the consolidated financial statements:

- Recognition of revenues from long-term contracts – Note 1.2
- Income taxes – Note 1.4
- Inventories – Note 2.2
- Provisions – Note 2.7

# 1 Performance for the Year

SKAN's operational performance is presented in this section.

The segment reporting shows the segment results used at top management level to steer the business. This section also provides details on selected expense items as well as the earnings per share information.

## 1 Segments

In accordance with the management structure and the reporting to the Management and the Board of Directors of SKAN Group AG (hereafter Board of Directors), the reportable segments are the following:

<b>Equipment &amp; Solutions</b>	Within Equipment & Solutions, we provide mission-critical solutions for pharmaceuticals production, including isolators, integrated automated systems, aseptic filling systems and solutions as well as laboratory and cleanroom equipment. Our products are characterised by their high reliability, innovative features	and functions, and quality. We offer system and customised solutions as well as end-to-end support to our customers for efficient approval processes with the relevant regulatory authorities (e.g. FDA, EMA, Swissmedic).
<b>Services &amp; Consumables</b>	With our Services & Consumables business we provide global customer support and offer our customers ready-to-	use consumables as well as digital solutions.
<b>Others</b>	Our "Others" segment includes all income and expenses of SKAN Group AG that cannot be directly allocated to one	of the other two segments.

2022 in CHF thousands	Equipment & Solutions	Services & Consumables	Total segments/ Group
Order backlog	332'748	27'338	360'086
Order intake	336'582	75'114	411'696
Net sales from goods and services	207'657	69'298	276'955
EBITDA	22'993	17'161	40'154
EBITDA margin	11.1%	24.8%	14.5%
Depreciation			-8'776
Amortisation			-1'917
Operating Result (EBIT)			29'461
Financial result			-4'220
Ordinary Result			25'241

2021 in CHF thousands	Equipment & Solutions	Services & Consumables	Others	Total segments/ Group
Order backlog	204'464	21'647	0	226'111
Order intake	212'307	68'011	0	280'318
Net sales from goods and services	172'049	58'040	4'176	234'265
EBITDA	16'113	13'618	952	30'682
EBITDA margin	9.4%	23.5%	22.8%	13.1%
Depreciation				-6'187
Amortisation				-1'440
Operating Result (EBIT)				23'056
Financial result				1'671
Ordinary Result				24'727

For the cancellation of project 1 related to the sale of Pharma Integration S.r.l. we paid a penalty of kEUR 1'000 (kCHF 1'061). This cost was adjusted in the table below.

#### Total 2021 after Adjustments

2021 in CHF thousands	Equipment & Solutions	Services & Consumables	Others	Total segments/ Group
Order intake	212'307	68'011	0	280'318
Net sales from goods and services	173'110	58'040	4'176	235'326
EBITDA	17'174	13'618	952	31'744
EBITDA margin	9.9%	23.5%	22.8%	13.5%
Depreciation				-6'187
Amortisation				-1'440
Operating Result (EBIT)				24'117
Financial result				1'671
Ordinary Result				25'788

## 2 Net Sales from Goods and Services

### Net Sales from Goods and Services per Geographical Market

in CHF thousands	2022	2021
Asia	25'870	21'007
Europe	135'735	106'666
Americas	114'806	105'513
Other regions	544	1'079
<b>Total Net Sales by Region</b>	<b>276'955</b>	<b>234'265</b>

Net sales include kCHF 160'000 (2021: kCHF 147'050) from long-term contracts.

#### Accounting principles

##### Net sales from goods and services

Net sales include all sales of goods and related services, after deduction of any sales reductions including rebates, discounts, value-added taxes, and commissions.

##### Production and trading

Sales are recognised when the products have been delivered and the benefits and risks as well as the authority to dispose of the products have been transferred to the customer. This occurs generally upon the delivery of the goods and products. In contrast, revenues from long-term contracts are recognised in accordance with the percentage-of-completion (POC) method, if the criteria required by FER 22 are met. In this respect, the degree of completion is determined based on the work progress. Profits are recognised proportionally and any losses are immediately recognised fully in the income statement.

##### Services

Sales related to services are recognised when the services have been performed. Revenues from services include mainly income from the service and maintenance of installations for customers. The degree of completion is determined based on the actual costs (working hours, material, expenses, logistics) as at the balance sheet date compared to the planned costs. If the result of a contract cannot be estimated in a reliable manner, revenues are recognised only in the amount of the recoverable expenses incurred.

#### Significant Management Estimate

In order to determine the degree of completion used as a basis for revenue recognition, estimates have to be made by Management. The evolution of costs is used as a basis to measure the progress of work. In this respect, the directly attributable actual costs (consisting of material, expenses, logistics and hours) are compared with the planned costs. The planned costs are based on a detailed project calculation which is approved internally before the project begins. It is only after the approval of this calculation that the order confirmation is sent to the client. The costs calculated at the beginning of the project are reviewed/scrutinised on a monthly basis and any change in estimates is included in the project calculation through an adjustment of the planned costs. These cost adjustments must be approved by SKAN's Management.



**3 Operating Expenses****Material and External Services**

Material and external services include all the costs for raw materials and supplies as well as trade goods and costs for external production. The change in inventories is presented as part

of "change in inventory of finished, unfinished goods and work in progress" in the consolidated income statement. In 2022, the material intensity was slightly higher compared to 2021. This was mainly due to higher material costs driven by supply chain issues and higher cost inflation rates.

**Personnel Expenses**

in CHF thousands	2022	2021
Wages and salaries	-104'724	-89'266
Social security expenses	-14'486	-12'470
Other personnel expenses	-3'454	-3'801
Temporary staff	-2'197	-2'200
<b>Total Personnel Expenses</b>	<b>-124'860</b>	<b>-107'737</b>

In 2022, SKAN created a total of 165 (2021: 132) new jobs (net) and thus had 1'172 (2021: 1'007) employees (headcount) worldwide at the end of 2022.

**Other Operating Expenses**

in CHF thousands	2022	2021
Travel expenses	-8'538	-6'231
Rental and leasing expenses	-8'081	-5'719
Repair and maintenance	-5'791	-5'400
Vehicle and transportation expenses	-959	-831
Insurance, levies, fees and permits	-1'019	-1'116
Administrative expenses	-9'248	-10'891
Marketing and communication expenses	-1'835	-1'500
Other expenses	-12	-1
<b>Total Other Operating Expenses</b>	<b>-35'482</b>	<b>-31'689</b>

The increase in travel expenses in 2022 was due to the growing operating business in 2022 whereas 2021 was partially affected by the Covid pandemic. In 2022 the situation turned back to normal and more travel activities were resumed again. The increase in rental and leasing and repair and maintenance ex-

penses is due to the new building in Allschwil. The decrease in administrative expenses in 2022 is mainly attributable to the initial public offering of SKAN Group AG in 2021.

**4 Income Tax**

in CHF thousands	2022	2021
Current year income tax	3'043	3'395
Deferred income tax	753	-67
<b>Total Income Tax Expenses</b>	<b>3'796</b>	<b>3'328</b>

**Effective Income Taxes**

in CHF thousands	2022	2021
Profit before income taxes	25'241	24'726
Income tax rate	21.6%	21.1%
Expected income taxes	5'448	5'217
Use of non-capitalised tax loss carryforwards	-1'972	-1'927
Effect of non-capitalisation of tax loss carryforwards	0	88
Adjustments to tax burdens / reliefs	0	83
Other effects	320	-133
<b>Effective income taxes</b>	<b>3'796</b>	<b>3'328</b>
<b>Effective income tax rate</b>	<b>15.0%</b>	<b>13.5%</b>

The expected tax rate of 21.6% (2021: 21.1%) corresponds to the average tax rate of SKAN Group.

## Deferred Income Taxes

in CHF thousands	31.12.2022	31.12.2021
Trade receivables	214	341
Inventory and work in progress	358	203
Property, plant and equipment	1'413	926
Provisions	741	397
Others	166	30
<b>Total deferred income tax liabilities</b>	<b>2'891</b>	<b>1'898</b>

in CHF thousands	31.12.2022	31.12.2021
Trade receivables	35	0
Inventory and work in progress	530	388
Property, plant and equipment	0	0
Provisions	291	228
Others	1	0
<b>Total deferred income tax assets</b>	<b>857</b>	<b>616</b>

As of 31 December 2022, uncapitalised tax loss carryforwards of kCHF 72'489 (2021: kCHF 83'571) resulted in a non-recognised deferred tax benefit of kCHF 18'240 (2021: kCHF 20'857). In 2022 the deferred tax assets were disclosed in a separate financial statement line item. In 2021 the deferred tax assets were included in other current assets.

### Accounting principles

**Income taxes**  
The tax receivables and tax liabilities for the current period and previous periods are measured with the amount in which a refund from the tax authorities or a payment to the tax authorities is expected. The amount is calculated based on the tax rates that were enacted or substantially enacted at the balance sheet date.

**Deferred income taxes**  
Deferred income taxes are calculated by applying the balance sheet method for all temporary differences between the carrying amount according to Swiss GAAP FER and the tax basis of assets and liabilities. Tax loss carryforwards are not capitalised. The calculation of deferred taxes is based on the country-specific tax rates. Tax assets and liabilities are offset if they concern the same taxable entity and tax authority and if there is an offset entitlement for deferred taxes. No deferred taxes are recognised for temporary differences on investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by SKAN and where it is probable that the temporary difference will not be reversed in the foreseeable future.

### Significant Management Estimate

In order to determine the assets and liabilities from current and deferred income taxes, estimates have to be made based on existing tax laws and ordinances. Many internal and external factors may have positive or negative effects on the assets and liabilities from income taxes. These factors include changes in tax laws and ordinances and their interpretation, as well as changes in tax rates and in the total amount of taxable income per location. Such changes may impact the assets and liabilities from current and deferred income taxes recognised in future reporting periods.

## 5 Earnings Per Share

Earnings per share	2022	2021
Profit attributable to shareholders of SKAN Group AG	18'986'084	10'616'393
Weighted average number of shares outstanding	22'483'524	12'643'562
<b>Basic and diluted earnings per share (in CHF)</b>	<b>0.84</b>	<b>0.84</b>

Reconciliation of non-diluted to diluted earnings per share  
In 2021 and 2022, there was no dilution of the earnings per share.

### Accounting principles

**Earnings per share**  
Earnings per share is calculated by dividing the portion of profit attributable to the shareholders of SKAN Group AG by the weighted average number of shares outstanding in the reporting period. Diluted earnings per share takes into account any potential additional shares that may result, for instance, from exercised options or conversion rights.



## 2 Working Capital

This section provides additional information on net current assets that contribute to SKAN's operational liquidity. It also provides an overview of the non-current assets that SKAN needs for the production of goods and services for its customers.

### 1 Operating Assets and Liabilities

#### Trade Receivables

in CHF thousands	31.12.2022	31.12.2021
Domestic receivables	7'952	7'672
Foreign receivables	18'693	15'793
Impairment domestic receivables	-78	-10
Impairment foreign receivables	-527	-153
<b>Total Trade receivables</b>	<b>26'039</b>	<b>23'301</b>

#### Other Current Receivables

Other current receivables include mainly receivables towards tax authorities (prepaid direct and indirect taxes). Tax prepayments and tax provisions are offset.

in CHF thousands	31.12.2022	31.12.2021
VAT receivable	6'047	5'815
Tax reimbursement Germany	584	584
Receivables towards employees	81	89
Other current receivables	1'917	2'068
<b>Total Other current receivables</b>	<b>8'630</b>	<b>8'555</b>

### Prepayments and accrued income

Prepayments and accrued income mainly include downpayments to third party suppliers of SKAN AG. The prepaid expenses mainly relate to IT invoices with a service period of several years.

in CHF thousands	31.12.2022	31.12.2021
Downpayments paid to vendors	12'884	15'633
Prepaid expenses	2'107	1'188
<b>Total Prepayments and accrued income</b>	<b>14'991</b>	<b>16'821</b>

### Trade Payables

in CHF thousands	31.12.2022	31.12.2021
Domestic payables	10'875	10'737
Foreign payables	7'591	3'947
Accrued payables from goods and services	13'459	97
<b>Total Trade payables</b>	<b>31'925</b>	<b>14'781</b>

### Accounting principles

Trade receivables	Trade receivables include short-term receivables from ordinary operations with a maturity of up to twelve months. They are stated at nominal value less any impairment. Value adjustments for doubtful accounts are established based on maturity and identifiable solvency risks. Besides individual value adjustments with respect to specific known risks, other value adjustments are recognised if their maturity was exceeded by more than 60/365 days.
Other current receivables	Other current receivables are stated at nominal value. Receivables at risk of default are individually impaired. No lump-sum allowance is calculated on the remaining receivables.
Prepayments and accrued income	Prepayments and accrued income are stated at nominal value. As soon as the final invoice is received the prepayments are offset.
Trade payables	Trade payables are stated at nominal value. Payables with maturities up to twelve months after the balance sheet date are presented as current liabilities, those with longer maturities are presented as non-current liabilities.

### 2 Inventories

Unchanged to the previous year, there are allowances in connection with two projects. These are included with kCHF 16'148 in "Allowance for obsolete and slow-moving items". The rise in inventories within the 2022 reporting year is due to the fact that SKAN increased inventories because of global supply chain problems followed by long delivery times.

in CHF thousands	31.12.2022	31.12.2021
Trade goods	19'115	9'027
Unfinished goods	17'198	18'302
Finished goods	10'933	10'118
Other raw materials	8'652	4'041
Allowance for obsolete and slow-moving items	-18'589	-17'638
<b>Total Inventories</b>	<b>37'309</b>	<b>23'850</b>

### Accounting principles

Inventories	Goods held for trading are generally stated at average cost and internally manufactured products at standard cost, comprising all direct and indirect expenses required for bringing the inventories to their present location and condition (full cost). Discounts are treated as a reduction in the cost of purchase. If the net realisable value is lower than the above, a corresponding allowance adjustment is made. Inventories with an insufficient turnover rate are partially or fully impaired.
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### Significant Management Estimate

Inventories are valued on an ongoing basis. In this regard, estimates are made based on the expected consumption, the price evolution (lower of acquisition or production cost and fair value less cost to sell) as well as the loss-free valuation. The allowance rates used to determine the allowance on inventories are reviewed on an annual basis and adjusted if needed.

### 3 Work in Progress/Advance Payments from Customers

in CHF thousands	31.12.2022	31.12.2021 <sup>1</sup>
Work in Progress (projects with WIP overhang)	177'193	127'639
Advance payments from customers	-106'304	-76'639
<b>Total Work in Progress (as disclosed in the balance sheet)</b>	<b>70'889</b>	<b>51'000</b>
Work in Progress (projects with advance payment overhang) <sup>1</sup>	151'716	156'407
Advance payments from customers <sup>1</sup>	-276'307	-233'529
<b>Total Advance payments from customers<sup>1</sup> (as disclosed in the balance sheet)</b>	<b>-124'590</b>	<b>-77'122</b>
<b>Net Work in Progress/-Advance payments from customers<sup>1</sup></b>	<b>-53'701</b>	<b>-26'122</b>

<sup>1</sup> The 2021 financial statements have been restated. Until 2021, a provision was reported for projects that had already been fully invoiced but not yet completed. These are now reported in "Advance payments from customers", resulting in a reclassification of kCHF 10'877 in the balance sheet. The change in disclosure within this note only relates to "Work in Progress with advance payment overhang". Work in Progress and prepayments received for the above-mentioned projects are now shown gross up to the project completion. For further explanations, see pages 150-151.

#### Accounting principles

Work in progress/  
Advance payments from customers

Customer-specific construction contracts are recognised according to their percentage of completion ("percentage of completion method"). Under this method, pro rata revenues and expenses are presented according to the percentage of completion at the balance sheet date. The stage of completion is calculated individually for each project and is calculated based on the proportionate project expenses incurred until the balance sheet date, measured against total expected project expenses ("cost to cost method"). If the result of a customer-specific construction contract is not yet sufficiently certain, the revenue is recognised only to the extent of the recoverable project expenses. In the balance sheet, contract elements whose revenues are recognised using the "percentage of completion method" are presented under "Work in progress". An allowance is considered covering the full amount of anticipated losses. If the impairment is higher than the value of the asset, a provision is created in the amount of the difference.

Work in progress includes projects for which the cumulative performance exceeds the advance payments already received. If the advance payments received are higher than the cumulative performance, they are reported under advance payments from customers (liability). This assessment is made on an individual project basis.

Advance payments received are recognised with no impact on the income statement. They are offset against the corresponding contracts or compensation entitlements for which the advance payments were made, if no right of clawback exists.

### 4 Property, Plant and Equipment

#### Acquisition cost

in CHF thousands	Land and buildings	Assets under construction/ Capitalized expenses	Machines and equipment	Other tangible fixed assets	Total property, plant and equipment
Balance as at 1 January 2021	32'927	3'790	23'753	12'275	<b>72'745</b>
Additions	119	29'992	4'716	4'195	<b>39'022</b>
Disposals	-5'843	-1'744	-893	-1'484	<b>-9'964</b>
Reclassification	379	-12'874	-4'408	16'903	<b>0</b>
Currency translation adjustments	-1'025	-516	-518	-293	<b>-2'352</b>
<b>Balance as at 31 December 2021</b>	<b>26'557</b>	<b>18'648</b>	<b>22'649</b>	<b>31'597</b>	<b>99'451</b>

Balance as at 1 January 2022	26'557	18'648	22'649	31'597	<b>99'451</b>
Additions	9'692	9'539	2'817	4'081	<b>26'129</b>
Disposals	-411	0	-24	-282	<b>-717</b>
Reclassification	14'649	-16'014	124	1'241	<b>0</b>
Currency translation adjustments	-1'397	-481	-550	-334	<b>-2'761</b>
<b>Balance as at 31 December 2022</b>	<b>49'091</b>	<b>11'691</b>	<b>25'016</b>	<b>36'303</b>	<b>122'102</b>

## Accumulated depreciation

	Land and buildings	Assets under construction/ Capitalized expenses	Machines and equipment	Other tangible fixed assets	Total property, plant and equipment
in CHF thousands					
Balance as at 1 January 2021	-7'833	-1'396	-10'689	-8'681	-28'599
Additions	-972	-94	-2'769	-2'352	-6'187
Disposals	5'138	908	773	1'272	8'090
Currency translation adjustments	129	0	278	164	570
Balance as at 31 December 2021	-3'539	-583	-12'407	-9'598	-26'126
Balance as at 1 January 2022	-3'539	-583	-12'407	-9'598	-26'126
Additions	-1'115	-60	-3'358	-4'244	-8'776
Impairments	0	0	0	0	0
Disposals	52	0	25	109	185
Reclassification	1	0	0	-1	0
Currency translation adjustments	162	0	310	186	659
Balance as at 31 December 2022	-4'437	-642	-15'430	-13'548	-34'057

## Net carrying amounts

Balance as at 31 December 2021	23'018	18'065	10'242	22'000	73'326
Balance as at 31 December 2022	44'654	11'049	9'587	22'755	88'045

## 5 Financial Assets

in CHF thousands	31.12.2022	31.12.2021
Securities	101	21
Deposits	108	109
Financial investment	1'997	742
Other financial assets	46	46
Total Financial assets	2'251	918

## 6 Intangible fixed assets

### Acquisition cost

	Software	Development cost	Patents	Other intangible assets	Total intangible fixed assets
in CHF thousands					
Balance as at 1 January 2021	5'274	6'971	779	353	13'378
Additions	1'217	2'368	0	0	3'585
Disposals	-551	-1'385	0	0	-1'937
Currency translation adjustments	-28	-356	-35	-16	-435
Balance as at 31 December 2021	5'912	7'597	744	338	14'591
Balance as at 1 January 2022	5'912	7'597	744	338	14'591
Additions	1'663	1'028	44	0	2'736
Disposals	0	0	0	0	0
Reclassification	0	0	0	0	0
Currency translation adjustments	-46	-377	-36	-16	-474
Balance as at 31 December 2022	7'529	8'248	753	322	16'852

#### Accumulated amortisation

	Software	Development cost	Patents	Other intangible assets	Total intangible fixed assets
in CHF thousands					
Balance as at 1 January 2021	-3'493	-6'530	-769	-353	-11'146
Amortisation	-1'038	-395	-7	0	-1'440
Disposals	226	0	0	0	226
Currency translation adjustments	22	310	35	16	383
Balance as at 31 December 2021	-4'282	-6'615	-742	-338	-11'977

Balance as at 1 January 2022	-4'282	-6'615	-742	-338	-11'977
Amortisation	-1'319	-591	-6	0	-1'917
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
Reclassification	0	0	0	0	0
Currency translation adjustments	27	322	35	16	400
Balance as at 31 December 2022	-5'574	-6'884	-714	-322	-13'494

#### Net carrying amounts

Balance as at 31 December 2021	1'630	982	3	0	2'614
Balance as at 31 December 2022	1'955	1'364	39	0	3'359

#### Accounting principles

##### Property, plant and equipment

Property, plant and equipment is recognised at acquisition or production cost, less cumulated planned depreciation and/or cumulated impairment losses. Assets are depreciated on a straight-line basis over their estimated useful lives or lease terms:

Categories	Estimated useful life
Land	n/a
Buildings	40 years
Tangible fixed assets under construction	n/a
Machines and equipment	3–10 years
Other tangible fixed assets	5–10 years

Due to its unlimited useful life, land is not depreciated. Maintenance and repair expenses are not capitalised.

Assets are reviewed at each balance sheet date or earlier if a significant event has occurred to determine whether there is any indication of impairment. An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of net selling price and the asset's value in use.

##### Intangible assets

Intangible assets are recognised at acquisition or production cost, less cumulated planned amortization and/or cumulated impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives which are generally five years.

Intangible assets are reviewed at each balance sheet date or earlier if a significant event has occurred to determine whether there is any indication of impairment. An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of net selling price and the asset's value in use.

## 7 Provisions and Contingent Liabilities

### Provisions

in CHF thousands	Employee benefits	Goods and services <sup>1</sup>	Warranty	Taxes	Other	Total provisions
Balance as at 1 January 2021	9'712	20'310	4'401	4'047	1'868	40'338
Increase of provisions	15'919	718	4'010	3'143	0	23'790
Utilisation of provisions	-13'384	-15'237	-3'542	-3'456	-414	-36'032
Currency translation adjustments	-87	-180	-36	-31	-65	-398
Balance as at 31 December 2021	12'160	5'612	4'833	3'704	1'388	27'696
Thereof non-current provisions	0	0	0	1'898	1'388	3'286
Balance as at 1 January 2022	12'160	5'612	4'833	3'704	1'388	27'696
Increase of provisions	21'976	699	162	730	199	23'766
Release of provisions	-802	-929	-561	-457	-792	-3'541
Utilisation of provisions	-16'364	-2'351	-2'232	-419	-156	-21'522
Deferred Tax liabilities (note 1.4)	0	0	0	-1'898	0	-1'898
Currency translation adjustments	-136	-62	-32	-37	-50	-317
Balance as at 31 December 2022	16'835	2'969	2'170	1'623	589	24'186
Thereof non-current provisions	0	0	0	0	589	589

<sup>1</sup> The 2021 financial statements have been restated. The restatement is a reclassification in current liabilities. Provisions at year-end 2021 decreased by kCHF 18'842 due to the restatement. For further explanations, see pages 150-151. The opening balances as at 1 January 2021 were also adjusted.

In 2022, the increase in provisions for employee benefits is mainly caused by the strong rise in the number of employees. The decrease in provisions for goods and services is mainly due to the release of provisions for contractual penalties and sales commissions.

### Accounting principles

General	A provision represents a probable obligation that is based on a past event and its amount and/or its due date is uncertain but can be estimated. The obligation can be based on legal or factual reasons. The amount of the provision is determined based on the estimated cash outflow that is necessary to settle the obligation. Current provisions have a maturity up to 12 months. Non-current provisions have a maturity over 12 months. Non-current provisions are not discounted.
Employee benefits	Provisions for employee benefits include mainly provisions for vacation, overtime and bonuses.
Goods and services	Provisions for goods and services are provisions for expected losses in relation with projects. The valuation is performed individually for each project. As soon as project-related losses are foreseeable, a corresponding provision is recognised. Any necessary provisions for cancelled projects are also recognised in the provisions for goods and services.
Warranties	A provision is recognised for warranty liabilities from products sold in previous years. The valuation is based on empirical values for repairs and claims. It is to be expected that the majority of these costs will be incurred in the forthcoming business years and that the total liability recognised will be incurred within two years following the balance sheet date. Warranty provisions are calculated based on the current level of sales and the information currently available regarding claims in relation with the products sold within the warranty period.
Off-balance sheet transactions	Contingent liabilities and other non-recognisable commitments are valued and disclosed at the balance sheet date. If contingent liabilities and other non-recognisable commitments lead to an outflow of funds without a simultaneous usable inflow of funds and the outflow of funds is probable and estimable, a provision is made. The valuation is performed according to the amount of the future unilateral contributions and cost. Any guaranteed considerations from other parties (e.g. insurance coverage) must be taken into account.

### Significant Management Estimate

The provision amount is determined largely by estimating the future costs and the probability of occurrence. The provisions for goods and services are valued and calculated individually for each project. Each month, it is decided for each project whether the planned costs must be adjusted and whether a provision for expected losses is necessary. Any provisions for risks in relation with cancelled projects are valued individually and recognised when necessary. The calculation for warranty cases is based on the product evolution, contractual agreements and past historical data. Besides the lump-sum calculations, individual provisions are taken into account for damages occurred or reported based on Management's estimate.



## 3 Financing and Risk Management

The total capital is defined as equity and net debt. SKAN manages its capital structure in order to ensure business continuity and optimise the shareholders' long-term returns. This section describes SKAN's financial structure and liquidity situation.

SKAN is exposed to a number of financial risks, and this section further outlines the key financial risks and how they are managed.

### 1 Cash and Cash Equivalents / Fixed term deposit

#### Accounting principles

##### Cash and cash equivalents

Cash and cash equivalents comprise current bank accounts, petty cash and short-term financial investments with an initial maturity of up to three months. They form together the basis for the cash and cash equivalents presented in the consolidated cash flow statement.

##### Fixed term deposit

Fixed term deposit held with a Swiss bank for a period of six months after 31.12.2022. The deposit is stated at its nominal value.

### 2 Equity

#### Share Capital

The share capital of SKAN Group AG is composed of 22'483'524 registered shares (2021: 22'483'524) with a nominal value of CHF 0.01 each.

The total share capital as at 31 December 2022 amounts to CHF 224'835 (2021: CHF 224'835).

#### Reserves

kCHF 8'507 (2021: kCHF 8'545) of the retained earnings are not available for distribution due to legal restrictions. In 2022, the federal levy ("Emissionsabgabe") of kCHF 880 on the IPO in 2021 was charged to the capital reserves. Please refer also to Note 5.3.

#### Dividends

The Board of Directors proposes to the General Shareholder Meeting on May 3, 2023 the distribution of a dividend of CHF 0.25 per share, amounting to kCHF 5'621 for 2022.

#### Acquisition of Aseptic Technologies S.A.

In the first half of 2022, SKAN signed an agreement with the co-owner of Aseptic Technologies, Société Régionale d'Investissement de Wallonie, to purchase a further 30% of the shares, increasing its stake to 90%. A first tranche of 20% was acquired as of 1 July 2022, with two further tranches of 5% each to follow between the financial years 2023 and 2026.

#### Goodwill – shadow accounting

Goodwill is offset at the time of the acquisition of a subsidiary with the equity (retained earnings). Considering a useful life of five years and straight-line amortisation, the theoretical capitalisation of goodwill would have the following impact on SKAN's equity and income statement:

Balance Sheet / in CHF thousands	31.12.2022	31.12.2021
Equity incl. minority interests	165'595	174'005
Equity ratio in %	43%	52%
<b>Goodwill at acquisition</b>		
Balance as at 1 January	30'013	41'008
Additions	0	0
Disposals	0	-10'995
Balance as at 31 December	30'013	30'013
<b>Accumulated amortisation</b>		
Balance as at 1 January	23'833	31'394
Amortisation for the period	3'433	3'433
Disposals	0	-10'995
Balance as at 31 December	27'266	23'833
Theoretical net book value of goodwill	2'747	6'180
Theoretical equity incl. minority interests and net book value of goodwill	168'342	180'186
Theoretical equity ratio in %	43%	54%
<b>Income statement / in CHF thousands</b>	<b>2022</b>	<b>2021</b>
Profit for the period as reported	21'446	21'398
Theoretical goodwill amortisation	-3'433	-3'433
Profit for the period incl. theoretical goodwill amortisation	18'012	17'965

#### Accounting principles

##### Goodwill

Entities acquired during the year are revalued and consolidated at the acquisition date in accordance with group-wide principles. The difference between the acquisition cost (incl. significant transaction costs) and the proportionate revalued net assets is designated as goodwill. In the context of acquisitions, potentially existing intangible assets such as trademarks, technology, rights of use or client lists that were not capitalised in the past are not recognised separately but remain included in goodwill. The goodwill resulting from acquisitions is offset directly with SKAN's equity (retained earnings). If the purchase price includes elements that are dependent on future results, these are valued and capitalised at best estimate at the acquisition date. If deviations arise during the subsequent definitive purchase price settlement, the goodwill offset with equity is adjusted accordingly. In case of disposal, the acquired goodwill that was previously offset with equity must be taken into account at the initial cost in order to determine the profit or loss recognised in the income statement.

**3 Non-Current Financial Liabilities**

in CHF thousands	31.12.2022	31.12.2021
Loans and borrowings from banks	15'077	13'857
Lease liabilities (Aseptic Technologies)	197	319
<b>Total non-current financial liabilities</b>	<b>15'274</b>	<b>14'176</b>

**Maturity Profile and Conditions of Financial Liabilities**

Maturity Profile 2022 / in CHF thousands	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total 31.12.2022	Interest rate
Loans with banks in EUR	1'590	7'417	7'894	16'901	
Loans from Swiss Banks	0	0	0	0	-
Loans from European Banks	1'565	7'303	7'774	16'642	1.25- 1.45%
Lease liabilities (Financing Lease)	43	174	23	240	
<b>Total</b>	<b>1'609</b>	<b>7'477</b>	<b>7'797</b>	<b>16'882</b>	

**Maturity Profile 2021 /  
in CHF thousands**

Loans with banks in EUR	981	7'562	6'295	14'838	
Loans from Swiss Banks	0	0	5'111	5'111	0.75%
Loans from European Banks	981	7'562	1'184	9'727	1.25- 1.45%
Lease liabilities (Financing Lease)	114	182	137	433	
<b>Total</b>	<b>1'095</b>	<b>7'744</b>	<b>6'432</b>	<b>15'271</b>	

**Accounting principles**

Interest-bearing financial liabilities

Financial liabilities are composed of loans with banks and lease liabilities. They are recognised at their amortised cost. Borrowing costs are recognised in the income statement using the effective interest method.

**4 Other Current Liabilities**

in CHF thousands	31.12.2022	31.12.2021
VAT	978	1'094
Social contribution and pension	680	5'150
Customer overpayments	8'430	0
Other current liabilities	12	5
<b>Total Other current liabilities</b>	<b>10'099</b>	<b>6'249</b>

**5 Other Non-Current Liabilities**

in CHF thousands	31.12.2022	31.12.2021
Grants and allowances (Sächsische Aufbaubank)	6'664	3'739
Investment-related grant (subsidies Görlitz)	63	70
<b>Total Other non-current liabilities</b>	<b>6'727</b>	<b>3'809</b>

**Accounting principles**

## Other non-current liabilities

Other non-current liabilities are composed of grants and allowances from Sächsische Aufbaubank and the government of the district of Görlitz (Germany). These were granted in the context of a location promotion program. They are released in the income statement over the useful life of the corresponding asset (production facility).

**6 Accrued Liabilities and Deferred Income**

in CHF thousands	31.12.2022	31.12.2021 <sup>1</sup>
Rent building in Allschwil	3'995	2'147
IPO related expenses (in 2021)	0	1'038
Unpaid expenses	1'085	1'840
Accrued liabilities from long-term contracts <sup>1</sup>	375	7'965
<b>Total Accrued liabilities and deferred income</b>	<b>5'455</b>	<b>12'990</b>

<sup>1</sup> The 2021 financial statements have been restated. The restatement is a reclassification in current liabilities. Accrued liabilities from long-term contracts at year-end 2021 of kCHF 7'965 were reclassified accordingly. For further explanations, see pages 150-151.

**7 Financial Result**

in CHF thousands	2022	2021
Interest expenses	-464	-132
Foreign exchange losses	-4'615	-2'626
Bank charges	-653	-277
Impairment of financial assets	0	-1'500
Other financial expenses	-27	-152
<b>Total Financial expenses</b>	<b>-5'760</b>	<b>-4'687</b>
Foreign exchange gains	1'244	3'447
Gain from disposal of financial asset Ziemer	0	1'701
Other financial income	296	86
<b>Total Financial income</b>	<b>1'540</b>	<b>5'234</b>

**8 Leases****Financing Leases**

SKAN has one lease (2021: one lease) which qualifies as a financing lease. The net carrying amount of the right-of-use asset amounts to kCHF 1'836 (2021: kCHF 2'015) and is presented under property, plant and equipment. The corresponding liabilities amount to kCHF 240 (2021: kCHF 433).

**Operating Leases**

in CHF thousands	31.12.2022	31.12.2021
Due within 1 year	5'285	4'687
Due within 1 to 5 years	20'494	17'554
Due after more than 5 years	38'863	39'775
<b>Total undiscounted lease payments</b>	<b>64'642</b>	<b>62'016</b>

**Accounting principles****Leases**

The present value of financing leases is recognised in "non-current assets" and in current/non-current financial liabilities on the balance sheet when most of the contractual risks and rewards have been transferred to SKAN. Lease installments are divided into an interest and a repayment component based on the annuity method. Assets held under such financing leases are depreciated over the shorter of their estimated useful life or lease term.

Operating lease installments are recognised in the income statement on a straight-line basis over the lease term and disclosed in the notes to the consolidated financial statements.



**9 Financial Risk Management**

Due to its international reach, SKAN is exposed to financial risks such as currency, credit, liquidity and interest rate risks. SKAN applies a risk management policy that was approved by the Board of Directors. The overall risk management focuses on the unpredictability of developments on financial markets

and aims to reduce negative effects on SKAN's financial situation. The risk policy defines the handling of risks as well as a structured process which prescribes the systematic monitoring of business risks. The Board of Directors is informed periodically about significant changes in the risk assessment and about the risk management activities performed.

**Risk**

Currency risk

**Extent of risk**

SKAN operates at international level and is exposed to the risk of foreign exchange fluctuation of various currencies. The risks relate mainly to EUR, USD and JPY. Other currencies have a minor impact.

Currency risks result from sales and expenses in foreign currencies, from the financing of subsidiaries as well as from non-current assets, liabilities and investments in foreign currencies.

**Risk management**

Where possible, cash flows of individual group entities are hedged naturally (natural hedging, revenues and expenses are to a certain extent denominated in the same currency, which provides a natural hedge).

Further reduction of currency risk is achieved through the use of derivative financial instruments.

Credit risk

The maximum credit risk on financial instruments corresponds to its carrying amounts.

Apart from advance payment guarantees (for effected customer advance payments) there are no significant warranties and similar commitments that could lead to a risk above the carrying amounts of recognised assets. These advance payment guarantees are issued at the customer's request for effected advance payments. However, the maturities of these guarantees are limited to the duration of the respective milestone. SKAN invests its cash and cash equivalents mainly in well-known Swiss banks (or their subsidiaries) with at least an A rating (Standard & Poor's). Additionally, banks in the USA, Japan, Belgium and Germany are used for local payment transactions.

According to the investment policy, these transactions occur only with creditworthy institutions.

In order to limit counterparty risks, cash and cash equivalents are distributed in a targeted manner between several banks.

Short-term financial investments have a maturity of less than 12 months.

The danger of concentration of risks for trade receivables is limited due to the large number and the wide geographical spread of customers. The extent of the credit risk is mainly determined based on each client's individual characteristics. The periodic risk assessment comprises a verification of the creditworthiness based on the customer's financial situation as well as on past experience. Furthermore, large projects are generally launched only after receipt of payment. Consequently, large customer projects are usually prefinanced.

Risk	Extent of risk	Risk management
Liquidity risk	Liquidity risk is the risk that SKAN will not be able to meet its financial obligations as they fall due.	<p>SKAN uses short-term forecasts for monitoring cash flow requirements and optimising its cash return on investments. Typically, SKAN ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations, and to cover usual fluctuations in funding requirements. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted.</p> <p>In addition, SKAN maintains lines of credit to cover larger fluctuations and unforeseen impacts. Total unused lines of credit as at 31 December 2022 amounted to CHF 42.2 million (2021: CHF 61.0 million).</p>

Interest rate risk	The interest rate risk may involve either changes in future interest payments owing to fluctuations in market interest rates or the risk of a change in market value, i.e. the risk that the market value of a financial instrument will change owing to fluctuations in market interest rates.	<p>SKAN does not value fixed-rate liabilities at market values. Consequently, changes in interest rates do not have a significant impact on the income statement.</p> <p>SKAN is exposed to a minor interest rate risks on cash and cash equivalents. The existing financial liabilities have a fixed interest rate.</p>
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#### Derivative financial instruments for hedging purposes

	Positive fair value		Negative fair value		Purpose
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	
Foreign exchange					
EUR forward	13	0	-397	-614	
USD forward	337	65	-388	-247	
JPY forward	35	8	0	0	
<b>Total derivative financial instruments</b>	<b>385</b>	<b>73</b>	<b>-785</b>	<b>-861</b>	<b>Hedging</b>
Thereof derivatives held for hedging of future cash flows	-385	-73	785	861	
<b>Total recognized in balance sheet</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

#### Accounting principles

Derivative financial instruments	SKAN uses hedging instruments such as forward exchange contracts in order to hedge the currency risk resulting from expected sales of goods (cash flow hedges). Derivates used to hedge future cash flows were disclosed in the notes to the consolidated financial statements without being recognised in the financial statements.
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#### 10 Other Non-Recognized Commitments

As at 31 December 2022, SKAN Deutschland GmbH has pledged assets amounting to kEUR 13'800 (2021: kEUR 13'800).

There are no other contingent liabilities from other obligations for the period reported and the previous year.

This section provides information on changes in SKAN's group structure due to acquisitions and disposals. Additionally, all material directly and indirectly held investments are presented in the list of investments.

### 1 Changes in the Consolidation Scope

#### Acquisition of Aseptic Technologies S.A.

In the first half of 2022, SKAN signed an agreement with the co-owner of Aseptic Technologies, Société Régionale d'Investissement de Wallonie, to purchase a further 30% of the shares, increasing its stake to 90%. A first tranche of 20% was acquired as of 1 July 2022, with two further tranches of 5% each to follow between 2023 and 2026.

#### Disposal of Associates and Financial Assets in 2021

All the associated organizations of SKAN Group AG were sold during the financial year 2021.

During 2021 the investments in Ziemer Group AG (see table below), Piexon AG (CHF 450'000) and Covalys Biosciences AG (CHF 60'000) were sold.

Ziemer Group AG	in CHF thousands
Equity value 31.12.2020	11'036
Profit until 20.05.2021	1'124
Equity value 20.05.2021	12'160
Recycling of goodwill	10'995
Total sales price	24'856
Profit	1'701

**2 Group Companies**

Name of the company, domicile	Country	Currency	Share capital	Votes and capital share 31.12.2022	Votes and capital share 31.12.2021	
SKAN Holding AG, Allschwil	Switzerland	CHF	189'750	100%	100%	directly held
SKAN AG, Allschwil	Switzerland	CHF	50'000	100%	100%	indirectly held
SKAN US, Inc. Raleigh, NC	USA	USD	0	100%	100%	indirectly held
SKAN JP, Okinawa	Japan	JPY	30'000'000	80%	80%	indirectly held
SKAN LLC, Raleigh, NC	USA	USD	0	100%	100%	indirectly held
SKAN Deutschland GmbH, Görlitz	Germany	EUR	25'000	100%	100%	indirectly held
SKAN Stein AG, Stein	Switzerland	CHF	100'000	100%	100%	indirectly held
Aseptic Technologies S.A., Gembloux <sup>1</sup>	Belgium	EUR	17'356'640	80%	60%	indirectly held

<sup>1</sup> A 20% increase in the shareholding was made as of 01.07.2022



## 5 Other Information

This section provides information and explanations that do not appear in other sections, such as, for example, employee benefit liabilities.

It also provides an overview of transactions with related parties and subsequent events after the balance sheet date.

1	Employer Contribution Reserve ("Arbeitgeberbeitragsreserve")							
		Nominal Value	Waiver of use	Balance Sheet	Additions	Balance Sheet	Result from Employer Contribution Reserve	
	in CHF thousands	31.12.2022	31.12.2022	31.12.2022	2022	31.12.2021	2022	2021
	Pension plan	1'171	0	1'171	1'171	0	1'171	0
	<b>Total</b>	<b>1'171</b>	<b>0</b>	<b>1'171</b>	<b>1'171</b>	<b>0</b>	<b>1'171</b>	<b>0</b>

**2 Employee Benefit Liabilities**

	Deficit/ Surplus	Economic share of the Group	Change for the period recognized in the income statement	Contributions accrued for the period (benefit)/ liability	Pension expenses in Personnel expenses
in CHF thousands	31.12.2022	31.12.2022	31.12.2022	2022	2022
Pension plans without surplus/ deficit	0	0	0	6	4'350
Pension plans with surplus	0	0	0	0	0
Pension plans with deficit	0	0	0	0	0
Pension institutions without own assets	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>4'350</b>

in CHF thousands	31.12.2021	31.12.2021	31.12.2021	2021	2021
Pension plans without surplus/ deficit	0	0	0	3'978	3'521
Pension plans with surplus	0	0	0	0	0
Pension plans with deficit	0	0	0	0	0
Pension institutions without own assets	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3'978</b>	<b>3'521</b>

The disclosed pension expenses include only contributions to the pension institutions borne by the entity.

SKAN AG is affiliated to a collective pension plan. The coverage rate of pension institutions with full insurance is always 100% - any deficit or surplus is excluded due to the guarantees resulting from the insurance contract.

**Accounting principles****Pension benefits**

SKAN has several pension plans that are all managed by legally independent institutions and comply with the legal requirements in the respective countries. The effective economic impact of pension plans on the consolidated financial statements of SKAN are assessed at each balance sheet date. An economic benefit is capitalised if permitted and it is intended to use the surplus to reduce future employer contributions. An economic obligation is recognised as a liability if the conditions for a provision are met. Existing employer contribution reserves are recognised as assets. Any economic impact resulting from the surplus or the deficit and the change in employer contribution reserves are recognised in "personnel expenses" in the income statement.

The employees of the SKAN entities in Switzerland are insured in legally independent pension funds. The pension institution is financed through periodic employer and employee contributions. The foreign pension plans are of limited significance.

**3 IPO costs**

The following non-incremental IPO-related expenses are included within "Other operating expenses" in the consoli-

dated income statement as at 31 December 2021.

Item	in CHF thousands
Consultancy services	4'028
Incremental costs*	-1'550
<b>Non-incremental costs</b>	<b>2'478</b>

\* In addition to the incremental costs of kCHF 1'550, an amount of kCHF 2'822 related to consultancy services, Swiss Federal Issue Stamp Tax and bank commissions have been charged directly to the capital reserves in accordance with Swiss GAAP FER 24.

For the reporting year 2022, the federal levy on the initial IPO in 2021 ("Emissionsabgabe") of kCHF 880 has been charged directly to capital reserves in accordance with Swiss GAAP FER 24 and is reported separately within the Consolidated Statement of Changes in Equity.

#### 4 Restriction On The Transfer Of Shares

The Board of Directors can reject the transfer of shares if the acquirer is a competitor of the company or a person who works in or for a competing company of the SKAN Group or is directly or indirectly invested in a competing company. In addition, the Board of Directors can refuse the entry in the share register if the purchaser does not expressly declare that he/she has acquired the shares in his/her own name and for his/her own account.

#### 5 Related Parties

Related parties (refers to persons and entities) of SKAN are the members of the Board of Directors, the members of SKAN's Group Management and shareholders of SKAN that exercise, directly or indirectly, on their own or with others, a significant influence over the entity (voting right > 20%).

In the year under review, the legal fees for tax advice directly attributable to the law firm Lenz Caemmerer (Dr. Gert Thoenen, BoD member) amounted to CHF 19'047 (2021: CHF 78'013). In addition, Cornelia Gehrig (BoD member) provided consulting services as partner of Cornelia Gehrig GmbH amounting to CHF 2'200 (2021: CHF 0).

#### 6 Subsequent Events After The Balance Sheet Date

Between the balance sheet date of the consolidated financial statements for the year ended 31 December 2022 and the date of the approval of these financial statements by the Board of Directors, no events occurred that would require a change of the consolidated financial statements or a disclosure in this section.

#### 7 Approval Of The Consolidated Financial Statements

The consolidated 2022 financial statements were approved by the Board of Directors on 28 March 2023.





Phone +41 31 327 17 17  
www.bdo.ch  
bern@bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Bern

## STATUTORY AUDITOR'S REPORT

To the general meeting of SKAN Group AG, Allschwil

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of SKAN Group AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2022 and the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 138 to 200) give a true and fair view of the consolidated financial position of the Group as of 31 December 2022 and its consolidated results of operations and consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law 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.

#### Key Audit Matters

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.

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Phone +41 31 327 17 17  
www.bdo.ch  
bern@bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Bern

Key Audit Matter	How the Key Audit Matter was addressed in the audit
<p><b>Accounting for customer projects</b></p> <p>In 2022, the SKAN Group recognized net assets from customer projects (Work in progress) of CHF 70.9 million (18.3% of total assets) and net liabilities from customer projects (Advance payments from customers) of CHF 124.6 million (32.1% of total liabilities) in the balance sheet.</p> <p>The recognition of profits on such contracts in accordance with Swiss GAAP FER 22 "Long-term contracts" is based on the stage of completion of each project. This is measured by reference to the proportion of contract costs actually incurred at balance sheet date relative to the estimated total costs of the contract at completion. Potential losses must be recognized immediately.</p> <p>In our view, the measurement of customer projects is a key audit matter because of the significance of the project business for the Group and accordingly, also in the balance sheet and due to the high level of judgement in estimating the forecasted costs as well as net sales for these long-term contracts.</p> <p>An inappropriate application of the percentage-of-completion method could result in a material variance in the amount of profit or loss recognized at the balance sheet date and thus also in the current period.</p> <p>Refer to note 2.3 of the consolidated financial statements 2022.</p>	<p>We obtained an understanding of the relevant processes and control activities (including monitoring of projects and month-end procedures).</p> <p>We also inquired those responsible for project controlling in order to gain a more in depth understanding of the project portfolio and the related risks and to challenge management's assumptions and estimates in the valuation of projects.</p> <p>We performed test of controls and, on a sample basis, other substantive procedures of customer projects and their treatment in the consolidated financial statement as follows:</p> <ul style="list-style-type: none"> <li>- We examined monthly project reporting and the work performed by the project managers, finance team and management.</li> <li>- We reconciled estimated total net sales to purchase orders.</li> <li>- We compared projects completed in 2022 with previous estimates to analyse the accuracy of estimates.</li> <li>- We obtained detailed lists of accrued costs and reconciled them to the overall statement.</li> <li>- We tested prepayments and payments received from customers and the allocation to the corresponding projects.</li> <li>- We tested the project valuation calculations and reconciled the relevant information to the general ledger.</li> <li>- We reconciled the threatened losses calculated in the project valuations to the provision recognized in the general ledger.</li> </ul>

#### 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 financial statements, the compensation report and our auditor's report 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.

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Phone +41 31 327 17 17  
www.bdo.ch  
bern@bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Bern

#### Responsibilities of the Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation of the consolidated financial statements, which 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.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

#### Report on Other Legal and Regulatory Requirements

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

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

Basel, 28 March 2023

BDO Ltd

Joseph Hammel  
Auditor in charge  
Licensed Audit Expert

Dennis Kanwar  
Licensed Audit Expert

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# Financial Statements SKAN Group AG 2022

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# Income Statement

Income / in CHF	Note	2022	2021
Investment income	1.7	205'400	13'897'930
Dividend income	1.7 & 2.1	5'000'000	2'553'293
Interest income			
Third party		181'087	0
Group companies	1.8	96'329	0
<b>Total Income</b>		<b>5'482'816</b>	<b>16'451'223</b>
<b>Expenses / in CHF</b>			
Loss from investments		0	1'620'609
Personnel expenses		14'304	588'771
Administration expenses	2.6	377'646	3'179'452
Interest expenses		224'281	0
<b>Total Expenses</b>		<b>616'231</b>	<b>5'388'832</b>
<b>Profit before Income Taxes</b>		<b>4'866'585</b>	<b>11'062'391</b>
Income taxes		200'195	200'928
<b>Profit for the Year</b>		<b>4'666'390</b>	<b>10'861'463</b>



# Balance Sheet

## Assets

Current Assets / in CHF	Note	31.12.2022	31.12.2021
Cash and cash equivalents	1.1	45'323'702	89'824'069
Fixed term deposit	1.2	25'000'000	0
Other current receivables	1.3		
Third party		12'711	182'989
Group companies	1.4	17'000'000	0
Prepayments and accrued income		17'326	1
<b>Total Current Assets</b>		<b>87'353'739</b>	<b>90'007'059</b>
<b>Non-Current Assets / in CHF</b>			
Investments in subsidiaries	1.5 & 2.1	593'679'508	593'679'508
<b>Total Non-Current Assets</b>		<b>593'679'508</b>	<b>593'679'508</b>
<b>Total Assets</b>		<b>681'033'247</b>	<b>683'686'567</b>

## Liabilities and Equity

Current Liabilities / in CHF	Note	31.12.2022	31.12.2021
Other current liabilities to third parties	1.6	7'967	730
Accrued liabilities and deferred income	2.2	467'500	1'517'910
<b>Total Current Liabilities</b>		<b>475'467</b>	<b>1'518'640</b>
<b>Equity / in CHF</b>			
Share capital		224'835	224'835
Capital reserves			
Reserves from capital contributions	2.3	642'126'707	645'705'221
Statutory reserves		25'376'407	25'376'407
Retained earnings (incl. carry forward)			
Profit carried forward		8'163'440	0
Profit for the year		4'666'390	10'861'463
<b>Total Equity</b>		<b>680'557'780</b>	<b>682'167'926</b>
<b>Total Liabilities and Equity</b>		<b>681'033'247</b>	<b>683'686'567</b>

## 1 Information about the Report

SKAN Group AG (the "Company") is the ultimate holding company of the SKAN Group and is headquartered in Allschwil, Switzerland. The Company did not have any employees in 2022 (in 2021: Two employees until the end of November 2021).

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles (GAAP), as set out in the Swiss Code of Obligations ("SCO") Art. 957 to 963b. All amounts are presented in Swiss francs ("CHF"), unless otherwise indicated. Group companies include all legal entities which are directly or indirectly owned and controlled by the Company.

The financial statements have been prepared under the historical cost convention, except where disclosed otherwise in the accounting policies and were prepared under the going concern assumption. The figures and especially the totals may contain rounding differences.

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the remeasurement of current assets and current liabilities denominated in foreign currencies are recognized in financial income and financial expenses.

The Company has prepared its consolidated financial statements according to Swiss GAAP FER. Consequently, these financial statements and notes do not include additional disclosures, a cash flow statement and a management report.

### 1.1 Cash and cash equivalents

Cash and cash equivalents comprise current bank accounts, petty cash and short-term financial investments with an initial maturity of up to three months.

### 1.2 Fixed term deposit

Fixed term deposit held with a Swiss bank for a period of six months after 31.12.2022.

### 1.3 Other current receivables

All receivables are stated at nominal value less provision for bad debt, which is calculated on the basis of an individual assessment of the receivables. Each receivable is valued individually.

### 1.4 Other current receivables - group companies

Current receivables toward group companies consist of the balances on current accounts held by the subsidiaries as of the balance sheet date.

### 1.5 Investments

Investments in subsidiaries are recognized at cost less impairment charges and are valued according to the principle of individual valuation. The Company reviews the carrying amount of its investments on a yearly basis and if indicators suggest that the carrying amount may not be recoverable, a valuation adjustment is recognized in the income statement. Impairment charges are calculated on an individual basis.

### 1.6 Other current liabilities

Liabilities are recognized at their nominal value.

### 1.7 Investment income and Dividend income

Investment income results from the single payment of a settlement agreement of 118kCHF and an interest income from an investment's liquidation of 87kCHF. Dividend income from investments is recognized at the time of legal claim.

### 1.8 Interest income - group companies

Interest income from group companies derives from the interest due on current accounts held by the subsidiaries.

## 2 Disclosures on Balance Sheet and Income Statements Items

### 2.1 Group Companies

Name of the company, domicile	Country	Currency	Share capital	Votes and capital share 31.12.2022	Votes and capital share 31.12.2021	
SKAN Holding AG, Allschwil	Switzerland	CHF	189'750	100%	100%	directly held
SKAN AG, Allschwil	Switzerland	CHF	50'000	100%	100%	indirectly held
SKAN US, Inc. Raleigh, NC	USA	USD	0	100%	100%	indirectly held
SKAN JP, Okinawa	Japan	JPY	30'000'000	80%	80%	indirectly held
SKAN LLC, Raleigh, NC	USA	USD	0	100%	100%	indirectly held
SKAN Deutschland GmbH, Görlitz	Germany	EUR	25'000	100%	100%	indirectly held
SKAN Stein AG, Stein	Switzerland	CHF	100'000	100%	100%	indirectly held
Aseptic Technologies S.A., Gembloux <sup>1</sup>	Belgium	EUR	17'356'640	80%	60%	indirectly held

<sup>1</sup> A 20% increase in the shareholding was made as of 01.07.2022

SKAN has irrevocably committed itself to increase the current shareholding in Aseptic Technologies S.A. by a total of 10%. The acquisition will take place in two tranches of 5% each. As of the balance sheet date, the contractual purchase date has not yet been definitely determined. According to the contract, both tranches must be executed between the financial years of 2023 and 2026.

## 2.2 Accrued liabilities and deferred income

in CHF	31.12.2022	31.12.2021
Income and capital taxes	400'000	201'144
KPMG IPO services <sup>1</sup>	0	1'038'215
Legal costs <sup>1</sup>	0	155'000
Audit fee	67'500	67'500
Sale of shares due to the dissolution of existing shareholder <sup>1</sup>	0	44'266
Accrual share registry <sup>1</sup>	0	11'084
Accident Insurance	0	702
<b>Total accrued liabilities and deferred income</b>	<b>467'500</b>	<b>1'517'910</b>

<sup>1</sup> All transactions relate to the IPO in 2021 hence no such costs in the reporting year 2022.

## 2.3 Reserves from capital contributions ("Kapitaleinlagereserve")

in CHF	Total reserves from capital contributions
Opening balance per 01.01.2021	9'844'841
Transfer to the statutory retained earnings for distribution	-9'111'834
Dividend payments from capital contributions	-733'007
Capital increase (10'280'500 new shares) through transfer of SKAN Holding AG shares	555'044'195
Capital increase (1'731'464 new shares) through Initial Public Offering	90'661'026
<b>Closing balance per 31.12.2021</b>	<b>645'705'221</b>
Opening balance per 01.01.2022	645'705'221
Federal levy on IPO "Emissionsabgabe"	-880'490
Dividend payments from capital contributions	-2'698'023
<b>Closing balance per 31.12.2022</b>	<b>642'126'707</b>

## 2.4 Treasury shares

in CHF	Number of treasury shares	Average share price
Balance treasury shares per 01.01.2021	513	6.25
Acquisition 2021	0	0
Sale 2021	513	6.25
<b>Balance treasury shares per 31.12.2021</b>	<b>0</b>	<b>0</b>
Balance treasury shares per 01.01.2022	0	0
Acquisition 2022	0	0
Sale 2022	0	0
<b>Balance treasury shares per 31.12.2022</b>	<b>0</b>	<b>0</b>

## 2.5 Shareholder base

### Significant Shareholders

According to the share register, the following shareholders own more than 3% of the shares in SKAN Group AG as of the balance sheet date:

Name	Number of shares per 31.12.2022	in % of share capital	Number of shares per 31.12.2021	in % of share capital
Dr. h. c. Willy Michel, Gümliigen	3'475'262	15.5%	3'904'951	17.4%
Th. Plattner, Muri b. Bern <sup>1</sup>	n/a	n/a	3'497'466	15.6%
Plattner Buser Vera, MuttENZ	2'385'737	10.6%	n/a	n/a
Plattner Gregor, Zürich	2'385'737	10.6%	n/a	n/a
PEMOL-Baumann-Stiftung	1'757'823	7.8%	n/a	n/a
Catum GmbH, Engelberg (Beneficiary: Martin Reber)	1'006'479	4.5%	1'006'479	4.5%
Huber Thomas Martin, Münchenstein	683'905	3.0%	683'905	3.0%
Baumann Peter, Fürigen	n/a	n/a	2'197'278	9.8%

<sup>1</sup> Transfer of all shares previously held by Th. Plattner as the beneficiary to the legal owners Gregor Plattner and Vera Buser Plattner in 2022.

Shares owned by board members

The board members own the following number of shares as of the balance sheet date:

Name	Function	Number of shares per 31.12.2022	in % of share capital	Number of shares per 31.12.2021	in % of share capital
Dr. Gert Thoenen	Chairman	318'174	1.4%	331'174	1.5%
Oliver Baumann	Member	0	0%	0	0%
Cornelia Gehrig	Member	85	0%	0	0%
Thomas Huber	Member	683'905	3.0%	683'905	3.0%
Dr. Beat Lüthi	Member	0	0%	0	0%
Gregor Plattner	Member	2'385'737	10.6%	636'504	2.8%
Patrick Schär	Member	1'000	0%	1'000	0%

Shares owned by management

The Executive Management owns the following number of shares as of the balance sheet date:

Name	Function	Number of shares per 31.12.2022	in % of share capital	Number of shares per 31.12.2021	in % of share capital
Thomas Huber	CEO	683'905	3.0%	683'905	3.0%
Michel Gasser <sup>1</sup>	CSO	n/a	n/a	2'625	0%
Marina Häni <sup>2</sup>	CPCO	0	0%	n/a	n/a
Dr. Cornelia Henny-Weiss	COO	0	0%	0	0%
Philippe Jérôme	CMO	47'325	0.2%	47'325	0.2%
Ralf Krämer <sup>2</sup>	CTO	0	0%	n/a	n/a
Burim Maraj	CFO	20'489	0.1%	20'489	0.1%
Bernd Naumann <sup>1</sup>	CTO	n/a	n/a	45'946	0.2%
Dr. Sascha Pawel	CIO	140'686	0.6%	183'786	0.8%
Fabienne Schmid <sup>1</sup>	CO HR	n/a	n/a	26'247	0.1%
Martin Steegmüller	CPO & CDO	5'218	0%	5'218	0%
Thomas Zinn	CCO	0	0%	0	0%

<sup>1</sup> Resigned in 2022; is not a member of Executive Management as of 31 December 2022. Therefore no disclosure.

<sup>2</sup> Member of Executive Management in 2022. Therefore no disclosure for 2021.

## 2.6 Administrative expenses

in CHF	31.12.2022	31.12.2021
Legal and consultancy fees	184'722	3'061'079
Marketing and representation	126'450	48'690
Bank charges	31'594	13'781
Other expenses	34'880	55'901
<b>Total administrative expenses</b>	<b>377'646</b>	<b>3'179'452</b>

The higher administrative expenses in the previous year 2021 were mainly due to legal and consultancy costs arising from the IPO.

## 3 Other Information

### 3.1 Contingent liabilities

SKAN Group AG, together with SKAN AG and SKAN Holding AG, have a joint contingent liability resulting from a bank loan between SKAN Deutschland GmbH and the DZ-Bank and Volksbank in Germany in the amount of 12'301 kCHF. SKAN Group AG joined this bank loan as an additional contract party in 2022.

### 3.2 Full-time equivalents

The annual average number of full-time equivalents for the reporting period did not exceed 10 (2021: Did not exceed 10).

### 3.3 Audit fee

The audit fee consists of the following:

in CHF	31.12.2022	31.12.2021
Audit fee <sup>1</sup>	82'500	190'988
Other services (including IPO)	950	209'909

<sup>1</sup> In 2021, audit fees were higher due to more extensive audit procedures related to the IPO.

### 3.4 Subsequent events after the balance sheet date

No significant events occurred after the balance sheet date of 31.12.2022. Events after the balance sheet date were considered until 28. March 2023. On this date, the financial statements were approved by the Board of Directors of SKAN Group AG.



# Appropriation of Retained Earnings

in CHF	2022	2021
Profit carried forward per 1 January	10'861'463	3'260'890
Allocation to retained earnings	0	18'729'323
Dividend distributed	-2'698'023	-21'990'213
Profit for the year	4'666'390	10'861'463
Distributable retained earnings to shareholders	12'829'830	10'861'463

# Proposal for the Appropriation of Retained Earnings by the Board of Directors

in CHF	2022	2021
Distributable retained earnings to shareholders	12'829'830	10'861'463
Allocation to free reserves	0	0
Dividend <sup>1</sup>	-5'620'881	-5'396'046
Thereof from capital contribution reserves ("KER")	2'810'441	2'698'023
Balance to be carried forward	10'019'389	8'163'441
Total dividend distribution	5'620'881	5'396'046
Thereof from capital contribution reserves ("KER")	-2'810'441	-2'698'023
Thereof from retained earnings	2'810'441	2'698'023

<sup>1</sup> The dividend is based on the total shares outstanding as of 31.12.2022.

Since the statutory capital reserves have reached 20% of the share capital, no further allocation is deemed necessary.



Phone +41 31 327 17 17  
www.bdo.ch  
bern@bdo.ch

BDO Ltd  
Hodlerstrasse 5  
3001 Bern

## STATUTORY AUDITOR'S REPORT

To the general meeting of SKAN Group AG, Allschwil

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of SKAN Group AG (the Company) - which comprise the balance sheet as of 31 December 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 208 to 221) 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 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.

#### 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter was addressed in the audit
<p><b>Valuation of investments</b></p> <p>As of 31 December 2022, the financial statements show investments in subsidiaries totaling CHF 594 million. This corresponds to 87% of total assets. Investments in subsidiaries are recognized at historical cost less any adjustments for impairments. To assess whether impairment indicators exist, management compares the recoverable amount based on the stock market price with the carrying amount. As of 31 December 2022, no impairment was recognized. In our view this item, which is very large in amount, was a key audit matter because of the higher degree of management judgement in evaluating the need for any impairment charges. The company's disclosures on investments in subsidiaries are included in notes 1.5 and 2.1 to the financial statements</p>	<p>In addition to inquiries of management, we performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>- Evaluation of whether the method used is appropriate.</li> <li>- We have assessed the main assumptions.</li> <li>- Tested the mathematical accuracy of the calculations.</li> <li>- Agreed the parameters used to supporting evidence.</li> </ul>

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BDO Ltd  
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3001 Bern

#### 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 financial statements, the consolidated financial statements, 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.

#### Responsibilities of the Board of Directors for the Financial Statements

The board of directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTSuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

#### Report on Other Legal and Regulatory Requirements

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

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# Abbreviations and Definitions

 Phone +41 31 327 17 17  
www.bdo.ch  
bern@bdo.ch

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Hodlerstrasse 5  
3001 Bern

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.

Bern, 28 March 2023

BDO Ltd

  
Joseph Hammel  
Auditor in charge  
Licensed Audit Expert

  
Dennis Kanwar  
Licensed Audit Expert

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## Alternative Financial Performance Measures (APM)

- **EBITDA:** Operating result (EBIT) plus depreciation, amortisation.
- **EBITDA margin:** EBITDA as a percentage of net sales from goods and services.
- **EBT:** Profit before income taxes.
- **Equity ratio:** Equity at the end of the period divided by total assets at the end of the period.
- **Headcount:** Number of people employed by SKAN Group at the time indicated (i.e. excluding contractors).
- **Net cash:** Cash and cash equivalents less current and non-current financial liabilities.
- **Net working capital (NWC):** Total current assets (excluding cash and cash equivalents) minus trade payables, advance payments from customers, other current liabilities, current provisions, and accrued liabilities and deferred income. Compared to the previous year (31.12.2021) SKAN subtracted the accrued liabilities and deferred income from total current assets as given in the definition. To make the previous year's key figure comparable, NWC from the previous year was recalculated (according to the given definition).
- **Operating result (EBIT):** Earnings before total financial result and income taxes.
- **Return on capital employed (ROCE):** Operating result (EBIT) divided by the sum of the average total assets minus the average current liabilities, expressed as a percentage.

## Abbreviations and Definitions

- n/a: Not applicable

## Financial Calendar

Annual report 2022, press conference and presentation for financial analysts	28.03.2023
Annual general meeting 2023	03.05.2023
Publication Half-Year Results 2023	22.08.2023

**SKAN AG** Kreuzstrasse 5  
4123 Allschwil, Switzerland

**SKAN Stein AG** Industriestrasse 3  
4332 Stein, Switzerland

**SKAN Deutschland GmbH** Nickrischer Strasse 2  
02827 Görlitz/Hagenwerder, Germany

**SKAN US, Inc.** 7409 ACC Blvd., Suite 200  
Raleigh, NC 27617, USA

**SKAN Japan** 5194-61 Katsuren-Haebaru Uruma-shi  
Okinawa 沖縄県 904 2311, Japan 日本

**Aseptic Technologies S.A.** Rue Camille Hubert 7-9  
5032 Gembloux / Les Isnes, Belgium