oerlikon

Annual Report **2024**

About Oerlikon

Oerlikon is a global leader in surface technologies with a subsidiary for manmade fibers solutions, Barmag.

With a unique portfolio in surface engineering, advanced materials, coating equipment and components, we make our customers' products better: improved efficiency, durability and sustainability. Oerlikon serves a wide range of industries, including Aerospace, Automotive, Energy, Medical and Luxury.

Headquartered in Pfäffikon, Switzerland, the Group has a global presence with over 12 000 employees across 199 locations in 38 countries, achieving sales of CHF 2.4 billion in 2024.

Group Structure

Both divisions offer customer solutions under leading brands and execute strategies targeted at customers' needs in their respective markets.

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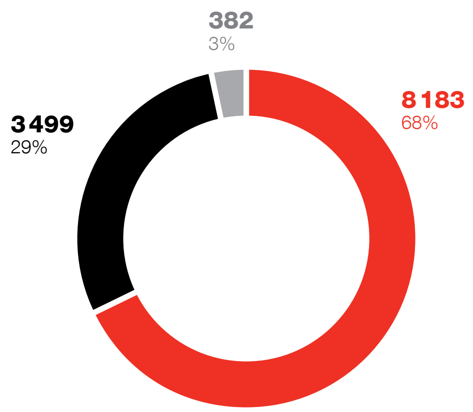
Surface Solutions Division	Polymer Processing Solutions Division
oerlikon balzers	oerlikon barmag
oerlikon metco	oerlikon neumag
oerlikon am	oerlikon nonwoven
oerlikon riri	
oerlikon fineparts	

oerlikon hrsflow



Employees (FTEs) 2024 by Division

- Surface Solutions Division
- Polymer Processing Solutions Division
- Other

2024 at a Glance

Surface Solutions

Achieved stable organic sales development at constant exchange rates in highly challenging market environments. The performance is attributed to innovation and a more diversified product portfolio and expansion in attractive markets, including aerospace, e-mobility, etc. Strong profitability: operational EBITDA margin improved by 90 basis points despite lower sales, supported by pricing, innovation and cost efficiency measures.

Order Intake	Sales	Operational EBITDA Margin
1.5 billion	**1.5 billion**	**18.0%**
2.5% below prior year	1.5% below prior year	90 bps above prior year

Polymer Processing Solutions

Preemptive actions resulted in strong operational EBITDA margin compared to previous downcycle. Orders stabilized throughout the year while sales decreased year-over-year due to lower order intake in 2023. Further operational actions have been initiated to strengthen long-term competitiveness and are expected to positively impact profitability beyond 2025.

Order Intake	Sales	Operational EBITDA Margin
0.9 billion	**0.9 billion**	**12.8%**
5.0% below prior year	25.4% below prior year	170 bps below prior year

Group

Decisive strategic and operational execution strengthened resilience, resulting in positive margin development despite lower sales in challenging and weak end markets.

Order Intake	Sales	Operational EBITDA Margin
2.4 billion	**2.4 billion**	**16.6%**
3.5% below prior year	11.9% below prior year	10 bps above prior year
Net Result	**Earnings per Share**	**Ordinary Dividend Proposal**
72 million	**0.20**	**0.20**
210% above prior year	101% above prior year	Same level as prior year

All financial figures in CHF.

Innovative PVD coatings from Oerlikon enhance performance, durability and efficiency for industrial tools and components, surgical instruments and modern consumer goods, by combining exceptional surface hardness, low friction and corrosion resistance.

Interview with the Executive Chairman

A conversation with Oerlikon Executive Chairman of the Board, Michael Suess

How did Oerlikon perform in 2024?

Surface Solutions achieved CHF 1.5 billion of sales, reflecting stable organic development at constant exchange rates despite facing highly challenging end markets. This is attributed to our innovative products and expansion in the past decade into attractive markets and applications, such as aerospace, e-vehicles and battery shields.

Surface Solutions is today not only a lot more resilient and diverse, but also highly cost efficient. This is reflected in Surface Solutions' strong profitability in 2024, with an operational EBITDA margin of 18.0% despite challenging markets.

Similarly, we succeeded to deliver a strong double-digit operational EBITDA margin of 12.8% despite the significant drop in sales for Polymer Processing Solutions compared to the previous years (-25% vs 2023 and -43% vs 2022). If we measure our performance against the last market cycle, the division's operational profitability clearly shows the positive impact of our decisive cost actions.

As a Group, we have performed well given the challenging market environment for both businesses. We delivered a strong operational performance in both businesses, increased our offering for new markets, such as luxury and semiconductors for Surface Solutions, and have successfully repositioned the additive manufacturing business. In Polymer Processing Solutions, our early and decisive action has paid off. Moreover, we are improving our longer-term competitiveness as we begin to shift some of our production to China.

Our results are only possible due to the efforts and commitment of all our employees. I am proud of the entire Oerlikon team and thank them for their dedication and hard work in overcoming market challenges while preparing for the separation.

Can you reiterate the rationale for the separation?

2024 was clearly marked by our decision to start executing on the final step of our strategy to become a pure-play leader in the broad surface solutions markets and to separate from the manmade fibers business.

Both businesses are very well positioned in "sweet spots" in their markets. However, the combination of Surface Solutions and Polymer Processing Solutions creates an overall unfocused investment. The businesses do not share many synergies, and thus, as a single entity, it is perceived to be less attractive. Investors prefer to buy into pure-play businesses as they view such businesses to be more focused and able to better grow.

With Oerlikon's move toward pure play, investors will have the option to invest in a high-tech leader in surface technologies and advanced materials with a unique toolbox of technologies and a balanced regional customer base. The business has substantial potential for profitable growth by further expanding in new applications and markets.

Polymer Processing Solutions is a market leader providing technologies in the filament markets. Despite the cyclicality of the business, these markets are characterized by long-term growth of 3-5% per annum, driven by innovation, population expansion and the need for clothing and textiles. Moreover, the sustainability benefits, where less energy and water are required in their production compared to natural fibers, support the growth potential of manmade fibers.

Can you give us an update on the progress of the separation?

We are on track with the implementation of this final transformation step and achieved an important milestone. As of January, 2025, Manmade Fibers (Polymer Processing Solutions excluding HRSflow) operates as a stand alone subsidiary and will adopt the traditional Barmag name.

Georg Stausberg will remain on the Executive Committee and as the Chief Sustainability Officer, reporting directly to me. HRSflow will be reported as part of Surface Solutions.

In addition, we began implementing our efficiency plan to combine the Corporate and Surface Solutions Division functions to align costs with the pure-play scope.

These steps lay the groundwork for Oerlikon to focus exclusively on surface technologies. For further details on the separation, we will inform in a prompt and timely manner once the decisions have been taken.

Can you tell us more about innovation at Oerlikon?

Innovation is a key strength of Oerlikon, and our technologies act as barriers to entry in our end markets. In 2024, around 4% of our sales was spent on R&D, and 81% of our R&D expenditure was on sustainable products.

We have a strong product and innovation pipeline. As we continue to develop new and next-generation coatings for our tooling, automotive, aerospace and energy customers, we are also investing in new and innovative solutions for other attractive applications and markets.

Examples of the above include our thermal insulation systems that elevate battery safety in e-vehicles or our PVD finish for luxury parts that provides the same aesthetic gold effect without using any precious gold mineral. We are expanding into areas such as the use of combustion wire (special alloy) thermal spray coating for gear shifters in the high-end motorcycle market and PVD coatings for electronics and semiconductor industries.

Under our Metco Joining & Cladding brand, we are part of the Euro 7 project and offer a portfolio of dedicated materials for brake disk coating to reduce non-exhaust fine dust emissions.

Digitalization is another key driver of our innovation. We are applying artificial intelligence (AI) to support and improve our processes. One example of this is an AI-based and standardized surface inspection tool that ensures more accurate and consistent inspections through automation and standardization in contamination measurement. We have developed an Internet of Things (IoT) for coating equipment that connects all the data and provides us with insights into customers' existing manufacturing execution systems to support them in achieving their Industry 4.0 goals. We have also digitalized our R&D process to enable labs to automatically identify, extract and transfer R&D data into a database, thereby increasing efficiency and data accuracy and enabling rapid feedback loops to support predictive quality, predictive maintenance and new product introductions.

We remain committed to investing in R&D and digitalization for our future success by consistently applying our capital allocation framework, focusing on high-return and growth areas.

Can you tell us more about sustainability at Oerlikon?

We continue to focus on empowering our customers to increase their efficiency and improve their environmental footprint, for example by saving energy, reducing waste or lowering emissions.

As we have often shared, the emissions avoided from our coatings for tools and in jet engines are even more than the emissions generated in Switzerland annually. Our reconditioning solutions lead to 50% cost savings while extending the lifespan of these tools, and our PVD coatings can generate 97% less waste compared to prevailing electroplating.

Operationally, we have progressed well toward our defined 2030 sustainability targets, the details of which you can find in our Sustainability Report 2024.

Do you intend to continue paying dividends?

The Board will recommend to shareholders a stable dividend, that is an ordinary dividend payout of CHF 0.20 per share at the 2025 Annual General Meeting of Shareholders on April 1, 2025.

What is your outlook for 2025?

At the Group level, Oerlikon expects organic sales at constant FX to be stable or to increase by a low single-digit percentage. Innovation, pricing and efficiency at Surface Solutions is expected to be offset by a transitorily lower margin at Barmag (Manmade Fibers). As a result, Oerlikon expects ~15.5% operational EBITDA margin for the Group.

For Surface Solutions, Oerlikon expects organic sales at constant FX to be stable or to increase by a low single-digit percentage, despite soft end markets. The scope includes HRSflow, which is part of Surface Solutions as of 2025. The operational EBITDA margin is expected to be in the range of 18.5%-19.0% (2024: 18.7% including HRSflow). This represents a stable development year-over-year, despite the challenging environment.

Barmag (Manmade Fibers) is expected to have stable or a low single-digit percentage increase in organic sales at constant FX. Order intake is expected to have seen the trough in 2024. Operational EBITDA margin is expected at ~7.5% (2024: 10.3%). This represents a year-over-year decrease as a result of transitory price concessions done in 2024 to maintain order volume. Beyond 2025, Barmag's (Manmade Fibers) operational EBITDA margin is expected to be positively impacted by a pricing recovery and the ongoing optimization of manufacturing footprint.

Do you have any additional comments you wish to share?

I would like to once again thank all our employees, the management team and my colleagues on the Board of Directors for their dedication and support throughout 2024. I would also like to thank our partners, customers and shareholders for their continued trust in Oerlikon.

I am confident that Oerlikon has all the right ingredients – "sweet spots" in growth markets, talented and skilled employees, cutting-edge innovation and sustainable technologies – that will support Oerlikon in strengthening our market position, protecting our profitability and executing our final pure-play step.

The next-generation MultiCoat™ 5 thermal spray controller unit sets new standards in coating precision and efficiency. Advanced data-driven insights ensure accurate regulation of spray parameters for consistently superior coating quality. The compact design integrates seamlessly into existing setups.

The Oerlikon Pure-Play Strategy

At the end of 2024, Oerlikon reached an important milestone in its history: Effective January 1, 2025, the Manmade Fibers business (Polymer Processing Solutions excluding HRSflow) operates as a subsidiary under the traditional Barmag name until its separation. HRSflow will be reported as part of Surface Solutions, as of January 2025. Oerlikon stands for surface technologies going forward.

Almost exactly ten years ago, the Chairman of the Board of Directors outlined the company's strategy to gradually transition Oerlikon from an industrial conglomerate to a market and technology leader focused on surface technologies, advanced materials and materials processing.

In the subsequent execution of this pure-play strategy, Oerlikon was guided by three key principles:

- Value-optimizing portfolio restructure
- Sustainable enhancement of the remaining business areas
- Shareholder participation in earnings through dividends

Value-Optimizing Portfolio Restructure

Oerlikon has been managed as a classic conglomerate for decades. In 2014, the portfolio consisted of five business units: Surface Technologies, Manmade Fibers, Transmission Systems and Drive Solutions, Advanced Technologies and High-Vacuum Technologies and Pumps. However, these business units had hardly any synergies between them.

From 2014 to 2019, the first step was to focus on those business areas that are market and technology leaders in their sector: Surface Technologies and the Manmade Fibers business.

Business units that were not leaders in their industry have been sold at optimum value: the Advanced Technologies business, for example, was acquired by Evatec for CHF 61 million in 2015. The High-Vacuum Technologies and Pumps business was sold in 2016 to Atlas Copco in Sweden for CHF 525 million. Following a successful restructuring, the business sold its Transmission Systems and Drive Solutions business in 2019 to the American industrial group Dana for CHF 600 million. The amount of revenue generated was CHF 200 million above the market estimates at that time.

Sustainable Enhancement of The Remaining Business Areas

A central pillar of the pure-play strategy was the systematic development of the remaining business areas. Over the past ten years, more than CHF 2 billion was invested in further developments and innovations. Furthermore, CHF 2.1 billion was invested in acquisitions, which enabled the development of new markets.

Surface Solutions Successfully Diversified – Sales Tripled with High Profitability

Today, Oerlikon is a global market and technology leader in surface technologies and advanced materials with a strong value proposition: Oerlikon's coating solutions and high-tech materials and components significantly improve the functionality and sustainability of our customers' products while accounting for just a small proportion of the total costs.

Over the past ten years, the business has enjoyed successful expansion by investing systematically in the development of a technology system and opening up new markets. The company's customer base was also significantly diversified over this period of time, making the business more resilient.

In 2013, sales were around CHF 500 million. This was largely achieved with thin-film coating (PVD) core technology, particularly in the European automotive and tooling industries.

At the end of 2024, despite the challenging market environment, the business achieved a threefold increase compared to 2013 by generating sales of CHF 1.5 billion, with a strong operational EBITDA margin of 18.0%.

Expansion of Technological Solutions

This positive development is based on a technology system with five core technologies, which has been consistently structured and has systematically expanded the solutions on offer. Over the past ten years, Oerlikon has used this technology system to tap into a number of industries, including aerospace, energy, medical and defense. For the past two years, Oerlikon has also been offering solutions for the semiconductor and luxury goods industries. Oerlikon will continue to push forward in the future by opening up new markets. Research is currently being carried out on new coatings that will enable more efficient electrolysis of green hydrogen.

Strengthening Regions

Alongside the expansion of our technology solutions, we have also bolstered our regions by significantly expanding our business in Asia and the Americas region. This positive momentum was supported by the creation of a new regional structure in 2022. Since then, the regions have had the responsibility and the subsequent entrepreneurial freedom to ensure the operational economic success of the business. At the same time, we further enhanced our key innovation and production centers in Switzerland and Liechtenstein.

By focusing on surface technologies, Oerlikon is in an excellent position to achieve further profitable growth. Using its unique technology system and the value proposition of efficiency, productivity and sustainability, Oerlikon will tap into other industries and the significant growth potential in Asia and the Americas.

Manmade Fibers Business Strengthened

The Manmade Fibers business has thrived through investments made in R&D, resulting in more than 500 new patents since 2014. The business is a global market leader in the engineering of equipment and systems used to produce manmade fibers. This innovative solution allows customers to improve efficiency and sustainability. New systems facilitate the reduction of energy consumption, waste production and spatial requirements.

In addition to this, over the last ten years the Manmade Fibers business has consistently responded to the growing concentration of the end markets in China and India, moving most of its production to China while R&D and certain key production processes remain in Germany.

Over the last 20 years, the market for manmade fiber systems has increased annually by 2.7% (CAGR) throughout the market cycle. As a market leader, Oerlikon has made a significant contribution to this growth. Demand for manmade fibers has remained strong over the long term, with an average annual growth rate of 5%, driven by the megatrends of population growth and sustainability.

Due to its early and consistent response to market indicators, Oerlikon achieved a total operational EBITDA margin of over CHF 1.1 billion over the last cycle (2016–2023). This equates to an annual margin of around 13% and, combined with a low capital intensity, contributed to an attractive return on investment. Due to early cost measures, the 13% margin was sustained in 2024 despite the difficult environment.

Over the long term, the Manmade Fibers technology business is very well positioned for the future as a technology and market leader thanks to its innovative strength and the growth megatrend.

Shareholder Participation in Earnings Through Dividends

Shareholders have also benefited from the successful implementation of the pure-play strategy. In addition to investments in the strategic expansion of its business, Oerlikon paid a total of around CHF 1.6 billion to shareholders in the form of dividends between 2014 and 2024.

Oerlikon's Focus on Surface Technology from 2025 – Ready for Subsidiary Barmag Spin-Off

Both businesses are in a strong position as market and technology leaders in their end markets. However, there are no technological or economic synergies between the two areas, and their end markets and customer bases are fundamentally different. The separation thus increases the agility of the two business units, creating two clearly focused and defined investment opportunities.

Following the announcement in February 2024 that the Manmade Fibers business would be spun off within the next two years, Oerlikon's story as one of the major industrial conglomerates came to an end.

In 2024, Oerlikon created the organizational and legal framework to separate the Manmade Fibers business at the right time. In addition to this, the business with hot air ducts (HRSflow, previously INglass) will be reported as part of Surface Solution, effective January 1, 2025.

As of January 2025, Oerlikon will be a leader in surface technologies with a subsidiary which will use the traditional Barmag name until the separation has been completed. This means that Oerlikon is only one step away from realizing its pure-play vision within the coming 12-24 months.

Contents

Group 2024 Performance

Oerlikon delivered strong performance in 2024 despite highly challenging end markets. 2024 Group orders, sales and EBITDA were impacted by the weak automotive and tooling markets, as well as the continued downturn in Polymer Processing Solutions. Surface Solutions saw stable organic sales at constant exchange rates (FX).

In 2024, Group order intake decreased by 3.5% to CHF 2 372 million. Adjusted for FX, organic orders decreased by 1.8%. Group sales decreased by 11.9% to CHF 2 372 million, including an FX headwind of 2.8%. The FX-adjusted organic decline of 10.1% was driven by the filament downturn in Polymer Processing Solutions, while Surface Solutions saw an FX-adjusted organic stable sales (-0.1%).

Group operational EBITDA decreased by 11.6% to CHF 393 million, compared to CHF 444 million in 2023. The operational EBITDA margin was 16.6% versus 16.5% in 2023 despite lower sales, thanks to pricing, innovation, mix and cost efficiency. The operational EBIT margin was 8.2% (CHF 193 million) compared with 8.7% (CHF 235 million) in the previous year.

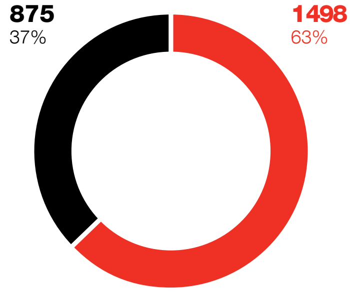
Group unadjusted EBITDA decreased by 3.7% year-over-year to CHF 369 million, or 15.6% of sales (2023: CHF 384 million, or 14.2% of sales). Group unadjusted EBIT was CHF 168 million, or 7.1% of sales (2023: CHF 105 million, or 3.9% of sales).

The Oerlikon Group's net profit amounted to CHF 72 million in 2024, or earnings per share of CHF 0.20, versus CHF 23 million, or earnings per share of CHF 0.10 in 2023. The net result increased year-over-year due to one-off charges.

A Globally Balanced Business

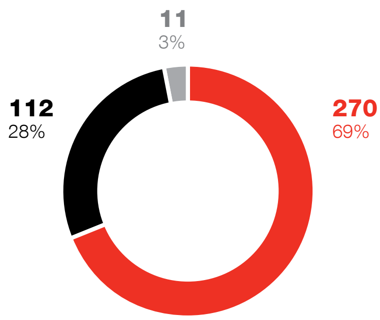
A portfolio and pipeline full of innovative technologies, a global footprint and an industry-leading scope of comprehensive services continue to be key components of Oerlikon's strategy. The Surface Solutions Division generated 63% of total Group sales in 2024, while the Polymer Processing Solutions Division accounted for 37% of Group sales.

Serving customers in close proximity, Oerlikon operates 199 sites in 38 countries, with 90 sites in Europe, the Middle East and Africa, 68 sites in Asia-Pacific and 41 sites in the Americas. Asia-Pacific continued to account for the largest proportion of Group sales in 2024. Sales in Asia-Pacific decreased by 17% to CHF 1 082 million, or



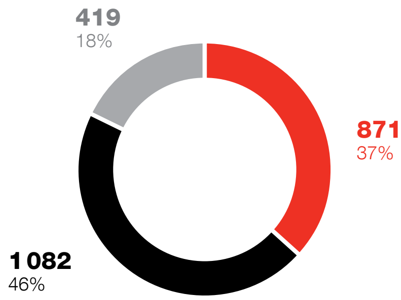
Sales 2024 by Division
in CHF million

- Surface Solutions Division
- Polymer Processing Solutions Division



Operational EBITDA 2024 by Division
in CHF million

- Surface Solutions Division
- Polymer Processing Solutions Division
- Other



Sales 2024 by Region[1]
in CHF million

- Europe
- Asia-Pacific
- Americas

[1] Differences in total reported figure due to rounding.

46% of Group sales, compared with CHF 1 302 million, or 48% of Group sales, in 2023. Sales decline was mainly attributed to the manmade fibers business in China.

Europe remained the second-largest regional contributor to Group sales in 2024, with sales totaling CHF 871 million, or 37% of sales, compared with CHF 941 million, or 35% of sales, in 2023. Group sales in the Americas was stable, totaling CHF 419 million in 2024, or 18% of Group sales, compared with CHF 449 million in 2023.

Balance Sheet with Equity Ratio of 28%

As of December 31, 2024, Oerlikon had total assets of CHF 4 002 million, compared with CHF 4 099 million as at year-end 2023. The Oerlikon Group had equity (attributable to shareholders of the parent) of CHF 1 118 million, representing an equity ratio of 28%.

Operating Cash Flow

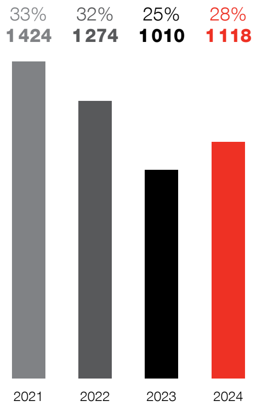
Cash flow from operating activities before changes in net current assets increased by 12% to CHF 308 million, compared with CHF 275 million in 2023. The cash flow from changes in net current assets was CHF -36 million compared with CHF -94 million in 2023, and the cash flow from operating activities increased by 51% to CHF 272 million in 2024, compared with CHF 181 million in 2023.

Capital expenditure (CAPEX) amounted to CHF 122 million, compared with CHF 133 million in 2023. Excluding amortization of acquired intangible assets, the CAPEX-to-depreciation ratio was 0.8 times.

Cash flow from investing activities was CHF -86 million in 2024, compared with CHF -504 million in 2023. Cash flow from financing activities amounted to CHF -324 million in 2024, compared with CHF 425 million in 2023, due to repayment of financial debt. Oerlikon reported a change in cash and cash-equivalent position in 2024 of CHF -126 million, mainly driven by repayment of financial debt, compared with a change in cash and cash-equivalents of CHF 61 million in 2023.

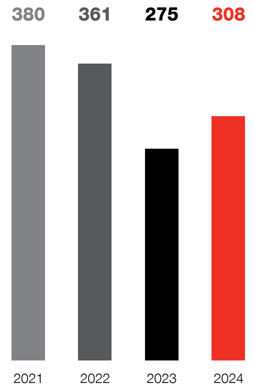
Acquisitions and Divestitures

Oerlikon did not make any acquisitions or divestitures in 2024.



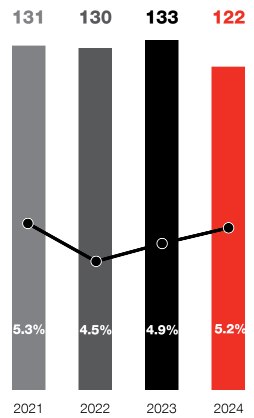
Equity[1]
in CHF million (as % of assets)

[1] Attributable to shareholders of the parent.



Operating Cash Flow[1]
in CHF million

[1] Before changes in net current assets.



Capital Expenditure
in CHF million

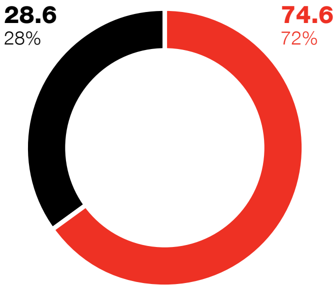
— In % of sales

Commitment to R&D

Oerlikon remains committed to investing around 4% of its annual revenues in research and development (R&D). In 2024, R&D expenditure for the year was CHF 103 million, or 4.3% of Group sales, compared with CHF 103 million, or 3.8% of Group sales, in 2023. In 2024, Oerlikon filed 94 new patents.

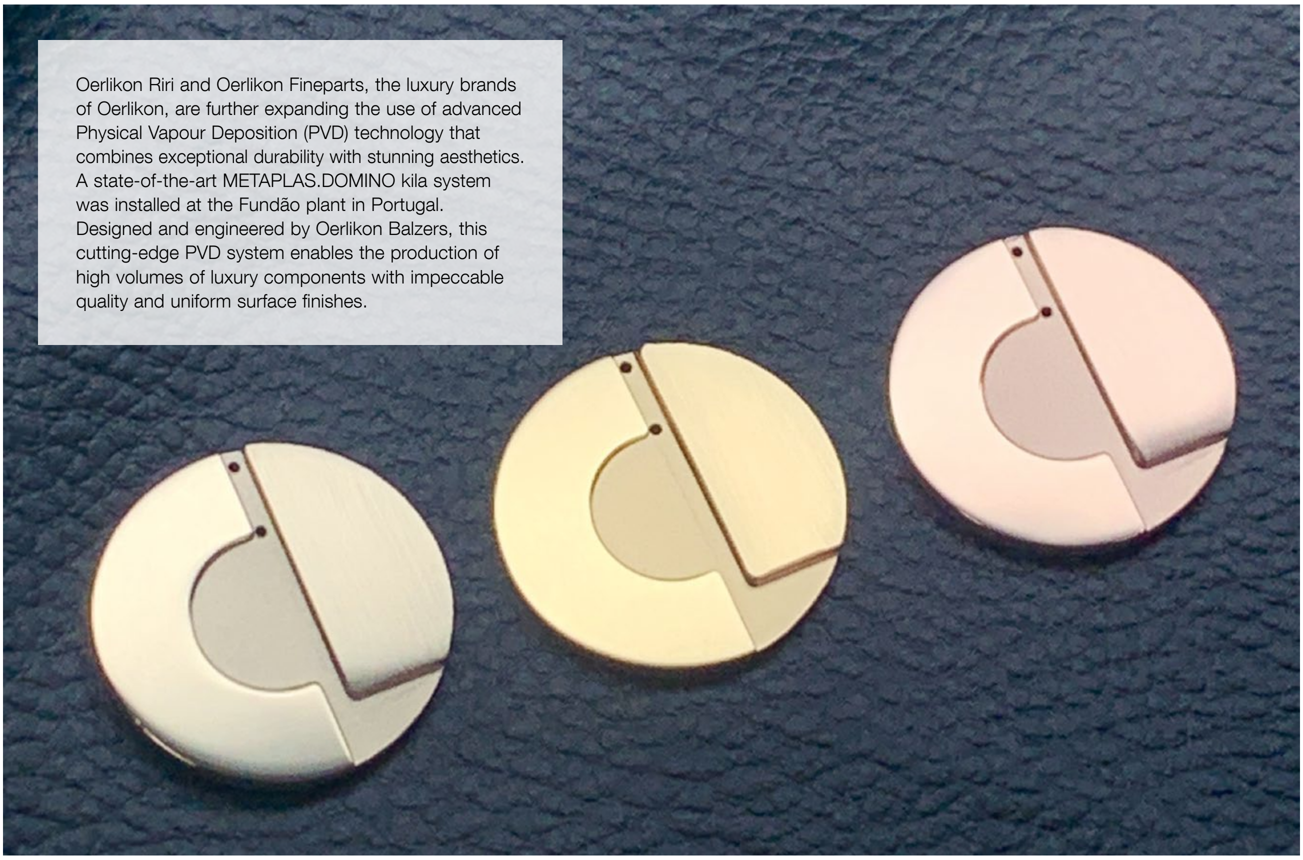
Dividend Payout

The Board will recommend to shareholders a stable dividend, that is an ordinary dividend payout of CHF 0.20 per share at the 2025 AGM on April 1, 2025.



R&D Expenditure by Division
in CHF million

- Surface Solutions Division
- Polymer Processing Solutions Division



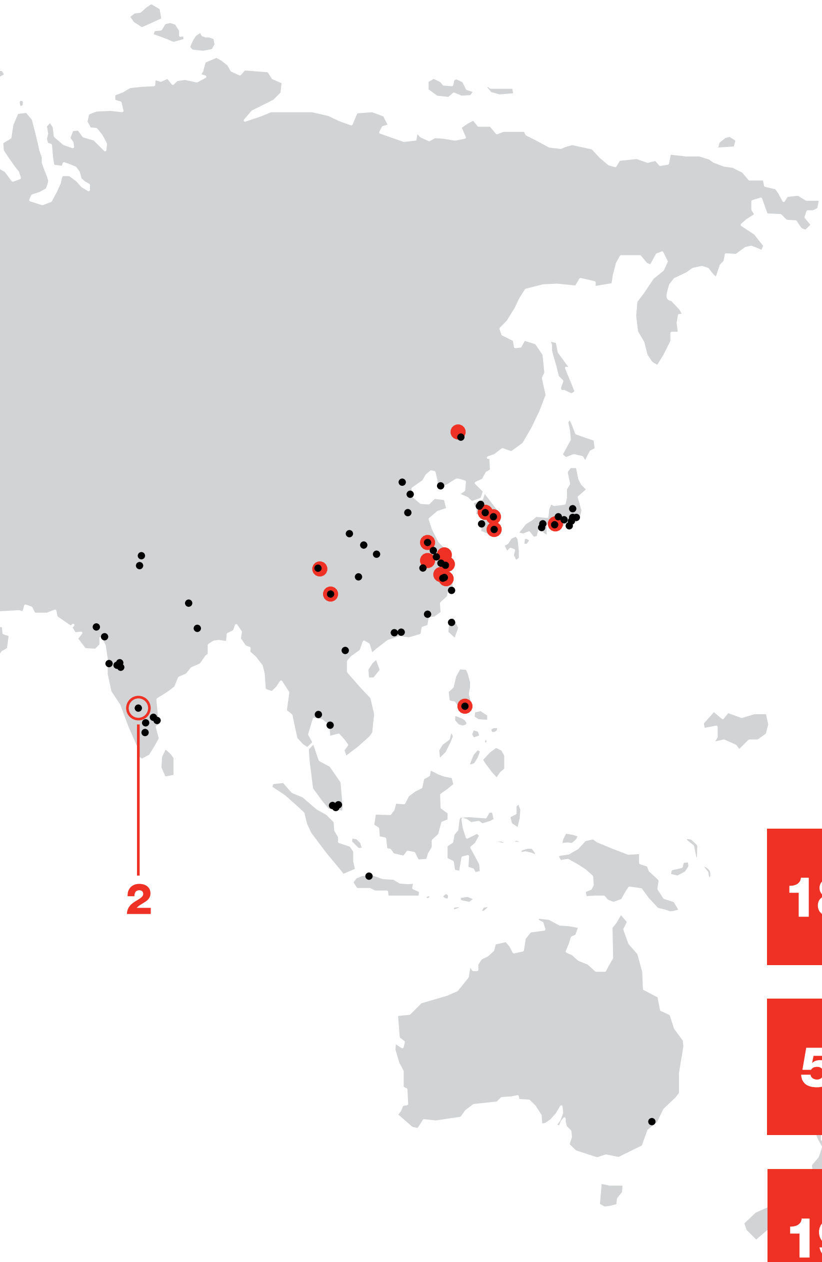
Oerlikon Riri and Oerlikon Fineparts, the luxury brands of Oerlikon, are further expanding the use of advanced Physical Vapour Deposition (PVD) technology that combines exceptional durability with stunning aesthetics. A state-of-the-art METAPLAS.DOMINO kila system was installed at the Fundão plant in Portugal. Designed and engineered by Oerlikon Balzers, this cutting-edge PVD system enables the production of high volumes of luxury components with impeccable quality and uniform surface finishes.

Serving Customers Locally

Oerlikon has a global footprint with 199 sites in 38 countries. The Group is strongly committed to research and development, which is reflected by its 53 production and R&D sites worldwide. Together with its sales and services network of 186 sites, Oerlikon operates in close proximity to its customers, improving customer interaction, service response time and satisfaction.

1 HRSflow
Sales
Worcestershire, UK

2 Surface Solutions
Sales and services
Tumkur, India



186 Sales and Services Sites

152 Surface Solutions Division
34 Polymer Processing Solutions Division

53 Production and R&D sites

43 Surface Solutions Division
10 Polymer Processing Solutions Division

199 Sites globally

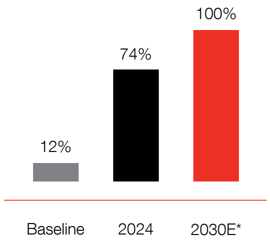
41 in the Americas
68 in Asia-Pacific
90 in Europe, Middle East & Africa

2024 ESG Progress

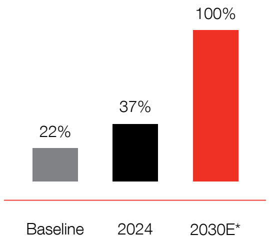
Oerlikon's business objective is to provide customers with solutions that make their production processes more efficient and sustainable. Through its innovative technology and expert knowledge, Oerlikon contributes to sustainability across broad end markets. Oerlikon applies the same principles of innovation and excellence to its own operations so as to reduce the impact of its business on the environment and society.

Complying with Art. 964a et seqq. of the Swiss Code of Obligations, Oerlikon's Sustainability Report 2024 is approved by the Board of Directors, and shareholders will be able to vote on this report on non-financial matters at Oerlikon's 2025 AGM.

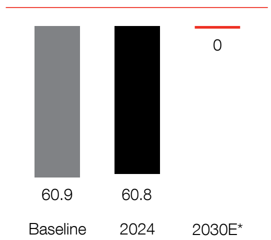
Since Oerlikon's inaugural Sustainability Report 2020, Oerlikon has been reporting in accordance with the GRI Standards and, since the 2022 report, also in accordance with the SASB Standards. Further details on Oerlikon's sustainability strategy, progress and actions can be found in the Sustainability Report 2024.



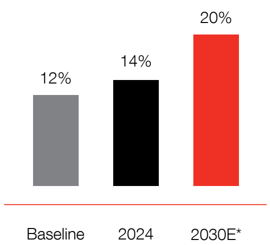
Implementing energy management systems at relevant sites



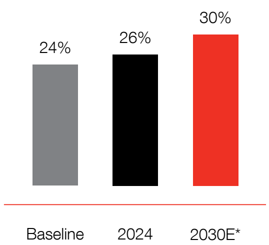
% of electrical energy from renewable sources



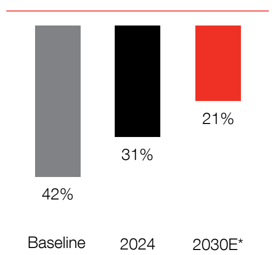
Reducing emissions in relevant operations to become climate neutral



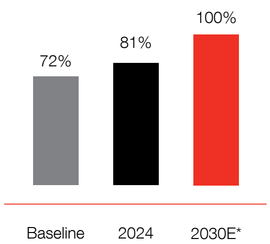
% of management and leadership roles filled by women



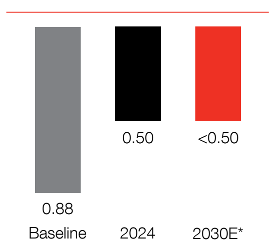
% of women in high potential talent programs



Reduce % of disposed waste



% of R&D investment in products that must cover ESG criteria



Reduce rate of recordable work-related injuries (TAFR)

2030E* – E stands for estimated

Surface Solutions Division

Titanium, nickel-based alloys, stainless steel, and hardened steel push cutting tools to their limits. BALINIT® TISAFLEX ensures peak performance even under the toughest conditions, thanks to its exceptional oxidation resistance, thermal stability, and wear protection. This advanced coating is the ideal solution for industries like aerospace and mold-making, where there is growing demand for machining challenging materials.

2024 Business Review

The Surface Solutions Division provides market-leading technology and services to attractive key markets under the Oerlikon Balzers, Oerlikon Metco, Oerlikon AM, Oerlikon Riri and Oerlikon Fineparts brands. The division serves a trusted and growing customer base with a comprehensive portfolio of surface coating solutions, advanced materials, luxury accessories, components and equipment.

The division's global network of sales, production and coating service centers, consisting of 165 sites in 37 countries, provides customers with fast response times and timely deliveries. Highly productive and reliable equipment, standardized or customizable materials for surface coatings, additive manufacturing and coatings for premium luxury accessories are other key factors that drive the division's medium-to-long-term growth in end markets.

In 2024, the division achieved stable organic sales at constant exchange rates despite facing contracting manufacturing activity. It also delivered strong profitability, driven by pricing and improved efficiencies.

Order Intake (CHF)
1.5 bn

Sales (CHF)
1.5 bn

Operational EBITDA Margin
18.0 %

Sites
165

Employees (FTEs)
8 183

R&D Expenditure (CHF)
74.6 m

The division's 2024 order intake decreased by 2.5% to CHF 1 476 million, including a currency impact of -3.0% and an M&A effect of 2.2%. Division sales of CHF 1 498 million in 2024 was 1.5% lower compared to the prior year, including a currency effect of -3.2% and an M&A effect of 1.8%.

In 2024, operational EBITDA improved by 3.1% to CHF 270 million, or 18.0% of sales, supported by efficiency, innovation, pricing and the ongoing removal of smaller, less profitable products from the materials portfolio. Operational EBIT was CHF 134 million in 2024, or 8.9% of sales (2023: CHF 117 million, or 7.7% of sales).

The division accounted for 63% of Oerlikon's sales and 69% of Group operational EBITDA. The division saw a slight decrease in sales globally. Europe accounted for 48%, Asia-Pacific 28% and the Americas 24% of division sales in 2024.

Automotive

In 2024, Oerlikon continued to launch thin-film coatings, thermal spray and insulation systems for the automotive market. In the US, BALINIT Silver Chrome and BALINIT diamond-like carbon (DLC) coatings were solutions presented to minimize frictional losses in engine components, such as fuel injection systems and pistons.

For the electric vehicles (EV) market, Oerlikon launched new tool coating applications based on its Pulsed Plasma Diffusion (PPD) technology in China. PPD combines hydrogen, nitrogen and electricity, but uses no hazardous chemicals to coat tools, offering an environmentally friendly and less expensive alternative to chrome-plating for wear-protection treatment. The application secured wins with China EVs such as BYD's U8 and Xiaomi's SU7. The team in China is also partnering with Shuanghuan Auto to develop differential shaft application and coating for e-gears.

In the US, Oerlikon acquired new automotive customers, such as Toyota and Volvo, for its primeGear service. PrimeGear is an all-round service package consisting of detailed analysis, consultation and tailored solutions for production and can help to reduce manufacturing costs for gearing components by up to 40%.

The demands for modern battery electric vehicles are long driving ranges and fast charging. This inherently increases the risk of a thermal runaway with serious consequences. On the other hand, the upcoming legislation requires, and customers expect, higher safety standards up to Zero-Propagation concepts, without any need for vehicle evacuation.

The key to increased battery safety and enhanced performance in vehicles are engineered, temperature resistant components for electrical and thermal insulation as well as advanced temperature management with products from Oerlikon's Thermal Insulation Systems. In 2024, Oerlikon launched its SafeVent® technology to support zero thermal propagation concepts and new ultra-thin thermoelectrical materials such as TX700. Both solutions received positive uptake, leading to contracts with global automotive customers.

Oerlikon continues to extend the application of its technologies in new areas. An example of this is the High Velocity Oxygen Fuels (HVOF) tungsten carbide coating for aluminum pulleys used for electric two-wheelers. Another is the use of combustion wire (special alloy) thermal spray coating for gear shifters in the high-end motorcycle market, which scored customer wins in India and Taiwan.

Tooling

Building on the success of its predecessors, in 2024, Oerlikon launched the next-generation solution, BALINIT ALCRONA EVO, to deliver up to 30% tool life extension compared to its predecessor. Since its launch, BALINIT ALCRONA EVO has received positive interest and uptake.

In addition, BALINIT ALCRONA EVO delivers excellent results in skiving applications, specifically higher efficiency and lower manufacturing costs, for example, for cutting applications in EV gear production.

In 2024, Oerlikon also launched the INVENTA systems, which are versatile, efficient and reliable systems using the Advanced Arc Technology (AAT) to deliver uniform and higher-quality coatings. AAT can provide unparalleled versatility thanks to the perfectly tuned interaction between its trigger, high-end arc source design and quickly adjustable electromagnetic field.

Aerospace

At the Farnborough International Airshow 2024, Oerlikon launched the BALORA TECH PRO – a REACH-compliant Physical Vapor Deposition (PVD) high-temperature oxidating and corrosion barrier coating with high temperature wear resistance, designed to enhance the durability and performance of critical components in aerospace and power generation.

Under the Oerlikon Metco brand, new solutions for dielectric applications and new Metcoseal solutions for wet corrosion applications for aerospace were launched in 2024.

Dedicated to advancing technologies for aerospace and gas turbines, Oerlikon has established an Advanced Coating Technology Center in Westbury, NY, in the US. Oerlikon aims to accelerate the development of high-temperature materials and coatings that will enhance efficiency in these critical sectors. The site offers customers a complete portfolio of PVD, thermal spray and testing capabilities under one roof.

Luxury

In 2024, leveraging Oerlikon's PVD expertise, the division launched its new Or Art PVD finish that provides the same aesthetic gold effect without using any precious gold mineral. Using PVD, where possible, to replace conventional galvanization drives the industry toward a more environmentally friendly option. Such a finish is not only more environmentally friendly, but the product is also not subjected to fluctuations in gold prices.

Utilizing PVD, the division expanded its stainless steel range of products, including jeans and press buttons, zipper pullers, body sliders and snap hooks. It also launched new buttons and zippers including a new button from the L-series and a T-Lock body slider. L-range buttons are designed with an innovative synthetic ring that can only be undone in the axial position, preventing the buttons from snapping open due to lateral traction. The T-Lock zippers come with a vintage appearance, making them highly suited for vintage look and military clothing.

Energy

Oerlikon Metco launched new materials for the energy sector, including Diamalloy 4080, an improved catalyst coating on cathodes for alkaline electrolyzers used to produce hydrogen energy, and MTH003D CL5, an advanced thermal barrier coating for higher operating temperatures in industrial gas turbines to increase efficiency and lower emissions.

Other Sectors

Oerlikon's surface technologies are applied in a range of industries. Their applications can be further extended to many other sectors and areas. For example, Oerlikon's

DLC coatings are used by CANPACK for printing mandrels and its BALORA coatings are used in semiconductor components in the US.

Launched in Spain, Oerlikon's BALIMED ZIRCONA helps provide highly accurate digital impressions for producing dental prosthetics, thanks to its pale golden color.

Other Key Developments

Under the Metco Joining & Cladding brand, the business is actively involved in the EURO 7 project, where new requirements for measuring, monitoring and reducing non-exhaust fine dust emissions from brakes and tires are being introduced. Solutions vary from switching to friction materials that produce less particulate matter to applying new coatings on brake discs by using new technologies such as high-speed laser cladding. Metco Joining & Cladding develops and offers a portfolio of dedicated materials for brake disc coating, including MetcoBrake 9501A, for our unique single layer solution, and MetcoBrake 9730-TiC, which was launched in 2024.

Digitalization

In 2024, Oerlikon further developed innovative digital solutions, including leveraging artificial intelligence (AI) to improve processes and efficiency for customers and for its own operations. Here are some examples:

- **Digitizing R&D:** A digital process that enables labs to automatically identify, extract and transfer R&D data into a database. This increases efficiency and data accuracy by eliminating manual data feeds. Rapid feedback loops using data science methodologies can also support predictive quality, predictive maintenance and new product introductions.

- **6S Audit App:** A scalable PowerApps-based app to seamlessly capture and centrally store relevant data for internal audits of the 5S lean manufacturing method combined with safety. The app also adds a level of security via authorized access, while enhancing visibility of user activity and access patterns.

- **AI-based and standardized surface inspection tool:** A tool that automates and standardizes measurement of impurities and surface defects, ensuring more accurate and consistent inspections. It also enables the collation of valuable data that can be leveraged across multiple projects for formula optimization and quality control.

- **IoT for Coating Equipment:** The solution offers visualization and analysis of coating data, troubleshoot of performance and quality issues, using a broad range of built-in tools. The platform connects all the data and provides insights to customer's existing manufacturing execution systems to support them in achieving their Industry 4.0 goals.

- **Other AI applications:** Classic machine learning and neural networks are employed to refine the coating process and extend equipment lifespan. Through Robotic Process Automation (RPA) and Artificial Intelligence (AI), we maximize the savings potential of repetitive tasks. Classical machine learning and neural networks are employed to finetune and improve the coating process and extend equipment lifespan.

Polymer Processing Solutions Division

Polyester BCF yarns account for approximately 70% of the worldwide carpet yarns, thanks to their recyclability and versatile properties. Known for their vibrant colors, luxurious texture, and durability, these yarns are perfect for high-traffic areas like offices, cars, and even outdoor spaces. With the advanced BCF S8 and S+ plants, Oerlikon provides tailored solutions to meet diverse customer requirements efficiently and sustainably.

2024 Business Review

A leading provider of polymer processing machinery, systems and services, the Polymer Processing Solutions Division is represented by the brands Oerlikon Barmag, Oerlikon Neumag, Oerlikon Nonwoven and Oerlikon HRSflow. The division's solutions enable customers to produce high-quality manmade fibers that are processed into clothing, carpets, airbags, safety belts, filters, geotextiles and industrial textiles.

Under the Oerlikon HRSflow brand, the division offers innovative hot runner systems for the production of complex and accurate polymer parts that require high design flexibility, fast color change and low weight. In addition, the division provides consulting, engineering and lifecycle management services, as well as Industry 4.0-based smart plant solutions.

The division continued to face highly challenging filament and non-filament markets in 2024, which impacted its order intake, sales and EBITDA. Order intake decreased by 5.0% (-2.1% FX-adjusted) to CHF 896 million year-over-year. Sales declined by 25.4% (-23.0% FX-adjusted) to CHF 875 million, driven by the cyclical downturn in filament and non-filament markets and a decline in the automotive market for Oerlikon HRSflow solutions.

Operational EBITDA in 2024 was CHF 112 million, or 12.8% of sales, attributable to the decrease in sales and transitory price concessions to maintain volume. Operational EBIT for 2024 was CHF 67 million (2023: CHF 122 million), or 7.6% of sales (2023: 10.4%).

In 2024, the division accounted for 37% of Oerlikon Group sales and 28% of Group operational EBITDA.

Regional Development

In 2024, the division saw sales decline globally. Europe accounted for 17%, Asia-Pacific 76% (thereof: China 61%, India 12%) and the Americas 8% of 2024 division sales.

China remains the division's major sales market. Apart from the leading filament systems used for textiles that Oerlikon Barmag offers, the division acquired a number of customers in 2024 in its non-filament businesses.

As circular economy and recycling gain importance also in textile manufacturing, the division is seeing increasing demand for sustainability solutions. For example, recycled polyester yarn manufacturer, FixDye, in Huai'an, China, has selected to increase its production capacities of recycled yarn with the solution from polycondensation system manufacturer, Oerlikon Barmag Huitong Engineering (OBHE).

As India continues to expand its capabilities in yarn production, it has already established itself as the second largest polyester yarn manufacturer in the world. In 2024, the division successfully commissioned a new polyester yarn facility at Garden Silk Mills in Surat, India. Oerlikon Barmag converted and constructed anew the polyester spinning mills, which has a total of 216 WINGS FDY spinning units to economically produce polyester yarn for the Indian and global market.

Oerlikon HRSflow

Oerlikon HRSflow launched a number of products in 2024. TECHflow HRS is its new hot runner line, specifically designed for technical polymers and electronic applications. TECHflow HRS features new external valve gate

Order

Order Intake (CHF)
0.9 bn

Sales (CHF)
0.9 bn

Operational EBITDA Margin
12.8%

Sites
34

Employees (FTE)
3 499

R&D Expenditure (CHF)
28.6 m

and rings that increase wear resistance for processing reinforced thermoplastics and can be restarted at comparatively low temperatures. The increased wear and corrosion resistance extends the type of materials that can be processed, including those that are widely used in technical components like gears and structural parts for the automotive and electronics sectors.

Another product introduced to the market in 2024 was the I-Shield HRS Insulating Cover. Engineered with a focus on reducing heat dissipation, this solution aims to keep the hot runner system at a specific set point temperature, thus significantly lowering energy consumption needed to bring the hot runner systems back to temperature and increase production efficiency.

Catering to the increasing demand for recycling and reusing polymers, Oerlikon HRSflow has actively tested rPET, a low-impact polymer with the smallest carbon footprint among recycled resins. It is suitable for industrial-scale processing and holds potential for food contact validation.

For the packaging, medical and consumer goods sectors, Oerlikon HRSflow is partnering with new end users and converters to increase its penetration in new applications, such as bio coffee pods and cutlery, as well as tetra pack compound bins and boxes.

Digitalization

One year after the BCF module of the Digital Academy went live, Oerlikon Manmade Fibers Solutions drew positive feedback from US carpet yarn manufacturers using the portal. The content is provided by technical experts from Oerlikon Manmade Fibers Solutions, with particular emphasis on practical relevance. The training packages, currently available in English, Spanish and Turkish, can be targeted and customized by customers according to their needs.

The online training center, a part of the e-commerce platform myOerlikon.com, contains a collection of e-learning modules on the topics of operation, maintenance and repair, currently for the Oerlikon Neumag BCF machines S+ and S8.

To ensure that all operating personnel, process engineers, technicians and quality managers, as well as new joiners, are well-trained, the Digital Academy offers 24/7 accessibility via mobile or stationary devices, compact and role-based learning units and instant feedback functions. Online training also results in savings in logistics and travel costs that are normally incurred with in-person training.

R&D and Innovation

In 2024, the division made available its continuous inline pilot lines for processing other polymers to customers for tests. Initially conceived for the further development of polyester fibers, the ultra-modern staple fiber technology center was used for a joint test with a well-known staple fiber producer for polypropylene geotextile applications. The tests produced excellent results that exceeded current parameters, opening the way for the center to provide all fiber manufacturers access to stable fiber technologies and processes.

Over the past 20 years, Oerlikon Barmag has saved over 15 million tons of CO_2 as a result of its sustainability program – e-save. As a world-leading supplier of manmade fiber plant technologies, the company has been developing, producing and launching its products and services with sustainability in mind since 2004. "Energy" savings and "Efficiency" of systems, machines and components, "Environment" relief and improved "Ergonomics" for optimal machine operation are the four e-save topics that have provided fiber and yarn manufacturers with significant added value in terms of economy, safety and process handling right from the start. The pioneers of today’s brands – Oerlikon Barmag, Oerlikon Neumag and Oerlikon Nonwoven – were already true pioneers in terms of sustainability.

To offer dedicated hot runner solutions specifically tailored to the properties of recycled resins and biopolymers, Oerlikon HRSflow has invested in the new ENGEL e-Speed 280 – IMM Hybrid solution, which is now available at Oerlikon HRSflow’s Test Lab. This system is designed to process rPET, bio-based and compostable polymers.

It allows the team to explore and test optimal hot runner configurations for future materials such as rPET, even in thin-wall applications, with a strong focus on production efficiency and compliance with the new EU Packaging and Packaging Waste Regulation (PPWR).

Moreover, the team is also actively participating in a number of innovative projects aimed at substituting metal parts with polymer parts, such as doors, hoods, liftgates and truckbeds, to reduce vehicle weight and thus, improve fuel economy.

Other Key Developments

The division expanded its service and spare parts business via an agreement with Truetzschler systems for carpet yarns and technical yarns. Specifically, the Oerlikon Neumag team has completely taken over the BCF and IDY activities of Truetzschler, including managing the customer and spare parts business. In doing so, Truetzschler can better concentrate on the spinning, card clothing and nonwovens businesses.

Corporate Governance Report

Timeless elegance meets cutting-edge innovation in Oerlikon Riri's Autumn-Winter 25/26 collection. Featuring zippers and buttons crafted with stainless steel and enhanced by Physical Vapour Deposition (PVD), these designs seamlessly blend durability with sophistication. With a subdued color palette, polished precious metals, and minimalist shapes, the collection embodies enduring luxury.

Corporate Governance

Oerlikon is committed to living up to international best practice in good corporate governance as is expected from a company of its size and geographical scope and, where appropriate, above and beyond the baseline principles set forth by the recently amended Swiss Code of Best Practice for Corporate Governance, issued by economiesuisse. Through this commitment, Oerlikon aims to sustainably reinforce the trust placed in it by the company's present and future shareholders, lenders, employees, business partners and the general public.

Responsible corporate governance requires transparency with regard to the organization of management and control mechanisms at the uppermost level of the enterprise. Therefore, SIX Exchange Regulation Ltd's Directive on Information relating to Corporate Governance (DCG) requires issuers to make certain key information pertaining to corporate governance available to investors in an appropriate form.

The framework of the DCG has been adopted; however, the Compensation, Shareholdings and Loans section has been moved to a separate chapter (Remuneration Report). All statements in this section (Corporate Governance) are valid as of the balance sheet date, except where — in the case of material changes between the balance sheet date and the time this Annual Report went to print — otherwise indicated.

Further information regarding corporate governance can be found on the company website at www.oerlikon.com/en/about-us/company-profile/organization

Group Structure and Shareholders

Operational Group Structure

The Oerlikon Group is divided into the following two divisions: Polymer Processing Solutions and Surface Solutions. The operational responsibility lies with the divisions, each of which is overseen by its own Division CEO. Business performance is reported according to this operational Group structure. For further information regarding the operational Group structure, see page 2 (Group Structure), page 13 et seqq. (Group 2024 Performance) and page 83 (Financial Report: Key Figures by Division).

Listed Group Company

OC Oerlikon Corporation AG, Pfäffikon is listed on the SIX Swiss Exchange (symbol: OERL; securities number: 81682; ISIN: CH0000816824). On December 31, 2024, the company's market capitalization came to a total of CHF 1 193 million. Its registered office is in Freienbach (Canton of Schwyz, Switzerland). For further information on OC Oerlikon Corporation AG, Pfäffikon see page 2.

Non-Listed Group Companies

As the parent company of the Group, OC Oerlikon Corporation AG, Pfäffikon owns all of the Group companies either directly or indirectly, mostly with a 100% interest. The local companies included in the scope of consolidation are shown on page 144 et seq. in their legal ownership structure, and on page 128 et seq., they are listed by country together with each company's place of registered office, share capital, percentage of shares owned and number of employees.

The disclosure notifications pursuant to Art. 120 et seqq. of the Financial Market Infrastructure Act (FMIA) that were submitted during the year under review are published on the electronic publication platform of SIX Exchange Regulation Ltd, Disclosure Office (https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html).

Cross-Shareholdings

There are no cross-shareholdings.

Significant Shareholders

	Number of Shares	Shareholdings[1] in Percent[2]
Liwet Holding AG, Zurich, Switzerland[3]	145 086 913[4]	42.70
UBS Fund Management (Switzerland) AG, Basel, Switzerland	16 904 635[5]	4.98
OC Oerlikon Corporation AG, Pfäffikon	14 372 928[6]	4.23

[1] As of December 31, 2024. Source: Disclosure notifications pursuant to Art. 120 et seqq. of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA) (www.ser-ag.com/en/resoures/notifications-market-participants/significant-shareholders.html#).
[2] Basis: shares issued (339 758 576).
[3] The shares of Liwet Holding AG, Zurich, are ultimately held by:
(a) 44.46% by Columbus Trust, a trust established under the laws of the Cayman Islands, whose ultimate beneficiary is Mr. Viktor F. Vekselberg, Moscow, Russia, and Zug, Switzerland.
(b) 4.94% by Amapola Development Inc, Panama, whose ultimate beneficiary is Mr. Evgeny Olkhovik, Moscow, Russia.
(c) 33.97% by Amineo Holding AG, Switzerland, whose ultimate beneficial owner is Mr. Nikolay Olkhovik, Forch, Switzerland,
(d) 16.63% by A2-Link AG, Switzerland, whose ultimate beneficial owner is Mr. Alexey Valerievich Moskov, Wädenswil, Switzerland.
[4] Source: Voluntary disclosure notification published by SIX Exchange Regulation Ltd on November 8, 2024: Amendment to the previously notified information as published by SIX Exchange Regulation on January 28, 2023.
[5] Source: Disclosure notification published by SIX Exchange Regulation Ltd on October 3, 2024.
[6] 14 372 928 is the effective number of treasury shares as per December 31, 2024. Oerlikon notified SIX Exchange Regulation Ltd when the threshold of 3% was exceeded by holding 10 234 717 treasury shares corresponding to 3.012%. Source: Disclosure notification published by SIX Exchange Regulation Ltd on June 30, 2021.

Capital Structure

Capital

The share capital of OC Oerlikon Corporation AG, Pfäffikon amounts to CHF 339 758 576, composed of 339 758 576 registered shares, each with a par value of CHF 1.00. The company also has conditional capital amounting to CHF 40 million for warrant and convertible bonds etc., and CHF 7.2 million for employee stock option plans.

Capital Band and Conditional Capital in Particular

Capital Band

The company has no capital band.

Conditional Capital for Warrant and Convertible Bonds

Pursuant to Art. 11a of the Articles of Association, the company's share capital will be increased by a maximum aggregate amount of CHF 40 million (corresponding to 11.77% of the current share capital) through the issuance of a maximum of 40 million registered shares with a nominal value of CHF 1.00 each by exercising the option and conversion rights granted in connection with bonds of the company or one of its Group companies. The subscription rights of shareholders are excluded in this regard. Current holders of option certificates and/or convertible bonds are entitled to acquire the new shares. When issuing warrants or convertible bonds, the Board of Directors can limit or exclude the preemptive subscription rights of shareholders (1) to finance and refinance the acquisition of enterprises, divisions thereof, or of participations, or of newly planned investments of the company, and (2) to issue warrants and convertible bonds on international capital markets. Insofar as preemptive subscription rights are excluded, (1) the bonds are to be placed publicly on market terms, (2) the exercise period for the option and conversion rights may not exceed seven years from the date the bond was issued and (3) the exercise price for the new shares must at least correspond to the market conditions at the time the bond was issued.

Conditional Capital for Employee Stock Option Plans

Pursuant to Art. 11b of the Articles of Association, the company's share capital will be increased by a maximum aggregate amount of CHF 7.2 million (corresponding to 2.12% of the current share capital), excluding the preemptive subscription rights of current shareholders, through the issuance of a maximum of 7.2 million fully paid-in registered shares with a nominal value of CHF 1.00 each, by the exercise of option rights granted to the employees of the company or one of its Group companies under a stock option plan yet to be approved by the Board of Directors. The issuance of shares at less than the stock exchange price is permissible; further details will be determined by the Board of Directors.

Changes in Capital

The share capital has remained unchanged since 2016. Detailed information on changes in the total equity of OC Oerlikon Corporation AG, Pfäffikon can be found in the holding company's equity capital statement on page 140 of the Annual Report.

Shares and Participation Certificates

The equity securities of OC Oerlikon Corporation AG, Pfäffikon consist exclusively of 339 758 576 fully paid-in registered shares with a nominal value of CHF 1.00 each, all of which are equal with respect to their attendant voting rights, dividend entitlement and other rights. In principle, the registered shares of OC Oerlikon Corporation AG, Pfäffikon are not certificated but instead issued as uncertificated securities within the meaning of the Swiss Code of Obligations, as intermediated securities as defined in the Federal Intermediated Securities Act, or in the form of single or global certificates. Subject to applicable law, the company may convert its registered shares from one form into another form at any time and without the approval of the shareholders. The company shall bear the cost associated with any such conversion. Shareholders may request that the company print and deliver their shares in certificate form at any time free of charge, and the company may at any time print certificates for uncertificated shares. If registered shares are to be printed, OC Oerlikon Corporation AG, Pfäffikon may issue certificates covering multiples of registered shares.

Profit-Sharing Certificates

OC Oerlikon Corporation AG, Pfäffikon has not issued any profit-sharing certificates.

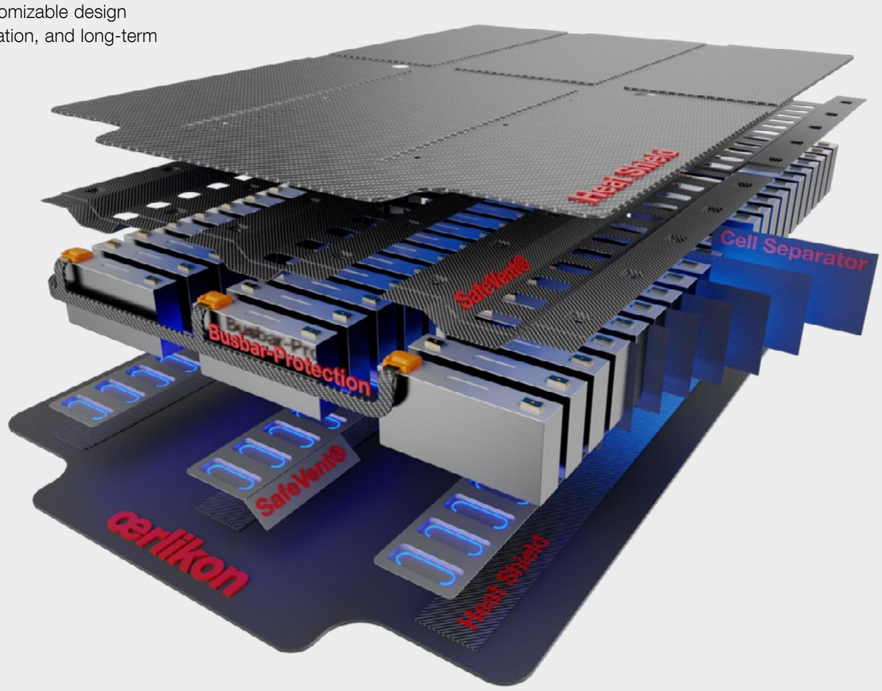
Limitations on Transferability and Nominee Registrations

There are no restrictions on the transfer of OC Oerlikon Corporation AG, Pfäffikon shares. The company recognizes only those parties entered in the share register as shareholders or usufructuaries. Fiduciary shareholders and nominees will also be entered into the share register.

Convertible Bonds and Options

As at December 31, 2024, there were neither convertible bonds nor options outstanding.

Oerlikon's thermal insulation solutions set new benchmarks regarding safety and reliability in Battery Electric Vehicles (BEVs). Withstanding temperatures up to 1 400°C and engineered to meet stringent standards, they ensure exceptional thermal and electrical insulation. Their lightweight, customizable design supports complex 3D shapes, easy installation, and long-term durability.



Board of Directors

Prof. Dr. Michael Suess

1963, German citizen
Executive Chairman

Professional Background and Education
Prof. Dr. Michael Suess was elected Chairman of the Board of Directors at the 2015 Annual General Meeting of Shareholders, the same year he joined the Board. On July 1, 2022, Prof. Dr. Suess took on the role of Executive Chairman to oversee all Group-level management topics and lead the Executive Committee and the Board. From 2015 to 2016, he was also CEO of Georgsmarienhütte Holding GmbH, a German steel company. Prior to that, he was a Member of the Managing Board of Siemens AG and CEO of Siemens Energy Sector. From 2008 to 2011, he was CEO of the Fossil Power Generation Division of the Energy Sector as well as a Member of the Group Executive Management of Siemens AG Power Generation Group from October 2006 to December 2007. After holding various positions at BMW, IDRA Presse S.p.A. and Porsche AG, Prof. Dr. Suess was appointed to the Managing Board of Mössner AG in 1999. Following the Georg-Fischer Group's takeover, he was named Chairman of the Managing Board of GF Mössner GmbH. From 2001 to 2006, he was COO at MTU Aero Engines AG and significantly involved in the company's IPO. From May 2009 to July 2018, he was a Member of the Supervisory Board of Herrenknecht AG. Prof. Dr. Suess graduated with a degree in Mechanical Engineering from TU Munich, Germany, and completed his doctorate in 1994 at the Institute for Industrial Science/Ergonomics at the University of Kassel (Dr. rer. pol.), Germany. On October 29, 2015, he was awarded an honorary professorship from TU Munich.

Other Activities and Vested Interests
Prof. Dr. Suess is a Member of the Advisory Board of Kinexon Beteiligungsgesellschaft mbH.

Gerhard Pegam

1962, Austrian citizen
Vice-Chairman of the Board of Directors
Chair of the Human Resources Committee
Member of the Governance Committee

Professional Background and Education
Gerhard Pegam was elected to the Board of Directors at the 2010 Annual General Meeting of Shareholders. In 2012, he founded his own consulting firm. From June 2011 to June 2012, he was a Corporate Officer of TDK Corporation, Japan. In this role, he was instrumental in the successful cultural and business integration of EPCOS AG, Germany, into TDK Corporation, Japan. From 2001 to 2012, he was CEO of EPCOS AG, Germany, a global leader in electronic components. From 2009 to 2012, he served additionally as a Board member of TDK-EPC Corp., the parent company of EPCOS AG following the successful merger and delisting in 2008. From 2004 to 2012, he was a Member of the Board of the Association of the German Electronics Industry (ZVEI). In 1999, he was appointed Chief Operating Officer of EPCOS AG, Germany. In 1999, he was also significantly involved in the successful IPO of EPCOS AG on the New York Stock Exchange (NYSE) and the Frankfurt Stock Exchange, which shortly thereafter became a member of the DAX 30 Index in Germany. From 1982 to 2001, he held several management positions with EPCOS AG, the Siemens Group and Philips. He has a successful turnaround track record of restructuring organizations and developing businesses into world-leading market positions. Mr. Pegam graduated from the Technical College Klagenfurt, Austria, with a degree in Electrical Engineering.

Other Activities and Vested Interests
None.

Board of Directors

Paul Adams

1961, US citizen
Member of the Board of Directors
Lead Director
Chair of the Governance Committee
Member of the Human Resources Committee
Member of the Audit & Finance Committee

Professional Background and Education
Paul Adams was elected to the Board of Directors at the 2019 Annual General Meeting of Shareholders. He served as Chief Operating Officer of Precision Castparts Corp., Portland, Oregon, USA, a worldwide manufacturer of complex metal components and products for critical aerospace and power generation applications, from 2016 to 2018. He brings with him over 30 years of leadership experience in the aviation industry. From 2014 to 2016, he was President of Pratt & Whitney, Hartford, Connecticut, USA, a world leader in the design, manufacture and service of aircraft engines and auxiliary power units. From 1999 to 2014, he served in a number of senior management positions, including as Chief Operating Officer and SVP Operations and Engineering. Prior to joining Pratt & Whitney, he held various engineering, operations and program management roles for more than 15 years at Williams International, Walled Lake, Michigan, USA. He holds a Bachelor of Science degree in Aerospace Engineering from the University of Michigan, USA, and completed the Stanford Executive Program at the Stanford Graduate School of Business, California, USA. In 2013, Mr. Adams was inducted into the National Academy of Engineering, Washington, D.C., USA. In 2015, Mr. Adams was awarded the "Public Service Star" from the government of Singapore for his work with Singapore's Economic Development Board. Mr. Adams holds 11 patents.

Other Activities and Vested Interests
Mr. Adams is a Member of the Board of Aclara Resources* and Chromalloy Gas Turbine LLC, as well as a Senior Advisor of VulcanForms.

Jürg Fedier

1955, Swiss citizen
Member of the Board of Directors
Member of the Audit & Finance Committee

Professional Background and Education
Jürg Fedier was elected to the Board of Directors at the 2021 Annual General Meeting of Shareholders. He was Chief Financial Officer of the Oerlikon Group from January 2009 to December 2019. From 2007 to 2008, he acted as CFO of Ciba, Switzerland. Prior to that, Mr. Fedier held senior financial management positions at Dow Chemical for 30 years. Between 2006 and 2007, he was Head of Finance of Dow Europe and a member of its Executive Board. Before that, Mr. Fedier served as Vice President Finance for Dow Chemical Performance Chemicals, USA, and between 2000 and 2002 as Global Business Finance Director for Dow Chemical, Thermosets. From 1978 to 2000, he filled several management positions with Dow Chemical in the USA, Europe and Asia. Mr. Fedier holds a Commercial Diploma from the College of Commerce in Zurich, Switzerland, and completed international executive management programs at IMD, Lausanne, Switzerland, and the University of Michigan, USA. He has various turnaround experience, including the major refinancing of the Oerlikon Group in 2009, was in the lead for various capital market transactions, including IPO transactions, has vast experience in strategy development work and M&A transactions throughout his career, was the lead in creating an international treasury and trading center for a globally acting company in Singapore and established offshore corporate finance centers in India and Poland.

Other Activities and Vested Interests
Mr. Fedier is a Member of the Board of Directors of Dätwyler Holding AG* and Ascom Holding AG*.

* Publicly listed company.

Inka Koljonen

1973, Finnish citizen
Member of the Board of Directors
Member of the Human Resources Committee
Chair of the Audit & Finance Committee

Professional Background and Education
Inka Koljonen was elected to the Board of Directors at the 2023 Annual General Meeting of Shareholders. Mrs. Koljonen is Chief Financial Officer of MAN Truck & Bus SE, a position she holds since February 2022. Since 2022, Mrs. Koljonen is also a member of the Supervisory Board and Member of the Audit Committee of Stabilus SE, a global provider of motion control solutions, mainly for the automotive industry. From 2020 to 2022, Mrs. Koljonen was CFO of the publicly listed commercial vehicle supplier SAF Holland SE. From 2015 to 2020, she was CFO of the Catalyst Business Unit at Clariant AG, a leading specialty chemical company. Prior to that, from 2011 to 2015, she was CFO for Siemens Russia and Central Asia. Mrs. Koljonen started her career in 1998 with MTU Aero Engines (previously DaimlerChrysler Aerospace), where she held various management positions in finance and strategy. After the takeover of MTU by the private equity investor KKR in 2005, she headed the restructuring program in preparation for the IPO and was appointed Head of Investor Relations. Mrs. Koljonen has a diploma in Business Administration from the Ludwig-Maximilians-University of Munich, Germany. She has significant experience in strategy and finance, including M&A, digitalization, IPOs and investor relations, as well as substantial expertise in the automotive and aerospace industries.

Other Activities and Vested Interests
Mrs. Koljonen is a Member of the Supervisory Board and Member of the Audit Committee of Stabilus SE.

Irina Matveeva

1973, Russian citizen
Member of the Board of Directors
Member of the Audit & Finance Committee

Professional Background and Education
Irina Matveeva was elected to the Board of Directors at the 2020 Annual General Meeting of Shareholders. She has been the Chief Financial Officer of AO ComplexProm JSC in Moscow, Russia since 2018. Prior to that, Ms. Matveeva was the CEO of OLCOR M LLC and served as Financial Director of the Renova Group from 2010 to 2018. From 2004 to 2010, she held several positions at the former Comstar-UTS OJSC, a Russian telecommunications company with more than 4 million subscribers and USD 1 billion in revenue, which is now the MTS Group, one of the largest telecom operators in Europe. In the position of Economics and Finance Vice President, she successfully restructured a RUR 26 billion existing bank loan and attracted RUR 5.8 billion in bank financing and set up the budget process of the holding. From 2008 to 2010, she served as a Comstar-UTS OJSC Board member. As a Head of the Investment Committee, she was involved in the coordination of the evaluation process of investment projects, successfully implemented an ERP system and participated in the company's IPO for a total amount of more than USD 1 billion. From 2006 to 2007, Ms. Matveeva held a management position in an associated company of Comstar-UTS OJSC – MGTS JSC. Besides her direct functions as a CFO, she played a leading role in the ERP system implementation and in bringing about adherence of the financial and management reporting system to US GAAP standards. Ms. Matveeva graduated from the Moscow Technical University of Communications and Informatics with a degree in Information Systems in Economics and holds an Executive MBA degree from the University of Antwerp. Until May 2022, Ms. Matveeva was an ultimate beneficiary, without any ownership / proprietary interest, control or voting rights and without right to claim the distribution and any other interest of proprietary nature, of the Next Generation Trust, an irrevocable and fully discretionary trust established under the laws of Cyprus and thereby associated with the Company's anchor shareholder. Thus, as of May 2022, Ms. Matveeva is no longer associated with the Next Generation Trust and the anchor shareholder Liwet Holding AG.

Other Activities and Vested Interests
Ms. Matveeva is the Chairman of the Metkombank PJSC Board of Directors (Moscow, Russia) and a Member of the Board of Directors of T plus PJSC (Moscow, Russia) and Aeroporty Regionov Management Company JSC (Moscow, Russia).

Board of Directors

Alexey V. Moskov

1971, Cypriot and Israeli citizen
Member of the Board of Directors
Member of the Human Resources Committee

Professional Background and Education
Alexey V. Moskov was elected to the Board of Directors at the 2016 Annual General Meeting of Shareholders. From 1998 to 2004, Mr. Moskov was Vice President and Member of the Executive Board of Tyumen Oil Company (TNK-BP) in Moscow, Russia. From 2004 to 2022, he served as Chief Operating Officer and later as the Chief Executive Officer of a private investment fund in Zurich, Switzerland. From 2019 to 2020, Mr. Moskov was a Member of the Board of Directors of SCHMOLZ+BICKENBACH AG (now Swiss Steel Holding AG), Lucerne, Switzerland. Since April 2020, Mr. Moskov has been a Member of the Board of Directors of Sulzer AG, Winterthur, Switzerland, and since 2022, he is the President of the Board of Directors of Liwet Holding AG, Zurich, Switzerland. Starting from 2021, he is the CEO of A2-Link AG, a private investment company in Zurich, Switzerland. Mr. Moskov holds a Master's degree in Engineering and Development from the Moscow State University of Railway Engineering (Technical Cybernetics Department), Moscow, Russia.

Other Activities and Vested Interests
Mr. Moskov is the President of the Board of Directors of Liwet Holding AG, Zurich, Switzerland, and a Board member of Sulzer AG*, Winterthur, Switzerland.

Zhenguo Yao

1964, Chinese citizen
Member of the Board of Directors
Member of the Human Resources Committee
Member of the Governance Committee

Professional Background and Education
Zhenguo Yao was elected to the Board of Directors at the 2022 Annual General Meeting of Shareholders. He currently serves as Senior Vice President of Siemens Energy AG and Head of Siemens Energy China. Mr. Yao joined Siemens Power Generation Group as Sales Manager in China in 2001. He has held several senior management and board member positions within Siemens Energy since 2005, is responsible for energy business in Greater China, developed multiple partnerships with leading Chinese companies in the Energy Sector, established a strong local supply chain and one Innovation Center, and has been involved in several M&A projects and JVs with local partners. Mr. Yao completed his studies in thermal engineering and the English language at Shanxi Electric Power College and Shanxi University in 1986 and completed the Executive Management Program at ESMT Germany in 2007.

Other Activities and Vested Interests
Mr. Yao is a Member of the Advisory Board of LifeHikes, USA.

* Publicly listed company.

Board of Directors

The rules and regulations governing the organization and duties of the Board of Directors of OC Oerlikon Corporation AG, Pfäffikon are to be found in the Swiss Code of Obligations, the Articles of Association of OC Oerlikon Corporation AG, Pfäffikon, and the Organizational and Governance Rules of OC Oerlikon Corporation AG, Pfäffikon.

Members of the Board of Directors

In the year under review, the Board of Directors of OC Oerlikon Corporation AG, Pfäffikon was composed of Prof. Dr. Michael Suess (Executive Chairman), Gerhard Pegam (Vice-Chairman), Paul Adams (Lead Director), Jürg Fedier, Inka Koljonen, Irina Matveeva, Alexey V. Moskov and Zhenguo Yao. The eight Board members were all reelected by the Annual General Meeting of Shareholders on March 21, 2024 for a term of office of one year.

Other Activities and Vested Interests

For more information regarding the activities of the members of the Board of Directors in governing and supervisory bodies of important Swiss and foreign organizations, institutions and foundations under private and public law, permanent management and consultancy functions for important Swiss and foreign interest groups, and official functions and political posts, see page 31 et seqq.

Number of Permitted Activities

Pursuant to Art. 32 of the Articles of Association, no member of the Board of Directors may hold more than ten additional mandates in comparable functions at other enterprises with an economic purpose, of which no more than four may be in listed companies. Not subject to these limitations are (1) mandates in inactive companies and in companies that are controlled by OC Oerlikon Corporation AG, Pfäffikon or which control OC Oerlikon Corporation AG, Pfäffikon and (2) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations, whereby no member of the Board of Directors may hold more than ten such mandates. Mandates in different legal entities that are under joint control are deemed one mandate.

Elections and Terms of Office

Board members are elected annually by the General Meeting of Shareholders for a term of one year and are eligible for reelection. A “year” is defined as the period from one ordinary General Meeting of Shareholders to the completion of the next. In the event of elections for replacement or elections of additional members during the year, the period until the completion of the next ordinary General Meeting of Shareholders will be deemed to constitute one year. Each member of the Board of Directors must be elected individually. Only individuals who have not completed their 70th year of age on the election date are eligible. The General Meeting of Shareholders may, under special circumstances, grant an exception to this rule and may elect a member of the Board of Directors for one or several terms, provided that the total number of these additional terms of office does not exceed three.

Internal Organizational Structure

The Board of Directors is the ultimate supervisory body of OC Oerlikon Corporation AG, Pfäffikon and the Oerlikon Group. It is responsible for the overall management, oversight and control of OC Oerlikon Corporation AG, Pfäffikon and the Oerlikon Group, determines the Group strategy and oversees the management to which it has delegated operational tasks. It sets forth guidelines on the general and strategic direction of OC Oerlikon Corporation AG, Pfäffikon and the Oerlikon Group and periodically reviews their implementation. See Oerlikon’s Organizational and Governance Rules (OGR) published on Oerlikon’s website: www.oerlikon.com/en/about-us/company-profile/organization.

Composition of the Board of Directors

Name (Nationality)	Domicile	Position	Age	Joined	Term Expires	Role
Prof. Dr. Michael Suess (DE)	CH	Executive Chairman	61	2015	2025	Executive
Gerhard Pegam (AT)	DE	Vice-Chairman	62	2010	2025	Non-executive
Paul Adams (US)	US	Member, Lead Director	63	2019	2025	Non-executive
Jürg Fedier (CH)	CH	Member	69	2021	2025	Non-executive
Inka Koljonen (FI)	DE	Member	51	2023	2025	Non-executive
Irina Matveeva (RU)	RU	Member	51	2020	2025	Non-executive
Alexey V. Moskov (CY/IL)	CH	Member	53	2016	2025	Non-executive
Zhenguo Yao (CN)	CN	Member	60	2022	2025	Non-executive

Board Independence and Independence Assessment

The Board of Directors shall consist of at least three but not more than nine Board members, the majority of whom should be independent. Oerlikon in principle defines Board independence in line with the Swiss Code of Best Practice for Corporate Governance (No. 15). According to Section II, Art. 1.2 of the OGR, in general, a Board member will be deemed to be independent if, during the three years immediately prior to taking office, he was neither a member of the executive management of OC Oerlikon Corporation AG, Pfäffikon, the Oerlikon Group, an Oerlikon Group company or an audit firm of any of these, nor close to any of the latter, and had no significant business relations, whether directly or indirectly, with the Oerlikon Group. Beyond this, Oerlikon defines representatives from large shareholders to be non-independent in line with good international corporate governance practice.

In the three financial years preceding the reporting period, except for the Executive Chairman (since July 1, 2022), none of the members of the Board of Directors were involved in the executive management of OC Oerlikon Corporation AG, Pfäffikon or any other Group company. They also do not have any significant business connections with companies of the Oerlikon Group. Until May 2022, Ms. Matveeva was an ultimate beneficiary, without any ownership/proprietary interest, control or voting rights and without right to claim the distribution and any other interest of proprietary nature, of the Next Generation Trust, an irrevocable and fully discretionary trust established under the laws of Cyprus and thereby associated with the Company's anchor shareholder. Thus, as of May 2022, Ms. Matveeva is no longer associated with the Next Generation Trust and the anchor shareholder Liwet Holding AG.

Oerlikon considers the majority of its Board members independent and currently only deems Prof. Dr. Michael Suess (Executive Chairman), and Alexey V. Moskow (representative of anchor shareholder) as non-independent.

Diversity on the Board

Oerlikon strives to have a well-diversified Board, among other things, in terms of skills, experience, geographic reach, tenure and gender. Over time, Oerlikon intends to increase diversity where needed and possible, always in the best interests of the Company. The table below provides an overview of the current Board members along with the diversity criteria considered most important for the Company. In line with good governance practice and regulatory requirements, the Board targets a female representation of at least two to three members. Furthermore, diversity is not only considered a key topic and priority for the Board of Directors, but the entire organization (see Sustainability Report).

Board Refreshment Process

Oerlikon has no tenure limits in place but has established a thorough Board of Directors' refreshment process to ensure its members bring the right mix of expertise,

Board Skills and Experience Overview

Independence through Board Composition and Skill Assessment

Members of the Board of Directors (2024–2025)

	Board Experience			Corporate Officer Experience			Business Experience									Personal Information			
Board Member	**OC Oerlikon Tenure (years until AGM 2025)**	**Other Public Board Experience**	**Large, Privately-Held International Company Experience**	**CEO**	**CFO**	**Other Executive Experience**	**Risk Management**	**ESG / Sustainability**	**Industrial Production and R&D**	**International Experience**	**Change and Crisis Management in Public Companies**	**Communications and Stakeholder Management**	**International Supply Chain Management**	**Strategic M&A**	**Strategic Financing**	**Nationality**	**Gender**	**Non-Executive**	**Independent**
Prof. Dr. Michael Suess	10	●	●	●	○	COO	●	●	●	●	●	●	●	●	◑	DE	M	NO	NO
Paul Adams	6	●	●	●	○		●	●	●	●	●	●	●	●		US	M	YES	YES
Jürg Fedier	4	●		●	●		●	○	○	●	●	●			●	CH	M	YES	YES
Inka Koljonen	2	●	●	○	●		●	◑	◑	●	●	●				FI	F	YES	YES
Irina Matveeva	5	○	●		●		◑	○	○	●	◑			●	●	RU	F	YES	YES
Alexey V. Moskov	9	●		○			◑	◑	○	●	◑			●	●	CY/IL	M	YES	NO
Gerhard Pegam	15	●					●	◑	●	●	●	●	●	●		AT	M	YES	YES
Zhenguo Yao	3	○					●	◑	●	●	●		●			CN	M	YES	YES

Assessment reflects company view

● Expert / YES or NO ◑ Intermediate Experience No Experience

Board Refreshment Process

Thorough board refreshment process to ensure expertise, diversity and independence

diversity and independence (as further described above) to the table. The figure above describes Oerlikon's Board refreshment process and the main factors against which new Board candidates are assessed. With a view toward current and expected future challenges, the Board of Directors identifies potential gaps in its skill matrix (see figure Board Skills and Experience Overview). Balancing against longer-tenured directors with substantial know-how of Oerlikon, the Board intends to fill these gaps with new members who are able to amend the Board with the required skill, experience and diversity considerations. The Human Resources Committee (HRC) fulfills a vital role in the board refreshment process as it annually reviews Board composition in light of the Group's strategic targets, taking into consideration the relevant individual requirement profiles, the contribution of each member to the company, the composition of the Board as a whole and the committees to be composed.

Board Training and Onboarding Process

Newly elected Board members are onboarded with training dedicated to their core tasks and responsibilities as members of the Oerlikon Board of Directors. In general, all Board members will attend at least one or two training events per year. These cover topics related to their duties as Board members, with a particular focus on matters concerning a SIX Swiss Exchange-listed company, internal regulations, policies and directives and on actual and future topics of interest for the Group.

Executive Chair Model – Overview

The goal of Oerlikon Group's Executive Chair Model is to strengthen the Group's strategic focus with two divisions, enable faster decision-making, improve organizational agility and thereby ensure sustainable profitable growth of the Group. Under the Executive Chair Model, the Board of Directors delegates the operational management of the Group as follows:

i. The two current Division CEOs, Dr. Markus Tacke and Georg Stausberg, continue to have operational control and accountability in leading their divisions. In addition, the Executive Chair Model provides them with the added agility and speed of execution to run and grow their business.

ii. Prof. Dr. Michael Suess holds the position of Executive Chairman, overseeing all Group-level management topics and leading the Executive Committee in addition to his role as Chair of the Group's Board of Directors.

iii. The Executive Committee is responsible for ensuring the harmonized Group-wide management of all organizational topics with cross-divisional relevance.

To ensure a proper governance framework under this Model, the appointed Executive Chair does not serve on any Board committees and a Governance Committee, chaired by the Lead Director, is established. The OGR ensures a balance of power among the members of the Executive Committee, which have to pass resolutions by a simple majority instead of individual decisions and the conflict-of-interest rules require potentially conflicted members to inform the full Board of Directors.

After two years in place, the governance measures introduced alongside the Executive Chair Model, in particular the function of Lead Director and the Governance Committee, proved to work very well in practice. The Model notably increased the effectiveness and speed of the decision-making process and considerably simplified the business model. The structure further fostered a very open and honest dialogue between all the involved parties, the Chairman, the Lead Director and Executive Management and provides the Board with a high level of transparency. The interplay as well as checks and balances between Board, Executive Chairman, the Division CEOs, the EC, the Lead Director, as well as the Governance Committee have been established in a thorough manner and are described further below.

For further details regarding the Executive Chair Model, see page 43 et seq.

Executive Chairman

The Executive Chairman shall ensure that the Board of Directors may and does effectively carry out its superintendence and oversight role on an informed basis. He shall endeavor, together with the EC, to provide the Board of Directors with optimal information regarding the operating activities of OC Oerlikon Corporation AG, Pfäffikon and the Oerlikon Group. Together with the EC, the Executive Chairman shall perform a leadership role in the implementation of the strategic orientation of the Group as set out by the Board of Directors on a collegial basis and shall represent OC Oerlikon Corporation AG, Pfäffikon and the Oerlikon Group in relations with important shareholders, clients, further stakeholders and the general public.

The Executive Chairman shall convene, prepare and chair Board meetings and may convene meetings of the Board of Directors' committees. He shall coordinate the work of the Board of Directors and its committees and shall ensure that Board members receive all information necessary to perform their duties in a timely manner. In cases of uncertainty, he shall delineate authorities between the Board of Directors and its committees, unless the entire Board of Directors intends to address the matter.

Vice-Chairman

The Vice-Chairman shall act as the deputy of the Executive Chairman, if the latter is unable to exercise his office. The Vice-Chairman shall have the same powers and duties for the performance of his/her role as a deputy as those accruing to the Executive Chairman, but such powers and duties shall be confined to resolutions to be passed during the period of the representation. If the Executive Chairman is prevented from carrying out his/her duties due to long-term illness or any other long-term absence, the Board of Directors shall decide whether the executive operational management functions delegated to the Executive Chairman shall remain with the Vice-Chairman or shall be assigned to another Board Member, the EC or an EC member.

Lead Director

Oerlikon has appointed an existing independent and experienced member of the Board of Directors, Paul Adams, as Lead Director. The Lead Director chairs the Governance Committee that consists exclusively of independent members of the Board of Directors. The Governance Committee serves the Lead Director as a sounding board and is responsible for ensuring adequate control mechanisms in light of the Executive Chair Model.

Specifically, the Lead Director has, within the scope of his duties, (i) unlimited rights to access information and to conduct investigations within the entire Oerlikon Group, (ii) the right to call Board of Directors meetings, (iii) the right to schedule regular meetings of the Governance Committee under exclusion of the Executive Chairman and (iv) the right to conduct engagement meetings with key stakeholders.

In 2024, the Lead Director, together with the Governance Committee, continued to fulfill their tasks in a meaningful and efficient manner taking a proactive and preventive approach to ensure adequate control mechanisms. In particular, the Lead Director met individually with each member of the Executive Committee five to six times in the past year to ensure a proper governance and informed decision-making of the Board. The key content of these meetings is further discussed in the Governance Committee and, if deemed necessary, escalated to the full Board. No situations were reported in which the Executive Chairman allegedly misused his powers or in which former members of the Executive Committee were in an allegedly material conflict of interest situation in their function as Board members. The Lead Director conducted regular bilateral meetings with EC members (other than the Executive Chairman) and key management functions (e.g., General Counsel) throughout the year to get independent insights regarding the day-to-day functioning of the Executive Chair Model. These meetings too did not reveal any governance or compliance issues.

Committees

The Board of Directors may create committees from among its members to assist it in the performance of its duties at any time. These committees are permanent advisory groups supporting the Board of Directors with their particular expertise. Unless expressly stated in the Organizational and Governance Rules, the Chart of Competencies or the relevant committee's rules and regulations, they do not have any authority to decide matters in lieu of the Board of Directors. All cases in which the currently existing committees do in fact have authority to decide matters in lieu of the Board of Directors will be specified. They may prepare, review and investigate matters of relevance within their field

Membership in these committees in the year under review was as follows:

Composition of Committees of the Board of Directors

Name (Nationality)	Audit & Finance Committee (AFC)	Human Resources Committee (HRC)	Governance Committee (GOC)
Prof. Dr. Michael Suess (DE)			
Gerhard Pegam (AT)		Chair	Member
Paul Adams (US)	Member	Member	Chair
Jürg Fedier (CH)	Member		
Inka Koljonen (FI)	Chair	Member	
Irina Matveeva (RU)	Member		
Alexey V. Moskov (CY/IL)		Member	
Zhenguo Yao (CN)		Member	Member

of expertise and submit proposals to the Board of Directors for deliberation, but must not themselves take resolutions beyond recommendations, proposals or motions to be submitted to the Board of Directors for deliberation. Committees shall meet regularly to conduct their work, but in general at least four times a year.

There are currently three permanent committees of the Board of Directors, namely the Audit & Finance Committee (AFC), the Human Resources Committee (HRC) and the Governance Committee (GOC). All strategy-relevant topics are discussed directly in the Board of Directors to further strengthen the Group's strategic focus and to enable faster decision-making.

Audit & Finance Committee (AFC)

The AFC is a permanent committee of the Board of Directors within the meaning of Art. 716a para. 2 of the Swiss Code of Obligations. As a rule, the AFC is composed of at least three members of the Board of Directors. Members of the AFC are not eligible if they perform any executive management duties within the Oerlikon Group while in office, have significant business relations with OC Oerlikon Corporation AG, Pfäffikon or the Oerlikon Group or have been members of the Executive Committee in the preceding three years. They must by all means have the degree of independence required by the Swiss Code of Best Practice for Corporate Governance, as amended from time to time. The majority of AFC members, including its Chair, must have experience in finance and accounting and be familiar with internal and external auditing. As a separate advisory group, independent from the Executive Committee, the AFC shall advise the Board of Directors and exclusively follow the Board of Directors' instructions.

The AFC's purpose is to facilitate the Board's ability to fulfill its duties regarding OC Oerlikon Corporation AG, Pfäffikon and all its subsidiaries. Its responsibilities include assisting the Board in monitoring the adequacy of processes and the integrity of OC Oerlikon Corporation AG, Pfäffikon's

- financial statements;
- internal controls;
- compliance with legal and regulatory requirements;
- external auditor's performance, qualification and independence (incl. review of the audit work plan and the compensation);
- internal audit department's performance;
- risk management policies, capital structure and funding requirements.

The AFC may prepare, review or investigate matters of relevance within its scope of responsibilities and submit relevant proposals to the Board of Directors for deliberation, but must not itself take resolutions beyond recommendations, proposals or motions to be submitted to the Board of Directors for deliberation. The AFC has no authority to decide matters in lieu of the Board of Directors.

The organization, detailed responsibilities, functioning and reporting of the AFC are stipulated in the Rules and Regulations of the AFC published on Oerlikon's website: www.oerlikon.com/en/about-us/company-profile/organization.

Human Resources Committee (HRC)

The HRC is a permanent committee of the Board of Directors within the meaning of Art. 716a para. 2 of the Swiss Code of Obligations. As a rule, the HRC is composed of at least three members of the Board of Directors. Members of the HRC are not eligible if they perform any executive management duties within the Oerlikon Group while in office, have significant business relations with OC Oerlikon Corporation AG, Pfäffikon or the Oerlikon Group or have been members of the Executive Committee in the preceding three years. In all cases, they must have the degree of independence required by the Swiss Code of Best Practice for Corporate Governance, as amended from time to time.

The HRC supports the Board of Directors with regard to matters related to human resources, including compensation policies, performance assessment, appointments and succession planning, and other general topics related to human resources. The HRC shall, in particular, support the Board of Directors in establishing and reviewing the Group's compensation strategy and in preparing the proposals to the General Meeting of Shareholders regarding compensation of the members of the Board of Directors and of the Executive Committee, and may submit proposals to the Board of Directors in other compensation-related issues. Furthermore, the HRC recommends the annual pay plan for the Group (incl. general salary increases), the Group-wide compensation policies for non-managerial staff, the objectives and performance contracts of all members of the Executive Committee, the eligibility in equity programs and the allocation of equity instruments. In general, the HRC has no authority to decide matters in lieu of the Board of Directors.

The organization, detailed responsibilities, functioning and reporting of the HRC are stipulated in the Rules and Regulations of the HRC published on Oerlikon's website: www.oerlikon.com/en/about-us/company-profile/organization.

Governance Committee (GOC)

The GOC is a permanent committee of the Board of Directors within the meaning of Art. 716a para. 2 of the Swiss Code of Obligations. As a rule, the GOC shall consist of at least three members of the Board of Directors who shall in general not be eligible if performing any executive management duties within OC Oerlikon Corporation AG, Pfäffikon or the Oerlikon Group while in office or having significant business relations with the Company or having been members of the Executive Committee in the preceding three years. They must by all means have the degree of independence required by the Swiss Code of Best Practice for Corporate Governance and be considered independent by Oerlikon's own independence criteria.

The GOC is chaired by the Lead Director. The Lead Director, with the support of the GOC, is responsible for ensuring adequate control mechanisms under the Executive Chair Model and vis-à-vis the Executive Chairman or former members of the Executive Committee as set forth in the Rules and Regulations of the GOC and the Company's Organizational Rules and were appropriate and in line with market expectations and practices, above and beyond the baseline principles regarding good corporate governance as set forth in the Swiss Code of Best Practice for Corporate Governance. Hence, generally, the GOC assists the Board of Directors and the Executive Chairman in fulfilling their responsibilities with respect to the Company's corporate governance insofar as checks and balances are concerned in a governance model where certain Board members do have executive functions.

As set forth in the Rules and Regulations of the GOC, the GOC takes a proactive and preventive role in ensuring adequate control mechanisms e.g., by meeting regularly, at least four times a year, and conducting meetings with relevant management team members, all under the exclusion of the Executive Chairman. In cases of alleged misuse of powers under the Executive Chair Model, the Lead Director's and the GOC's right to access information and to conduct investigations shall be unlimited within the entire Oerlikon Group. The GOC reports to the Board of Directors at Board of Directors meetings and immediately in urgent cases. Within the defined scope of the GOC's duties and responsibilities, the GOC may request that an item be included on the Board of Directors' agenda.

Unless expressly stated in the Rules and Regulations of the GOC, which are publicly available on Oerlikon's website, the GOC has no authority to decide matters in lieu of the Board of Directors.

The organization, detailed responsibilities, functioning and reporting of the GOC are stipulated in the Rules and Regulations of the GOC published on Oerlikon's website: www.oerlikon.com/en/about-us/company-profile/organization.

Work Methods of the Board of Directors and its Committees

The Board of Directors meets at the invitation of the Executive Chairman or, should the case require, of the Lead Director at least four times a year (usually once in February/March, once in June/July, once in September/ October and once in November/December) or more often if necessary. The members of the Executive Committee attend the meetings of the Board of Directors by invitation. Each Board member may request that the Executive Chairman convene a Board meeting by stating the reasons for such a request.

In 2024, four Board meetings were held, two of which were ordinary Board meetings (average duration: 8.5 hours) and two were Board workshops (average duration: 11 hours). The main topics of the workshops were strategy, digitalization, human resources and business development. In addition, the Board held six telephone conferences (average duration: 0.8 hours). The members of the Executive Committee were invited to all meetings, workshops and conference calls of the Board of Directors, unless the Executive Chairman decided differently for certain Board meetings or certain agenda items. Additionally, the constitutional Board meeting took place after the AGM with a duration of 0.8 hours.

The members of the HRC are elected by the General Meeting of Shareholders, whereas the Chair of the HRC is appointed by the Board of Directors. The members of the AFC and its Chair are elected by the Board of Directors at the proposal of the Executive Chairman. The Chair and the other members of the GOC are elected by the Board of Directors at the proposal of the HRC, whereas any Board of Directors member, including the Executive Chairman, who has an executive function shall abstain from the Board of Directors resolution to appoint the Chair and the other members of the GOC.

Their respective terms of office in those committees correspond to their terms of office as Board members. Those Board members who are not members of a committee have the right to attend committee meetings with a consultative vote. As a rule, the Company's CFO, external auditor, Head of Group Accounting & Reporting and Head of Internal Audit (who is also the secretary of the AFC) should attend the meetings of the AFC; the CHRO should attend the meetings of the HRC; and other members of the Board who are not members of the GOC may attend the meetings of the GOC. Additional persons (e.g. other members of the Executive Committee or Heads of corporate functions) may be invited, if required. At every Board meeting, each committee Chair provides the Board of Directors with an update on the current activities of the committee and important committee issues.

The AFC and the GOC convene by invitation of their respective Chairs as often as business requires, but at least four times annually. The HRC meets at the invitation of its Chair at least three times a year, or more often if necessary.

In 2024, there were six meetings of the AFC (average duration: 2.3 hours). The members of the AFC participated in the meetings along with the CFO and representatives of the corporate functions concerned (in particular Group Accounting & Reporting, Group Controlling, Internal Audit and Group Legal). The external auditors (PricewaterhouseCoopers Ltd) took part in five AFC meetings. In 2024, the HRC held four meetings (average duration: 4.0 hours) and the GOC held four meetings (average duration: 0.5 hours).

Definition of Areas of Responsibility

Pursuant to Art. 716b of the Swiss Code of Obligations and Art. 20 para 3 and 22 para. 3 of the Articles of Association, the Board of Directors has, in principle, delegated the operational management of the business of OC Oerlikon Corporation AG, Pfäffikon and of the Oerlikon Group to (i) the Executive Chairman, (ii) the Division CEOs and (iii) the EC, subject to mandatory law, the Articles of Association and the Organizational and Governance Rules. The scope of tasks for which the Board of Directors bears responsibility essentially encompasses those inalienable and non-delegable duties defined by law. These include:

- The ultimate direction of the business of OC Oerlikon Corporation AG, Pfäffikon and issuing of the relevant directives

2024 Board and Board Committee Meetings

	Pre Annual General Meeting 2024						Post Annual General Meeting 2024					
	Board						Board					
Meetings and Attendance	Mtg.	Conf. Call	Work-shop	AFC	HRC	GoC	Mtg.	Conf. Call	Work-shop	AFC	HRC	GoC
Average duration (hours)	0	0.8	7.0	2.0	4.0	0.5	8.5	0.9	15.0	2.3	4.0	0.5
Number of meetings	0	1	1	1	1	1	2	5	1	5	3	3
Meetings attended:												
Prof. Dr. Michael Suess	-	1	1	–	–	–	2	4	1	–	–	–
Gerhard Pegam	-	1	1	-	1	1	2	4	1	–	3	3
Paul Adams	-	1	1	1	1	1	2	5	1	5	3	3
Jürg Fedier	-	1	1	1	–	–	2	5	1	4	–	–
Inka Koljonen	–	1	1	1	0	–	1	4	1	5	3	–
Irina Matveeva	-	1	1	1	-	–	2	5	1	5	–	–
Alexey V. Moskov	-	1	1	–	1	–	2	4	1	–	3	–
Zhenguo Yao	-	1	1	–	1	1	2	4	1	–	3	3

- Laying down the organization of OC Oerlikon Corporation AG, Pfäffikon
- Formulating accounting procedures, financial controls and financial planning
- Nominating and removing persons entrusted with the management and representation of OC Oerlikon Corporation AG, Pfäffikon and regulating the power to sign for OC Oerlikon Corporation AG, Pfäffikon
- The ultimate supervision of those persons entrusted with management of OC Oerlikon Corporation AG, Pfäffikon with particular regard to adherence to the relevant law, the Articles of Association and the regulations and directives of OC Oerlikon Corporation AG, Pfäffikon
- Issuing the Annual Report, the Compensation Report and the report on non-financial matters (Sustainability Report) according to Art. 964a et seqq. of the Swiss Code of Obligations and other reports as required by law, if any, and preparing for the Annual General Meeting of Shareholders and carrying out its resolutions
- Submitting a petition for a debt-restructuring moratorium and informing the court in case of indebtedness
- Determining the strategic direction and approving the strategy for the Oerlikon Group and its divisions

According to the Company's Organizational and Governance Rules, it is also incumbent upon the Board of Directors to decide on (1) overall budget planning; (2) acquisitions and divestments involving an enterprise value of at least CHF 25 million; (3) the establishment, liquidation or restructuring of strategy-relevant companies or businesses; (4) the purchase and sale of real estate with a financial value exceeding CHF 25 million; and (5) the initiation and settlement of civil law litigation with amounts in dispute of more than CHF 50 million.

Key Board Activities in 2024

- Progressed on leveraging core competencies into new areas
- Strategic considerations around M&A: Completed Riri acquisition in 2023 with ongoing focus on successful integration; holistic planning to become a pure-play global market leader in surface solutions as announced in February 2024
- Continued evaluations of portfolio optimizations, i.e. review of operational and strategic actions to strengthen the resilience of the company (e.g. realigned Additive Manufacturing)
- Further developed new regional organization and the widening of Oerlikon's customer base
- Focus on operational measures and commercial strategy, including cost efficiency, innovation pipeline and pricing strategy
- Monitor sanction risks and ensure contingencies measures
- Continuously develop cyber security strategy and ensure readiness in case of incident
- Ensure progress on digitalization initiatives
- Review ESG strategy & plan and drive progress

Sustainability Governance and Decision-Making Framework

We are Active in Engaging With Our Stakeholders

Stakeholder	Key Concerns	Stakeholder	Key Concerns	Month 2024	Shareholder Events
Employees	▪ Equality and diversity ▪ Career advancement ▪ Education and training ▪ Health and safety ▪ Environment ▪ Social Impact	**Local communities**	▪ Employment ▪ Compliance ▪ Environment ▪ Social impact	Mar.	AGM
Customers	▪ Quality ▪ Health and safety ▪ Environment ▪ Competitive pricing	**Authorities and government reps.**	▪ Taxes ▪ Responsible business practices ▪ Compliance ▪ Health and safety ▪ Environment	Feb., May, Aug., Nov.	Quarterly results
Suppliers and partners	▪ Responsible business practices ▪ Health and safety ▪ Environment	**Non-governmental organizations and civil society**	▪ Responsible business practices ▪ Compliance ▪ Health and safety ▪ Environment	Jan., Mar., May., Sep., Nov.	Roadshows/ conferences
Investors and analysts	▪ Management ▪ Quality ▪ Responsible business practices ▪ Compliance ▪ Health and safety ▪ Environment ▪ Innovation				

Sustainability

Furthermore, sustainability is endorsed and overseen by the Board of Directors. The Board agenda covers sustainability topics throughout the year and dedicates significant time for the purpose of establishing the overall guidance for the Oerlikon Group's sustainability strategy. In this process, the Board will also delegate specific sustainability topics to its committees. The Board has mandated a dedicated Chief Sustainability Officer (CSO), who is a member of the Executive Committee and reports to the Executive Chairman, to monitor, align and execute the sustainability strategy. Led by the CSO, the Sustainability Management Team (SMT) works closely with the divisions and Group functions in executing the sustainability strategy, rolling out programs and action plans, and increasing dialogue and awareness with stakeholders (see table above).

The framework on page 42 provides an overview of how sustainability is embedded in Oerlikon's Board and leadership structure, and highlights how ESG is embedded comprehensively in our governance:

- ESG is an integral part of the Board and the EC agendas
- Specific topics regarding ESG integration are addressed in the respective committee
- The Board has mandated a Chief Sustainability Officer (member of the Executive Committee) to lead the sustainability strategy

Executive Chair Model – Further Details

In accordance with Art. 716b CO, Art. 20 para. 3 and 22 para. 3 of the Articles of Association, the Board of Directors has delegated the operational management of the Oerlikon Group and all matters not reserved for the Board of Directors to (i) the Executive Chairman, (ii) the Division CEO's and (iii) the EC, subject to mandatory law, the Articles of Association and the Organizational and Governance Rules.

Within the delegated matters, the Executive Chairman has the following specific duties:

- Implementation of the Oerlikon Group strategy, of the resolutions of the Board and of all operational management topics of Oerlikon Group-wide relevance
- Leading and overseeing the implementation of the Group's long- and short-term plans in accordance with its strategy
- Representing Oerlikon and the Oerlikon Group in relations with important shareholders, customers, contact groups and the general public
- Development of the divisions to higher operational performance and higher independence in defining and executing continuous improvements (operational excellence)

Within the delegated matters and apart from running the operational management of the divisions, which is fully delegated to the Division CEOs, the Division CEOs are in particular responsible for preparing and implementing the strategy for each of the divisions in coordination with and under the guidance of the Executive Chairman.

Within the delegated matters, the Executive Committee shall have the following specific responsibilities and duties: (i) Based on the proposals of the Division CEOs for the division strategies, preparing the strategy for the Group under the guidance of the Executive Chairman, (ii) formulating the development of the Group's strategy subject to approval by the Board of Directors, (iii) establishment of a close monitoring system for operational performance and of close contact between corporate decision makers and the division's management teams, (iv) allocation of key resources (CAPEX, R&D funding, etc.) to implement the approved strategy, (v) establishment of a succession planning and compensation scheme as well as development of incentive schemes aligned with the strategy and objectives and to support the divisions in developing their teams but also foster attraction, identification and development of talents across the Oerlikon Group, (vi) grouping of resources in shared service centers for homogenous, standardized and clearly definable tasks (e.g. IT), (vii) performance assessment and development of key corporate functions.

The Executive Committee is chaired by the Executive Chairman. With the introduction of the Executive Chair Model and in adherence with good governance principles, decision-making power was transferred from an individual to the overall committee level. In principle, decisions should be taken unanimously. If such unanimity cannot be reached, resolutions shall be passed by a simple majority of the EC members. In the event of an equality of votes, the Executive Chairman shall have a casting vote.

More information regarding the areas of responsibility of the Board of Directors, the Executive Chairman, the Division CEOs and the Executive Committee can be found in the Company's Organizational and Governance Rules published on Oerlikon's website: www.oerlikon.com/en/about-us/company-profile/organization.

Information and Control Instruments Vis-à-Vis the Executive Chairman, the Division CEO's and the Executive Committee

The Board of Directors has a wide array of instruments that enable it to perform the tasks of monitoring strategic and operational progress as well as risk exposure. The instruments at its disposal include the following elements:

The Board of Directors' Right of Access to Information and the Executive Chairman's Duty of Information

Each member of the Board of Directors receives a copy of the monthly report, which includes an overview of Group performance, the financials of the Group and the divisions as well as an M&A project update. The Executive Chairman reports at Board of Directors meetings on the day-to-day operations, operating results and important business matters. Extraordinary occurrences (if any) must be immediately communicated to the Executive Chairman and to the Chair of the relevant committee. With the approval of the Executive Chairman, members of the Board of Directors may also access specific business records and/or obtain information from any employee of the Oerlikon Group. As set forth in the Rules and Regulations of the Governance Committee, the Lead Director and members of the Governance Committee have unlimited information access within their scope of duty and without need for previous approval by the Executive Chairman.

The Board of Directors and its committees regularly take advice from members of the Executive Committee in order to ensure that the most comprehensive and up-to-date information on the state of the company and all relevant elements are included in its decision-making. Additionally, heads of corporate functions or other experts may be consulted on a case-by-case basis in order to gain detailed and comprehensive information on complex matters.

Accounting & Reporting

The Group Accounting & Reporting function is responsible for the Group's Management Information System (MIS), which links all major Group companies and production sites directly with Group Headquarters to provide the Executive Committee and the Board of Directors with institutionalized Group reporting on a monthly basis. This is consolidated to show the performance of the Group and explains the reasons for any deviations from the key performance indicators. The Board of Directors may demand access to the relevant details at any time. Furthermore, Group Accounting & Reporting ensures compliance with the International Financial Reporting Standards (IFRS).

Controlling

With regard to controlling, the key instruments are specific analyses prepared by the divisions, as well as annually updated business plans on Group and division level. The Board of Directors approves the annual financial business plan (budget) and acknowledges the business plan. In addition to the business updates provided by the Executive Chairman or CFO at the Board of Directors and

AFC meetings, the Board of Directors and the Executive Committee receive a monthly actual versus/target analysis of the key financials to assist them in the assessment of the divisions' performance and potential corrective measures. Furthermore, the Executive Committee holds regular business review meetings at Group and division level, examining current performance and outlook, market competitive dynamics, division product portfolios and scenarios explored to improve division value creation.

Risk Management

Oerlikon has a risk management system in place with which the enterprise-wide risk management is centrally managed and decentrally implemented. A key component of it is the generation and semi-annual update of risk profiles for the Group as a whole, as well as for its individual divisions and Group functions. All types of risks, internal and external, such as market, credit, sustainability (including environmental, social, human rights and anti-corruption) and operational risks are considered, including compliance and reputational aspects, and actions are defined in order to mitigate risk exposure. Internal risk reporting to the Executive Committee is performed semi-annually and annually to the AFC and the Board of Directors based on consolidated risk reports. On this basis, the Board of Directors monitors the risk profile of the Group and the risk mitigation actions. For further information regarding risk management, see page 73 et seq. (Risk Management and Compliance) and page 126 et seq. (Note 18 to the consolidated financial statements).

Compliance

The Group-wide compliance function is dedicated to ensuring compliance within a regulatory framework, which encompasses legal and internal regulations as well as ethical standards, values and principals. The Company's Code of Conduct, which was renewed in 2020, serves as the cornerstone of the Group's mandatory compliance e-training. It underscores the Company's commitment to proactive measures and the implementation of engaging learning tools and legal compliance training. Oerlikon has also strengthened its focus on behavioral aspects of leadership awareness when addressing integrity issues. This has been achieved through the enforcement of its business partner integrity screening process and the update of its Supplier Code of Conduct.

In the data protection field, Oerlikon has built over the years a solid group privacy framework largely modelled after the EU General Data Protection Regulation ("GDPR") while taking into account specific local data protection requirements that would differ or go beyond GDPR requirements (as the Chinese data protection requirements, for example).

Every year, a mandatory online data protection training is provided to the Group employees. The training contains customized modules based on employees' responsibilities and roles in the data processing activities of the Group.

The Group Data Protection and Data Compliance Officer works on a continuous optimization of the Group data protection processes (e.g. for the reporting of personal data breaches or the management of the registers of data processing activities). These past years, Oerlikon has been focusing as well on the implementation of the new China data transfer requirements and the evolution of data protection laws and regulations in other Asian countries, as in India or Thailand. For further information regarding compliance, see page 75 (Compliance and Ethics).

Internal Audit

An internal audit is an independent and objective assurance activity that assists Oerlikon in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, controls and governance processes. The Head of Internal Audit reports functionally to the AFC and administratively to the CFO. The AFC approves the budget, the resources and the internal audit plan. Internal Audit closely coordinates its plans and activities with the external auditor. Internal Audit projects are selected on the basis of a Group-wide risk assessment in coordination with Group Risk Management. The annual audit plan strikes the appropriate balance between operational, financial, compliance and follow-up reviews. The results of internal audits are communicated to the responsible management team, the Executive Committee, the AFC, the Executive Chairman and the external auditors through formal audit reports. In 2024, Internal Audit conducted 41 internal audits.

External Audit

The external auditor examines the books and accounts of OC Oerlikon Corporation AG, Pfäffikon and those of the Oerlikon Group, coordinating its audit plan with that of Internal Audit. Upon completion of the audit, the external auditor prepares a comprehensive auditor's report to inform the AFC and the Board of Directors about the detailed findings of the audit and prepares a summary thereof for the Annual General Meeting of Shareholders. In 2024, the external auditors participated in five AFC meetings. Since 2016, the external audit has been carried out by PricewaterhouseCoopers Ltd. For further information regarding the external auditors, see page 49 et seq.

The continuing independence of the external auditors is ensured by written representations provided by the auditors and by the monitoring of audit fees in relation to total fees for all services paid by Oerlikon to the audit firm.

The Oerlikon Executive Committee[1]

Leadership and Accountability

Prof. Dr. Michael Suess

Professional Background and Education

Prof. Dr. Michael Suess was elected Chairman of the Board of Directors at the 2015 Annual General Meeting of Shareholders, the same year he joined the Board. In 2022, Prof. Dr. Suess took on the role of Executive Chairman to oversee all Group-level management topics and lead the Executive Committee and the Board. From 2015 to 2016, he was also CEO of Georgsmarienhütte Holding GmbH, a German steel company. Prior to that, he was a Member of the Managing Board of Siemens AG and CEO of Siemens Energy Sector. From 2008 to 2011, he was CEO of the Fossil Power Generation Division of the Energy Sector and a Member of the Group Executive Management of Siemens AG Power Generation Group from October 2006 to December 2007. After holding various positions at BMW, IDRA Presse S.p.A. and Porsche AG, Prof. Dr. Suess was appointed to the Managing Board of Mössner AG in 1999. Following the Georg-Fischer Group's takeover, he was named Chairman of the Managing Board of GF Mössner GmbH. From 2001 to 2006, he was COO at MTU Aero Engines AG and significantly involved in the company's IPO. From May 2009 to July 2018, he was a Member of the Supervisory Board of Herrenknecht AG. Prof. Dr. Suess graduated with a degree in Mechanical Engineering from TU Munich, Germany, and completed his doctorate in 1994 at the Institute for Industrial Science/Ergonomics at the University of Kassel (Dr. rer. pol.), Germany. On October 29, 2015, he was awarded an honorary professorship from TU Munich.

Other Activities and Vested Interests

Prof. Dr. Suess is a Member of the Advisory Board of Kinexon Beteiligungsgesellschaft mbH.

Markus Richter

Professional background and education

Markus Richter was appointed Chief Financial Officer (CFO) of Oerlikon Group and a member of the Executive Committee, effective October 1, 2024. Mr. Richter is CFO and a member of the leadership team of the Surface Solutions Division since January 2023 and will continue in this role until the planned separation of the polymer processing solutions business. Mr. Richter has over 20 years of experience in finance, covering accounting, controlling, systems and regulatory areas. Prior to Oerlikon, he was a partner at KPMG Zurich for 10 years, where he led the Financial Management Advisory services. From 2004 to 2010, Richter held various leadership roles in finance at Daimler AG in Stuttgart, Germany, and Madrid, Spain. Richter began his career as a consultant at Arthur Andersen in Stuttgart, Germany, and Tokyo, Japan. Markus Richter holds a Bachelor of Arts degree (Hons) in Business Administration from the ESB Business School, Reutlingen and London.

Other activities and vested interests

None.

Anna Ryzhova

Professional Background and Education
Anna Ryzhova was appointed Chief Human Resources Officer effective October 10, 2016. Ms. Ryzhova has over 21 years of experience in leading HR functions, 13 of which were at the Renova Group in senior HR executive roles. Most recently, Ms. Ryzhova was Chief Human Resources Officer at Witel Ltd., Zurich, Switzerland. From 2010 to 2015, she served as HR and Corporate Relations Director at the Renova Group Corporate Center in Moscow, Russia. Ms. Ryzhova holds a Master's degree in Economics from the National Research University Higher School of Economics in Moscow and an Executive MBA from IMD, Lausanne, Switzerland.

Other Activities and Vested Interests
None.

Georg Stausberg

Professional Background and Education
Georg Stausberg was appointed a Member of the Executive Committee and Chief Sustainability Officer (CSO) as of January 1, 2021. Mr. Stausberg is CEO of the Polymer Processing Solutions Division and has held this role since 2015. Between 2012 and 2014, he served as CTO and COO of the division. From 2008 to 2012, Mr. Stausberg was CEO of the Business Unit Oerlikon Neumag. He graduated from the RWTH Aachen University, Germany, with a degree in Mechanical Engineering (Dipl.-Ing.).

Other Activities and Vested Interests
None.

Dr. Markus Tacke

Professional Background and Education
Dr. Markus Tacke was appointed a Member of the Executive Committee as of January 1, 2021 and CEO of the Surface Solutions Division, effective October 1, 2020. Dr. Tacke has over 25 years of leadership experience in the renewable energy and gas turbine industries and is highly recognized for his ability to reposition and develop businesses. Before joining Oerlikon, he was CEO of Siemens Gamesa Renewable Energy S.A. from 2017 to 2020, where he carved out the Wind Division from Siemens and merged it with Gamesa S.A. Prior to that, Dr. Tacke held a number of leadership positions within Siemens' energy businesses, the last of which was CEO of their Wind Power and Renewables Division. Besides the operational responsibility, Dr. Tacke was involved or managed numerous acquisitions, for example, Westinghouse, Alstom Industrial, KKK and Bonus. Dr. Tacke holds a Mechanical Engineering degree from the Technical University of Darmstadt, Germany, a Master's degree in Engineering from Cornell University, New York, USA, and a PhD from the Technical University of Darmstadt, Germany. Dr. Tacke held the position of Chairman of Wind Europe from 2014 to 2016 and Chairman of VDMA Power Systems from 2016 to 2020.

Other Activities and Vested Interests
Chairman of the Board of RHEMAG, Frankfurt, Germany.

[1] A description of the roles and authorities of the Members of the Executive Committee can be found in the Company's Organizational and Governance Rules published at **www.oerlikon.com/en/about-us/company-profile/organization.**

Executive Committee

Management Philosophy

The Oerlikon Group's strategy is to expand its leading position worldwide as a powerhouse in surface solutions and advanced materials as well as for equipment for processing polymers. In line with this strategy, the Group has a Headquarter and two operative divisions (Surface Solutions Division and Polymer Processing Solutions Division). Group Headquarters still determines strategic guidelines, sets operational targets and monitors these with effective management processes and controlling while the divisions continue to be responsible for operations and for delivering on the agreed strategy and targets within given guidelines. With the introduction of the Executive Chair Model and in adherence with good governance principles, decision-making power was transferred from an individual to the overall committee level. In principle, decisions should be taken unanimously. If such unanimity cannot be reached, resolutions shall be passed by a simple majority of the EC members. In the event of an equality of votes, the Executive Chairman shall have a casting vote.

Members of the Executive Committee

On December 31, 2024, the Executive Committee consisted of Prof. Dr. Michael Suess, Executive Chairman (since July 1, 2022), Markus Richter, CFO (since October 1, 2024), Anna Ryzhova, CHRO (since October 10, 2016), Dr. Markus Tacke, CEO of the Surface Solutions Division (since January 1, 2021) and Georg Stausberg, CEO of the Polymer Processing Solutions Division (since January 1, 2021). Philipp Müller resigned as CFO as per September 30, 2024.

With the exception of Georg Stausberg and Markus Richter, the other members of Oerlikon's Executive Committee have not previously carried out tasks for OC Oerlikon Corporation AG, Pfäffikon or any other Group company. For further information, see page 46 et seq.

Other Activities and Vested Interests

Regarding the activities of the members of the Executive Committee in governing and supervisory bodies of important Swiss and foreign organizations, institutions and foundations under private and public law, as well as permanent management and consultancy functions for Swiss and foreign interest groups and official functions and political posts, see page 46 et seq.

Number of Permitted Activities

Pursuant to Art. 32 of the Articles of Association, no member of the executive management may hold more than ten additional mandates in comparable functions at other enterprises with an economic purpose, of which no more than four may be in listed companies. Not subject to these limitations are (1) mandates in inactive companies and in companies that are controlled by OC Oerlikon Corporation AG, Pfäffikon or that control OC Oerlikon Corporation AG, Pfäffikon and (2) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations, whereby no member of the executive management may hold more than ten such mandates. Mandates in different legal entities that are under joint control are deemed one mandate. According to internal policies, Board memberships in third-party companies require the Executive Chairman to obtain the approval of the Board of Directors and other Executive Committee members to obtain the approval of the Executive Chairman.

Management Contracts

There are no management contracts with third parties.

Shareholders' Participation

Voting Rights Restrictions and Representation

The right to vote and other shareholder rights may only be exercised by shareholders or beneficiaries who are registered in the share register. Any shareholder may appoint the independent proxy or another person (who does not need to be a shareholder) with written authorization or a legal representative to act as proxy to represent his/her shares at the General Meeting of Shareholders.

Composition of the Executive Committee

Name	Nationality	Age	Position	Joined	In Position Since	Stepped Down
Prof. Dr. Michael Suess	DE	61	Executive Chairman	2015	7/1/2022	
Philipp Müller	DE	46	CFO	2019	1/1/2020	30/9/2024
Markus Richter	DE	51	CFO	2023	1/10/2024	
Anna Ryzhova	RU	45	CHRO	2016	10/10/2016	
Georg Stausberg	DE	61	CEO Polymer Processing Solutions Division	1989	1/1/2021	
Dr. Markus Tacke	DE	59	CEO Surface Solutions Division	2020	1/1/2021	

The Executive Chairman decides whether to recognize the power of attorney.

Regarding the written or electronic issuing of the proxy and of instructions to the independent proxy, the Articles of Association do not contain any provisions that deviate from the legal provisions. Entitled to vote in the General Meeting of Shareholders are the shareholders whose names have been entered into the share register as shareholders with voting rights at the cut-off date to be determined by the Board of Directors (as a rule, the cut-off date is six working days before the General Meeting of Shareholders). Otherwise, there are no restrictions on voting rights.

Pursuant to Article 13a of the Articles of Association, the Board of Directors shall determine the venue of the General Meeting of Shareholders. The Board of Directors can determine that the General Meeting be held simultaneously at different locations, provided that the statements of the participants are transmitted directly in video and audio to all venues and/or that shareholders who are not present at the venue of the General Meeting of Shareholders may exercise their rights by electronic means. Alternatively, the Board of Directors may provide that the General Meeting of shareholders will be held by electronic means without a venue.

Statutory Quorums

The Articles of Association of OC Oerlikon Corporation AG, Pfäffikon provide for no specific quorums that go beyond the provisions of corporate law.

Convocation of the Annual General Meeting of Shareholders

Supplemental to the statutory legal provisions, the Company's Articles of Association provide for the convocation of an Annual General Meeting of Shareholders by a one-off announcement in the Swiss Official Gazette of Commerce or in a form that allows proof by text.

Inclusion of Items on the Agenda

The Articles of Association provide that one or more shareholders who together represent at least 0.5% of the share capital or the votes are entitled to request that an item be included in the agenda or that a motion to an agenda item be included, provided that their requests are submitted in writing and include the actual agenda item and/or the actual motions; this request is to be made no later than ten weeks before the date of the General Meeting of Shareholders.

Entry into the Share Register

The 52nd General Meeting of Shareholders will be held on April 1, 2025. Entitled to vote in the General Meeting of Shareholders are those shareholders whose names have been entered into the share register as shareholders with voting rights at the cut-off date to be determined by the Board of Directors.

Right to Inspect the Minutes of the Annual General Meeting of Shareholders

The minutes of the 51st General Meeting of Shareholders, held on March 21, 2024, can be viewed on the website at www.oerlikon.com/en/about-us/annual-general-meeting-of-shareholders. Shareholders may also read the minutes at Group Headquarters upon prior notice. The minutes of the 2025 Annual General Meeting of Shareholders will be published on the Oerlikon website as soon as they have been compiled.

Changes of Control and Defense Measures

Duty to Make an Offer

In accordance with the Articles of Association of OC Oerlikon Corporation AG, Pfäffikon a person who acquires shares in the company is not required to make a public purchase bid pursuant to Art. 125 para. 3 of the Financial Market Infrastructure Act (opting out). The opting out is necessary for the company to keep its financial flexibility when raising capital. The Board of Directors regularly reviews whether the opting out clause should be preserved or cancelled, carefully balancing the pros and cons arising from it.

Clauses on Changes of Control

As from January 1, 2024, in the event of a change of control, all unvested share awards are subject to full accelerated vesting at maximum.

Auditors

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

PricewaterhouseCoopers Ltd was elected by the 43rd Annual General Meeting of Shareholders on April 5, 2016 as auditor of OC Oerlikon Corporation AG, Pfäffikon, and the Group for the first time. The auditor is elected at the Annual General Meeting of Shareholders for a one-year term of office. The lead auditor responsible for the mandate, Mr. Rene Rausenberger, has been serving in this function since the financial year that ended on December 31, 2019. In accordance with Art. 730a para. 2 of the Swiss Code of Obligations, the lead auditor's term of office is a maximum of seven years.

Auditing Fees

In the calendar year 2024, PricewaterhouseCoopers Ltd invoiced the company CHF 2.4 million in global auditing fees.

Additional Fees

In the calendar year 2024, PricewaterhouseCoopers Ltd invoiced the company CHF 1.4 million for additional services. The additional fees were invoiced for assurance services (CHF 0.8 million) as well as for advisory services (CHF 0.2 million) in connection with the separation of Oerlikon's Manmade Fibers business. Additionally, advisory fees for worldwide general and project-specific tax consultancy services (CHF 0.1 million), for IT consultancy services (CHF 0.1 million) and for other consultancy services (CHF 0.1 million) have been invoiced.

Informational Instruments Pertaining to an External Audit

In accordance with Art. 728b para. 1 of the Swiss Code of Obligations, the external auditors provide the Board of Directors, on an annual basis, with a comprehensive report with conclusions on the financial reporting and the internal controlling system as well as the conduct and the result of the audit. Furthermore, the external auditors conduct interim audits during the year, in which they report their findings to the Executive Committee and the AFC.

Once the auditing work has been completed, the AFC assesses the results and findings of the external audit, discusses its assessment with the lead auditor in charge and reports the relevant findings to the Board of Directors. Furthermore, the AFC submits proposals in response to the external auditors' recommendations, objections and other discovered deficiencies, if any, to the Board of Directors for consideration and monitors the implementation of any relevant action decided upon by the Board of Directors.

The Chair of the AFC meets regularly with the lead auditor and other representatives of the auditing firm. The latter also participate in meetings of the AFC dealing with relevant agenda items. In the reporting year, PricewaterhouseCoopers Ltd participated in five meetings of the AFC.

On behalf of the Board of Directors, the AFC evaluates the work done by the external auditors and the lead auditor based on the documents, reports and presentations issued by them as well as on the materiality and objectivity of their statements. For this, the AFC consults with the CFO and the Head of Internal Audit. On an annual basis, the AFC recommends to the Board of Directors the external auditors to be proposed to the General Meeting of Shareholders for election or reelection based on their performance, qualifications and independence. Once a year, the external auditors provide a formal written confirmation that they fulfill the requirements with regard to registration and independence as required by Swiss law and Swiss auditing standards. The assignment of non-audit services to the external auditors that are potentially in conflict with their role and responsibility must be approved by the Board of Directors based on the recommendation of the AFC.

The fees paid to the external auditors are reviewed on a regular basis and compared with the auditing fees paid by other comparable listed Swiss companies. Auditing fees are negotiated by the CFO, evaluated by the AFC and subject to the approval of the Board of Directors.

Material Changes Since Balance Sheet Date

None.

Information Policy

General

Oerlikon provides its shareholders and the capital markets with transparent, comprehensive and timely information on relevant facts and developments, in a manner that is in line with the principle of equal treatment of all stakeholders, including the public and all actual and potential market participants.

Apart from its audited Annual Report and Half-Year Report, which are prepared in accordance with the International Financial Reporting Standards (IFRS), Oerlikon publishes its key financial figures and a related commentary for the first and third quarters of its financial year. In this way, Oerlikon increases its communication and transparency on its financial development. Oerlikon also issues press releases on key company news during the year to ensure that shareholders and market participants are informed of significant changes and developments in the company. Since 2021, Oerlikon has been publishing its annual Sustainability Report according to the GRI standards. Oerlikon's Sustainability Report 2024, again prepared according to the GRI standards, is the company's report on non-financial matters, including disclosures on climate issues based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), according to Art. 964a et seqq. of the Swiss Code of Obligations.

The company's website, www.oerlikon.com, offers a permanently accessible platform for all current information concerning the company. For all news, the publication medium is the Swiss Official Gazette of Commerce. The Board may select additional publishing media. Communications to registered shareholders must be sent in writing to the most recent address provided by the shareholders to the company.

Press Releases

As a company listed on the SIX Swiss Exchange, OC Oerlikon Corporation AG, Pfäffikon is obligated to disclose price-sensitive information to the public, including all market participants (ad hoc publicity obligation). In compliance with the SIX Exchange Regulation Ltd's Directive on Ad Hoc Publicity, press releases determined by Oerlikon to be an ad hoc announcement pursuant to Art. 53 Listing Rules will be clearly classified as such in press releases and on Oerlikon's website.

Press releases published in 2024, along with previous releases dating back to January 2004, can be accessed on Oerlikon's website at www.oerlikon.com/en/about-us/media/press-releases. Those interested in receiving the company's press releases regularly by e-mail can subscribe for the service at www.oerlikon.com/en/about-us/media/registration-for-corporate-news.

Financial Calendar

For the financial calendar with Oerlikon's 2025 key financial disclosure events, please refer to page 81 of this Annual Report. The financial calendar, including further details on dates of road shows, conferences and events, can be found at www.oerlikon.com/en/investors/financial-calendar.

Quiet Periods (Blackout Periods)

No Board member, member of the Executive Committee or other employee of Oerlikon may trade or undertake to trade (or stop a trading order) in stock exchange-listed Oerlikon securities or in any derivatives thereof during the period starting on the first day after the end of a reporting period, that is, on January 1, April 1, July 1 and October 1, respectively, and ending with the close of the first trading day after Oerlikon's public release of the relevant (annual, half-year, quarterly) report. Automatic sales of Oerlikon shares received by a participant in Oerlikon's LTI program upon conversion of PSA or RSU through a third-party brokerage firm on the next trading day following the transfer date of the Oerlikon shares under the LTI program are permitted during the above mentioned recurring quiet periods. Besides these recurring quiet periods, individual quiet periods may apply.

Contact

Please refer to page 81 of this Annual Report for contact information for the Oerlikon Group, Investor Relations and Corporate Communications.

Remuneration Report

The new Metco LSF800 power feeder is specifically designed to handle micron and nanostructured powders seamlessly. Thus, it eliminates the challenges of traditional feeders by delivering smooth, pulsation-free suspension feeding. Its high-pressure capability enhances deposition efficiency, making it an ideal choice for demanding applications like Thermal Barrier Coatings in aerospace.

Shareholder Letter

Remuneration Report

Dear Shareholders,

It is my pleasure as the Chairman of the Human Resources Committee (HRC) to present to you the 2024 Remuneration Report of OC Oerlikon Corporation AG, Pfäffikon.

Throughout this challenging year, the HRC focused its activities in supporting the Board of Directors with all strategically relevant tasks related to people management, talent attraction and retention. This included establishing performance goals and assessing the Executive Committee (EC), setting pay for Board members and compensation for the Executive Committee, as well as further enhancing the Remuneration Report and providing shareholders with all relevant information on the say-on-pay vote for the AGM 2025.

The Executive Committee's compensation reflects their leadership in maintaining a stable operational Group EBITDA margin attributed to both divisions – an achievement that we are proud of. While facing challenging end markets, notably the automotive sector and a continuously strong Swiss franc, which once again had a significant impact on our top-line results, we achieved this operational result by focusing intently on optimizing pricing, staying close to our customers, taking cost actions and further improving operational efficiency.

During 2024, Oerlikon's ongoing pure-play process has required significant efforts from our Executive Committee, senior management and all our employees, which will continue over the next two to three years. To ensure an efficient and timely completion of this process and to retain key employees during this critical period, the Board decided to implement a Management Retention Plan (MRP). The MRP will ensure close alignment with value creation for our shareholders and is based on challenging and stretching performance goals and covers 13 people in Oerlikon in total.

This one-time Management Retention Plan (MRP) consists of three elements:

- Transformation Incentive - For the STI 2024 and STI 2025, this extra upside is based on the achievement of challenging preparatory steps regarding the contemplated split with OMF. For 2024, these goals were associated with the preparation of two ready, stand-alone companies by year-end, which was achieved.
- Retention Incentive - This is a one-off classic retention element with time-based RSUs that was granted in 2024. The Retention Incentive consists of time-based restricted stock units. They vest on January 5, 2026 subject to continued employment or, as the case may be, customary good leaver provisions.
- Value Incentive - This is a one-off grant of performance share awards that aim to incentivize significant shareholder value creation. They vest subject to continued employment or, as the case may be, customary good leaver provisions and the condition that during any three-month period in the course of 2026, the 3-month VWAP of the Oerlikon share reaches CHF 8, meaning that the potential vesting of the award corresponds to a tiny fraction of a potential increase in Oerlikon's market capitalization and thus value delivered to our shareholders.

Further details about the MRP can be found in the Remuneration Report in the Management Compensation System section (see page 65) and under EC Compensation 2024 (see pages 67-70).

Consistent with prior practice, the Board excludes factors like foreign exchange and restructurings from the evaluation when assessing management's performance. Based on the STI plan rules, which apply to over 2 500 Oerlikon Group employees worldwide, the Executive Committee will receive a payout equivalent to an average of 93.3% of the target. The value of the granted LTI based on the 2021 LTI plan vested in 2024 at 29% of the initially defined amount.

As communicated, we are in the process of testing ESG metrics, with a special focus on environmental metrics, for inclusion in our 2026 STI. While our goal had been to include these in the 2025 STI, the ongoing transformational process calls for a reassessment of our sustainability roadmap and associated metrics. Our goal is to ensure that these metrics are reliably measurable and relevant for driving sustainable business growth, in order to support a culture in which sustainability and acting responsibly are prioritized throughout our organization.

We remain committed to continuing to provide a high level of transparency with respect to compensation. In our 2024 Remuneration Report, we once again disclose the compensation of the Executive Committee from three perspectives, namely the effective compensation that was paid in 2024, the forward-looking target value that was granted in 2024 and its market value at year-end. These perspectives allow shareholders to better interpret the amounts on which they are voting, that is, the target value granted, and to monitor the relationship between company performance and management compensation.

The Board's proposals concerning the binding votes on the compensation of Executive Committee and Board members will be published with the invitation to the 2025 AGM. To increase the transparency of the composition of these amounts, we will once again provide a specific compensation booklet together with the AGM invitation.

We expect 2025 to be another challenging year for Oerlikon and its employees. We will continue to work on our compensation disclosure and framework in order to further improve transparency and better integrate Oerlikon's sustainability goals into our compensation system.

On behalf of the HRC and our Board, I would like to thank the Executive Committee and all our employees for their effort and commitment to Oerlikon in these demanding times. I would also like to take this opportunity to thank you, our shareholders, for continuing to place your trust in our company.

Sincerely

Gerhard Pegam
Chairman of the Human Resources Committee

This Remuneration Report provides detailed information on compensation programs at Oerlikon, on the remuneration awarded to the members of the Board of Directors (Board) and the compensation of the Executive Committee for 2024, and on the governance framework around compensation.

It is written in accordance with the Swiss Code of Obligations, the SIX Exchange Regulation Ltd's Directive on Information relating to Corporate Governance and the principles of the Swiss Code of Best Practice for Corporate Governance set forth by Economiesuisse.

The Articles of Association include rules on the principles applicable to performance-related pay and the allocation of equity securities (Art. 30), additional amounts for payments to Executive Committee members appointed after the vote on pay at the AGM (Art. 29) and the vote on pay at the AGM (Art. 28). Details on these rules are available on the Oerlikon Investor Relations webpage at https://www.oerlikon.com/en/about-us/company-profile/organization/.

Remuneration for the Board and the compensation of the Executive Committee is made up of various components, which are described in detail in this report. It includes a summary of the following aspects of the remuneration system:

- General principles of the compensation policy
- Compensation governance
- Remuneration systems and remuneration paid or granted to the Board of Directors in 2024
- Compensation systems and compensation paid or granted to the Executive Committee for 2024

Executive Chair Model

In 2022, Oerlikon Group introduced an Executive Chair Model to support the strategic focus of the Group (see Corporate Governance Report on pages 27 to 51 for a detailed description).

Prof. Dr. Michael Suess served as the Executive Chairman of the Group's Board of Directors, while the two current Division CEOs, Dr. Markus Tacke and Georg Stausberg, continued to have operational control and accountability in leading their respective divisions as Chief Executive Officers. This is also reflected in the compensation system, with the Executive Chairman being compensated in a manner designed to ensure that the incumbent has the maximum incentive to pursue good governance standards.

- The Executive Chairman's total target compensation amounts to CHF 5 000 000 and is composed of a fixed amount of CHF 2 000 000, consisting of (i) the regular Board Chairman fee of CHF 750 000 and (ii) the CEO annual base salary consisting of CHF 1 250 000, as well as variable executive components with a target amount of CHF 3 000 000, as described in more detail below.

- The Executive Chairman's total fixed remuneration (CHF 2 000 000) is contractually considered a Non-Executive Director fee. Pension contributions for the Executive Chairman are based on this fixed amount.

- The Executive Chairman's variable compensation elements consist of (i) a target STI (CHF 1 500 000), and (ii) a target LTI (CHF 1 500 000, at grant), both of which are subject to the same plan rules as for the Executive Committee.

- The hypothetical stand-alone CEO target compensation would amount to CHF 4.25 million, which is in line with market practice for European executives of similar seniority and experience who are responsible for similarly complex businesses, as well as with Oerlikon's benchmarking group.

- The Executive Chairman's variable compensation elements are considered executive compensation and disclosed as such, since they reflect the achievement of annual and multi-year operational objectives.

- There is no notice period for the Executive Chairman's fixed Board remuneration of CHF 750 000. If he is not re-elected, the Executive Chairman will no longer receive a Board Chairman fee. For the CEO annual base salary, the STI and the LTI, the same leaver rules apply to the Executive Chairman as for the Executive Committee. The Executive Chairman has a non-compete clause of 12 months, which can be waived by the Board of Directors. Only where the non-compete is enforced will the amount payable equate to a maximum of the CEO annual base salary.

With the introduction of the Executive Chair Model, Oerlikon has amended and strengthened its corporate governance structure with the introduction of a Lead Director and a Governance Committee. An existing independent member of the Board of Directors, Paul Adams, continued to serve in 2024 as Lead Director.

The Lead Director chairs the Governance Committee, which consists solely of independent members of the

Board of Directors. For an overview of the fees paid to the Lead Director and the members of the Governance Committee, see Board Remuneration 2024 on page 60.

Compensation Policy

Attractive, motivating, fair and simple compensation for all employees is the foundation of Oerlikon's performance based corporate culture. The compensation systems provide competitive base salaries and ambitious incentive schemes, giving consideration to both individual and company performance, while rewarding excellence and promoting an entrepreneurial attitude. In 2024, the compensation policy remained unchanged.

Board of Directors

Board remuneration was benchmarked against the median of a Swiss peer group made up of industrial companies that are equivalent in terms of their equivalent in size, organizational structures, complexity and end markets and are comparable in terms of their board and committee structure. The peer group consisted of the following companies:

Benchmark Group 2024 – Board of Directors

SIX Index	Name
SMI	Geberit
SMI	Sika
SMI	Lonza
SMIM	Sonova
SMIM	Clariant
SPI	Sulzer
SMIM	Georg Fischer
SMIM	VAT Group
SPI	dormakaba
SPI	Bucher
SPI	Dätwyler

Benchmark Group 2024 – Executive Committee

Category	Name	Country
Global Peer Group	Andritz	Austria
	Bobst Group	Switzerland
	Bodycote	UK
	Crane, Co.	US
	DMG MORI	Germany
	Dürr	Germany
	Flowserve	US
	GEA Group	Germany
	Georg Fischer	Switzerland
	Heidelberg Druckmaschinen	Germany
	Hillenbrand	US
	Kennametal	US
	Krones	Germany
	KUKA	Germany
	Schweizer Technologies	Switzerland
	SFS Group	Switzerland
	SIG Group	Switzerland
	Sulzer	Switzerland
	Tecan Group	Switzerland
	Vesuvius	UK
Swiss Peer Group	BKW	
	Bucher Industries	
	Comet	
	Dätwyler	
	dormakaba	
	Georg Fischer	
	Landis + Gyr	
	Schindler	
	Sonova	
	Sulzer	
	Tecan Group	
	VAT Group	

Executive Committee

To determine competitive and equitable compensation, Oerlikon uses external and internal benchmarks. The company establishes its external benchmark by continuously surveying the markets in which it operates, and its internal benchmark is established by following a Performance Management process. Performance Management is a crucial element in assessing the achievement of expectations and targets in relation to individual and business results.

Since 2022, Oerlikon has used a dual peer group approach, consisting of a global peer group provided by Aon and a Swiss peer group provided by PwC. Mercer has also provided other compensation services to the Oerlikon Group and its subsidiaries. These benchmark groups comprise companies chosen to reflect the competitive environment in which Oerlikon operates and that are comparable with respect to industry, size, organizational structures and complexity, as well as end markets. Peer group companies are relevant in our hiring markets and for our talent management. Oerlikon uses these peer groups in a holistic way, benchmarking fixed compensation to median peer group levels, and total direct compensation at the 75th percentile if performance targets are achieved. Because Oerlikon is a mid-sized company operating in a niche market, this competitive peer group positioning is crucial for us in order to attract the globally experienced talent required to maintain our market leadership in the business.

Determining Compensation

The Human Resources Committee (HRC) supports the Board of Directors in all matters relating to the compensation and performance management systems at Oerlikon, in particular:

- the remuneration policies for members of the Board of Directors, the Executive Committee and Group-wide managerial and non-managerial staff;
- the preparation of the proposals to the AGM regarding the aggregate remuneration amount for the Board of Directors and the aggregate compensation amount for the Executive Committee;
- the annual pay plan for the Group (including general salary increases);
- the objectives for the Executive Chairman and assessment of his performance;
- the performance management of Executive Committee members by the Executive Chairman.

The remuneration policy for the Board of Directors and the compensation policy for the Executive Committee require an ongoing review of whether or not the remuneration offered is:

- competitive, transparent and fair, by analyzing comparable companies and salary trends in the market;
- commensurate, but at the same time also ambitious in terms of to the company's results and individual performance;
- consistent with Oerlikon's values and long-term strategy.

This review is conducted by the HRC on an annual basis, taking into account data from benchmark providers as described in the previous section. HRC activities are reported to the Board of Directors following each meeting. HRC minutes are shared with all Board members and form the basis for the Board of Directors to approve in:

- December, adjustments to remuneration policies, if any, for the Board of Directors, the Executive Chairman and the other members of the Executive Committee and STI target setting for the following year for Executive Chairman and members of the Executive Committee;
- February, the fixed remuneration of the members of the Board of Directors and the fixed compensation of the Executive Committee for the current performance year, as well as the performance and variable compensation of the Executive Chairman and members of the Executive Committee for the past performance year;
- February and October, Long-Term Incentive (LTI) grants, i.e. participants in equity programs and share awards allocated to them.

Within the approved compensation policy, the Board of Directors approves the Executive Committee members' financial objectives for the following year at the year-end meeting. Individual objectives for the current year are approved at the meeting in February. The HRC monitors the STI performance at each of its meetings during the year and endorses the required accruals, which form the basis for the disclosure at the December meeting that appears below.

Finally, the HRC determines the overall STI payout, based on factual business circumstances and reasonable business judgment in order to achieve a fair result originating from true performance and makes a recommendation to the Board of Directors for a final decision in February following the performance year. At this meeting, the HRC also

Approval Process

Decision on	Prepared by	Set by	Approved by
Remuneration of members of the Board of Directors	HRC Chair	HRC	Board of Directors
Remuneration of the Executive Chairman, including fixed and variable remuneration	HRC Chair	HRC	Board of Directors
Compensation of the other members of the Executive Committee, including fixed and variable compensation	Executive Chairman	HRC	Board of Directors
Aggregate amount of – maximum total remuneration of the Board of Directors – maximum fixed compensation of the Executive Committee – variable compensation of the Executive Committee	HRC Chair	HRC	Board of Directors/ Shareholders
Remuneration Report	HRC Chair	HRC	Board of Directors/ Shareholders

recommends to the Board of Directors the aggregate amount for variable pay components that are submitted to a vote for approval at the AGM.

Based on the Swiss Code of Obligations, the aggregate amounts for compensation of the Board of Directors and the Executive Committee, as well as the Remuneration Report (for amount approvals concerning the current or future period), are subject to approval at the AGM. Within these confines, the internal approval and decision processes are as follows:

- The Executive Chairman is present at the meeting when decisions are approved by the Board of Directors, excluding his own remuneration. Members of the Board of Directors, other than those of the HRC, do not participate in determining the remuneration of Directors.
- The Executive Chairman is involved in determining the compensation of members of the Executive Committee and is present when the Board of Directors approves it. He is not present when his own compensation is determined or approved. Similarly, members of the Executive Committee are not present when decisions are made on their respective compensation.

Board of Directors

Remuneration System

The remuneration system applicable to the members of the Board of Directors consists of a fixed cash component and a fixed value grant of restricted stock. The cash component depends on the responsibility, complexity and requirements of the tasks assumed. Each task is remunerated differently, and the remuneration components are cumulated, depending on the number of tasks assumed by each member, as per the Cash Remuneration table. The level of remuneration for each of the components is set by the HRC, taking into account the expenditure of work required from Board and Committee members as well as peer benchmarks and approved by the Board of Directors and ultimately by the shareholders at the AGM vote. The members of the Board of Directors are remunerated for their service from the date of their election and for the duration of their term of office. Remuneration amounts for members of the Board of Directors remained unchanged for 2024 in line with the amounts approved by the shareholders.

Board Compensation

in CHF 000	AGM 2024 – AGM 2025	AGM 2023 – AGM 2024	Expense Allowance
Member of the Board of Directors	82.5	82.5	35
Executive Chairman of the Board of Directors[1]	2 000	2 000	
Vice Chairman of the Board of Directors	137.5	137.5	
Chair of a committee[2]	55	55	
Member of a committee	33	33	
Restricted stock	137.5[3]	137.5[3]	

[1] The Executive Chairman's remuneration comprises a Board & CEO (fixed) and an Executive (STI and LTI) part. The fixed Board part (CHF 750 000) has no notice period.
[2] The Lead Director does not receive any additional fees in addition to those paid for chairing the Governance Committee.
[3] The Executive Chairman does not receive any Board restricted stock (2024 or 2023) grant as part of his fixed remuneration.

The value of the restricted stock plan is fixed (CHF 137 500 per Board member, excluding the Executive Chairman). The number of shares is determined by the share price on the grant date. Since 2023, the restricted stocks have been granted quarterly (CHF 34 375 in the AGM month and in July, October and January) and have a blocking period of one year. Directors who resign their mandate prior to the end of the term are not entitled to quarterly grants issued after their departure. The Restricted Stock program is financed with treasury shares.

The share ownership details of the Board of Directors are stated in the table below as well as in Note 18 of the Financial Report on page 126.

Share ownership details

Members of the Board of Directors	Number of shares
Prof. Dr. Michael Suess	1 278 055
Gerhard Pegam	98 697
Alexey Moskov	164 142
Paul Adams	87 633
Zhenguo Yao	56 747
Irina Matveeva	76 659
Jürg Fedier	789 674
Inka Koljonen	42 585

External Mandates

All external mandates of the Board of Directors are shown below as well as listed in the Corporate Governance Report on pages 31 to 34. There were no changes compared with the previous year.

Prof. Dr. Michael Suess

External Mandates
Prof. Dr. Suess is a Member of the Advisory Board of Kinexon Beteiligungsgesellschaft mbH.

Inka Koljonen

External Mandates
Ms. Koljonen is a Member of the Supervisory Board and Member of the Audit Committee of Stabilus SE.

Gerhard Pegam

External Mandates
None.

Irina Matveeva

External Mandates
Ms. Matveeva is Chairwoman of the Board of Directors of Metkombank PJSC (Moscow, Russia) and a Member of the Board of Directors of T plus PJSC (Moscow, Russia) and Aeroporty Regionov Management Company JSC (Moscow, Russia).

Paul Adams

External Mandates
Mr. Adams is a Member of the Board of Aclara Resources* and Chromalloy Gas Turbine LLC, as well as a Senior Advisor of VulcanForms.

Alexey V. Moskov

External Mandates
Mr. Moskov is the President of the Board of Directors of Liwet Holding AG, Zurich, Switzerland, and a Board member of Sulzer AG*, Winterthur, Switzerland.

Jürg Fedier

External Mandates
Mr. Fedier is a Member of the Board of Directors of Dätwyler Holding AG* and Ascom Holding AG*.

Zhenguo Yao

External Mandates
Mr. Yao is a Member of the Advisory Board of LifeHikes, USA.

* Publicly listed company.

Board Remuneration 2024

Aside from the Executive Chairman, no member of the Board of Directors served in an executive role at Oerlikon in 2024. The total Board remuneration for 2024 amounted to CHF 4.3 million, up from CHF 4.1 million in 2023. The higher number compared to the previous year is due solely to a change in accounting that came with the switch from an annual to the quarterly RSU grant. Total annual allocation values remained unchanged.

Remuneration of Members of the Board of Directors from 1.1.2024–31.12.2024 (Audited)

in CHF 000	Board of Directors	Governance Committee	Audit & Finance Committee	HR Committee	Cash	Restricted Stock[1]	Other[2]	Total Remuneration 2024	Market Value per Dec. 31, 2024[3]	Total Remuneration 2023
Prof. Dr. Michael Suess	C				2 000	–	35	2035	2035	2 035
Gerhard Pegam	V	M		C	226	138	35	398	373	376
Alexey Moskov	M			M	116	138	35	288	263	254
Paul Adams	M	C	M	M	204	138	35	376	351	342
Zhenguo Yao	M	M		M	149	138	35	321	296	287
Irina Matveeva	M		M		116	138	35	288	263	261
Jürg Fedier	M		M		116	138	35	288	263	254
Inka Koljonen	M		C	M	171	138	35	343	318	271
Total					3 095	963	280	4 337	4 161	4 078
Mandatory employer contributions[4]								230	221	216

C = Chairperson, V = Vice Chairperson, M = Member

[1] The share prices at grant dates of restricted stock were CHF 3.80 (January 2024), CHF 4.11 (March 2024), CHF 4.85 (for July 2024) and CHF 4.58 (for October 2024). The amounts have been rounded off. Thus, an adding up the presented numbers may result in rounding differences.

[2] Other remuneration consists of an expense allowances and gifts/presents.

[3] The value as per year-end is based on a share price of CHF 3.51.

[4] The Swiss Code of Obligations requires the disclosure of mandatory employer contributions to social security. These have been estimated at 5.3% of Total Remuneration (incl. restricted stock) for the full Board of Directors, though actual amounts for non-Swiss-based members may differ based on local legislation.

Members of the Board of Directors did not receive any fees or other remuneration for additional services to OC Oerlikon or its subsidiaries in the 2024 business year. Neither OC Oerlikon nor its subsidiaries granted any guarantees, loans, advances or credit facilities to members of the Board of Directors or related parties in 2024 or 2023.

No remuneration was paid to any former members of the Board of Directors of OC Oerlikon Corporation AG, Pfäffikon or a Group company or related parties in 2024 or 2023.

On March 21, 2023, the AGM approved a maximum aggregate amount of remuneration for the Board of Directors of CHF 4.5 million for the term from March 22, 2023 to March 21, 2024, which covers the fees paid. The table below shows the reconciliation between the effective Board remuneration and the amount approved for this period.

March 22, 2023–March 21, 2024

in CHF 000	Cash Remuneration	RSU	Other	Total	Approved Amount 2023–2024
Mandate 2023/24–Mar. 2023–Mar. 2024	3 095	963	280	4 337	4500

Management

Compensation System

It is vital for the Group to attract, motivate and retain key executives in order to successfully implement its strategy of expanding its leading position as a powerhouse in surface solutions and advanced polymer processing.

The compensation system for the Executive Committee consists of fixed and variable components. The fixed component comprises a base salary commensurate with the role and local market level and, depending on local practices, includes allowances and fringe benefits. The variable component is made up of a performance-related annual cash bonus (Short-Term Incentive, STI) and a three-year performance-related equity program (Long-Term Incentive, LTI), not including the exceptional inclusion of the Management Retention Plan (MRP) for 2024-2026. Performance goals for these pay components are derived from Oerlikon's strategic priorities and related operational objectives, reflecting its corporate culture and endeavors toward excellence. The mix between these variable pay components is defined by the profile, strategic impact and pay level of the role, as described hereinafter.

The proportion of variable compensation paid to members of the Executive Committee continued to be between 50% and 80% of the base salary for the target STI and between 50% and 80% of the base salary for the target LTI (100% vesting). We do not include the MRP in this paymix calculation, since it is not recurring

Annual Base Salary

The annual base salary is primarily determined by the executive's tasks, responsibilities, skills and managerial

Compensation System – Executive Committee (EC)

<table>
<tr><th></th><th>Element</th><th>Purpose and link to strategy</th><th>Operation</th><th>Target opportunity level/requirement as % of ABS</th><th>Maximum opportunity level as % of ABS</th><th>Period</th></tr>
<tr><td></td><td>Fixed Compensation – Annual Base Salary (ABS) and Benefits</td><td>Annual base salary paid in cash, determined primarily by tasks, responsibilities, skills and managerial experience, as well as labor market conditions; benchmarked against Oerlikon's peer group</td><td>Salary in cash, benefits in kind and pension contribution</td><td>Based on scope of responsibilities, personal experience and skill set</td><td>n.a.</td><td>n.a.</td></tr>
<tr><td></td><td>Variable Pay – Long-Term Incentive (LTI)</td><td>Intended to align long-term performance of the EC with shareholders' interests. Based on award of stock with a multi-year vesting period, subject to continued employment and KPIs with longer-term horizons aligned with Oerlikon's strategic objectives.</td><td>LTI split equally in two components:
– Restricted Stock Units, cliff-vesting after three years (vesting cap at 100%) based on continued employment.
– Performance Share Awards, cliff-vesting after three years (vesting cap at 165%) subject to:
– Continued employment.
– ROCE exceeding target.
– Absolute TSR modifier.
Vesting of combined LTI is capped at 132.5% of target amount.</td><td>Executive Chairman: 75%
EC members: 50% – 100%</td><td>Executive Chairman: 99.4%
EC members: 66.3% – 132.5%</td><td>Yearly grant with three years cliff vesting</td></tr>
<tr><td></td><td>Variable Pay – Short-Term Incentive (STI)</td><td>STI program paid as annual cash bonus, incorporating specific financial and individual objectives derived from strategic priorities and related operational objectives. Intended to align immediate efforts to individual and company performance.</td><td>Annual incentive; payable in cash following the performance year, subject to financial goals related to sales, OEBIT, operating cash flow and RONA as well as individual objectives and an ESG modifier.</td><td>Executive Chairman: 75%
EC members: 50% – 100%</td><td rowspan="2">Combined STI and TI maximum payout:
Executive Chairman: 150%
EC members: 100% – 200%

(maximum opportunity unchanged for STI, subject to a maximum at 200% of target, including the TI element)</td><td>Yearly payout subject to performance</td></tr>
<tr><td rowspan="3">Management Retention Plan 2024-2026 (MRP)</td><td>Transformation Incentive (TI)</td><td>Deliver milestones to achieve transformational goals</td><td>Extra upside based on achievement of preparatory steps regarding contemplated split. Payout is subject to a total payout combined with the existing STI at a maximum of 200% of target under the existing STI.</td><td>Executive Chairman: 69%
EC members: 0% – 83%</td><td>2024 (70%) and 2025 (30%) payout subject to performance</td></tr>
<tr><td>Retention Incentive</td><td>Secure deal-critical talent</td><td>An additional, classic retention element with time-based RSUs granted in 2024</td><td colspan="2">Executive Chairman: 34.7%
EC members: 0.0% – 41.4%</td><td>One-time grant in 2024 with vesting January 1, 2026</td></tr>
<tr><td>Value Incentive</td><td>Drive ambitious value creation through business transformation</td><td>One-off PSA granted in 2024. 3-year cliff-vesting in 2026 subject to: Continued employment and a 3-month VWAP target of CHF 8</td><td colspan="2">Executive Chairman: 104.0%
EC members: 0.0% – 124.3%</td><td>One-time grant in 2024 with 3 years cliff vesting</td></tr>
</table>

experience, as well as market conditions, and is paid in cash. It is regularly reviewed against compensation levels of peer companies to ensure that salaries are competitive.

Short-Term Incentive (STI) Program

The STI program is an annual cash bonus aimed at motivating managers and specialists to focus their efforts on specific financial and individual objectives aligned with Oerlikon's strategic priorities and related operational objectives. It is intended to help them align their efforts, promote initiative and contribute to the performance of individuals and the company.

STI Program 2024

Financial and individual objectives are set at Group and divisional levels (Surface Solutions and Polymer Processing Solutions). The measures chosen aim to increase the growth, profitability and cash efficiency of the Oerlikon Group. The split between financial and personal targets is 70% and 30%, respectively.

Financial Objectives (70%)

OC Oerlikon's financial objectives weighting is 70% for the executive group functions, with sales growth, operational EBIT and operating free cash flow targets each being attributed a third of this.

For the two division CEOs, the financial objectives are split into two parts: 40% financial objectives with a weighting of one-third each for their divisional global sales growth, operational EBIT and operating free cash flow targets. The remaining 30% is linked to the specific objectives of each division, Surface Solutions and Polymer Processing Solutions, with a 50% weighting of each division's sales growth and operational EBIT targets, respectively.

Finally, the resulting achievement level of these financial objectives is multiplied with a modifier of 0.9, 1.0 or 1.1, depending on whether the return on net assets (RONA) of the Oerlikon Group falls within a competitive range. The RONA metric was added to increase the emphasis on efficient capital allocation by company leadership and align it with Oerlikon's strategic targets.

Individual Objectives (30%) and the Performance Management Process

To drive a culture of performance and innovation, 30% of the STI is based on the achievement of individual strategic objectives defined for each EC member, which focus on medium- and longer-term business objectives, such as non-organic growth or people development.

At the December HRC meeting, the Executive Chairman proposes the objectives for the EC members to the HRC for approval by the Board of Directors. The individual objectives of the Executive Chairman are proposed by the Chair of the HRC and approved by the Board of Directors.

In line with good governance practices, the HRC proposes objectives that are ambitious and challenging while not encouraging undue risk-taking. The individual objectives of EC members reflect the core strategic priorities of the company. The key factors taken into account when setting objectives include:

- Shareholder value creation, return on capital
- Profitability growth targets
- Definition and achievement of commercial strategy
- Divisional break-even points
- Employer reputation, engagement and succession
- ESG

		Financial Objectives (Overall & Business: 70%)[1]				Individual Objectives (30%)	
		Group/Division Op. EBIT	Group/Division Sales	Group/Division OFCF	RONA	Individual	HSE
Purpose		Measures Group or divisional operational profitability	Measures Group or divisional top line revenues	Measures the company's ability to generate cash	Incentivizes good capital investment decisions	Focus on medium- and long-term business and ESG objectives	Incentivizes improving the safety of our operations
Definition		Operational EBIT, excluding restructuring, integration costs & discontinued activities	Group or Division net Sales by third party	Operating Free Cash Flow excluding OPP customer advances	IFRS EBIT over average net operating assets for the plan year	50% Business Targets (Strategy, Profitability/Sales growth) 50% ESG and People	Total Accident Frequency Rate (TAFR[2]) x 200,000 hours/hours worked, vs. Target
Weighting	Divisions	28.3%	28.3%	13.3%	Multiplier on financial targets x0.9–1.1	30%	Multiplier on individual targets x0.9–1.1
	Group	23.3%	23.3%	23.3%			

[1] Overall financial objectives (40% of the 70% total financial objectives for OSS and OPP, 70% for Group) are defined for each business (Group, OSS, OPP) globally. Business financial objectives (30% of the 70% total financial objectives of OSS and OPP, n/a for Group) are defined for OSS and OPP and are cascaded into the business depending on the plan participant's role and responsibility (e.g. global, regional, country, site and/or sub-division objectives).
[2] TAFR is the total of Lost Time Accidents (LTA) causing the absence of one or more working days + Medical Treatment Accidents (MTA), a work-related accident requiring the attention of a medical professional.

Certain members of the EC have individual ESG targets which are STI-relevant. These targets incentivize either reducing Oerlikon's environmental impact through innovative processes and products, or social and employee-related targets. In addition to these individual ESG targets, all employees with STI (including EC members) have an employee safety and accident rate modifier.

The achievement against the objectives is reviewed in the February meeting of the HRC following the end of the relevant performance year, based on proposals by the Executive Chairman. The performance of the Executive Chairman against objectives is proposed by the HRC Chair to the HRC for approval by the Board of Directors.

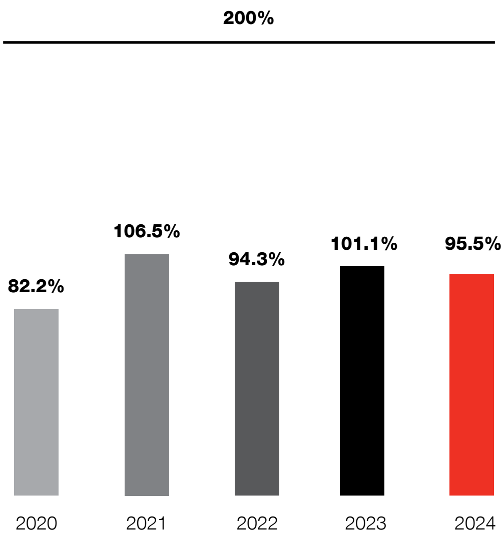
The weighted performance result of the individual achievements against objectives is multiplied by a modifier of either 0.9, 1.0 or 1.1, depending on whether the safety targets of the respective business fall within a predefined range that is aligned with Oerlikon's operational targets. The safety modifier was chosen so that management focuses on the well-being of a key stakeholder group for Oerlikon: its employees.

Financial and business objectives are competitive and stretching, based on Oerlikon's annual budget and in line with the company's growth ambitions. They are assessed annually against Oerlikon's actual financial and business results. Payout related to these objectives ranges from 0–200% of the target, with 0% payout for achievement levels below 50%, a linear increase from 0% to 100% payout for achievement levels between 50% and 100% (target) and a further linear increase from 100% to 200% payout for achievement levels above the target.

Performance levels for individual objectives range from 0–100%. In certain cases, a specific milestone or individual objective can reach an achievement level above 100%, subject to Board approval.

Oerlikon has a history of setting aggressive objectives and a strict payout track record, as shown in the graph. A 200% cap of target applies to the STI payout.

Performance achievement levels, respective payouts and further details on the STI program for the 2024 plan are discussed in the Compensation 2024 section (see pages 67 - 70).



CEO/Executive Chairman past five-year STI Program Payout

Long-Term Incentive (LTI) Program 2024

To support its ambitious long-term strategy, Oerlikon's compensation policy is designed to align a significant portion of the Executive Committee's compensation with the company's long-term performance and to strengthen the Executive Committee's alignment with shareholders' interests. Members of the Executive Committee and the Global Leadership team are eligible for LTI awards.

The LTI award is split into two components: half of the award is granted in the form of Restricted Stock Units (RSUs) and the other half of the award is granted in Performance Share Awards (PSAs), both subject to a

LTI Program

	Performance Share Awards (PSA)		Restricted Stock Units (RSUs)
Purpose	Align with strategic priorities and create value for shareholders		To increase attraction and retention of executives
Weight	50% of target amount[1]		50% of target amount[1]
Conditions	Return On Capital Employed (ROCE)	Absolute Total Shareholder Return (aTSR)	Continued service
Potential	0–150%	0.9–1.1 modifier	100%

[1] Target amount corresponds to 75% of annual base salary for the Executive Chairman and 50–80% for the other members of the Executive Committee.

LTI Example

Approval	Grant	Vesting Period	Vesting				
LTI target amount approved by HRC	Share price on last trading day before May 1: CHF 5	Three (3) – year performance/ vesting period	Performance modifier		PSA & RSU potential		Dividend
CHF 10 000	CHF 5 000: 1 000 PSA		ROCE	aTSR	0–1 650 PSA	1 000–2 650 treasury shares	+ Dividend equivalent payout
			0–150%	0.9–1.1			
	CHF 5 000: 1 000 RSU		Continued service		1 000 RSU		
			100%				
HRC February	May 1		May 1 + 3 years from grant date				

three-year performance/vesting period. The structure was chosen to balance performance and retention elements.

The RSU award is designed to provide participants with an ownership interest in the long-term value creation of the company and directly tie the award's ultimate value to Oerlikon's share price development, aligning shareholders' and management's experience with respect to share price development. The vesting of the RSU award requires continued service with the company. It is the Board's firm belief that this RSU component is better aligned with the company's culture and provides better alignment with shareholder and company interests than a comparable PSA element with a total shareholder return performance metric and the possibility of a vesting above 100%.

The PSA award is designed to reward participants for Oerlikon's future performance by tying the vesting of the award directly to performance indicators related to Oerlikon's long-term strategic goals. The number of units to be granted initially is determined by dividing the target face value amount by the closing share price and exchange rate of the day prior to the allocation date. The vesting of the PSA is conditioned on the achievement of two specific performance objectives over a prospective period of three years. Since 2021, the main performance condition has been Return on Capital Employed (ROCE) relative to the weighted average cost of capital (WACC), weighted by an absolute Total Shareholder Return (TSR) modifier. The use of the ROCE as a main performance metric for the PSA allows management to focus on a tangible, internal long-term KPI that reflects Oerlikon's strategic priority of efficient capital allocation.

Absolute TSR is a standard external metric used for measuring stock performance and value creation for shareholders. It is defined as the net change in share price plus any dividend distributions over a predefined period of time. It is measured with a starting value of the volume-weighted average share price (VWAP) over the first 30 trading days of the first year and the last 30 trading days of the third year.

To determine the number of PSAs that vest, the effective average annual ROCE achievement relative to target over the performance period is mapped to a payout factor between 0% and 150% and multiplied by the effective TSR modifier of either 0.9, 1.0 or 1.1, depending on whether the absolute TSR achievement is below, within or above a preset TSR target corridor determined by the Board of Directors at the beginning of the program. Hence, the PSA's total vesting factor is between 0% and 165%. Underlying ROCE targets for the LTI are competitive and ambitious, representing Oerlikon's highly aspirational performance targets, which reflect its corporate culture and endeavors toward excellence.

Target, Performance and Payout per December 31, 2024 for the current programs are:

	ROCE			aTSR							
	Target	As per December 31, 2024	**Payout**	Target	As per December 31, 2024	**Payout**	PSA Payout	Dividend Equivalent Payout	RSU Payout	**Potential Total Payout as per December 31, 2024**	Grant value in % of target value at grant date
LTI 2022–2025	10.5%	4.9%	0.0%	30–50%	Modifier	**90.0%**	0.0%	25.6%	100%	**75.6%**	37.9%
LTI 2023–2026	10.0%	6.1%	0.0%	30–50%	Modifier	**90.0%**	0.0%	15.7%	100%	**65.7%**	46.3%
LTI 2024–2027	10.0%	8.4%	79.6%	10–90%	Modifier	**100.0%**	79.6%	5.7%	100%	**95.5%**	84.0%

2022, 2023 and 2024 plans: e.g. LTI 2022–2025: 0.0% * 0.5 * 90% + 25.6% + 100% * 50% = 75.6%
ROCE as per December 31, 2024 is the effective average annual ROCE and the target ROCE for unlapsed quarters over the performance period

The dividend equivalents per PSA and RSU are reinvested into shares during the vesting period and will be added to the final vesting value.

Considering the equal split between RSUs and PSAs, the potential payout for the 2024 awards, subject to continued employment, effectively ranges between 50% and 132.5% of the target plus dividend equivalents. The LTI program is funded with treasury shares.

The number of PSAs granted, multiplied by the final payout factor, together with the number of RSUs granted, multiplied by the share price at vesting, including dividend equivalents per share, correspond to the final vesting value.

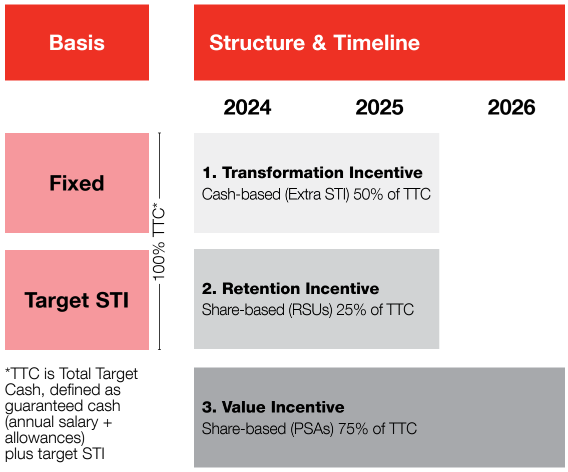
The LTI program is subject to well-defined leaver provisions. In cases of termination by mutual agreement, expiration of employment contract (retirement, death, disability) or due to dismissal for reasons other than for cause, performance or behavior, all grants vest at the next regular vesting date. If the termination occurs in the same year as the grant, the grant is reduced to a pro-rated number of units. In all other cases, the unvested awards are forfeited.

The Board of Directors is authorized to amend, supplement, suspend or terminate the plan at its discretion and at any point in time, including where corporate events affect the underlying shares. In case of use of discretion, the Board of Directors is committed to making a respective disclosure in the Remuneration Report, including the reasoning for exercising such discretion. For the year under review, no such discretion was exercised.

If there is a change of control, all unvested share awards of the LTI plans are subject to full, accelerated vesting at the maximum level.

Management Retention Plan (MRP) for 2024 and 2025

Our pure-play transformation process entails the divestment of a major part of the company, as well as a complete transformation of its headquarters over a two- to three-year horizon. To ensure an efficient and timely transformation as well as a well-informed treatment of the complexity involved, the Board has decided to offer deal-critical key players a Management Retention Program (MRP) to reduce the risk of losing them before the transformation will be completed. The MRP ensures close alignment with value creation for our shareholders and is based on challenging and stretching performance goals.



This Management Retention Plan (MRP) consists of three elements:

1. Transformation Incentive (50% of 2024 Total Target Cash, of which up to 70% will be allocated in 2024 and the remainder in 2025) – Cash-based short-term incentive (STI) upside with specific pure-play targets and subject to a total STI payout cap of 200% of the target STI. For STI 2024 and STI 2025, this extra upside is based on the achievement of challenging preparatory steps regarding the contemplated split with OMF. For 2024, these goals were associated with the preparation of two ready, stand-alone companies by year-end, which was achieved.
2. Retention Incentive (25% of 2024 Total Target Cash) – A one-off classic retention element with time-based RSUs that was granted in 2024. The Retention Incentive consists of Time-based restricted stock units which vest on January 5, 2026 subject to continued employment or, as the case may be, customary good leaver provisions. This award boosts the existing RSU and further aligns shareholder and management experience regarding share price development.
3. Value Incentive (75% of 2024 Total Target Cash) – A one-off grant of Performance Share Awards (PSA) that aims to incentivize significant shareholder value creation, with vesting subject to continued employment or, as the case may be, customary good leaver provisions and on condition that during any three-month period in the course of 2026 the 3-month VWAP of the Oerlikon share reaches CHF 8. Vesting thus only occurs in case of substantial value creation for our shareholders. Any achievement level below this threshold results in no payout.

Total Target Cash (TTC) is defined as annual base salary (ABS) + allowances + target STI. The equity part of the MRP follows the LTI regulation with regard to corporate events that affect the underlying shares.

Clawback and malus

The STI & LTI are subject to clawback and malus provisions in case the company is required to prepare a relevant accounting/financial restatement or in the event of violation of legal provisions or relevant internal regulations.

Benefits

The primary purpose of pension and insurance plans is to establish a level of security for employees and their dependents with respect to age, disability and death. The level and scope of pension and insurance benefits provided are country-specific, influenced by local market practices and regulations. EC members with a Swiss employment contract are insured under the same plan as Swiss employees.

OC Oerlikon may provide other benefits in a specific country, such as a company car or a car allowance, or in case of an international hire also temporary housing, relocation or tax planning services.

Shareholding Requirements

Members of the Executive Committee are required to build a significant personal shareholding in the business to further align their interests with those of shareholders. The minimum threshold is a percentage of their annual base salary. Only vested shares count towards the requirement.

Role	% of Base Salary
Executive Chairman	200%
Other members of the Executive Committee	100%

Current members of the Executive Committee are required to reach their minimum investment limit within a period of five years after the time of implementation of the guideline or after nomination to the Executive Committee. Each Executive Committee member's shareholdings is reviewed regularly by the HRC. Members of the Executive Committee are encouraged to retain and use their vested LTI shares to meet this requirement of the compensation policy.

The share ownership information of Executive Committee members is shown in the table below as well as in Note 18 of the Financial Report.

Employment Agreements

The employment contracts of Executive Committee members are of unlimited duration and end automatically when the member reaches retirement age. The contracts provide for a notice period of 12 months and a non-compete clause for the duration of 12 months following termination of employment, which is compensated with an annual base salary.

External Mandates

Prof. Dr. Michael Suess is a Member of the Advisory Board of Kinexon Beteiligungsgesellschaft mbH.
Dr. Markus Tacker is Chairman of the Board of RHEMAG, Frankfurt, Germany.
No other EC Member hold any external mandates.
All external mandates of Executive Committee members are also listed in the Corporate Governance Report on pages 46 to 47. There have been no changes compared with the previous year.

Expected Changes for the 2025 Executive Compensation

As of January 1, 2025, due to the OC Oerlikon plans to separate Oerlikon Manmade Fiber (OMF), new Board and EC peer groups will be created. Additionally, the Swiss Board and EC peer groups will be harmonized. All new peer groups will become effective after the pure-play transition is completed. Until then the current peer groups will remain active.

The LTI plan 2025 will move away from aTSR and use relative TSR, which will be measured against the Board's current Swiss peer group. The HRC believes that this relative shareholder return assessment will be more meaningful going forward. After the completion of the pure-play transition, the targets will be set separately for OC Oerlikon and OMF on ROCE, and the new Swiss peer group (OC Oerlikon & OMF) will be used for rTSR.

Share ownership of the Executive Committee

Member of the EC	Numbers of shares	PSA (incl. MRP)	RSU (incl. MRP)
Prof. Dr. Michael Suess	1 278 055	918 335	571 238
Markus Richter	0	104 102	47 745
Anna Ryzhova	86 973	258 045	145 433
Markus Tacke	36 432	103 980	103 980
Georg Stausberg	103 742	268 682	160 678

Compensation 2024

Effective Compensation

The following section discloses the compensation components effectively paid in 2024, including salary and bonus payments, contributions to pension plans and fringe benefits, as well as the actual value of equity plans vested in the year under review. This perspective reflects the income effectively received by members of the Executive Committee, which in 2024 amounted to CHF 6.6 million (2023: CHF 5.9 million). The increase is linked to the first full STI payout of the Executive Chairman in 2024. The highest compensation effectively received by an individual member of the Executive Committee in 2024 was CHF 1.8 million (2023: CHF 1.5 million).

In 2024, Oerlikon's management delivered robust financial and strategic results despite the challenging market environment.

Oerlikon improved its operational EBITDA margin from 16.5% to 16.6% year-over-year, despite lower sales related to challenging end markets. As such margin exceeded the guidance of 15.0-15.5% provided in February 2024. Organic group sales decreased -10% at constant currency, due to the filament downturn in Polymer Processing Solutions. Surface Solutions achieved stable organic sales at constant currencies, despite struggling automotive and luxury end markets. The division outperformed its peers in terms of sales and profitability throughout the year. The filaments sector is cyclical, which puts our competent management of profitability during this downturn into an even better light. Strategically, management drove forward the separation of Manmade Fibers by initiating the streamlining of overhead costs and by setting up the Manmade Fibers organization as an independent subsidiary. Furthermore, management strengthened Oerlikon's resilience by accelerating innovation (e.g. launch of ALCRONA EVO in H1'24) and by driving sustainability (on track with 2030 ESG targets).

Accordingly, the 2024 performance resulted in a payout of 95.5% to the Executive Chairman and an average payout of 92.7% to other members of the Executive Committee (ranging from 83.7% to 97.2%). For the STI 2023 program, the payout to the Executive Chairman reached 101.1% and the average payout to other members of the Executive Committee was 94.6% (ranging from 83.1% to 101.1%).

Based on the three-year performance of the company's absolute and relative Total Shareholder Return, the LTI 2021 vested in 2024 with a performance of 77.7%, which, in terms of value, resulted in 29.0% of the originally granted LTI amount in 2021.

Effective Compensation of Members of the Executive Committee

	Fixed Compensation			**Variable Compensation**			**MRP[5]**				
in CHF 000	Base salary[1]	Pension	Other[2]	STI[3]	Equity Plans (Effective Value at Vesting Date)[4]	Total Effective Compensation without MRP 2024	Transformation Incentive - Cash-based STI	Retention Incentive - Time-based RSUs	Value Incentive - PSAs	Total Effective Compensation 2024	Total Compensation 2023[5]
Total compensation to members of the Executive Committee[6]	2 249	857	105	2 987	404	6 602	0	0	0	6 602	5 937
Highest thereof paid to one individual: Prof. Dr. Michael Suess (Executive Chairman)	0	239	27	1 517	0	1 783	0	0	0	1 783	
Philipp Müller (CFO)											1 512

[1] The Executive Chairman is paid a monthly fee in his capacity as a Board member, which is reported under the compensation of the Board of Directors.
[2] Other compensation includes fringe benefits such as car allowance and relocation.
[3] The STI is determined on Group and individual level and depends on business and individual performance. The numbers in the table correspond to the STI paid in 2024 for performance achievements in 2023.
[4] Equity plans include the LTI 2021 plan and additional RSU compensating for forgone compensation at the previous employer; grant share price (CHF 10.67) and vesting share price (CHF 3.99) of the LTI 2021 with the performance (77.7%) resulted in a vesting of 29.0% of the granted LTI amount in 2021.
[5] Philipp Müller PSA's and RSU's (CHF 1.4 million) under the MRP were forfeited upon his departure in September 2024.
[6] This includes Philipp Müller's compensation until his departure in September 2024 and Markus Richter's compensation as of October 2024 as new member of the Executive Committee.

Granted Compensation

The following section discloses the pay components granted in 2024, including salary and bonus payments (i.e. the bonus earned in 2024, which is to be paid in 2025 subject to shareholder approval), contributions to pension plans and fringe benefits as well as the target value of equity programs on the grant date. This perspective reflects the compensation potential provided to members of the Executive Committee, which in 2024 amounted to CHF 8.5 million (CHF 16.7 million with MRP). The highest compensation granted to an individual member of the Executive Committee in 2024 was CHF 3.2 million (CHF 7.6 million with MRP).

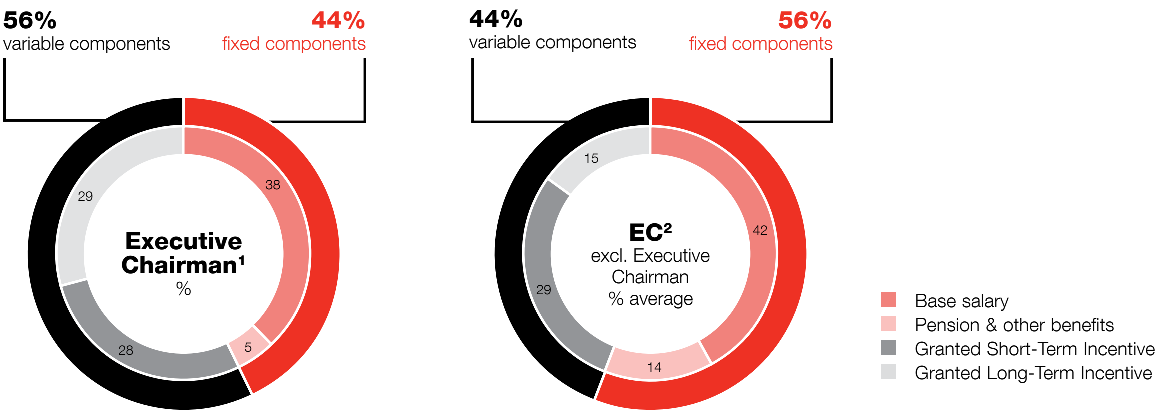
With the departure of our CFO Philipp Müller in September 2024, OC Oerlikon promoted Markus Richter as Philipp Müller's successor in October 2024.

Compensation Granted to Members of the EC (Audited)

	Fixed Compensation			**Variable Compensation**			**MRP** [7]					
in CHF 000	Base salary	Pension	Other [1]	STI [2]	LTI 2024–2027 (Target Value on Grant Date) [3]	Total Compensation Granted without MRP 2024	Transformation Incentive - Cash-based STI	Retention Incentive - Time-based RSUs	Value Incentive - PSAs [8]	Total Compensation Granted 2024	Total Compensation Granted 2024 (Market Value per Dec. 31, 2024) [4]	Total Compensation Granted 2023
Total compensation to members of the Executive Committee[6]	2 249	857	105	2 831	2 499	8 541	2 110	1 520	4 559	16 730	12 863	9 260
Highest thereof paid to one individual: Prof. Dr. Michael Suess (Executive Chairman)	–	239	27	1 433	1 500	3 199	971	845	2 536	7 550	5 320	3 283
Estimated mandatory employer contributions [5]						453				887	682	491

[1] Other compensation includes fringe benefits such as car allowance and relocation.
[2] The STI is determined on Group and individual level and depends on business and individual performance.
[3] The LTI 2024 consists of 50% PSA and 50% RSU. The fair value at grant date for the PSA portion was CHF 3.99 and CHF 3.99 for the RSU portion. The performance of the LTI plan per December 31, 2024 was 79.6% for the PSA portion. The RSU portion is subject to service but not to performance conditions. The effective performance of the plan will be determined per December 31, 2026 and the effective value at the time of vesting on April 30, 2027 and disclosed as effective compensation in the remuneration report the following year.
[4] The market value per year-end is based on a share price on Dec 31, 2024 of CHF 3.51 and a performance of the PSA portion of the LTI of 79.6%.
[5] The Swiss Code of Obligations requires the disclosure of estimated employer contributions to social security. These are estimated a 5.3% for the full Executive Committee, though actual contributions for non-Swiss-based members may differ based on local legislation.
[6] This includes Philipp Müller's compensation until his departure in September 2024 and Markus Richter's compensation as of October 2024 as new member of the Executive Committee. Philipp Müller's LTI 2024 grant of CHF 500k is not included here, as it was forfeited upon his departure in September 2024. Markus Richter's LTI 2024 grant was not linked to his EC role and is not included here, his Oct-Dec 2024 EC LTI will be granted in May 2025 together with the LTI 2025.
[7] Philipp Müller PSA's and RSU's (CHF 1.4 million) under the MRP were forfeited upon his departure in September 2024 and are not included in the table above.
[8] Shows market value at grant (CHF 4.87). The fair value at grant for the PSA under MRP is 18% resulting in a PSA value of 0.9 mCHF for the 2025 AGM vote.

Compensation Granted to Members of the EC (Audited)



[1] The distribution corresponds to the Executive Chairman's total granted compensation (member of the Board and Executive Committee) excluding MRP.
[2] The distribution corresponds to average Executive Committee member without the Executive Chairman and excluding MRP. The lower variable components % compare to last year is linked to the change of the CFO.

MRP Disclosure 2024

in CHF 000	STI linked to MRP for 2024[1]	RSU granted shares[2]	RSU at granted share price (CHF 4.87)	PSA granted shares[3]	PSA at granted share price[3] (CHF 4.87)	Total	Total under IFRS
Total MRP to members of the Executive Committee	2 110	312'037	1 520	936'107	4 559	8 189	4 451
Highest thereof paid to one individual: Prof. Dr. Michael Suess (Executive Chairman)	971	173'549	845	520'646	2 536	4 352	2 272

[1] Maximum 70% of the cash-based STI upside of MRP of the total Transformation incentive is linked to 2024 and the remaining portion to 2025.
[2] Vesting on Jan 1, 2026.
[3] Vesting if during 2026 the 3-month VWAP of the Oerlikon share reaches a threshold of CHF 8. Under IFRS2, the fair value of the granted PSA resulted in 18% or CHF 0.88. For the 2025 AGM vote Oerlikon is asking to approve the fair value amount of CHF 0.9m for all Executive Committee member incl. CHF 0.4m for the Executive Chairman.

The Transformation Incentive allocated to 2024 (up to 70%) were granted at target (100%) as the pure-play targets were met by the company. These targets included the preparation of the company for the pure-play transaction, including setting up processes, policies, systems, financial and business strategies to ensure success on Day one following separation.

STI Disclosure 2024

		Financial Objectives (Overall & Business: 70%)[1]				**Individual Objectives (30%)**	
		Group/Division Op. EBIT	**Group/Division Sales**	**Group/Division OFCF**	**RONA**	**Individual**	**HSE**
Weighting	Divisions	28.3%	28.3%	13.3%	Multiplier on financial targets x0.9–1.1	30%	Multiplier on individual targets x0.9–1.1
	Group	23.3%	23.3%	23.3%			
Potential		0–200% of target amount					
2024 Achievement levels	OSS	94.5%	95.5%	Not disclosed	0.9	not individual disclosed	1.1
	OPP	115.1%	101.6%	Not disclosed	0.9		1.1
	Group	106.2%	97.6%	94.0%	0.9		1.1

[1] Overall financial objectives (40% of the 70% total financial objectives for OSS and OPP, 70% for Group) are defined for each business (Group, OSS, OPP) globally, Business financial objectives (30% of the 70% total financial objectives of OSS and OPP, n/a for Group) are defined for OSS and OPP and are cascaded into the business depending on the Plan participants role and responsibility (e.g. global, regional, country, site and/or sub-division objectives).

Compensation Granted to Former Members of the EC

	Fixed Compensation				
in CHF 000	Base salary	Pension	Other	Total Compensation Granted 2024	Total Compensation Granted 2023[1]
Total compensation to former members of the EC[2]	–	–	9	9	1 000

[1] Compensation for Roland Fischer's contractually agreed non-competition agreement for the duration of one year.
[2] Compensation includes a contractually agreed non-competition agreement for the duration of one year and a customary farewell gift, including social security contributions.

On March 21, 2023, the Annual General Meeting of Shareholders approved a maximum aggregate amount of fixed compensation to the Executive Committee of CHF 4.0 million from July 1, 2023 to June 30, 2024. The table below shows the reconciliation between the effective Executive Committee fixed compensation and the amount approved for this period.

July 1, 2023–June 30, 2024

in CHF 000	Base salary	Pension	Other	Total	Approved Amount 2023–2024
Period Jul. 2023–Jun. 2024	2 317	846	105	3 267	4 000

Current or former members of the Executive Committee did not receive any other fees or compensation for additional services to OC Oerlikon or its subsidiaries in the 2024 business year, except for what is stated in the tables above. Neither OC Oerlikon nor its subsidiaries granted any guarantees, loans, advances or credit facilities to members of the Executive Committee or related parties in 2023 or 2024.

During 2024, no compensation was paid to related parties, either by OC Oerlikon Corporation AG, Pfäffikon or by any other company of the Oerlikon Group.

Equal Pay & Diversity

OC Oerlikon values diversity and recognizes that equal work should be compensated with equal pay. In 2021, Oerlikon conducted an equal pay analysis for its Oerlikon Wohlen & Oerlikon Mendriso site in line with the requirements from the Swiss Federal Act on Gender Equality. This analysis was audited by PricewaterhouseCoopers AG for Oerlikon Wohlen and by KPMG for Oerlikon Mendriso, which found no objections to the results of the assessment.

In accordance with Swiss legal requirements, our company is dedicated to fostering gender diversity on our Board of Directors. As of the current reporting period, our Board comprises eight members, of whom two are female, representing 25% of the total Board composition. This falls short of the mandated 30% gender quota.

Reasons for Non-Compliance: As a global engineering and technology company, Oerlikon strives to have a well-diversified Board, not only in terms of gender, but also considering skills, experience, geographical reach and tenure. Moreover, the competitive market for top female Board candidates with engineering/industrial experience places constraints on the availability and search.

Measures for Improvement: We are committed to having a well-diversified Board and aim to reach 30% representation of women on the Board in the coming years. Our measures include:

- Enhanced Recruitment Efforts: We will intensify our search for qualified female candidates by leveraging executive search firms that specialize in diversity recruitment.
- Regular Review and Reporting: We will conduct regular reviews of our progress towards achieving the gender quota and report on these efforts in our annual compensation report.

Additionally, we are pleased to report that our Executive Committee comprises five members, including one female member, which meets the required gender diversity standards.

Report of the statutory auditor

to the General Meeting of OC Oerlikon Corporation AG, Pfäffikon, Churerstrasse 120, 8808 Pfäffikon

Opinion

We have audited the remuneration report of OC Oerlikon Corporation AG, Pfäffikon (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' on page 60 and page 68 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying remuneration report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Other information

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

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

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

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

Board of Directors' responsibilities for the remuneration report

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

Auditor's responsibilities for the audit of the remuneration report

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

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

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zürich
Telefon: +41 58 792 44 00, www.pwc.ch

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

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and 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.

PricewaterhouseCoopers AG

Rene Rausenberger	Oliver Illa
Licensed audit expert Auditor in charge	Licensed audit expert

Zürich, 17 February 2025

Risk Management and Compliance

Oerlikon's Risk Management System

Oerlikon takes a company-wide, holistic approach to the identification, assessment and management of business risks. All organizational units and their business processes and projects are evaluated across the entire spectrum of market, credit and operational risks. The Risk Management System is a management tool that serves to integrate risk management within the company's executive ranks and organizational structure.

Objectives and Principles

The Board of Directors has defined five primary objectives for the Risk Management System. First, it must help secure the company's continued existence and profitability by creating a transparent risk profile and continuously improving and monitoring it. Second, it must contribute to improving planning and supporting the better achievement of targets. Third, it must secure revenue and reduce potential risk-related expenses, which safeguards and enhances the company's value. Fourth, it must align total risk exposure with the company's risk-bearing capacity and ensure that the risk-return ratio for business activities is transparent. Finally, risk management must also help protect the company's reputation.

Organization

Roles and responsibilities within the Risk Management System are defined as follows:

- In accordance with Swiss stock corporation law, the Board of Directors has overall responsibility for supervising and monitoring risk management. Supported by the Audit & Finance Committee, it monitors the Group's risk profile on the basis of internal reporting. In addition, it reviews the Risk Management System's performance and effectiveness. The Board of Directors also uses internal auditing to fulfill and document its supervisory and monitoring duties.
- Pursuant to Oerlikon's Organizational and Governance Rules, the Chief Financial Officer (CFO), with the support of the Executive Committee, bears overall responsibility for structuring and implementing risk management (delegated management responsibility for risk management). He is responsible for revising the risk management directive, and he also monitors the Group's risk profile and the implementation of risk mitigation actions.
- In accordance with the principle of risk ownership, the divisions and Group departments (assessment units) bear responsibility for risks and damage/losses in their respective areas. Each is responsible for implementing the risk management process. Each assessment unit has a risk management coordinator who coordinates the unit's activities with Group Risk Management. The assessment units conduct risk assessments, establish risk mitigation actions and report the results to Group Risk Management. They continuously monitor their risk profiles and report damage/losses to Group Risk Management.
- As process owner, Group Risk Management is tasked with operating and enhancing the Risk Management System. The Head of Group Risk Management assumes technical responsibility for risk management. Among other things, Group Risk Management provides methods and tools, supports the assessment units in conducting risk assessments and developing mitigation actions, and oversees the implementation of risk mitigation actions. Other responsibilities include calculating the total risk exposure and the risk-adjusted key performance indicators (KPIs), monitoring risk-bearing capacity, handling internal reporting, conducting internal audits and providing training with respect to the Risk Management System. Group Risk Management also coordinates the risk-related activities of other units as and when necessary. Central units and decentralized departments carry out certain risk-related activities, such as Group Treasury (liquidity, foreign exchange and interest rate risks), Group Tax (tax risks), Group Legal Services (legal risks, compliance risks, including trade control), IT Security (IT risks), Security (security risks) and Insurance Management (insurable risks).

Process and Reporting

The assessment units conduct risk assessments semiannually and prepare their risk profiles and mitigation action plans. The risk management process is coordinated with the budgeting/planning process and the forecasting process. From a methodological perspective, risk assessments are conducted according to a standard procedure comprising the following steps: preparing the risk assessment, identifying risks, evaluating risks and planning risk mitigation actions. The process is supported Group-wide by a risk management software program. Internal risk reporting takes place semiannually to the Executive Committee and annually to the Audit & Finance Committee and the Board of Directors based on consolidated risk reports.

Culture

Oerlikon's risk culture is shaped and developed according to the Code of Conduct, training, best-practice sharing and continuous implementation of the risk management process, as well as by the Executive Committee and senior management, who act as role models. The risk management directive also contains statements illustrating the desired risk culture.

Current Situation

Oerlikon operates in markets that exhibit various uncertainties. Each of the divisions has a different risk profile, which is contingent upon strategy, the business model and operational implementation. From the perspective of the Group holding company, the following risks might impact Oerlikon's businesses and its performance:

Market Risks

- Foreign currency effects (transaction and translation risk): Unfavorable currency developments, mainly with respect to the euro and US dollar, could trigger higher procurement costs and lower sales figures. In addition, profitability could decline as a result of local currencies being translated into the Group's reporting currency (the Swiss franc). The above-mentioned foreign currency effects could also be impacted by rising inflation rates and corresponding monetary policy actions.
- Economic slowdown and business cycles: Order intake, sales and profitability could decrease as a result of this, with the effects potentially being amplified depending on the global economic and geopolitical environment.
- Country risks: For example, geopolitical events, regulations, new or higher taxes and fees, currency appreciation or depreciation, higher interest rates, reduced growth or loss of proprietary information (intellectual property) could cause sales to decline and costs to rise. As a result, profitability could decrease.
- Competition: Competition and overcapacity in various markets could exert pressure on prices or trigger a decline in orders. As a result, order intake, sales and profitability could decrease.
- Digitalization: Industry 4.0 could change the marketplace, and failing to adapt and to seize opportunities could further increase pressure from competition.
- E-mobility: The automotive industry is undergoing a fundamental change from combustion engines toward electrical and digital mobility. Suppliers along the entire value chain will also be affected, and sales and profitability could decrease.

For climate-related market and financial market risks, please refer to page 29 of the Sustainability Report 2024.

Technology Risks

- Technology risks: If technologies do not prove successful in the market, order intake may diminish, and sales targets might not be reached. Impairment charges may have to be reported.
- Additional costs/warranties: Insufficient product quality or machinery and equipment that fail to perform as promised could lead to additional manufacturing costs and/or contractual warranty obligations. This could reduce profitability.

For climate-related technology risks, please refer to page 29 of the Sustainability Report 2024.

Policy and Legal Risks

- Legal: Oerlikon is exposed to numerous legal risks as a result of its international operations. These include, in particular, risks in the areas of competition and antitrust law, patent law, tax law, environmental protection law, trade control law and data protection law. Oerlikon has a valuable portfolio of industrial property rights, such as patents and trademarks. These property rights may become the target of attacks and infringements.
- Compliance: Abuse of human rights and corruption can pose a significant risk to the sustainability and success of the business. Hence, full compliance and clear delegation of responsibilities to address and manage related risks are key. For mitigation actions, please refer to the Oerlikon Sustainability Report, Chapter 5, pages 79-84. For combating corruption specifically, please refer to pages 24-26 of the Oerlikon Sustainability Report.

For climate-related policy and legal risks, please refer to page 29 of the Sustainability Report 2024.

Reputation Risks

Please see the Sustainability Report, pages 29 for further details.

Credit Risks

Credit risks arise when customers cannot meet their obligations as agreed. At present, there are no significant credit risks for the Group.

Operational Risks

- Supply chain: Disruptions in supply chains could trigger delays in delivering products and services. In addition, tightening on the supply side could lead to price increases (in interdependence with inflation risks, as stated under Market Risks).

- Loss of key people/shortage of qualified skilled staff and managers: If key people leave the company and qualified skilled staff and managers are not available, sales and profitability targets might not be reached. For mitigation actions, please refer to the Oerlikon Sustainability Report, Chapter 4, pages 52 to 59.
- IT security: Cyberattacks could result in business interruption, loss of data and, ultimately, lost profit, additional costs and reputation damage.

Climate-Related Risks

- Climate change: Developments related to climate change could trigger physical consequences (e.g. floods, drought, chronic heat waves and rise in sea level) that could put assets at risk. Similarly, Oerlikon is subjected to certain climate-related transition risks as a result of market and technology shifts, new policy and legal requirements, or reputation issues. Oerlikon has conducted a detailed analysis of the physical and transition risks. The methodology and results of this analysis can be found on pages 27 to 28 of the Sustainability Report 2024.

Compliance and Ethics

A Group-wide compliance function is in place to ensure compliance with legal and regulatory requirements and internal regulations, including the Group's ethical standards. It accomplishes this by actively invoking the Group's three-pillar framework to combat bribery and corruption, which includes prevention, detection and monitoring to enhance best practices relating to compliance. Oerlikon focuses its preventive measures on training, communication and awareness.

The foundation of the compliance program was laid between 2009 and 2012, and it has been enhanced year by year with a focus on key elements, such as combating bribery and corruption but also promoting human sustainability. The strengthening of the compliance program is highlighted by the company's Code of Conduct (CoC) and the development of both electronic and face-to-face compliance training.

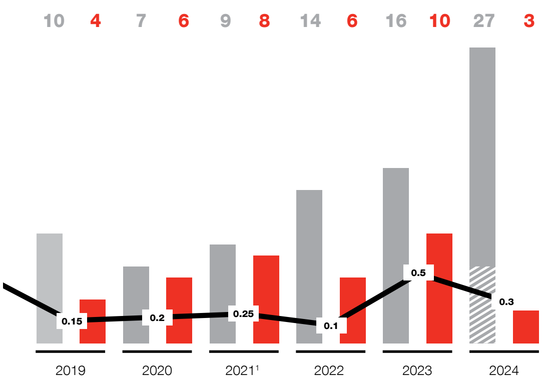
In 2020, Oerlikon updated its long-standing CoC and slightly adapted it in 2021 following management changes. In 2022, it updated its Supplier Code of Conduct to ensure compliance with the German Supply Chain Act. As part of the compliance program, fully supported by management, all non-operational staff are requested to complete their mandatory electronic training annually. In some jurisdictions, such training requires the prior approval of the work council, which may cause delays in its implementation. Oerlikon encourages leaders to be aware of the ethical aspects of their behavior when dealing with integrity issues. Oerlikon has done so by implementing and benefiting from its business partner integrity screening process.

The compliance program has a three-pillar framework:

- **Prevention:** through policies, directives, training, the Code of Conduct, risk assessment, maturity assessment, compliance councils, internal controls and metrics, examples and Q&A in all employee meetings.
- **Early detection:** the 24/7 reporting hotline, continuous compliance reviews, controls and internal audits and the allegation management process.
- **Response:** disciplinary action on compliance breaches, process adaptation, resolution plans, remediation of internal control systems and policy fine-tuning.

Compliance Enforcement

Oerlikon's Compliance Office and Internal Audit oversee the company's internal investigation protocol. In 2024, Oerlikon's Reporting Line received twenty (20) complaints, which were thoroughly reviewed and subsequently closed. None of those complaints led to full investigations and were handled internally by the relevant departments. Apart from the twenty (20) above mentioned complaints, Internal Audit separately reviewed seven (7) internal compliance related matters. Of the seven (7) internal reviews, (three) 3 of them were substantiated.



Compliance cases 2019–2024
Total number of cases
Total number of compliance related matters
Number of substantiated cases
Financial impact (in CHF million)

[1] The damage incurred was all related to cyberfraud.

Data Privacy

In 2017, Compliance prepared for the implementation of the EU General Data Protection Regulation (GDPR), which came into effect on May 25, 2018. In 2019 and 2020, the Global Data Privacy and Compliance Officer continued to prioritize and focus on implementing GDPR requirements with respect to the Group's projects, processes, documentation and awareness programs. Oerlikon aims to align its internal Group framework as far as possible with the GDPR and deal in parallel, on a case-by-case basis, with specific data protection laws that differ from the GDPR. The Group took steps to improve its alignment with applicable data protection and cybersecurity laws in Asia in 2019, 2020 and 2022 and in Latin America in 2021 and 2022.

In 2021, the Global Data Privacy and Compliance Officer focused on (i) enhancing the GDPR framework and optimizing how the GDPR is handled internally so as to be in line with the Privacy by Design principles and (ii) intensifying data protection training. New data protection guidance was issued, and data protection processes were streamlined.

In 2021 and 2022, a top priority was implementing the new EU legal requirements concerning transfer of data from the European Economic Area (EEA), Switzerland and the UK to countries with insufficient protection, including the USA.

In 2022, a more robust Group Privacy Policy was issued, as were new Data Protection Guidelines. The annual GDPR training seminar was provided to the Group.

Financial Report

BALINIT ALCRONA EVO, the third generation of the successful BALINIT PVD coating family, sets a new standard in metalworking efficiency. With a service life over 30% longer than its predecessor, it enhances tool durability while reducing regrinding stock volume. This not only increases the number of regrinding cycles but also conserves resources and lowers the cost of new tools, empowering customers to achieve greater sustainability and cost-effectiveness.

Information for Shareholders

Stock Price Performance

The Oerlikon stock price closed at CHF 3.51 at year-end 2024. This represents a 8% decrease in 2024. The total shareholder return, which takes into account stock price performance and reinvested dividends, amounted to -3% in 2024.

The table below shows the stock price performance and total shareholder return of Oerlikon and national and international indices.

Total Shareholder Return (incl. Dividend)[1]

2024	Stock Price	Total Shareholder Return
Oerlikon	–8%	-3%
SMIM Index	2%	5%
STOXX Europe Total Market General Industrials Index	13%	13%

[1] All indices in CHF for comparability reasons.

As of year-end 2024, ten sell-side research analysts had covered the Oerlikon stock, publishing regular research: Baader Helvea, Deutsche Bank, Kepler Cheuvreux, Octavian, Oddo BHF, RBC Capital Markets, Research Partners, UBS, Vontobel and Zürcher Kantonalbank.

Further information about Oerlikon's stock price, financials and strategy can be found on the Oerlikon investor relations website at www.oerlikon.com/en/investors.

Dividend

The proposed 2024 dividend per share amounts to CHF 0.20 (2023: CHF 0.20) and will be paid in H1 2025 subject to approval at the Annual General Meeting (AGM). The proposed dividend represents a dividend yield of 5.7% based on the closing price at year-end 2024. The payout ratio amounts to 57% based on the underlying earnings per share (undiluted) of CHF 0.35 in 2024.

Oerlikon's dividend policy remains unchanged. The proposed dividend payout can be based on up to 50% of the Group's underlying net result and beyond after considering the Group's financial position and affordability from the balance sheet.

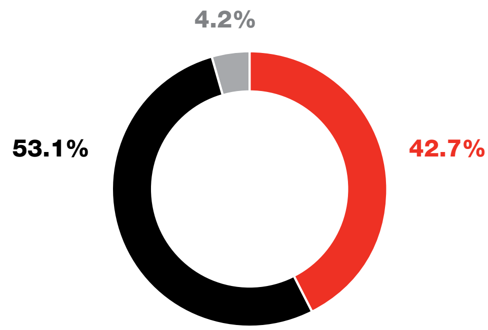
Shareholder Structure

The holdings of Liwet Holding AG amounted to 42.7% of outstanding shares at the end of the year.

Treasury shares of 14372928 accounted for 4.2% of the share capital (2023: 14828250). Oerlikon intends to utilize treasury shares to finance potential inorganic growth and to fund its global long-term employee incentive program.

Oerlikon's free float totaled 53.1% as of December 31, 2024.

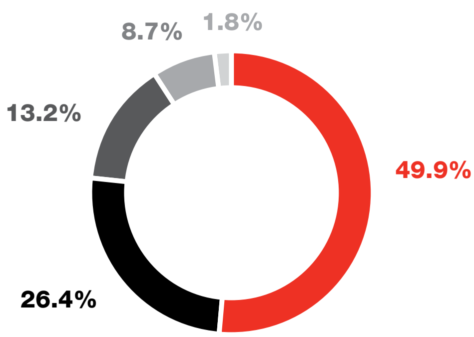
Oerlikon regularly commissions an analysis of its shareholder base in order to track the composition of registered shareholders as well as that of non-registered shareholders. The latest study from year-end 2024 shows that the share capital held by private investors (retail) amounted to 15%. The other 85% is owned by professional investors, which include financial investors such as Liwet Holding AG and institutional investors (including pension funds, private banking and insurance companies). The geographic distribution of the holdings of institutional investors was diversified, with Switzerland accounting for 50%, North America for 26%, continental Europe (excl. Switzerland) for 13% and the UK and Ireland representing 9%.



Shareholder Structure

- Liwet Holding AG[1]
- Free float
- Treasury shares

[1] Voluntary disclosure notification published by SIX Exchange Regulation Ltd on November 8, 2024: Amendment to the previously notified information as published by SIX Exchange Regulation on January 28, 2023.



Regional Distribution of Institutional Investors[1]

- Switzerland
- North America
- Continental Europe
- United Kingdom and Ireland
- Others

[1] Due to rounding, the total may not correspond with the sum of the separate figures.

External Financing

Syndicated Credit Facility Agreements

On December 7, 2021, Oerlikon signed an agreement for an unsecured syndicated sustainability-linked credit facility amounting to CHF 600 million. The facility comprises a revolving credit facility and an ancillary credit facility with a five-year term and two optional one-year extensions. In 2023 and 2024, Oerlikon successfully exercised the second extension option for the whole amount of facility.

As at the balance sheet date, the revolving credit facility was entirely undrawn.

Cash and cash equivalents amounted to CHF 398 million as at the balance sheet date. The Group reports total net debt of CHF 1 106 million as of December 31, 2024.

Capital Market Bonds and Other Debt Instruments

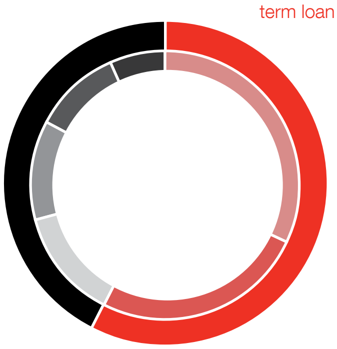
In 2024, Oerlikon redeemed a CHF 150 million senior unsecured bond at maturity on June 17.

The remaining CHF-denominated senior unsecured bonds outstanding as at the balance sheet date amount to a total of CHF 790 million. These bonds mature in 2025, 2026, 2028 and 2029 respectively. No new instruments were issued in debt capital markets in 2024.

As at the 2024 balance sheet date, the Group reports loans and borrowings amounting to CHF 1 312 million, attributable primarily to the four outstanding domestic bonds (CHF 790 million) and a CHF 475 million loan under the 3-year unsecured term loan facility maturing in February 2026.

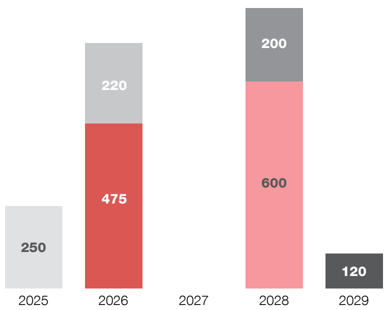
The Group also had total current and non-current lease liabilities of CHF 205 million as of December 31, 2024.

The creditworthiness of the domestic bonds was low BBB as assessed by UBS, BBB- as assessed by Zürcher Kantonalbank and Baa- as assessed by fedafin (all investment grade). All ratings remained unchanged in 2024.



Financing Instruments
as of December 31, 2024

- Syndicated credit facility and term loan facility CHF 1 075 million
  [1] There were no drawings from the syndicated credit facility as of the balance sheet date.
- Swiss bonds totaling CHF 790 million



Maturity of Financing Instruments
as of December 31, 2024

- Syndicated credit facility and term loan facility totaling CHF 1 075 million
- Swiss bonds totaling CHF 790 million

Outstanding Bonds as of December 31, 2024

ISIN	Coupon	Maturity	Volume	Issue price	Price as of Dec. 31, 2024[2]	Price as of Dec. 31, 2023[2]
CH1112455790	0.375%	November 27, 2025, Redemption at par	CHF 250 million	100.078%	99.40%	96.25%
CH1268922205	2.875%	June 2, 2026, Redemption at par	CHF 220 million	100.312%	102.34%	101.10%
CH1112455808	0.800%	November 27, 2028, Redemption at par	CHF 200 million	100.091%	98.25%	92.15%
CH1268922213	3.250%	October 2, 2029, Redemption at par	CHF 120 million	100.332%	107.15%	103.45%

[2] The market values of the bonds are based on quotes provided by Refinitiv and Infront Financial Technology GmbH.

Financial Calendar and Contacts

Financial Calendar

February 18, 2025
Q4/FY 2024 Results
Publication of the Annual Report 2024 and the Sustainability Report 2024

April 1, 2025
2025 Annual General Meeting of Shareholders, ENTRA, Rapperswil-Jona

May 6, 2025
Q1 2025 results

August 5, 2025
Q2/HY 2025 results
Publication of Interim Report 2025

November 4, 2025
Q3/9M 2025 results

Dates of road shows, conferences and other events can be found in the financial calendar on our website at www.oerlikon.com/en/investors

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Key Figures Oerlikon Group

Key Figures Oerlikon Group

in CHF million	January 1 to December 31, 2024	January 1 to December 31, 2023
Order intake	2372	2457
Order backlog	478	468
Sales	2372	2693
EBITDA	369	384
– as % of sales	15.6%	14.2%
Operational EBITDA[1]	393	444
– as % of sales[1]	16.6%	16.5%
EBIT	168	105
– as % of sales	7.1%	3.9%
Operational EBIT[2]	193	235
– as % of sales[2]	8.2%	8.7%
Net result	72	23
– as % of equity attributable to shareholders of the parent	6%	2%
Cash flow from operating activities[3, 4]	272	181
Capital expenditure for property, plant and equipment and intangible assets	122	133
Total assets	4002	4099
Equity attributable to shareholders of the parent	1118	1010
– as % of total assets	28%	25%
Net debt[5]	–1106	–1151
Net operating assets[6]	2423	2429
Number of employees (full-time equivalents)	12064	12620
Personnel expense	826	856
Research and development expenditure[7]	103	103

[1] Operational EBITDA is defined as EBITDA, adjusted by expenses directly related to restructuring activities, effects from discontinued activities not qualifying as discontinued operations, impairments on associates as well as acquisition, integration and separation costs.

[2] Operational EBIT is defined as EBIT, adjusted by expenses and impairments directly related to restructuring activities, effects from discontinued activities not qualifying as discontinued operations, impairments on associates, goodwill and intangible assets acquired in a business combination as well as acquisition, integration and separation costs.

[3] Cash flow from operating activities before changes in net current assets amounts to CHF 308 million (previous year: CHF 275 million).

[4] Cash flow from operating activities from prior year has been restated (refer to Significant Accounting Principles).

[5] Net debt includes cash and cash equivalents, deposits and marketable securities less current and non-current financial liabilities.

[6] Net operating assets are defined as operating assets (total assets without cash and cash equivalents, current financial investments, current income tax receivables and deferred tax assets) less operating liabilities (total liabilities without financial and lease liabilities, current income taxes payable, non-current post-employment benefit liabilities and deferred tax liabilities).

[7] Research and development expenditure includes expenses recognized as intangible assets in the amount of CHF 28 million (previous year: CHF 27 million).

Key Share-Related Figures[1]

in CHF million	January 1 to December 31, 2024	January 1 to December 31, 2023
Share price		
Year high	5.06	6.52
Year low	3.41	3.43
Year-end	3.51	3.80
Total shares issued at year-end	339758576	339758576
Market capitalization at year-end in CHF million	1193	1290
EBIT per share	0.52	0.32
Operational EBIT per share	0.59	0.72
Earnings per share	0.20	0.10
Cash flow from operating activities per share[2]	0.84	0.56
Equity per share[3]	3.44	3.11
Dividend per share	0.20[4]	0.20[5]

[1] Average number of shares with voting and dividend rights (undiluted).

[2] Cash flow from operating activities from prior year has been restated (refer to Significant Accounting Principles).

[3] Attributable to shareholders of the parent.

[4] Dividend proposal for 2024, to be paid in 2025.

[5] For financial year 2023, paid in 2024.

Key Figures by Division

in CHF million	**January 1 to December 31, 2024**	January 1 to December 31, 2023
Oerlikon Group		
Order intake	2372	2457
Order backlog	478	468
Sales	2372	2693
EBITDA	369	384
– as % of sales	15.6%	14.2%
Operational EBITDA	393	444
– as % of sales	16.6%	16.5%
EBIT	168	105
– as % of sales	7.1%	3.9%
Operational EBIT	193	235
– as % of sales	8.2%	8.7%
Net operating assets	2423	2429
Number of employees (full-time equivalents)	12064	12620
Surface Solutions Division		
Order intake	1476	1514
Order backlog	189	208
Sales	1502	1527
– thereof sales to third parties	1498	1521
EBITDA	263	230
– as % of sales	17.5%	15.1%
Operational EBITDA	270	262
– as % of sales	18.0%	17.1%
EBIT	126	51
– as % of sales	8.4%	3.3%
Operational EBIT	134	117
– as % of sales	8.9%	7.7%
Net operating assets	1887	1877
Number of employees (full-time equivalents)	8183	8432
Polymer Processing Solutions Division		
Order intake	896	943
Order backlog	289	260
Sales	875	1172
– thereof sales to third parties	875	1172
EBITDA	108	143
– as % of sales	12.4%	12.2%
Operational EBITDA	112	170
– as % of sales	12.8%	14.5%
EBIT	63	61
– as % of sales	7.2%	5.2%
Operational EBIT	67	122
– as % of sales	7.6%	10.4%
Net operating assets	487	480
Number of employees (full-time equivalents)	3499	3798

Consolidated Income Statement

in CHF million	Notes	**January 1 to December 31, 2024**	January 1 to December 31, 2023
Sales of goods		1 544	1 840
Services rendered		828	853
Total sales	3	**2 372**	**2 693**
Cost of sales		–1 725	–2 042
Gross profit		**648**	**651**
Marketing and selling		–195	–223
Research and development		–107	–125
Administration		–184	–209
Other income	4	23	37
Other expenses	4	–17	–26
Result before interest and taxes (EBIT)		**168**	**105**
Financial income	6	11	20
Financial expenses	6	–60	–60
Result before taxes (EBT)		**119**	**65**
Income taxes	7	–47	–42
Net result		**72**	**23**
Attributable to:			
Shareholders of the parent		66	33
Non-controlling interests		6	–10
Earnings per share in CHF	8	0.20	0.10
Diluted earnings per share in CHF	8	0.20	0.10
EBITDA		**369**	**384**
Operational EBIT		**193**	**235**
Operational EBITDA		**393**	**444**

Consolidated Statement of Comprehensive Income

in CHF million	Notes	**January 1 to December 31, 2024**	January 1 to December 31, 2023
Net result		72	23
Other comprehensive income			
Items that will never be reclassified to the income statement			
Remeasurement of defined benefit plans	13	44	–13
Loss from revaluation of investments in equity instruments designated at fair value through other comprehensive income		–1	–3
Income taxes on items that will never be reclassified to the income statement		–6	4
		37	–12
Items that are or may be reclassified subsequently to the income statement			
Gains and losses from hedging		2	–1
Conversion differences		52	–177
Income taxes on items that are or may be reclassified subsequently to the income statement		–	1
		53	–177
Other comprehensive income for the period, net of taxes		**90**	**–190**
Total comprehensive income for the period		**162**	**–166**
Attributable to:			
Shareholders of the parent		156	–154
Non-controlling interests		6	–13

Consolidated Balance Sheet

Assets

in CHF million	Notes	**December 31, 2024**	December 31, 2023
Cash and cash equivalents	15	398	524
Current financial investments and derivatives	15	19	19
Trade and trade notes receivable	15	402	407
Current contract assets	3	13	26
Other receivables	15	72	67
Current income tax receivables		24	27
Inventories	9	411	395
Prepaid expenses		17	19
Current assets		**1 354**	**1 486**
Loans and other non-current receivables	15	29	35
Non-current financial investments	15	35	36
Property, plant and equipment	10	483	484
Right-of-use assets	11	186	193
Goodwill and intangible assets	12	1 716	1 729
Post-employment benefit assets	13	45	1
Deferred tax assets	7	153	134
Non-current contract assets	3	1	2
Non-current assets		**2 647**	**2 613**
Total assets		**4 002**	**4 099**

Liabilities and Equity

in CHF million	Notes	**December 31, 2024**	December 31, 2023
Trade payables	15	340	296
Current contract liabilities	3	182	205
Current lease liabilities	15	33	31
Current financial liabilities and derivatives	15	269	177
Other current liabilities	15	78	74
Accrued liabilities	15	217	242
Current income taxes payable		45	39
Current post-employment benefit liabilities	13	16	17
Current provisions	14	67	70
Current liabilities		**1 246**	**1 151**
Non-current lease liabilities	15	172	178
Non-current financial liabilities	15	1 049	1 310
Other non-current liabilities	15	–	3
Non-current post-employment benefit liabilities	13	193	198
Deferred tax liabilities	7	171	167
Non-current provisions	14	35	54
Non-current liabilities		**1 621**	**1 909**
Total liabilities		**2 867**	**3 060**
Share capital		340	340
Treasury shares		–125	–129
Retained earnings and reserves		904	800
Equity attributable to shareholders of the parent		**1 118**	**1 010**
Non-controlling interests		17	28
Total equity		**1 135**	**1 039**
Total liabilities and equity		**4 002**	**4 099**

Consolidated Cash Flow Statement

in CHF million	Notes	**January 1 to December 31, 2024**	January 1 to December 31, 2023
Net result		72	23
Income taxes		47	42
Interest expense (net)		44	42
Depreciation of property, plant and equipment	10	78	88
Depreciation of right-of-use assets	11	38	38
Amortization of intangible assets	12	84	90
Addition to provisions (net)	14	13	1
Impairment losses on property, plant and equipment	10	1	24
Impairment losses on right-of-use assets	11	–	8
Impairment losses on intangible assets	12	1	29
Impairment losses on non-current receivables		–	5
Decrease in post-employment benefit liabilities		–14	–23
Gain from sale of non-current assets		–10	–
Income taxes paid		–60	–86
Share-based payments		3	4
Other non-cash items		11	–11
Cash flow from operating activities before changes in net current assets		308	275
Decrease in receivables, contract assets and prepaid expenses[1]		34	59
Increase/decrease in inventories		–7	116
Decrease in payables, accrued liabilities and use of provisions		–34	–134
Decrease in contract liabilities		–28	–132
Non-cash impact on net current assets due to hedge accounting		–	–4
Cash flow from changes in net current assets		–36	–94
Cash flow from operating activities		**272**	**181**
Purchase of property, plant and equipment	10	–79	–83
Proceeds from sale of property, plant and equipment		25	3
Purchase of intangible assets	12	–44	–49
Acquisition of subsidiaries, net of cash acquired	2	–1	–383
Proceeds from marketable securities (net)		2	–
Proceeds from loans and other non-current financial receivables[1]		–	1
Proceeds from/purchase of financial investments		2	–3
Interest received		8	10
Cash flow from investing activities		**–86**	**–504**
Dividends paid		–69	–117
Repayment of financial debt	15	–167	–250
Proceeds from financial debt	15	–	872
Principal elements of lease payments	15	–37	–38
Acquisition of non-controlling interests	1	–2	–
Repayment of financial liabilities		–	–2
Interest paid		–49	–40
Cash flow from financing activities		**–324**	**425**
Conversion adjustments to cash and cash equivalents		11	–41
Decrease/increase in cash and cash equivalents		**–126**	**61**
Cash and cash equivalents at the beginning of the period	15	524	463
Cash and cash equivalents at the end of the period	15	398	524
Decrease/increase in cash and cash equivalents		**–126**	**61**

[1] 2023 restated to include effects from long-term loans to customers in the cash flow from operating activities (refer to Significant Accounting Principles).

Consolidated Statement of Changes in Equity

in CHF million	Share capital[1]	Additional paid-in capital[2]	Treasury shares[3]	Conversion differences	Retained earnings	Hedge accounting	Fair Value adjustment	Income taxes	**Total equity attributable to shareholders**	Non-controlling interests	**Total share-holders' equity**
Balance at January 1, 2023	**340**	**558**	**–134**	**–377**	**814**	**–2**	**–1**	**79**	**1 274**	**42**	**1 316**
Net result	–	–	–	–	33	–	–	–	33	–10	23
Gains and losses from hedging	–	–	–	–	–	–1	–	1	–	–	–
Remeasurement of defined benefit plans	–	–	–	–	–13	–	–	4	–10	–	–10
Loss from revaluation of investments in equity instruments designated at fair value through other comprehensive income	–	–	–	–	–	–	–3	–	–3	–	–3
Conversion differences	–	–	–	–174	–	–	–	–	–174	–3	–177
Other comprehensive income for the period	**–**	**–**	**–**	**–174**	**–13**	**–1**	**–3**	**4**	**–187**	**–3**	**–190**
Total comprehensive income for the period	**–**	**–**	**–**	**–174**	**20**	**–1**	**–3**	**4**	**–154**	**–13**	**–166**
Dividend distributions	–	–	–	–	–114	–	–	–	–114	–3	–117
Share-based payments	–	–	5	–	–1	–	–	–	4	–	4
Contributions and distributions	**–**	**–**	**5**	**–**	**–115**	**–**	**–**	**–**	**–110**	**–3**	**–114**
Change in non-controlling interest from capital increase	–	–	–	–	–	–	–	–	–	2	2
Changes in ownership interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2**	**2**
Total transactions with owners of the company	**–**	**–**	**5**	**–**	**–115**	**–**	**–**	**–**	**–110**	**–1**	**–112**
Balance at December 31, 2023	**340**	**558**	**–129**	**–552**	**718**	**–3**	**–4**	**83**	**1 010**	**28**	**1 039**
Net result	–	–	–	–	66	–	–	–	66	6	72
Gains and losses from hedging	–	–	–	–	–	2	–	–	2	–	2
Remeasurement of defined benefit plans	–	–	–	–	44	–	–	–6	38	–	38
Loss from revaluation of investments in equity instruments designated at fair value through other comprehensive income	–	–	–	–	–	–	–1	–	–1	–	–1
Conversion differences	–	–	–	51	–	–	–	–	51	1	52
Other comprehensive income for the period	**–**	**–**	**–**	**51**	**44**	**2**	**–1**	**–7**	**90**	**1**	**90**
Total comprehensive income for the period	**–**	**–**	**–**	**51**	**110**	**2**	**–1**	**–7**	**156**	**6**	**162**
Dividend distributions	–	–	–	–	–65	–	–	–	–65	–4	–69
Share-based payments	–	–	4	–	–1	–	–	–	3	–	3
Contributions and distributions	**–**	**–**	**4**	**–**	**–65**	**–**	**–**	**–**	**–61**	**–4**	**–66**
Acquisition of non-controlling interests without a change in control	–	–	–	–2	16	–	–	–	13	–14	–
Changes in ownership interests	**–**	**–**	**–**	**–2**	**16**	**–**	**–**	**–**	**13**	**–14**	**–**
Total transactions with owners of the company	**–**	**–**	**4**	**–2**	**–50**	**–**	**–**	**–**	**–48**	**–18**	**–66**
Balance at December 31, 2024	**340**	**558**	**–125**	**–503**	**779**	**–1**	**–5**	**76**	**1 118**	**17**	**1 135**

[1] The share capital of OC Oerlikon Corporation AG, Pfäffikon consists of 339 758 576 fully paid registered shares (previous year: 339 758 576) of a nominal value of CHF 1 each. On December 31, 2024, conditional capital amounted to CHF 47 million (previous year: CHF 47 million).

[2] As of December 31, 2024, additional paid-in capital includes CHF 330 million (previous year: CHF 330 million) of legal reserves in OC Oerlikon Corporation AG, Pfäffikon.

[3] As of December 31, 2024, the Group held 14 372 928 own shares (previous year: 14 828 250).

Notes to the Consolidated Financial Statements

Reconciliation of Operational Figures

2024

in CHF million		**Operational figures**	Restructuring[1]	Discontinued activities[2]	Impairments[3]	Acquisition and integration costs	Separation costs[4]	**Unadjusted figures**
Surface Solutions Division	**EBITDA**	**270**	–4	–2	–	–1	–	**263**
	EBIT	**134**	–4	–4	–	–1	–	**126**
Polymer Processing Solutions Division	**EBITDA**	**112**	–	–3	–	–	–	**108**
	EBIT	**67**	–	–3	–	–	–	**63**
Total Divisions	**EBITDA**	**382**	–4	–5	–	–1	–1	**372**
	EBIT	**201**	–4	–7	–	–1	–1	**189**
Group/Eliminations	**EBITDA**	**11**	–	–	–	–	–13	–2
	EBIT	**–8**	–	–	–	–	–13	–22
Total from continuing operations	**EBITDA**	**393**	–4	–5	–	–2	–13	**369**
	EBIT	**193**	–4	–7	–	–2	–13	**168**

2023

in CHF million		**Operational figures**	Restructuring[1]	Discontinued activities[2]	Impairments[3]	Acquisition and integration costs	Separation costs[4]	**Unadjusted figures**
Surface Solutions Division	**EBITDA**	**262**	–12	–17	–	–2	–	**230**
	EBIT	**117**	–12	–38	–14	–2	–	**51**
Polymer Processing Solutions Division	**EBITDA**	**170**	13	–39	–	–	–	**143**
	EBIT	**122**	13	–74	–	–	–	**61**
Total Divisions	**EBITDA**	**431**	1	–57	–	–2	–	**373**
	EBIT	**239**	1	–112	–14	–2	–	**112**
Group/Eliminations	**EBITDA**	**13**	–	–1	–	–1	–	**11**
	EBIT	**–4**	–	–2	–	–1	–	**–7**
Total from continuing operations	**EBITDA**	**444**	1	–58	–	–3	–	**384**
	EBIT	**235**	1	–114	–14	–3	–	**105**

[1] Expenses related to restructuring mainly include personnel costs.

[2] Effects from discontinued activities not qualifying as discontinued operations include the ePD inline business, the effects from discontinued activities from Oerlikon Barmag Automation, Additive Manufacturing business outside of the US and Metco Coating Services in the US. Prior year additionally includes the effects from discontinued activities from Teknoweb.

[3] Impairments related to restructuring.

[4] Separation costs relate to the separation of the Manmade Fibers business.

Alternative Performance Measures
The alternative performance measures used by the Oerlikon Group are defined as follows:

Operational EBITDA: Operational EBITDA is defined as EBITDA adjusted for expenses directly related to restructuring activities, effects from discontinued activities not qualifying as discontinued operations, impairments on associates as well as acquisition, integration and separation costs.

Operational EBIT: Operational EBIT is defined as EBIT adjusted for expenses and impairments directly related to restructuring activities, effects from discontinued activities not qualifying as discontinued operations, impairments on associates, goodwill and intangible assets acquired in a business combination as well as acquisition, integration and separation costs.

Segment Information

in CHF million	Surface Solutions Division 2024	Surface Solutions Division 2023	Polymer Processing Solutions Division 2024	Polymer Processing Solutions Division 2023	Total Divisions 2024	Total Divisions 2023
Order intake	**1 476**	**1 514**	**896**	**943**	**2 372**	**2 457**
Order backlog	**189**	**208**	**289**	**260**	**478**	**468**
Sales						
Sales to third parties	1 498	1 521	875	1 172	2 372	2 693
Sales to other divisions	5	6	–	–	5	6
Eliminations	–5	–6	–	–	–5	–6
	1 498	**1 521**	**875**	**1 172**	**2 372**	**2 693**
Sales to third parties by market region						
Asia/Pacific	421	426	662	876	1 082	1 302
Europe	725	742	147	200	871	941
Americas	352	353	67	97	419	449
	1 498	**1 521**	**875**	**1 172**	**2 372**	**2 693**
Sales to third parties by location						
Asia/Pacific	**376**	**370**	**433**	**471**	**810**	**842**
thereof China	130	125	413	453	543	578
Europe	**776**	**807**	**392**	**651**	**1 168**	**1 458**
thereof Switzerland/Liechtenstein	121	131	–	–	121	131
Germany	301	316	338	604	639	920
Americas	**345**	**344**	**49**	**50**	**394**	**393**
thereof USA	287	286	44	45	331	331
	1 498	**1 521**	**875**	**1 172**	**2 372**	**2 693**
Timing of revenue recognition						
At a point in time	1 498	1 521	527	570	2 025	2 091
Transferred over time	–	–	347	602	347	602
	1 498	**1 521**	**875**	**1 172**	**2 372**	**2 693**
Capital expenditure for property, plant and equipment, and intangible assets[1]						
Asia/Pacific	22	24	3	18	25	42
Europe	51	53	16	5	67	58
Americas	22	16	1	1	23	17
	96	**94**	**19**	**24**	**115**	**118**
Operational EBITDA	**270**	**262**	**112**	**170**	**382**	**431**
Operational EBIT	**134**	**117**	**67**	**122**	**201**	**239**
Other material items						
Research and development expense	–75	–79	–32	–46	–107	–125
Depreciation and amortization	–136	–148	–45	–51	–181	–199
Impairment of property, plant and equipment and right-of-use assets	–1	–27	–	–5	–1	–32
Impairment of intangible assets	–1	–4	–	–25	–1	–29
Restructuring expense/income	–4	–12	–	13	–4	1
Net operating assets	**31.12.24**	31.12.23	**31.12.24**	31.12.23	**31.12.24**	31.12.23
Operating assets[2]	2 206	2 218	1 055	1 061	3 262	3 279
Operating liabilities[3]	–320	–341	–568	–581	–888	–922
	1 887	**1 877**	**487**	**480**	**2 374**	**2 357**
Number of employees (full-time equivalents)	**31.12.24**	31.12.23	**31.12.24**	31.12.23	**31.12.24**	31.12.23
Asia/Pacific	1 729	1 700	1 554	1 568	3 283	3 268
Europe	4 863	5 149	1 780	2 061	6 644	7 210
Americas	1 591	1 583	165	169	1 755	1 752
	8 183	**8 432**	**3 499**	**3 798**	**11 682**	**12 230**

	Group/ Eliminations		Total from continuing operations	
	2024	2023	**2024**	2023
	–	**–**	**2 372**	**2 457**
	–	**–**	**478**	**468**
	–	–	2 372	2 693
	–5	–6	–	–
	5	6	–	–
	–	**–**	**2 372**	**2 693**
	–	–	1 082	1 302
	–	–	871	941
	–	–	419	449
	–	**–**	**2 372**	**2 693**
	–	**–**	**810**	**842**
	–	–	543	578
	–	**–**	**1 168**	**1 458**
	–	–	121	131
	–	–	639	920
	–	**–**	**394**	**393**
	–	–	331	331
	–	**–**	**2 372**	**2 693**
	–	–	2 025	2 091
	–	–	347	602
	–	**–**	**2 372**	**2 693**
	–	–	25	42
	7	15	74	74
	–	–	23	17
	7	**15**	**122**	**133**
	11	**13**	**393**	**444**
	–8	**–4**	**193**	**235**
	–	–	–107	–125
	–19	–17	–200	–216
	–	–	–1	–33
	–1	–	–1	–29
	–	–	–4	1
	31.12.24	31.12.23	**31.12.24**	31.12.23
	92	106	3 354	3 385
	–43	–34	–931	–956
	49	**72**	**2 423**	**2 429**
	31.12.24	31.12.23	**31.12.24**	31.12.23
	107	107	3 390	3 375
	275	283	6 919	7 494
	–	–	1 755	1 752
	382	**390**	**12 064**	**12 620**

Segment Information

The Group consists of the following reportable Segments:

- *The Surface Solutions Division is a world-leading supplier of advanced materials and surface technologies for components and tools used in a wide range of industrial applications where superior materials and surface performance are required.*
- *The Polymer Processing Solutions Division is a world market leader for solutions and systems used to manufacture manmade fibers that enable customers to produce high-quality synthetic fibers.*

The Segment reporting of the Oerlikon Group is in accordance with the management approach and based on the internal structure and reporting. The Chief Executive Officer (CEO)/Executive Chairman (from July 1, 2022) performs the function of the Chief Operating Decision Maker (CODM), assesses performance and makes resource allocation decisions.

The internal reporting to the CODM is based on uniform Group accounting principles, which correspond to those used in the consolidated financial statements. Intersegment pricing is determined on an arm's length basis.

[1] Does not include non-current assets acquired through business combinations.

[2] Operating assets include total assets without cash and cash equivalents, current financial investments, current income tax receivables and deferred tax assets.

[3] Operating liabilities include total liabilities without financial and lease liabilities, current income taxes payable, non-current post-employment benefit liabilities and deferred tax liabilities.

Reconciliation to the Consolidated Balance Sheet

in CHF million	December 31, 2024	December 31, 2023
Operating assets	3354	3385
Cash and cash equivalents	398	524
Current financial investments	14	15
Current income tax receivables	24	27
Deferred tax assets	153	134
Other non-operating assets	59	14
Total assets	**4002**	**4099**
Operating liabilities	931	956
Lease liabilities	205	209
Current financial liabilities	263	172
Non-current financial liabilities	1049	1310
Current income tax payable	45	39
Non-current post-employment benefit liabilities[1]	182	189
Deferred tax liabilities	171	167
Other non-operating liabilities	21	18
Total liabilities	**2867**	**3060**

[1] Excluding other employee benefit liabilities (refer to Note 13, Post-employment Benefits).

Geographical Information on Non-current Assets

in CHF million		2024	2023
Asia/Pacific		**232**	**227**
thereof	China	121	126
Europe		**2008**	**2048**
thereof	Switzerland/Liechtenstein	1409	1409
	Germany	204	219
Americas		**210**	**202**
thereof	USA	190	184
Total		**2450**	**2478**

Non-current assets as shown in the table above do not include deferred tax assets and post-employment benefit assets.

Information about Major Customers

In 2024 and 2023, no customer represented 10% or more of the company’s third-party sales.

Significant Accounting Principles

Company operations

OC Oerlikon Corporation AG, Pfäffikon is a Swiss public company located at Churerstrasse 120, Pfäffikon, canton of Schwyz, Switzerland. It is the ultimate parent company of the Oerlikon Group, a leading high-tech industrial Group which provides innovative industrial and cutting-edge technologies for surface solutions and polymer processing solutions. Apart from its activities in Switzerland, the Oerlikon Group operates primarily in EU member states, North America and Asia and has a workforce of 12 064 employees (full-time equivalents).

The consolidated financial statements were approved by the Board of Directors on February 17, 2025, and will be submitted to the Annual General Meeting of Shareholders on April 1, 2025, for approval.

Basis of preparation

The consolidated financial statements of OC Oerlikon Corporation AG, Pfäffikon have been prepared in accordance with IFRS® Accounting Standards and comply with Swiss law. IFRS Accounting Standards comprise the following authoritative literature: IFRS Accounting Standards, IAS® Standards and Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations). The consolidated financial statements are presented in Swiss francs (CHF). Values of assets and liabilities have been determined in accordance with the historical cost convention, with the exception of derivative financial instruments, contingent considerations and financial assets which are held at fair value.

Adoption of new and revised accounting standards

No new or amended standards or interpretations effective for the financial year beginning on January 1, 2024, had a significant impact on the Group's consolidated financial statements.

Newly published accounting standards not early adopted

Certain new accounting standards and interpretations have been published by the IASB that are not mandatory for the reporting period beginning on January 1, 2024, yet and that have not been early adopted by the Oerlikon Group. Except for IFRS 18 none of them is expected to have a material impact on the Group's financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. IFRS 18 will replace IAS Standards 1 – Presentation of Financial Statements. IFRS 18 might change what an entity reports as operating profit and what is reported as operating, investing and financing activities in the statement of cash flows. The impact of IFRS 18 is currently under review.

Error correction

In the Consolidated Cash Flow Statement 2023, long-term loans granted to customers in the amount of CHF 18 million were presented as cash outflow within the line item "Granting of/proceeds from loans and other non-current financial receivables". As these loans resulted from the conversion of trade receivables, they should have been presented as correction of the cash flow from operating activities within the line item "Decrease in receivables, contract asset and prepaid expenses". To correct this error, the respective 2023 figures have been restated in the Consolidated Cash Flow Statement 2024.

Effect of the error correction:

in CHF million	2023 Reported	2023 Restated
Decrease in receivables, contract asset and prepaid expenses	78	59
Cash flow from changes in net current assets	–76	–94
Cash flow from operating activities	**199**	**181**
Granting of/proceeds from loans and other non-current financial receivables	–17	1
Cash flow from investing activities	**–522**	**–504**

Judgments, estimates and assumptions

Preparation of the consolidated financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the values of reported revenues, expenses, assets, liabilities and contingent liabilities at the reporting date. These estimates and assumptions are constantly being revised. Depending on the issues involved, revision of such assumptions can have an effect on the current period, as well as potentially on future periods. These estimates, judgments and assumptions are based on historical experience and other factors that are believed to be reasonable and justified as expectations of future events. However, actual results can differ from these estimates. Moreover, consistent application of the chosen accounting principles can require management to make decisions that may have a material impact on the amounts reported in the annual financial statements. Above all, assessment of business transactions that involve complex structures or legal forms call for decisions on management's part. The most important accounting estimates are to be found in Note 2 for business combinations, Note 3 for revenue recognition, Note 7 for taxes on income, Note 12 for impairment of goodwill and intangible assets, Note 13 for pensions and in Note 14 for provisions.

Consolidation Principles

Subsidiaries

December 31 is the uniform closing date for all subsidiaries included in the consolidated financial statements. Subsidiaries are all entities over which OC Oerlikon Corporation AG, Pfäffikon has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements of the Oerlikon Group from the date on which control commences until the date on which control ceases. Non-controlling interests are recorded separately under equity in the consolidated financial statements. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. All consolidated subsidiaries held are shown in the listing at the end of the notes.

When the Group ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in the income statement. Amounts previously recognized in other comprehensive income that may be reclassified to the income statement are reclassified to the income statement. Any retained interest in the former subsidiary is remeasured to its fair value at the date when control is lost.

Translation of foreign currencies

The accounts of foreign entities are prepared in the relevant functional currency and translated into Swiss francs in accordance with IAS 21. An entity's functional currency is the currency of the primary economic environment in which the entity operates. In the consolidation, assets and liabilities of foreign subsidiaries are translated into Swiss francs at the exchange rate prevailing on the balance sheet date, while income, expenses and cash flows are translated using average rates for the year. Differences resulting from the respective translation into Swiss francs are recognized in other comprehensive income. Exchange gains and losses, as recorded in the individual company accounts of subsidiaries, are included in the income statement. Excluded from this rule are specific long-term intercompany monetary items that form part of the net investment in a foreign subsidiary whose exchange translation differences are recognized in other comprehensive income. In the year that a foreign entity is divested, the cumulative translation differences recorded in other comprehensive income are reclassified to the income statement as part of the gain or loss upon disposal.

Elimination of intercompany transactions and profits

Intercompany assets, liabilities, income, expenses and cash flows are eliminated in the consolidated financial statements. The same applies to profits on intercompany sales not yet realized through sales to third parties, as well as profits on transfers of fixed assets and investments in subsidiaries.

Group Structure

Note 1

Subsidiaries

A list of Oerlikon's subsidiaries can be found on pages 128 and 129.

During the financial year 2024, the following significant changes in the Group structure occurred:

Foundation of subsidiaries

As of January 22, 2024, Oerlikon Nitriding (Shanghai) Technology Co., Ltd. was founded.

As of February 29, 2024, Oerlikon Nitriding Slovakia s.r.o. was founded.

As of November 25, 2024, OC Oerlikon Verwaltungs AG, Pfäffikon was founded.

Liquidation of subsidiaries

As of January 15, 2024, HRS Flow (Thailand) Co. Ltd was de-registered.

As of January 19, 2024, Mercurio S.r.l. in liquidazione was de-registered.

As of March 4, 2024, FIR. Parts S.r.l in liquidazione was de-registered.

Acquisition of non-controlling interests

On October 2, 2024, the Oerlikon Group purchased the remaining non-controlling interests in SAS COEURDOR (increasing the ownership from 86% to 100% – this also relates to its subsidiaries FCM S.p.A. in liquidazione and Cubimatéria Polimentos Unipessoal LDA).

Mergers

Company	Merged into	Date
Oerlikon Friction Systems do Brasil Ltda.	Oerlikon Balzers Revestimentos Metálicos Ltda.	April 1, 2024
Oerlikon Textile Machinery (Wuxi) Co. Ltd.	Oerlikon Chemical Fiber Machinery (Wuxi) Co., Ltd.	June 11, 2024
Oerlikon Friction Systems (India) Ltd.	Oerlikon Balzers Coating India Pvt. Ltd.	October 28, 2024

Non-controlling interests

The following Group companies have non-controlling interests as of December 31:

		Non-controlling interests in %	
Company	Country	2024	2023
Oerlikon Barmag Huitong (Yangzhou) Engineering Co. Ltd.	China	40.00	40.00
Oerlikon Huagang Materials Technology (Zigong) Co., Ltd.	China	40.00	40.00
SAS COEURDOR	France	0.00	13.95
Teknoweb Materials S.r.l.	Italy	33.10	33.10
FCM S.p.A. in liquidazione	Italy	0.00	13.95
FIR. Parts S.r.l. in liquidazione	Italy	n/a	13.95
Mercurio S.r.l. in liquidazione	Italy	n/a	13.95
Oerlikon Balzers Coating Luxembourg S.à r.l.	Luxembourg	40.00	40.00
Cubimatéria Polimentos Unipessoal LDA	Portugal	0.00	13.95
Oerlikon Balzers Coating Korea Co. Ltd.	South Korea	10.10	10.10

The share that non-controlling interests have in the Oerlikon Group's activities and cash flows are not material.

Interests in joint arrangements and associates

The Oerlikon Group does not hold any significant interests in joint arrangements and associates.

Significant prior-year changes in Group structure

Acquisitions

On February 28, 2023, Oerlikon acquired Zip Invest AG and indirectly Zip Holding AG, RIRI SA, Riri Co. Ltd., Riri France SASU, AMOM S.p.A., D.M.C. Srl, SPM Pressofusione S.r.l., and Riri USA Inc.

Foundation of subsidiaries

As of April 19, 2023, Oerlikon Serbia doo Kragujevac was founded.

Acquisition of non-controlling interests

During 2023, the Oerlikon Group purchased non-controlling interests in FCM S.p.A. (increasing the ownership from 68% to 85%) and in SAS COEURDOR (increasing the ownership from 85% to 86% – this also relates to its subsidiaries FCM S.p.A., FIR. Parts S.r.l. and Cubimatéria Polimentos Unipessoal LDA).

Mergers

Company	Merged into	Date
Oerlikon IT Solutions AG, Pfäffikon	OC Oerlikon Management AG, Pfäffikon	May 9, 2023

Acquisitions and Divestments

Note 2

Acquisitions in 2024
There were no acquisitions in 2024.

Acquisitions in 2023
On February 28, 2023, Oerlikon successfully closed the acquisition of Riri, following the signing of the agreement on December 15, 2022. Riri is a leading provider of coated metal accessories for the luxury fashion industry. This acquisition expands Oerlikon's foothold in the luxury market and – together with Coeurdor acquired in 2021 – creates a leading platform in luxury metalware.

The total purchase consideration for the acquisition of Riri amounts to CHF 363 million and includes CHF 250 million paid in cash for the shares and CHF 113 million paid in cash for a convertible debt instrument.

Contingent liabilities of CHF 16 million have been recognized primarily due to potential tax and environmental risks.

The goodwill of CHF 234 million arising from the acquisition is mainly attributable to the strengthening of Oerlikon's market position in the luxury market and expected synergies from combining the operations of the acquired business with the Oerlikon Group. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition-related costs amounting to less than CHF 1 million have been recognized under other expense in the consolidated income statement for the year ended December 31, 2023.

The following table summarizes the fair value of consideration, as well as assets acquired and liabilities assumed at the date of the acquisition:

in CHF million	February 28, 2023
Cash consideration for shares	250
Cash consideration for convertible debt instrument	113
Total	**363**

Recognized amounts of identifiable assets acquired and liabilities assumed

in CHF million	February 28, 2023
Cash and cash equivalents	11
Current financial investments	3
Trade and other receivables and prepaid expenses	40
Current income tax receivables	2
Inventories	39
Loans and other non-current financial receivables	2
Property, plant and equipment	34
Right-of-use assets	27
Intangible assets	225
Deferred tax assets	6
Trade payables	–25
Current lease liabilities	–3
Current financial liabilities and derivatives	–4
Other current payables and accrued liabilities	–17
Current income tax payable	–5
Non-current lease liabilities	–22
Non-current loans and borrowings[1]	–103
Non-current post-employment benefit liabilities	–3
Deferred tax liabilities	–62
Non-current provisions	–16
Total identifiable net assets	**130**
Goodwill	234
Total net assets	**363**

[1] Financial liabilities of CHF 101 million were repaid at the acquisition of Riri.

From the date of acquisition until December 31, 2023, Riri contributed CHF 130 million in total sales and CHF 13 million in net income to the Oerlikon Group. Had the transaction taken place at January 1, 2023, the Group's total sales and net income for the period ended December 31, 2023, would have amounted to approximately CHF 2 725 million and CHF 21 million, respectively. These amounts have been determined based on the assumption that the fair value adjustments at the acquisition date would have been the same at January 1, 2023.

Acquisitions and Divestments

Note 2 (cont.)

Cash flows from acquisitions of subsidiaries

in CHF million	December 31, 2024	December 31, 2023
Cash consideration for shares	–	–250
Cash consideration for convertible debt instrument	–	–113
Cash acquired	–	11
Payments for acquisitions in prior years	–1	–31
Total cash flows from acquisitions, net of cash acquired	**–1**	**–383**

Accounting Principles

The Oerlikon Group accounts for business combinations using the acquisition method when control is transferred to the Group. At the date of their initial consolidation, the identifiable assets acquired and liabilities assumed of subsidiaries are measured at fair value. Goodwill is measured at the acquisition date as the fair value of the consideration transferred plus the amount of non-controlling interests in the acquiree less the net recognized assets. Transaction costs are expensed as incurred, except if related to the issue of debt or equity. Goodwill denominated in foreign currencies is translated into Swiss francs at the rates prevailing at the balance sheet date.

Significant Estimates

Where the Group acquires control of another business, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquired business shall be recognized, separately from goodwill.
This process involves management making an assessment of the fair value of these items. Management judgment is particularly involved in the recognition and measurement of the following items:

- *Intellectual property. This may include technologies, patents, licenses, trademarks and similar rights for currently marketed products.*
- *Customer relationships.*
- *Contingencies such as legal, tax and environmental matters.*
- *The recoverability of any accumulated tax losses previously incurred by the acquired company.*

In all cases, management makes an assessment based on the underlying economic substance of the items concerned, and not only on the contractual terms, in order to fairly present these items.

Revenue

Note 3

Disaggregation of revenue from contracts with customers by division and market:

in CHF million	Surface Solutions Division		Polymer Processing Solutions Division		Total	
	January 1 to December 31, 2024	January 1 to December 31, 2023	**January 1 to December 31, 2024**	January 1 to December 31, 2023	**January 1 to December 31, 2024**	January 1 to December 31, 2023
Automotive	349	384	–	–	349	384
Aviation	216	208	–	–	216	208
Energy	79	85	–	–	79	85
Filament	–	–	539	688	539	688
Flow Control	–	–	167	180	167	180
General Industries	356	327	–	–	356	327
Industrial and Interiors	–	–	85	157	85	157
Nonwoven and Plant Engineering	–	–	84	147	84	147
Luxury	178	174	–	–	178	174
Tooling	320	343	–	–	320	343
Total revenue from contracts with customers	**1 498**	**1 521**	**875**	**1 172**	**2 372**	**2 693**

Significant changes in contract assets and contract liabilities balances during the period:

in CHF million	**2024**	2023
Opening balance – Contract assets	**28**	**44**
Opening balance – Contract liabilities	**–205**	**–359**
Net opening balance	**–177**	**–316**
Increase due to revenue recognized over time during the year (including revenue catch-up)[1]	347	602
Decrease due to transfer of AR (sales invoiced, but no advance payments received) or due to advanced payments received (not yet invoiced)	–339	–459
Additions of contract costs	2	3
Amortization of contract costs	–3	–8
Net closing balance	**–169**	**–177**
Thereof presented as:		
– Current contract assets	13	26
– Non-current contract assets[2]	1	2
– Current contract liabilities	–182	–205

[1] Of which CHF 205 million were already included in contract liabilities at the beginning of the period (previous year: CHF 359 million).

[2] Thereof CHF 1 million recognized from costs to fulfill a contract (previous year: CHF 1 million) and less than CHF 1 million from costs to obtain a contract (previous year: less than CHF 1 million).

Revenue

Note 3 (cont.)

Transaction price allocated to the remaining performance obligations:

Revenue related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date is expected to be recognized in the future as following:

in CHF million	2024	2023
< 1 year	411	378
1–2 years	135	182
2–3 years	9	22
beyond 3 years	–	–
Total	**554**	**582**

Accounting Principles

Revenue recognition

Revenue is recognized to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized when performance obligations have been satisfied, i.e. when control of goods or services has been transferred to the customer, and if it is probable that the economic benefits will flow to the company. In accordance with the recognition criteria of IFRS 15, control may be transferred either at a point in time or over time. Revenue is measured based on the consideration the Oerlikon Group received or expects to receive in exchange for its goods and services. If a contract contains more than one performance obligation, the overall consideration is allocated to the different components affected, based on the standalone observable selling price of each performance obligation. The consideration received in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal of cumulative recognized revenue will not occur. The respective estimate is updated regularly. Sales commissions, which the company would not have incurred if the contract was not obtained, are recognized as contract costs (assets). Unless the amortization period is less than one year (expensed as occurred), contract costs are amortized over the duration of the contract and subject to impairment. Sales payment terms are in line with the industry's standards, and deferred payment terms are agreed only in rare circumstances.

Contract assets / contract liabilities

Contract assets are an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance). Contract assets include incremental costs to fulfill a contract. Contract liabilities are an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from customers.

Remaining performance obligation

Remaining performance obligation is the aggregate amount of consideration to which an entity expects to be entitled in the future in exchange of transferring promised goods or services to a customer (promised in a contract), which are unsatisfied, or partially unsatisfied, as of the end of the reporting period. As a practical expedient no disclosure is given for performance obligations related to contracts with original expected duration of one year or less.

Order backlog

Although conceptually very similar, the calculation of remaining performance obligations does not necessarily align with the disclosed order backlog. A remaining performance obligation only qualifies as order backlog when specific cash down payments or additional preconditions in terms of customer financing are fulfilled.

Significant Estimates

Estimates are used to determine the stage of completion of performance obligations satisfied over time. According to the input method the future costs necessary to satisfy the performance obligation must be estimated. As actual costs to complete may differ from these estimates they must be reviewed on a regular basis and adjusted if necessary. Such adjustments could affect costs, the stage of completion, and both realized and anticipated profits. Any adjustments are recognized in the period in which they occur. Losses can occur when the expected contract costs exceed the expected revenue. Such losses are recognized as an expense immediately when identified.

Other Income and Expense

Note 4

in CHF million	2024	2023
Licensing, patent and know-how income	1	1
Result from associates and joint arrangements	1	–
Rental income	4	4
Other income	18	33
Other income	**23**	**37**
Taxes not based on income	–5	–9
Acquisition and integration costs	–2	–3
Separation costs	–9	–
Other expense	–1	–14
Other expense	**–17**	**–26**
Other income and expense, net	**6**	**11**

Personnel Expense

Note 5

in CHF million	2024	2023
Salaries and wages[1]	656	681
Social security and other employee benefits[2]	170	175
Total	**826**	**856**

[1] Includes expenses related to restructuring programs that primarily aim to reduce structural costs in the divisions.

[2] Included in the expense for social security and other employee benefits is CHF 26 million (previous year: CHF 22 million) attributable to specific post-employment benefit plans of the individual companies. The remainder includes the legally required benefit contributions of Group companies, as well as other social security expenses.

Financial Income and Expense

Note 6

in CHF million	2024	2023
Interest income	8	10
Other financial income	2	1
Foreign currency gain, net	–	6
Net gain on hedging transactions recognized in the income statement	–	4
Financial income	**11**	**20**
Interest on financial debt	–41	–40
Interest on liabilities for benefit plans, net	–6	–7
Interest expense for lease liabilities	–7	–7
Other financial expense	–2	–7
Foreign currency loss, net	–3	–
Financial expense	**–60**	**–60**
Financial expense, net	**–49**	**–40**

Accounting Principles

Interest expense is recognized in the income statement by using the effective interest rate method. Borrowing costs that can be directly allocated to the construction, build-up or purchase of a qualified asset are capitalized through the costs of the assets.

Income Taxes

Note 7

in CHF million	2024	2023
Current income tax expense	–69	–67
Deferred tax income	22	25
Total	**–47**	**–42**

Analysis of tax expense

in CHF million	2024	2023
Result before taxes	**119**	**65**
Tax expense	**–47**	**–42**
Expected tax expense[1]	–33	–19
Difference between actual and expected tax expense	**–14**	**–23**

The difference between the tax expense is calculated using the weighted average tax rate of the continuing operations of the Oerlikon Group (expected tax expense) of 28% (previous year expected tax rate: 29%) and the effective tax expense arises from the factors mentioned below.

Non-taxable income and non-deductible expenses	–1	–8
Unrecognized deferred taxes on current-year losses	–2	–3
Non-refundable withholding taxes	–12	–10
Utilization of unrecognized tax loss carryforwards from previous periods	–	–1
Recognition/reversal of previously not recognized/recognized tax losses	1	–1
Difference between actual and expected tax expense	**–14**	**–23**

[1] The expected tax expense is calculated from the various profits and losses of the individual Group companies, using local tax rates. From these a composite tax rate is developed, averaged over the whole Group.

Deferred Taxes

Note 7 (cont.)

Composition of deferred taxes

in CHF million	2024 Deferred tax balances Assets	2024 Deferred tax balances Liabilities	2023 Deferred tax balances Assets	2023 Deferred tax balances Liabilities
Trade and trade note receivable	6	1	6	1
Other receivables and current contract assets	–	11	–	12
Prepaid expenses and accrued income	1	–	2	–
Inventories	31	–	25	–
Current and non-current receivables and investments	–	6	–	7
Property, plant and equipment	30	16	19	19
Right of use asset	–	42	–	41
Goodwill and intangible assets	18	157	27	154
Post-employment benefit assets	–	6	–	–
Assets	**86**	**239**	**78**	**233**
Trade payables	3	–	3	1
Contract liabilities	–	12	–	8
Financial and lease liabilities	50	1	51	1
Other and accrued liabilities	18	1	13	2
Post employment benefit liabilities	32	–	34	–
Provisions	5	6	6	6
Liabilities	**108**	**20**	**107**	**18**
Deferred tax asset from recognized tax loss carryforwards[1]	46	–	34	–
Offsetting	–88	–88	–84	–84
Total	**153**	**171**	**134**	**167**

[1] As per end of 2024 tax loss carryforwards of CHF 224 million for federal taxes and CHF 83 million for state/local taxes were recognized (previous year: CHF 173 million for federal taxes and CHF 71 million for state/local taxes).

Unrecognized deferred tax liabilities:

At December 31, 2024, there were temporary differences of CHF 302 million (previous year: CHF 258 million) with regard to investments in subsidiaries for which no deferred tax liabilities with a potential tax effect of CHF 21 million (previous year: CHF 18 million) were recognized since the Group controls the timing of the reversal of the related taxable temporary differences.

The Group is within the scope of OECD Pillar II model convention for taxes (Global Anti-Base Erosion Model Rules, GloBE). OC Oerlikon has performed safe harbor analysis for all in-scope jurisdictions and expects to benefit from the safe harbor in most applicable countries. For the other countries we expect a top-up tax of CHF 1 million.

Deferred Taxes

Note 7 (cont.)

Utilization of tax loss carryforwards is limited as follows:

in CHF million	**2024** Tax losses not recognized as deferred tax assets: **federal tax**	**state/local tax**	2023 Tax losses not recognized as deferred tax assets: federal tax	state/local tax	**2024** Total tax loss carryforwards: **federal tax**	**state/local tax**	2023 Total tax loss carryforwards: federal tax	state/local tax
1 year	–	6	–	5	–	6	–	5
2 years	–	7	–	6	1	7	–	6
3 years	–	8	–	7	1	8	1	7
4 years	2	28	–	8	9	35	–	8
5 years	5	16	4	32	12	19	10	38
over 5 years	–	80	2	89	14	95	29	115
from:	71	7	72	8	266	65	212	47
Total	**78**	**152**	**79**	**155**	**302**	**235**	**252**	**226**

The deferred tax on unrecognized tax loss carryforwards would amount to CHF 21 million in 2024 (previous year: CHF 20 million).

Accounting Principles

Current income taxes

Current income taxes are accrued on the basis of income reported locally for the financial year by the individual Group companies in keeping with the current year taxation principle.

Deferred income taxes

Wherever local company tax values differ from Group values (temporary differences), deferred taxes are determined and recorded by applying tax rates enacted or substantially enacted at the balance sheet date to the differences (balance sheet liability method). Taxes on dividends from subsidiaries are only accrued when distributions are contemplated. The value of deferred tax assets deriving from tax losses carried forward is subject to annual review. Tax losses are only recognized as assets if they are expected to be realized, offset against taxable profits of Group companies individually or in tax groups. In countries or companies where realization of the losses cannot be foreseen, no asset is recognized. Management believes that its estimates are appropriate and that uncertainties in the valuation of tax assets and liabilities have been appropriately addressed. Deferred tax is not recognized for: a) temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination, and that affects neither accounting profit nor taxable profit or loss; b) temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and c) taxable temporary differences arising on the initial recognition of goodwill.

Significant Estimates

Estimates are used initially to determine amounts receivable and payable in respect of current and deferred taxes on income. These estimates are based on interpretation of existing tax law and regulations. Many internal and external factors can influence the final determination of amounts receivable or payable, such as changes in tax law, changes in tax rates, the level of future profits and fiscal audits carried out by the tax authorities.

The Group applies the exception recognizing and disclosing information about deferred tax assets and liabilities related to OECD pillar II income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Earnings per Share

Note 8

Earnings per share of CHF 0.20 (previous year: CHF 0.10) have been calculated on the basis of a net result of CHF 66 million (previous year: CHF 33 million), attributable to shareholders of the parent, and the average weighted number of outstanding shares (issued shares less treasury shares). In 2024, the average weighted number of shares entitled to vote and receive dividends amounted to 325 228 908 (previous year: 324 701 313). Diluted earnings per share amounted to CHF 0.20 (previous year: CHF 0.10). The average weighted number of shares used in the calculation of diluted earnings per share amounted to 325 228 908 (previous year: 324 701 313).

Number of outstanding shares	**2024**	2023
Total shares issued at year-end	339 758 576	339 758 576
Weighted average number of shares outstanding for the year	325 228 908	324 701 313
Effect of potential exercise of option rights	–	–
Weighted average number of shares diluted for the year	325 228 908	324 701 313

Accounting Principles
Earnings per share (EPS) is based on the portion of consolidated net profit attributable to shareholders of OC Oerlikon Corporation AG, Pfäffikon divided by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share additionally take into account all potential equity securities that could have come into existence as the result of an exercise of option rights.

Inventories

Note 9

			2024			2023
in CHF million	Gross value	Value adjustment	**Net value**	Gross value	Value adjustment	**Net value**
Raw material and components	180	–22	**157**	162	–19	**143**
Work in progress	141	–9	**132**	146	–8	**138**
Finished goods and trade merchandise	146	–25	**122**	139	–24	**115**
Total	468	–56	**411**	447	–51	**395**

Amounts charged to the income statement for write-downs of inventories in the reporting year were CHF 10 million (previous year: CHF 12 million). In 2024, inventories of CHF 901 million (previous year: CHF 1 166 million) were recognized as an expense during the period and included in cost of sales.

Accounting Principles
Inventories are carried at the lower of cost or net realizable value, using FIFO or weighted average cost valuation methods. Self-made components, work in progress and finished goods are carried at production cost. This includes all related material and labor costs, as well as a reasonable allocation of indirect production costs. Recognizable reductions in value resulting from excess inventory or reduced sales prices are taken into account through appropriate write-downs of inventory items that are recognized as part of costs of sales. To calculate the provisions for slow-moving and excess inventories the range of coverage method is applied.

Property, Plant and Equipment

Note 10

in CHF million	Plant, equipment and furniture	Production and administration buildings	Developed land	Facilities under construction	**2024 Total**
Cost					
Balance at January 1, 2024	1 322	335	32	40	1 730
Conversion differences	30	5	–	1	36
Additions	30	2	1	45	78
Disposals	–23	–5	–3	–	–31
Transfers	30	6	–	–37	–1
Balance at December 31, 2024	1 389	344	30	50	1 813
Accumulated depreciation and impairment losses					
Balance at January 1, 2024	–1 024	–222	–1	–	–1 246
Conversion differences	–23	–3	–	–	–26
Depreciation	–67	–11	–	–	–78
Impairment losses	–1	–	–	–	–1
Disposals	21	–	–	–	21
Balance at December 31, 2024	–1 093	–236	–1	–	–1 330
Net Group values at January 1, 2024	299	113	31	40	484
Net Group values at December 31, 2024	**296**	**108**	**30**	**50**	**483**

Open purchase commitments for property, plant and equipment at the end of 2024 amounted to CHF 6 million (previous year: CHF 16 million)

in CHF million	Plant, equipment and furniture	Production and administration buildings	Developed land	Facilities under construction	**2023 Total**
Cost					
Balance at January 1, 2023	1 364	348	33	38	1 783
Conversion differences	–113	–23	–3	–3	–142
Changes in the scope of consolidated companies	23	7	3	1	33
Additions	27	1	–	56	84
Disposals	–21	–	–	–3	–24
Transfers	43	2	–	–49	–4
Balance at December 31, 2023	1 322	335	32	40	1 730
Accumulated depreciation and impairment losses					
Balance at January 1, 2023	–1 038	–221	–	–	–1 260
Conversion differences	88	15	–	–	103
Depreciation	–77	–11	–	–	–88
Impairment losses	–17	–4	–1	–2	–24
Disposals	19	–	–	2	21
Transfers	2	–	–	–	2
Balance at December 31, 2023	–1 024	–222	–1	–	–1 246
Net Group values at January 1, 2023	326	126	32	38	523
Net Group values at December 31, 2023	**299**	**113**	**31**	**40**	**484**

Accounting Principles

Property, plant and equipment is recorded at historical purchase or production costs, less necessary depreciation. Components of PP&E that have a differing useful life are recorded separately and depreciated accordingly (component approach). Depreciation is calculated on a straight-line basis according to the expected useful life of the asset, as follows:

	Years
Plant, equipment and furniture:	
▪ *IT hardware*	*3–7*
▪ *Company cars*	*4–7*
▪ *Trucks and electric vehicles*	*5–10*
▪ *Technical installations and machines*	*5–15*
▪ *Other operating and business equipment*	*3–15*
Production and administration buildings:	
▪ *Central building installations*	*10–25*
▪ *Leasehold improvements*	*2–20*
▪ *Plant and administrative buildings – used operationally*	*20–60*

Developed land and facilities under construction are not depreciated. Estimated useful lives and residual values are examined annually. Major spare parts and servicing equipment qualify as property, plant and equipment when an entity expects to use them during more than one period.

Right-of-Use Assets

Note 11

Leases as lessee

in CHF million	Plant, equipment and furniture	Production and administration buildings	**2024 Total**
Balance at January 1, 2024	**23**	**170**	**193**
Depreciation	–9	–28	–38
Additions	9	18	27
Disposals	–	–1	–1
Conversion differences	1	4	5
Balance at December 31, 2024	**23**	**163**	**186**

There are no material contracts that have been signed but are not yet included in the balance sheet (previous year: no material contracts).

in CHF million	Plant, equipment and furniture	Production and administration buildings	**2023 Total**
Balance at January 1, 2023	**18**	**163**	**182**
Depreciation	–8	–29	–38
Impairment losses	–	–8	–8
Additions	10	37	47
Disposals	–	–3	–3
Changes in the scope of consolidated companies	4	22	27
Conversion differences	–2	–12	–13
Balance at December 31, 2023	**23**	**170**	**193**

Note 11 (cont.)

Right-of-use Assets

Amounts included in the consolidated income statement

Leases

in CHF million	**2024**	2023
Depreciation and impairments on right-of-use assets	–38	–46
Expenses relating to short-term leases	–2	–2
Expenses relating to low-value leases, excluding short-term leases of low-value assets	–1	–1
Expense for variable lease payments not included in lease liabilities	–1	–1
Interest on lease liabilities (included in financial expense)	–7	–7

Amounts included in the statement of cash flows

in CHF million	**2024**	2023
Total cash outflow for leases[1]	–48	–48

[1] Including short-term and low-value leases as well as expenses for variable lease payments.

Leases as lessor

The Group leases out selected buildings and machines. All leases are classified as operating leases from a lessor perspective.

During 2024, the Group recognized rental income of CHF 4 million (previous year: CHF 4 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

in CHF million	**2024**	2023
Due in 1st year	3	3
Due in 2nd year	1	2
Due in 3rd year	1	1
Due in or beyond 4th year	–	1
Total	**5**	**7**

Accounting Principles

The Oerlikon Group recognizes a right-of-use asset and a lease liability at the lease commencement date. At inception or on reassessment of a contract that contains a lease component, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Vehicles and other items of plant, equipment and furniture typically have a lease term between 3 and 5 years. Production and administrative buildings have an expected lease term of 5 to 20 years (including extension options where the Group is reasonably certain that they will be exercised). However, the Oerlikon Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets (e.g. IT or office equipment). The Oerlikon Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Oerlikon Group's incremental borrowing rate. Generally, the Oerlikon Group uses country- and duration-specific incremental borrowing rates as the discount rate.

The Oerlikon Group applies judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain about exercising such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Goodwill and Intangible Assets

Note 12

in CHF million	Goodwill	Brands	Development costs	Other intangible assets[1]	2024 Total
Cost					
Balance at January 1, 2024	1 119	239	278	786	2 422
Conversion differences	19	3	2	15	38
Additions	–	–	28	16	44
Disposals	–	–	–1	–67	–68
Balance at December 31, 2024	1 138	242	307	751	2 437
Accumulated amortization and impairment losses					
Balance at January 1, 2024	–170	–	–184	–339	–693
Conversion differences	–2	–	–1	–7	–10
Amortization	–	–	–21	–63	–84
Impairment losses	–	–	–	–1	–1
Disposals	–	–	1	66	67
Balance at December 31, 2024	–172	–	–206	–343	–721
Net book values at January 1, 2024	949	239	94	447	1 729
Net book values at December 31, 2024	**966**	**242**	**101**	**407**	**1 716**

[1] The net book values contain mainly acquired customer relations (CHF 286 million), licenses, patents and technologies (CHF 46 million) and software (CHF 74 million).

in CHF million	Goodwill	Brands	Development costs	Other intangible assets[1]	2023 Total
Cost					
Balance at January 1, 2023	957	161	258	749	2 125
Conversion differences	–72	–13	–7	–45	–137
Changes in the scope of consolidated companies	234	91	1	133	458
Additions	–	–	27	22	49
Disposals	–	–	–2	–72	–74
Transfers	–	–	1	–	1
Balance at December 31, 2023	1 119	239	278	786	2 422
Accumulated amortization and impairment losses					
Balance at January 1, 2023	–172	–	–166	–341	–680
Conversion differences	10	–	4	18	33
Amortization	–	–	–22	–68	–90
Impairment losses	–8	–	–2	–20	–29
Disposals	–	–	2	72	74
Balance at December 31, 2023	–170	–	–184	–339	–693
Net book values at January 1, 2023	785	161	91	407	1 445
Net book values at December 31, 2023	**949**	**239**	**94**	**447**	**1 729**

[1] The net book values contain mainly acquired customer relations (CHF 309 million), licenses, patents and technologies (CHF 55 million) and software (CHF 83 million).

Goodwill and Intangible Assets

Note 12 (cont.)

The capitalized development costs pertain to the divisions as follows:

Capitalized development costs for the period

in CHF million	2024	2023
Surface Solutions Division	23	20
Polymer Processing Solutions Division	6	7
Total	**28**	**27**

Goodwill and brands are attributed to the divisions as follows:

Goodwill and brands

	Goodwill		Brands	
in CHF million	2024	2023	2024	2023
Surface Solutions Division	660	651	106	105
Polymer Processing Solutions Division	305	298	136	134
Total	**966**	**949**	**242**	**239**

The annual impairment test carried out at division level for Surface Solutions and Polymer Processing Solutions supported the carrying amounts and therefore no need for impairment was identified. Assumptions used in the impairment testing are presented below for goodwill and brands allocated to the Surface Solutions and the Polymer Processing Solutions Divisions.

The following growth and pre-tax discount rates were used:

Growth and discount rates per division

	Growth rates[1]		Discount rates	
	2024	2023	2024	2023
Surface Solutions Division	1.5%	1.5%	10.9%	11.5%
Polymer Processing Solutions Division	1.5%	1.5%	11.4%	12.8%

[1] For periods following the five-year plan period after 2029 (previous year: 2028).

For 2024 and 2023, a reasonably possible change in a key assumption would not give rise to an impairment.

Accounting Principles

Goodwill and brands with indefinite useful life are allocated to those cash-generating units (CGUs) that are expected to benefit from the relevant business combination. Both the Surface Solutions Division and the Polymer Processing Solutions Division correspond to one group of CGUs and represent the lowest level at which goodwill is monitored by management.

Goodwill is tested annually for possible impairment using discounted cash flow analysis. Asset values used in the impairment testing are based on value in use and on the latest forecasts approved by management. The fair value measurement was categorized as level 3 based on the inputs in the valuation technique used. The forecast period used for future cash flows covers the next 5 years. The discount rates used are based on the weighted average cost of capital (WACC) derived from peer groups adjusted to specific risks of the businesses concerned and the countries in which they operate. The capital costs were determined using the capital asset pricing model (CAPM).

Impairment on brands with indefinite useful life is tested using the "relief from royalty" method (applying royalty rates ranging from 0.3% to 1.5%), based on the Group's estimated sales attributable to the respective trademark according to the forecasts used for the impairment test on goodwill.

Intangible assets with finite useful lives are amortized on a straight-line basis over their expected useful lives, as follows.

	Years
Development costs:	*5*
Other intangible assets:	
▪ *Acquired customer relations*	*5–23*
▪ *Licenses, patents and technologies*	*5–10*
▪ *Software*	*2–3*
▪ *ERP platform*	*7*

Intangible assets with indefinite useful lives like goodwill and brands are not amortized but tested for impairment annually at the balance sheet date or earlier on the occurrence of a triggering event.

Development costs are recognized as intangible assets if they meet the criteria for such recognition set forth in IAS 38. The cost capitalized comprises all costs directly attributable to the development process. After the development phase is complete, the asset is amortized over its estimated useful life.

Significant Estimates

Impairment tests contain estimates of future cash flows to be expected from the use of the assets concerned, or from their potential sale. Actual cash flows may vary significantly from these estimates following changes of plan for the use of assets.

Note 13

Post-employment Benefits

in CHF million	2024 Total	2024 due within 1 year	2024 due beyond 1 year	2023 Total	2023 due within 1 year	2023 due beyond 1 year
Net defined benefit liability[1]	**148**	11	137	**199**	11	188
Other employee benefit liabilities	**16**	5	11	**15**	6	9
Subtotal	**165**	**16**	**148**	**214**	**17**	**197**
Post-employment benefit assets	**45**	–	45	**1**	–	1
Post-employment benefit liabilities	**209**	16	193	**215**	17	198

[1] In 2024, net defined benefit liability related to funded plans was CHF 32 million and CHF 116 million related to unfunded plans (previous year: funded CHF 78 million and CHF 121 million related to unfunded plans).

Post-employment benefit expense

in CHF million	2024 Total	2024 Defined benefit	2024 Defined contribution	2023 Total	2023 Defined benefit	2023 Defined contribution
Pension cost (operating)	**26**	16	9	**22**	14	9
Pension cost (financial)	**6**	6	–	**7**	7	–
Total post-employment benefit plan cost in the income statement	**32**	23	9	**29**	21	9

Defined benefit plans

The Group's material defined benefit pension plans are located in Germany, the USA and Switzerland/Liechtenstein and account for 97% of the Group's net defined benefit liability (previous year: 98%). Usually, the plans are established as trusts independent of the Group and are funded by payments from Group companies and by employees. The cash funding of these plans is designed to ensure that present and future contributions should be sufficient to meet future liabilities. The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. Most of the major plans in Germany are unfunded and, as a result, the Group pays pensions to retired employees directly from its own financial resources.

Pension plans in Germany

12 unfunded and 6 funded defined benefit plans existed in 2024 (previous year: 12 and 6 respectively). These pension arrangements are governed by the German Occupational Pensions Act (BetrAVG). The employer is required by German law to increase pension payments every three years according to price inflation, as measured by the Consumer Price Index ("Verbraucherpreisindex – VPI") or according to comparable pay grades. In case of unfunded pension plans, the Group pays pensions to retired employees directly from its own financial resources. Funded pension plans are administered through a Contractual Trust Agreement (CTA). In a CTA arrangement, the assets are outsourced to an independent entity (e.g. a trust), which has the sole purpose of financing, paying out and ensuring benefits. The transferred assets are completely segregated from the employer's assets to protect these assets against the risk of the employer's insolvency. The employer is free to determine the scope and the kinds of assets that are to be transferred to the trust and used for funding the pension liabilities. No minimum funding requirements or regular funding obligations apply to CTAs. Based on a special trust agreement between the employer and the trust, the trust acquires legal title in the transferred assets while the economic ownership rests with the employer. By creating the CTA, the employer creates additional insolvency protection for the beneficiaries.

Pension plans in the USA

1 funded defined benefit plan existed in 2024 (previous year: 1 funded). The Oerlikon USA Holding Inc. Pension Plan is non-contributory for the employees. The plan uses a final-average-pay-based formula, with benefits based on members' years of service and final average pay earned while in the employ of a participating company. This plan has been closed to new members since 2006 and benefit accruals under the plan ceased in January 2010. Participants receive their benefits in the form of monthly annuities, which are actuarially reduced for early retirement and/or election of a form of payment providing for continued payments after the participant's death to a surviving beneficiary. Some participants have the option of receiving their benefits in a single lump-sum payment in lieu of an annuity. The plan does not provide for automatic pension increases. The companies' contributions to the defined benefit plan are made based on US pension funding regulations, in the form of cash. Employees joining Oerlikon USA Holding after specified dates participate in a defined contribution pension plan.

Pension plans in Switzerland and Liechtenstein

8 funded defined benefit plans existed in 2024 (previous year: 8 plans). These plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed by independent, legally autonomous units. The pension plan assets are held within a separate foundation and cannot revert to the employer. The Board of Trustees, the most senior governing body of the collective foundation, is responsible for investment strategy and policy. This Board is composed of equal numbers of employees and employer representatives. The plans provide old-age, disability and death-in-service (survivors') benefits to plan participants, their spouses and children, as defined in pension plan rules compliant with the BVG, which specifies the minimum benefits to be provided. Pension funds are financed according to a level premium system, which means that every insured person directly finances his/her own retirement benefits and saves up for his/her retirement. The insured and the employer usually pay equal contributions to the pension fund in case of retirement benefits. The employer must contribute an amount that equals at least the contributions of all employees together. Disability and survivors' benefits are funded via risk contributions; the corresponding benefits are defined based on the current salary.

The following risks arise from the 8 funded defined benefit plans (5 autonomous, 2 partly-autonomous and 1 fully insured).

The autonomous pension institutions bear the risks from the savings process, the asset management and the demographic risks (longevity, death, disability). The respective pension institution may change the funding system (contributions and future benefits) at any time. In case of a deficit according to BVG and if there are no other measures, the pension institution may require contributions for financial recovery by the employer.

Post-employment Benefits

Note 13 (cont.)

The partly-autonomous pension institutions insure the demographic risks with a life insurance company, but bear the risks from the savings process and asset management. The respective pension institution may change the funding system (contributions and future benefits) at any time. In case of a deficit according to the BVG and if there are no other measures, the pension institution may require contributions for financial recovery from the employer. With respect to the insured demographic risks, there are further risks, namely that the insurance coverage is only of a temporary nature (cancellation by the life insurance company) and that the inherent risks of the plan result in variable insurance premiums over time.

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components:

	Defined benefit obligation		Fair value of plan assets		Adjustment to asset ceiling		Net defined benefit liability	
in CHF million	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Balance at January 1	**662**	**644**	**–552**	**–531**	**90**	**95**	**199**	**208**
Included in the income statement								
Current service cost (employer)	14	14	–	–	–	–	14	14
Past service cost	2	–	–	–	–	–	2	–
Loss on settlement	–	–	–	–	–	–	–	–
Interest expense on defined benefit obligation	16	18	–	–	–	–	16	18
Interest income on plan assets	–	–	–11	–12	–	–	–11	–12
Interest expense on effect of asset ceiling					2	2	2	2
Administration cost (excl. cost for managing plan assets)[1]	–	–	–	–	–	–	–	–
Total in the income statement	**32**	**31**	**–11**	**–12**	**2**	**2**	**23**	**21**
Included in other comprehensive income								
Remeasurement of defined benefit plans	31	25	–33	–4	–42	–7	–44	13
– Actuarial gain (–)/loss (+) arising from:								
– demographic assumptions	–	–	–	–	–	–	–	–
– financial assumptions	22	23	–	–	–	–	22	23
– experience adjustments	9	2	–	–	–	–	9	2
– Return on plan assets excluding interest income	–	–	–33	–4	–	–	–33	–4
– Change in effect of asset ceiling excluding interest expense/income	–	–	–	–	–42	–7	–42	–7
Conversion differences	4	–18	–2	6	–	–	3	–12
Total in other comprehensive income	**35**	**7**	**–35**	**2**	**–42**	**–7**	**–42**	**2**
Other								
Employer contributions[2]	–	–	–21	–21	–	–	–21	–21
Employee contributions	9	9	–9	–9	–	–	–	–
Benefits paid/deposited	–71	–47	59	34	–	–	–12	–13
Effect of business combination and disposal	–	17	–	–15	–	–	–	2
Total in other	**–61**	**–21**	**29**	**–11**	**–**	**–**	**–32**	**–32**
Balance at December 31	**668**	**662**	**–569**	**–552**	**50**	**90**	**148**	**199**

of which:

in CHF million								
– Germany	229	236	–49	–46	–	–	179	189
– USA	19	31	–15	–26	–	–	4	5
– Switzerland/Liechtenstein	407	384	–497	–473	50	90	–40	2

[1] Administration costs are less than CHF 1 million (previous year: less than CHF 1 million).

[2] Employer contributions to defined benefit plans for 2024 are expected to be approximately CHF 20 million.

Post-employment Benefits

Note 13 (cont.)

The plan assets consist of the following:

in CHF million	2024 Total	2024 Quoted	2024 Unquoted	2024 %	2023 Total	2023 Quoted	2023 Unquoted	2023 %
Equity instruments	**147**	**147**	**–**	**26%**	**130**	**130**	**–**	**24%**
Debt instruments, of which in:	**184**	**184**	**–**	**32%**	**172**	**172**	**–**	**31%**
– Government bonds	55	55	–		51	51	–	
– Corporate bonds - investment grade	128	128	–		120	120	–	
Real estate, of which in:	**128**	**61**	**67**	**23%**	**130**	**59**	**71**	**24%**
– Properties[1]	67	–	67		71	–	71	
– Real estate funds	61	61	–		59	59	–	
Cash and cash equivalents	**18**	**18**	**–**	**3%**	**19**	**19**	**–**	**3%**
Investment funds	**54**	**26**	**28**	**9%**	**62**	**37**	**25**	**11%**
Other	**38**	**15**	**23**	**7%**	**38**	**14**	**24**	**7%**
Total plan assets	**569**	**450**	**119**	**100%**	**552**	**431**	**120**	**100%**

[1] Real estate in Germany with a fair value of CHF 7 million (previous year: CHF 7 million) is rented by a Group company, with an annual rent of CHF 1 million (previous year: CHF 1 million).

Plan assets

In the Group's financial statements, the difference between the actual return on plan assets and interest income is as remeasurement recorded directly to other comprehensive income. During 2024, the actual return on plan assets was a gain of CHF 45 million (previous year: gain of CHF 16 million). The recognition of a net defined benefit asset is limited to the present value of any economic benefits available out of refunds from the plans or reductions in future contributions to the plans.

Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date for significant defined benefit plans in Germany, the USA and Switzerland/Liechtenstein (FL) (expressed as weighted averages):

Assumptions used in actuarial calculations

in percentage	2024 Germany	2024 USA	2024 Switzerland/FL	2023 Germany	2023 USA	2023 Switzerland/FL
Discount rate	3.3	5.2	1.0	3.2	5.6	1.7
Future salary increases	2.3	–	1.1	2.5	–	1.1
Future pension increases	2.2	–	–	2.3	–	–

The discount rate is determined by reference to market yields at the end of the reporting period on AA- and AAA-rated corporate bonds. The currency and term of the corporate bonds are consistent with the currency and estimated term of the obligations.

Longevities

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date are provided below:

Longevities

in years	2024 Germany	2024 USA	2024 Switzerland/FL	2023 Germany	2023 USA	2023 Switzerland/FL
Retiring at the end of the reporting period:						
– Males	22.0	20.7	23.3	22.0	20.7	23.3
– Females	25.7	22.7	24.8	25.6	22.6	25.0
Retiring 20 years after the end of the reporting period:						
– Males	24.8	22.2	25.3	24.8	22.2	25.5
– Females	27.7	24.1	26.8	27.8	24.1	27.0

Weighted average duration of the defined benefit obligation	2024 Germany	2024 USA	2024 Switzerland/FL	2023 Germany	2023 USA	2023 Switzerland/FL
Number of years	8.3	7.5	12.8	8.4	8.2	11.9

Post-employment Benefits

Note 13 (cont.)

The Group's major pension plans give members lump-sum or annuity benefit payment options. The Group values its pension liabilities on the assumption that the choices made by members who will retire in the future will be consistent with choices made by members who have retired recently.

Sensitivity analysis
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Defined benefit obligation in 2024					
	Increase			Decrease		
Sensitivity analysis	**Germany**	**USA**	**Switzerland/FL**	**Germany**	**USA**	**Switzerland/FL**
Discount rate (0.5% movement)	–9	–1	–24	9	1	27
Future salary (0.5% movement)	–	–	3	–	–	–3
Future pension (0.5% movement)	7	–	18	–6	–	–17
Future mortality (1 year movement)	–14	–1	–13	14	1	12

	Defined benefit obligation in 2023					
	Increase			Decrease		
Sensitivity analysis	Germany	USA	Switzerland/FL	Germany	USA	Switzerland/FL
Discount rate (0.5% movement)	–9	–1	–20	10	1	23
Future salary (0.5% movement)	–	–	3	–	–	–3
Future pension (0.5% movement)	7	–	17	–7	–	–13
Future mortality (1 year movement)	–15	–1	–11	14	1	11

Accounting Principles
The Oerlikon Group operates various post-employment benefit schemes, including both defined benefit and defined contribution plans.

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity. The Group will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The liability (asset) recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, taking into account any asset ceiling. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurements of the net defined benefit liability (asset) are charged or credited to other comprehensive income in the period in which they arise.

Current and past service costs are recognized immediately in the income statement (operating result).

Net interest on the net defined benefit liability comprises interest income on plan assets, interest cost on the defined benefit obligation and interest on the effect of asset ceiling. The net interest is calculated using the same discount rate that is used in calculating the defined benefit obligation, applied to the net defined liability at the start of the period, taking into account any changes from contribution or benefit payments. Net interest on the net defined benefit liability is recognized in the income statement (financial result).

The contributions to defined contribution plans are recognized in the income statement (operating result) when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Significant Estimates
To determine the underlying defined benefit obligations estimates and assumptions are used which are based on future projections and actuarial calculations that have been determined together with the actuaries.

Provisions

Note 14

in CHF million	Product warranties	Acquiree's contingent liabilities[1]	Restructuring[2]	Other provisions[3]	**2024 Total**
Balance at January 1, 2024	19	41	38	26	**124**
Conversion differences	1	1	1	–	**2**
Additions[4]	10	–	13	13	**36**
Amounts used	–3	–12	–20	–8	**–43**
Amounts reversed	–4	–6	–8	–7	**–25**
Transfers	–	–	–	6	**7**
Balance at December 31, 2024	**23**	**25**	**23**	**31**	**102**
of which:					
Due within 1 year	22	–	22	22	**67**
Due beyond 1 year	1	25	1	8	**35**

[1] Acquiree's contingent liabilities pertain to the Surface Solutions Division (CHF 16 million) and to the Polymer Processing Solutions Division (CHF 10 million). Contingent liabilities in the Surface Solutions Division have been recognized primarily due to several environmental liabilities and potential tax risks. Any potential cash outflow is estimated to occur during the next years. The selling shareholders have contractually agreed to indemnify Oerlikon for an amount up to CHF 2 million related to these contingent liabilities. In the Polymer Processing Solutions Division, the contingent liabilities have been recognized primarily due to potential tax and environmental risks. Any potential cash outflow is estimated to occur during the next 5 years. The selling shareholders have contractually agreed to indemnify Oerlikon for these risks.

[2] The restructuring provisions pertain to the Surface Solutions Division (CHF 9 million) and to the Polymer Processing Solutions Division (CHF 14 million). The provisions mainly relate to footprint optimizations and productivity programs, primarily aimed at reducing costs in the divisions. The provisions mostly relate to personnel expenses.

[3] Consists mainly of provisions for pending litigation, technical risks, onerous contracts as well as environmental and tax risks.

[4] Includes unwinding of discount for non-current provisions.

Accounting Principles

Provisions are set up for obligations arising from past events if the future outflow of resources is more likely than not and can be estimated reliably. Other provisions represent uncertainties, for which a best estimate is made in arriving at the amount reserved. Non-current provisions are discounted at a pretax rate that reflects the current market assessments of the time value of money.

Warranty provisions: Provisions are established for known customer claims and also for potential warranty exposure and also for situations where it is known from recent experience that the company is exposed to claims, usually for technical reasons.

Acquirees' contingent liabilities: In a business combination, a contingent liability of the acquiree is recognized in acquisition accounting if it is a present obligation that arises from past events and its fair value can be measured reliably. The probability of payment being required is not relevant in determining whether a contingent liability that is a present obligation should be recognized in a business combination, but this probability will impact its fair value. A contingent liability recognized is initially measured at its fair value. Subsequently, it is measured at the higher of its acquisition-date fair value and the amount that would be recognized in accordance with the requirements for provisions above. A contingent liability initially recognized in a business combination is not derecognized until it is settled, cancelled or it expires.

Restructuring provisions: Provisions are established in cases where a detailed restructuring plan exists and the Group has informed those concerned, or the restructuring process has started.

Onerous contracts: Provisions are established when unavoidable estimated costs to fulfill a contract exceed the related contract revenues.

Significant Estimates

Provisions are based on a realistic estimate of the economic outflow that may result. However, the ultimate resolution of such disputes can give rise to claims against the Group, which may not be fully covered by provisions or insurance.

Financial Instruments

Note 15

The carrying amounts and fair values of financial assets and liabilities as of December 31, 2024, including their levels in the fair value hierarchy, are as follows:

	Carrying amount						Fair value		
in CHF million	Fair value – through other comprehensive income	Fair value – through profit & loss	Amortized cost[1]	**Total finan-cial assts/ liabilities**	Non-financial assets/liabilities	**Total balance sheet posi-tion**	Level 1	Level 2	Level 3
Cash, postal and bank current accounts	–	–	177	177	–	177			
Time deposits	–	–	70	70	–	70			
Money market funds[2]	–	–	151	151	–	151			
Cash and cash equivalents[3]	**–**	**–**	**398**	**398**	**–**	**398**			
Debt and equity securities	–	10	–	10	–	10	10	–	–
Deposits	–	–	4	4	–	4	–	–	–
Foreign exchange contracts	1	5	–	5	–	5	–	5	–
Current financial investments and derivatives	**1**	**14**	**4**	**19**	**–**	**19**	**10**	**5**	**–**
Trade and trade notes receivable	**–**	**–**	**402**	**402**	**–**	**402**			
Advances on inventory	–	–	–	–	15	15			
Other current receivables[4]	–	–	–	–	57	57			
Other receivables	**–**	**–**	**–**	**–**	**72**	**72**			
Loans and non-current financial receivables	–	–	18	18	–	18			
Other non-current receivables	–	–	–	–	12	12			
Loans and other non-current receivables	**–**	**–**	**18**	**18**	**12**	**29**			
Investments in associates and joint arrangements	–	–	–	–	21	21	–	–	–
Other investments[5]	14	–	–	14	–	14	–	–	14
Non-current financial investments	**14**	**–**	**–**	**14**	**21**	**35**	**–**	**–**	**14**
Total	**14**	**14**	**821**	**850**	**104**	**954**	**10**	**5**	**14**
Trade payables	**–**	**–**	**340**	**340**	**–**	**340**			
Foreign exchange contracts	1	5	–	6	–	6	–	6	–
Bonds	–	–	250	250	–	250	249	–	–
Current loans and borrowings	–	–	13	13	–	13	–	–	–
Current financial liabilities and derivatives	**1**	**5**	**263**	**269**	**–**	**269**	**249**	**6**	**–**
Other operating payables[4]	–	–	–	–	74	74	–	–	–
Other current liabilities	–	–	–	–	4	4	–	–	–
Other current liabilities	**–**	**–**	**–**	**–**	**78**	**78**	**–**	**–**	**–**
Accrued personnel expenses	–	–	–	–	93	93			
Accrued material expenses	–	–	35	35	–	35			
Other accrued liabilities[6]	–	–	88	88	–	88			
Accrued liabilities	**–**	**–**	**124**	**124**	**93**	**217**			
Bonds	–	–	538	538	–	538	550	–	–
Non-current loans and borrowings	–	–	511	511	–	511			
Non-current financial liabilities	**–**	**–**	**1 049**	**1 049**	**–**	**1 049**	**550**	**–**	**–**
Total	**1**	**5**	**1 776**	**1 783**	**170**	**1 953**	**799**	**6**	**–**

[1] With the exception of the bonds, the Group has not disclosed the fair values for financial assets and liabilities measured at amortized cost because their carrying amounts are a reasonable approximation of fair values.

[2] Investment-grade-rated money market funds available on a daily basis, with an initial maturity of less than 3 months.

[3] CHF 239 million of total cash and cash equivalents are held in countries in which local exchange control regulations with regard to capital export exist. If the Group complies with legal and tax regulations, such liquid funds are at its disposition within a reasonable period of time.

[4] Mainly include receivables from and payables to tax authorities (VAT).

[5] Mainly include a 12.48% investment in Kinexon Beteiligungsgesellschaft mbH (an unquoted equity instrument) that is carried at fair value through other comprehensive income of CHF 14 million.

[6] Contains mainly accrued expenses for services.

Financial Instruments

Note 15 (cont.)

The carrying amounts and fair values of financial assets and liabilities as of December 31, 2023, including their levels in the fair value hierarchy, are as follows:

in CHF million	Fair value – through other comprehensive income	Fair value – through profit & loss	Amortized cost[1]	**Total financial assts/ liabilities**	Non-financial assets/liabilities	**Total balance sheet position**	Level 1	Level 2	Level 3
	Carrying amount						**Fair value**		
Cash, postal and bank current accounts	–	–	172	172	–	172			
Time deposits	–	–	205	205	–	205			
Money market funds[2]	–	–	148	148	–	148			
Cash and cash equivalents[3]	**–**	**–**	**524**	**524**	**–**	**524**			
Debt and equity securities	–	10	–	10	–	10	10	–	–
Deposits	–	–	6	6	–	6	–	–	–
Foreign exchange contracts	1	2	–	3	–	3	–	3	–
Current financial investments and derivatives	**1**	**12**	**6**	**19**	**–**	**19**	**10**	**3**	**–**
Trade and trade notes receivable	**–**	**–**	**407**	**407**	**–**	**407**			
Advances on inventory	–	–	–	–	17	17			
Other current receivables[4]	–	–	–	–	50	50			
Other receivables	**–**	**–**	**–**	**–**	**67**	**67**			
Loans and non-current financial receivables	–	–	23	23	–	23			
Other non-current receivables	–	–	–	–	12	12			
Loans and other non-current receivables	**–**	**–**	**23**	**23**	**12**	**35**			
Investments in associates and joint arrangements	–	–	–	–	21	21	–	–	–
Other investments[5]	14	–	–	14	–	14	–	–	14
Non-current financial investments	**14**	**–**	**–**	**14**	**21**	**36**	**–**	**–**	**14**
Total	**15**	**12**	**961**	**988**	**98**	**1 086**	**10**	**3**	**14**
Trade payables	**–**	**–**	**296**	**296**	**–**	**296**			
Foreign exchange contracts	3	2	–	5	–	5	–	5	–
Bonds	–	–	150	150	–	150	150	–	–
Current loans and borrowings	–	–	22	22	–	22	–	–	–
Current financial liabilities and derivatives	**3**	**2**	**172**	**177**	**–**	**177**	**150**	**5**	**–**
Other operating payables[4]	–	–	–	–	72	72	–	–	–
Other current liabilities	–	2	–	2	–	2	–	–	2
Other current liabilities	**–**	**2**	**–**	**2**	**72**	**74**	**–**	**–**	**2**
Accrued personnel expenses	–	–	–	–	97	97			
Accrued material expenses	–	–	48	48	–	48			
Other accrued liabilities[6]	–	–	97	97	–	97			
Accrued liabilities	**–**	**–**	**145**	**145**	**97**	**242**			
Bonds	–	–	787	787	–	787	771	–	–
Non-current loans and borrowings	–	–	523	523	–	523			
Non-current financial liabilities	**–**	**–**	**1 310**	**1 310**	**–**	**1 310**	**771**	**–**	**–**
Other non-current liabilities	**–**	**2**	**–**	**3**	**–**	**3**	**–**	**–**	**2**
Total	**3**	**6**	**1 924**	**1 934**	**169**	**2 102**	**921**	**5**	**4**

[1] With the exception of the bonds, the Group has not disclosed the fair values for financial assets and liabilities measured at amortized cost because their carrying amounts are a reasonable approximation of fair values.

[2] Investment-grade-rated money market funds available on a daily basis, with an initial maturity of less than 3 months.

[3] CHF 254 million of total cash and cash equivalents are held in countries in which local exchange control regulations with regard to capital export exist. If the Group complies with legal and tax regulations, such liquid funds are at its disposition within a reasonable period of time.

[4] Mainly include receivables from and payables to tax authorities (VAT).

[5] Mainly include a 12.48% investment in Kinexon Beteiligungsgesellschaft mbH (an unquoted equity instrument) that is carried at fair value through other comprehensive income of CHF 14 million.

[6] Contains mainly accrued expenses for services.

Financial Instruments

Note 15 (cont.)

Measurement of fair values

Level 1 fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume providing information on an ongoing basis. Instruments included in level 1 comprise investments in various debt and equity instruments via investment funds.

Level 2 fair values

The following table shows the valuation technique used in measuring level 2 fair values:

Type of financial instruments	Valuation technique
Foreign exchange contracts	The fair values of foreign exchange hedging contracts are derived from quoted foreign exchange rates received from brokers.

Level 3 fair values

The following table shows the valuation technique used in measuring level 3 fair values:

Type of financial instruments	Valuation technique
Other investments	Other investments mainly include a 12.48% (2023: 12.48%) investment in Kinexon Beteiligungsgesellschaft mbH (an unquoted equity instrument) that is carried at fair value through other comprehensive income. Such investments are valued initially at fair value through the established purchase price between a willing buyer and seller and subsequently adjusted based on fair value less costs of disposal derived from a discounted cash flow analysis. The forecast period used for future cash flows covers the years 2025 to 2036. For the periods following the plan period a growth rate of 3% was assumed. The discount rate of 25% is based on the weighted average cost of capital (WACC).The capital costs were determined using the capital asset pricing model (CAPM).
Other non-current liabilities	The valuation of the contingent considerations is based on the current estimate of the fulfillment of the conditions on which the payment of the earnout depends. The fair value is based on various unobservable inputs. A change in these inputs may result in a significantly higher or lower fair value.

Transfers between levels of fair values

There were no transfers between levels during the year.

Accounting Principles

Financial assets are initially measured at fair value. Subsequent measurement depends on their classification according to IFRS 9 based on the entity's business model either at amortized cost, fair value through profit and loss or fair value through OCI. Debt and equity securities include debt instruments frequently traded. Other debt investments (i.e. trade and trade notes receivable, deposits) are for held and collect purpose.

Financial liabilities are initially measured at fair value less directly attributable costs. Subsequent measurement depends on their classification according to IFRS 9 either at amortized cost, fair value through profit and loss or fair value through OCI.

Financial instruments

Note 15 (cont.)

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

– Credit risk
– Liquidity risk
– Market risk

The Group's financial risk management aims to limit any adverse effects that the markets may have on the Group's financial health, at an acceptable hedging cost. Risk limitation does not mean complete exclusion of financial risks; rather, it means following a policy of economically sensible management of the Group's finances within an agreed framework of documented authority. The Group uses derivative financial instruments to hedge certain risks. Only preapproved instruments are used, and as a fundamental rule, no speculative transactions are conducted in the areas of foreign exchange or interest rates. No hedges are entered into without a corresponding base transaction. Management monitors and steers such risks continuously with the support of Group Treasury, which identifies and evaluates all financial risks, working with the Group's operating companies and hedging the risks as appropriate. The Group has documented guidelines for financial risk management, covering the use of derivative and non-derivative financial instruments and policies for use of surplus funds.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's customer receivables, investment securities and cash placed with banks.

The credit or default risk associated with operating receivables is monitored locally by the individual Group companies. These companies follow a credit policy defined by each operating unit, under which each new customer is analyzed individually for creditworthiness before payment and delivery terms and conditions are offered. Credit ratings are reviewed regularly, and limits are set and monitored on an ongoing basis.

Trade receivables are valued at the original invoiced amount less any necessary value adjustments for default risks. These risks are insured with third parties only in exceptional cases. Value adjustments are set at varying levels corresponding to risks recognized in the different Business Units.

As a fundamental principle, the Group places funds only with investment-grade-rated domestic and foreign banking institutions, and Group Treasury periodically assesses the relevant ratings and credit default spreads of these banking institutions.

The Oerlikon Group's maximum credit risk from financial instruments is reflected in the book values of the individual financial assets as per year-end. There are no commitments or obligations that might lead to an exposure exceeding these book values.

in CHF million	**2024**	2023
Cash and cash equivalents	398	524
Current financial investments and derivatives	19	19
Trade and trade notes receivable	402	407
Current contract assets	13	26
Loans and other non-current receivables	18	23
Total	**849**	**1 000**

At December 31, trade and trade notes receivables were distributed geographically (by location of the Group company) as follows:

in CHF million	**2024**	2023
Americas	68	70
Asia/Pacific	154	144
Europe	180	193
Total	**402**	**407**

No concentrations of risk to the Group are expected from the outstanding receivables.

Financial Instruments

Note 15 (cont.)

At December 31, the aging of trade receivables was as follows:

in CHF million	2024 Gross amount	2024 Value adjustment	2023 Gross amount	2023 Value adjustment
Current (not due)	**305**	**–1**	**304**	**–1**
Total past due	**116**	**–17**	**118**	**–14**
0–30 days	44	–	48	–1
31–60 days	20	–	20	–
61–90 days	11	–	9	–
91–120 days	6	–1	8	–1
Over 120 days	36	–16	33	–12
Total	**420**	**–19**	**422**	**–15**

The allowance for doubtful debts is based on the Expected Credit Loss (ECL) method, which consists in applying a current and forward-looking model to identify factors that may affect the ability of customers to settle their obligations as agreed. The Group applies the IFRS 9 simplified approach and calculates expected credit losses using a provision matrix where trade receivables are grouped based on different customer attributes. If substantial expected payment delays occur, receivables are assessed individually for further impairment.

Reconciliation of changes in allowance accounts for credit losses:

in CHF million	2024	2023
Balance at January 1	–15	–16
Additional impairment losses charged to income	–4	–4
Reversal of impairment losses	–	2
Write-off	1	2
Conversion differences	–	1
Balance at December 31	**–19**	**–15**

Liquidity risk

Liquidity risk is the risk that the Oerlikon Group may be unable to discharge its financial liabilities in a timely manner or at acceptable cost. Oerlikon supervises and manages the Group's liquidity centrally, in order to ensure that outstanding financial liabilities can at all times be met within their maturity period and at acceptable financing cost. Group Treasury prepares and provides the relevant decision support and arranges for the availability of the relevant funds once approval is given.

Oerlikon's liquidity is monitored using short-, medium- and long-term rolling forecasts, about which senior management is kept informed. On the basis of these plans, Oerlikon mobilizes the necessary liquid funds and takes any further steps necessary in a timely manner.

The remaining contractual maturities of financial liabilities as of December 31 are as follows:

						2024
in CHF million	**Carrying amount**	**Contractual cash flow**	**within 1 year**	**1 to 5 years**	**more than 5 years**	**of which secured**
Trade payables	340	340	340	–	–	–
Current and non-current financial liabilities	1 312	1 452	296	1 156	–	–
Lease liabilities	205	251	42	106	103	–
Accrued liabilities	124	124	124	–	–	–
Other current and non-current liabilities	1	1	–	–	–	–
Non-derivative financial liabilities	**1 982**	**2 167**	**802**	**1 262**	**103**	**–**
Foreign exchange contracts used for hedging	1	840	840	–	–	–
– thereof: for hedging FX-outflows (notional value)	–	383	382	–	–	–
– thereof: for hedging FX-inflows (notional value)	–	458	458	–	–	–
Derivative financial instruments[1]	**1**	**840**	**840**	**–**	**–**	**–**
Total	**1 983**	**3 008**	**1 642**	**1 262**	**103**	**–**

[1] Contractual cash flows of derivative financial instruments are fully covered by cash flows from underlying transactions.

Financial Instruments

Note 15 (cont.)

in CHF million	Carrying amount	Contractual cash flow	within 1 year	1 to 5 years	more than 5 years	of which secured
						2023
Trade payables	296	296	296	–	–	–
Current and non-current financial liabilities	1 482	1 521	188	1 210	124	–
Lease liabilities	209	250	37	104	109	–
Accrued liabilities	145	145	145	–	–	–
Other current and non-current liabilities	5	5	2	3	–	–
Non-derivative financial liabilities	**2 137**	**2 217**	**669**	**1 316**	**233**	**–**
Foreign exchange contracts used for hedging	3	285	275	10	–	–
– thereof: for hedging FX-outflows (notional value)	–	130	130	–	–	–
– thereof: for hedging FX-inflows (notional value)	–	155	145	10	–	–
Derivative financial instruments[1]	**3**	**285**	**275**	**10**	**–**	**–**
Total	**2 140**	**2 502**	**944**	**1 326**	**233**	**–**

[1] Contractual cash flows of derivative financial instruments are fully covered by cash flows from underlying transactions.

Changes in liabilities arising from financial activities[1]

in CHF million	2024	2023
Liabilities from financial activities as of January 1	**1 691**	**947**
Cash flows from financing activities		
Repayment of financial debt	–167	–250
Proceeds from financial debt	–	872
Principal elements of lease payments	–37	–38
Total cash flows from financing activities	**–204**	**584**
Non-cash changes		
Increase of lease liabilities (net)	26	44
Increase from acquisitions	–	130
Conversion differences	8	–19
Other non-cash changes	–4	5
Total non-cash changes	**30**	**160**
Liabilities from financial activities as of December 31	**1 518**	**1 691**

[1] Liabilities from financial activities consist of loans and borrowings and lease liabilities.

Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may change as a result of fluctuations in market prices. The Oerlikon Group is exposed in particular to fluctuations in foreign exchange and interest rates. The Group also has a minor risk from exposure to fluctuations in raw material prices.

Financial Instruments

Note 15 (cont.)

Foreign exchange risk

Foreign exchange transaction risk
Due to its most significant markets, the Group is primarily exposed to exchange risks versus the USD, CNY and EUR. If costs and revenues of Group companies are incurred or earned in differing or in non-functional currencies, the underlying business transactions are hedged on a centrally coordinated basis by means of commonly used financial instruments. Group companies make regular plans for receipt or payment of cash in foreign currencies and advise these to Group Treasury, which hedges the related exchange risks using external contracts with investment-grade-rated banks.

The Group's hedging strategy for exchange risks distinguishes between the routine business of supplying components or spare parts and the Group's project activities. For the routine business, cash flows in foreign currencies are hedged for a whole year in advance, based on the annual budget. The hedging quota, i.e. the percentage of the base volume to be hedged, is set forth in the related guidelines. Periodically, a check is performed as to whether the latest forecast of business volumes calls for an increase or a reduction in the hedging volume. For projects, the exchange risks are hedged when the contract is entered into. For special transactions that do not fall into either category – routine or project – the hedging strategy can be determined for individual cases.

Foreign exchange translation risk
Translation exposure arises from consolidation of foreign-currency-denominated financial statements of the Group's subsidiaries. The Group's consolidated financial statements are reported in Swiss francs. The translation risk arising from foreign subsidiary balance sheets, which affects the consolidated Group equity, is not hedged.

Foreign exchange economic risk
The Group policy is not to hedge long-term foreign exchange risk.

The following rates were used to convert the most important foreign currencies in the financial statements:

	Average rates		Change	Year-end rates		Change
	2024	2023	24/23	**2024**	2023	24/23
1 USD	0.880	0.898	–2.0%	0.902	0.842	7.2%
1 EUR	0.952	0.971	–2.0%	0.940	0.931	1.0%
100 CNY	12.229	12.675	–3.5%	12.364	11.840	4.4%
100 HKD	11.278	11.473	–1.7%	11.623	10.773	7.9%
100 JPY	0.582	0.639	–9.0%	0.578	0.595	–2.8%
1 SGD	0.659	0.669	–1.5%	0.663	0.638	3.9%

Sensitivity analysis
For the sensitivity analysis, the three most important currencies were selected in which the Group holds significant amounts of receivables and payables. Based on a one-year volatility of 7.32% (CNY/CHF), 7.02% (USD/CHF) and 5.18% (EUR/CHF), a corresponding appreciation of the foreign currencies on December 31, 2024, would have changed the equity and the income statement by the amounts listed below.

	2024		2023	
Effect in CHF million	**Equity**	**Income statement**	Equity	Income statement
USD	–3	2	–2	5
EUR	–1	–9	–1	–9
CNY	–1	–1	–	–

A depreciation of the three foreign currencies by 7.32% (CNY/CHF), 7.02% (USD/CHF) and 5.18% (EUR/CHF) against the Swiss franc would have had the same but opposite effect on the equity and the income statement, assuming all other variables remain constant. In the previous period, the sensitivity analysis was calculated with 7.81% (CNY/CHF), 8.53% (USD/CHF) and 6.36% (EUR/CHF).

The Group's exposure to foreign exchange risk was as follows, based on nominal amounts as of December 31:

	2024				2023			
in million	**EUR**	**USD**	**CNY**	**CHF**	EUR	USD	CNY	CHF
Trade receivables	12	42	17	1	22	58	1	2
Trade payables	9	14	106	1	9	4	2	1
Net financial position	–248	17	13	–1	–236	35	16	–1
Gross exposure consolidated balance sheet	**–226**	**73**	**137**	**1**	**–205**	**97**	**18**	**2**
Gross foreign exchange risk in business operations	**–37**	**–51**	**–475**	**–31**	**–17**	**86**	**–151**	**–15**
Open net foreign exchange forward contracts	**12**	**–4**	**281**	**23**	**–12**	**–119**	**119**	**9**
Net exposure	**–251**	**18**	**–57**	**–7**	**–234**	**64**	**–14**	**–4**

Financial Instruments

Note 15 (cont.)

Interest rate risk

Oerlikon is mainly exposed to interest rate risk in relation to its liquid funds, which are placed at variable rates or held as short-term investment.

Group Treasury prepares and provides the relevant decision support for senior management (Board of Directors, senior financial management) and arranges for hedging against interest rate fluctuations, once approval is given. Such hedging is carried out using derivative financial instruments, such as interest rate swaps and interest rate caps.

As of December 31, the interest rate profile of the Group's interest-bearing financial instruments was:

in CHF million	**2024** Net carrying amount	2023 Net carrying amount
Fixed rate interest		
Financial assets	19	23
Financial liabilities	–1 044	–1 217
Total	**–1 025**	**–1 194**
Variable rate interest		
Financial assets	412	553
Financial liabilities	–475	–487
Total	**–63**	**65**

The terms and conditions of outstanding interest-bearing liabilities are as follows:

2024

in CHF million	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Syndicated loan/Revolving Credit Facility	CHF	risk free rate + 1.25%	2028	–	–
Syndicated loan/Term Loan Facility	CHF	risk free rate + 2.25%	2026	475	474
Bond	CHF	0.375%	2025	250	250
Bond	CHF	2.875%	2026	220	220
Bond	CHF	0.800%	2028	200	200
Bond	CHF	3.250%	2029	120	119
Lease liabilities	var.	var.	var.	205	205
Current and non-current loans and borrowings	var.	var.	var.	51	50
Total current and non-current financial liabilities and lease liabilities					**1 518**

2023

in CHF million	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Syndicated loan/Revolving Credit Facility	CHF	risk free rate + 1.25%	2026/2028	–	–
Syndicated loan/Term Loan Facility	CHF	risk free rate + 2.25%	2026	475	473
Bond	CHF	2.625%	2024	150	150
Bond	CHF	0.375%	2025	250	250
Bond	CHF	2.875%	2026	220	219
Bond	CHF	0.800%	2028	200	200
Bond	CHF	3.250%	2029	120	119
Lease liabilities	var.	var.	var.	209	209
Current and non-current loans and borrowings	var.	var.	var.	72	72
Total current and non-current financial liabilities and lease liabilities					**1 691**

Financial Instruments

Note 15 (cont.)

Syndicated loan facilities

In 2021, Oerlikon signed an agreement for an unsecured syndicated sustainability-linked credit facility amounting to CHF 600 million. The facility comprises a revolving credit facility and an ancillary credit facility with a five-year term and two optional one-year extensions, at the full discretion of the lenders. The second extension option was exercised in 2023 and 2024 for the whole amount. As of December 31, 2024, the revolving credit facility was entirely undrawn, and out of CHF 92 million allocated to the ancillary credit facility, the amount of CHF 21 million was used for issuing guarantees.

As per December 31, 2024, the interest rate of the loan under the syndicated credit facility is defined as the applicable risk free rate plus a margin of 1.25% per year, subject to a margin grid based on the ratio of Net Debt to EBITDA (within a range of 0.50% and 1.90%).

As of December 31, 2024, the syndicated credit facility contained the following financial covenants, which are tested quarterly:

– Net Debt/EBITDA

In 2023, Oerlikon raised CHF 475 million from a 3-year unsecured syndicated term loan facility signed in December 2022. The proceeds from this facility were used to finance the acquisition of the Riri Group which was closed in Q1 2023.

As per December 31, 2024, the interest rate of the loan under the syndicated term loan facility is defined as the applicable risk free rate plus a margin of 2.25% per year, subject to a margin grid based on the ratio of Net Debt to EBITDA (within a range of 1.45% and 3.10%).

In 2024 and 2023 the Group was in compliance with all covenants.

Bonds

On May 27, 2021, the Oerlikon Group issued a 4.5 year CHF 250 million straight bond with a nominal interest of 0.375% (effective interest: 0.358%) and a 7.5 year CHF 200 million straight bond with a nominal interest of 0.800% (effective interest: 0.788%).

On June 2, 2023, the Oerlikon Group issued a 3 year CHF 220 million straight bond with a nominal interest rate of 2.875% (effective interest: 2.771%) and a 6 1/3 year CHF 120 million straight bond with a nominal interest of 3.25% (effective interest: 3.198%).

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Income statement	
Effect in CHF million	100 bp increase	100 bp decrease
2024		
Cash flow sensitivity	0.5	–0.5
2023		
Cash flow sensitivity	0.5	–0.5

The assumption in the underlying sensitivity analysis is that an increase as well as a decrease by 100 bp has a full impact on interest income and expense. The tax impact has been included in all figures regarding interest sensitivity.

A change of 100 basis points in interest rates would have the same impact in Group equity, as there are no direct impacts in other comprehensive income.

Derivative assets and liabilities

Note 15 (cont.)

in CHF million	2024 Contract volume	2024 Fair value positive	2024 Fair value negative	2023 Contract volume	2023 Fair value positive	2023 Fair value negative
Foreign exchange contracts	**840**	**5**	**6**	**285**	**3**	**5**

Based on the Group's business activities, the following main currency pairs are hedged: EUR/CHF, USD/CHF, CHF/CNY, EUR/USD and EUR/CNY. Positive and negative changes in fair values of foreign exchange contracts are offset by the corresponding gain or loss on the hedged transactions. The maximum risk from counterparty non-performance is equal to the positive market value of outstanding derivatives as per year-end. In view of the reputation of the counterparties, this risk is deemed to be minimal. In principle, the maturities of currency hedges correspond to the maturity of the hedged transactions. If the maturity of the base transaction shifts, the maturity of the hedge contract will be shifted correspondingly (roll-over/swaps).Thus, the cash flows deriving from the hedge contracts are synchronized with the cash flows of the base transactions. The hedging transactions are first recorded in other comprehensive income, then released to the income statement when the base transaction is recorded. For this reason, there is no need for a separate presentation of the maturities of hedge contracts and their underlying transactions.

Maturity structure of open foreign exchange contracts at December 31:

in CHF million	Carrying amount	Expected cash flows	6 months or less	6–12 months	1–2 years	2–5 years	more than 5 years
Foreign exchange contracts							
2024	–1	**840**	758	82	–	–	–
2023	–3	**285**	227	49	10	–	–

Netting of financial assets and liabilities
No significant netting of financial assets and liabilities occurred in 2024 and 2023.

Supplier finance arrangements
Oerlikon has several supplier finance arrangements with external finance providers in place. These arrangements provide the entity's suppliers with early payment terms compared to the related invoice payment due date. The supplier finance arrangements are perpetual with no fixed expiration date.

The terms and conditions of the arrangements are unchanged from the trade payables from this supplier, other than the due date has been extended to up to 180 days after the invoice date. Liabilities under the supplier finance arrangements are included in the balance sheet line item "Trade payables".

	2024	2023
Average payment due dates (in days after invoice date)		
Liabilities under supplier finance arrangement	158	159
Comparable trade payables that are not part of the supplier finance arrangement (same line of business)	46	44
Carrying amount of liabilities under supplier finance arrangement (in CHF million)		
Liabilities under supplier finance arrangement	11	13
of which the supplier has received payment from the finance provider	10	13

Capital Management

Note 16

Oerlikon Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital using the ratios shown below:

in CHF million	2024	2023
Total assets	4002	4099
Equity attributable to shareholders of the parent	1118	1010
Equity ratio in %	**28%**	**25%**

With an equity ratio of 28% (previous year: 25%), the Oerlikon Group is within the target range of its financial strategy. The currently outstanding bonds have an investment grade rating.

Return on capital employed (ROCE) in %	**5.1%**	**2.7%**

Return on Capital Employed (ROCE) is defined as NOPAT (Net-Operating Profit After Tax) on the basis of 12 months rolling over the Capital Employed per year-end, whereas NOPAT is composed of EBIT deducted by current and deferred income taxes and Capital Employed is composed of third-party net operating assets, current income tax receivables and current income taxes payable and deferred tax assets and liabilities.

OC Oerlikon Participation Plans

Note 17

On December 31, 2024, the following equity-settled plans were open, pursuant to which the holder is entitled to shares of OC Oerlikon Corporation AG, Pfäffikon:

Restricted Stocks and Restricted Stock Units
Members of the Board of Directors of OC Oerlikon Corporation AG, Pfäffikon, receive a portion of their compensation by means of Restricted Stocks, which are granted quarterly (month of the AGM, July, October and January). The Restricted Stocks have no vesting conditions but are subject to a one-year blocking period. For Directors resigning their mandate prior to the end of the term, they are not entitled to quarterly grants issued after their departure. The fair value for the Restricted Stocks is based on the stock price at grant date. The average fair value for the grants made in 2024 is CHF 4.30.

Under the Long-Term Incentive Plan (LTI), members of the Executive Committee and senior management may receive a portion of their compensation as long-term bonus in the form of awards for OC Oerlikon Corporation AG, Pfäffikon, shares that are based on a vesting period of three years. Upon vesting, the Restricted Stock Units (RSU) are converted into shares. For each RSU granted, the equivalent of dividends paid per share to shareholders during the vesting period is added to the final payout. The fair value for the 2024 plan is based on the stock price at grant date of CHF 3.99. The RSU allocated in 2024 will vest on April 30, 2027.

In 2024, a one-time grant of RSU was made under the Management Retention Plan (MRP) which will vest on January 1, 2026. The fair value for this grant is based on the stock price at grant date of CHF 4.87 and an expected dividend of CHF 0.20.

A small number of Restricted Stock Units was granted in 2024 under a discretionary plan to selected members of senior management.

Year of allocation	Outstanding on 1.1.	Granted in 2024	Forfeited in 2024	Exercised in 2024	Outstanding on 31.12.	Fair value at grant date in CHF[1]	Expense 2024 in CHF million	Vesting period
2021	150 962	–	–1 500	–149 462	–	–	0.2	01.05.21–30.04.24
2022	332 770	–	–37 712	–18 530	276 528	–	0.6	06.04.22–30.04.25
2023	940 443	63 329	–75 669	–251 148	676 955	3.80	1.4	01.05.23–30.04.26
2024	–	1 478 124	–150 235	–168 601	1 159 288	4.30	2.2	01.05.24–30.04.27
Total	**1 424 175**	**1 541 453**	**–265 116**	**–587 741**	**2 112 771**		**4.3**	

[1] The fair values relate to the units granted in 2024.

Performance Share Awards (PSA)
Under the Long-Term Incentive Plan (LTI), members of the Executive Committee and senior management may receive a portion of their compensation as long-term bonus in the form of awards for OC Oerlikon Corporation AG, Pfäffikon, shares that are based on performance conditions and a vesting period of three years. The achievement of the performance conditions determines the effective number of total Performance Share Awards (PSA). Upon vesting, the effective number of PSA is converted into shares. For each PSA granted, the equivalent of dividends paid per share to shareholders during the vesting period is added to the final payout.

Performance conditions for the 2024 plan are Return on Capital Employed (ROCE) and absolute Total Shareholder Return (TSR) of Oerlikon. ROCE is defined as NOPAT (Net-Operating Profit After Tax) over Capital Employed. TSR is defined as the net change in share price plus any dividend distributions over a period of time. To determine the final number of PSA, the effective average annual ROCE achievement over the performance period is mapped to a payout factor between 0% and 150% and multiplied with the effective TSR modifier of either 0.9, 1.0 or 1.1, depending on whether the absolute TSR achievement is below, within or above a preset TSR target corridor determined by the Board of Directors at the beginning of the program.

The fair value for the 2024 plan is based on the stock price at grant date of CHF 3.99 and a TSR multiplier of 1.0. The PSA allocated in 2024 will vest on April 30, 2027.

In 2024, a one-time grant of PSA was made under the Management Retention Plan (MRP) which will vest on the last day of any 3-month period in the course of 2026 during which the 3-month volume-weighted average share price (VWAP) of the Oerlikon share reaches CHF 8. The fair value at grant date is CHF 0.87 and it was calculated using a Monte Carlo Simulation. Main assumptions include a valuation date share price of CHF 4.87 and an expected volatility of 29%.

Year of allocation	Outstanding on 1.1.	Granted in 2024	Forfeited in 2024	Performance adjustment	Exercised in 2024	Outstanding on 31.12.	Fair value at grant date in CHF[1]	Expense 2024 in CHF million	Vesting period
2021	150 962	–	–	–150 962	–	–	–	0.0	01.05.21–30.04.24
2022	332 770	–	–37 712	–295 058	–	–	–	–1.2	01.05.22–30.04.25
2023	732 413	–	–75 669	–499 637	–	157 107	–	–0.3	01.05.23–30.04.26
2024	–	2 356 814	–289 999	–	–	2 066 815	1.79	0.9	01.05.24–30.04.27
Total	**1 216 145**	**2 356 814**	**–403 380**	**–945 657**	**–**	**2 223 922**		**–0.6**	

[1] The fair values relate to the awards granted in 2024.

Accounting Principles
The fair value of share-based payments is determined on the day such share-based remuneration is granted and charged to the income statement on a straight-line basis over the vesting period within operating results, with a corresponding increase in equity (equity settled plans). Non-market conditions are incorporated in the expense measure by adjusting the number of equity instruments expected to vest at each reporting date during the vesting period.

Related-Party Transactions

Note 18

Related parties include joint arrangements, associates, members of the Board of Directors, the Executive Committee, employee benefit plans and important shareholders, as well as companies under their control. Transactions with related parties are generally conducted at arm's length.

Primary shareholder
The share capital of CHF 339 758 576 consists of 339 758 576 registered shares, each with a par value of CHF 1.00. On December 31, 2024, conditional capital amounted to CHF 47 200 000.

The shareholders registered as holding more than 5% of the shares as at December 31, 2024, were:

	Share ownership[1]	
Shareholder	Number of shares	in %[2]
Liwet Holding AG, Zurich, Switzerland[3]	145 086 913[4]	42.70%

[1] Source: disclosure notifications pursuant to Art. 120 et seqq. of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA), published by SIX Exchange Regulation.

[2] Basis: Shares issued (339 758 576).

[3] The shares of Liwet Holding AG are ultimately held as follows by:
A) 44.46% by Columbus Trust, a trust established under the laws of Cayman Islands, whose ultimate beneficiary is Mr. Viktor F. Vekselberg, Moscow, Russia and Zug, Switzerland
B) 4.94% by Amapola Development Inc, Panama, whose ultimate beneficiary is Mr. Evgeny Olkhovik, Moscow, Russia
C) 33.97% by Amineo Holding AG, Switzerland, whose ultimate beneficial owner is Mr. Nikolay Olkhovik, Forch, Switzerland,
D) 16.63% by A2-Link AG, Switzerland, whose ultimate beneficial owner is Mr. Alexey Valerievich Moskov, Wädenswil, Switzerland.

[4] Source: voluntary disclosure notification published by SIX Exchange Regulation on November 8, 2024; amendment to the previously notified information as published by SIX Exchange Regulation on January 28, 2023.

Share ownership, options and related instruments
The disclosure below follows Art. 734d of the Swiss Code of Obligations, which requires disclosure of share ownership, options and related instruments individually for each member of the Board of Directors and Executive Committee, including shares, options and related instruments held by persons closely related to, and by companies controlled by members of the Board of Directors and Executive Committee.

Members of the Board of Directors	Number of shares
Prof. Dr. Michael Suess	1 278 055
Gerhard Pegam	98 697
Alexey V. Moskov	164 142
Paul Adams	87 633
Zhenguo Yao	56 747
Irina Matveeva	76 659
Jürg Fedier	789 674
Inka Koljonen	42 585
Total	**2 594 192**

Members of the Executive Committee	Number of shares	Number of Performance Share Awards (PSA)	Number of Restricted Stock Units (RSU)
Prof. Dr. Michael Suess	1 278 055	918 335	571 238
Markus Richter	–	104 102	47 745
Anna Ryzhova	86 973	258 045	145 433
Dr. Markus Tacke	36 432	103 980	103 980
Georg Stausberg	103 742	268 682	160 678
Total	**1 505 202**	**1 653 144**	**1 029 074**

Related-Party Transactions

Note 18 (cont.)

Overview on the compensation of the Board of Directors and the Executive Committee

	Executive Committee		Board of Directors	
in CHF thousand	**2024**	2023	**2024**	2023
Short-term employee benefits	5341	4533	3375	3356
Post-employment benefits	857	826	–	–
Share-based payments	404	579	963	722
Total	**6602**	**5937**	**4337**	**4078**

Disclosures required by the Swiss Code of Obligations are shown in the Remuneration Report.

Group companies
An overview of the Group subsidiary companies can be found on pages 128 and 129. Transactions between the parent company and its subsidiaries as well as between the Group subsidiaries themselves have been eliminated in the consolidated annual financial statements.

Related-party transactions
In 2024, OC Oerlikon sold goods and services to joint arrangements and associates in the amount of less than CHF 1 million (previous year: CHF 4 million). From these transactions accounts receivable in the amount of less than CHF 1 million (previous year: less than CHF 1 million) were outstanding as of December 31, 2024. The Group purchased goods and services from joint arrangements and associates in the amount of CHF 27 million (previous year: CHF 15 million). From these transactions accounts payable in the amount of CHF 6 million (previous year: CHF 1 million) were outstanding as of December 31, 2024.

Participation plans: see Note 17.

During the year under review, there were no other related-party transactions.

Contingent Liabilities

Note 19

Contingent liabilities as of December 31, 2024, amounted to CHF 2 million, mostly for excise duties and debt guarantees (previous year: less than CHF 1 million).

Pledged Assets

Note 20

As of December 31, 2024, CHF 4 million assets were pledged as a security (previous year: CHF 3 million).

Subsequent Events

Note 21

No events occurred between the balance sheet date and the date on which this report was approved by the Board of Directors that could have a significant impact on the consolidated financial statements 2024.

Companies by Country

Country	Name, registered office of consolidated companies by country	Currency	Share capital[1]	Group owns %	Number of employees
Australia	Oerlikon Metco Australia Pty Ltd., Bella Vista, NSW/AU	AUD	500000	100.00	6
Austria	Oerlikon Balzers Coating Austria GmbH, Kapfenberg/AT	EUR	350000	100.00	151
Austria	OT Textile Verwaltungs GmbH, Vienna/AT	EUR	35000	100.00	–
Belgium	Oerlikon Balzers Coating Benelux N.V., St.-Truiden/BE	EUR	620000	100.00	44
Brazil	H.R.S. Flow do Brasil Comércio de Sistemas de Câmara Quente Importação e Exportação Ltda., São Paulo, SP/BR	BRL	5225000	100.00	17
Brazil	Oerlikon Balzers Revestimentos Metálicos Ltda., Jundiaí, SP/BR	BRL	31343200	99.99	163
Canada	HRS Hot Runner Systems NA Inc., Halifax, NS/CA	CAD	487000	100.00	27
Canada	Oerlikon Metco (Canada) Inc., Fort Saskatchewan, AB/CA	CAD	100	100.00	76
China	HRS (Hangzhou) Trading Co. Ltd., Hangzhou/CN	CNY	2000000	100.00	–
China	HRS (Hong Kong) Limited, Hong Kong/CN	HKD	10000	100.00	–
China	INglass Tooling & Hot Runner Manufacturing (China) Co., Ltd., Hangzhou/CN	EUR	10800000	100.00	435
China	Oerlikon (China) Technology Co. Ltd., Suzhou/CN	USD	30000000	100.00	437
China	Oerlikon Balzers Coating (Suzhou) Co. Ltd., Suzhou/CN	USD	6150000	100.00	395
China	Oerlikon Barmag Huitong (Yangzhou) Engineering Co. Ltd., Yangzhou/CN	CNY	100000000	60.00	108
China	Oerlikon Chemical Fiber Machinery (Wuxi) Co., Ltd., Wuxi/CN	CNY	21011000	100.00	136
China	Oerlikon Huagang Materials Technology (Zigong) Co., Ltd. (formerly: Zigong Golden China Specialty Carbides Co., Ltd.), Zigong/CN	CNY	10000000	60.00	83
China	Oerlikon Metco Surface Technology (Shanghai) Co. Ltd., Shanghai/CN	CHF	9500000	100.00	270
China	Oerlikon Nitriding (Shanghai) Technology Co., Ltd., Shanghai/CN	CHF	100000	100.00	–
China	Oerlikon Textile China Investments Ltd., Hong Kong/CN	HKD	266052500	100.00	–
China	Oerlikon Textile Far East Ltd., Hong Kong/CN	HKD	100000	100.00	–
China	Oerlikon Textile Technology (Beijing) Co. Ltd., Beijing/CN	USD	1112200	100.00	200
China	Riri Co. Ltd., Shanghai/CN	CNY	4244500	100.00	4
Finland	Oerlikon Balzers Coating Finland Oy, Helsinki/FI	EUR	2500	100.00	43
France	HRS France S.à r.l., Bonchamp-lès-Laval/FR	EUR	710000	100.00	6
France	Oerlikon Balzers France SAS, Ferrières-en-Brie/FR	EUR	4900000	100.00	198
France	Riri France SASU, Paris/FR	EUR	40000	100.00	1
France	SAS COEURDOR, Maîche (Belfort)/FR	EUR	1010700	100.00	145
Germany	Dr. Schippers Unterstützungskasse GmbH, Remscheid/DE	EUR	26000	100.00	–
Germany	HRSflow GmbH, Raunheim/DE	EUR	25000	100.00	22
Germany	Oerlikon AM Europe GmbH, Garching b. München/DE	EUR	51000	100.00	103
Germany	Oerlikon Balzers Coating Germany GmbH, Bingen/DE	EUR	511300	100.00	719
Germany	Oerlikon Business Services GmbH, Remscheid/DE	EUR	25000	100.00	31
Germany	Oerlikon Coating Services GmbH, Salzgitter/DE	EUR	1533900	100.00	80
Germany	Oerlikon Deutschland Holding GmbH, Remscheid/DE	EUR	30680000	100.00	–
Germany	Oerlikon Friction Systems (Germany) GmbH, Bremen/DE	EUR	1000000	100.00	86
Germany	Oerlikon Metaplas GmbH, Salzgitter/DE	EUR	1000000	100.00	87
Germany	Oerlikon Metco Europe GmbH, Raunheim/DE	EUR	1000000	100.00	81
Germany	Oerlikon Metco WOKA GmbH, Barchfeld/DE	EUR	1000000	100.00	120
Germany	Oerlikon Surface Solutions Holding GmbH, Raunheim/DE	EUR	17345100	100.00	–
Germany	Oerlikon Textile GmbH & Co. KG, Remscheid/DE	EUR	41000000	100.00	1328
Germany	Oerlikon Vermögens-Verwaltungs GmbH, Remscheid/DE	EUR	25000	100.00	–
Germany	W. Reiners Verwaltungs-GmbH, Remscheid/DE	EUR	38346900	100.00	–
Great Britain	Oerlikon Balzers Coating UK Ltd., Milton Keynes/GB	GBP	2000000	100.00	46
Great Britain	Oerlikon Metco (UK) Ltd., Cwmbran/GB	GBP	500000	100.00	16
Great Britain	Oerlikon Metco Coatings Ltd., Dukinfield/GB	GBP	57100	100.00	27
Great Britain	Oerlikon Neomet Ltd., Stockport/GB	GBP	292700	100.00	34
Hungary	Oerlikon Eldim (HU) Kft., Debrecen/HU	HUF	161000000	100.00	191
India	HRS Flow India Private Limited, Pune/IN	INR	5000000	100.00	98
India	Oerlikon Balzers Coating India Pvt. Ltd., Pune/IN	INR	70000000	100.00	386
India	Oerlikon Textile India Pvt. Ltd., Mumbai/IN	INR	57360000	100.00	193
Italy	AMOM S.p.A., Badia al Pino/IT	EUR	1055000	100.00	93
Italy	D.M.C. Srl, Scarperia e San Pietro a Sieve/IT	EUR	10000	100.00	121
Italy	FCM S.p.A. in liquidazione, Campi Bisenzio (FI)/IT	EUR	50000	100.00	7
Italy	INglass S.p.A., San Polo di Piave/IT	EUR	2750000	100.00	373
Italy	Oerlikon Balzers Coating Italy S.p.A., Brugherio/IT	EUR	129100	100.00	102
Italy	Oerlikon Friction Systems (Italia) S.r.l., Caivano/IT	EUR	250000	100.00	45
Italy	SPM Pressofusione S.r.l., Palazzalo sull'Oglio/IT	EUR	50000	100.00	54
Italy	Teknoweb Materials S.r.l., Palazzo Pignano/IT	EUR	20000	66.90	–
Japan	HRS JAPAN Co. Ltd, Tokyo/JP	JPY	80000000	100.00	5
Japan	Oerlikon Japan Co., Ltd., Hiratsuka/JP	JPY	100000000	100.00	225
Liechtenstein	OC Oerlikon Balzers AG, Balzers/LI	CHF	1000000	100.00	61
Liechtenstein	Oerlikon Balzers Coating AG, Balzers/LI	CHF	1000000	100.00	185

Country	Name, registered office of consolidated companies by country	Currency	Share capital[1]	Group owns %	Number of employees
Luxembourg	Oerlikon Balzers Coating Luxembourg S.à.r.l., Differdange-Niederkorn/LU	EUR	1000000	60.00	16
Malaysia	Oerlikon Balzers Coating Malaysia Sdn. Bhd., Kuala Lumpur/MY	MYR	6000000	100.00	40
Mexico	HRS Flow Mexico S. DE R.L. DE C.V., Querétaro/MX	MXN	750000	100.00	8
Mexico	Oerlikon Balzers Coating Mexico S.A. de C.V., Querétaro/MX	MXN	71458000	100.00	176
Netherlands	Oerlikon Eldim (NL) B.V., Lomm/NL	EUR	45396000	100 00	122
Philippines	Oerlikon Balzers Coating Philippines Inc., Muntinlupa/PH	PHP	15000000	99.99	14
Poland	Oerlikon Balzers Coating Poland Sp. z o.o., Polkowice Dolne/PL	PLN	5000000	100.00	146
Poland	Oerlikon Business Services Europe Sp. z.o.o., Warsaw/PL	PLN	5000	100.00	141
Portugal	Cubimatéria Polimentos Unipessoal LDA, Fundão/Castelo Branco/PT	EUR	5000	100.00	112
Portugal	SCC Assistência Técnica Unipessoal Lda, Albergaria-a-Velha/PT	EUR	70000	100.00	29
Serbia	Oerlikon Serbia doo Kragujevac, Kragujevac/RS	RSD	100	100.00	–
Singapore	Oerlikon Metco (Singapore) Pte. Ltd., Singapore/SG	SGD	600000	100.00	23
Slovakia	Oerlikon Balzers Coating Slovakia s.r.o., Bratislava/SK	EUR	20060000	100 00	137
Slovakia	Oerlikon Nitriding Slovakia s.r.o., Veľká Ida/SK	EUR	5000	100.00	90
South Africa	INglass HRS South Africa (Pty) Ltd, Johannesburg/ZA	ZAR	100	100.00	3
South Korea	Oerlikon Balzers Coating Korea Co. Ltd., Pyongtaek/KR	KRW	6300000000	89.90	177
Spain	Oerlikon Balzers Coating Spain S.A.U., Antzuola/ES	EUR	150300	100.00	98
Spain	Sistemas De Canal Caliente Ibérica. S.L.U., Begues/ES	EUR	30000	100.00	8
Sweden	Oerlikon Balzers Coating Sweden AB, Stockholm/SE	SEK	11600000	100.00	69
Switzerland	OC Oerlikon Corporation AG, Pfäffikon, Freienbach/CH	CHF	339758600	100.00	–
Switzerland	OC Oerlikon Management AG, Pfäffikon, Freienbach/CH	CHF	2000000	100.00	103
Switzerland	OC Oerlikon Textile Holding AG, Pfäffikon, Freienbach/CH	CHF	12019600	100.00	–
Switzerland	OC Oerlikon Verwaltungs AG, Pfäffikon, Freienbach/CH	CHF	100000	100.00	–
Switzerland	Oerlikon Balzers Coating SA, Brügg, Brügg/CH	CHF	100000	100.00	26
Switzerland	Oerlikon Metco AG, Wohlen, Wohlen/CH	CHF	5000000	100.00	247
Switzerland	Oerlikon Surface Solutions AG, Pfäffikon, Freienbach SZ/CH	CHF	10000000	100.00	203
Switzerland	RIRI SA, Mendrisio/CH	CHF	18933900	100.00	692
Switzerland	Zip Holding AG, Mendrisio/CH	CHF	7090700	100.00	–
Switzerland	Zip Invest AG, Mendrisio/CH	CHF	100000	100.00	–
Taiwan	Oerlikon Balzers Coating Taiwan Co. Ltd., Taipeh/TW	TWD	500000	100.00	21
Thailand	Oerlikon (Thailand) Co. Ltd., Chonburi/TH	THB	80000000	99.99	58
Tunisia	Cobra Tunisie Int. Sarl. In liq., Sousse/TN	TND	150000	99.00	–
Turkey	Oerlikon Polymer Processing Solutions Makine Kalip Yedek Parca Ve Servis San. Tic.Ltd. Sti., Nilüfer, Bursa/TR	TRY	799600	100.00	22
Turkey	Oerlikon Balzers Kaplama Sanayi ve Ticaret Limited Sirketi, Bursa/TR	TRY	2500000	99.99	69
USA	Oerlikon AM US Inc., Wilmington, DE/US	USD	2000	100.00	56
USA	Oerlikon Balzers Coating USA Inc., Wilmington, DE/US	USD	20000	100.00	506
USA	Oerlikon Friction Systems (US) Inc., Dayton, OH/US	USD	1000	100 00	137
USA	Oerlikon HRSflow USA, LLC., Byron Center, MI/US	USD	13376500	100.00	61
USA	Oerlikon Management USA Inc., Pittsburgh, PA/US	USD	500000	100.00	–
USA	Oerlikon Metco (US) Inc., Westbury NY/US	USD	1000	100.00	474
USA	Oerlikon Textile Inc., Charlotte, NC/US	USD	3000000	100.00	52
USA	Oerlikon USA Holding Inc., Wilmington, DE/US	USD	40234000	100.00	–
USA	Riri USA Inc., New York, NY/US	USD	100	100.00	3
Vietnam	Oerlikon Balzers Coating Vietnam Co., Ltd., Bac Ninh/VN	USD	1000000	100.00	15

[1] Share capital partly rounded to full hundred. Some articles of association and trade registers still contain old European currencies that are converted to EUR.

Report of the statutory auditor

to the General Meeting of OC Oerlikon Corporation AG, Pfäffikon, Churerstrasse 120, 8808 Pfäffikon

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of OC Oerlikon Corporation AG, Pfäffikon and its subsidiaries (the Group), which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income for the year ended 31 December 2024, the Consolidated Balance Sheet as at 31 December 2024, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year ended 31 December 2024, and Notes to the Consolidated Financial Statements, including a summary of significant accounting principles.

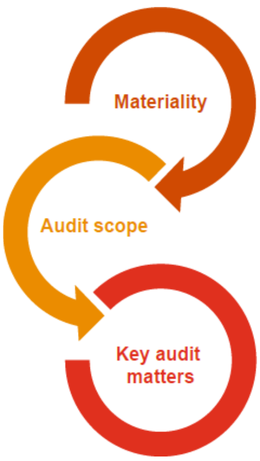
In our opinion, the accompanying consolidated financial statements (pages 84-129) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach



Overview

Overall group materiality: CHF 11'900'000

We concluded full scope audit work at 12 reporting units and specified scope audits at 9 reporting units. Our audit scope addressed 65% of the Group's total sales.

As key audit matter the following area of focus has been identified:

Impairment assessment of goodwill

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zürich
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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	CHF 11'900'000
Benchmark applied	Total Sales
Rationale for the materiality benchmark applied	We chose Total Sales as the benchmark because, in our view, this benchmark takes into account the volatility of the business environment and it is a generally accepted benchmark for materiality considerations

We agreed with the Audit & Finance Committee that we would report to them misstatements above CHF 595'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The audit strategy for the audit of the consolidated financial statements was determined taking into account the work performed by the component auditors. As Group auditor, we performed the audit of the consolidation, disclosures and presentation of the consolidated financial statements and of the impairment testing of goodwill. Where full scope audits or audits of account balances were performed by component auditors, we ensured that, as Group auditor, we were adequately involved in the audit to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. Our involvement comprised communicating the risks identified at Group level, specifying the materiality thresholds to be applied, site visits in China, Philippines and Germany, participating in local closing meetings (virtual), conducting telephone calls with the component auditors and reviewing the reporting received.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

pwc

Impairment assessment of goodwill

Key audit matter	How our audit addressed the key audit matter
The impairment assessment of goodwill is considered a key audit matter due to the size of the balance (goodwill: CHF 966 million) and the significant estimates required of management in determining the recoverable amount. The main estimates in the impairment assessment relate to the future cash flows of the underlying businesses as well as the discount rates applied to perform the necessary impairment tests. Please refer to pages 108 - 109 (Goodwill and intangible assets). Goodwill is tested annually for potential impairment whereby the carrying value is compared with the recoverable amount.	We obtained the impairment analyses undertaken by management and performed the following procedures: • We assessed the determination of the carrying values of the assets of individual cash-generating units and the allocation of goodwill to those units. • We ensured that the value in use calculations are based on the latest business plans. • We assessed the reasonableness of the business plan by comparing the implicit growth rates with market data. • We compared the revenue and EBIT of the year under review with the budget in order to identify, in retrospect, any forecasts that were too optimistic and to assess the accuracy of the estimates that were made. • We compared model inputs, such as weighted average cost of capital and long-term growth rate, with observable market data. To this end, we involved our internal valuation experts. • We performed thorough sensitivity analyses on the key assumptions to ascertain the extent of changes in those assumptions that would be required for the goodwill to be impaired. Overall, on the basis of our work performed on the impairment testing model, the supporting evidence as well as our own sensitivity analyses, we concluded that the results of the impairment tests performed by management were reasonable.

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 remuneration report and our auditor’s reports thereon.

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

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

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

Board of Directors’ responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Rene Rausenberger Licensed audit expert Auditor in charge	Oliver Illa Licensed audit expert

Zürich, 17 February 2025

OC Oerlikon Corporation AG, Pfäffikon

Income Statement of OC Oerlikon Corporation AG, Pfäffikon

in CHF million	Notes	**2024**	2023
Income from investments	2.1	68	120
Financial income	2.2	65	58
Other income	2.3	123	40
Total income		**256**	**218**
Financial expenses	2.4	–104	–109
Personnel expenses		–5	–5
Other expenses	2.5	–50	–49
Result before taxes		**98**	**56**
Direct taxes		–2	–
Result for the year		**95**	**56**

Balance Sheet at December 31 of OC Oerlikon Corporation AG, Pfäffikon

Assets

in CHF million	Notes	2024	2023
Cash and cash equivalents	3.1	81	187
Current financial receivables			
– from third parties		1	–
– from companies in which the entity holds an investment	3.2	960	812
Prepaid expenses and accrued income		5	7
Current assets		**1 046**	**1 007**
Non-current financial receivables			
– from third parties		1	1
– from companies in which the entity holds an investment	3.3	112	547
Other non-current financial assets	3.4	14	14
Investments	3.5	2 264	2 166
Non-current assets		**2 391**	**2 728**
Total assets		**3 437**	**3 735**

Liabilities and equity

in CHF million	Notes	2024	2023
Current interest-bearing payables			
– due to third parties	3.7	250	150
– due to companies in which the entity holds an investment	3.6	477	754
Current payables			
– due to third parties		2	2
– due to companies in which the entity holds an investment		85	–
Accrued liabilities and deferred income		5	9
Current liabilities		**819**	**915**
Non-current interest-bearing payables			
– due to third parties	3.7	1 015	1 265
– due to companies in which the entity holds an investment	3.8	46	26
Provisions	3.9	40	44
Non-current liabilities		**1 101**	**1 335**
Total liabilities		**1 920**	**2 250**
Share capital	3.10	340	340
Legal capital reserves			
– Reserves from capital contributions	3.11	259	259
Legal retained earnings			
– General legal retained earnings		71	71
Voluntary retained earnings			
– Free reserves and statutory reserves		294	294
– Available earnings			
– Profit brought forward		583	595
– Result for the year		95	56
Treasury shares	3.12	–125	–129
Total equity		**1 517**	**1 484**
Total liabilities and equity		**3 437**	**3 735**

Notes to the Financial Statements of OC Oerlikon Corporation AG, Pfäffikon

Principles (1)

General aspects (1.1)

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Financial receivables (1.2)

Financial receivables include loans from third parties and from companies in which the entity holds an investment. Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded but unrealized profits are not recognized.

Treasury shares (1.3)

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized directly in equity in the position profit brought forward.

Interest-bearing payables (1.4)

Interest-bearing payables are recognized in the balance sheet at nominal value.

Foregoing a cash flow statement and additional disclosures in the notes (1.5)

As OC Oerlikon Corporation AG, Pfäffikon has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to forego presenting additional information on interest-bearing payables and audit fees in the notes, as well as a cash flow statement, in accordance with the law.

Information on income statement items (2)

Income from investments (2.1)

The income from investments consists of dividend income from companies in which the entity holds an investment.

Financial income (2.2)

Financial income mainly includes interest income from loans from companies in which the entity holds an investment as well as net exchange gains (if any).

Other income (2.3)

Other income consists mainly of trademark fees and of a gain from the sale of a brand in 2024.

Financial expenses (2.4)

Financial expenses include interest expenses due to companies in which the entity holds an investment and due to third parties, impairments of financial receivables as well as net exchange losses (if any).

Other expenses (2.5)

Other expenses consist mainly of management service fees charged by OC Oerlikon Management AG, Pfäffikon.

Information on balance sheet items (3)

Cash and cash equivalents (3.1)

This item consists mainly of current balances denominated in CHF, EUR and USD and is held with European banks.

Current financial receivables from companies in which the entity holds an investment (3.2)

The current financial receivables from companies in which the entity holds an investment consist mainly of cash pool deposits in CHF and EUR.

Non-current financial receivables from companies in which the entity holds an investment (3.3)

The non-current financial receivables from companies in which the entity holds an investment consist mainly of non-current deposits denominated in EUR.

Other non-current financial assets (3.4)

The other non-current financial assets consist of a 12.48% investment in an unquoted equity investment.

Investments (3.5)

Investments held by OC Oerlikon Corporation AG, Pfäffikon are recorded at historical costs less any valuation adjustments. The list of investments can be found in the section "Investments".

Current interest-bearing payables due to companies in which the entity holds an investment (3.6)

The current interest-bearing payables due to companies in which the entity holds an investment contain mainly of cash pool debts in CHF, EUR and USD.

Current and non-current interest-bearing payables due to third parties (3.7)

The interest-bearing payables due to third parties contain the following bonds:

Conditions on outstanding bonds:

in CHF million

	2014–2024	**2021–2025**	**2021–2028**	**2023–2026**	**2023–2029**
Nominal value					
December 31, 2024	0	250	200	220	120
December 31, 2023	150	250	200	220	120
Interest	2.625%	0.375%	0.800%	2.875%	3.250%
Duration in years	10	4.5	7.5	3.0	6.7
Maturity	June 17, 2024	November 27, 2025	November 27, 2028	June 2, 2026	October 2, 2029

Additional information about the bonds can be found in Note 15 to the Group's consolidated financial statements.

In 2023, a 3-year unsecured syndicated term loan facility of CHF 475 million was raised. As per December 31, 2024, the interest rate of the loan under the syndicated term loan facility is defined as the applicable risk-free rate plus a margin of 2.25% per year, subject to a margin grid based on the ratio of Net Debt to EBITDA (within a range of 1.45% and 3.10%).

Notes to the Financial Statements of OC Oerlikon Corporation AG, Pfäffikon

Non-current interest-bearing payables due to companies in which the entity holds an investment (3.8)
The non-current interest-bearing payables due to companies in which the entity holds an investment contain long-term loans mainly in EUR.

Provisions (3.9)
Provisions cover mainly risks related to investments and other risks.

Share capital (3.10)
The share capital of CHF 340 million consists of 339 758 576 registered shares, each with a par value of CHF 1.00. On December 31, 2024, conditional capital amounted to CHF 47 million.

Reserves from capital contributions (3.11)
As of December 31, 2024, OC Oerlikon Corporation AG, Pfäffikon shows reserves from capital contributions of CHF 259 million. These reserves are not yet available for distribution due to the current practice of the Swiss Federal Tax Authorities.

Treasury shares (3.12)
Treasury shares are shown directly in equity.

in CHF	Amount	Number of treasury shares	Lowest rate	Highest rate	Average rate of treasury shares
Balance at January 1, 2024	129 432 630	14 828 250	–	–	–
Acquisitions	85	17	5.010	5.050	5.015
Allocation to Board members	–1 955 557	–224 035	–	–	8.729
Allocation to management	–2 019 006	–231 304	–	–	8.729
Balance at December 31, 2024	125 458 152	14 372 928	–	–	–

in CHF	Amount	Number of treasury shares	Lowest rate	Highest rate	Average rate of treasury shares
Balance at January 1, 2023	134 252 560	15 380 434	–	–	–
Acquisitions	26	6	4.333	4.333	4.333
Allocation to Board members	–2 219 812	–254 309	–	–	8.729
Allocation to management	–2 600 144	–297 881	–	–	8.729
Balance at December 31, 2023	129 432 630	14 828 250	–	–	–

Other information (4)
Joint and several liabilities in favor of Group companies (4.1)
VAT group
OC Oerlikon Corporation AG, Pfäffikon belongs to a VAT group and therefore all participants are jointly liable to the Swiss Federal Tax Administration for the value-added tax debts of the whole group.

Cash pooling group
OC Oerlikon Corporation AG, Pfäffikon is liable for liabilities of the cash pool participants.

Full-time equivalents (4.2)
OC Oerlikon Corporation AG, Pfäffikon does not have any employees.

Contingent liabilities (4.3)
The contingent liabilities relate primarily to corporate guarantees and bank guarantees in favor of companies in which the entity holds an investment and amount to CHF 184 million (previous year: CHF 200 million).

Notes to the Financial Statements of OC Oerlikon Corporation AG, Pfäffikon

Significant shareholders (4.4)

Significant shareholders registered as holding more than 5% of the shares as at December 31 were:

Share ownership[1]

	2024		2023	
Shareholder	**Number of shares**	in %[2]	Number of shares	in %
Liwet Holding Ltd., Zurich, Switzerland[3]	145 086 913[4]	42.70%	145 086 913[4]	42.70%

[1] Source: Disclosure notifications pursuant to Art. 120 et seqq. of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA), published by SIX Exchange Regulation.

[2] Basis: Shares issued (339 758 576).

[3] The shares of Liwet Holding Ltd. are ultimately held:
A) 44.46% by Columbus Trust, a trust established under the laws of Cayman Islands, whose ultimate beneficiary is Mr. Viktor F. Vekselberg, Moscow, Russia and Zug, Switzerland.
B) 4.94% by Amapola Development Inc, Panama, whose ultimate beneficiary is Mr. Evgeny Olkhovik, Moscow, Russia.
C) 33.97% by Amineo Holding AG, Switzerland, whose ultimate beneficial owner is Mr. Nikolay Olkhovik, Forch, Switzerland.
D) 16.63% by A2-Link AG, Switzerland, whose ultimate beneficial owner is Mr. Alexey Valerievich Moskov, Wädenswil, Switzerland.

[4] Source: Voluntary disclosure notification published by SIX Exchange Regulation on November 8, 2024; Amendment to the previously notified information as published by SIX Exchange Regulation on January 28, 2023.

Equity owned by the Executive Committee and the Board of Directors, including any related parties (4.5)

Members of the Board of Directors:

	2024	2023
	Number of shares	Number of shares
Prof. Dr. Michael Suess	1 278 055	1 278 055[1]
Gerhard Pegam	98 697	74 850
Alexey V. Moskov	164 142	132 137
Paul Adams	87 633	61 768
Zhenguo Yao	56 747	32 900
Irina Matveeva	76 659	52 812
Jürg Fedier	789 674	759 347
Inka Koljonen	42 585	18 738
Total	**2 594 192**	**2 589 578**

Members of the Executive Committee:

	2024	2023
	Number of shares	**Number of shares**
Prof. Dr. Michael Suess	1 278 055	1 278 055[1]
Markus Richter	–	n.a.
Philipp Müller	n.a.	56 831
Anna Ryzhova	86 973	70 631
Dr. Markus Tacke	36 432	17 326
Georg Stausberg	103 742	94 612
Total	**1 505 202**	**1 696 426**

[1] The prior year figure has been corrected due to a miscount. The previously reported number was 1 392 218.

Shares or options on shares for members of the Board of Directors, Executive Committee and Senior Management (4.6)

Shares or options on shares are used for share-based compensation of members of the Board of Directors compensated by OC Oerlikon Corporation AG, Pfäffikon as well as of the Executive Committee and Senior Management employed by other companies of the Group. The number of Restricted Stocks (RS), Restricted Stock Units (RSU) and Performance Share Awards (PSA) is calculated based on fair value at grant date. The allocation was as follows:

	2024		2023	
in CHF million	**Number of RS, RSU and PSA**	**Amount**	Number of RSU and PSA	Amount
Allocated to authorized members	3 898 267	11	1 707 008	8

For 2024 a total of 3 898 267 Restricted Stocks (RS), Restricted Stock Units (RSU) and Performance Share Awards (PSA) are allocated and the total granted value for share-based-programs amounts to CHF 11 million. Thereof, 224 035 allocated Restricted Stocks (RS) and a granted value of CHF 1 million relates to the Board of Directors. Another 2 179 777 allocated Restricted Stock Units (RSU) and Performance Share Awards (PSA) and a granted value of CHF 6 million is attributed to the Executive Committee.

For 2023 a total of 1 707 008 Restricted Stocks (RS), Restricted Stock Units (RSU) and Performance Share Awards (PSA) are allocated and the total granted value for share-based-programs amounts to CHF 8 million. Thereof, 160 685 allocated Restricted Stocks (RS) and a granted value of CHF 1 million relates to the Board of Directors. Another 605 000 allocated Restricted Stock Units (RSU) and Performance Share Awards (PSA) and a granted value of CHF 3 million is attributed to the Executive Committee.

Significant events after the balance sheet date (4.7)

There are no other significant events after the balance sheet date that could impact the book value of the assets or liabilities or that should be disclosed here.

Investments

			Share capital		Capital and share of votes in %	
Company	Place of business	Currency	**2024**	2023	**2024**	2023
INglass S.p.A.	San Polo di Piave/IT	EUR	2750000	–	100.00	0.00
OC Oerlikon Management AG, Pfäffikon	Freienbach/CH	CHF	2000000	2000000	100.00	100.00
OC Oerlikon Textile Holding AG, Pfäffikon	Freienbach/CH	CHF	12019600	112019600	100.00	100.00
OC Oerlikon Verwaltungs AG, Pfäffikon	Freienbach/CH	CHF	100000	–	100.00	0.00
Oerlikon (Thailand) Co. Ltd.	Chonburi/TH	THB	80000000	80000000	99.99	99.99
Oerlikon Balzers Coating India Ltd.	Pune/IN	INR	70000000	70000000	78.40	78.40
Oerlikon Balzers Coating Korea Co. Ltd.	Pyongtaek/KR	KRW	6300000000	6300000000	89.10	89.10
Oerlikon Balzers Coating Luxembourg S.à.r.l.	Differdange-Niedercorn/LU	EUR	1000000	1000000	60.00	60.00
Oerlikon Balzers Coating Sweden AB	Stockholm/SE	SEK	11600000	11600000	100.00	100.00
Oerlikon Balzers Kaplama Sanayi ve Ticaret Limited Sirketi	Bursa/TR	TRY	2500000	2500000	99.99	99.99
Oerlikon Business Services Europe Sp. z.o.o.	Warsaw/PL	PLN	5000	5000	100.00	100.00
Oerlikon Deutschland Holding GmbH	Remscheid/DE	EUR	30680000	30680000	100.00	10.00
Oerlikon Metco Surface Technology (Shanghai) Co. Ltd.	Shanghai/CN	CNY	9500000	–	100.00	0.00
Oerlikon Surface Solutions AG, Pfäffikon	Freienbach/CH	CHF	10000000	10000000	100.00	100.00
Oerlikon USA Holding Inc.	Wilmington DE/USA	USD	40234000	40234000	100.00	100.00
Oerlikon Vermögens-Verwaltungs GmbH	Remscheid/DE	EUR	25000	25000	100.00	100.00
PT Oerlikon Balzers Artoda Indonesia	Bekasi/ID	IDR	18000000000	18000000000	42.00	42.00
Zip Holding AG	Mendrisio/CH	CHF	7090700	7090700	25.00	0.00
Zip Invest AG	Mendrisio/CH	CHF	100000	100000	100.00	100.00

Refer to “Companies by Country” on pages 128 and 129 for a complete list of companies that are held directly and indirectly by OC Oerlikon Corporation AG, Pfäffikon.

Changes in Equity of OC Oerlikon Corporation AG, Pfäffikon

in CHF million	Share capital	Reserves from capital contributions	General legal retained earnings	Free reserves and statutory reserves	Available earnings	Treasury shares	Total equity
Balance at December 31, 2021	**340**	**259**	**71**	**294**	**734**	**–120**	**1 577**
Changes in treasury shares	–	–	–	–	–1	–15	–16
Dividend payment	–	–	–	–	–114	–	–114
Result for the year	–	–	–	–	92	–	92
Balance at December 31, 2022	**340**	**259**	**71**	**294**	**710**	**–134**	**1 539**
Changes in treasury shares	–	–	–	–	–2	5	3
Dividend payment	–	–	–	–	–114	–	–114
Result for the year	–	–	–	–	56	–	56
Balance at December 31, 2023	**340**	**259**	**71**	**294**	**651**	**–129**	**1 484**
Changes in treasury shares	–	–	–	–	–2	4	2
Dividend payment	–	–	–	–	–65	–	–65
Result for the year	–	–	–	–	95	–	95
Balance at December 31, 2024	**340**	**259**	**71**	**294**	**679**	**–125**	**1 517**

Proposal of the Board of Directors

The available earnings amount to:

in CHF million	**2024**
Retained earnings brought forward	586
Loss on treasury shares	–2
Result for the year	95
Available earnings	**679**

The Board of Directors proposes to the Annual General Meeting of Shareholders that the available earnings are allocated as follows:

Distribution of a dividend of CHF 0.20 (before withholding tax) on dividend-bearing shares with a nominal value of CHF 1.00 each	68
Balance to be carried forward	**611**

The company will not pay a dividend on treasury shares held by OC Oerlikon Corporation AG, Pfäffikon.

Pfäffikon SZ, February 17, 2025

On behalf of the Board of Directors
Chairman

Prof. Dr. Michael Suess

Report of the statutory auditor

to the General Meeting of OC Oerlikon Corporation AG, Pfäffikon,
Churerstrasse 120 8808 Pfäffikon

Report on the audit of the financial statements

Opinion

We have audited the financial statements of OC Oerlikon Corporation AG, Pfäffikon (the Company), which comprise the Income Statement for the year ended 31 December 2024, the Balance Sheet as at 31 December 2024, and Notes to the Financial Statements, including a summary of significant accounting principles.

In our opinion, the accompanying financial statements (pages 134-140) 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.

Our audit approach

Overview

Overall materiality: CHF 15'200'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Recoverability of the carrying value of the investments

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 15'200'000
Benchmark applied	Net Assets
Rationale for the materiality benchmark applied	We chose Net Assets as the benchmark because, in our view, it is a relevant benchmark against which holding companies can be assessed, is considered a key element for the user of the financial statements and it is a generally accepted benchmark for determining materiality.

We agreed with the Audit Committee that we would report to them misstatements above CHF 760'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Recoverability of the carrying value of the investments

Key audit matter	How our audit addressed the key audit matter
The valuation of investments is considered a key audit matter due to the size of the investments balance (CHF 2'264 million), the significant estimates involved in the valuation process and the estimation of the future profitability of the individual directly and indirectly held investments.	In our audit of the investments, we performed audit procedures including the following: • We compared the carrying amount of the investments as per 31 December 2024 with the book value of its equity or its valuation according to an accepted valuation method. • We performed plausibility checks on the key assumptions applied by management. Furthermore, we assessed the technical and mathematical correctness of the valuation model. Overall, based on the procedures performed, we conclude that management's assessments are based upon reasonable and consistently applied assumptions that support management's valuation conclusions.

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 remuneration report and our auditor's reports thereon.

pwc

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

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

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

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of 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 our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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.

PricewaterhouseCoopers AG

Rene Rausenberger Licensed audit expert Auditor in charge	Oliver Illa Licensed audit expert

Zürich, 17 February 2025

Legal structure

Legal structure of consolidated companies as per December 31, 2024

OC Oerlikon Corporation AG, Pfäffikon, Freienbach/CH

- OC Oerlikon Management AG, Pfäffikon, Freienbach/CH
- OC Oerlikon Textile Holding AG, Pfäffikon, Freienbach/CH
  - Oerlikon Textile China Investments Ltd., Hong Kong/CN
    - Oerlikon (China) Technology Co. Ltd., Suzhou/CN
      - Oerlikon Textile Technology (Beijing) Co. Ltd., Beijing/CN
    - Oerlikon Chemical Fiber Machinery (Wuxi) Co., Ltd., Wuxi/CN
  - Oerlikon Barmag Huitong (Yangzhou) Engineering Co., Ltd, Yangzhou/CN
  - OT Textile Verwaltungs GmbH, Vienna/AT
  - Teknoweb Materials S.r.l., Palazzo Pignano/IT
  - W. Reiners Verwaltungs-GmbH, Remscheid/DE
    - Dr. Schippers Unterstützungskasse GmbH, Remscheid/DE
    - Oerlikon Textile GmbH & Co. KG, Remscheid/DE
      - Oerlikon Textile Far East Ltd., Hong Kong/CN
      - Oerlikon Textile India Pvt. Ltd., Mumbai/IN
- Oerlikon Deutschland Holding GmbH, Remscheid/DE
  - Oerlikon Balzers Coating Benelux N.V., St.-Truiden/BE
  - Oerlikon Business Services GmbH, Remscheid/DE
  - Oerlikon Surface Solutions Holding GmbH, Raunheim/DE
    - Oerlikon AM Europe GmbH, Garching b. München/DE
    - Oerlikon Balzers Coating Germany GmbH, Bingen/DE
    - Oerlikon Friction Systems (Germany) GmbH, Bremen/DE
    - Oerlikon Metaplas GmbH, Salzgitter/DE
    - Oerlikon Coating Services GmbH, Salzgitter/DE
    - Oerlikon Metco Europe GmbH, Raunheim/DE
    - Oerlikon Metco WOKA GmbH, Barchfeld/DE
- Oerlikon Metco Surface Technology (Shanghai) Co. Ltd., Shanghai/CN
- INglass S.p.A., San Polo di Piave/IT
  - HRS Hot Runner Systems NA Inc., Halifax, NS/CA
  - HRS Flow Mexico S. DE R.L. DE C.V., Querétaro/MX
  - H.R.S. Flow do Brasil Comércio de Sistemas de Câmara Quente Importação e Exportação Ltda., São Paulo, SP/BR
  - Sistemas De Canal Caliente Ibérica. S.L.U., Begues/ES
    - SCC Assistência Técnica, Unipessoal Lda, Albergaria-a-Velha/PT
  - HRSflow GmbH, Raunheim/DE
  - HRS France S.à r.l., Bonchamp-lès-Laval/FR
  - HRS JAPAN Co. Ltd, Tokyo/JP
  - HRS (Hong Kong) Limited, Hong Kong/CN
    - HRS (Hangzhou) Trading Co. Ltd., Hangzhou/CN
  - INglass Tooling & Hot Runner Manufacturing (China) Co., Ltd., Hangzhou/CN
  - INglass HRS South Africa (Pty) Ltd, Johannesburg/ZA
  - HRS Flow India Private Limited, Pune/IN
  - Oerlikon Polymer Processing Solutions Makine Kalip Yedek Parca Ve Servis San.Tic.Ltd. Sti., Nilüfer, Bursa/TR
- OC Oerlikon Verwaltungs AG, Pfäffikon, Freienbach/CH
- Oerlikon Balzers Coating India Pvt. Ltd., Pune/IN
- Oerlikon (Thailand) Co. Ltd., Chonburi/TH
- Oerlikon Balzers Coating Korea Co. Ltd., Pyongtaek/KR
- Oerlikon Balzers Coating Luxembourg S.à r.l., Differdange-Niedercorn/LU
- Oerlikon Balzers Coating Sweden AB, Stockholm/SE
  - Oerlikon Balzers Coating Finland Oy, Helsinki/FI
- Oerlikon Balzers Kaplama Sanayi ve Ticaret Limited Sirketi, Bursa/TR
- Oerlikon Business Services Europe Sp. z.o.o., Warsaw/PL
- Oerlikon Surface Solutions AG, Pfäffikon, Freienbach/CH
  - OC Oerlikon Balzers AG, Balzers/LI
  - Oerlikon Balzers Coating AG, Balzers/LI
  - Oerlikon Balzers Coating (Suzhou) Co. Ltd., Suzhou/CN
  - Oerlikon Balzers Coating Austria GmbH, Kapfenberg/AT
  - Oerlikon Balzers Coating Italy S.p.A., Brugherio/IT
  - Oerlikon Balzers Coating SA, Brügg, Brügg/CH
  - Oerlikon Balzers Coating Spain S.A.U, Antzuola/ES
  - Oerlikon Balzers Coating Poland Sp. z.o.o., Polkowice Dolne/PL
  - Oerlikon Balzers Coating Mexico S.A. de C.V., Querétaro/MX

Legal structure of consolidated companies as per December 31, 2024

- · Oerlikon Balzers Coating Malaysia Sdn. Bhd., Kuala Lumpur/MY
- · Oerlikon Balzers Coating Philippines, Inc., Muntinlupa/PH
- · Oerlikon Balzers Coating Slovakia s.r.o., Bratislava/SK
- · Oerlikon Balzers Coating Taiwan Co. Ltd., Taipeh/TW
- · Oerlikon Balzers Coating UK Ltd., Milton Keynes/GB
  - · Oerlikon Metco Coatings Ltd., Dukinfield/GB
- · Oerlikon Balzers Coating Vietnam Co., Ltd., Bac Ninh/VN
- · Oerlikon Balzers France SAS, Ferrières-en-Brie/FR
- · Oerlikon Balzers Revestimentos Metálicos Ltda., Jundiaí, SP/BR
- · Oerlikon Eldim (NL) B.V., Lomm/NL
  - · Oerlikon Eldim (HU) Kft., Debrecen/HU
- · Oerlikon Friction Systems (Italia) S.r.l., Caivano/IT
- · Oerlikon Metco (Canada) Inc., Fort Saskatchewan, AB/CA
- · Oerlikon Metco (UK) Ltd., Cwmbran/GB
- · Oerlikon Metco (Singapore) Pte. Ltd., Singapore/SG
  - · Oerlikon Huagang Materials Technology (Zigong) Co., Ltd. (formerly Zigong Golden China Speciality Carbides Co. Ltd.), Zigong/CN
- · Oerlikon Metco AG, Wohlen, Wohlen/CH
- · Oerlikon Metco Australia Pty Ltd., Bella Vista, NSW/AU
- · Oerlikon Neomet Ltd., Stockport/GB
- · Oerlikon Nitriding (Shanghai) Technology Co., Ltd., Shanghai/CN
- · Oerlikon Nitriding Slovakia s.r.o., Veľká Ida, Slovakia/SK
- · Oerlikon Japan Co., Ltd., Hiratsuka/JP
- · Oerlikon Serbia doo Kragujevac, Kragujevac/RS
- · SAS COEURDOR, Maîche (Belfort)/FR
  - · Cubimatéria Polimentos Unipessoal Lda, Fundão/Castelo Branco/PT
  - · FCM S.p.A. in liquidazione, Campi Bisenzio (FI)/IT

– Zip Invest AG, Mendrisio/CH
- · Zip Holding AG, Mendrisio/CH
  - · RIRI SA, Mendrisio/CH
    - · AMOM S.p.A., Badia al Pino/IT
    - · Cobra Tunisie Int. Sarl. In liq., Sousse/TN
    - · D.M.C. Srl, Scarperia e San Pietro a Sieve/IT
    - · Riri Co. Ltd., Shanghai/CN
    - · Riri France SASU, Paris/FR
    - · SPM Pressofusione S.r.l., Palazzalo sull'Oglio/IT

– Oerlikon USA Holding Inc., Wilmington, DE/US
- · Oerlikon AM US Inc., Wilmington, DE/US
- · Oerlikon Balzers Coating USA Inc., Wilmington, DE/US
- · Oerlikon Metco (US) Inc., Westbury NY/US
- · Oerlikon Friction Systems (US) Inc., Dayton, OH/US
- · Oerlikon HRSflow Inc. LLC., Byron Center, MI/US
- · Oerlikon Management USA Inc., Pittsburgh, PA/US
- · Oerlikon Textile Inc., Charlotte, NC/US
- · Riri USA Inc., New York, NY/US

– Oerlikon Vermögens-Verwaltungs GmbH, Remscheid/DE

Glossary

General

AGM	Annual General Meeting of Shareholders
CAGR	Compound Annual Growth Rate is an annual growth rate over a period of years, where each year's growth is included in the following year to generate further growth.
CAPEX	"Capital expenditure are funds used by a company to acquire, upgrade and maintain physical assets such as property, industrial buildings or equipment."
DEI	DEI stands for diversity, equity and inclusion. Diversity is the presence of differences within a given setting. Equity is the process of ensuring that processes and programs are impartial, fair and provide equal possible outcomes for every individual. Inclusion is the practice of ensuring that people feel a sense of belonging in the workplace.
EBIT(DA)	Earnings before interest and tax (depreciation and amortization)
ESG	Environmental, Social and Corporate Governance, factors to measure the sustainability and societal impact of a company.
FTE	Full time equivalent; indicates the workload of an employed person. An FTE of 1.0 is equivalent to a full-time worker.
IIoT	The Industrial Internet of Things connects and synchronizes systems and devices with computers' industrial applications, enabling intelligent industrial operations using advanced data analytics.
KPI	Key performance indicator is a measurable value that demonstrates how effectively a company is achieving key business objectives.
LTA	Lost time accident; accident causing an absence of personnel for one or more days or shifts.
OEM	Original Equipment Manufacturer
PMI	Post merger integration is a process of combining and rearranging businesses to materialize potential efficiencies and synergies that usually motivate mergers and acquisitions.
ROCE	Return on capital employed is a ratio used as a measurement between earnings and the amount invested into a project or company.
Scope 3	Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.
SMI	Swiss Market Index: Switzerland's blue-chip stock market index. It is made up of 20 of the largest and most liquid Swiss Performance Index (SPI) large- and mid-cap stocks.
SMIM	Swiss Market Index Mid: consists of 30 biggest mid-cap Swiss companies which are not already covered in the SMI.
STOXX Europe 600 Auto & Parts EUR	STOXX Europe 600 Automobiles & Parts; a version of the STOXX Europe 600, a stock index of European stocks designed by STOXX Ltd with a fix number of 600 components
STOXX Europe 600 IndGd & Ser EUR	STOXX Europe 600 Industrial Goods & Services; a version of the STOXX Europe 600, a stock index of European stocks designed by STOXX Ltd with a fix number of 600 components
TAFR	Total Accident Frequency Rate

Surface Solutions Division

AM	Additive manufacturing: A manufacturing process to create three-dimensional (3D) solid objects by laying down a series of layers in succession ("3D printing"). Different metals, plastics and composites are available as materials.
BALINIT ALCRONA EVO	The third generation of the BALINIT ALCRONA PVD coating, a universal coating for metal working applications. It offers more than 30% better performance than its predecessor.
BALINIT DLC	An extremely hard and wear-resistant diamond-like carbon (DLC) coating. It provides excellent protection against abrasion, tribo-oxidation and adhesive wear, and is ideal for engine components such as fuel injection systems, valve trains and pistons.
BALIMED ZIRCONA	BALIMED coatings are especially developed for medical applications. BALIMED ZIRCONA offers superior wear resistance and provides highly accurate digital impressions due to its pale golden color, which is especially beneficial in fabricating dental prosthetics.
BALINIT® TISAFLEX	"A coating that provides outstanding oxidation and wear resistance and high thermal stability for machining performed with demanding materials such as titanium, stainless steel and hardened steel based on nickel alloys."
BALORA TECH PRO	An aluminum chromium oxide coating that provides excellent adhesion to metallic and oxide materials. It protects temperature-sensitive materials in the aerospace and power-generation industries from environmental influences and high operating temperatures, significantly extending the life of critical components by preventing premature wear.
Data Matrix Code (DMC)	2-dimensional Data Matrix Codes (DMC) allow each tool to be uniquely identified throughout its service life to optimize processes.
HVOF	High Velocity Oxygen Fuel: A thermal spray process using a mixture of fuel and oxygen, resulting in low porosity, wear and corrosion resistant coatings.
INVENTA	A Physical Vapor Deposition (PVD) system. It features the new Advanced Arc Technology (AAT) that enables a wider variety of target materials, better deposition efficiency, and improved coating uniformity while saving resources and energy.
Metco LSF800	A Liquid Suspension Feed System with impressive high-pressure capability that accurately and continuously feeds suspension feedstock materials for thermal spray processes in production environments.
MultiCoat5	A thermal spray controller technology from Oerlikon Metco, providing exceptional performance for a wide range of thermal spray applications, notably for complex multi-coat applications.
Pulsed Plasma Diffusion (PPD)	A proprietary heat treatment technology for large metal forming tool surfaces using hydrogen, nitrogen and electricity. As it uses no hazardous chemicals, it is an environmentally friendly and less expensive alternative to chrome-plating for wear-protection treatment.
PVD	Physical vapor deposition (PVD) is a technique for creating very thin (few thousandths of a millimeter) coatings that are extremely hard. These coatings improve the performance and durability of precision components in almost any industrial and consumer good, and also the life of tools for the metal and plastics processing industries.

Polymer Processing Solutions Division

BCF	Bulked Continuous Filament is yarn used primarily for carpet production, usually polypropylene or polyester.
FDY	Fully Drawn Yarn is a type of highly drawn polyester filament yarn that can be used to produce high strength fabrics and textiles. FDY is typically used to produce fabrics and textiles for high-end undergarments, high-end sportswear and home furnishings.
Geotextile	Extremely tear resistant and often simultaneously very extensible spunbond solution used in a layer to protect or hold in place soil, water, small pieces of stone. Geotextiles can also be made out of Industrial Yarn (IDY).
I-Shield HRS	An insulating cover that saves time and energy during the warm-up phase of hot runner systems.
Meltblown	Meltblown is a process in which non-woven fabrics are produced directly from granules. A special spinning process combined with high-speed hot air is used to produce fine-fiber fabrics with different structures.
Nonwoven	A nonwoven fabric is a structure made of fibers of limited length, continuous fibers (filaments) or chopped yarns of any kind that have been bonded together.
PET	Polyethylene terephthalate (PET) is a thermoplastic from the polyester family produced by polycondensation.
Polymer	A polymer is a chemical substance consisting of macromolecules. Synthetic or semi-synthetic polymers are the main components for the production of plastics.
TECHflow HRS	A hot runner line specifically designed for technical polymers and electronic applications, with increased wear resistance for processing reinforced thermoplastics.
WINGS	Winding Integrated Godet Solution is a family of winder technology by the Oerlikon Manmade Fibers Segment.

This annual report is only available in English and is the binding version.

Disclaimer and cautionary statements

OC Oerlikon Corporation AG, Pfäffikon together with its affiliates, hereinafter referred to as “Oerlikon”, has made great efforts to include accurate and up-to-date information in this document. However, Oerlikon makes no representation or warranties, expressed or implied, as to the truth, accuracy or completeness of the information provided in this document. Neither Oerlikon nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Oerlikon, shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document.

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