

# ANNUAL REPORT **2021**

# Company Overview

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

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

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

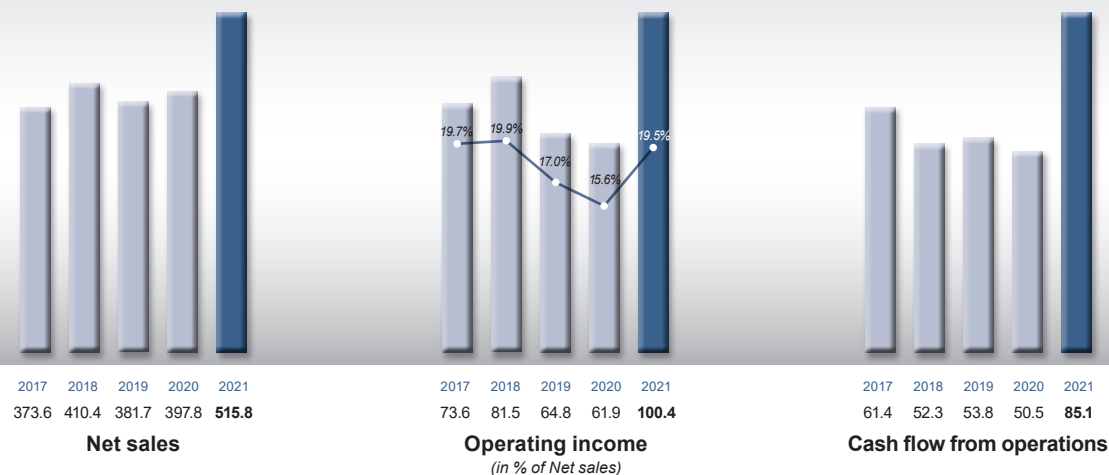
Other users of vacuum based processes include the life sciences, research, aerospace, food and general packaging, heat treatment, laser cutting, oil and gas transportation and processing, alternative energy, utilities, and many other industrial processes.

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

Company Overview	1
Key Figures	2
Recent Milestones and Achievements	4
Target Markets	6
Letter to our Shareholders	8
Investor Relations	14
Global Presence	15
Group Organization	16
Corporate Governance	18
Compensation Report	30
Report of the Statutory Auditor on the Compensation Report	36
Sustainability Report	37
<b>Financial Report Group</b>	
Financial Review	60
Consolidated Balance Sheet	62
Consolidated Statement of Income	63
Consolidated Statement of Shareholders' Equity	64
Consolidated Statement of Cash Flows	65
Notes to Consolidated Financial Statements	66
Report of the Statutory Auditor on the Consolidated Financial Statements	78
<b>Financial Report INFICON Holding AG</b>	
Balance Sheet	82
Statement of Income	83
Notes to the Financial Statements	84
Appropriation of Available Earnings	89
Report of the Statutory Auditor on the Financial Statements	90

INFICON publishes its annual report online.  
This edition has been optimized for easy  
reading on your computer and mobile devices.  
Additional copies of this report may be downloaded  
from the Investors section of our website,  
[www.inficon.com](http://www.inficon.com), Investor section

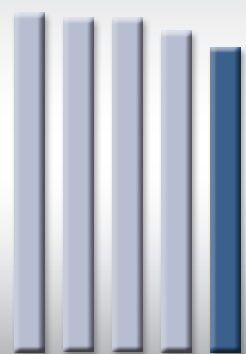
## Key Figures – At a Glance



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

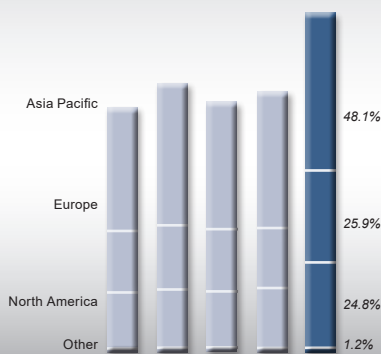
	2017	2018	2019	2020	2021
Net sales	373.6	410.4	381.7	397.8	515.8
Research and development	28.2	31.7	34.4	39.0	47.0
Selling, general and administrative expense	86.8	91.7	89.1	87.1	99.5
Operating income	73.6	81.5	64.8	61.9	100.4
in % of net sales	19.7%	19.9%	17.0%	15.6%	19.5%
EBITDA	81.8	90.3	73.2	72.4	111.8
in % of net sales	21.9%	22.0%	19.2%	18.2%	21.7%
Net result	59.5	64.2	52.8	49.3	80.3
in % of net sales	15.9%	15.6%	13.8%	12.4%	15.6%
Cash and cash equivalents	85.0	62.3	57.4	60.1	65.6
Cash flow from operations	61.4	52.3	53.8	50.5	85.1
Capital expenditures	14.3	20.3	18.4	14.1	30.3
Total assets	268.6	271.2	275.0	305.2	365.2
Long-term debt	–	–	–	–	0.2
Shareholders' equity	207.0	205.8	208.8	222.9	252.6
Equity Ratio in %	77.1%	75.9%	75.9%	73.0%	69.2%
Employees	1,028	1,118	1,183	1,220	1,297

## Key Figures – At a Glance



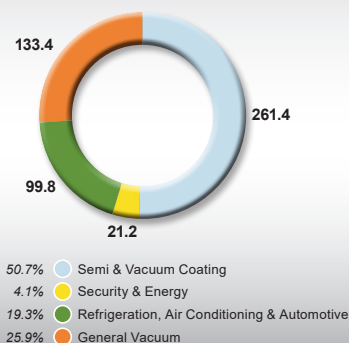
2017 2018 2019 2020 2021  
77.1% 75.9% 75.9% 73.0% 69.2%

**Equity Ratio**



2017 2018 2019 2020 2021

**Direct Sales by Geographic Region**



50.7% Semi & Vacuum Coating  
4.1% Security & Energy  
19.3% Refrigeration, Air Conditioning & Automotive  
25.9% General Vacuum

**2021 Sales by End Market**

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

	2017	2018	2019	2020	2021
<b>Ratios per share</b>					
Earnings per share – diluted	24.57	26.40	21.66	20.18	<b>32.87</b>
Shareholders' equity per share – diluted	85.49	84.65	85.66	91.23	<b>103.37</b>
Free cash flow per share – diluted <sup>1</sup>	19.07	12.99	13.93	14.28	<b>25.13</b>
Return on equity %	31.7%	31.1%	25.5%	22.8%	<b>33.8%</b>
<b>Dividend/Distribution per share (CHF)</b>					
Dividend/Distribution per share (CHF)	20.00	22.00	18.00	16.00	<b>21.00</b>
Share price (CHF) at December 31,	608.50	497.60	768.50	808.00	<b>1,338.00</b>

### Direct Sales by Geographic Region

	2017	2018	2019	2020	2021
Asia-Pacific	174.2	183.5	153.8	172.6	<b>248.0</b>
Europe	95.7	113.6	110.6	116.2	<b>133.6</b>
North America	99.2	106.1	112.5	104.7	<b>128.1</b>
Other	4.5	7.2	4.8	4.3	<b>6.1</b>

### Sales by End Market

	2017	2018	2019	2020	2021
Semi & Vacuum Coating	167	184.6	163.7	191.0	<b>261.4</b>
Security & Energy	25.5	29	26.6	19.7	<b>21.2</b>
Refrigeration, Air Conditioning & Automotive	76.2	81.5	84.4	79.6	<b>99.8</b>
General Vacuum	104.9	115.3	107.0	107.5	<b>133.4</b>

<sup>1</sup> Free cash flow results from net cash provided by operating activities less purchases of PPE and Intangibles

## Recent Milestones and Achievements

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

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

### Corporate

CHF 16.00 distribution per share for 2016 from legal reserves from capital contributions	CHF 20.00 distribution per share for 2017 from legal reserves from capital contributions	CHF 22.00 distribution per share for 2018 from legal reserves from capital contributions and from retained earnings	CHF 18.00 distribution per share for 2019 from retained earnings	CHF 16.00 distribution per share for 2020 from retained earnings  CHF 21.00 proposed distribution per share for 2021
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### Acquisitions / Divestments

	+ Final Phase Systems LLC, Assets of a Software Developer, Oct 1, 2018  + Techno-Tools Corp., Assets of a manufacturer of hand-held leak detectors, Oct 10, 2018			+ Fil-Tech Inc, Assets of a Designer and Manufacturer of Quartz Crystal Microbalance (QCM) sensors, April 30, 2021
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### Sales / Marketing / Achievements

CRM go live  Implementation of a collaboration tool	Moving into new and larger premises for sales, application, service, and logistics in Kawasaki and Chubu, Japan  Launch of CONTURA® S400 for food packaging industry in North America after successful launch in Europe  R&D 100 Finalist Award for Contura S400	ON Semiconductor Supplier of the Year Award for FabGuard®  Launch of "myRGA" Linxon® RGA  MPH Transpector® Variant "MSolo" for NASA's moonlander mission	Launch of Webinar landing page, starting with March 2020, 54 Webinars with 1'295 attendees have been carried out  New Service Center in Dresden (DE) since Q4 2020	New and expanded sales office & service centre in Guangzhou  New website launched March 31, 2021  Technology Day for Analysts, Investors and Media, November 24, 2021 in Balzers/FL  Successful placement of INFICON robotic leak detection combined with 3D vision solution for refrigeration & Air Conditioning
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## Recent Milestones and Achievements

Innovation is key at INFICON. In our 22 years of existence we have developed and launched over 100 new products.

### Technology Leadership

<p>Transpector® SPS RGA is a residual gas analyzer (RGA) especially developed for single pressure sampling (SPS). This low-risk and high-reward solution is ideal for Semi and display manufacturing</p> <p>LDS 3000 AQ leak detector to use forming gas or helium in a simple accumulation chamber</p> <p>Stripe® high-speed, 200°C heated Capacitance Diaphragm Gauge with EtherCAT interface</p>	<p>Transpector XPR 3+ RGA integrates a new generation of miniaturized quadrupole mass spectrometer for rapid gas change monitoring</p> <p>SPOT CDS500 featuring two measuring cells for wide range pressure measurement</p> <p>IRwin Variants G, the world's most compact methane analyzer with integrated gas chromatography for ethane analysis</p> <p>XL3000, the world's most powerful sniffer leak detector for H2 and Helium</p>	<p>Launch of a compact Self Plasma Optical Emission System for contamination control of &lt;10nm front end processes</p> <p>Fusion LNE certification for Biomethane Application in France</p> <p>Successful FabGuard® solution for Subfab.</p> <p>Launch of INFICON D-TEK Stratus®, the first refrigerant leak detector that pinpoints leaks and guides to leaks with the innovative cloud hunting mode</p>	<p>Launch of Transpector® CPM version for harsh Semiconductor applications</p> <p>Launch of IMM Thin Film Deposition Monitor product family for better and more precise repeatability</p> <p>Launch of D-TEK 3, an award-winning new hand-held Refrigerant Leak Detector for unparalleled performance</p>	<p>Transpector AXP, latest model in the family of market-leading Transpector RGAs</p> <p>UL6000 Fab, most precise, durable and thus reliable testing system on the market</p> <p>Augent® OPG550 Optical Plasma Vacuum Gauge is a compact and intelligent solution for vacuum monitoring</p> <p>xPart Coatings, highly uniform, particle free, atomic layer deposition (ALD) thin films applied on customer specific three dimensional parts for use in extreme harsh applications such as semiconductor production processes</p>
2017	2018	2019	2020	2021

## Target Markets

Semi & Vacuum Coating	Security & Energy	Refrigeration, Air Conditioning & Automotive	General Vacuum
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### Market

<p>In situ metrology and process control for semiconductor manufacturers, manufacturers of capital equipment for semiconductor devices (OEMs), and for thin film coating applications including flat panel displays (LCD and OLED), solar cells, LED lighting systems, data storage media, scientific and consumer optics, and architectural glass coatings.</p>	<p>Analysis of chemical agents and toxic industrial chemicals in air, water or soil for military, emergency response and environmental events.</p> <p>Gas analysis for petrochemical industry, including oil and gas production and refining, alternative energy sources.</p> <p>Leak detection and monitoring of landfills, industrial processes, and utilities.</p>	<p>Leak detection for quality control in the manufacturing of commercial and consumer air conditioners and appliances.</p> <p>Technologies for air conditioners and airbags, fuel tanks, lithium-ion batteries, and other components in the automotive industry.</p> <p>After-sale service for repair.</p>	<p>Vacuum technology applications such as aerospace, heat treating, analytical instrumentation, food packaging, vacuum furnace and metallurgy, and research reached through private-label partners who are global manufacturers of vacuum pumps. INFICON also serves a growing portion of this market directly.</p>
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### Growth Drivers

<p>Growing demand for electronic content in consumer products.</p> <p>Increasing manufacturing complexity.</p> <p>Miniaturization for portability and mobile communication.</p> <p>Rising demand for intelligent sensors (MEMS, optical, etc.).</p> <p>Strong growth of new applications (Big Data, IoT, Virtual/Augmented reality, artificial intelligence, 5G and autonomous driving).</p>	<p>Imminent threats to national and global political and economic stability.</p> <p>Fear of terror, leads governments to allocate resources to homeland security.</p> <p>Government agencies (military, police, etc.) faced with more and new tasks for national emergencies.</p> <p>Growing environmental concerns and increase needs for alternative energy technologies.</p>	<p>Regulations to reduce environmental pollution and increase energy efficiency.</p> <p>Rising demand for air conditioning and new refrigerants.</p> <p>Growing demand for household appliances in emerging economies.</p> <p>Lithium-ion battery and fuel cell technologies, E-mobility.</p> <p>Increasing demand for leak tight automotive parts.</p>	<p>Life Science.</p> <p>R&amp;D budgets.</p> <p>Easier use of vacuum for industrial and research applications.</p> <p>Rising quality standards.</p> <p>Global GDP growth.</p> <p>New energy and fuel applications.</p> <p>Food packaging, extended shelf life.</p>
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### Long-term market trends

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

## Target Markets

Semi & Vacuum Coating	Security & Energy	Refrigeration, Air Conditioning & Automotive	General Vacuum
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### Products

Industrial gas analyzers, mass spectrometers, and process control sensors.			Industrial gas analyzers, mass spectrometers, and process control sensors.
Vacuum gauges, controllers, components and feedthroughs.		Vacuum gauges, controllers, components and feedthroughs.	Vacuum gauges, controllers, components and feedthroughs.
Leak detectors	Leak detectors	Leak detectors	Leak detectors
Thin film controllers			
	Chemical detectors and monitors		
	Micro gas chromatography		Micro gas chromatography
Application-based software solutions			
Quartz crystal technologies			Quartz crystal technologies
RF sensing technology			
xParts coating technology		Service tools	

# Letter to our Shareholders

## Dear Shareholders

Two years ago, hardly anybody would have anticipated that the COVID-19 pandemic would affect the global economy now in its third year. The ongoing international technology, trade, and taxation disputes, as well as obstructed shipping routes created additional challenges, especially on the sourcing but also on many end markets. The UN Climate Change Conference (COP26) in Glasgow has put further emphasis on the obvious challenges for humankind. It has become clear to all of us that the world we live and operate in is vulnerable.

As an industrial Group, we do our best to limit, reduce, and wherever possible, avoid any negative impact of our business. In this report, we have expanded and deepened the information on environmental, social, and governance (ESG) related aspects of our business. According to the GRI Standards, our ESG report stipulates our policies and highlights the major improvements achieved in the year 2021. Our sustainability efforts also support the 17 UN Sustainable Development Goals (SDGs). INFICON predominantly pursues the following SDGs: our activities provide for “Decent work and economic growth” (SDG 8), and they contribute to a positive development of our “Industry, Innovation and Infrastructure” (SDG 9). Our products and services increase “Good health and well-being” (SDG 3) of our workforce and the staff at our customers. “Responsible consumption and production” are the guiding principles in sourcing and manufacturing (SDG 12), and with the objective to reduce the emission of greenhouse gases, we promote “Climate action” (SDG 13).



We source our materials responsibly. We strive to run our operations efficiently and with the least possible adverse impacts on humans, nature, and our world as a whole. Many of our products help customers to sustainably optimize their processes, sparingly use natural resources, protect the environment, and guarantee for the safety and health of their workforces. While any economic activity creates outcomes that feedback and influence the environment, we are convinced at INFICON that we manage to do so with the least possible emission of greenhouse gases. However, we continue to strive to minimize any negative impact of our economic activity.

Doing business in a sustainable way that is focused on furthering the SDGs does not limit a company's economic success. In fact, INFICON posts record results for the year under review with sales of USD 515.8 million and an operating profit margin of 19.5%.

Several initiatives worked on over the past three years were truly instrumental in unleashing INFICON's growth potential. Our so-called “I3C Initiative” reached out to all INFICON employees to nurture a caring, committed, and ready-for-change and growth attitude. This year, we complemented this effort with workshops at all major sites to jointly create a common INFICON spirit and identity. We believe that employees who share a common understanding of a company's goals and know its purpose advance innovation, cooperate more efficiently, and bring their company forward.

## Our “Identity”



This “can-do” mentality is truly customer centered and seeks to find innovative solutions to our customers' most pressing needs. During the year under review, INFICON introduced a series of new and enhanced products, innovative new technologies, and optimized process solutions.

# Letter to our Shareholders

The most notable highlights grouped by target market include:

For the Semi & Vacuum Coating market

- **Transpector APX**, the latest model in the family of market-leading Transpector RGAs, is specifically designed for advanced semiconductor processes such as ALD, CVD and Etch. <https://www.inficon.com/en/products/residual-gas-analyzers>
- In the capital-intensive manufacture of semiconductors, employees must find and repair leaks very quickly. INFICON's newest solution UL6000 Fab is not only the most precise, durable and thus reliable testing system on the market, it also saves time throughout the testing sequence. <https://www.inficon.com/en/products/ul6000-fab>



- **Augent™ OPG550 Optical Plasma Vacuum Gauge** is a compact and intelligent solution for vacuum monitoring. Augent™ combines two sensor technologies into one compact device for gas type monitoring from  $1 \times 10^{-7}$  to 5 mbar and to measure total pressure from atmosphere down to  $1 \times 10^{-7}$  mbar at the same time. <https://www.inficon.com/en/products/opg550>

- **INFICON ceramic capacitance diaphragm gauges (CDG)** are designed for demanding, highest accuracy (0.15%) applications in the vacuum industries. The corrosion resistant ultra-pure alumina sensor guarantees superior performance and best long-term span stability, high accuracy and years of maintenance free lifetime. <https://www.inficon.com/en/products/high-precision-vacuum-gauges>



## Letter to our Shareholders

### SmartFDC™

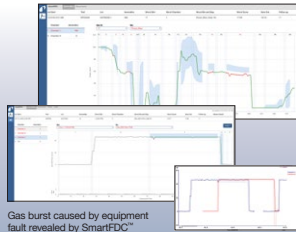
#### An Artificial Intelligence Solution For The Modern Fab

• Employs machine learning to determine what normal equipment and process behavior look like

• The SmartFDC™ algorithm then detects unexpected changes (anomalies)

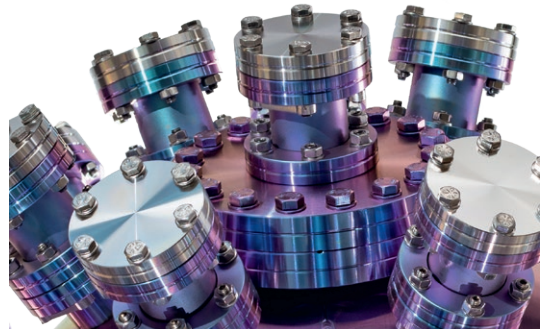
SmartFDC™... not AI hype,  
SmartFDC™ works!

Reduces product scrap by monitoring for the unexpected - including previously unobserved fault conditions



- **SmartFDC™** uses machine learning technologies and empowers engineers with easy-to-use tools focused on reducing product risk and rapidly resolving production issues. SmartFDC reduces the time to implement a fault detection program, maximizes excursion detection capabilities, and provides powerful analytical tools to engineers of all skill levels. <https://www.youtube.com/watch?v=TW7tCNfJ2tA>

- **xParts coatings** are highly uniform, particle free, ALD (atomic layer deposition) thin films applied on customer specific three dimensional parts for use in extreme harsh applications such as semiconductor production processes. xParts coatings increase the lifetime of critical components and secures the production tool's uptime.



## For the Refrigeration, Air Conditioning & Automotive market



- **ELT3000 Battery Electrolyte Leak Detector** offers a unique, non-destructive leak testing solution for all lithium-ion battery cells, including fragile pouch cells. It is the only system that detects electrolyte leakage directly, rather than through indirect parameters (like pressure changes). Based on mass spectrometer technology, it finds leaks down to the micrometer range, up to 1,000 times smaller than the ones found with traditional pressure test methods. <https://www.inficon.com/en/products/elt3000-battery-leak-detector>

- **D-TEK Stratus** combines the superior leak detection of D-TEK leak detectors with the cloud hunting capability of a portable monitor all in one hand-held unit. Technicians can quickly locate the area containing the leak using the large, easy-to-read LCD display, and then pinpoint the leak all with one instrument.  
<https://www.inficon.com/en/products/d-tek-stratus-refrigerant-leak-detector>

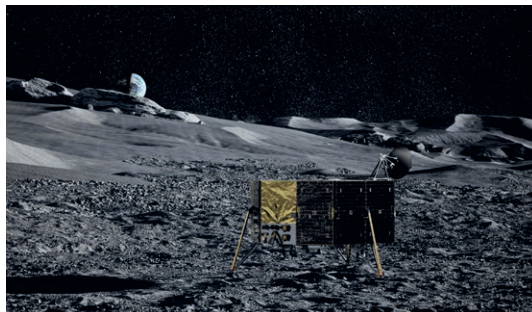


- **Robotic Leak Detection**, in combination with the INFICON Ecotec E3000 multi-gas leak detector is the next step in use e.g. at a refrigerator manufacturing line. The system can test up to nine test points in between 25 to 30 seconds. Precise guidance, speed and accuracy are achieved with robotic leak detection from INFICON combined with the new 3D vision system and the new patented sniffer tip allows for precise guidance, speed and accuracy. <https://www.youtube.com/watch?v=g65kQgc2XZw>

# Letter to our Shareholders

## For the General Vacuum market

- **MSolo** is a commercial off-the-shelf mass spectrometer modified to work in space. NASA will use MSolo to identify molecules on the surface of the Moon. Multiple MSolo instruments are destined for the Moon via the help of NASA's commercial partners, landing scientific instruments and technology demonstrations on the lunar surface as part of the Commercial Lunar Payload Services (CLPS) initiative. [https://www.youtube.com/watch?v=59\\_vhOYoWWs](https://www.youtube.com/watch?v=59_vhOYoWWs)



## For the Security & Energy market

- **HAPSITE CDT** provides versatility for military, civilian and hazardous response teams to identify and quantify narcotics. Chemical Warfare Agents (CWA), Fourth Generation Agents (FGA), explosives and toxic industrial chemical threats on-site to develop critical health risk assessments, quickly. The new handheld cartridge-based sampling system allows users to carry lighter equipment, quickly deploy and get multiple samples analyzed on-site. <https://www.inficon.com/en/markets/military/hapsite-cdt-introduction>



INFICON's strong innovation pipeline led to growth in all of our four target markets. With the new xParts coating technology, we offer a new kind of service to our customers. INFICON is able to coat any three-dimensional item as a service for our customers. This new offering may open a recurring revenue model for the Company. To accommodate future growth, we have embarked on a comprehensive capacity expansion strategy. In the reporting and the current business year, INFICON will invest over USD 10 million in America and over USD 30 million in Europe. The completion of this 2-year program should add more than 50% additional capacity.

The Board of Directors and Group Management are convinced that INFICON has the right people, technological capabilities, and flexible industrial manufacturing capacities to explore further growth and additional application avenues in the future. We are excited to convert the latest in vacuum technology to sustainable and customer-oriented solutions. Our daily contact with our broad and diverse customer base continues to inspire and challenge us. We would like to thank all our customers, business partners and suppliers for their continued trust and support. We also extend our thanks to all the INFICON colleagues around the world. It is the INFICON staff at all levels and functions who make our success possible.

Our operational success also pays off for our shareholders. INFICON invests in future growth with additional capacities, but still foresees an increase in dividend payout. The Board of Directors proposes to the upcoming Annual General Meeting scheduled for March 31, 2022 the distribution of a dividend of CHF 21.00.

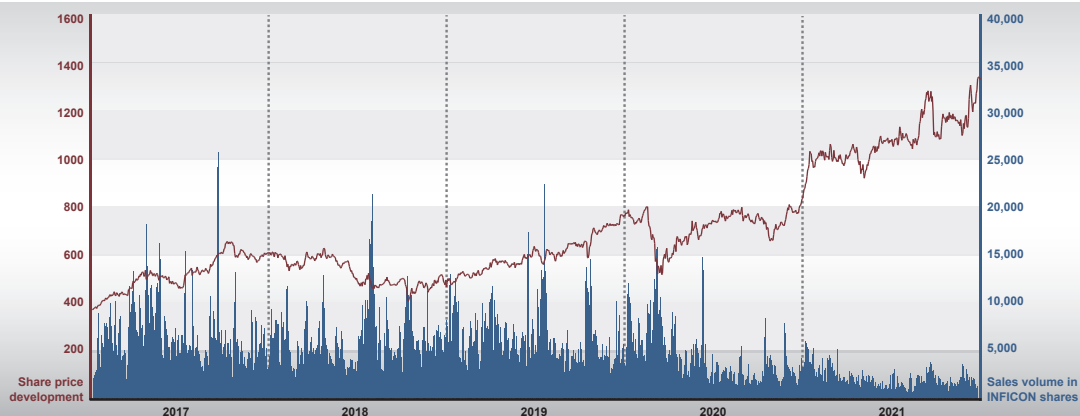
Yours sincerely,

Dr. Beat E. Lüthi  
Chairman

Lukas Winkler  
CEO

Matthias Tröndle  
CFO

# Investor Relations



## Company Capital

The share capital of INFICON Holding AG consists of 2,445,161.00 registered shares with a nominal value of CHF 5 each.

## Stock Market Trading

The registered shares are listed on SIX Swiss Exchange under

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

## Important Dates\*

\*Subject to change

March 31, 2022: Annual General Meeting of Shareholders. Meeting will take place without personal attendance of shareholders.

April 22, 2022: First quarter 2022 results

July 28, 2022: Second quarter 2022 results/half-year results 2022

October 20, 2022: Third quarter 2022 results

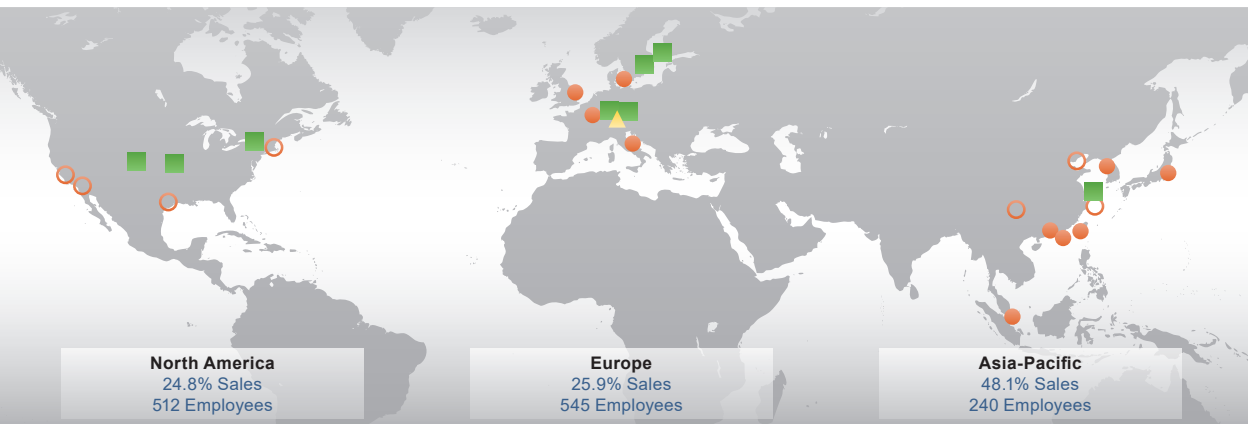
March 2023: Fourth quarter 2022 results/Year-end results 2022

## Internet/E-mail Alerts

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

	2017	2018	2019	2020	2021
<b>Key figures per share (CHF)</b>					
Price at year-end	608.50	497.60	768.50	808.00	<b>1,338.00</b>
Highest price	660.50	636.00	779.50	821.00	<b>1,362.00</b>
<i>Date</i>	<i>Oct. 13</i>	<i>Apr. 23</i>	<i>Dec. 23</i>	<i>Dec. 02</i>	<i>Dec. 28</i>
Lowest price	371.50	403.80	468.40	488.60	<b>800.00</b>
<i>Date</i>	<i>Jan. 03</i>	<i>Oct. 11</i>	<i>Jan. 03</i>	<i>Mar. 23</i>	<i>Jan. 04</i>
Earnings per share (diluted)	24.57	26.40	21.66	20.18	<b>32.87</b>
Equity per share	85.49	84.65	85.66	91.23	<b>103.30</b>
Dividend/Distribution per share	20.00	22.00	18.00	16.00	<b>21.00</b>

## Global Presence



# Group Organization

(as of March 2, 2022)

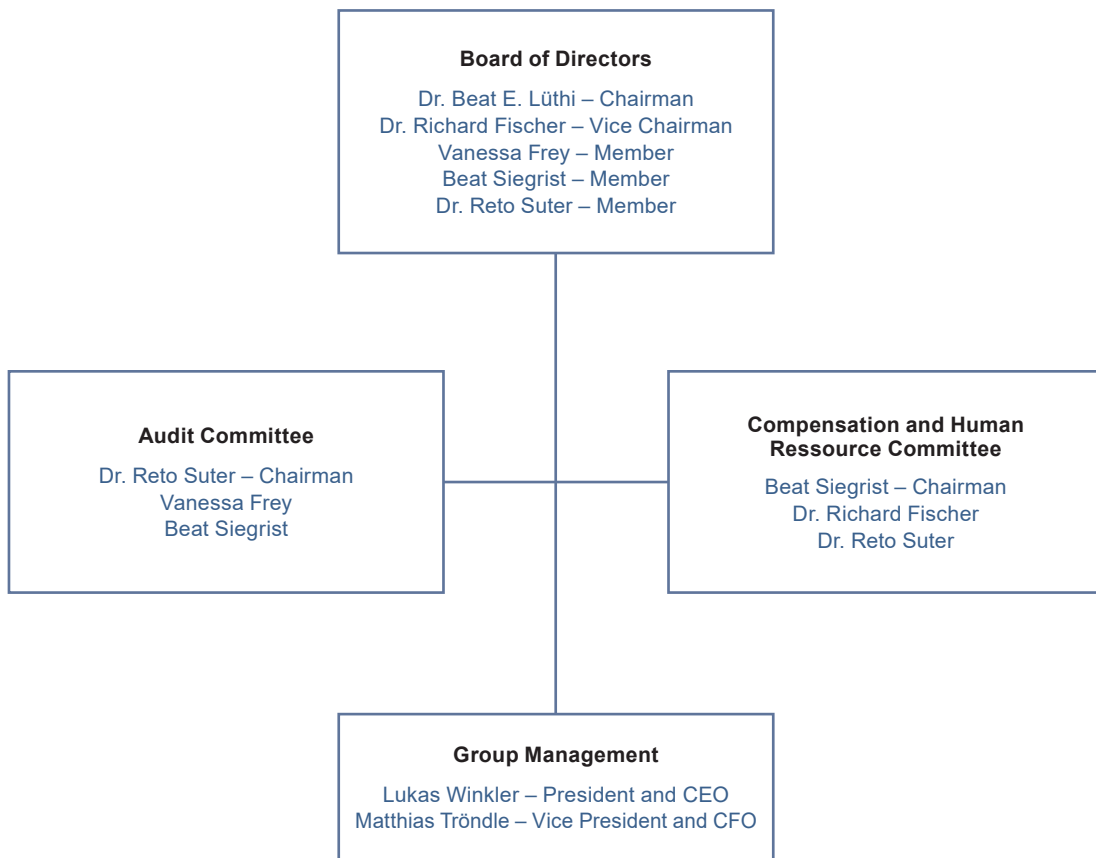
## Board of Directors and Group Management



*From left to right: Lukas Winkler (CEO), Beat Siegrist, Dr. Richard Fischer, Dr. Beat E. Lüthi (Chairman), Vanessa Frey, Dr. Reto Suter, Matthias Tröndle (CFO)*

# Group Organization

(as of March 2, 2022)



## Board and Executive Secretary

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

# Corporate Governance

## Introduction

This Corporate Governance Report explains the principles of management and control of INFICON Holding AG at the highest corporate level in accordance with the Directive on Information relating to Corporate Governance (the Corporate Governance Directive) in its current version issued by the SIX Swiss Exchange on June 18, 2021.

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

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

All elements of the Swiss Ordinance Against Excessive Compensation with respect to Listed Stock Corporations have been fully introduced with the amendment of the Articles of Incorporation of INFICON Holding AG.

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

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

The following Corporate Governance Report follows the structure of SIX Swiss Exchange.

## 1 Group Structure and Shareholders

### 1.1 Group Structure

#### Operational Group Structure

See page 17.

INFICON Holding AG is the parent company of the INFICON group which operates from 16 countries and consists of a parent company, 8 manufacturing companies and 10 sales and service subsidiaries. The legal entity structure of the INFICON group is seen on page 15.

#### Listed Corporation: INFICON Holding AG

INFICON Holding AG is based in Bad Ragaz, Switzerland. It has a share capital of TCHF 12,226 made up of 2,445,161 shares with a nominal value of CHF 5 each. Registered shares are listed on SIX Swiss Exchange under security number 1102994, ISIN CH0011029946 and symbol IFCN.

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

Market capitalization at December 31, 2021 was CHF 3,271,625,418 based on shares outstanding.

# Corporate Governance

## Share Capital and Percentage of Shares Held by Subsidiaries

See statutory financial statements, Note 2.4, "Investments"

### 1.2 Significant Shareholders

#### Shareholder Structure

Based on number of registered shareholders as of December 31, 2021.

Number of shares	Number of shareholders
> 50,000	3
10,000–50,000	15
1–9,999	4,205
<b>Total</b>	<b>4,223</b>

#### Shareholders by Country

Based upon number of registered shareholders as of December 31, 2021.

Country	Number of shareholders
Switzerland	3,775
Germany	215
United States of America	64
Liechtenstein	41
Rest of Europe	54
Rest of World	74
<b>Total</b>	<b>4,223</b>

#### Major Shareholders

See statutory financial statements, Note 3.2, "Significant Shareholders".

### 1.3 Cross-shareholdings

INFICON Holding AG has no cross-shareholdings.

## 2 Capital Structure

### 2.1 Capital (Issued, Authorized & Conditional)

Registered shares of CHF 5 each at December 31, 2021:

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

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

### 2.2 Authorized and Conditional Share Capital

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

The Articles of Incorporation provide for a conditional capital (according to Art. 653 of the Swiss Code of Obligations) of a maximum of TCHF 64 through the issuance of 12,894 registered shares of CHF 5 each by the exercise of option rights granted to employees and members of the Board of Directors of the Company. During 2021 a total of 3,200 (2020: 4,630) options have been exercised reducing the available conditional shares to 9,694 and the conditional share capital to TCHF 48.

### 2.3 Changes in Shareholders' Equity

Changes in shareholders' equity are presented in the consolidated statements of shareholders' equity section of the consolidated financial statements for INFICON Holding AG for the years ended December 31, 2021 and 2020.

### 2.4 Shares

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

### 2.5 Profit Sharing Certificates

The Company currently has no profit sharing certificates.

## 2.6 Limitations on Transferability and Nominee Registrations

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

## 2.7 Convertible Bonds and Warrants/Options

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

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

## 3 Board of Directors

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

#### Board of Directors and Management Board

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

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

According to the law, the Board of Directors is responsible for the ultimate direction and supervision of INFICON Holding AG. The Board of Directors has delegated the conduct of the day-to-day business operations to the Company's Group Management comprising the Chief Executive Officer and Chief Financial Officer. Group Management is responsible for the management of INFICON Holding AG and for all other matters except for those reserved by law and the Articles of Incorporation. The Board of Directors is required to resolve all matters, which are not defined by the law, Articles of Incorporation, or management bylaws as being the responsibility

of any other governing body. According to the Swiss Code of Obligations and to the Articles of Incorporation the following non-transferable and inalienable responsibilities are incumbent on the Board of Directors:

- Ultimate management of the Corporation and the issuance of the necessary directives;
- Determination of the organization;
- Structuring of the accounting system and of the financial controls, as well as the financial planning insofar as this is necessary to manage the Corporation;
- Appointment and the removal of the persons entrusted with the management and representation of the Corporation and the granting of the signatory power;
- Ultimate supervision of the persons entrusted with the management, particularly with regard to compliance with the law, the Articles of Incorporation and regulations and directives;
- The preparation of the business report as well as the General Meeting of Shareholders, and the implementation of the latter's resolutions;
- Notification of the judge in the case of over-indebtedness;
- Passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid in shares;
- Passing of resolutions confirming increases in the share capital and regarding the amendments to the Articles of Incorporation entailed thereby;
- Examination of the professional qualifications of the specially qualified auditors in those cases in which the law foresees the use of such auditors.

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

# Corporate Governance

## The Audit Committee

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

Dr. Reto Suter, Chairman  
Vanessa Frey  
Beat Siegrist

The responsibilities of the Audit Committee include:

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

## The Compensation and Human Resources Committee

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

Beat Siegrist, Chairman  
Dr. Richard Fischer  
Dr. Reto Suter

## Frequency of Meetings of the Board of Directors and its Committees

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

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

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

# Corporate Governance

Number of meetings and conference calls in 2021:

	Board of Directors	Audit Committee	Compensation and Human Resources Committee
<b>Number of meetings in 2021</b>	3	2	2
<b>Approx. average duration of physical meetings (in hours)</b>	11.5	1.0	2.8
Dr. Richard Fischer	3	2	2
Vanessa Frey	3	2	2
Dr. Beat E. Lüthi	3	2	2
Beat Siegrist	3	2	2
Dr. Thomas Staehelin (until March 30, 2021)	0	0	0
Dr. Reto Suter (as of March 31, 2021)	3	2	2
KPMG calling in	0	1	0
<b>Number of virtual meeting in 2021</b>	3	6	2
<b>Approx. average duration of virtual meetings (in hours)</b>	1.2	1.3	0.8
Dr. Richard Fischer	3	6	2
Vanessa Frey	3	6	2
Dr. Beat E. Lüthi	3	6	2
Beat Siegrist	3	6	2
Dr. Thomas Staehelin (until March 30, 2021)	2	3	2
Dr. Reto Suter (as of March 31, 2021)	1	3	0
KPMG	0	2	0

The meetings took place in Rankweil (Austria), Syracuse (USA) and Balzers (Liechtenstein).

**The Company's Board of Directors is composed of:**

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

Chairman of the Board of Directors

### *Educational Background*

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

### *Executive Experience*

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

### *Previous Board Mandates*

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

### *Current Board Mandates*

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

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

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

### *Educational Background*

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

### *Executive Experience*

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

### *Previous Board Mandates*

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

### *Current Board Mandates*

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

# Corporate Governance

## Vanessa Frey, Citizen of Switzerland, 1980

Director, Member of the Audit Committee

### *Educational Background*

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

### *Executive Experience*

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

### *Previous Board Mandates*

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

### *Current Board Mandates*

- Since 2002 Corisol Holding AG, Member
- Since 2008 Swiss Small Cap Invest, Member
- Since 2008 KWE Beteiligungen AG, Member
- Since 2012 INFICON Holding AG, Member
- Since 2014 Schweiter Technologies AG, Member
- Since 2018 Tata 1mg, Member

## Beat Siegrist, Citizen of Switzerland, 1960

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

### *Educational Background*

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

### *Executive Experience*

- 1985–1986 Contraves AG (Defense Equipment),  
Development Engineer
- 1987–1993 McKinsey&Co. (Consulting), first McKinsey  
Fellows in Switzerland, Consultant and  
Project Manager

- 1993–1995 Outsourcing AG (Reorganisation and Out-  
sourcing of Productions), Founder and CEO
- 1996–2008 Schweiter Technologies (Machinery  
Equipment for Textiles, Semiconductor  
and Optics), CEO
- 2008–2012 Essilor (Ophthalmic Lens Manufacturer),  
Member of the Executive Team and President  
of machinery division Satisloh, which was  
sold to Essilor from Schweiter Technologies

### *Previous Board Mandates*

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

### *Current Board Mandates*

- Since 2003 Phoenix Mecano AG, Member
- Since 2008 Schweiter Technologies AG, Chairman
- Since 2010 INFICON Holding AG, Member
- Since 2019 The Island Rum Company AS, Member

## Dr. Reto Suter, Citizen of Switzerland, 1971

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

### *Educational Background*

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

### *Professional Experience*

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

# Corporate Governance

## Previous Board Mandates

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

## Current Board Mandates

Since 2017 Siegfried Group, various  
Since 2021 INFICON Holding AG, Member

## 3.2 Other Activities and Vested Interests

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

## 3.3 Elections and Terms of Office

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

Election occurs at the General Meeting of Shareholders.

The members of the Board of Directors were elected individually as follows:

Board of Directors	Date	Term
	First Elected	Expires
Dr. Beat E. Lüthi	May 2012	March 2022
Dr. Richard Fischer	May 2003	March 2022
Vanessa Frey	May 2012	March 2022
Beat Siegrist	May 2010	March 2022
Dr. Reto Suter	March 2021	March 2022

## 3.4 Internal Organizational Structure

Refer to page 17.

## 3.5 Definition of Areas of Responsibility

The Board of Directors has delegated authority to the Company's Group Management comprising the Chief Executive Officer and Chief Financial Officer to execute the Company's approved annual budget. INFICON Holding AG has a comprehensive financial and enterprise reporting system to gather and report its financial results. The quarterly financial results are reviewed and approved by the Audit Committee prior to issuance

to the public. Additionally, the Board of Directors provides oversight and approval for potential acquisitions or strategic partnerships.

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

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

The Board of Directors receives monthly reports from Group Management.

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

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

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

## 3.7 Board independence

The Compensation and Human Resources Committee (CHR Committee) evaluates the independence of its members annually based on the below independence criteria. This evaluation of the independence of the candidates for a Board membership is an important factor when the Board of Directors prepares its annual proposal for the composition of the Board.

## Independence criteria

The independence of Directors is assessed according to the Swiss law, the Swiss Code of Best Practice for Corporate Governance and the Rules of Swiss Stock Exchange (SIX). For the INFICON Board, a director is considered independent if the director:

- is not, and has not been for the prior three years, employed as an executive officer or in another function at the Group or any of its subsidiaries;
- is not, and has not been for the prior three years, an employee or affiliate of our external auditor;

## Corporate Governance

- does not maintain a material direct or indirect business relationship with the Group or any of its subsidiaries, and
- has not been at any time during the prior three years, part of an interlocking directorate in which a member of the Executive Board serves on the compensation committee of another company that employs the Board member.

The age and length of tenure a Board member has served are not criteria for his or her independence. However, the board aims for a healthy distribution between experienced and new Board members.

As anticipated, there will be several age-related changes in the Group Management and the extended management team in 2022 and 2023. The succession planning is extremely important to us and to our stakeholders and has the highest priority to create a smooth transition. We want to and must accompany this process professionally with continuity and the current, experienced Board of Directors. After that period, we will review our Board composition again, also in conjunction with the tenure and gender diversity.

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

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

### Independence statement

According to the evaluation carried out by the CHR Committee, all Board of Directors proposed for AGM election in 2022 are considered independent:

Board Member	Independence Rating/ Comments
Dr. Beat E. Lüthi, Chairman	Independent
Dr. Richard Fischer, Vice Chairman	Independent
Beat Siegrist, Head of CHR Committee	Independent / Mr. Beat Siegrist and Ms. Vanessa Frey's family are both holding significant share capital of the SIX listed SCHWEITER Group. Mr. Beat Siegrist serves as non-executive Chairman and Ms. Vanessa Frey as a non-executive Member of the Board. This fact and the fact that SCHWEITER and INFICON don't have any business interferences are not jeopardizing the independence of Ms. Vanessa Frey and Mr. Beat Siegrist based on INFICON's independence criteria.
Vanessa Frey	Independent / Ms. Vanessa Frey's family is a long-time anchor shareholder with 19.5% of INFICON's share capital
Dr. Reto Suter	Independent

# Corporate Governance

## 4 Group Management

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

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

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

President and Chief Executive Officer (since January 2004)

##### *Educational Background*

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

##### *Executive Experience*

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

##### *Current Board Mandates*

- Since 2018 Inovu Group AG  
(former KLH Holding AG), Member  
Since 2020 Avantama AG, Member

#### Matthias Tröndle, Citizen of Germany, 1960

Vice President and Chief Financial Officer  
(since September 2008)

##### *Educational Background*

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

##### *Executive Experience*

- 1985–1988 Digital Equipment Corporation (DEC), Stuttgart, Financial Analyst Software Development and Sales  
1988–1995 Hewlett Packard GmbH, Germany, Senior Financial Analyst Headquarters Germany Finance Manager of two subsidiaries in Germany and Switzerland Accounts Receivables and Credit Manager Accounting & Reporting Manager Leasing & Remarketing Commercial Manager Leasing & Remarketing Division  
1995–2003 Solectron GmbH, Germany, Director Finance Germany  
2003–2003 Solectron Romania SRL, Timisoara – Romania, Director Finance Eastern Europe (9 months)  
2003–2008 Solectron Europe BV, Amsterdam, Senior Director Finance Europe  
2008–today INFICON Holding AG, Switzerland, Chief Financial Officer

### 4.2 Other Activities and Vested Interests

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

### 4.3 Management Contracts

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

## 5 Compensation, Shareholdings and Loans

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

## 6 Shareholder Participation

### 6.1 Voting-Rights and Representation Restrictions

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

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

### 6.2 Statutory Quorums

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

### 6.3 General Meetings of Shareholders

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

### 6.4 Agenda

Shareholders holding shares with a par value of at least TCHF 500 have the right to request in writing, at least 50 days prior to the day of the respective shareholders' meeting, that a specific proposal be discussed and voted upon at such shareholders' meeting.

### 6.5 Entries into the Share Register

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

## 7 Changes of Control and Defense Measures

### 7.1 Duty to Make an Offer

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

### 7.2 Clauses on Changes of Control

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

## 8 Auditors

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

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

### 8.2 Auditing Fees

Audit fees of the Group Auditor for the 2021 audit were approximately TUSD 325.

### 8.3 Additional Fees

No additional fees were paid to the Group Auditor in 2021.

## 8.4 Supervisory and Control Instruments Pertaining to the Audit

Each year the Audit Committee reviews and discusses the scope of the proposed audit work and the timely quarterly reviews, and evaluates the performance and fees of the auditors. Periodically the lead auditor participates in the Audit Committee meetings. In 2021 the audit firm attended two virtual meetings and one meeting calling in (see Frequency of Meetings of the Board of Directors and its Committees).

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

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

## 9 Information policy

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

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

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

A 2021 half-year report was published online in July 2021.

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

### Information on general trading blackout periods

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

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

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

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

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

# Compensation Report

## Introduction

This Compensation Report describes the principles of remuneration at INFICON. The report is prepared in accordance with the Swiss Ordinance against Excessive Compensation with respect to Listed Stock Corporations of November 20, 2013 (hereinafter referred to as "Ordinance"). The report also follows the recommendations defined in Appendix 1 to the Swiss Code of Best Practice for Corporate Governance published by economiesuisse and complies with Chapter 5 of the Appendix to the SIX Swiss Exchange Guidelines concerning information on corporate governance. This compensation report is in line with the Articles of Incorporation. The Articles of Incorporation are available online at <https://ir.inficon.com/Corporate%20Governance/>

Unless indicated otherwise, all information refers to the financial year closed on December 31, 2021. In this Report, all share-based payments are calculated and disclosed with reference to the year of allotment (grant date). All other compensation is disclosed according to the accrual principle, i.e. the compensation is reported in the period (i.e. financial year) in which it is recorded in the financial statements.

## Compensation Highlights of the Board of Directors and Group Management

in T CHF	2021	2020
<b>Board of Directors</b>	<b>733</b>	<b>734</b>
	<b>800</b>	<b>800</b>
Number of members	5	5
<b>Group Management</b>	<b>1,842</b>	<b>1,463</b>
	<b>3,500</b>	<b>3,500</b>
Number of members	2	2

■ Actual compensation ■ Approved compensation AGM

## 1 Remuneration Policy

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

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

## 2 Board of Directors Compensation

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

# Compensation Report

## Board Compensation overview

in TCHF	Annual Board fees	Cash 2/3	Shares 1/3 (*)
Board Chair	189.0	126.0	63.0
Board Vice Chair	141.0	94.0	47.0
Chair AC Committee	120.0	80.0	40.0
Chair CHR Committee	120.0	80.0	40.0
Board Member	94.5	63.0	31.5

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

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

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

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

## 3 Compensation to Members of Group Management

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

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

## Elements and structure of compensation

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

### Structure of Compensation

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

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

	Fixed compensation	Variable compensation			
	Base salary	Cash bonus	Share plan	Range	LTI share plan
		Target <sup>(1)</sup>	Target <sup>(1)</sup>	min-max <sup>(2)</sup>	Range
CEO	100%	45%	45%	0–200%	0–2 MCHF
Other members	100%	40%	40%	0–200%	—

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

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

# Compensation Report

## Variable compensation

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

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

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

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

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

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

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

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

Another 50% is provided by shares (table "Structure of Compensation – 2 Compensation in shares"). The variable share program is a long-term incentive and aims at establishing a long-term relationship with the enterprise in line with the shareholders' interests. These shares are subject to a three-year blocking period. In 2021, the share plan for the Group Management was

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

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

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

The following table shows the 2021 performance indicators and achievements for the CEO.

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

	Target weighting	Achieved weighting
Operating Income	72%	116%
Asset Management	4%	5%
Cost Control	4%	8%
Individual Performance	10%	9%
Total	90%	138%

This achievement results in a total variable compensation of TCHF 628 for the CEO, 50% in cash and 50% in shares with a three year blocking period.

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

# Compensation Report

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

The average share price on the fifth trading day following the Ordinary Annual General Meeting will serve as the calculation base to establish the number of shares. For Group Management, the base salary increased by 0.7% in 2021. The variable compensation was adjusted according to the financial performance and the individual performance goals.

## 4 Authority and Determination of Compensation

INFICON's CHR Committee acts as the relevant body in accordance with the Ordinance Against Excessive Compensation with respect to Listed Stock Corporations and its Articles of Incorporation.

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

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

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

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

1. The determination of compensation principles for Group Management;

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

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

## 5 Severance Compensations

No severance payments have been contractually defined for members of the Board of Directors or the Group Management. For the financial year 2021 no severance compensations were paid.

## 6 Employment Contracts

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

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

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

# Compensation Report

## 7 Compensations to the Board of Directors and Group Management

The compensation to Members of the Board of Directors and the aggregate compensation to Group Management shown in the tables below are gross values and based on the accrual principle.

### a) Compensations 2021

#### Board of Directors

CHF 1,000	Base compensation in cash	Compensation in shares	*Other compensation	Total compensation
Dr. Beat E. Lüthi Chairman	126	64	32	222
Dr. Richard Fischer Vice Chairman	94	47	8	149
Vanessa Frey Member	63	32	8	103
Beat Siegrist Chairman of CHR Committee	80	41	9	130
Dr. Reto Suter (as of March 31, 2021) Chairman of Audit Committee	—	41	3	44
Dr. Thomas Staehelin (until March 30, 2021) Chairman of Audit Committee	80	—	5	85
<b>Total</b>	<b>443</b>	<b>225</b>	<b>65</b>	<b>733</b>
Approval by the Annual General Meeting 2021				800

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

#### Group Management

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

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

### b) Compensations 2020

#### Board of Directors

CHF 1,000	Base compensation in cash	Compensation in shares	*Other compensation	Total compensation
Dr. Beat E. Lüthi Chairman	126	64	33	223
Dr. Richard Fischer Vice Chairman	94	47	11	152
Vanessa Frey Member	63	32	7	102
Beat Siegrist Chairman of CHR Committee	80	40	10	130
Dr. Thomas Staehelin Chairman of Audit Committee	80	40	7	127
<b>Total</b>	<b>443</b>	<b>223</b>	<b>68</b>	<b>734</b>
Approval by the Annual General Meeting 2020				800

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

#### Group Management

CHF 1,000	Fixed compensation			Variable compensation				Total compensation
	Base salary compensation	*Other compensation	Total	Cash bonus	Compensation in shares	*Other compensation	Total	
Lukas Winkler President and Chief Executive Officer	455	20	475	150	160	107	417	892
<b>Total</b>	<b>760</b>	<b>40</b>	<b>800</b>	<b>220</b>	<b>254</b>	<b>189</b>	<b>663</b>	<b>1,463</b>
Approval by the Annual General Meeting 2020								3,500

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

The compensation to the Chairman and the other Board Members did not change compared with the previous year. The shares have been granted for the current term of office until the next Ordinary Annual General Meeting of the Shareholders. The allotment occurs five trading days after the Ordinary Annual General Meeting of the Shareholders (grant date). The total amount of compensation of TCHF 733 compares to an amount of TCHF 800 approved by the Ordinary Annual General Meeting of Shareholders. The difference mainly reflects higher amounts reserved for potential employer contributions for social security and unemployment insurance.

The base compensation to Group Management increased by 0.7% compared with the previous year. The difference in total compensation between the year 2021 and 2020 mainly reflects changes in variable performance-related compensation elements (cash bonus). The average share price on the fifth trading

# Compensation Report

day after the Ordinary Annual General Meeting served as calculation base to establish the number of shares, which are allotted on July 1<sup>st</sup>. The variable compensation was adjusted according to the achievement of the financial and individual performance targets.

The total amount of compensation for Group Management of TCHF 1,842 compares to the maximum ceiling amount of TCHF 3,500 approved by the Ordinary Annual General Meeting of the Shareholders.

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

In 2021 the average employee pay, including variable compensation and social security contributions reached TCHF 112.8 and in 2020 TCHF 104.9.

This compared to the total compensation of the CEO in the amount of TCHF 1,112 in 2021 represents a factor of 9.9x (after a factor of 8.5x in 2020).

## 8 Compensations for Former Members of Governing Bodies

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

## 9 Additional Fees and Remunerations

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

## 10 Loans to Members of Governing Bodies

No loans were granted to current or former members of governing bodies and their related parties during 2021. No such loans were outstanding as of December 31, 2021.



# Report of the Statutory Auditor

## To the General Meeting of INFICON Holding AG, Bad Ragaz

We have audited the accompanying remuneration report of INFICON Holding AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the tables a) and b) in section 7 on page 34 as well as sections 8 to 10 on page 35 of the compensation report.

### Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

### Opinion

In our opinion, the remuneration report for the year ended 31 December 2021 of INFICON Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Roman Wenk  
Licensed Audit Expert  
Auditor in Charge

Benjamin Marte  
Licensed Audit Expert

Zurich, 2 March 2022

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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## Sustainability – a core aspect of INFICON's strategy

This chapter of the Annual Report outlines INFICON's perception and understanding of sustainability and the respective actions taken. It explains the customer-focused approach of INFICON's value proposition and describes the Company's relationships with its stakeholder groups including customers, employees, investors, the hosting communities, its business partners, and suppliers. This chapter also describes general environmental, social as well as governance and leadership related aspects of INFICON's business.

As a global leader in instruments for gas analysis, measurement, and control, INFICON's business model is deeply rooted in its commitment to do business sustainably in economic, environmental and social terms as well as regarding governance and leadership. INFICON's approach to sustainability is comprehensive and holistic. In our business decisions and conduct, we consider economic, environmental and social aspects at both strategic and operational levels. This approach lies at the heart of the Group's long-term strategic orientation, its value creation, market leadership, and thus long-term success and profitable growth. Our emphasis on sustainability provides guidelines for INFICON's customer-oriented innovation management, its global purchasing and production processes, its risk management as well as the conduct of its customer relations. It also is an important factor in terms of employer branding and helps INFICON attract, recruit, and retain the best-suited talents.

Our commercial accomplishments and our solid financial backbone allow INFICON not only to successfully master crises such as the current COVID-19 pandemic. They are also the grounds for our long-term and customer-centered approach to innovation, our state-of-the-art manufacturing capabilities, our strong relations with our workforce, communities, customers, investors and other stakeholders.

INFICON aims at sparingly and sustainably utilizing resources and compensating appropriately for their use, allowing prosperity today and for future generations. This compensation includes reasonable dividends for shareholders, fair payments for our workers and business partners, as well as the disbursement of taxes in the various jurisdictions we operate in. The multidimensional business and stakeholder approach allows INFICON to drive innovation and its longer-term business goals ahead while observing high ethical business standards in general, striving for the least possible impact on the environment, and providing for human and ecological health.

We are aware that employees and customers want to know the purpose of a company. When they understand a corporation's approach to ESG, and know and share its goals, employees see their work as a meaningful contribution to the company, the society, and the planet. This increases motivation, loyalty, and performance. Well informed suppliers and customers value their relationship with a company when they can relate to the purpose of a company.

INFICON thus assumes responsibility for its actions with a view to the economy, nature, and the people. In 2021, the INFICON Management team held workshops to develop a shared understanding of the Company's DNA. We defined our aims and ambitions and described how we want to contribute to the common goals of humankind. This process led to the formulation of INFICON's identity statement. The wording was then further discussed and refined with members of the middle management in meetings around the globe. We formulated authentic, simple, individual, and future-oriented enterprise goals.

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



We enable  
visionary  
technologies  
for tomorrow



We live  
performance,  
joy and  
individual  
growth



We make  
our world  
safer  
and better

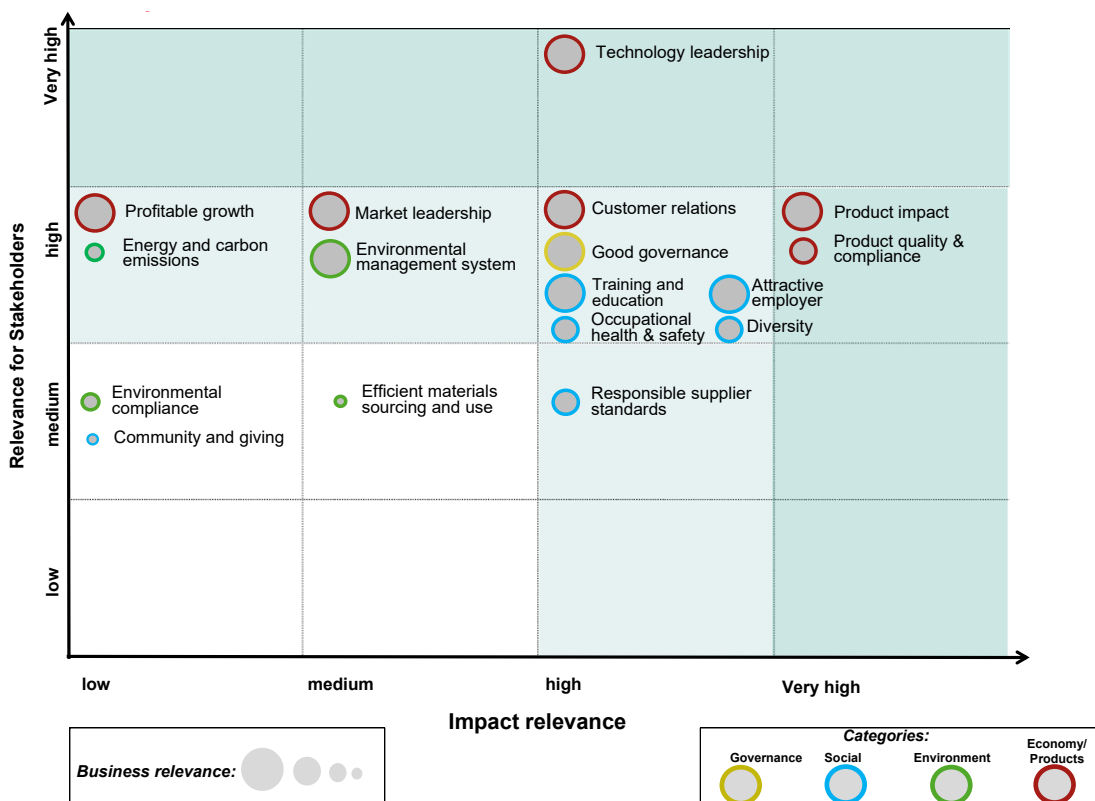
# INFICON Sustainability Report 2021

## Identification of material topics

We again expanded the scope of information in this report significantly. In doing so, the GRI Sustainability Reporting Standards and the materiality analysis carried out in 2020 served as guidance for the expansion. Topics are considered material if they are important to INFICON from an internal Company perspective, and/or from an external stakeholder perspective, and/or have a significant economic, environmental, or social impact. After carefully reviewing the 2020 assessment, INFICON included the topic “tax practices” in the topic “Good Governance” (GRI 102-46).

The materiality matrix shows the identified material topics in the three dimensions “business relevance”, “relevance for stakeholders”, and “impact relevance” (GRI 102-47).

## Materiality matrix



# INFICON Sustainability Report 2021

## Stakeholder Management

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

Each organization identifies and prioritizes its stakeholders and their interests, discussion topics, and values by the means of formal management reviews, SWOT analyses or dedicated stakeholder analyses as part of our ISO certified management system. Overall, INFICON defines stakeholders as entities that engage in economic transactions with the Company, or are affected by its actions (GRI 102-42). The Company's key stakeholders are customers, employees, suppliers, shareholders, and local communities (GRI 102-40).

## Key stakeholder concerns

(GRI 102-43, GRI 102-44)

**INFICON's customers** faced a demanding global business environment in 2021. The COVID-19 pandemic, international trade and tax disputes and resulting sourcing bottlenecks continued to affect international business. INFICON interacted in many different formats with its global customer base to understand their high expectations. The table below summarizes the interaction formats and topics:

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

Understanding our customers' most pressing needs from an early stage is a prerequisite for delivering reliable customer service in challenging times. INFICON has experienced great customer loyalty and rising demand for its products, technology, and services. As the pandemic limited international travel, new formats of customer engagement became more important. Our key account managers and technical staff invested more time into the direct relationship and the daily dialogue with their counterparts using ever more frequently video conferencing, virtual reality assisted tools, and social media. Apart from key accounts, INFICON addressed the broader customer base at industry-specific tradeshow and conferences, on industry association panels, through webinars and technical training videos as well as newsletter, e-mails and an expanded presence on social media.

**INFICON's employees** continue to face the consequences of the COVID-19 pandemic. It affects work in many ways, changing daily routines, limiting contacts with work colleagues, and for many it meant working from home. While the summer months granted some leeway and ease, it became clear in autumn that the virus would linger on. INFICON remained focused on being a reliable and caring employer during this second year of the pandemic, keeping employees safe, highlighting job security at INFICON and retaining existing colleagues as best as possible. Internal communication via many channels ranging from on-site staff to virtual town-hall meetings, from sharing information on the intranet to more frequent newsletters, from job related training sessions to the INFICON identity workshops. Internal communication efforts became increasingly important in a time of rising uncertainties and ambiguity, less frequent social contacts, and continuously changing precaution measures. As INFICON is expanding its operations to accommodate future growth, hiring and especially on-boarding new staff and talents became a critical task.

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

# INFICON Sustainability Report 2021

**INFICON's suppliers** experienced at times severe bottlenecks. They occurred in the wake of the COVID-19 pandemic and because of the international trade disputes. What is more, the globally rapidly rising demand for semiconductor products, electronics and other key components created shortages on the supply markets. Continuous sourcing of certain components became quite challenging. Well-established, mutually beneficial, reliable and resilient supplier relationships proved to be key in 2021. INFICON's purchasing departments and specialists closely interacted on a day-to-day basis with key suppliers, focusing on securing the needed quantities of components at reasonable prices. At the same time, INFICON continued to emphasize on site or virtual supplier visits and audits, in order not to compromise the quality of the goods delivered to INFICON given the tight conditions on the sourcing market.

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

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

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

**The international financial community** is obviously an important stakeholder group for a Company with listed shares. INFICON engages in a continuous dialogue with its investors and the financial community at large by means of its Annual Report, Interim Report, its quarterly earnings releases, presentations and WEB-conferences, its Annual General Meeting of Shareholders, Technology Days, as well as national and international roadshows and the attendance at financial conferences. The investors and analysts are keen to understand how INFICON is generating value today and in the future. They want to learn about the product pipeline that continues to define the market benchmarks and thus secures the Company's long-term successful positioning. It is also important to understand INFICON's core technological competence in vacuum technology, which is publicly available on the Internet, highlighted in INFICON's reports and presentations, and addressed at the Technology Days that take place from time to time. INFICON management interacts on average with about 180 investors and analysts per year via various personal channels.

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

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

## INFICON is member of following associations:

### INFICON AG/Liechtenstein:

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

### INFICON GmbH/Germany:

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

### INFICON Inc. /Syracuse/USA:

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

## Good governance

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

Good governance at INFICON also implies high ethical and moral standards as they are set out in the INFICON Business Ethics Policy. We expect compliance with these guiding principles in the daily work of any INFICON employee on all levels and in all functions. As a Company and corporate citizen, INFICON itself adheres to fair and good business practices in a broad sense. Board and Management are involved and focused, ESG criteria are part of the incentive system of Group Management. We are also aware that a Company benefits from infrastructure and public services in the various jurisdictions where we are active. Therefore, good governance also includes fair tax practices.

## Business ethics policy

INFICON's Business Ethics Policy defines the fundamental principles of ethical business behavior and the responsibilities of every employee and Company representative. A proper conduct includes compliancy with the law, ordinances and regulations, as well as accounting principles and procedures. Compliancy is instrumental as we strive to avoid any violation of the law or other regulations. Regular external quality, financial, and IT audits as well as per site reviews promote compliance with our Business Ethics Policy. Due to travel restrictions (COVID-19 pandemic), per site reviews in 2021 have taken place remotely.

# INFICON Sustainability Report 2021

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

All employees joining INFICON as new complete a special training session on business ethics at any of the many Company sites around the globe. Bi-annually, all employees participate in a refresher course and renew their commitment to our high standards by signature.

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

## Tax strategy

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

## Economic foundation

### Value creation for our customers

In our business decisions and conduct, we consider economic, environmental and social aspects at both strategic and operational levels. This approach lies at the heart of the Group's long-term strategic orientation, its value creation, market leadership, and thus long-term success and profitable growth.

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

Large customers with multinational presence as well as local industrial clients and academic institutes can rely on INFICON to ensure a high level of service deployment around the globe. INFICON covers the global target markets with three brands. We also manufacture and supply private label products for large industrial players. Please refer to pages 6–7 for an overview on INFICON's target markets. The goal is clear: INFICON wants to offer competent services, consultancy and training covering the full customer buying circle. INFICON's global sales and service organization counts around 350 people, and includes functions in sales and marketing, application engineering, customer service, order management, logistics, as well as specific finance and administrative staff. Customers around the globe benefit locally and efficiently from a comprehensive range of installation, commissioning, calibrating, maintenance, repair, and device rental services.

To meet these expectations, INFICON has embarked on a comprehensive investment strategy. The completion of this 3-year program should add 50% additional capacity by 2023. Currently, INFICON is expanding the shop floor and equipment capacities at all of its major production sites. We are also continuously fine-tuning our core processes and practices, and we hire new experts and staff on all levels.

# INFICON Sustainability Report 2021

## Major customer groups per target market

INFICON serves different clients in these target markets: In the largest target market, **Semiconductor & Vacuum Coating**, we address two major customer groups: The first consists of semiconductor or thin-film coating end-users and their top-tier suppliers. They seek to optimize their manufacturing processes and output yields. INFICON gas and vacuum instruments as well as process control software help semiconductor manufacturers ("fabs") to optimize their production processes and increase the yield and quality of their wafer production. Our products also help fabs to monitor the storage, transport and usage of raw and process materials and are thus vital for environmental protection efforts of our customers. The second large customer group are Original Equipment Manufacturers (OEMs). We supply them with vacuum and thin film technology components, which they integrate into their semiconductor or vacuum coating production equipment and tools.

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

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

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

## Innovation and market leadership

Global competition keeps the innovation pace high. INFICON strives to provide customers with the best available technology for their complex and rapidly evolving vacuum technology production processes and tools. INFICON devices guarantee maximum accuracy of measurement results. Our products and services help customers gain the best control and predictability of their processes and maximize productivity and yield while minimizing production time, material usage, scrap rate and labor. Employing INFICON components leads to the overall lowest cost of ownership in the longer term.

Understanding and anticipating our customers' most pressing, emerging, and future needs, spurs and drives innovation. At INFICON, we understand industrial innovation as a multi-layered process ranging from continuous enhancements and optimization efforts for existing product categories, to screening, applying and leveraging the latest scientific discoveries into new use cases, products, and services. INFICON is an expert in developing market-leading instruments for gas analysis, measurement, and control. In many industries, our products are recognized as technology benchmarks. The high innovation pace allows INFICON to hold and expand its number 1 to 3 positions in all target markets.

In 2021, INFICON launched a series of new products and technologies that were developed and designed explicitly to meet emerging needs of our customers. These novelties include amongst others

- **ELT3000** – a non-destructive leak testing solution for all lithium-ion battery cells, including fragile pouch cells. (see also: <https://www.inficon.com/en/products/elt3000-battery-leak-detector/>),
- a **robotic multi-gas leak detection system** combining innovative sniffer tip sensors with a 3D vision functionality that brings leak detection to the next step at the manufacturing line (see also <https://www.inficon.com/en/products/multigas-leak-detector-ecotec-e3000> and <https://www.youtube.com/watch?v=g65kQgc2XZw>),

# INFICON Sustainability Report 2021

- the **xParts coating** service leverages recent scientific findings in the realm of sub nanometer layers. With the xParts process, highly uniform, particle free, ALD (atomic layer deposition) thin films are applied on customer specific three-dimensional parts for use in extreme harsh applications such as semiconductor production processes. xParts coatings increase the lifetime of critical components and secures the production tool's uptime.
- **SmartFDC™** Using machine learning technologies, SmartFDC empowers engineers with easy-to-use tools focused on reducing product risk and rapidly resolving semiconductor production issues. SmartFDC reduces the time to implement a fault detection program, maximizes excursion detection capabilities, and provides powerful analytical tools to engineers of all skill levels. <https://www.youtube.com/watch?v=TW7tCNfJ2tA>
- **The Mass Spectrometer Observing Lunar Operations** (MSolo) is a commercial off-the-shelf mass spectrometer modified to work in space. NASA will use MSolo to identify molecules on the surface of the Moon. Multiple MSolo instruments are destined for the Moon via the help of NASA's commercial partners, landing scientific instruments and technology demonstrations on the lunar surface as part of the Commercial Lunar Payload Services. Payloads like MSolo delivered through CLPS will help NASA advance capabilities for science, exploration and commercial development of the Moon. MSolo will be part of three CLPS deliveries slated to land on the Moon's South Pole – the region the first Artemis astronauts will explore later this decade. [https://www.youtube.com/watch?v=59\\_vhQYoWWs](https://www.youtube.com/watch?v=59_vhQYoWWs)

## Strongly connected to our customers

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

INFICON's global sales and service organization includes globally approximately 350 people. In addition to office staff, about half of them are highly skilled service and application engineers who are in constant dialogue with our customers. On top of that, customers can rely on the INFICON's trained assistance from distributors and agents. We analyze customer feedback carefully. We collect spontaneously expressed responses. In addition, we sporadically distribute customer surveys in the various regions, for specific markets, or certain product categories to unveil otherwise unexpressed customer wishes and opinions. We also systematically monitor external and internal data such as customer complaints, product rejections, as well as insights from our own development efforts or quality assurance processes. On these grounds, we define measures and derive actions for our own processes to close the customer feedback loop full circle.

The proximity to our customers is an important source of innovation. Our sales and service staff learn about our customers' technical challenges help them develop new applications, and spur our own in-house innovation and developments. The most recent examples for this customer-centered innovation process are e.g. the xParts technology and services or the ELT3000 non-destructive battery pouch leak-testing device described above.

As cross-border travel remained difficult in 2021, national or local trips were still possible to an extent. INFICON's global presence proved to be a true asset. Yet, the COVID-19 pandemic made personal contacts more difficult. So, INFICON further increased its online and even virtual reality assisted communication skills by offering video meetings, virtual product demonstrations and technical webinars. We host user-group platforms such as e.g., the Leak Detection Academy, share technology roadmaps, run an INFICON channel on YouTube, and invite customers to virtual exhibitions or provide them with trial development kits. To tailor our virtual contacts to our customers' needs, we are providing augmented reality assisted advice, training, commissioning, or problem-solving expertise for over the shoulder (OTS) applications.

## Product quality and compliance

INFICON wants to be recognized as the benchmark supplier of best-in-class products in its target markets. Superior product quality is of utmost importance for INFICON's long-term existence and growth. It has a profound impact on the ability to maintain and increase market shares by outperforming the competition. INFICON's quality principles apply both to design and manufacturing processes. They help reduce scrap and waste in our own production and reduce energy and raw material consumption in our customers' processes and applications. Compliance with all legal requirements ensures that no restricted materials of environmental concern enter production. This quality approach is a true differentiator and helps us position ourselves as number 1 to 3 in all target markets.

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

On a corporate level, INFICON monitors and documents quality according to the ISO 9001:2015 requirements in a yearly Management Review. All ISO certified locations provide their respective information for a consolidated Group report. The final document contains over 200 pages and covers quality performance and indicators on many levels.

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

### They include the following elements:

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

INFICON monitors the success of its quality policy by the customer feedback given during quality audits performed on-site. Due to the COVID-19 pandemic, there were no such customer audits in 2020 or 2021. A recertification audit (ISO 9001 and 14001) in Balzers/Liechtenstein in November 2021 revealed that there were no non-conformances.

# INFICON Sustainability Report 2021

## Products with social and environmental impact

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

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

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

A revenue mapping analysis made by an investment, wealth management and research institute and bank assesses that over 80% of INFICON's revenue is aligned to the United Nations Sustainable Development Goals (SDGs), including goals 3, 9a, 9b, and 12. (See also page 8, Letter to Shareholders.)

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

- **Leak detectors** spot harmful gases so they can rapidly be sealed off. In capital-intensive industries such as the manufacturing of semiconductors, employees must find and repair leaks very quickly. INFICON's newest solution is **UL6000Fab**. It is not only the most precise, durable and thus reliable testing system on the market, it saves time throughout the testing sequence. <https://www.inficon.com/en/products/ul6000-fab>

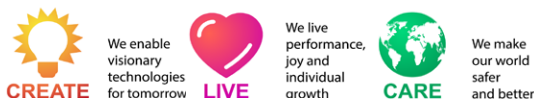
- **Vacuum gauges** control production processes and reduce waste and energy consumption. INFICON gauges offer superior accuracy and reliability in compact designs. Four different technologies cover the whole range of vacuum from ultra-high vacuum up to atmospheric pressure. The Pirani technology enables cost-effective measurement in the low and medium vacuum range. The Capacitance Diaphragm technology enables precise measurement in the low vacuum range, whereas the ultra- and high-vacuum ranges are covered by the Hot or Cold Ionization technologies. Each technology is available as a stand-alone sensor or combined with complementary measurement technologies. A recent example of such a combined gauge is Augent™OPG550. This Optical Plasma Vacuum Gauge combines two sensor technologies into one compact device for gas type monitoring from  $1 \times 10^{-7}$  to 5 mbar and to measure total pressure from atmosphere down to  $1 \times 10^{-7}$  mbar at the same time. An integrated Pirani sensor to switch off plasma above 20 mbar protects Augent. In the measurement range between  $1 \times 10^{-7}$  and 5 mbar, the gauge allows the detection of gases such as oxygen, nitrogen, hydrogen or argon. <https://www.inficon.com/en/products/opg550>. To learn more about the full range of INFICON gauges, view: <https://products.inficon.com/en-us/nav-products/category/product-group/pg-wide-range-vacuum-gauges/>
- **Gas analyzers/Chemical identification systems** generate contamination profiles needed to rapidly remove a hazardous risk or to contain valuable and often hazardous process gases. INFICON developed HAPSITE® ER person-portable Gas Chromatograph-Mass Spectrometer (GC/MS) to help responders quickly identify and accurately quantify a broad range of chemicals in unknown samples to provide actionable data, in order to protect the health and safety of themselves and others. The new HAPSITE CDT is taking the HAPSITE family to the next level with improved analytical capabilities and ease of use. <https://www.inficon.com/en/markets/military/hapsite-cdt-introduction>. Another example is Transceptor APX, the latest model in the family of market-leading Transceptor RGAs, specifically designed for advanced semiconductor processes such as ALD, CVD, and Etch. <https://www.inficon.com/en/products/residual-gas-analyzers>

## Social responsibility

### Employees – a core asset at INFICON

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

In 2021, INFICON Management and personnel committees at all sites met for workshops with the goal to define INFICON's DNA. Our corporate culture rests on this Identity Statement with three authentic, simple, individual, and future-oriented enterprise goals



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

The personal goals for INFICON's top management include certain sustainability targets such as e.g. to support efforts expanding the scope of ESG information, facilitate non-financial data gathering, or define further KPIs.

Our colleagues welcome INFICON's flexible working hours and work patterns, our canteens where staff of all levels meet and mingle, attractive lifelong learning and development programs, and many after-work social activities that often include the families of our colleagues. In Cologne/Germany, INFICON has introduced in 2021 a life-long instead of yearly working hour balance, a concept that is rare at small and medium sized enterprises. At all production sites, we strive to implement smart/modern working environments. In that context, colleagues in Syracuse celebrated important milestones and/or team achievements during the reporting year.

Social activities take place regularly at all locations (such as e.g., barbecue or summer festivals, family days, Christmas and year-end parties, planned and spontaneous get-togethers to celebrate success, Company outings) and also take local customs and workforce preferences into account (as e.g., skiing days in Switzerland and Liechtenstein with international participation; moon festival or Lunar New Year celebrations in Asia). Apart from these instances, regular management updates at every INFICON site create a shared culture that fosters identification, team spirit, creative cooperation, and intercultural inclusion.

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

Every colleague annually discusses his or her performance and achievements, satisfaction, motivation, personal development goals as well as communication aspects at work with their immediate managers in a structured appraisal dialogue. At Balzers and Cologne, everyone prepares individually for these annual discussions. At Balzers, so-called energizing talks complement this process mid-year. The Human Resources departments oversee this process and assess the long-term success with key performance indicators such as employee satisfaction, loyalty, and fluctuation, as well as participation in the various ongoing training, workshops, and development programs.

In 2021, the HR Team in Cologne analyzed the development turnover rate during the reporting year; the COVID-19 pandemic along with new and changing national health and safety measures on the one hand and a rising number of new colleagues joining INFICON due to the ongoing expansion process were major turnover factors. Even in these challenging times, INFICON managed to fill openings in its staff

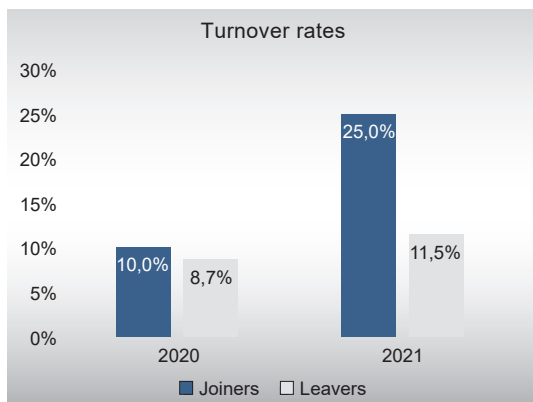
# INFICON Sustainability Report 2021

in reasonably short times. The HR teams also conducted farewell interviews when colleagues retired or chose to continue their careers outside of INFICON to systematically collect feedback on INFICON as an employer.

## Turnover rates

All numbers in Headcount	2021	2020
<b>Joiners in Headcount</b>	<b>247</b>	<b>89</b>
<b>Leavers in Headcount</b>	<b>114</b>	<b>77</b>
<b>Joiner Rate</b>	<b>25.0%</b>	<b>10.0%</b>
<b>Leaver Rate</b>	<b>11.5%</b>	<b>8.7%</b>

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



## Ongoing education and training

INFICON sees itself as a learning organization. It therefore offers ongoing training for all employees to empower everyone with the required knowledge and skills to optimally fulfil their responsibilities and perform in their respective jobs. These trainings respond both to the needs of the individuals as well as the requirements of the market and the Company as a whole. They unleash the employees' potential, creativity, and motivation to secure, stimulate and transfer expertise and knowledge.

Data from our locations in Balzers (LI), Cologne (DE) and Syracuse (USA) as well as our manufacturing site in Aaland/FI show that in the current year, the average hours of training per employee reached a level of 7.6 hours. In 2021, INFICON trained especially sales personnel in the area of virtual and augmented reality. These new technologies help us interact with our

customers even in times when travelling is difficult. In addition, INFICON focuses on its younger colleagues and on high potential middle management to promote their careers internally.

## Health and Safety at INFICON

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

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

In 2021, INFICON engaged a consultant in Syracuse to review the local EHS program with the objective to design a road map for a thorough relaunch in 2022. A safety committee is now in charge of the EHS program roll out and the respective trainings. They focus on how to increase safety, build awareness and promote ergonomics.

The COVID-19 pandemic asked for special attention in 2021. As a Group, INFICON mastered the COVID challenges very well with a series of special measures taken at the various work sites.

In Syracuse, e.g., INFICON offered on-site flu and COVID vaccination and held various town hall meetings with a virologist from the local university to explain the rapidly changing COVID situation to the entire workforce. INFICON continues to evaluate the changing

# INFICON Sustainability Report 2021

climate regarding COVID-19 and comply with all local and federal OSHA guidelines. The Company has implemented kiosk check-in devices that track temperature and well-being attestations.

At INFICON in Balzers, the implemented COVID-19 health and safety measures proved to be very successful. There was no significant impact from COVID-19 on e.g. working days lost due to sickness of employees. Strikingly enough, this figure was even lower than in 2019/2020. All production equipment must be CE compliant. Identification and assessment of risks with the help of SUVA (Swiss work accident insurance) guidelines/checklists or external experts if appropriate.

At INFICON in Cologne, COVID-19 related issues became part of the risk assessments and databases for all jobs in 2021. A risk assessment is prepared for each workplace. The risk assessment describes the process of systematically identifying and evaluating all relevant hazards to which employees may be exposed in the course of their work. The Company has a designated external occupational safety specialist, a Company physician and an occupational safety committee. In addition, designated people have special tasks regarding e.g. fire or radiation protection, hazardous substances or materials. In order to fight COVID-19, the Company provides medical facemasks, even FFP2 masks where needed, and installed access restrictions. Only employees who are either fully vaccinated or prove recovered status can enter the Company premises with their individual access card. Everybody else – including contractors and visitors – must provide a current official test certificate before getting access. The local authorities successfully audited the implemented measures. There has been no spread of the virus on the Cologne premises.

## Health and safety is everybody's objective

At INFICON, employees and workers are involved in the development, implementation and evaluation of the occupational health and safety management system. Everybody should report any relevant EHS findings, incidents, accidents or potential risks to their supervisors or a dedicated safety officer and all employees are invited to make suggestions. The work sites have clearly structured reporting schemes. At Cologne, any injury and accident is reported to the Human Resources

Department using a special form. In the case of work/travel accidents with a lost time of more than three working days, it is also reported to the Employer's Liability Insurance Association. If an accident occurs, the nature and scope of occupational health and safety compliance are investigated. If necessary, experts help to clarify the situation, reassess risks and implement corrective measures. Syracuse has a reporting ticket system; an incident is reported to the EHS manager who then follows up with employees, supervisors and witnesses to determine the root cause and possible risk mitigation steps. In Balzers, an accident report form supports the notification process to the HR department. In addition, all accidents and near accidents are brought to the attention of the safety officer for a root cause analysis and for the implementation of corrective/preventive actions as appropriate with the help of SUVA checklists.

On a more personal level, INFICON Balzers supports programs such as the cycle to work initiative, yoga sessions, and encourages workers to join jogging or walking groups. Most INFICON work sites have canteens. They offer freshly cooked food for lunch that is partly paid for by the Company. INFICON also offers fresh fruits free of charge and invites people to drink enough water at fresh water dispensers available all over the facilities. Our safety manual also calls to take the necessary measures to prevent home and leisure accidents (e.g. warm-up).

## Occupational Health and Safety

	2021	2020
Accidents resulting in at least one lost work day	8	4
Lost work days	31	19
Accident Frequency Rate (AFR)	1.1	0.6
Accident Severity Rate (ASR)	4.1	2.7

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

# INFICON Sustainability Report 2021

## Diversity at INFICON

INFICON's long-term success as a high-tech Company active in a competitive marketplace relies on its competent staff. We are therefore always looking for the best available person for any job opening and seek to create the right mix of people, technical capabilities, and human competence across our Group. INFICON's employment policies and procedures provide for equal opportunity and fairness in employment decisions. We do not discriminate based on race, color, ancestry, place of origin, religious belief, physical or mental disability, age, gender, sexual orientation, marital status, family status or source of income, and we take steps to comply with all applicable affirmative action legislation. Since 2021, INFICON job offers explicitly invite diverse, female, and male applicants.

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

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

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

In the context of this I3C initiative, a continued focus lies on how INFICON colleagues interact with each other. Tentcards on the tables of meeting rooms remind everyone that it is essential to formulate requests clearly and help colleagues understand why the request was made and by when an answer is expected. This has added a lot of commitment and accountability to internal business requests and speeded up reaction time.

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

In 2021, no discrimination incidents were reported throughout the Group.

# INFICON Sustainability Report 2021

## Composition of workforce

All numbers in

Headcount	2021	Share	2020	Share
<b>Employees (excl. apprentices, interns, trainees, externals)</b>	<b>949</b>	<b>96%</b>	<b>828</b>	<b>93%</b>
<b>Apprentices, interns, trainees, externals</b>	<b>40</b>	<b>4%</b>	<b>58</b>	<b>7%</b>

## Employees by employment contract

(excl. apprentices, interns, trainees, externals)

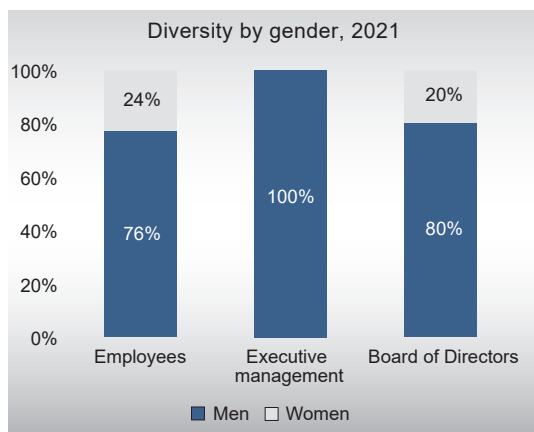
Permanent	860	91%	796	96%
Fixed-term	89	9%	32	4%

## Employees by employment type

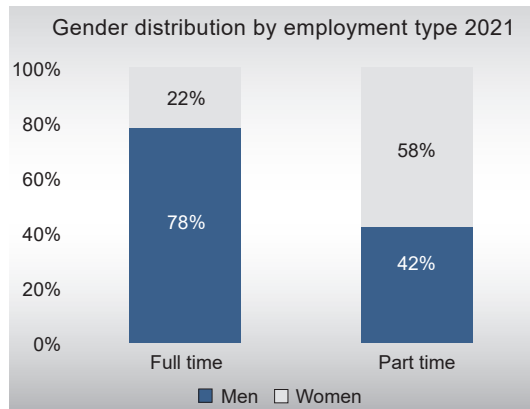
(excl. apprentices, interns, trainees, externals)

Full time	896	94%	775	94%
Part time	53	6%	53	6%

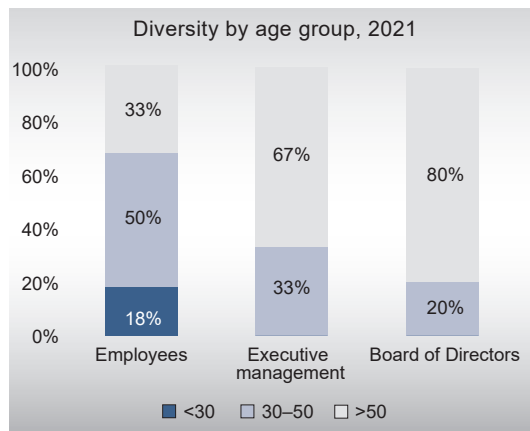
The data covers our 4 largest sites: the 3 competence centers Balzers (LI), Cologne (DE) and Syracuse (USA) as well as our production site in Aaland (FI)



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Excl. apprentices, interns, trainees, externals



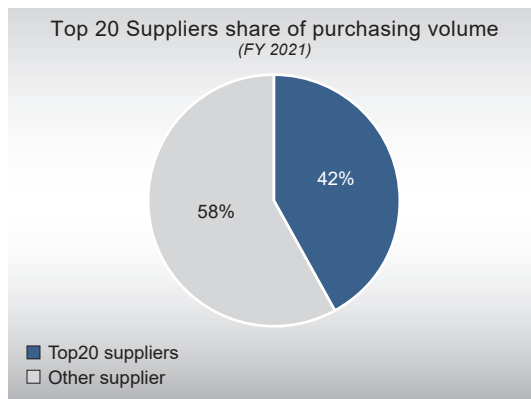
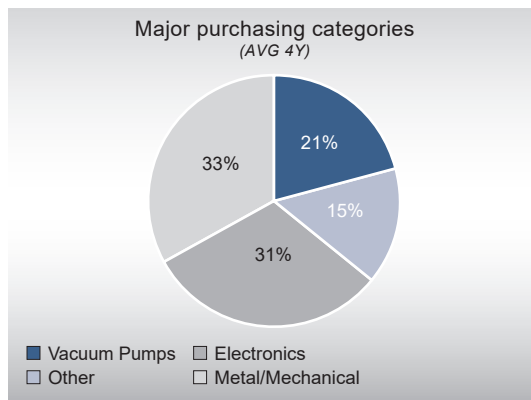
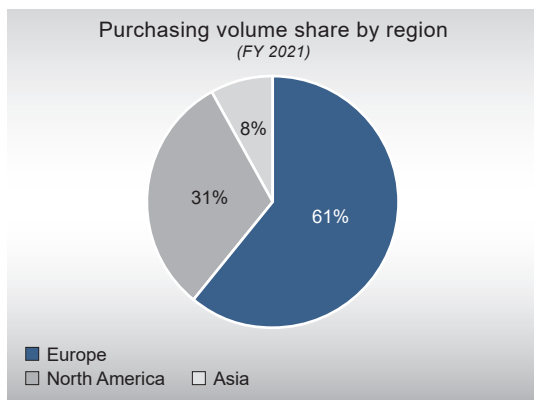
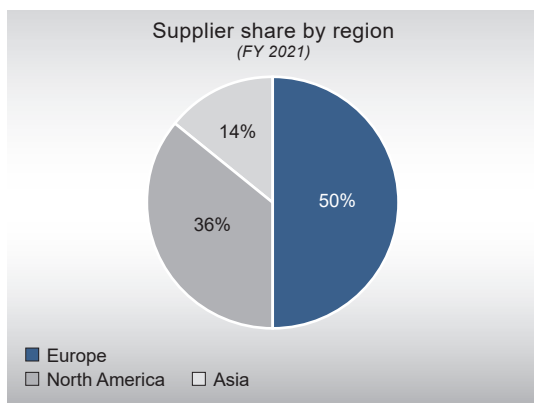
The data covers our 4 largest sites: the 3 competence centers Balzers (LI), Cologne (DE) and Syracuse (USA) as well as our production site in Aaland (FI)

## Responsible supplier standards

The close cooperation with suppliers is the backbone of INFICON's flexible manufacturing model. INFICON therefore devotes a lot of attention to the careful selection, the ongoing management and continuous development of our suppliers. Key suppliers have e.g., signed an agreement outlining INFICON's expectations regarding requirements on the production change control process (CE/CC). We also include vital elements such as the prevention of child or forced labor in our supplier contracts. Compliancy with our business ethics policy is a standard topic at our regular supplier meetings.

# INFICON Sustainability Report 2021

INFICON's supplier base of over 1000 production material suppliers is truly global. Yet, the largest 20 suppliers make up for almost half of INFICON's sourcing. Looking at the regional split of our suppliers, most of INFICON's direct suppliers come from Europe (50%), followed by North American (36%), and Asian suppliers. This view, obviously, looks at the actual invoicing addresses of the tier 1 suppliers and does not reflect tier 2 and 3 contractors. The proportion of material and components originally manufactured in Asia is certainly higher at INFICON than this regional split or the purchasing volume analysis suggest. 61% of the sourcing volume is coming from Europe and here mainly from Germany and Switzerland, 31% from America, and 8% from Asia. 37% of INFICON's sourced input concerns electronic, mechanical, or metalworking items, while pumps account for 20%, and printed circuit boards for 12%.



## Partner to our hosting communities

INFICON also cares for the communities of its employees. As a corporate citizen, we support many local activities where our colleagues eagerly participate e.g., the yearly cycle to work contest. For years, the Balzers workforce regularly ranks in the top three positions of the Liechtenstein companies whose workers manage to cycle to work on more than 50% of the summer period. In 2021, INFICON AG, Balzers, won a "Tailwind" (Rückenwind) silver medal from the Government of the Principality of Liechtenstein as a bicycle-friendly employer in 2021. These "Tailwind" awards honor companies and government agencies that are especially successful in promoting the use of bicycles for the daily commutes of their staff. In addition, in the months May to September, 17% of all the Balzers staff at INFICON used their bikes to commute to work – a record level presented with a special award.

# INFICON Sustainability Report 2021

Besides our commitment to the training of young colleagues and the ongoing education of our own workforce, we support e.g., in the Principality of Liechtenstein special out-of-school weeks for students. INFICON annually hosts a whole class for one week in a special business-oriented course where the students familiarize themselves with economy, business, and management. In the USA, INFICON supports not-for-profit organizations that are dear and important to our employees and the local community. A voluntary team of some eight employees forms a Council that manages the corporate budget for charitable contributions. This involvement provides opportunities for INFICON colleagues to do voluntary work with the Samaritan Center, the Salvation Army, the Humane Association and others, or to individually participate in walks, runs, or bike-a-thons.

## Environmental protection

Environmental protection, safety and product stewardship have long been key priorities at INFICON. INFICON engages in many efforts to reduce any negative impact of its business. These measures have often multiple effects – in terms of health and safety benefits for the employees, minimization of environmental damage, and the quality of our products and services.

## Environmental management system

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

Created in 2020, the “Green Team” in Syracuse focused in 2021 on improvements to the HVAC system, an optimization of the heat pumps and the installation of power supplies for charging electric vehicles and thus promoting e-mobility.

## Environmental compliance

All manufacturing facilities observe and comply with international and regional legislation, as well as guidelines. All suppliers have to sign quality and environmental agreements that they comply with all environmental laws. The Company observes the European Union’s directive on the Restriction of Hazardous Substances (RoHS) addressing the use of certain hazardous substances in electrical and electronic equipment, the European Union’s regulation on chemicals and their safe use (Registration, Evaluation, Authorization and Restriction of Chemicals-REACH). It monitors the list substances of very high concern (SVHC Candidate List). In addition, INFICON also observes the standards set out in the code of conduct of the Responsible Business Alliance (RBA) – a non-profit coalition of leading electronics companies dedicated to sustainability and improving corporate social responsibility. Moreover, the Company observes the UN Security Council Report S/2006/525 regarding “conflict minerals”.

INFICON did not encounter any non-compliance with environmental laws in 2021.

## Energy and carbon emissions

Since the first implementation of ISO 14001 as early as 1998, INFICON closely monitors and analyzes resource consumption and emissions. Our main environmental impacts and efforts relate to energy consumption and CO<sub>2</sub> emissions and we strive for in-house reductions of CO<sub>2</sub> emissions, a decrease in resource consumptions and a lowering of our ecological footprint.

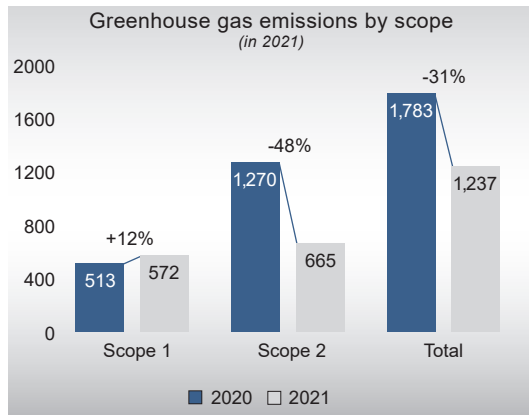
# INFICON Sustainability Report 2021

As the data in the table shows, INFICON managed to curtail its energy consumption to an increase of just 10% while growing its Group sales by 30%. At the same time, the overall emission of greenhouse gases could be lowered by 31%. We see these achievements as an incentive and stimulus to further minimize any negative impact of our economic activity as best as we can.

## Our goal is to focus on the following areas:

- All major production sites will be converted to 100% certified green electricity  
- Balzers (FL), Aaland (FI) and Cologne (DE) are in the meantime fully converted and we target to increase the share of green electricity in Syracuse (US) substantially.
- Plans for improvements in production buildings are analyzed and developed within the strategy development and review/budget process (e.g. energy recovery, geothermal and solar energy, thermal insulation)
- Review of mobility concepts, support the programs and the needed infrastructure
- Experience and skills gained during the pandemic will be the basis to reduce business travel although not a major contributor to the Company's emissions

In this way, we support the global goals for reducing CO<sub>2</sub> emissions. In 2022, we will develop more concrete reduction goals. We will also closely follow the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for Swiss companies, examine their implementation and, if necessary, address them step-by-step.



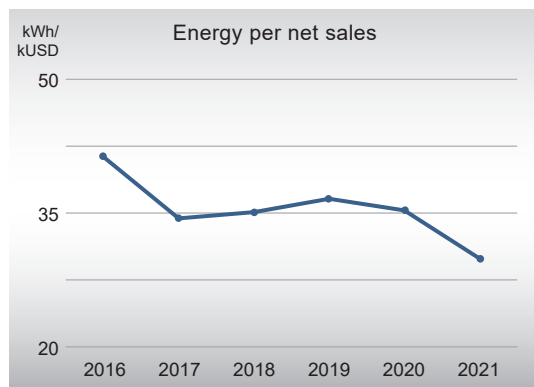
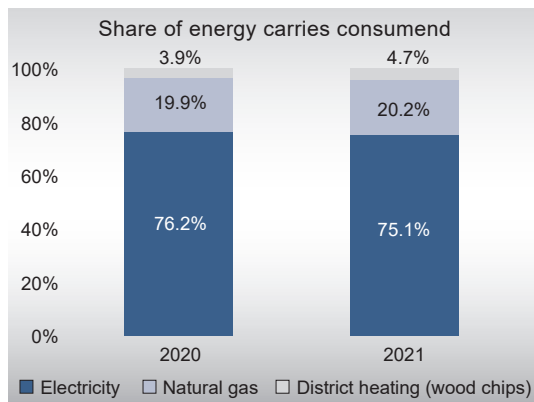
## Energy and Emission

	2021	2020	Delta
<b>Total energy consumption in MWh</b>	<b>15,429</b>	<b>14,024</b>	10%
Electricity	11,591	10,691	8.4%
of which certified green electricity	51%	25%	
Natural gas	3,110	2,788	12%
District heating (wood chips)	729	544	34%
<b>Energy consumption in kWh per employee</b>	<b>15,601</b>	<b>15,828</b>	(1%)
<b>Greenhouse gas emissions in tCO<sub>2</sub>e</b>	<b>1,237</b>	<b>1,783</b>	(31%)
Scope 1: Natural gas	572	513	12%
Scope 2: Electricity & district heating <sup>1</sup>	665	1,270	(48%)
<b>Greenhouse gas emissions in kgCO<sub>2</sub>e per employee</b>	<b>1,251</b>	<b>2,012</b>	(38%)

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

<sup>1</sup> For district heating fueled by wood chips, Scope 2 emissions cover methane and nitrous oxide emissions not absorbed during growth. Biogenic CO<sub>2</sub> emissions are reported outside of scopes and amounted to 258 tCO<sub>2</sub> in 2020 and 192 tCO<sub>2</sub> in 2019.

# INFICON Sustainability Report 2021



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

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

## Efficient materials sourcing and use

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

## Waste

	2021	2020	Delta
<b>Total waste in metric tons</b>	<b>386</b>	<b>249</b>	55%
<b>Waste diverted from disposal through recycling</b>	<b>206</b>	<b>162</b>	27%
<b>Waste directed to disposal</b>	<b>181</b>	<b>88</b>	106%
Incineration with energy recovery	173	86	101%
Other disposal operations	8.0	1.6	416%

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

INFICON has initiated comprehensive refurbishing and shop floor expansion programs at its Syracuse and Balzers plants. This has led to considerably higher reported waste tonnages in the reporting year.



# INFICON Sustainability Report 2021

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

## GRI Content Index



**MATERIALITY  
DISCLOSURES SERVICE**

**2022**

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

## Universal Standards

Reference	Disclosure	Further information*
<b>GRI 101: Foundation (2016)</b>		
<b>GRI 102: General Disclosures (2016)</b>		
<b>1. Organizational profile</b>		
GRI 102-1	Name of the organization INFICON HOLDING AG	
GRI 102-2	Activities, brands, products, and services	6
GRI 102-3	Headquarters INFICON HOLDING AG, Hintergasse 15 B, CH-7310 Bad Ragaz, Switzerland	
GRI 102-4	Location of operations	15
GRI 102-5	Ownership and legal form	18
GRI 102-6	Markets served	6
GRI 102-7	Scale of the organization	2
GRI 102-8	Information on employees and other workers	51
GRI 102-9	Supply Chain	52
GRI 102-10	Significant changes to the organization and its supply chain None	
GRI 102-11	Precautionary Principle	53
GRI 102-12	External Initiatives	8
GRI 102-13	Membership of associations	41
<b>2. Strategy</b>		
GRI 102-14	Statement from senior decision-maker	8
<b>3. Ethics and integrity</b>		
GRI 102-16	Values, principles, standards, and norms of behavior	41
<b>4. Governance</b>		
GRI 102-18	Governance structure	17, 20
<b>5. Stakeholder Engagement</b>		
GRI 102-40	List of stakeholder groups	39
GRI 102-41	Collective bargaining agreements exist in Germany and Sweden (about 21% of work force).	
GRI 102-42	Identifying and selecting stakeholders	39
GRI 102-43	Approach to stakeholder engagement	39
GRI 102-44	Key topics and concerns raised	39

# INFICON Sustainability Report 2021

## 6. Reporting practice

GRI 102-45	Entities included in the consolidated financial statements	66
GRI 102-46	Defining report content and topic Boundaries	38
GRI 102-47	List of material topics	38
GRI 102-48	Restatements of information None	
GRI 102-49	Changes in reporting None	
GRI 102-50	Reporting period Fiscal year 2021	
GRI 102-51	Date of most recent report 03.03.2021	
GRI 102-52	Reporting cycle Annually	
GRI 102-53	Contact point for questions regarding the report Matthias Tröndle, Vice President and CFO INFICON HOLDING AG, Hintergasse 15 B CH-7310 Bad Ragaz, Switzerland Tel. +41 81 300 4980 Fax +41 81 300 4988 E-mail: matthias.troendle@inficon.com	
GRI 102-54	Claims of reporting in accordance with the GRI Standards This report has been prepared in accordance with the GRI Standards: Core option.	
GRI 102-55	GRI content index	56
GRI 102-56	External assurance No external assurance was performed.	

## Topic-specific Standards

Reference	Disclosure	Further information*	Reasons for omission
<b>GRI 200: Economic</b>			
<b>GRI 201: Economic Performance (2016)</b>			
GRI 103: 103-1/103-2/103-3	Management Approach (2016)	42	
GRI 201-1	Direct economic value generated and distributed	62, 63	
<b>GRI 205: Anti-Corruption (2016)</b>			
GRI 103: 103-1/103-2/103-3	Management Approach (2016)	41	
GRI 205-3	Confirmed incidents of corruption and actions taken	42	
<b>GRI 206: Anti-competitive Behavior (2016)</b>			
GRI 103: 103-1/103-2/103-3	Management Approach (2016)	41	
GRI 206-1	Legal actions for anti-competitive behavior	42	

# INFICON Sustainability Report 2021

Reference	Disclosure	Further information*	Reasons for omission
<b>GRI 300: Environmental</b>			
<b>GRI 302: Energy (2016)</b>			
<b>GRI 103:</b>			
103-1/103-2/103-3	Management Approach (2016)	53	
GRI 302-1	Energy consumption within the organization	54	
<b>GRI 305: Emissions (2016)</b>			
<b>GRI 103:</b>			
103-1/103-2/103-3	Management Approach (2016)	53	
GRI 305-1	Direct (Scope 1) GHG emissions	54	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	54	
GRI 305-5	Reduction of GHG emissions	54	
<b>GRI 306: Waste (2020)</b>			
<b>GRI 103:</b>			
103-1/103-2/103-3	Management Approach (2016)	55	
GRI 306-1	Waste generation and significant waste-related impacts	55	
GRI 306-2	Management of significant waste-related impacts	55	
GRI 306-3	Waste generated	55	
<b>GRI 307: Environmental Compliance (2016)</b>			
<b>GRI 103:</b>			
103-1/103-2/103-3	Management Approach (2016)	53	
GRI 307-1	Non-compliance with environmental laws and regulations	53	

# INFICON Sustainability Report 2021

Reference	Disclosure	Further information*	Reasons for omission
<b>GRI 400: Social</b>			
<b>GRI 401: Employment (2016)</b>			
<b>GRI 103: 103-1/103-2/103-3</b>	Management Approach (2016)	47	
<b>GRI 401-1</b>	New employee hires and employee turnover	48	
<b>GRI 403: Occupational Health and Safety (2018)</b>			
<b>GRI 103: 103-1/103-2/103-3</b>	Management Approach (2016)	48	
<b>GRI 403-1</b>	Occupational health and safety management system	48	
<b>GRI 403-2</b>	Hazard identification, risk assessment, and incident investigation	48	
<b>GRI 403-3</b>	Occupational health services	48	
<b>GRI 403-4</b>	Worker participation, consultation, and communication on occupational health and safety	48	
<b>GRI 403-5</b>	Worker training on occupational health and safety	48	
<b>GRI 403-6</b>	Promotion of worker health	48	
<b>GRI 403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	48	
<b>GRI 403-9</b>	Accidents and day lost	49	
<b>GRI 404: Training and Education (2016)</b>			
<b>GRI 103: 103-1/103-2/103-3</b>	Management Approach (2016)	48	
<b>GRI 404-2</b>	Programs for upgrading employee skills and transition assistance programs	48	
<b>GRI 404-3</b>	Percentage of employees receiving regular performance reviews	47	
<b>GRI 405: Diversity and Equal Opportunity (2016)</b>			
<b>GRI 103: 103-1/103-2/103-3</b>	Management Approach (2016)	50	
<b>GRI 405-1</b>	Diversity of governance bodies and employees	50	
<b>GRI 406: Non-discrimination (2016)</b>			
<b>GRI 103: 103-1/103-2/103-3</b>	Management Approach (2016)	50	
<b>GRI 406-1</b>	Incidents of discrimination and corrective actions taken	50	
<b>GRI 408: Child Labor (2016)</b>			
<b>GRI 103: 103-1/103-2/103-3</b>	Management Approach (2016)	51	
<b>GRI 408-1</b>	Operations and suppliers at significant risk for incidents of child labor	42, 51	
<b>GRI 409: Forced or Compulsory Labor (2016)</b>			
<b>GRI 103: 103-1/103-2/103-3</b>	Management Approach (2016)	51	
<b>GRI 409-1</b>	Operations and suppliers at significant risk of incidents of forced or compulsory labor	42, 51	
<b>GRI 413: Local Communities (2016)</b>			
<b>GRI 103: 103-1/103-2/103-3</b>	Management Approach (2016)	51	
<b>GRI 413-1</b>	Operations with local community engagement, impact assessments, and development programs	51	
<b>GRI 419: Socioeconomic Compliance (2016)</b>			
<b>GRI 103: 103-1/103-2/103-3</b>	Management Approach (2016)	42	
<b>GRI 419-1</b>	Non-compliance with laws and regulations	42	

\*Page numbers refer to the present Annual Report 2021

# Financial Review

(US Dollars in Millions)

## Income Statement

### Net Sales

In 2021, net sales increased by 29.7% or USD 118.0 to USD 515.8 from USD 397.8 in 2020. Excluding the positive impact of USD 9.8 or 2.5% from changes in currency exchange rates (FX impacts), the net sales increased organically by 27.0% in 2021.

Sales to the Semi & Vacuum Coating market surged by USD 70.4 or 36.9% to USD 261.4, due to the high demand in the semiconductor business from original equipment manufacturers (OEMs), but increasingly also from end-user in Asia and in North America. The General Vacuum market sales increased by USD 25.9 or 24.1% mainly due to the broadly based market recovery, above all the unchanged high and stable demand from Asia and Europe. Refrigeration, Air Conditioning & Automotive sales increased by 25.4% or USD 20.2 to USD 99.8 mainly driven by strong demand in Asia and particularly strong sales in the rapidly growing market for leak testing of lithium-ion batteries. Sales to the Security & Energy market increased by 7.6% or USD 1.5. The smallest target market which is characterised by a long-term project business with public/ governmental customers thus contributed only slightly more than 4% to Group sales.

### Gross Profit

Gross profit margin increased slightly from 47.3% in the previous year to 47.9% for 2021. This increase is driven by higher volume but also impacted by higher material and logistics costs, as well as certain production bottlenecks.

### Research and Development

Research and development costs increased to USD 47.0 or 9.1% of net sales, as compared with USD 39.0 or 9.8% in 2020. This increase of 20.5% is triggered by additional new headcounts, the development and introduction of several new products and devices with enhanced capabilities as well as unfavorable FX impacts.

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

Selling, general, and administrative costs increased to USD 99.5 or 19.3% of sales in 2021 from USD 87.1 or 21.9% of sales in 2020. This increase is driven by higher variable compensation in form of commission and bonus, plus additional headcounts, as well as unfavorable FX impacts.

### Operating Income

The income from operations reached USD 100.4 or 19.5% of sales for 2021 from USD 61.9 or 15.6% of sales for 2020. This increase was driven by the substantially higher volume, an improved higher gross profit margin at clearly higher operational costs.

### Financial Result

The financial result reached USD (0.8) after USD (2.0) in 2020. This decrease is essentially driven by foreign currency losses.

### Income Taxes

Provision for income taxes was USD 19.3 or 19.4% of earnings before taxes for 2021 compared with USD 10.6 or 17.7% of income before taxes for 2020. The tax rate of 2021 did slightly increase due to the mix in the profit composition of our various international entities.

### Net Income and Diluted Earnings per Share

Net income and diluted earnings per share was USD 80.3 and USD 32.87 per share for 2021, as compared with USD 49.3 and USD 20.18 per share for 2020. The increase of 62.9% in diluted earnings per share is in line with the 62.9% increase in net income.

# Financial Review

(US Dollars in Millions)

## Balance Sheet and Liquidity

Cash and cash equivalents at December 31, 2021 totaled USD 65.6, which represents an increase of USD 5.5 as compared with USD 60.1 at December 31, 2020. Cash flow from operations totaled USD 85.1 in 2021 as compared with USD 50.5 in 2020. This increase is mainly driven by the higher net result in 2021 and higher liabilities partially compensated by the increase in Accounts Receivables.

Trade receivables increased by USD 18.5 to USD 82.1 at December 31, 2021 as compared with USD 63.6 at December 31, 2020. This increase results of the approximately 24% higher sales volume in Q4 2021 compared to a year ago.

Inventories increased by USD 13.7 to USD 89.1 at December 31, 2021 as compared with USD 75.4 at December 31, 2020. Inventory turns improved and reached 3.2 in 2021 (2020: 2.8) using a 4-point average of quarter-end inventory balances.

Property, Plant & Equipment increased by USD 15.2 to USD 93.4 at December 31, 2021 compared to USD 78.2 at December 31, 2020. This increase is driven by capacity investments, i.e. mostly buildings and machinery and equipment etc, to be able to fulfill current and future growing customer demand.

Short-term financial liabilities at December 31, 2021 are USD 10.8 (December 31, 2020: USD 19.2 ).

Short-term provisions increased by USD 15.0 to USD 29.5 at December 31, 2021 compared to USD 14.5 at December 31, 2021 mainly due to higher bonus provisions.

Other current liabilities increased by USD 8.8 to USD 16.9 at December 31, 2021 compared to USD 8.1 at December 31, 2020 due to higher advance payments from customers.

# Consolidated Balance Sheet

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

	Note	December 31, 2021	December 31, 2020
<b>Assets</b>			
Cash and cash equivalents		65,628	60,097
Trade accounts receivable	3	82,091	63,624
Inventories	4	89,067	75,404
Prepayments and accrued income		7,564	2,637
Other current assets		8,852	8,130
<b>Total current assets</b>		<b>253,202</b>	<b>209,892</b>
Property, plant, and equipment	5	93,390	78,199
Intangible assets	6	5,495	5,726
Deferred tax assets		9,048	7,676
Financial assets		4,020	3,689
<b>Total non-current assets</b>		<b>111,953</b>	<b>95,290</b>
<b>Total assets</b>		<b>365,155</b>	<b>305,182</b>
<b>Liabilities and Shareholders' Equity</b>			
Trade accounts payable		19,364	10,170
Short-term financial liabilities	7	10,755	19,229
Short-term provisions	8	29,473	14,364
Income taxes payable		10,640	4,142
Accrued expenses and deferred income	9	13,683	13,214
Other current liabilities		16,907	8,059
<b>Total current liabilities</b>		<b>100,822</b>	<b>69,178</b>
Long-term provisions	8	7,238	9,633
Deferred tax liabilities		4,268	3,485
Long-term financial liabilities		241	0
<b>Total non-current liabilities</b>		<b>11,747</b>	<b>13,118</b>
<b>Total liabilities</b>		<b>112,569</b>	<b>82,296</b>
Common stock	10	6,860	6,843
Treasury shares		(554)	(1,382)
Retained earnings		251,360	215,196
Foreign currency translation		(5,080)	2,229
<b>Total shareholders' equity</b>		<b>252,586</b>	<b>222,886</b>
<b>Total liabilities and shareholders' equity</b>		<b>365,155</b>	<b>305,182</b>

## Consolidated Statement of Income

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

Year ended December 31,	Note	2021	2020
Net sales		515,777	397,801
Cost of sales		(268,783)	(209,789)
Gross profit		246,994	188,012
Research and development		(47,033)	(38,994)
Selling expense		(28,916)	(31,783)
General and administrative expense		(70,604)	(55,315)
Operating income		100,441	61,920
Financial result	13	(813)	(2,019)
Ordinary result		99,628	59,901
Earnings before income taxes (EBT)		99,628	59,901
Income taxes	14	(19,317)	(10,602)
Net Income		80,311	49,299
Earnings per share:			
Basic		32.87	20.21
Dilution		0.00	(0.03)
Diluted		32.87	20.18

The accompanying notes form an integral part of the consolidated financial statements.

## Consolidated Statement of Shareholders' Equity

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

	Note	Common stock	Capital reserves	Treasury Shares	Retained earnings	Foreign currency translation	Total shareholders' equity
Balance at January 1, 2020		6,830	—	(636)	209,084	(6,484)	208,794
Net income					49,299		49,299
Foreign currency translation adjustments						8,713	8,713
Issuance of common stock from exercise of stock options	11	13	1,459				1,472
Acquisition of treasury shares				(2,225)			(2,225)
Stock-based compensation				1,479			1,479
Dividend			(1,459)		(43,704)		(45,163)
Adjustment of Goodwill	12				517		517
Balance at December, 2020		6,843	—	(1,382)	215,196	2,229	222,886
Balance at January 1, 2021		6,843	—	(1,382)	215,196	2,229	222,886
Net income					80,311		80,311
Foreign currency translation adjustments						(7,309)	(7,309)
Issuance of common stock from exercise of stock options	11	17	1,040				1,057
Acquisition of treasury shares				(1,703)			(1,703)
Stock-based compensation			(275)	2,531			2,256
Dividend			(765)		(41,494)		(42,259)
Adjustment of Goodwill	12				(2,653)		(2,653)
Balance at December, 2021		6,860	—	(554)	251,360	(5,080)	252,586

# Consolidated Statement of Cash Flow

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

Year ended December 31,	Note	2021	2020
Cash flows from operating activities:			
Net income		80,311	49,299
Adjustments to reconcile net result to net cash provided by operating activities:			
Depreciation	5	10,918	10,204
Amortization	6	1,492	2,372
Result from disposal of fixed assets		0	22
Deferred Taxes		(1,128)	(304)
Changes in operating assets and liabilities, excluding effects from acquisition:			
Trade accounts receivable		(20,771)	(10,093)
Inventories		(14,804)	(5,305)
Other assets		(7,525)	2,549
Trade accounts payable		3,675	88
Accrued liabilities and provisions		17,425	1,394
Income taxes payable		6,803	(2,125)
Other liabilities		11,634	2,386
FX impact excluding cash	2	(2,961)	
<b>Net cash provided by operating activities</b>		<b>85,069</b>	<b>50,487</b>
Cash flows from investing activities:			
Purchase of property, plant and equipment	5	(22,434)	(13,539)
Disposal of property, plant and equipment	5	182	331
Purchase of intangible assets	6	(1,231)	(2,061)
Disposal of intangible assets	6	1	0
Acquisitions of businesses net of cash acquired	17	(5,252)	(1,561)
Liquidation of subsidiary		67	0
Purchase of short-term investments		0	(3)
Disposal of short-term investments		0	1,261
Loans granted		(292)	0
<b>Net cash used in investing activities</b>		<b>(28,959)</b>	<b>(15,572)</b>
Cash flows from financing activities:			
Proceeds from exercise of stock options	11	1,057	1,472
Cash dividend paid		(42,259)	(45,163)
Purchase/disposal of treasury shares		554	(746)
Proceeds from borrowings		56,365	45,023
Repayments of borrowings		(63,995)	(33,121)
<b>Net cash used in financing activities</b>		<b>(48,278)</b>	<b>(32,535)</b>
Effect of exchange rate changes on cash and cash equivalents		(2,301)	1,549
Change in cash and cash equivalents		5,531	3,929
Cash and cash equivalents at beginning of period		60,097	56,168
<b>Cash and cash equivalents at end of period</b>		<b>65,628</b>	<b>60,097</b>

# Notes to Consolidated Financial Statements

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

## 1 Description of Business

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

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

INFICON has best in class manufacturing facilities in Europe, the United States and China, as well as subsidiaries in China, Denmark, Finland, France, Germany, India, Italy, Japan, Korea, Liechtenstein, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States. The subsidiary in India has been liquidated as of February 28<sup>th</sup>, 2021. The foundation of a new subsidiary in Mexico is in progress.

## 2 Summary of Significant Accounting Policies

### Basis of Preparation

The consolidated financial statements give a true and fair view of the financial position, results of operations and cash flows of the Company. They have been prepared in accordance with the complete set of Swiss GAAP Accounting and Reporting Recommendations (Swiss GAAP FER) and are based on the subsidiaries’ annual financial statements at December, 31, which are prepared using uniform classification and accounting policies. The consolidated financial statements are prepared under the going concern assumption, based

on the historical cost principle with the exception of certain items such as derivative financial instruments and short-term investments, which are carried on the balance sheet at their fair value. The consolidated financial statements comply with the Listing Rules of the SIX Swiss Exchange and the provisions of Swiss Corporation Law. The Board of Directors of INFICON Holding AG approved the consolidated financial statements on March 2, 2022 for submission to the Annual General Meeting on March 31, 2022.

### Consolidation

These consolidated financial statements include INFICON Holding AG and all companies that INFICON controls. Control exists if INFICON (the “Group”) holds directly or indirectly more than half of the voting rights, or has other means of controlling the company (GRI 102-45).

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

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

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

# Notes to Consolidated Financial Statements

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

The following companies are included in these consolidated financial statements:

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

INFICON India was liquidated as of Feb 2021

## Significant Accounting Policies and Estimates

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

## Cash and Cash Equivalents and Short-Term Investments

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

## Trade Accounts Receivable

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

## Inventories

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

## Property, Plant, and Equipment

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

# Notes to Consolidated Financial Statements

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

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

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

## *Intangible Assets*

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

## *Goodwill*

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

## *Impairment of Non-current Assets and Goodwill*

At every balance sheet date an assessment is made for non-current assets (in particular property, plant, equipment, intangible assets, financial assets as well as goodwill offset against equity) whether indicators for impairment exist. If indicators for a continuous impairment exist, the recoverable amount of the asset is determined. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-

generating unit to which the asset belongs. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized separately in the income statement. As goodwill is fully offset against equity at the date of acquisition, impairment of goodwill will not affect income, but be disclosed in the notes to the consolidated financial statements.

## *Pension Benefits*

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

## *Trade Payables and Other Payables*

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

## *Provisions*

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

## *Revenue Recognition*

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

## *Research and Development*

Research and development costs are expensed as incurred.

# Notes to Consolidated Financial Statements

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

## Shipping and Handling Costs

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

## Share-based Plan

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

In 2015 the Group Management and Key Employee Stock Option Plan from 2001 was terminated and a share program was introduced. Within this plan, 50% of the shares are allotted on the grant date and are subject to a four-year blocking period. The remaining 50% will be allotted over the next four years – one fourth each year – and will not be subject to any blocking period.

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

## Income Tax Expense

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

## Foreign Currency Translation

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

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

Currency		Period-end rates		Average rates		
		2021	2020	2021	2020	
1	Swiss Franc	USD	1.0937	1.1312	1.0940	1.0658
	Euro	USD	1.1334	1.2281	1.1833	1.1411
	Japanese Yen	USD	0.0087	0.0097	0.0091	0.0094
	Hong Kong Dollar	USD	0.1282	0.1290	0.1286	0.1289
	Korean Won	USD	0.0008	0.0009	0.0009	0.0008

## Consolidated Statement of Cash Flow

In context of the implementation of a new software tool for the financial consolidation, which is used since January 1<sup>st</sup>, 2021, the presentation of the Consolidated Statement of Cash Flows has been changed. For an improved transparency the FX impact excluding cash is disclosed as a separate position within the operating cash flow of December 31, 2021. In the past the FX impact was included in the single positions of the operating cash flow. Due to technical limitations of the previous software tool, a comparable disclosure for the prior period is not available. The adjustment is only a shift within the positions of the operating cashflow and has no influence on the overall result of the operating cash flow.

# Notes to Consolidated Financial Statements

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

## 3 Trade Accounts Receivable

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

	2021	2020
Trade accounts receivable, gross	<b>83,904</b>	64,976
Bad debt allowance	<b>(1,813)</b>	(1,352)
<b>Total trade accounts receivable, net</b>	<b>82,091</b>	63,624

## 4 Inventories

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

	2021	2020
Raw material	<b>54,651</b>	61,897
Work-in-process	<b>5,971</b>	4,940
Finished goods	<b>37,435</b>	18,698
Advance Payments to suppliers	<b>1,348</b>	4
Inventory Valuation Adjustment	<b>(10,338)</b>	(10,135)
<b>Balance at December 31,</b>	<b>89,067</b>	75,404

## 5 Property, Plant, and Equipment

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

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

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

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

Property, plant, and equipment 2020	Land	Buildings	Machinery and equipment	Leasehold improvements	Prepayments and tangible fixed assets under construction	Demonstration equipments	Other tangible fixed assets	Total property, plant, and equipment
<b>At cost</b>								
At January 1, 2020	2,875	45,918	71,800	11,550	5,898	8,516	13,590	160,147
Additions	9	459	4,675	182	6,913	786	1,099	14,123
Disposals	—	—	(646)	—	(274)	(559)	(350)	(1,829)
Reclassifications	—	0	813	54	(1,157)	—	290	—
Exchange Differences	209	1,285	4,753	1,006	821	464	1,319	9,857
<b>At December 31, 2020</b>	<b>3,093</b>	<b>47,662</b>	<b>81,395</b>	<b>12,792</b>	<b>12,201</b>	<b>9,207</b>	<b>15,948</b>	<b>182,298</b>

<b>Accumulated depreciations:</b>								
At January 1, 2020	391	16,830	44,434	9,914	—	7,779	10,053	89,401
Systematic depreciation	1	1,701	6,118	462	—	867	1,055	10,204
Disposals	—	—	(613)	—	—	(534)	(351)	(1,498)
Reclassifications	—	(167)	66	—	—	—	101	0
Exchange Differences	—	443	3,235	911	—	421	982	5,992
<b>At December 31, 2020</b>	<b>392</b>	<b>18,807</b>	<b>53,240</b>	<b>11,287</b>	<b>—</b>	<b>8,533</b>	<b>11,840</b>	<b>104,099</b>

<b>Net book values:</b>								
At January 1, 2020	2,484	29,088	27,366	1,636	5,898	737	3,537	70,746
<b>At December 31, 2020</b>	<b>2,701</b>	<b>28,855</b>	<b>28,155</b>	<b>1,505</b>	<b>12,201</b>	<b>674</b>	<b>4,108</b>	<b>78,199</b>

# Notes to Consolidated Financial Statements

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

## 6 Intangible Assets

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

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

<b>Net book values</b>				
At January 1, 2021	2,279	1,232	2,215	5,726
At December 31, 2021	3,071	1,395	1,029	5,495

Intangible Assets 2020	Technology	Software	Other	Total
<b>At cost</b>				
At January 1, 2020	9,955	8,411	4,596	22,962
Additions	97	1,829	135	2,061
Disposals	—	(991)	—	(991)
Reclassifications	—	(45)	45	—
Exchange Differences	630	820	243	1,693
At December 31, 2020	10,682	10,024	5,019	25,725

<b>Accumulated amortization</b>				
At January 1, 2020	7,351	7,475	2,343	17,169
Systematic amortization	485	1,611	276	2,372
Disposals	—	(991)	—	(991)
Reclassifications	—	(17)	17	—
Exchange Differences	567	714	168	1,449
At December 31, 2020	8,403	8,792	2,804	19,999

<b>Net book values</b>				
At January 1, 2020	2,604	936	2,253	5,793
At December 31, 2020	2,279	1,232	2,215	5,726

## 7 Short-term financial liabilities

Total short-term financial liabilities at December 31, 2021 amount to USD 10,755 . Thereof an outstanding short-term loan of USD 9,625 in favor of the Landesbank Baden-Württemberg at December 31, 2021. The interest rate is 0.11 % p.a., and USD 1,100 is owed to a customer for financing manufacturing equipment at no interest.

## 8 Provisions

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

Provisions 2020	Warranty	Pension	Bonus & Commissions	Other	Total
At January 1, 2020	2,713	1,253	10,048	10,198	24,212
Addition	675	215	10,616	360	11,866
Usage	(109)	(16)	(9,138)	(1,718)	(10,981)
Release of unused amounts	(367)	(67)	(460)	(919)	(1,813)
FX difference	132	184	349	48	713
At December 31, 2020	3,044	1,569	11,415	7,969	23,997
Short term	2,711	228	11,415	10	14,364
Long term	333	1,341	—	7,959	9,633

Other long-term provision includes USD 4,300 (2020: USD 6.701) earn-out consideration from acquisition of business in 2018 (see note 18 for details).

### Discounting

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

### Warranty

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

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

# Notes to Consolidated Financial Statements

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

## 9 Accrued Expenses and Deferred Income

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

	2021	2020
Salaries, wages and related costs	5,009	5,995
Deferred revenue	1,361	864
Professional fees	859	655
Other	6,454	5,700
<b>Balance at December 31,</b>	<b>13,683</b>	<b>13,214</b>

## 10 Shareholders' Equity

As of December 31, 2021, shareholders' equity consists of 2,445,161 issued and outstanding bearer shares (2020: 2,441,961) with a par value of CHF 5 (2020: CHF 5). Each share entitles the registered owner to one vote at the General Meeting of Shareholders, as well as a share of dividends or distribution from capital contribution reserve, if any, declared by the Company and proceeds from liquidation, corresponding to its nominal value as a percentage of the total nominal value of issued share capital.

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

As of December 31, 2021 the remaining available balance of conditional share capital amounts to 9,694 shares (2020: 12,894 shares) of each CHF 5.

### a) Treasury Shares 2021

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

### b) Treasury Shares 2020

	Number of treasury shares	Price per share in CHF		
		Highest	Lowest	Volume-weighted average
Balance as of January 1	1,037			
Purchases January 31, 2020	500	745.50	736.00	742.04
Purchases February 24, 2020	500	750.00	742.00	745.91
Purchases February 25, 2020	500	728.50	721.00	723.44
Purchases April 7, 2020	500	598.00	585.00	592.56
Purchases October 22, 2020	1,000	719.00	688.00	703.89
Allocation to Members of the Board of Directors	(366)			
Allocation to Group Management and Key Employees	(1,754)			
<b>Balance as of December 31</b>	<b>1,917</b>			

At December 31, 2021, the acquisition costs for a number of 1,500 shares purchased during the year amounted to USD 1,703 compared with USD 2,225 at December 31, 2020, for a number of 3,000 purchased shares in 2020.

The statutory or legal reserves that may not be distributed, amount to CHF 2,590 at December 31, 2021 (December 31, 2020: CHF 2,590).

# Notes to Consolidated Financial Statements

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

## 11 Share-based Plans

### Stock Option Plans

In fiscal year 2001, the Board of Directors approved the Directors' Stock Option Plan. The Directors' Stock Option Plan is solely for members of the Board, who are not employees of INFICON. The Company has granted options to the eligible Directors in May of each year and the options are nontransferable. All options have been granted at prices equal to 100% of the market value of the common stock at the date of grant. The plan includes specific requirements for the Directors who are removed or resign from the Board.

In fiscal year 2001, the Board of Directors approved the Management & Key Employee Stock Option Plan. The purpose of the plan is to provide key employees of the Company with an opportunity to become shareholders, and in addition, to obtain options on shares and allow them to participate in the future success of the Company. The options have been granted in Swiss Francs.

The following is a summary of option transactions under the two plans:

	Options	Weighted average exercise price (CHF)
Outstanding at December 31, 2019	8,230	287.72
Cancelled	(200)	284.75
Exercised	(4,630)	297.41
Outstanding at December 31, 2020	3,400	307.25
Cancelled	(200)	307.25
Exercised	(3,200)	307.25
Outstanding at December 31, 2021	—	—
Exercisable at December 31, 2021	—	—

The exercise of options under the stock option plan led to the following increase in shareholder's equity.

	2021	2020
Increase in Common stock	17	13
Increase in Capital reserves	1,040	1,459
Total	1,057	1,472

By December 31, 2015, both the Directors' Stock Option Plan as well as the Management & Key Employee Stock Option Plan have been terminated.

### Share Plans

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

In 2015 a share program for Management & Key Employees has been introduced. It is intended that the plan will provide an additional incentive for key employees to maintain continued employment, contribute to the future success and prosperity, and enhance the value of the Company. Within this plan, 50% of the shares are allotted on the grant date and are subject to a four year blocking period. The remaining 50% will be allotted over the next four years – one fourth each year – and will not be subject to any blocking period. The relevant share price for allocation purposes is the average price of the shares as of the fifth trading day after the Ordinary Annual General Meeting.

The impact of all share-based plans on the income statement as per December 31, 2021 amounts to USD 2,012 (2020: USD 1,274).

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

# Notes to Consolidated Financial Statements

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

## 12 Goodwill

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

Theoretical movement schedule for goodwill:

	2021	2020
<b>At cost</b>		
At January 1,	28,945	29,462
Additions from acquisitions	1,990	—
Subsequent Purchase Price Adjustments	663	(517)
At December 31,	31,598	28,945
<b>Accumulated amortization</b>		
At January 1,	19,414	13,920
Amortization expense	4,446	5,494
At December 31,	23,860	19,414
<b>Theoretical net book values</b>		
At January 1,	9,531	15,542
At December 31,	7,738	9,531

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

Impact on income statement:

	2021	2020
Operating result according to income statement	100,441	61,924
Amortization of goodwill	(4,446)	(5,494)
Theoretical operating result incl. amortization of goodwill	95,994	56,430
<b>Net result according to income statement</b>	<b>80,311</b>	<b>49,299</b>
Amortization of goodwill	(4,446)	(5,494)
Theoretical net result incl. amortization of goodwill	75,864	43,805

Impact on balance sheet:

	2021	2020
Equity according to balance sheet	252,586	222,886
Equity as % of total assets	69.2%	73.0%
Theoretical capitalization of goodwill (net book value)	7,737	9,531
Theoretical equity incl. net book value of goodwill	260,323	232,417
Theoretical equity incl. net book value of goodwill as % of total assets incl. net book value of goodwill	71.3%	73.9%

No indication for impairment of goodwill has been identified.

## 13 Financial Result

The financial result consists of the following:

	2021	2020
FX Gain/Loss	(1,092)	(2,072)
Interest Income/Expense	279	53
<b>Total financial result</b>	<b>(813)</b>	<b>(2,019)</b>

## 14 Income Taxes

Tax expense consists of the following:

	2021	2020
Current tax expense	20,086	11,155
Deferred tax expense	(769)	(553)
<b>Total</b>	<b>19,317</b>	<b>10,602</b>

As of December 31, 2021, the group average tax rate for calculating deferred taxes was 19.4% (2020: 17.7%).

The capitalization of the effects from tax loss carryforwards is reassessed annually and based on current assumptions and estimates by management. The total amount of tax loss carryforwards that can be used is USD 2,433 (previous year: USD 25). Thereof USD 0 can be used indefinitely. No deferred tax assets were recognised for those tax loss carryforwards.

The entitlement for deferred income taxes on tax losses carried forward not yet used was USD 99 at December 31, 2021, as compared with USD 0 at December 31, 2020.

# Notes to Consolidated Financial Statements

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

## 15 Earnings per Share

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

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

	2021	2020
Numerator:		
Net income	80,311	49,299
Denominator:		
Weighted average shares outstanding	2,443,561	2,439,685
Effect of dilutive stock options	0	3,479
Denominator for diluted earnings per share	2,443,561	2,443,164
Earnings per share:		
Basic	32.87	20.21
Dilution	0.00	(0.03)
Diluted	32.87	20.18

For the year ended December 31, 2021, the fully diluted earnings per share calculation excluded no options to purchase shares since these shares would have been anti-dilutive for 2021.

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

## 16 Employee Benefit Plans

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

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

	Surplus / deficit	Group's economic share	Change from prior period recognized in the current result of the period	Contributions concerning the business period	Pension costs within personnel expense		
	2021	2021	2020	2021	2021	2021	2020
Pension institutions with surplus	16,166	—	—	—	3,108	3,108	4,823
Pension institutions with deficit	—	—	—	—	—	—	—
Pension institutions without own assets	—	(1,203)	(1,341)	(3)	(133)	(136)	(375)
Total	16,166	(1,203)	(1,341)	(3)	2,975	2,972	4,447

## 17 Acquisitions

### Final Phase Systems

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

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

# Notes to Consolidated Financial Statements

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

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

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

In 2021 an earn-out payment of USD 3,063 (2020: USD 1,561) was made. The contingent consideration was adjusted accordingly to USD 4,300 as of December 31, 2021 (2020: USD 6,701), including the earn-out payment as well as a revaluation with an increase of USD 663 (2020: decrease of USD 517).

## Fil-Tec

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

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

As of April 30	2021
Inventory	39
Equipment	60
Intangible assets	100
<b>Assets acquired</b>	<b>199</b>
Goodwill	1,990
Total	2,189
<b>Cash used for acquisition</b>	<b>2,189</b>

## 18 Commitments and Contingencies

A summary of contractual commitments and contingencies is as follows:

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

At December 31, 2020	Operating Leases	Purchase Commitments	Total
2021	6,758	12,235	18,993
2022	5,374	2,582	7,956
2023	3,446	—	3,446
2024	2,775	—	2,775
2025	2,525	—	2,525
Thereafter	17,777	—	17,777
<b>Total</b>	<b>38,655</b>	<b>14,817</b>	<b>53,472</b>

The Company leases some of its facilities and machinery and equipment under operating leases, expiring in years 2022 through 2035. Generally, the facility leases require the Company to pay maintenance, insurance and real estate taxes.

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

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

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

# Notes to Consolidated Financial Statements

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

At year-end 2021, no guarantees in favor of third parties existed. The Group has not given any other guarantees in respect of its business relationships with third parties. There are no subordination agreements with third parties.

INFICON Holding AG granted a guarantee in favor of an affiliated company to cover a credit facility with a bank in Europe. However, the credit facility is not drawn.

## 19 Business Segments

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

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

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

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

## 20 Related Party Transaction

In 2021 the related party KWE Beteiligungen AG, granted a short-term loan of USD 46'466 (2020: USD 41'025) to INFICON Holding AG. The loan was granted in CHF with CHF 43'000. The agreed interest was 0.05%. The temporary loan was repaid completely as of December 31, 2021.

## 21 Additional Information Required by Swiss Law and Swiss GAAP FER

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

	2021	2020
Total personnel costs	161,052	127,927

### Compensations Disclosure

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

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

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

	2021	2020
Board of Directors:		
Dr. Beat E. Lüthi	1,488	1,425
Dr. Richard Fischer	26,190	26,143
Vanessa Frey *	140	221
Beat Siegrist	15,652	15,612
Dr. Reto Suter	40	—
Dr. Thomas Staehelin	—	3,012
<b>Total Board of Directors</b>	<b>43,510</b>	<b>46,413</b>

### Group Management

Lukas Winkler, President & CEO	3,755	4,049
Matthias Tröndle, Group CFO	383	402
<b>Total Group Management</b>	<b>4,138</b>	<b>4,451</b>

\* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.50% (2020: 19.53%) in INFICON Holding AG.

## 22 Subsequent Events

The Company has evaluated subsequent events for the whole Group (including Holding AG and all subsidiaries) through March 2, 2022, which represents the date when the consolidated financial statements were available to be issued.



# Statutory Auditor's Report

To the General Meeting of INFICON Holding AG, Bad Ragaz

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of INFICON Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021 and the consolidated statement of income, consolidated statement of shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 62 to 77) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority



#### REVENUE RECOGNITION

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## REVENUE RECOGNITION

### Key Audit Matter

Revenues are an important metric considered by external and internal stakeholders. Revenues recognized for the year ended 31 December 2021 amounted to USD 515.8 million and primarily related to the sale of instruments for gas analysis, measurement and control.

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

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

### Our response

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

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

In addition to the procedures described above, we further addressed the risk of management override by analysing credits recognized in the period after the balance sheet date and utilizing our audit software tools to identify high-risk journal entries that were based on specific characteristic surrounding the risk of an overstatement of revenues.

For further information on revenue recognition refer to the following:

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

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

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



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

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

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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



## Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Roman Wenk  
Licensed Audit Expert  
Auditor in Charge

Benjamin Marte  
Licensed Audit Expert

Zurich, 2 March 2022

# Balance Sheet

## INFICON Holding AG, Bad Ragaz/Switzerland

(CHF in Thousands)

	Notes	December 31, 2021	December 31, 2020
<b>Assets</b>			
Cash		5,836	4,049
Other short-term receivables			
from third parties		52	8
from companies in which the entity holds an investment		3,438	917
from companies in which the entity holds an indirect investment		—	50
Short-term loans granted to companies in which the entity holds an investment	2.1	1,120	1,120
Prepaid expenses and accrued income		190	121
<b>Total current assets</b>		<b>10,636</b>	<b>6,265</b>
Financial assets			
Long-term loans granted to companies in which the entity holds an investment	2.2	41,511	52,764
Long-term loans granted to companies in which the entity holds an indirect investment	2.3	10,057	9,724
Investments	2.4	148,540	148,540
Intangible assets	2.5	903	1,102
<b>Total non-current assets</b>		<b>201,011</b>	<b>212,130</b>
<b>Total assets</b>		<b>211,647</b>	<b>218,395</b>
<b>Liabilities and Shareholders' Equity</b>			
Other short-term liabilities			
to third parties	2.6	27	31
to companies in which the entity holds an investment		3,057	103
Short-term interest-bearing liability	2.7	8,800	16,000
Accrued expenses and deferred income	2.8	3,244	1,636
<b>Total short-term liabilities</b>		<b>15,128</b>	<b>17,770</b>
Provisions	2.9	900	125
<b>Total long-term liabilities</b>		<b>900</b>	<b>125</b>
<b>Total liabilities</b>		<b>16,028</b>	<b>17,895</b>
Share capital	2.10	12,226	12,210
Legal capital reserves			
Reserves from capital contributions	2.11	8,194	7,227
Legal retained earnings			
General legal retained earnings		2,590	2,590
Voluntary retained earnings			
Available earnings			
Profit brought forward		140,440	156,510
Profit for the year		32,739	23,268
Treasury shares	2.12	(570)	(1,305)
<b>Total shareholders' equity</b>		<b>195,619</b>	<b>200,500</b>
<b>Total liabilities and shareholders' equity</b>		<b>211,647</b>	<b>218,395</b>

# Statement of Income

## INFICON Holding AG, Bad Ragaz / Switzerland

(CHF in Thousands)

Year ended December 31,	Notes	2021	2020
Dividend income	2.13	18,282	16,554
Royalty income	2.14	14,265	12,307
Management fees income	2.15	9,653	7,600
Other financial income	2.16	5,470	3,693
<b>Total income</b>		<b>47,670</b>	<b>40,154</b>
Personnel expenses		4,013	1,990
Other operating expenses	2.17	8,787	7,246
Amortization/depreciation on non-current assets		296	364
Financial expenses	2.18	336	6,503
Direct taxes	2.19	1,499	783
<b>Total expenses</b>		<b>14,931</b>	<b>16,886</b>
<b>Profit for the year</b>		<b>32,739</b>	<b>23,268</b>

# Notes to the Financial Statements

## INFICON Holding AG, Bad Ragaz/Switzerland

### 1 Principles

#### 1.1 General Aspects

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

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

#### 1.2 Valuation Methods and Translation of Foreign Currencies

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

#### 1.3 Financial assets

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

#### 1.4 Investments

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

#### 1.5 Treasury Shares

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

#### 1.6 Share-based payments

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

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

#### 1.7 Cash Flow statement and additional disclosures

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

# Notes to the Financial Statements

## INFICON Holding AG, Bad Ragaz/Switzerland

### 2 Disclosure on Balance Sheet and Income Statement Items

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

Short-term loans granted to companies in which the entity holds an investment consist of a credit facility which is granted to a subsidiary. The interest rate is 0.25% p.a..

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

maturity	interest rate in %	December 31,	
		2021	2020
Up to five years	5.00–5.50	MUSD 42	MUSD 56
Up to five years	0.75	MEUR 3	MEUR 3

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

At December 31, 2021, long-term loans granted to companies in which the entity holds an indirect investment included a long-term loan granted to an indirect held subsidiary. The interest rate is 6% p.a. and the maturity is more than 4 years.

#### 2.4 Investments

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

Company	Currency	December 31,	
		2021	2020
<b>INFICON Inc.</b>		(in 1,000)	(in 1,000)
<b>Syracuse, USA</b>			
Share Capital	USD	*	*
Share in capital and voting rights		100%	100%
Purpose: Manufacturing, Sales and Service			
<b>INFICON AG</b>			
<b>Balzers, Liechtenstein</b>			
Share Capital	CHF	6,000	6,000
Share in capital and voting rights		100%	100%
Purpose: Manufacturing, Sales and Service			
<b>INFICON GmbH</b>			
<b>Cologne, Germany</b>			
Share Capital	EUR	1,026	1,026
Share in capital and voting rights		100%	100%
Purpose: Manufacturing, Sales and Service			

Company	Currency	December 31,	
		2021	2020
<b>INFICON Aaland Ab</b>		(in 1,000)	(in 1,000)
<b>Mariehamn, Finland</b>			
Share Capital		60	60
Share in capital and voting rights		100%	100%
Purpose: Manufacturing			
<b>INFICON AB</b>			
<b>Linköping, Sweden</b>			
Share Capital	SEK	3,810	3,810
Share in capital and voting rights		100%	100%
Purpose: Manufacturing and Sales			
<b>INFICON ApS</b>			
<b>Copenhagen, Denmark</b>			
Share Capital	DKK	50	50
Share in capital and voting rights		100%	100%
Purpose: Sales			
<b>INFICON Ltd.</b>			
<b>Blackburn, United Kingdom</b>			
Share Capital	GBP	400	400
Share in capital and voting rights		100%	100%
Purpose: Sales and Service			
<b>INFICON S.A.R.L.</b>			
<b>Courtaboeuf, France</b>			
Share Capital	EUR	108	108
Share in capital and voting rights		100%	100%
Purpose: Sales and Service			
<b>INFICON S.r.l.</b>			
<b>Bozen, Italy</b>			
Share Capital	EUR	10	10
Share in capital and voting rights		100%	100%
Purpose: Sales			
<b>INFICON Co., Ltd.</b>			
<b>Kawasaki-Shi, Japan</b>			
Share Capital	JPY	90,000	90,000
Share in capital and voting rights		100%	100%
Purpose: Sales			
<b>INFICON Ltd.</b>			
<b>Chubei City, Taiwan</b>			
Share Capital	TWD	52,853	52,853
Share in capital and voting rights		100%	100%
Purpose: Sales			
<b>INFICON Ltd.</b>			
<b>Bungdang-Ku, Korea</b>			
Share Capital	KRW	600,000	600,000
Share in capital and voting rights		100%	100%
Purpose: Manufacturing and Sales			
<b>INFICON Pte. Ltd.</b>			
<b>Singapore</b>			
Share Capital	SGD	1,797	1,797
Share in capital and voting rights		100%	100%
Purpose: Sales			

# Notes to the Financial Statements

## INFICON Holding AG, Bad Ragaz/Switzerland

Company	Currency	December 31, 2021	2020
<b>INFICON Ltd.</b>			
<b>Pune, India</b>		(in 1,000)	(in 1,000)
Share Capital	INR	—	18,920
Share in capital and voting rights **		—	100%
Purpose: Sales			
<b>INFICON Ltd.</b>			
<b>Hong Kong</b>			
Share Capital	HKD	8,780	8,780
Share in capital and voting rights		100%	100%
Purpose: Sales			
<b>INFICON (Guangzhou) Instruments Co., Ltd.</b>			
<b>Guangzhou</b>			
Share Capital	RMB	9,837	9,837
Share in capital and voting rights		100%	100%
Purpose: Service			
<b>INFICON Instruments (Shanghai) Co., Ltd.</b>			
<b>Shanghai</b>			
Share Capital	USD	2,180	2,180
Share in capital and voting rights		100%	100%
Purpose: Manufacturing			
<b>INFICON EDC Inc.</b>			
<b>Overland Park, USA</b>			
Share Capital	USD	500	500
Share in capital and voting rights **		100%	100%
Purpose: Manufacturing, Sales and Service			
<b>INFICON InstruTech LLC</b>			
<b>Longmont, USA</b>			
Limited Liability Company			
Equity Interest **		100%	100%
Purpose: Manufacturing and Sales			

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

\*\* Indirect participation

As of December 31, 2021, IFCN.SW a new subsidiary of INFICON Holding AG was being established in Corregidora, Mexico.

### 2.5 Intangible assets

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

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

In CHF 1,000	December 31,	
	2021	2020
Liabilities to third parties	27	31
<b>Total</b>	<b>27</b>	<b>31</b>

### 2.7 Short-term interest-bearing liability

The company has an outstanding short-term loan of MCHF 8.8 in favor of the Landesbank Baden-Württemberg at December 31, 2021. The interest rate is 0.11 % p.a.

### 2.8 Accrued expenses and deferred income

In CHF 1,000	December 31,	
	2021	2020
Liabilities to third parties	2,799	1,179
Liabilities due to pension fund	69	50
Liabilities to governing bodies (Board of Directors and auditors)	376	407
<b>Total</b>	<b>3,244</b>	<b>1,636</b>

### 2.9 Provisions

The provisions relate to the long-term incentive bonus plan of the Companies CEO.

### 2.10 Issued, authorized and conditional share capital

Share capital in the amount of TCHF 12,226 (2020: TCHF 12,210) consists of 2,445,161 (2020: 2,441,961) registered shares at a nominal value of CHF 5 each.

### Issued share capital/share capital increase

During 2021, employees of INFICON exercised stock options which resulted in 0.0new shares being issued and increased nominal share capital by CHF 16,000. The share premium thereon of CHF 967,200 has been credited to the reserves from capital contributions.

### Conditional Share Capital

The articles of incorporation provide for a conditional capital of a maximum of CHF 64,470 through the issuance of 12,894 registered shares of CHF 5 each by the exercise of option rights granted to employees and members of the Board of Directors of the Company. In 2021, employee stock options were exercised resulting in an increase in share capital of 3,200 shares. The remaining available balance of conditional share capital at December 31, 2021, is CHF 48,470.

# Notes to the Financial Statements

## INFICON Holding AG, Bad Ragaz/Switzerland

### 2.11 Reserves from capital contributions

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

Due to existing different practices regarding the accounting of the stamp duties incurred in connection with the increase in share capital there is a deviation of the reserves from capital contributions stated in the statutory financial statements of INFICON Holding AG (CHF 8,194,210) and the amount the Swiss Federal Tax Administration recognizes (CHF 7,662,589) at December 31, 2021.

### 2.12 Treasury shares

#### a) Treasury Shares 2021

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

#### b) Treasury Shares 2020

	Number of treasury shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	1,037			
Purchases January 31, 2020	500	745.50	736.00	742.04
Purchases February 24, 2020	500	750.00	742.00	745.91
Purchases February 25, 2020	500	728.50	721.00	723.44
Purchases April 7, 2020	500	598.00	585.00	592.56
Purchases October 22, 2020	1,000	719.00	688.00	703.89
Allocation to Members of the Board of Directors	(366)			
Allocation to Group Management and Key Employees	(1,754)			
Balance as of December 31	1,917			

At December 31, 2021, the acquisition costs for a number of 1,500 shares purchased during the year amounted to TUSD 1,703 (TCHF 1,577) compared with TUSD 2,225 (TCHF 2,112) at December 31, 2020, for a number of 3,000 purchased shares in 2020. The treasury shares are reserved for compensations due in 2021. These shares are non-dividend bearing shares.

### 2.13 Dividend income

Dividend income consists of dividends paid by subsidiaries.

### 2.14 Royalty income

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

### 2.15 Management fees income

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

### 2.16 Other financial income

Other financial income amounts to TCHF 5,470 (2020: TCHF 3,693) and consists mostly of interest income and gains from foreign currency loans to companies in which the entity holds an investment.

### 2.17 Other operating expenses

	December 31,	
In CHF 1,000	2021	2020
Administrative expenses	2,136	1,948
Share based payments	226	225
Consulting expenses	1,206	1,143
Withholding taxes	265	264
Other operating expenses*	4,954	3,666
<b>Total</b>	<b>8,787</b>	<b>7,246</b>

\* In 2021 the main expense items related to insurance, IT, patent and marketing expenses as well as to fees for the Board of Directors.

### 2.18 Financial expenses

Financial expenses amount to TCHF 336 (2020: TCHF 6,503) and consist mostly of foreign currency losses from transactions with companies in which the entity holds an investment.

### 2.19 Direct taxes

The tax charge includes income and capital taxes.

# Notes to the Financial Statements

## INFICON Holding AG, Bad Ragaz/Switzerland

### 3 Other Information

#### 3.1 Full-time Equivalents

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

#### 3.2 Significant Shareholders

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

December 31,	2021	2020
KWE Beteiligungen AG	19.50%	19.53%
7-Industries Holding B.V.	9.27%	9.29%

Any significant shareholder notifications during 2021 and since January 1, 2022, can be accessed via the following weblink to the database search page of the disclosure office:

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

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

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

	2021	2020
Board of Directors:		
Dr. Beat E. Lüthi	1,488	1,425
Dr. Richard Fischer	26,190	26,143
Vanessa Frey *	140	221
Beat Siegrist	15,652	15,612
Dr. Reto Suter	40	—
Dr. Thomas Staehelin	—	3,012
<b>Total Board of Directors</b>	<b>43,510</b>	<b>46,413</b>

#### Group Management

Lukas Winkler, President & CEO	3,755	4,049
Matthias Tröndle, Group CFO	383	402
<b>Total Group Management</b>	<b>4,138</b>	<b>4,451</b>

\* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.50% (2020: 19.53%) in INFICON Holding AG.

The members of the Group Management held together on December 31, 2021 directly and indirectly a total of 0.17% (2020: 0.18%) bearer shares or 0.17% (2020: 0.18%) of the voting rights of INFICON. The members of the Board of Directors held together on December 31, 2021 directly and indirectly a total of 21.28% (2020: 21.43%) bearer shares or 21.28% (2020: 21.43%) of the voting rights of INFICON.

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

##### a) Share-based compensations 2021

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

##### b) Share-based compensations 2020

	Shares granted	
	Quantity	Value in CHF 1,000
Total Board of Directors	366	223
Total Group Management and Key Employees	1,754	973
<b>Total</b>	<b>2,120</b>	<b>1,196</b>

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

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

#### 3.5 Contingent Liabilities

	December 31,	
In CHF 1,000	2021	2020
Guarantees in favor of an affiliated companies	2,095	1,629

## Appropriation of Available Earnings

### INFICON Holding AG, Bad Ragaz / Switzerland

(Proposal of the Board of Directors)

The guarantees in favor of affiliated companies are to cover credit facilities with various banks in Europe. One of the credit facilities is drawn by TCHF 94.

In CHF 1,000	December 31,	
	2021	2020
Reserves from capital contributions at beginning of year	7,227	5,873
Share premium on exercised stock options	967	1,354
Distribution to shareholders	—	—
<b>Reserves from capital contributions</b>	<b>8,194</b>	<b>7,227</b>
Profit brought forward	179,779	338,113
Results from loss on treasury shares	(253)	(227)
Distribution to shareholders	(39,086)	(43,859)
Loss on merger	—	(137,516)
Profit for the year	32,739	23,268
<b>Available earnings</b>	<b>173,179</b>	<b>179,779</b>

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

Reserves from capital contribution before proposed distribution	<b>8,194</b>
Distribution from capital contribution reserve (2021: CHF 3.10 each share)	<b>7,580</b>
Reserves from capital contributions after proposed distribution	<b>614</b>
Available earnings before proposed distribution	<b>173,179</b>
Distribution from available earnings (2021: CHF 17.90 each share)	<b>43,768</b>
Available earnings after proposed distribution	<b>129,411</b>



# Statutory Auditor's Report

To the General Meeting of INFICON Holding AG, Bad Ragaz

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of INFICON Holding AG, which comprise the balance sheet as at 31 December 2021, and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 82 to 89) for the year ended 31 December 2021 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 Auditing Standards. 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 entity 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.

### Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

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

In preparing the financial statements, the Board of Directors is responsible for assessing the entity'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 entity 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 Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

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

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

## Report on Other Legal and Regulatory Requirements

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

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Roman Wenk  
Licensed Audit Expert  
Auditor in Charge

Benjamin Marte  
Licensed Audit Expert

Zurich, 2 March 2022

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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# Imprint and Contact

## Note regarding forward-looking statements

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

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

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

## Imprint

### Published by:

INFICON Holding AG  
Hintergasse 15B  
CH-7310 Bad Ragaz

### Editorial Co-operation:

Sensus Communication Consultants, Zürich

### Print:

Neidhart + Schön Print AG, Zürich

### Sustainability Advisor:

Sustainserv, Zürich

### Photos/Illustration:

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