

## Dear Shareholders,

Last year was in many respects a turbulent and exceptionally challenging year for the Mikron Group. The spread of the coronavirus has fundamentally reshaped our industrial and working world, and the structural change underway in the automotive industry continued at a faster pace. We look back on difficult decisions and some painful losses. Over the long term, however, 2020 will also be remembered by us as a year of tightening our structures and concentrating our resources. In a tough market environment, we reacted fast, adapted to the new circumstances, and invested in the future.

The coronavirus pandemic impacted our two business segments Mikron Automation and Mikron Machining Solutions to different degrees. The year was especially challenging for the Mikron Machining division, which operates primarily in the automotive industry. After suffering a slump even before the pandemic, this market ground almost to a complete halt at times during 2020. With the sector currently undergoing an extensive transformation, Mikron does not expect to see a significant increase in demand for machining systems on the part of established customers in the automotive industry over the medium term. The service and tools business was also severely impaired by the pandemic and the related company closures and travel restrictions.

Mikron Automation fared better: Remaining largely successful, the business segment profited from its solid positioning in the pharmaceutical and medtech sectors – its main market – where the pandemic also generated new demand.

In this difficult market environment, we had to institute some key changes: We significantly reduced our capacity and cost base in the Mikron Machining division and focused the production of machining systems on one location. Within the Mikron Automation business segment, we resized our Berlin site, which exclusively serves automotive customers. It will be closed in mid-2021 after all pending customer projects have been completed.

These major restructuring measures already began to show an impact in the second half of 2020. The widescale investments that we have made in digitalization also paid off to an unexpected degree in this unusual year. Our smart services and digitalized processes have never been more vital than during the coronavirus pandemic.

The numerous challenges faced over the past months impacted our sites in different ways. Whether on short-time work, working from home, carrying out digital commissioning of complex systems, dealing with supply bottlenecks or handling urgent large orders for coronavirus applications – Mikron Group employees have risen to the challenges superbly. Even employees required to seek new employment made a constructive contribution up to the very end. The majority of them have in the meantime already found new positions. On behalf of the Board of Directors and Group Management, we would like to take this opportunity to extend our sincere thanks to them all.

The coronavirus is still with us in March 2021. Uncertainty remains as to how the pandemic will continue to evolve, and the market environment is highly volatile. As the new financial year gets underway, we are nonetheless looking ahead with confidence. Going forward, we will also be ready to respond quickly and vigorously to unexpected events. We will harness potential for growth, leverage our culture of innovation and invest further in the digitalization of products, services and processes as well as in our employees. The Mikron Automation business segment began the new year with a solid order backlog, and prospects in the pharmaceutical and medtech industries remain promising. After the restructuring and with pioneering technologies and products, the Mikron Machining Solutions business segment is poised for a market recovery. Demand for tools from Mikron Tool has picked up substantially – and the division is optimally prepared for an upswing and to penetrate new markets. For the 2021 financial year, we generally expect a slight rise in sales and a return to profitability.



Bruno Cathomen, CEO  
Heinrich Spoerry, Chairman

We would like to thank our customers for their trust and to extend our gratitude to you, our valued shareholders, for your loyalty.

Heinrich Spoerry,  
Chairman of the Board of Directors

Bruno Cathomen,  
Chief Executive Officer

After twelve years in management roles and nine years as CEO of the Mikron Group, Bruno Cathomen reached the decision in October 2020 to step down from his position as CEO effective mid-2021. The search for and evaluation of a successor is underway. Bruno Cathomen's leadership of the Mikron Group over the years has been characterized by his abundance of energy, expertise and foresight. The Board of Directors and Group Management would like to thank Bruno Cathomen for his great commitment and his services to Mikron.

At the Annual General Meeting in April 2021, I will be handing over the chairmanship to Paul Zumbühl and stepping down from the Board of Directors.

Having been a member of the Board since 2018, Paul Zumbühl is very familiar with Mikron and the challenges the company is facing. His personality as well as his experience and track record as the successful, long-standing CEO of the Interroll Group ideally equip Paul Zumbühl, together with his colleagues on the Board and in the management, to successfully lead our Mikron Group into the future.

I should also like to take this opportunity to extend my sincere thanks to the Board of Directors, the management and all employees for their huge commitment and excellent team spirit.

My thanks also go out to our customers and shareholders for their trust and loyalty in difficult times too.

Heinrich Spoerry,  
Chairman of the Board of Directors