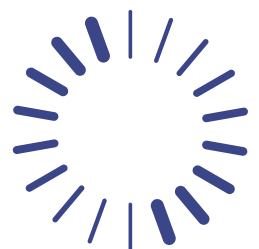


LEM

Life Energy Motion



Annual Report 2024-2025



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LEM at a glance

LEM – Life Energy Motion

A leading company in electrical measurement, LEM engineers the best solutions for energy and mobility, ensuring that our customers' systems are optimized, reliable and safe. Our 1,698 people in 17 countries transform technology potential into powerful answers. We develop and recruit the best global talent, working at the forefront of megatrends such as renewable energy, mobility, automation and digitization. Listed on the SIX Swiss Exchange since 1986, the company's ticker symbol is LEHN. → [lem.com](https://www.lem.com)

LEM purpose

At LEM, we are proudly united behind one clear purpose: We help our customers and society accelerate the transition to a sustainable future. This purpose is not new to us, nor a nebulous dream; it is our company's raison d'être and is central to our strategy and future growth plan. LEM's current sensors play a key role in the energy and mobility transition underway, and, with the megatrends of decarbonization and electrification accelerating, we are in a unique position to capture further growth. More information about LEM's sustainability ambitions and strategy to ensure that our own operations and value chain, processes and targets support our purpose can be found in the Sustainability Report.

Highlights in 2024/25

- Sales declined by 24.4% rates, while bookings showed a strong rebound in China and Automotive.
- Maintained high R&D ratio of 11.6% of sales to further expand technology leadership and launched over 20 new products.
- Expanded engineering capabilities in Shanghai and at the IC design center in Munich to boost customer support and accelerate ICS innovation.
- Company-wide transformation program “Fit for Growth” launched with the aim to better support customers by increasing resources in Asia and to become more agile by streamlining the organizational structure and optimizing operating expenses.
- “Fit for Growth” is expected to deliver significant EBIT improvements of CHF 18 to 22 million in 2025/26 and annual savings of around CHF 35 million from 2026/27 onwards.
- Achieved 100% renewable electricity at all sites and significantly reduced Scope 1, 2, and 3 emissions.



Download our
Sustainability Report
2024/25

Key figures

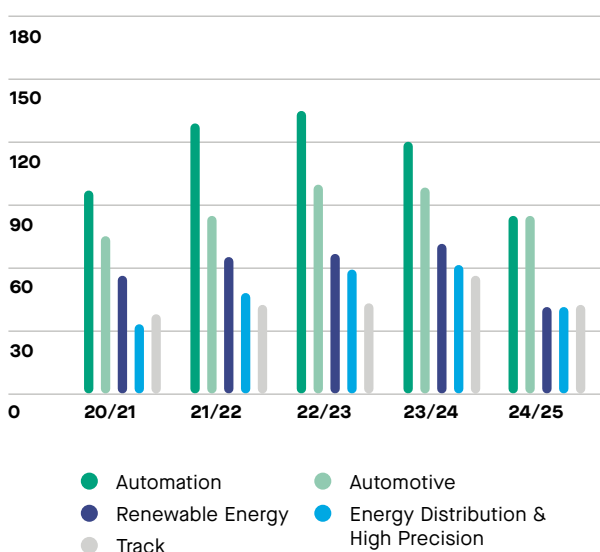
in CHF million

	2020/21	2021/22	2022/23	2023/24	2024/25
Orders received	362.0	576.4	465.2	243.3	262.2
Book-to-bill ratio	1.20	1.54	1.14	0.60	0.85
Sales	301.0	373.4	406.4	405.8	306.9
Gross margin	140.6	177.3	192.2	189.2	132.6
in % of sales	46.7%	47.5%	47.3%	46.6%	43.2%
EBIT	60.9	88.4	92.2	81.1	18.9
in % of sales	20.2%	23.7%	22.7%	20.0%	6.1%
Net profit for the year	55.6	72.4	75.3	65.3	8.4
EPS basic (CHF)	48.79	63.48	66.12	57.35	7.36
Dividend per share (CHF)	42.00	50.00	52.00	50.00	0.00 ¹
Operating cash flow	50.9	50.4	87.0	74.4	30.2
Investing cash flow	(13.5)	(21.0)	(26.5)	(31.6)	(16.2)
	31.3.2021	31.3.2022	31.3.2023	31.3.2024	31.3.2025
Net financial cash/(debt)	10.2	(1.6)	(21.8)	(43.1)	(90.2)
Shareholders' equity	117.4	131.9	173.6	176.7	125.8
Equity ratio (in % of assets)	51.0%	49.9%	53.0%	51.3%	36.4%
Market capitalization	1,211	2,082	2,241	1,945	808
Employees (in FTEs)	1,497	1,448	1,716	1,808	1,698

¹ Proposal of the Board of Directors to the Annual General Meeting of Shareholders on 26 June 2025.

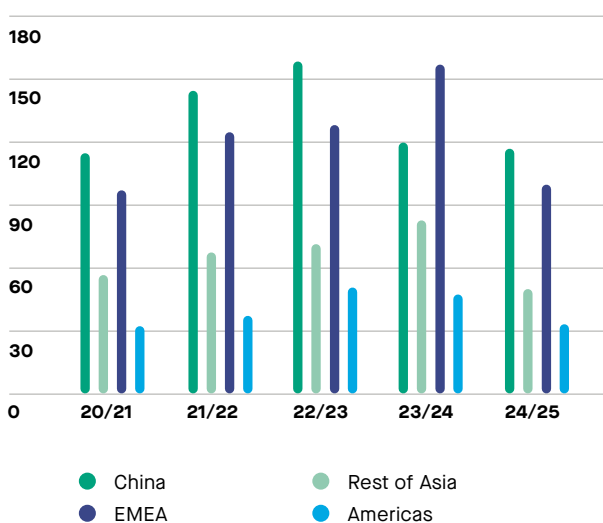
Sales per business

in CHF million



Regional sales breakdown

in CHF million



Letter to shareholders

Dear Shareholder,

The 2024/25 financial year was shaped by continued geopolitical and economic uncertainties and persistent market headwinds. While the first half remained under pressure due to cautious customer spending and high inventory levels, we saw encouraging signs of recovery in the second half. China in particular showed stabilization, especially in the Automotive business, where we achieved solid sequential growth and regained market share.

Demand in EMEA, the rest of Asia and the Americas remained subdued due to cautious capital investments and still elevated stock levels. Nevertheless, we observed early signs of normalization across our businesses, primarily also in Automotive in both Europe and the Americas, where project ramp-ups and improved bookings supported a more positive development.

In this environment, LEM continued to move forward, building on a business model that is well-positioned to benefit from global megatrends such as electrification, renewable energies and e-mobility. We invested in innovation, strengthened customer proximity and aligned our structure to meet shifting market realities – mainly in China, where our efforts to win new projects and build regional capabilities have continued to bear fruit.

Weak financial results but strong rebound in China and Automotive bookings

The challenging environment in the 2024/25 financial year is reflected in a 24.4% decrease in sales to CHF 306.9 million. At CHF 262.2 million, bookings were 7.8% above the previous year's level. The China region recorded a strong increase of 81.5%, while the Automotive business received 57.4% more bookings.

EBIT declined by 76.7% to CHF 18.9 million, corresponding to an EBIT margin of 6.1%. This includes restructuring costs of CHF 7.9 million for the "Fit for Growth" program. EBIT before restructuring costs would have reached CHF 26.8 million, representing an EBIT margin of 8.7%. Net profit amounted to CHF 8.4 million, after CHF 65.3 million in the previous financial year.

Strategic transformation: Fit for Growth

A key milestone of the year was the launch of our company-wide transformation program, "Fit for Growth." This program is designed to improve competitiveness, strengthen our focus on Asia, and make LEM more agile and customer-centric. As global markets for new energy vehicles and renewable energy increasingly shift to Asia, our operations are following this trajectory. With a leaner structure, simplified processes and a sharpened regional focus, we expect "Fit for Growth" – which is progressing according to plan – to deliver significant EBIT improvements of CHF 18 to 22 million in 2025/26 and annual savings of around CHF 35 million from 2026/27 onwards.

In line with this strategy, we continued to ramp-up production at our new facility in Penang, Malaysia, which now acts as a dual-sourcing hub for Asia, Europe and the Americas. The expanded site enhances our flexibility and proximity to customers while reinforcing supply chain resilience. At the same time, our operations in China remain focused on serving the domestic market, in line with our "China for China" approach.

Broad-based downturn across businesses, with early signs of stabilization

The Automation business was impacted by the weak global investment climate and high stock levels, particularly in EMEA and Japan. The situation improved

in the fourth quarter and LEM saw slight growth, market share gains, and an increase in short-term orders.

The Automotive business picked up again in the second half of the year, with robust growth in China and project ramp-ups in Europe and the Americas. LEM expects further traction in the coming year, reflected in the strong increase in bookings. Additionally, we secured new project wins in EV battery management and inverter applications across Europe and China, strengthening our leadership position in e-mobility.

In Renewable Energy, business remained challenging due to high inventory levels and weak export activity from China. Nevertheless, the domestic business in China remained robust, and LEM strengthened its position in a consolidating market.

Energy Distribution & High Precision was affected by lower demand for DC meters and project delays in the rollout of charging infrastructure in Western markets, though increasing exports from Chinese charging station manufacturers helped support sales.

Our Track business was subdued in Europe due to expiring retrofitting projects. Follow-up orders will not start before the third quarter 2025/26. Performance in India declined as a result of customers losing market share. However, the business continues to follow long investment cycles, providing steady, albeit slower development opportunities.

Economic uncertainty with stabilization emerging in China

The China region showed clear signs of stabilization and LEM demonstrated remarkable resilience in this highly competitive market. This was most noticeable in Automation, Automotive as well as Energy Distribution and High Precision. LEM strengthened its Chinese market position across key segments and secured new customer projects.

In the Rest of Asia, subdued overall market demand was further amplified by high inventory levels. However, the ramp-up of the Penang site supported our ability to serve global customers through cost-effective production and dual-sourcing.

EMEA saw a significant decline in demand across most segments due to the economic slowdown and cautious investment behavior. Only Automotive showed a certain resilience thanks to project ramp-ups.

“LEM strengthened its Chinese market position across key segments and secured new customer projects.”

The development in the Americas region remained weak across most businesses. However, in Automotive, LEM recorded sequential improvement in both sales and bookings in the fourth quarter 2024/25, driven by the ramp-up of battery-related projects.

Megatrends driving market demand

LEM is benefiting from fundamental, environmentally-friendly global developments toward electrification, renewable energies and e-mobility – megatrends that remain strong and consistent drivers of demand across all our regions.

A key imperative is that sustainability must also be affordable. This reality means that production of sustainability-related goods such as power electronics – which play a vital role in reducing the CO₂ footprint – is increasingly shifting to Asia, where the competence and cost efficiency have reached a highly competitive level.

Asia has become a hub of excellence for the cost-effective production of high-quality sustainability technologies. As a result, the growing dominance of the Asian markets in new energy vehicles and renewable energy reinforces LEM's strategic focus on this region.

At the same time, our purpose – to help customers and society accelerate the transition to a sustainable future – remains fully aligned with these global trends. Our broad technology platform, diversified product portfolio and international footprint across R&D, production and sales give us the tools and

flexibility to address these long-term opportunities, even in a volatile short-term environment.

Aligning R&D with strategic markets and customer needs

LEM advanced key R&D initiatives and invested in the pre-development of technologies and capabilities supporting innovative product generations (Gen 2 and beyond). Examples include novel mechanical integrations for integrated current sensors, enhancing real-time monitoring and efficiency in power electronics, particularly in high frequency switching applications such as EVs and fast chargers. For smart grids and industrial automation, LEM has developed smart sensors that use energy harvesting and wireless communication, eliminating the need for batteries or wiring and reducing installation and maintenance costs. Other examples are AI-enhanced current sensing, using real-time application data to enable calibration and compensation, as well as multi-parameter sensors combined with onboard analytics to provide faster anomaly detection in applications such as industrial motors or drives.

Collaboration with research partners, start-ups and technology partners in the field of innovation is an important foundation and prerequisite for LEM to offer highly competitive products to our customers. We also continued to expand our global R&D network, with our centers in Munich and Shanghai playing a central role in customer co-development and platform evolution.

Evolving organization to meet new realities

As part of its “Fit for Growth” initiative, LEM is aligning its structure to better reflect regional market dynamics. The company redefined roles across the organization and simplified decision-making processes.

Our Geneva headquarters will remain focused on strategy and innovation, while our Bulgaria shared service center will take on expanded operational responsibilities. To support this transition, LEM regrettably had to reduce its workforce by around 150 positions, primarily in Europe. We have implemented a generous social plan to support those affected.

With facilities in China, Malaysia, Japan, Switzerland and Bulgaria, LEM’s global production network is well-positioned to support customer demand across all continents.

Changes to the Executive Management

As part of the “Fit for Growth” transformation program, LEM has aligned its leadership structure with the new, regionally focused organizational setup. Effective 1 April 2025, the Executive Committee has been streamlined from seven to five members to enhance agility and accelerate decision-making.

The EMEA and Americas market regions report directly to CEO Frank Rehfeld. Bastien Musy, previously Senior Vice President for Europe and the Americas, left the organization at the end of March 2025. We thank him sincerely for his contributions and commitment to LEM’s success over the past years.

Rodolphe Boschet, previously Chief People and Sustainability Officer, has stepped down from the Executive Committee to take on the leadership role in the implementation of the “Fit for Growth” program. We thank Rodolphe for his energy and drive, which will be instrumental in steering this transformation process.

Antoine Chulia has joined the Executive Committee as Chief Financial Officer, effective 1 May 2025, succeeding interim CFO Thomas Mellano. Antoine brings many years of international financial leadership experience and will be key in driving performance, transparency and financial excellence in the years ahead. We would like to express our warm thanks to Thomas for his high dedication and very valuable support during the interim period.

Sylvain Lieb has been appointed Senior Vice President People and Sustainability, effective 5 May 2025, reporting directly to the CEO. Sylvain focuses on talent development, culture and further integration of sustainability into our core business strategy.

Ongoing implementation of sustainability strategy

In the financial year 2024/25, LEM advanced its sustainability journey by reinforcing strong foundations across the organization. Sustainability is currently being embedded throughout the business, with

clear responsibilities from the Strategy & Sustainability Committee to local Green Committees. These teams played a vital role in rolling out initiatives such as sustainable commuting and nature programs. Our Climate Fresk workshops were rolled out in Europe, helping employees understand the climate challenge and their role in creating solutions.

“LEM advanced its sustainability journey by reinforcing strong foundations across the organization.”

LEM made significant progress in reducing Scope 1, 2 and 3 emissions and achieved 99% renewable electricity across its sites in 2024/25. Further initiatives, including the transition from air to sea and rail freight, contributed to a lower carbon footprint. Internally, the company continued to invest in leadership development and aligned incentives with its ESG goals by linking executive remuneration to Scope 1–3 GHG reduction targets. These efforts reflect LEM’s belief in collective action, continuous improvement, and staying agile amid global challenges. Detailed information on LEM’s ESG priorities and progress can be found in the standalone Sustainability Report.

Proposal to refrain from paying a dividend for the 2024/25 financial year

LEM targets a payout ratio significantly above 50% of the consolidated net profit for the year. In view of the profitability and the uncertainty surrounding the economic environment, the Board of Directors proposes not to pay a dividend for the 2024/25 financial year. However, LEM remains committed to sustain its attractive dividend policy in the future.

Change to the Board of Directors

Ueli Wampfler has decided not to stand for re-election to the Board of Directors at the upcoming Annual General Meeting on 26 June 2025. Ueli Wampfler has been a member of the Board of Directors for 18 years and has made valuable contributions to

LEM’s development during this time. The Board of Directors and the Executive Management thank him for his many years of highly valued service and wish him all the best for the future.

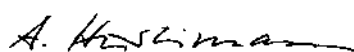
Outlook

Based on the upward trend in bookings, especially in the Automotive business, LEM sees encouraging signs of stabilization in the current year. Uncertainties remain regarding inventories, particularly in the Automation business. The greatest risks relate to the global impact of the US tariff policy.

Sincere thanks

In a year of change and challenge, we are proud of how our teams continued to deliver – staying close to customers, driving innovation and executing our strategic transformation. On behalf of the Board of Directors and the Executive Committee, we extend our deepest thanks to all our employees for their dedication and energy.

We would also like to thank our customers for their trust and you, our shareholders, for your ongoing support. Together, we are laying the foundation for the next chapter of sustainable and profitable growth at LEM.



Andreas Hürlimann
Chairman of the Board of Directors



Frank Rehfeld
Chief Executive Officer

Financial performance

Sales

Sales declined by 24.4% to CHF 306.9 million (2023/24: CHF 405.8 million); at constant exchange rates, the decrease was 23.5%. In sequential terms, Q4 2024/25 sales were up 2.3% compared to Q3 2024/25.

The China region remained almost stable with a decline of 1.9%, while the other regions recorded a significant decline, EMEA with -33.3%, Americas with -26.9% and Rest of Asia with -38.5%.

At CHF 262.2 million, bookings were 7.8% above the previous year's level (CHF 243.3 million). The China region recorded a strong increase of 81.5%, while the Automotive business received 57.4% more bookings.

Profitability

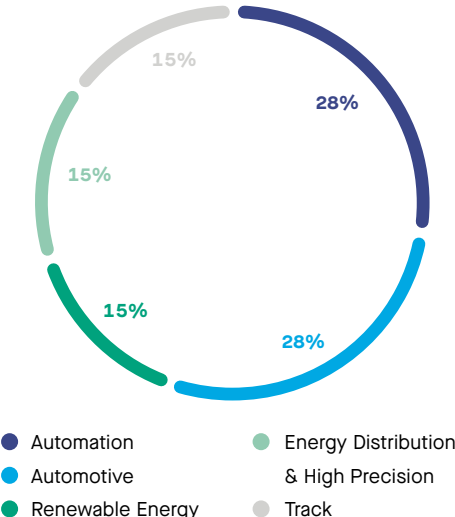
Gross profit for the financial year 2024/25 went down by 29.9% to CHF 132.6 million (CHF 189.2 million). The gross profit margin decreased only slightly from 46.6% to 43.2%, despite the underabsorption of production fixed costs resulting from lower volumes. This was possible thanks to continuous efforts in optimizing production costs and procurement activities.

SG&A costs were 4.9% lower at CHF 70.7 million (CHF 74.4 million) as the first result of initiatives to reduce the costs base. However, SG&A costs as a percentage of sales increased to 23% (18.3%). R&D costs increased by 4.1% to CHF 35.3 million or 11.5% of sales (CHF 33.9 million; 8.3%). LEM launched over 20 new products in the financial year 2024/25: 18 new designs and over 15 customized versions. The engineering headcount remained stable overall with an increase of engineering capabilities in Shanghai and at the IC design Center in Munich to enhance customer and application support as well as accelerate ICS innovation.

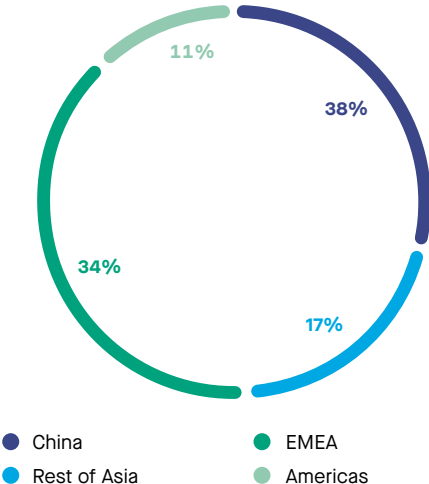
EBIT declined by 76.7%, from CHF 81.1 million to CHF 18.9 million, corresponding to an EBIT margin of 6.1%. This includes restructuring costs of CHF 7.9 million for the "Fit for Growth" program (total costs approximately CHF 10 million). EBIT before restructuring costs would have reached CHF 26.8 million, representing an EBIT margin of 8.7%.

Financial expenses increased from CHF 2.8 million to CHF 4.5 million due to higher average financial debt. Exchange rate effects due to the Swiss franc appreciation had a negative impact of CHF 3.9 million (CHF 3.3 million).

Sales per business



Sales per region



Net profit decreased from CHF 65.3 million to CHF 8.4 million, resulting in a net profit margin of 2.7% (6.1%).

Cash flow and balance sheet

Free cash flow amounted to CHF 14.0 million (CHF 42.9 million). While free cash flow was negative in the first half of 2024/25, it returned into positive territory in the second half of the financial year.

As of 31. March 2025, net debt amounted to CHF 90.2 million, compared to CHF 43.1 million at the end of the previous year. Shareholders' equity reached CHF 125.8 million, resulting in an equity ratio of 36.4% (51.3% as of 31 March 2024).

Selected financial figures

in CHF million

	April to March		Change
	2024/25	2023/24	
Orders received	262.2	243.3	3.5%
Income statement			
Sales	306,924	405,777	-24.4%
Cost of goods sold	(174,333)	(216,614)	
Gross profit	132,590	189,163	-30.0%
Gross profit margin (in %)	43.2%	46.6%	
Sales expenses	(27,914)	(29,513)	
Administration expenses	(42,919)	(44,881)	
Research & development expenses	(35,265)	(33,866)	
Restructuring	(7,898)		
Other income	172	153	
Operating profit	18,867	81,058	-77.4%
Operating profit margin (in %)	6.1%	20.0%	
Financial expenses	(4,745)	(3,181)	
Financial income	215	422	
Foreign currency exchange effect	(3,861)	(3,326)	
Profit before tax	10,476	74,972	-86.7%
Income taxes	(9.6)	(13.6)	
Net profit	8,391	65,327	-89.1%
Net profit margin (in %)	2.7%	16.1%	
Cash flow from operating activities	30.2	74.4	-59.4%
Free cash flow	14.0	42.9	-32.6%
	31.3.2024	31.3.2024	
Equity	125.8	176.7	
Equity ratio	36.4%	51.3%	

Our five businesses

Automation

Activity

Automation is one of LEM's traditional businesses. It focuses on current and voltage sensors for electrical motors and drives. LEM sensors secure efficient monitoring, control, regulation, energy saving, fault detection and comfort.

The core business is drives for industrial usage in manufacturing, robots and production lines. Other applications include drives for elevators, forklifts, cranes, pumps and steel mills. Sensors for small- and medium-power applications go into tooling machines, heating, ventilation and air-conditioning (HVAC) as well as end-consumer products such as heat pumps.

Market

The market is linked to the investment cycle in industrial manufacturing. Over the cycle, it is developing in parallel with the global economy at an annual growth rate of 3%.

A major market trend is robotization, which will accelerate over the next five to ten years, with AI paving the way for smarter robots. Electrification of heating in residential buildings through heat pumps will boost this application. Energy savings are a major climate-related growth driver.

The market is pushing for smaller power drives and striving for modularity as well as space and cost savings. Accordingly, there is increased competition for small power drives (<100A), while competition for large power drives is less intense. With an estimated market share of around 30%, LEM is the market leader.

2024/25

Sales in the automation business amounted to CHF 86.3 million, representing a decrease of 28.0% compared to CHF 120.0 million in the previous year. At constant exchange rates, sales were down by 27.2%.

The business was impacted by the weak global investment climate and continued high stock levels, particularly in EMEA and Japan. The situation improved in the fourth quarter with normalized inventories at most customers and an increase in short-term orders. In China, LEM saw slight growth and gained market share. Another positive sign is that design activities for new projects have picked up again in most markets.

Innovation

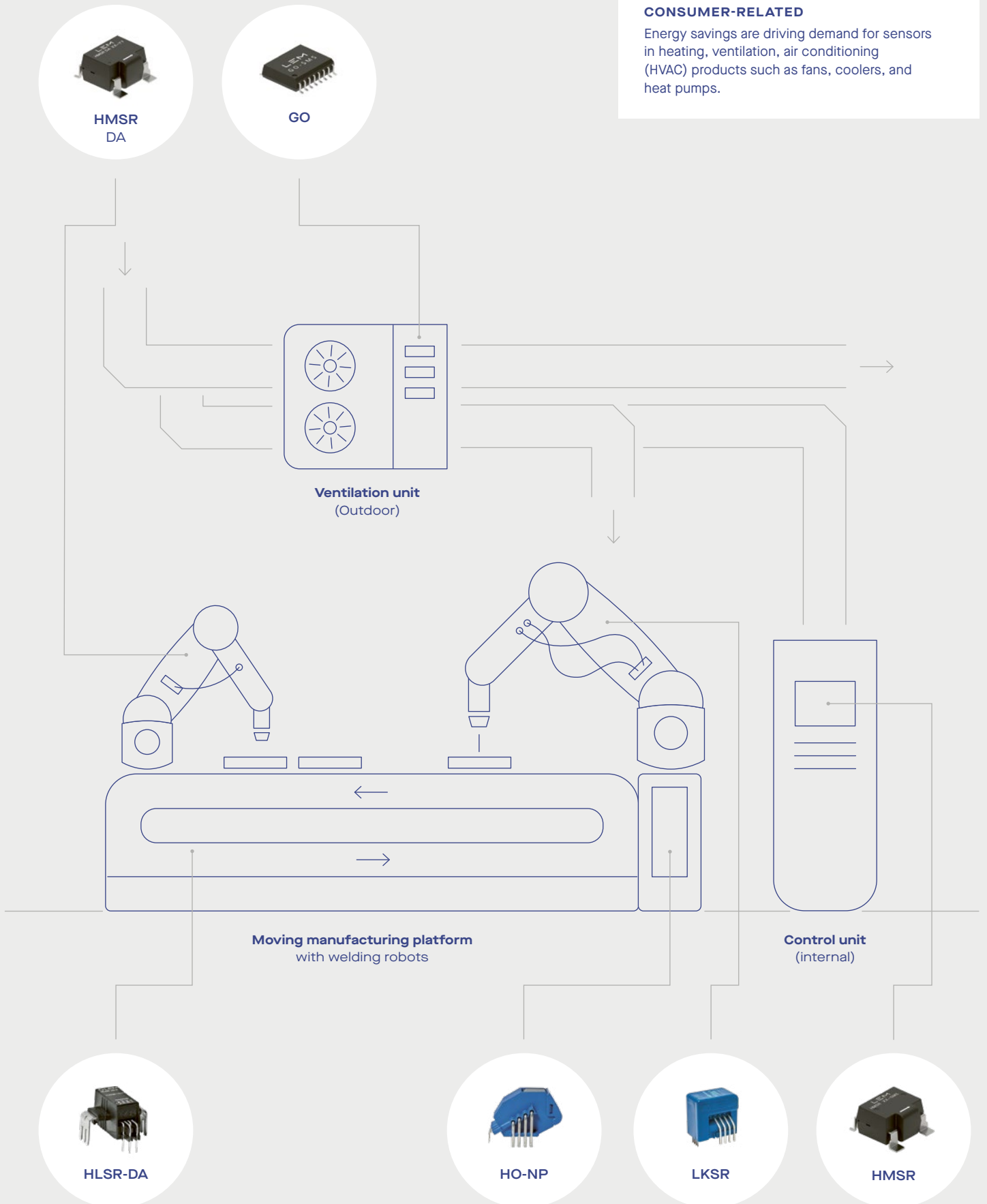
After launching various very competitive integrated current sensors based on Hall technology targeting the automation market, LEM is strategically focusing on TMR sensor-based products addressing robotics and automation. Innovative package solutions paired with superior sensor performance with respect to power consumption, accuracy and bandwidth drive LEMs technology positioning in this market.

INDUSTRIAL PRODUCTION

Automation sensors are used in industrial manufacturing equipment such as tooling machines, robotics, and conveyor belts for production lines.

CONSUMER-RELATED

Energy savings are driving demand for sensors in heating, ventilation, air conditioning (HVAC) products such as fans, coolers, and heat pumps.



Activity

Automotive is specialized in developing and manufacturing current sensors that measure electrical parameters in battery management, power inverters and on-board chargers. For battery management, LEM offers intelligent sensors both for ICE (internal combustion engine) vehicles with start/stop architecture but mainly for high voltage batteries in electric and hybrid vehicles combining unique know-how in current sensing technologies together with expertise in battery technologies. Sensors for motor control are integrated in the inverter module to measure current signals at very high speeds for better control of the electric motor's torque and speed, leading to improved overall vehicle driving performance. The charging system product range offers dedicated technologies to support transfer energy subsystems from AC to DC and DC to DC with high- and low-voltage applications. It also contributes to ensuring user safety when charging by measuring and protecting against potentially harmful leakage current.

LEM works with the world's major car, bus and truck manufacturers (OEMs) and tier-1 suppliers. The green car sector represents more than 90% of the Automotive revenues, reflecting LEM's strategic focus on battery electric (EVs) and plug-in hybrid vehicles.

Market

The e-mobility revolution is creating substantial demand for current sensors. Battery current sensors are rapidly evolving into battery systems as integrated circuits combine multiple functions together with the current measurement. Motor control is shifting from standalone current sensors to integrated field sensors for size and cost optimization, and V2X (Vehicle-to-everything, a vehicular communication system) is becoming the norm for on-board charging, requiring leakage sensors with additional features to monitor the integrity of the electrical system.

LEM estimates its own share in the market for current sensors for e-mobility applications at 16%. Competition is intensifying from Chinese players and newcomers challenging established OEMs, tier-1 suppliers and consequently also for tier-2 suppliers such as LEM. However, there will be short- and long-term growth opportunities, as LEM has a strong footprint in China already and offers unparalleled experience

in automotive current sensing, with the largest portfolio in the industry and a presence in all major global markets.

2024/25

Sales declined by 12.5% to CHF 86.2 million for the full year but showed positive year-on-year growth in the second half, coming from a low base. At constant exchange rates, the decrease amounted to -11.6%.

Main driver was the robust growth in China backed by the continued rise of the domestic EV market and the regaining of market share. Additional momentum was provided by project ramp-ups for EV and hybrid platforms as well as truck battery management in Europe and the Americas. Despite inventory-related headwinds in Korea, LEM expects further traction in the coming year, which is reflected in the 51.8% increase in bookings.

Innovation

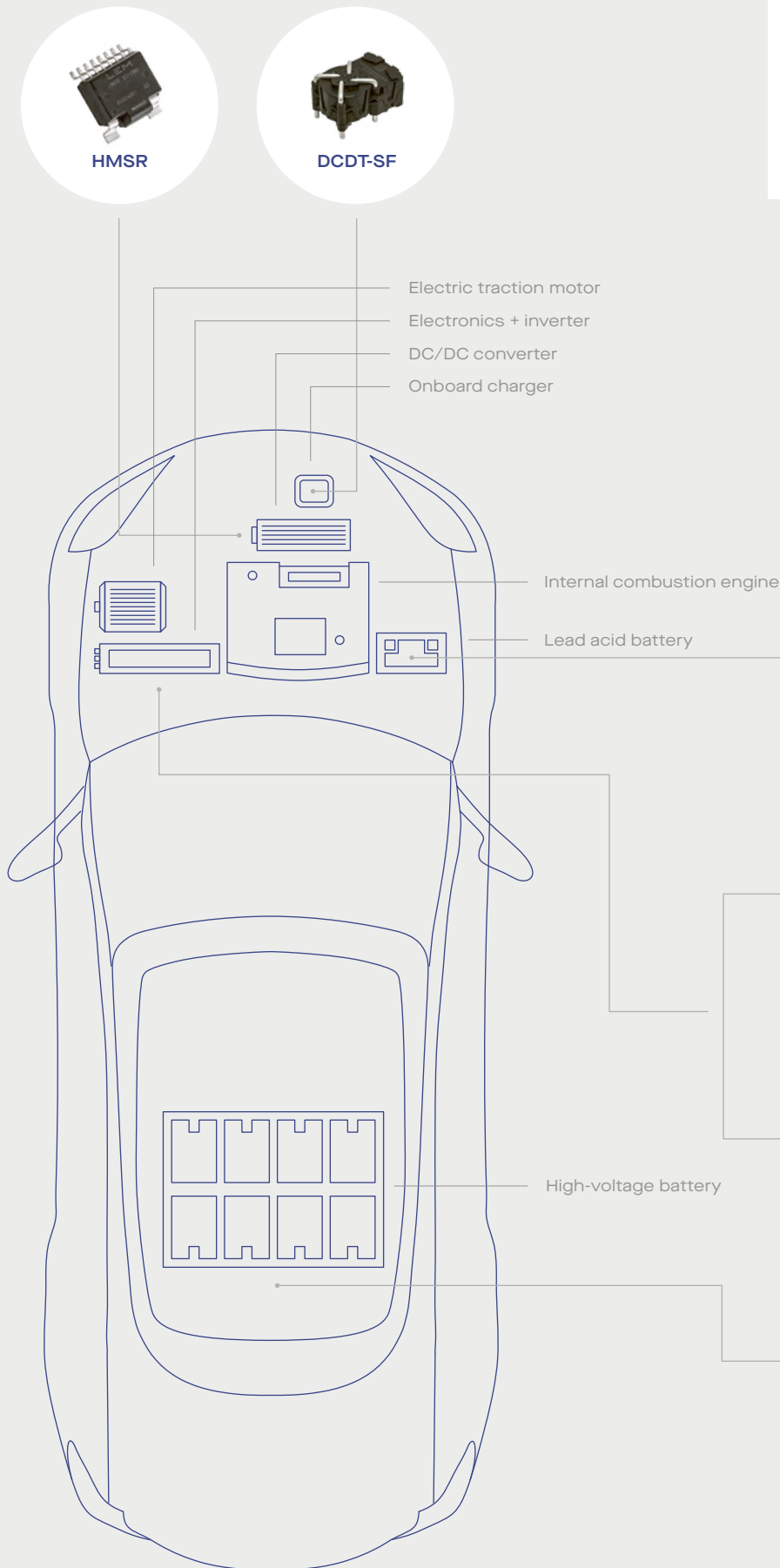
LEM continued to drive product innovation at a high rate in 2024/25. LEM's famous HAH3 product family, suitable for high-power motor control and inverter applications, has been enriched with a cost-optimized version suitable for 800 Volt architecture, and derivatives to new HAH6 and HAH8 families allowing for more measuring points per sensors. LEM is also developing novel battery current sensors meeting the highest ASIL (Automotive Safety Integrity Level) requirements with minimal size and bidirectional on-board chargers with dedicated residual current sensing solutions based on advanced fluxgate technology. To intensify and accelerate product innovation in Asia, LEM has built up R&D activities in Shanghai as an extension to the locations in Beijing and Tokyo. The focus is on product development and customer specific applications in battery management. From this new R&D center, the shunt base technology for battery management sensors already used for heavy trucks has been further enhanced to build new HSU family suitable for electric and hybrid passenger cars, enlarging the portfolio for automotive battery management applications.

BATTERY MANAGEMENT

Highly accurate and reliable sensors provide all the required information to improve the efficiency and safety of the charging and discharging process of the battery management system.

MOTOR CONTROL

Pressing the accelerator pedal sends a signal to motor control to pull power from the batteries in order to increase torque and speed. Reliable sensors are integrated in the inverter module to measure current signals at very high speeds to assure smooth, jerk-free acceleration.



HMSR



DCDT-SF



HBCT



HAH6



HC16



HAH3DR-S06



CAB SF 1500

Our five businesses

Renewable Energy

Activity

In the Renewable Energy business, LEM develops and produces sensors that are specifically designed for renewable power systems to control the flow and waveform of electrical energy sent to the grid from renewable energy systems. They measure the current to help solar power plants, windmills and battery storage to work at their maximum efficiency. LEM customers are manufacturers of inverters (OEMs), whose customers are installers or distributors of solar equipment.

LEM's first sales of sensors for industrial photovoltaics were in 1992. Today there are new opportunities for the sale of current sensors in hybrid solar inverters, to use the power generated for household appliances or to feed it into the grid. Similarly, LEM's first sales of sensors for wind turbines in Germany were in 1990. Today, the company sells products for highly complex wind park projects, often in offshore locations. There is also an increasing demand for commercial energy storage, with very large systems to store energy in battery parks used to provide stability to the grid.

Market

The Renewable Energy market is expected to continue growing in the upcoming years. The market is led by sensors for grid and hybrid solar applications. Solar installations doubled between 2021 and 2023, reaching 400 GW. Consolidation has taken place in Europe, and the market has largely moved to Asia, especially China. New opportunities emerge in consumer markets for solar as people install more photovoltaics at home with hybrid solar applications, which allow for temporary power storage in a battery. With the transition to renewable energy generation, there is also an increasing expansion of wind energy, both offshore and onshore, particularly in Europe. LEM is the leading player in the market with an estimated market share of 40%.

2024/25

Sales in the Renewable Energy business decreased by 36.9% to CHF 44.7 million in the 2024/25 financial year. At constant exchange rates, sales declined by 36.0%. Towards the end of the period, the business showed signs of stabilization at low levels.

The business recorded a significant decrease across all markets. The markets in Europe and the USA suffered from persistently high inverter inventories at customers and in the retail channel, which also slowed exports from China. The domestic business in China developed satisfactorily, and LEM strengthened its position in a consolidating market.

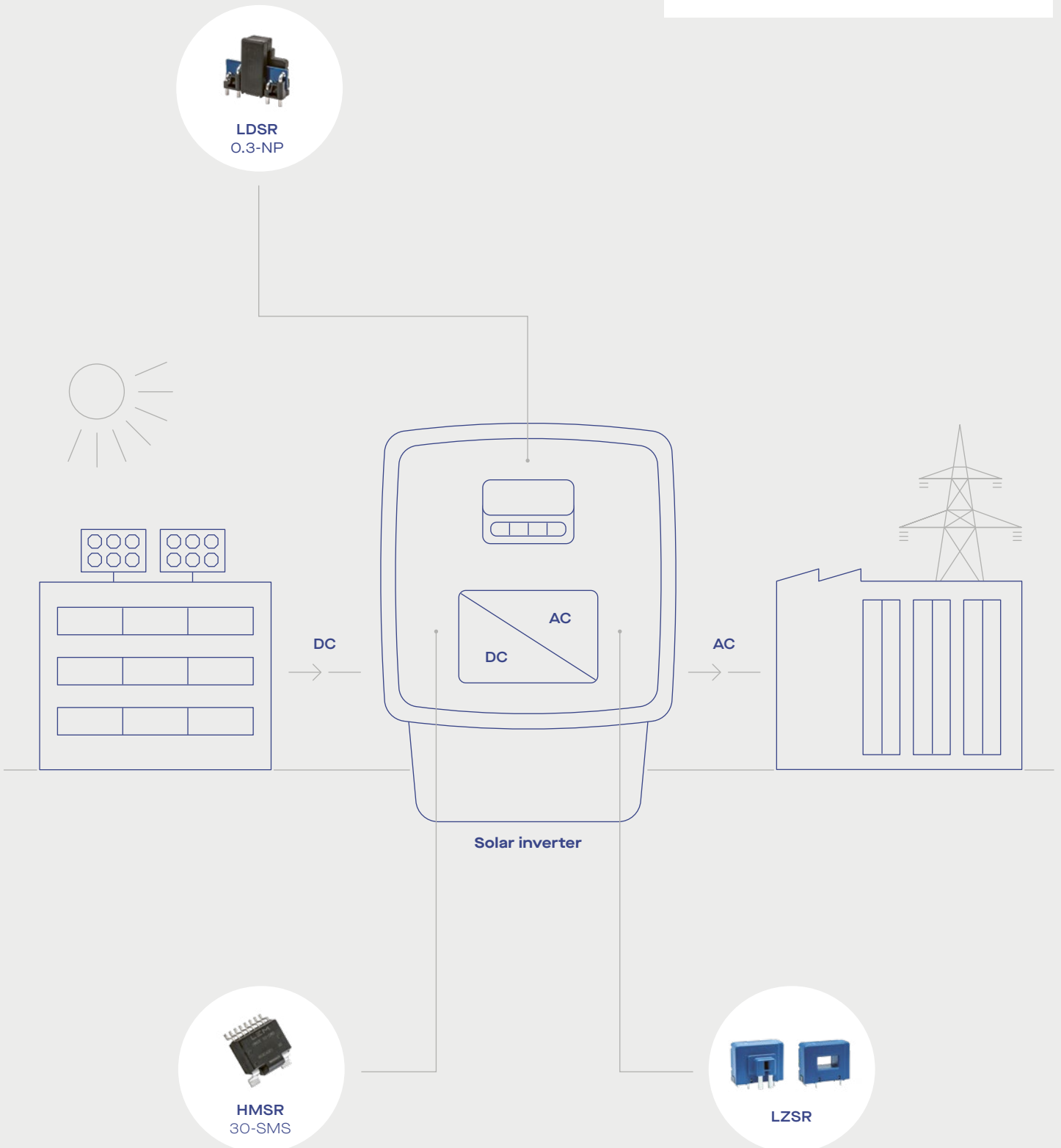
Innovation

LEM has been investing in the development of a new version of the OLCI (Open Loop Coreless Integral) sensor. The product comes with a compact and light package and a large aperture and represents a new generation of LEM coreless sensors reducing the usage of raw materials and paving the way toward more sustainable products. Two versions of the products have been launched (a small and a large version).

SOLAR INVERTER

Every house with a photovoltaic system needs an inverter to convert the solar DC electricity into AC electricity.

LDSR measures AC and DC leakage currents in transformerless photovoltaic systems to ensure the safety of people and installations. Primarily used on the DC side of the inverter, HMSR SMS measures AC and DC currents with high accuracy and high immunity to external interference. On the AC side, newly launched LZSR supports a lower level cost of energy (LCOE).



Our five businesses

Energy Distribution and High Precision

Activity

Solutions from LEM's Energy Distribution and High Precision business target power-supply-based applications for the charging and smart grid infrastructure as well as sophisticated high-precision equipment. LEM is supplying sensors and metering solutions to make electric vehicle charging stations more reliable and smarter. The key product is an integrated DC meter for electric vehicle fast charging stations, for which LEM has developed in-house expertise in metrology to comply with European and US regulatory standards.

LEM's smart equipment improves electricity networks by measuring electrical parameters to enable control rooms to automate, monitor remotely and share real-time equipment data. Power-supply-based applications that utilize devices with power electronics (chargers, DC links, batteries, inverters and/or rectifiers) all require efficient power control, monitoring and protection. Furthermore, ultra-precise current sensors are essential for the test and measurement sector, e.g. for testing batteries and EVs, as well as for medical equipment such as MRI scanners, for which LEM products have been the standard for decades.

Market

The largest market segment is sensors for smart grid infrastructure. The main trend is the replacement of traditional current transducers with low power sensors (Rogowskis and LPCTs). This segment is growing at around 9% per year. The fragmentation of the customer base is the biggest obstacle to faster growth.

In the second largest market segment, sensors and metering solutions for charging infrastructure, large customers are increasingly seeking integrated solutions to certify the metering at the charger level. Charging for electric trucks will bring opportunities in mega chargers and overnight chargers. This market segment is growing much faster. The attractiveness of the market is also reflected in the entry of new providers of metering systems and charging infrastructure in Europe. The third segment is sensors for high-precision applications such as testing and measuring equipment and medical devices, which are achieving solid growth. LEM estimates its overall market share at 14%.

2024/25

Sales decreased by 26.5% to CHF 44.8 million compared to the previous year. At constant exchange rates, sales were down 25.9%.

Demand for DC meters for charging stations dropped significantly due to delays in the rollout of charging infrastructure in Europe and the USA. By contrast, there was increased demand for DC meters from Chinese charging station manufacturers for export to Western markets. In all regions, business with uninterruptible power supply for data centers developed favorably, while high-precision solutions for medical devices remained stable.

Innovation

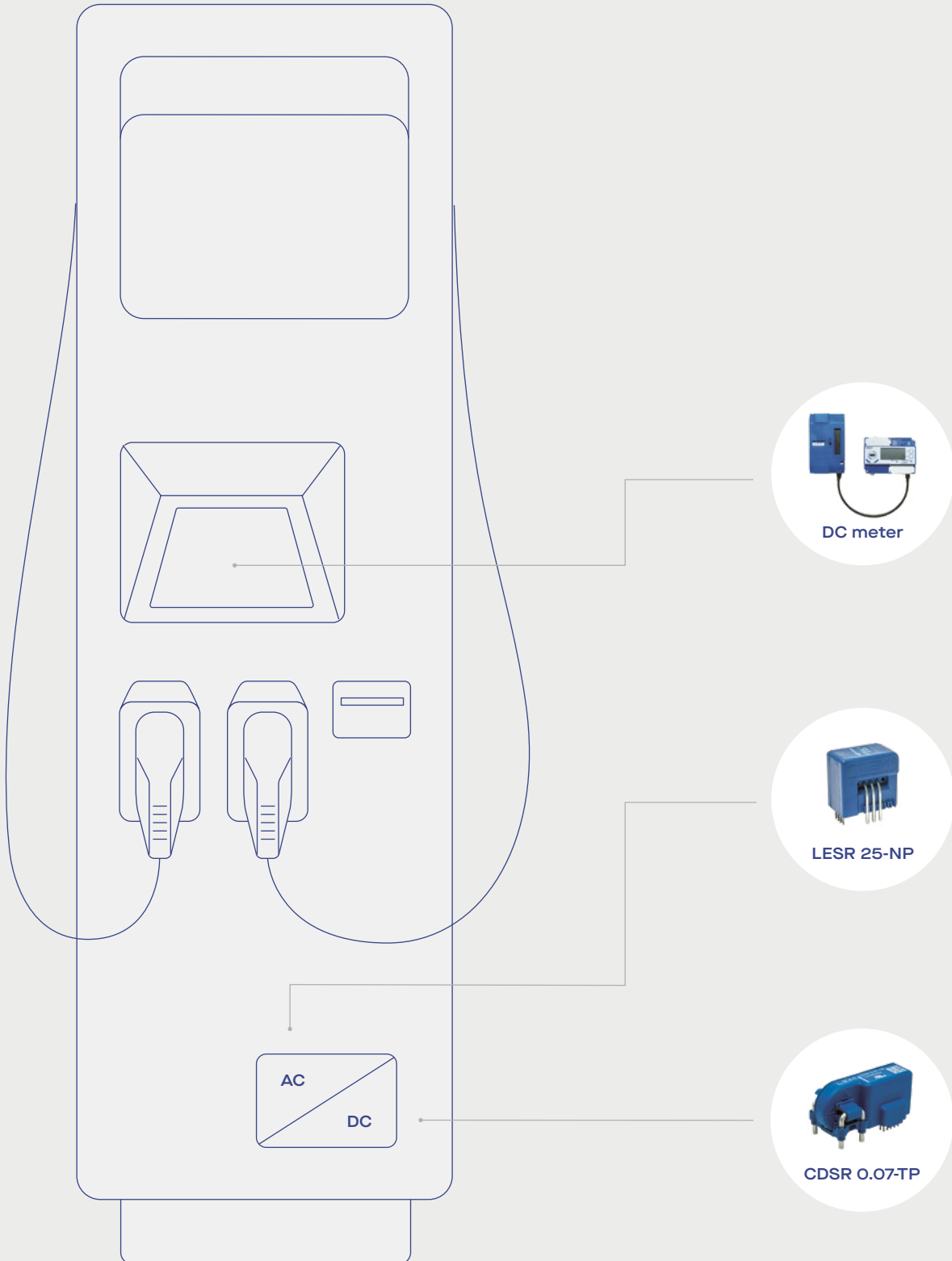
LEM is continuously broadening the metering portfolio by adding solutions targeting specific current ranges and simultaneously offering enhanced system integration and cost optimization. The existing portfolio is currently being enhanced with a 600 A energy meter for DC Fast Charging as well as a solution for mega charging addressing E-trucks. Add-ons as a Remote Display Unit complete the offering.

The launch of the IN 1000 family marks a compelling addition to LEMs high precision currents sensing portfolio. The sensor provides ultra accuracy and low noise over a wide operating temperature range and has been designed for precise measurements of DC/AC and pulse currents with galvanic isolation. The applications range from medical over energy measurement to industrial applications and laboratory equipment.

**DC FAST-CHARGING STATION
FOR ELECTRIC VEHICLES**

DC fast chargers provide power to the car battery directly and quickly, which is essential for convenient long-distance driving and for fleets.

The AC/DC power module enables the conversion from alternating current to a direct current. Sensors ensure the control loop function, which regulates the stability and power of power modules.



Our five businesses

Track

Activity

The first LEM products in the 1970s were sensors in locomotives for trains, trams and metros. Today, the Track business includes on-train sensors that control power converters to regulate the speed and power of locomotives as well as inverters that regulate energy for air-conditioning, heating, lighting or electrical doors. In Europe, where railroads often move across national borders, LEM's specially designed energy metering solutions make sure the electricity use is precisely accounted for.

Trackside sensors are for infrastructure along the rails, such as in substations, crossing gates, track circuits, control and safety systems, and signaling and point machines. These minimize train service interruptions due to equipment breakdown and reduce lifecycle costs.

Market

Although growth is not as fast as that of new application areas, the legacy Track business continues to record solid year-over-year growth of around 3%.

Electric trains will continue to replace diesel trains, and many countries are investing in the electrification of railroads and more public transportation. These are fundamental long-term infrastructure investments by governments and therefore the market is characterized by project-related long investment horizons. LEM is the clear market leader in this business.

2024/25

Starting from a strong prior-year base, the Track business recorded a 19.2% decline in sales in the 2024/25 financial year, reaching CHF 44.9 million. At constant exchange rates, sales were down 18.2%.

The business in Europe was subdued due to expiring retrofitting projects. Follow-up orders will not start before the third quarter 2025/26. Business in India declined due to customers losing market share. However, the business continues to follow long investment cycles and offers steady, albeit slower development opportunities.

Innovation

Due to the long project-related investment horizons, the product renewal cycles are longer in the Track business than in other areas of the LEM Group. In the reporting period, one focus was on the renewal of the DVM voltage sensor family recently launched. The DVM product family comprises a compact range of voltage sensors designed for high and medium voltage measurements, which feature a unique compact design and deliver exceptional overall accuracy.

TRACTION

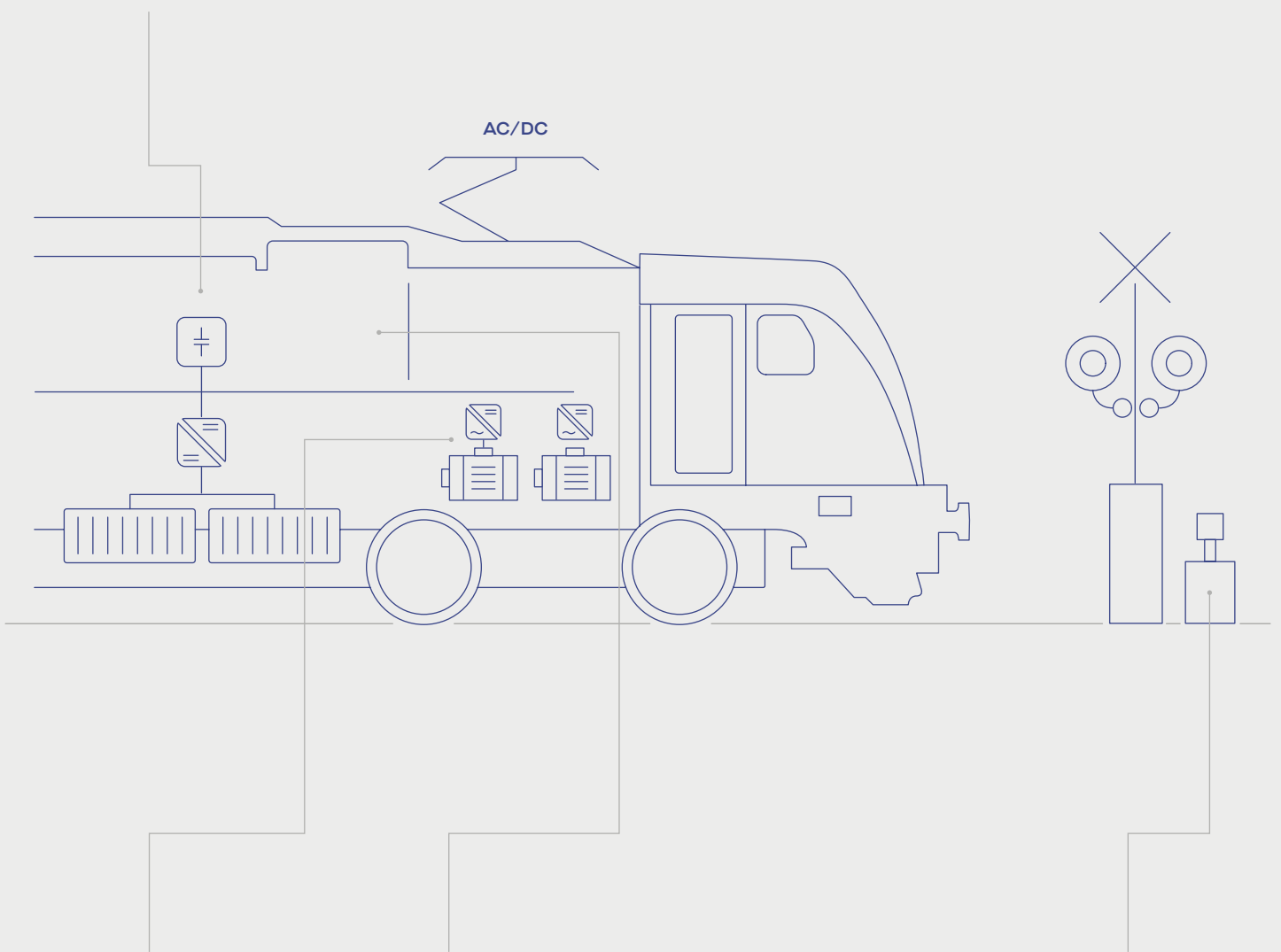
LEM Traction sensors are used in converters to regulate speed and power of locomotives as well as in auxiliary systems such as ventilation, lighting, etc. In addition, our products are used for energy metering to make sure the electricity use is precisely accounted for.

TRACKSIDE

Privatization of rail networks means new requirements such as monitoring tracks to minimize service interruptions. Our new HTRS family of sensors features DC and AC measurement with the same performance in an ultra-compact, robust design.



TEMA 4G



LTC Series



DVM



HTRS

Leading the world in electrical measurement





EMEA

- Brussels, Belgium
- Frankfurt, Germany
- Geneva, Switzerland
- Lyon, France
- Munich, Germany
- Padova, Italy
- Paris, France
- Randers, Denmark
- Skelmersdale, UK
- Sofia, Bulgaria
- Vienna, Austria

CHINA

- Beijing
- Chengdu
- Hefei
- Shanghai
- Shenzhen
- Wuhan

AMERICAS

- Milwaukee, Wisconsin
- Northville, Michigan
- Orange, California

REST OF ASIA

- Penang, Malaysia
- Pune, India
- Seoul, South Korea
- Taipei, Taiwan
- Tokyo, Japan

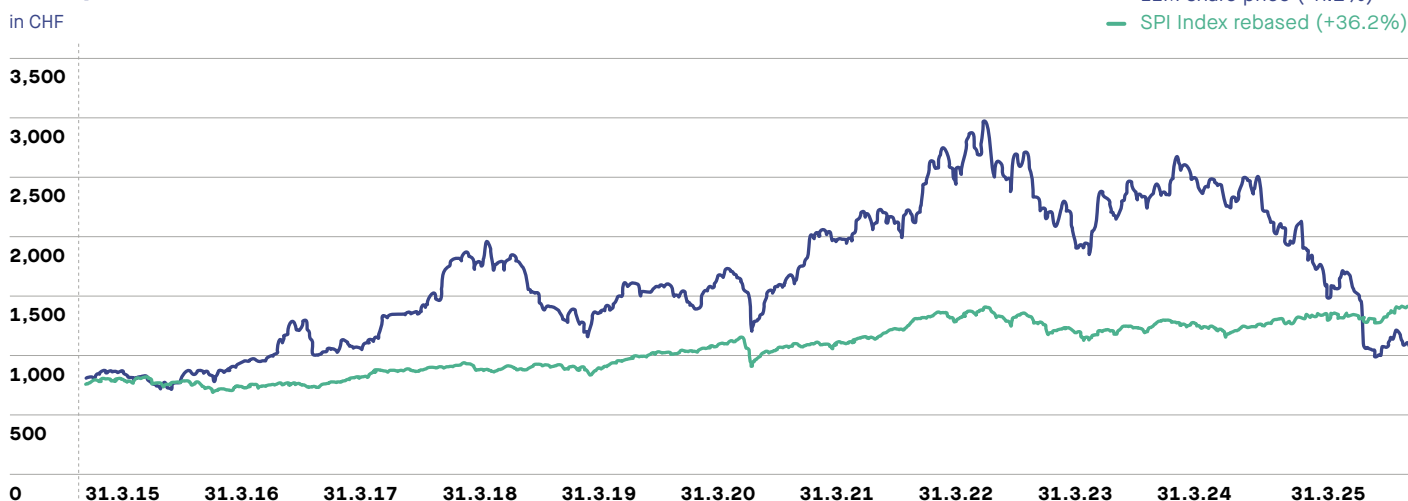
New production facility
Penang, Malaysia

In the 2024/25 financial year, LEM has further expanded its new production facility in Penang, Malaysia. The new production facility enables LEM to supply the Asian markets as well as the USA and Europe from Asia, thereby offering its customers cost-effective production and a dual sourcing opportunity.

The new plant complements the global network of production facilities in Geneva, Beijing, Sofia and Tokyo.

Information for investors

Share price development LEM HOLDING SA (LEHN) compared to SPI



Source: Bloomberg

Share information

Symbol	LEHN
Listing	SIX Swiss Exchange
Nominal value	CHF 0.50
ISIN	CH0022427626
Swiss Security Number (Valor)	2 242 762

Key figures for the LEM share

	2024/25	2023/24
In number of shares, CHF		
Number of shares	1,140,000	1,140,000
Year high ¹	1764	2350
Year low ¹	703	1568
Year-end (March 31) ¹	709	1,706
Market capitalization as per March 31 ¹ (in CHF millions)	808	1,945
Average daily trading volume (shares) ¹	1314	731
Earnings per share	7.36	57.35
Equity per share	110.33	154.98
Ordinary dividend per share ²	0.00	50.00

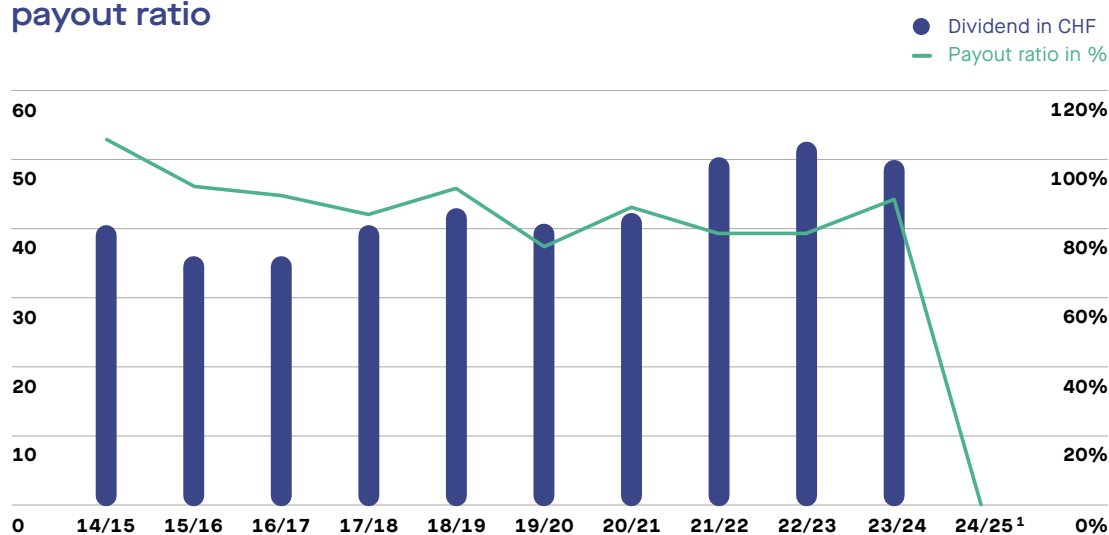
¹ Source: SIX

² Proposal of the Board of Directors to the Annual General Meeting of Shareholders 2025

Dividend

The Board of Directors' decision on the dividend proposal is based on its long-standing dividend policy and the profitability of the respective financial year. In view of the profitability and the uncertainty surrounding the economic environment, the Board of Directors proposes not to pay a dividend for the 2024/25 financial year. However, LEM remains committed to its attractive and sustainable dividend policy for the future.

Dividend and payout ratio



¹ Proposal of the Board of Directors to the Annual General Meeting of Shareholders 2025

Investor contact
Thomas Mellano,
VP Finance
Phone: +41 79 286 86 03
E-mail: investor@lem.com

Share register contact
areg.ch ag
Phone: +41 62 209 16 60
E-mail: info@areg.ch

Number of registered shareholders

	31.3.2025	31.3.2024
1 – 499	2,346	1,646
500 – 4,999	65	62
5,000 – 49,999	9	9
50,000 and more	3	3
Total	2,423	1,720

Shareholders by category

	31.3.2025	31.3.2024
in %		
Institutional shareholders	45.2	42.9
Private individuals	27.5	25.8
LEM employees, managers, and Board	7.1	7.0
Treasury shares	0.1	0.1
Nonregistered shares	20.1	24.2
Total	100.0	100.0

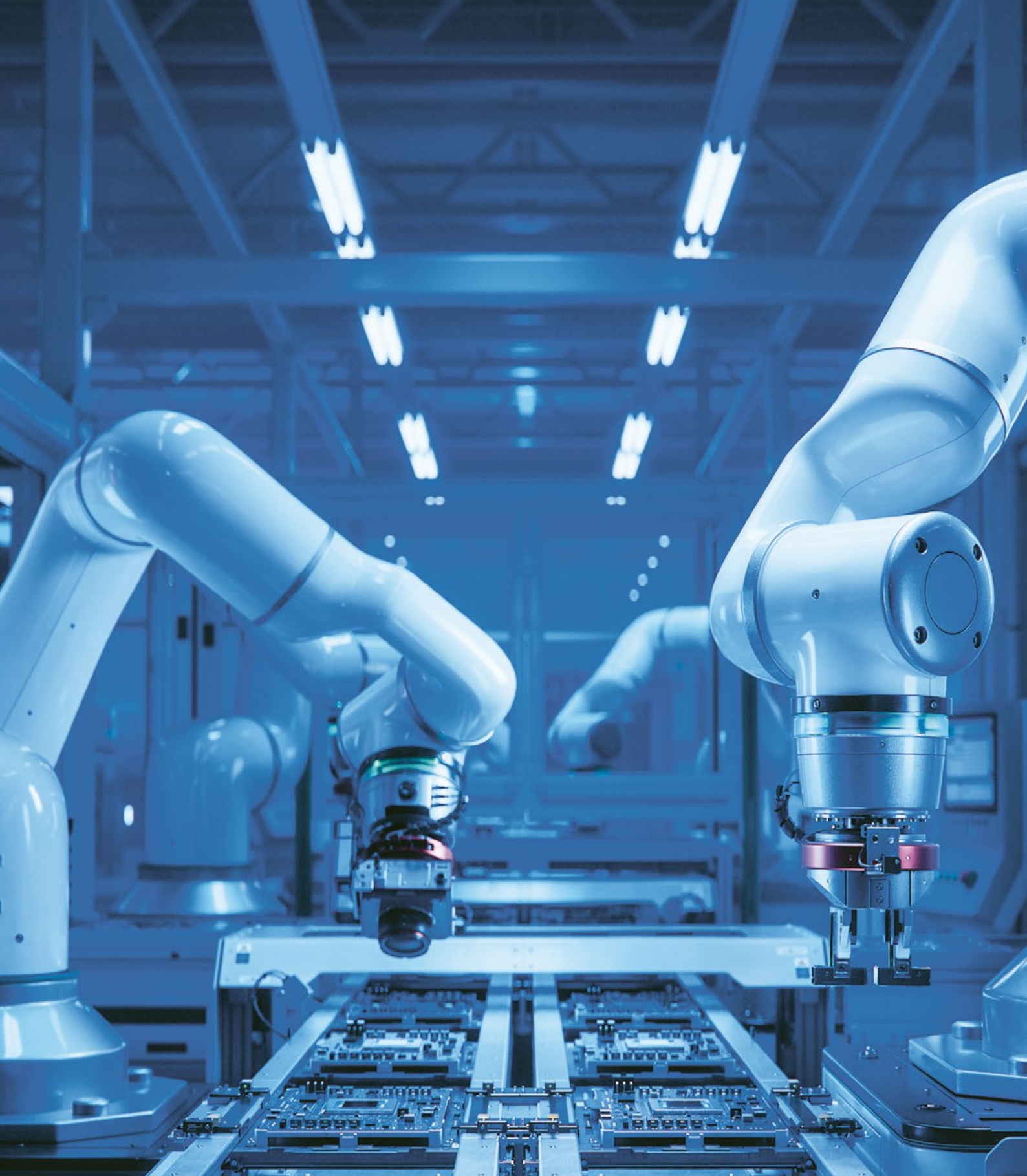
Financial calendar

2025

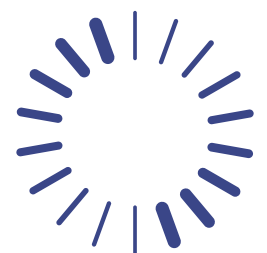
June 26, 2025 Annual General Meeting
for the financial year 2024/25
July 29, 2025 First quarter results 2025/26
November 10, 2025 Half year results 2025/26

2026

February 6, 2026 9 months results 2025/26
May 26, 2026 Full year results 2025/26
June 25, 2026 Annual General Meeting
for the financial year 2025/26
June 29, 2026 Dividend ex-date
July 1st, 2026 Dividend payment date



Corporate Governance Report



The following information complies with the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange (SIX) and the disclosure rules of the Swiss Code of Obligations. In order to enhance the clarity of this chapter, reference is made to other parts of this Financial Report and our website (www.lem.com). Key elements are contained in the Articles of Incorporation.

1. Group structure and shareholders

Group structure

LEM HOLDING SA is domiciled at Route du Nant-d'Avril 152, CH-1217 Meyrin. LEM's registered shares are listed on the main segment of the SIX Swiss Exchange (LEHN, security no. 2 242 762; ISIN CH0022427626). On 31 March 2025, the market capitalization was CHF 808 million. LEM Group is structured into Asia and Europe & Americas regions. Appropriate segment reporting pursuant to IFRS is contained in note 3 of the consolidated financial statements. All companies in LEM Group are listed under "Scope of consolidation" in note 26 of the consolidated financial statements, with their respective company names, registered offices, share capital and the relevant percentages of shares held. There are no other listed companies in the scope of consolidation.

Significant shareholders

The following shareholders held 3% or more of the share capital and voting rights:

In number of shares, percent of shareholding	31.3.2025		31.3.2024	
	Shares	In %	Shares	In %
Werner O. Weber and Ueli Wampfler, in Zollikon/Wollerau, Switzerland, through WEMACO Invest AG and Voltano AG in Cham, Switzerland	599,139	52.6%	599,139	52.6%
J. Safra Sarasin Investmentfonds AG, Basel, Switzerland	43,210	3.79%	34,550	3.0%
UBS Fund Management AG, Switzerland	35,343	3.1%	12,444	<3%
Capital Group Companies Ltd., Los Angeles, U.S.A.	n.a.	<3%	n.a.	3% – 5% ¹

¹ Capital Group disclosed a 3.02% stake as of 31 August 2020, but did not report the exact number of LEM shares per 31 March 2024 and 31 March 2025

Shareholdings of non-executive directors

	31.3.2025 Number of shares held	31.3.2024 Number of shares held
Andreas Hürlimann	1,001	1,001
François Gabella	600	600
Ilan Cohen	300	300
Ueli Wampfler	76,650	76,650
Ulrich Jakob Looser	450	350
Werner C. Weber	0	0
Libo Zhang	0	-
Total	79,001	78,901

Shareholdings of Executive Management

	31.3.2025 Number of shares held	31.3.2024 Number of shares held
Frank Rehfeld, CEO	29	29
Andrea Borla, CFO	0	0
Thomas Mellano, Interim CFO	0	-
Rodolphe Boschet, CPSO	0	0
Verena Vescoli, CTO	0	0
John McLuskie, SVP Asia	0	0
Bastien Musy, SVP Europe & Americas	0	0
Uwe Gerber, SVP Operations	0	0
Total	29	29

The notifications which have been sent to the Company and the disclosure office of SIX Swiss Exchange AG during the financial year pursuant to Article 120 et seq. of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading may be viewed via the search function on <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>.

The trading of LEM shares by both Board of Directors and Executive Management has to respect LEM's disclosure and insider trading policy as well as all applicable rules and legislation.

Cross-shareholdings

LEM has no cross-shareholdings with other joint-stock companies.

2. Capital structure and shares

The nominal value of the share capital of LEM HOLDING SA is CHF 570,000, which is divided into 1,140,000 fully paid-up registered shares with a par value of CHF 0.50 each. No changes in the capital have occurred during the last three financial years. There are no shares with preferred voting rights. All shareholders are entitled to the same dividends. There are no restrictions on the transfer of shares. In order to be registered in the share register, each shareholder shall declare that they hold the shares for their own account.

On 31 March 2025, LEM HOLDING SA held 1,546 treasury shares.

Capital range and conditional capital

There is neither capital range nor conditional capital in our Articles of Incorporation, nor are there any profit-sharing certificates or participation in certificates or any convertible bonds or options outstanding.

3. The Board of Directors' election, terms of office and cross-involvement

The Board of Directors is composed of at least three members who are individually elected at the Annual General Meeting for a mandate of one year, which is renewable up to an age limit of 70. It is possible to derogate from this rule in justified cases. The Board of Directors constitutes itself, except for the Chairman of the Board of Directors and the members of the Compensation Committee who are elected by the Annual General Meeting.

At the Annual General Meeting on 27 June 2024, Andreas Hürlimann, François Gabella, Ilan Cohen, Ueli Wampfler, Ulrich J. Looser and Werner C. Weber were re-elected as members of the Board of Directors. Andreas Hürlimann was re-elected as Chairman of the Board of Directors. Dr Libo Zhang was elected as a new member of the Board of Directors. In addition, shareholders elected Andreas Hürlimann, Ulrich J. Looser and Werner C. Weber to the Nomination & Compensation Committee (NCC). Ulrich J. Looser chairs the NCC Committee.

All members of the Board of Directors are non-executive. Only François Gabella had been part of the Executive Management of LEM before his election as member of the Board of Directors. No member of the Board of Directors has any significant business connection with the LEM Group. None of the members of the Board of Directors have other activities in governing or supervisory bodies, any official functions or political posts nor any permanent management functions for important Swiss and foreign interest groups other than those disclosed in this report.

External mandates

Pursuant to Article 31 of the Articles of Incorporation, members of the Board of Directors may not hold more than ten additional mandates of which no more than four may be in listed companies. The following mandates are not subject to the above limitations: (a) mandates in companies which are controlled by LEM or which control LEM; (b) up to five mandates held at the request of LEM or companies controlled by it; and (c) up to six mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. Mandates shall mean mandates in the supreme governing body of a legal entity, which is required to be registered in the commercial register or a corresponding foreign register. Up to 20 mandates in different legal entities which are under joint control or same beneficial ownership are deemed one mandate.

Internal organizational structure

The Board of Directors meets as often as necessary, but six annual meetings are planned in advance. In the completed financial year, six full-day meetings, one half-day meeting and five video conferences were held. The meetings usually take place at the Company's registered office in Meyrin. The Chairman, after consulting with the CEO and the Chairmen of the committees, determines the agenda for the Board meetings. The members of the Board of Directors can ask for additional items to be included on the agenda. They receive supporting documents beforehand, allowing for a comprehensive preparation of the meeting. The CEO and CFO attend the meetings of the Board of Directors as non-voting guests. Depending on the topics, other members of Executive Management participate in the meetings in order to respond to specific questions. Decisions can be taken by the Board of Directors if at least half of the Directors are present, and a simple majority of them is sufficient. In the event of tie, the Chairman has the casting vote. Minutes of the meetings including decisions taken are prepared by the CFO and distributed to the members of the Board of Directors, the CEO and the CFO.

The Board of Directors reviews its working procedures, the efficiency and effectiveness of its teamwork as well as its interaction with the management of the Company on a regular basis. Regular feedback sessions at the end of a meeting provide valuable input for the continuous improvement of the Board's coherence and leadership.

Definition of areas of responsibility

The Board of Directors delegates the management of the Company to the CEO to the extent permitted by the Swiss Code of Obligations. The Board of Directors reviews and assesses at least on an annual basis and makes decisions in the following areas:

- review and approval of the strategy, business plan, annual business objectives and budget for the LEM Group;
- approval of creation/closing of any subsidiary and purchase/sale of any interest in any company or entry into any merger or joint venture agreement;
- appointment/dismissal of the Executive Management;
- monitoring the ethical and legal behavior of LEM;
- review of human resources management, including employee satisfaction and management development and legal, Intellectual property, social and environmental aspects.

The Board of Directors was composed of the following members as of 31 March 2025:



Andreas Hürlimann

Nationality Swiss
Born in 1964

Position

Chairman of the Board of Directors,
Chairman of the Strategy Committee,
Member of the Nomination and
Compensation Committee

Entry
2011

Professional background

- Since 2011, Entrepreneur
- 2005 – 2010, Managing Director, Spencer Stuart, Zurich
- 1999 – 2005, Global Director of Industry Practices and Member of the Executive Board, Arthur D. Little Inc., Zurich, Lisbon, London and Paris
- 1990 – 1999, international business development, sales and management roles with Siemens Schweiz AG, ABB Power Generation AG and Oerlikon Aerospace Inc., Zurich, Baden, Montréal

Other notable activities

- HMT Microelectronic AG, Biel/Bienne, Lead Independent Director
- Condis SA, Rossens, Member of the Board of Directors
- Glatz AG, Frauenfeld, Vice-Chairman of the Board of Directors
- Sustainable Real Estate Investments SICAV, Zurich, Chairman of the Board of Directors
- themissinglink ag, Dietikon, Member of the Board of Directors

Education

- M. Sc. Electrical Engineering, ETH Zurich, Switzerland
- DAS Finance, University of Zurich, Switzerland



Ilan Cohen

Nationality Israeli
Born in 1956

Position

Member of the Board of Directors

Entry
2010

Professional background

- Since 2019, Chairman and CEO of Caja Robotics
- 2009 – 2019, President, Servotronic Motion System Ltd.
- 2008 – 2009, General Manager, Kollmorgen Industrial & Commercial Engineered Solutions Ltd. (Danaher Group)
- 1997 – 2008, President and CEO, Kollmorgen Servotronic Ltd.
- 1987, Founder, Servotronic Ltd.
- 1983 – 1990, Associate Professor, University of Tel Aviv, Israel

Other notable activities

- Caja Robotics, Israel, Chairman of the Board of Directors
- MOTX LTD, Israel, Member of the Board of Directors
- New Era Partner Capital, Israel and USA, Member of the Advisory Board
- Negba Houses for Children at Risk in Israel, Honorary President

Education

- Ph.D. Control System, Ecole Polytechnique de Bruxelles, Belgium
- MSEE, CALTECH Pasadena, USA
- M.Sc. and BSEE Electro-mechanical engineer, Ecole Polytechnique de Bruxelles, Belgium



François Gabella

Nationality Swiss
Born in 1958

Position

Member of the Board of Directors,
Member of the Strategy Committee

Entry
2018

Professional background

- 2018-2023, Chairman of Natron Energy; Board Member of Sensirion AG, Stäfa; Optotune AG, Dietikon; Fischer Connectors, St Prex
- 2010 – 2018, CEO, LEM Group
- 2006 – 2010, CEO, Tesa SA
- 2002 – 2006, SVP, Areva
- 1996 – 2002, SVP, Business Area Manager, ABB Power Transformers

Other notable activities

- ALPIQ Holding, Vice-Chairman of the Board of Directors
- Sonceboz SA, Sonceboz, Member of the Board of Directors
- Swissmem, Zurich, Vice President
- Switzerland Global Enterprise, Zurich, Vice President of the Advisory Board
- Economiesuisse, Zurich, Member of the Board of Directors
- City Counsel of Buchillon, Switzerland, Member
- Fondation des Maladies Hépatiques, Lausanne, Member

Education

- M. Sc. Microtechnics EPFL, Lausanne, Switzerland
- MBA IMD, Lausanne, Switzerland



Ulrich J. Looser

Nationality Swiss
Born in 1957

Position

Member of the Board of Directors,
Vice-Chairman,
Chairman of the Nomination and
Compensation Committee,
Member of the Audit and Risk Committee

Entry
2015

Professional background

- Since 2009, Berg Looser Rauber & Partner (BLR&Partners)
- 2001 – 2009, Accenture, various positions including Managing Director Austria/Switzerland/Germany Management Consulting and Chairman Accenture AG (Switzerland)
- 1987 – 2001, McKinsey & Company, industry, energy, pharma and public sector practices, partner election 1993

Other notable activities

- u-blox AG, Member of the Board of Directors
- Bachofen Holding AG, Chairman of the Board of Directors
- Fostag AG, Member of the Board of Directors
- Geistlich Holding AG, Member of the Board of Directors
- Fachhochschule Kanton Zurich, Member of the Fachhochschul Council
- Economiesuisse, Member of the Board of Directors
- University Hospital Balgrist, Member of the Board of Directors
- Swiss-American Chamber of Commerce

Education

- M.Sc. Physics, ETH Zürich, Switzerland
- M.A. HSG, University of St. Gallen, Switzerland



Ueli Wampfler

Nationality Swiss
Born in 1950

Position

Member of the Board of Directors,
Chairman of the Audit and Risk Committee

Entry
2007

Professional background

- Since 2004, Founder and Senior Partner, Wampfler & Partner AG, Zurich
- 1998 – 2004, Director, STG Schweizerische Treuhandgesellschaft, Zurich
- 1974 – 1998, STG Coopers & Lybrand, Zurich (Partner since 1991)

Other notable activities

- Jereca Holding AG (Traco Power Group), Baar, Member of the Board of Directors
- Rebew AG, Zurich, Member of the Board of Directors
- Voltano AG, Baar, Owner and Chairman of the Board of Directors
- Swisa Holding AG, Baar, Owner and Delegate of the Board of Directors

Education

- Lic. oec., University of Zurich, Switzerland
- Certified auditor



Werner C. Weber

Nationality Swiss
Born in 1960

Position

Member of the Board of Directors,
Member of the Strategy Committee,
Member of the Nomination and
Compensation Committee

Entry
2017

Professional background

- Since 1998, weber schaub & partner ag, Partner
- Prior thereto in particular Freddy Burger Management Group in Zurich as Legal Counsel and General Secretary, and PricewaterhouseCoopers AG in Zurich as Legal and Tax Counsel

Other notable activities

- WEMACO Invest AG, Zug, Member of the Board of Directors
- Arosa Bergbahnen AG, Arosa, Member of the Board of Directors
- Schilthornbahn AG, Lauterbrunnen, Member of the Board of Directors
- City Parkhaus Aktiengesellschaft, Zurich, Member of the Board of Directors
- MedioSearch AG, Bern / SkySmile AG, Zurich, Member of the Board of Directors

Education

- Dr. iur. University of Zurich, Switzerland
- Admitted as an attorney-at-law in Zurich, Switzerland
- Mediator SBA, Zurich, Switzerland



Dr. Libo Zhang

Nationality German
Born in 1970

Position

Member of the Board of Directors

Entry

2024

Professional background

- Since 2018 Non-executive Board member at various companies
- 2015 – 2021, CFO Function, various companies DACH
- 2010 – 2015 Senior Manager Corporate Development M&A at SGL Carbon SE, Managing Director & CFO Far East of SGL Group
- 2009 – 2010 Head of Board Division Finance, Controlling and M&A at MAN SE
- 1998 – 2009 Management roles Finance, at MTU Aero Engines

Other notable activities

- VAT Group AG, Haag, Switzerland, Member of the Board of Directors
- Gurit AG, Zurich, Switzerland, Member of the Board of Directors
- SPT Roth AG, Lyss, Switzerland, Member of the Advisory Board

Education

- PhD and Master Economy and Business Administration, Georg-August-University, Göttingen, Germany

Information and control systems of the Board of Directors vis-à-vis Executive Management

The Board of Directors ensures that it receives sufficient information from the management to perform its supervisory duty and to make the necessary decisions.

The Board of Directors obtains the information required to perform its duties through several means:

- the Board of Directors receives monthly and quarterly reports on the current development of the business;
- informal meetings and teleconferences are held as required between the Chairman and the CEO as well as between the Chairman and individual members of the Board of Directors;
- the Committees meet at regular intervals and exchange detailed information with the Executive Management;
- the Board of Directors receives detailed information to each agenda item one week before the Board meeting;
- each Executive Manager joins at least one but usually multiple Board sessions in any given year.

Business risk management

In compliance with Swiss law, LEM is using a standardized procedure to analyze its business risks. LEM's risk management covers all types of risk: financial, operational and strategic – including the external business environment, compliance and reputational aspects.

The Executive Management conducts an annual risk analysis. The results and consecutive action plans are thereafter presented to and formally approved by the Board of Directors.

The risk management approach follows five steps: in a first step, potential hazards are evaluated and a consolidated list with five to ten main hazards is set up. In a second step, each hazard is assessed by a product of probability and quantified impact. Step two results in a risk map, which visualizes LEM's potential risk environment. In step three, an action plan is put in place to mitigate the risks. The hazards thereafter are revalued a second time, taking into consideration the mitigation measures. In step four, the action plan is validated and thereafter monitored on a bi-annual basis (step five).

Internal control system

In compliance with Swiss law, LEM has put in place an internal control system.

Starting from the material positions in the annual financial results, the important underlying processes and process owners have been identified. For each process, key risks that could lead to errors in the financial reporting have been identified. For each key risk, key controls have been defined and responsibilities assigned to assure effective compliance and documentation of the key controls. The process has been presented to and approved by the Audit & Risk Committee.

Looking forward, the process owners will perform an annual process review whereby identified weaknesses shall be continuously improved and key risks and controls shall be updated. Based on the input of the process owners, the CFO prepares an annual report on the internal control system, which is presented to and discussed with the Audit & Risk Committee.

Committees

Three standing committees support the Board of Directors. They are composed of at least two non-executive members of the Board of Directors. They meet whenever necessary but at least twice a year.

Audit & Risk Committee (ARC)

The primary objective of the Audit & Risk Committee (ARC) is to provide the Board of Directors with effective support in financial matters, in particular the selection and supervision of the external auditor, assessment of the effectiveness, compliance and clarity of the Group financial reporting and the assessment and preparation of the financial reports to the shareholders. Furthermore, it reviews critical accounting policies, financial control mechanisms and compliance with corresponding laws and regulations as well as the development and continuous improvement of the internal control system. If required, the external Group auditors are invited to participate in the meeting. The ARC prepares proposals to be decided by the Board of Directors. In the completed financial year, three half-day meetings were held.

Nomination & Compensation Committee (NCC)

The Nomination & Compensation Committee (NCC) deals with succession, recruitment and compensation of the members of the Board of Directors and the Executive Management. It ensures and monitors the personnel development plan and adequate succession planning for middle and top management. It supports the Board of Directors in establishing and reviewing the compensation strategy and guidelines and the performance objectives as well as in preparing the proposals to be submitted to the General Meeting regarding the compensation of the Board of Directors and of the Executive Management. It reviews and updates the compensation policy for the members of the Board of Directors and the Executive Management and the performance-based compensation system for the Executive Management. The NCC prepares proposals to be decided by the Board of Directors. In the completed financial year, four half-day meetings were held.

Strategy and Sustainability Committee (SSC)

The primary objective of the Strategy and Sustainability Committee (SSC) is to assist the Board of Directors in fulfilling its duties with respect to determining the Company's strategy, including its sustainability strategy, and the appropriate means to pursue it, including LEM's organizational setup. As strategic & sustainability work and its successful implementation is based upon coordinated and interlocking activities between Executive Management and the Board of Directors, the SSC ensures close collaboration with the CEO and the Executive Management. The SSC prepares proposals to be decided by the Board of Directors. The Board of Directors may also decide to delegate members of the SSC to assist in steering longer-term strategic initiatives by joining the project steering committee. In the completed financial year, six video conferences and one half-day meetings were held.

4. Executive Management

The Executive Management was composed of the following members as of 31 March 2025:



Frank Rehfeld

Nationality German
Born in 1968
Function CEO
With LEM since 2016

Previous companies and positions

2016 – 2018, SVP Industry, LEM Group
2009 – 2015, VP Drives, Brose China Co., Ltd.
2006 – 2009, Managing Director, Hella Shanghai Electronics Co., Ltd.
2004 – 2006, Siemens VDO China, Director Body/Chassis Electronics
1996 – 2004, Siemens VDO Germany, Director R&D Body/Chassis Electronics
Education
Dipl. Eng. Electrical Engineering, Erlangen-Nuremberg, Germany



Rodolphe Boschet

Nationality French
Born in 1967
Function CHRO
With LEM since 2020

Previous companies and positions

2019 – 2020, VP HR integration, Danaher
2016 – 2019, Senior Vice President HR & Communications, Beckman Coulter
2013 – 2016, Global Vice President HR & Communications, Radiometer
2006 – 2013, Head of HR France, Europe, Chemistry Business Unit, Beckman Coulter
2002 – 2006, HR Manager Europe, Datascope Corp
1997 – 2002, International HR Manager, Cartier
Education
Masters of Political Science, Paris Sorbonne, France
Masters in International Human Resources Management, ENS Cachan, France



Uwe Gerber

Nationality German
Born in 1965
Function Senior Vice President Operations
With LEM since 2023

Previous companies and positions

2020 – 2022, Managing Director & COO, Bode – Die Tür
2018 – 2020, Managing Director & COO, Thermamax
2016 – 2018, VP Global Operations (Industry), Behr (MAHLE)
2012 – 2016, VP Operations North America, Behr (MAHLE)
2008 – 2011, Plant Manager, Behr
2004 – 2008, Head of Prototype Shop, Behr
1999 – 2004, Program Manager, Behr
Education
Industrial Engineering, University – FH Esslingen, Germany



John McLuskie

Nationality British
Born in 1970
Function Senior Vice President Asia
With LEM since 2023

Previous companies and positions

2018 – 2022, President, GKN Automotive China
2014 – 2018, Deputy General Manager Shanghai GKN HUAYU Automotive Systems
2007 – 2013, Business Development Director, GKN Driveline Torque Technology
2005 – 2007, Commercial Director Japan and Korea, GKN Driveline Torque Technology
2003 – 2004, Global Commercial Director, Propshaft Product Group, GKN Driveline
2001 – 2003, Global Account Manager, GKN Driveline
1999 – 2000, Manager – Japanese Development Projects, GKN Driveline
1996 – 1998, Business Development Manager, GKN Invel Transmissions Ltd
Education
BEng in Electrical and Electronic Engineering, University of Leeds, UK



Thomas Mellano

Nationality French
Born in 1974
Function Interim CFO
With LEM since 2023

Previous companies and positions

2019 – 2023, CFO, IOTA Group, Switzerland
2015 – 2018, CFO, 5àSec Group, France
2011 – 2014, Head of Consolidation and Accounting, Lacoste, France
2006 – 2011, Audit Director, Cabinet Fleytoux, France
1998 – 2005, Audit Manager, Deloitte, France
Education
French Chartered Accountant

**Bastien Musy**

Nationality French
Born in 1978
Function Senior Vice President
Europe & Americas
With LEM since 2018

Previous companies and positions

2019 – 2022, VP Global Product Management, LEM Group
2018 – 2019, Special Projects Manager, LEM Group
2016 – 2018, Global Pricing & Commercial Analytics Lead, Syngenta
2015 – 2016, Investor Relations Manager, Syngenta
2012 – 2015, Head Finance Production & Supply Asia Pacific, Syngenta
2009 – 2012, Controller Seeds Division, Syngenta
2005 – 2009, Risk and Financial Planning Manager, Ciba Specialty Chemicals
2001 – 2005, Internal Auditor, Credit Mutuel – CIC

Education

MSc in Management, University Lyon III, France

**Verena Vescoli**

Nationality Italian
Born in 1970
Function CTO
With LEM since 2022

Previous companies and positions

2016 – 2022, Senior Vice President R&D, ams OSRAM AG, Austria
2015 – 2016, Senior Manager Device & Systems R&D, ams AG, Austria
2012 – 2015, Department Manager R&D Particle and Soot Management Systems, AVL List GmbH, Austria
2009 – 2012, Product Manager Particle and Soot Management Systems, AVL List GmbH, Austria
2000 – 2009, Senior Engineer TCAD and Device Development, ams AG, Austria

Education

Ph.D. in Solid State Physics, ETH Zurich
Master of Science in Physics, Université de Franche-Comté of Besançon/
France
Bachelor of Science in Physics, Karl Franzens University and Technical
University of Graz/Austria

Verena Vescoli is member of the Board of Directors of Sonion, Denmark, OSRAM GmbH and of OSRAM Licht AG, Germany. Apart from Ms. Vescoli, none of the members of the Executive Management have other activities in governing or supervisory bodies, any official functions or political posts nor any permanent management functions for important Swiss and foreign interest groups.

External mandates

Pursuant to Article 31 of the Articles of Incorporation, and subject to approval by the Board of Directors, members of the Executive Management may not hold more than three additional mandates of which no more than one may be in listed companies. The following mandates are not subject to the above limitations: (a) mandates in companies which are controlled by LEM or which control LEM; (b) up to five mandates held at the request of LEM or companies controlled by it; and (c), subject to approval by the Board of Directors, up to three mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. Mandates shall mean mandates in the supreme governing body of a legal entity, which is required to be registered in the commercial register or a corresponding foreign register. Up to 20 mandates in different legal entities which are under joint control or same beneficial ownership are deemed one mandate.

Management contracts

There are no management contracts with companies or individuals outside LEM Group.

5. Compensation

Please refer to the compensation report.

6. Shareholders' participation rights

The rules on shareholders' participation rights are outlined in the Articles of Incorporation. The rules for the convening of General Meetings, the participation rights and the majority rules for decisions all follow Swiss law. The complete Articles of Incorporation can be downloaded from the Investor Relations pages on the website www.lem.com/en/file/12164/download.

Voting rights and representation restrictions and entry in the share register

There are no limitations on voting rights for shareholders who are entered into the shareholders' register with voting rights. Anyone purchasing registered shares is registered by the Board of Directors in the share register on request as a shareholder with voting rights, provided they expressly declare that the shares are held for their own account. Each shareholder may be represented by the independent representative or by a third party who need not be a shareholder of LEM HOLDING SA.

Statutory quorums

The Articles of Incorporation contain no deviation from the applicable law. In case a second vote is necessary for elections, a relative instead of the absolute majority of the votes represented is required.

Convocation of the General Meeting and inclusion of items on the agenda

Registered shareholders are convened to General Meetings in a form that allows proof by text or by publication in the Swiss Official Gazette of Commerce at least 20 calendar days prior to the day of the meeting.

According to Article 12 of the Articles of Incorporation, one or several shareholders who collectively hold 5% of the share capital can call for a shareholders' meeting; shareholders representing shares with a total nominal value of 0.5% of the share capital may request that an item or that a proposal regarding an existing item be placed on the agenda.

Entries in the share register

Voting rights may be exercised by shareholders who are registered in the share register on the record date indicated in the invitation to shareholders' meeting.

Dividend policy

LEM targets a payout ratio significantly above 50% of the consolidated net profit for the year, to be proposed by the Board of Directors to the Annual General Meeting.

7. Change of control and defensive measures, opting-out clause

Any shareholder is released from the obligation to submit a public takeover offer to all shareholders if their participation in LEM exceeds 33 1/3% of the voting rights.

Clauses on changes of control

There is no particular clause in the Articles of Incorporation for changes of control. No member of the Executive Management will receive additional severance payments if dismissed in the case of a change of control of the Company.

7a. Transparency on non-financial matters

Please refer to the report on non-financial matters in the sustainability report.

8. Auditors

The duration of the auditors' mandate is one year. Ernst & Young has been auditing LEM since the financial year 2005/06, with Daniel Zaugg bearing the responsibility for the audit since 2021/22. As required by law, the auditor-in-charge is changed every seven years. Ernst & Young audits the Group's consolidated financial statements as well as all of LEM's Group companies in Switzerland and abroad that are subject to a statutory audit requirement. The audit fees and fees for additional services are as follows:

Type of service

In CHF thousands	2024/25	2023/24
Audit fees	542	533
Additional audit-related fees	0	41
Total	542	574

The ARC evaluates and controls the performance (focus on areas that involve significant risk to LEM, ability to provide effective and practical recommendations, open and effective communication and coordination), fees, and independence of the auditors each year. It discusses and reviews the scope of the audits, and the resulting feedback. Based on this information, it determines which changes and improvements are necessary. The auditors report on the results of their audits both orally and in writing. Financial statements as well as management letters are discussed in the ARC in the presence of the external auditors. During 2024/25 Ernst & Young attended two regular ARC meetings.

9. Information policy

LEM informs its shareholders about the business status and its results on a quarterly basis in the form of press releases. These, together with the Annual Review and Financial Report, are made publicly available on its website (www.lem.com/en/investors) and may be obtained in printed form from the Company's headquarters. Once a year, LEM holds a presentation for the media, investors and financial analysts. Internal processes assure that price-sensitive facts are published without delay in accordance with the ad hoc publicity rules of the SIX Swiss Exchange. At www.lem.com, detailed information is available, e.g., the Articles of Incorporation, interim and annual reports, investor presentations, press releases as well as the financial calendar.

10. Trading restriction periods

LEM HOLDING SA has adopted a disclosure and insider trading policy with the objective to prevent insider trading by LEM HOLDING SA, its affiliates, their directors, officers and employees. There are four general blackout periods within the financial year of LEM. Each general blackout period starts on the first day (at 7 a.m.) after the closing date of the quarterly, semi-annual and annual financial results and ends 24 hours after the public announcement of these financial results (i.e. trading is authorized from the day following the public announcement).

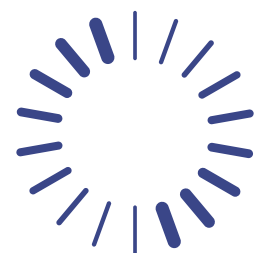
LEM HOLDING SA, its affiliates and all persons who have regular access to potentially price-sensitive information, including all members of the Board of Directors and the Executive Management, as well as their staff and LEM employees worldwide (insiders) are bound by the blackout periods. Any Insider is prohibited from engaging in any transactions in LEM securities during the blackout periods. The blackout periods are without prejudice to the obligation of the Insiders to refrain from dealing in LEM securities at any other times when in possession of price sensitive facts relating to LEM.

Contact for investors and media:

Thomas Mellano, VP Finance, Route du Nant-d'Avril 152, CH-1217 Meyrin (phone: +41 22 706 11 36), or send an e-mail to investor@lem.com



Compensation Report



The future of LEM depends on our ability to attract, develop and retain talented people. Among the many measures we use to achieve this goal are competitive compensation policies. Our compensation policies are designed to align the interests of the Executive Management and the Board of Directors with the interests of shareholders.

In brief

Core principles

LEM's compensation policies are designed to reward results and performance as well as to create long-term value for shareholders. The compensation policies are reviewed on an annual basis.

LEM's Articles of Incorporation (www.lem.com/en/Investors > Corporate Governance) contain provisions regarding the approval of compensation of the Board of Directors and the Executive Management (Article 27), the supplementary amount for new members of the Executive Management (Article 28), the general compensation principles (Article 29) as well as provisions regarding the agreements with members of the Board of Directors and the Executive Management (Article 30).

This compensation report is based on section 5 of the annex to the Corporate Governance Directive issued by SIX Exchange Regulation AG and Articles 734 to 734f of the Swiss Code of Obligations.

Compensation of the Board of Directors

The compensation of the Board of Directors consists exclusively of a fixed fee paid in cash. There is no variable compensation. The compensation of the Chairman and the members of the Board of Directors depends on the responsibility of each member and the related work, such as serving on committees of the Board of Directors.

Compensation of the Executive Management

To encourage and reward results that contribute to the sustainable success of LEM, the total compensation of the Executive Management consists of three elements: base salary, variable compensation, and non-wage compensation. The target-setting process for the variable compensation is carried out on an annual basis and includes quantitative and qualitative performance criteria, including LEM's financial results.

Members of the Executive Management are entitled to attend the meetings of the Board of Directors relevant to their function but are excluded from any deliberation and decision on their compensation.

The compensation authorities are summarized in the following table:

Beneficiary	Compensation element	Proposal	Approval
Board of Directors (BoD) and Executive Management	Compensation principles	Nomination and Compensation Committee (NCC)	BoD within limits of Articles of Incorporation
BoD	Aggregate maximum amount fixed compensation	BoD based on NCC proposal	Annual General Meeting (prospective approval)
BoD	Individual compensation	NCC	BoD
Executive Management	Aggregate maximum amount fixed annual base salary	BoD based on NCC proposal	Annual General Meeting (prospective approval)
Executive Management	Aggregate amount short-term incentive	BoD based on NCC proposal	Annual General Meeting (retrospective approval)
Executive Management	Aggregate maximum amount long-term incentive	BoD based on NCC proposal	Annual General Meeting (prospective approval)
Executive Management	Individual compensation	NCC based on proposal from CEO	BoD
CEO	Individual compensation	Chairman of the BoD	BoD

Compensation report

1. Board of Directors

1.1 General principles of compensation for members of the Board of Directors

The aggregate maximum compensation of the Board of Directors is approved by the Annual General Meeting upon proposal by the Board of Directors based upon recommendation from the Nomination & Compensation Committee. The remuneration of the Board of Directors consists of a fixed cash payment and is reviewed on an annual basis. The remuneration compensates for the personal responsibility and exposure as member of the Board of Directors and the work related to the Board of Directors' membership. There is neither a variable compensation nor any participation in an equity-based compensation plan.

1.2 Compensation for members of the Board of Directors

The Board of Directors adopted a remuneration scheme with a fixed membership fee payable in cash of gross CHF 280,000 for the Chairman and gross CHF 100,000 for each member of the Board of Directors. Activities in committees of the Board of Directors are compensated by membership fees of gross CHF 40,000 for the Committee's Chairman and gross CHF 20,000 for each member.

The tables below show the compensation per member of the Board of Directors in the financial years 2022/23 and 2023/24 for their respective term of office. At the Annual General Meeting held on 27 June 2024, the shareholders approved a maximum compensation amount for the term of office from the Annual General Meeting 2024 until the Annual General Meeting 2025 of CHF 1,400,000. Considering the current business situation, the Board of Directors has resolved to voluntarily reduce the remuneration of Board members to 2022/23 level for the financial year 2024/25. The actual cost for the Company for the compensation for members of the Board of Directors for the financial year 2024/25 is therefore CHF 1,045,000 (instead of a maximum of CHF 1,400,000).

2024/25

In CHF thousands	Annual fees (A)	Taxes, social security charges and similar contributions (B)	Total (A) + (B)
Andreas Hürlimann ^{1, 5, 6}	310	26	336
Ueli Wampfler ²	120	8	128
Ulrich Jakob Looser ^{3, 4}	140	10	150
Ilan Cohen ⁸	100	7	107
Werner C. Weber ^{7, 5}	120	10	130
Libo Zhang	80	7	87
François Gabella ⁷	100	7	107
Total	970	75	1,045

2023/24

In CHF thousands	Annual fees (A)	Taxes, social security charges and similar contributions (B)	Total (A) + (B)
Andreas Hürlimann ^{1, 5, 6}	340	28	368
Ueli Wampfler ²	140	10	150
Ulrich Jakob Looser ^{3, 4}	160	11	171
Ilan Cohen ⁸	120	8	128
Werner C. Weber ^{5, 7}	140	13	153
François Gabella ⁷	120	8	128
Total	1,020	78	1,098

¹ Chairman of the Board of Directors

² Chairman of the Audit & Risk Committee

³ Member of the Audit & Risk Committee

⁴ Chairman of the Nomination & Compensation Committee

⁵ Member of the Nomination & Compensation Committee

⁶ Chairman of the Strategy and Sustainability Committee

⁷ Member of the Strategy and Sustainability Committee

⁸ including the amount of CHF 20,000 for R&D contribution

2. Executive Management

2.1 General principles of compensation for members of Executive Management

The aggregate maximum compensation of the Executive Management is approved by the shareholders at the Annual General Meeting upon proposal by the Board of Directors. The proposals of the Board of Directors are based on the recommendation of the Nomination and Compensation Committee. The compensation of the Executive Management is reviewed by the Board of Directors on an annual basis.

The total compensation of the Executive Management is composed of the following elements:

Compensation element	Instrument	Purpose	Drivers	Range and cap	Shareholder approval
Base salary	Monthly cash payments	Pay for the function	Scope and responsibilities, profile and competencies	N/A	Prospective maximum amount (October – September)
Short-term incentive	Annual cash payment	Pay for annual performance	Business and individual performance throughout the financial year	0% – 139% of target amount	Retrospective
Former long-term incentive until 2/23	Shares	Participation in sustainable company success, alignment with shareholder interests	Achieved value creation over three consecutive financial years	0% – 200% of target amount	Maximum compensation assuming all performance targets will be reached at maximum possible level, not considering future share price development
Non-wage compensation	Pension contributions	Protect against risks plus retirement and dependents' coverage	Local legislation and market practice	N/A	

The total compensation is in line with the market for comparable industrial companies considering the various remuneration levels for different functions and locations. Furthermore, the compensation mix between base salary, variable compensation and non-wage compensation reflects sectorial and functional market practice. The full Board of Directors periodically reviews, sets, and approves the compensation system, based on the recommendation of the Nomination and Compensation Committee. The latest external benchmark was performed early 2022 with the support of Mercer. The Mercer IPE (International Position Evaluation) has been used to define the peer group, which allows comparability between companies based on revenues, number of employees and business value chain. Since 2022 the Mercer data has been aged on an annual basis to reflect market evolution.

Compensation report

2.1.1 Base salary of Executive Management

Base salaries are paid monthly as fixed cash amounts.

2.1.2 Variable compensation of Executive Management

The target-setting process for the Leadership-for-Results (L4R) plan is part of the LEM performance management and is carried out on an annual basis by the Nomination and Compensation Committee. Variable compensation is partly paid in cash (the short-term incentive) and partly delivered in LEM shares (the long-term incentive) both are subject to the approval of the Annual General Meeting. The Chairman of the Board of Directors (for the CEO) and the Nomination and Compensation Committee (for the other members of the Executive Management) prepare objectives and performance evaluations based on personal performance review.

Short-term incentive (STI) related to the Executive's function, responsibility and obtained results

Each Executive's individual target amount for the short-term incentive plan is communicated to the Executive at the beginning of the financial year together with the objectives and their weighting. The target amount and the objectives are based on the role and impact of the Executive as well as annual Company priorities. Objectives are linked to audited financial indicators such as EBIT and net profit, other quantitative indicators as well as qualitative targets based on strategic initiatives. At the end of the financial year, the performance on each objective is evaluated resulting in the total amount to be paid.

The number of objectives is large enough to allow each Executive to reach a fair level of short-term variable compensation rewarding for the results achieved even under changed business conditions. Since the degree of achievement of set objectives has to be evaluated at the end of the period, a clear understanding of the metrics to be applied is established at the time of target setting and kept constant over the period. For each objective, the curve between minimum and maximum bonus level is defined. Ambitious but achievable objectives are set as targets, to which 100% of the respective target amount is attributed.

For the Executive Management, the minimum payout of the short-term incentive is 0% of the target amount and the weighted maximum payout is 139%. The target amount of the short-term incentive represents between 22% and 26% of the total target compensation.

The short-term incentive payout is presented for retrospective approval to the shareholders along with the Annual Report and the financial statements of the same financial year at the Annual General Meeting 2025 prior to being paid out.

Long-term incentive (LTI) related to the sustainable financial performance of LEM Group

During the financial year 2021/22, the long-term incentive was replaced by a share-based Performance Share Unit (PSU) plan. The goal is to further focus participants on various dimensions of LEM's financial performance, especially long-term growth and value creation, thereby tightening the alignment of interest with our shareholders.

Starting with the financial year 2022/23, participants are awarded an individual LTI amount in CHF at the beginning of each three-year plan cycle, which corresponds to the grant date. This amount is converted into PSUs based on a reference price (10-day average share price prior to grant date). At the end of the plan cycle, PSUs vest in LEM shares, whereas the number of shares obtained can vary between 0 and 2, depending on the achievement of predefined performance and service conditions.

The performance conditions are:

- Economic Value Added (EVA): to account for an internal view on value creation (weighted 60%)
- Absolute TSR: to link the overall compensation directly to the absolute value created by LEM for its shareholders (weighted 20%)
- Relative TSR (LEM's TSR compared to the TSR of the SPI EXTRA): to strengthen the appreciation of a participant's contribution to the Company's success based on LEM's performance compared to the market (weighted 20%)

Under these conditions performance is measured over three consecutive financial years starting with the year during which the grant date occurs and therefore the plan cycle starts. The Board of Directors defines the targets for all three performance criteria, including minimum, expected and maximum levels, at the beginning of year one of the plan cycle following a stringent target setting process. In the financial year 2024/25 the target for the grant are as follows:

	Minimum level (leading to a vesting of 0%)	Expected level (leading to a vesting of 100%)	Maximum level (leading to a vesting of 200%)
EVA	69% of expected performance	100% of expected performance	131% of expected performance
Absolute TSR	0.0%	7.0%	14.0%
Relative TSR	-10 pp.	0 pp.	10 pp.

Because absolute target amounts for the EVA performance condition are considered strategic and sensitive business information, targets are provided on a relative basis. To set those targets, investors' return expectations on market value, performance projections and current profitability levels were considered to establish an appropriate link between LTI payouts, and the value created for investors. Once the targets are defined, they remain unchanged over the three-year period. The evaluation of the performance takes place at the end of year three. The LEM shares for the purposes of this PSU plan will be acquired in the market. It will not dilute existing shareholders' interests in the Company.

Overall, the minimum number of shares delivered under the long-term incentive corresponds to 0% of the granted PSUs and the maximum is 200% of granted PSUs. The target amount, the individual LTI amount, of the long-term incentive represents 35% of the total target compensation of the CEO and between 17% and 27% of the total target compensation for other members of the Executive Management.

Forfeiture rules apply in case a participant is no longer an employee of LEM at the moment when PSUs vest.

The PSU related to the period 24/25 to 26/27 LTI plan were allocated as follows:

	Value at reference price In CHF thousands	Numbers of PSUs
Frank Rehfeld, CEO	450	326
Executive Management (excl. CEO)	625	455
Total	1,075	781

2.1.3 Non-wage compensation of the Executive Management

For the Executive Management, non-wage compensation consists of pension plans (retirement benefits) only.

The Executive Management benefits from LEM's Swiss pension plan, considered a defined contribution plan under Swiss law that provides retirement benefits and risk insurance for death and disability. IFRS, on the contrary, considers this plan as a defined benefits plan. The insured base salary follows Swiss professional pension regulations without limitation of the amount. The pension fund is funded by contributions from the Company and the respective insured Executive.

Compensation report

2.2 Remuneration of Executive Management

2024/25

In CHF thousands	Base salary	Short-term incentive	Long-term incentive ⁴	Company's contribution to pension fund ⁵	Other benefits ³	Total	Company's contribution to social security compensation
Frank Rehfeld, CEO	525	58	15	145		743	60
Executive Management (excl. CEO) ¹	2,087	190	34	313	178	2,802	249
Total	2,612	248	49	458	178	3,545	309

2023/24

In CHF thousands	Base salary	Short-term incentive	Long-term incentive	Company's contribution to pension fund	Other benefits ³	Total	Company's contribution to social security compensation
Frank Rehfeld, CEO	525	183	328	61		1,097	110
Executive Management (excl. CEO) ²	2,162	581	390	204	150	3,487	349
Total	2,687	764	718	265	150	4,584	459

1 Including leaver former CFO (Pro-rated 8 months) and New Joiner Ad-Interim CFO (Pro-rated 4 months)

2 Including leaver former SVP Europe/Americas for Short-Term Incentive

3 Other benefits: international benefits (e.g. company car, housing)

4 LEM shares values based on share value at 31st of March 2025 Closing (709 CHF). Including accelerated vesting PSU Plan 22/25 – 23-26 and 24-27 for Former SVP Europe/Americas

5 Including contributions to plan 1e following last year regularization

The amounts are shown as follows:

- Base salary: CHF 2,612,000 as paid out in the reporting period.
- Short-term incentive 2024/25: CHF 247,548 as proposed to the Annual General Meeting to be held on 26 June 2025 for a payout in July 2025.
- Long-term incentive: CHF 48,921 as accrued for long-term incentive 2022/25 for vesting in July 2025.
- Pension fund contributions: CHF 458,000 as accrued for or paid during the reporting period.
- Company's contributions to social security charges: CHF 309,000 as accrued for or paid during the reporting period.

Amounts approved by previous Annual General Meetings related to the period reported above:

- Maximum amount base salary (for the period from 1 October 2023 to 30 September 2024): CHF 3,937,000
- Maximum amount base salary (for the period from 1 October 2024 to 30 September 2025): CHF 4,000,000
- Short-term incentive amount for 2023/24 for payment in 2024: CHF 840,123
- Maximum amount long-term incentive 2022/23 to 2024/25 for payment in 2025: CHF 2,860,000
- Pension fund contribution and Company contribution to social security charges as paid out or accrued for in the reporting period are included in the above amounts.

The overall variable remuneration paid out for 2024/25 to the Executive Management ranged from 6% (for new joiners) to 13% of the total compensation.

2.3 Shareholding requirements

Starting with financial year 2022/23, each member of the Executive Management is required to build up an investment in LEM shares worth the equivalent of 150% of the annual base salary for the CEO, 140% for the CFO, and 80% for other members of the Executive Management.

Members of the Executive Management will have a five-year period to achieve the above shareholding targets. In case of non-compliance, restrictions on the sale of owned shares and post-vesting holding requirements for shares vesting in the near future under the new share-based PSU plan will apply. All vested shares directly or indirectly owned by a member of the Executive Management and related parties, as well as granted but yet unvested PSUs under the LEM's long-term incentive, will be taken into account when assessing whether or not the shareholding requirements are met.

3. Loans to current and former members of the Board of Directors and Executive Management and related parties

Our Articles of Incorporation do not provide the basis to grant loans to current or former members of the Board of Directors, the Executive Management or to any related party. Therefore, no loans have been granted in the financial years 2023/24 and 2024/25 or in any previous year.

Report of the statutory auditor on the audit of the compensation report

Opinion

We have audited the compensation report of LEM Holding SA (the Company) for the year ended 31 March 2025. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 38 to 45 of the compensation report.

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

Basis for opinion

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

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

Other information

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

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

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

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

Board of Directors' responsibilities for the compensation report

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

Auditor's responsibilities for the audit of the compensation report

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

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

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

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

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

Geneva, 23.05.2025

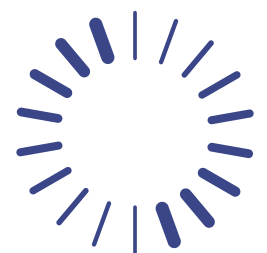
Ernst & Young Ltd.

Daniel Zaugg
Licenced audit expert
(Auditor in charge)

Didier Lequin
Licenced audit expert



Financial Report of LEM Group



Consolidated statement of financial position

Assets

In CHF thousands	Notes	31.3.2025	31.3.2024
Current assets			
Cash and cash equivalents		18,703	23,710
Accounts receivable	5	68,023	76,125
Inventories	6	57,639	56,361
Income tax receivable		12,723	10,457
Other current assets	7	6,700	5,099
Total current assets		163,788	171,751
Non-current assets			
Property, plant and equipment	8	85,480	85,085
Right-of-use assets	9	30,928	25,897
Intangible assets	10	9,684	9,026
Deferred tax assets	21	52,077	49,536
Other non-current assets	11	3,648	3,029
Total non-current assets		181,816	172,574
Total assets		345,604	344,325

Liabilities and equity

In CHF thousands	Notes	31.3.2025	31.3.2024
Current liabilities			
Accounts payable	12	33,007	28,352
Accrued expenses		27,593	31,952
Lease liabilities	9	3,679	2,796
Income tax payable	21	2,979	5,229
Current provisions	13	7,521	856
Interest-bearing loans and borrowings	25	41,171	57,275
Other current liabilities	14	1,801	2,392
Total current liabilities		117,753	128,852
Non-current liabilities			
Non-current lease liabilities	9	30,405	26,035
Non-current provisions	13	943	303
Deferred tax liabilities	21	2,526	2,347
Interest-bearing loans and borrowings	25	67,660	9,550
Other non-current liabilities	14	546	561
Total non-current liabilities		102,080	38,796
Total liabilities		219,833	167,648
Equity			
Share capital	15	570	570
Treasury shares	15	(1,872)	(1,988)
Reserves	15	(2,145)	(1,176)
Retained earnings		129,219	179,272
Total equity		125,771	176,677
Total liabilities and equity		345,604	344,325

Consolidated income statement

In CHF thousands	Notes	April to March	
		2024/25	2023/24
Sales		306,924	405,777
Cost of goods sold		(174,333)	(216,614)
Gross profit		132,590	189,163
Sales expenses		(27,914)	(29,513)
Administration expenses		(42,819)	(44,881)
Research & development expenses		(35,265)	(33,866)
Restructuring expenses	16	(7,898)	0
Other income		172	153
Operating profit		18,867	81,058
Financial expenses	18	(4,745)	(3,181)
Financial income	19	215	422
Foreign currency exchange effect	20	(3,861)	(3,326)
Profit before tax		10,476	74,972
Income taxes	21	(2,085)	(9,645)
Net profit		8,391	65,327
Earnings per share, in CHF			
Basic earnings per share	22	7.36	57.35
Diluted earnings per share		7.35	57.26

Consolidated statement of comprehensive income

In CHF thousands	Notes	April to March	
		2024/25	2023/24
Net profit for the period recognized in the income statement		8,391	65,327
Other comprehensive income to be reclassified to profit and loss in subsequent periods			
Currency translation difference		(853)	(5,045)
Income tax		126	465
Total other comprehensive income to be reclassified to profit and loss in subsequent periods		(727)	(4,579)
Other comprehensive income not to be reclassified to profit and loss in subsequent periods			
Remeasurement gains/(losses) on defined benefit plans	24	(1,183)	2,087
Income tax	21	168	(293)
Total other comprehensive income not to be reclassified to profit and loss in subsequent periods		(1,016)	1,794
Other comprehensive income/(loss) for the period, net of tax		(1,742)	(2,785)
Total comprehensive income for the period		6,649	62,542

Consolidated statement of changes in equity

Attributable to shareholders

In CHF thousands	Notes	Share capital	Treasury shares	Capital reserve	Translation reserve	Retained earnings	Total equity
1 April 2023		570	(1,069)	13,011	(10,062)	171,185	173,633
Net profit for the year						65,327	65,327
Other comprehensive income/(loss)					(5,045)	2,259	(2,785)
<i>Total comprehensive income</i>					(5,045)	67,586	62,542
Share-based payments	17					768	768
Dividends paid	15					(59,252)	(59,252)
Movement in treasury shares	15		(920)	920		(1,015)	(1,015)
31 March 2024		570	(1,988)	13,931	(15,107)	179,272	176,677
1 April 2024		570	(1,988)	13,931	(15,107)	179,272	176,677
Net profit for the year						8,391	8,391
Other comprehensive income/(loss)					(853)	(889)	(1,742)
<i>Total comprehensive income</i>					(853)	7,501	6,649
Share-based payments	17					(150)	(150)
Dividends paid	15					(56,936)	(56,936)
Movement in treasury shares	15		116	(116)		(469)	(469)
31 March 2025		570	(1,872)	13,815	(15,960)	129,219	125,771

The amount available for dividend distribution is based on LEM HOLDING SA's shareholders' equity determined in accordance with the legal provisions of the Swiss Code of Obligations.

Consolidated cash flow statement

In CHF thousands	Notes	April to March	
		2024/25	2023/24
Cash flow from operating activities			
Profit before tax		10,476	74,972
Adjustment for non-cash items and taxes paid		18,161	5,597
Net financial result		4,498	2,536
Derivative financial instruments revaluation		(582)	932
Share-based payment expense		(155)	800
Depreciation and amortization		19,039	15,750
Impairment loss		(12)	(751)
Gain/Loss on disposal of fixed assets		129	244
Increase (+) / decrease (-) of provisions and allowances		9,756	1,966
Movement in pension		(1,188)	2,039
Interest received		147	387
Interest paid		(4,645)	(2,923)
Taxes paid		(8,826)	(15,382)
Cash flow before changes in net working capital		28,637	80,569
Change in inventories		(4,235)	(3,532)
Change in accounts receivable and other current assets		4,797	5,856
Change in payables and other liabilities		982	(8,475)
Cash flow from changes in net working capital		1,545	(6,150)
Cash flow from operating activities		30,182	74,419
Cash flow from investing activities			
Investment in fixed assets	8	(14,268)	(26,725)
Investment in intangible assets	10	(1,301)	(2,426)
Increase (-) in other non-current assets		(1,373)	(2,528)
Decrease (+) in other non-current assets		746	119
Cash flow from investing activities		(16,196)	(31,561)
Cash flow from financing activities			
Treasury shares acquired (-)	15	(7,200)	(8,666)
Treasury shares divested (+)	15	7,316	7,746
Payment of lease liabilities		(3,985)	(3,300)
Dividends paid to the shareholders of LEM HOLDING SA	15	(56,936)	(59,252)
Increase (+) in financial liabilities		61,500	128,418
Decrease (-) in financial liabilities		(19,375)	(104,750)
Cash flow from financing activities		(18,679)	(39,803)
Change in cash and cash equivalents		(4,693)	3,054
Cash and cash equivalents at the beginning of the period		23,710	21,775
Exchange effect on cash and cash equivalents		(314)	(1,120)
Cash and cash equivalents at the end of the period		18,703	23,710

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

Notes to the consolidated financial statements

1. General information

LEM Group (the Group) is a leading company in electrical measurement. LEM engineers the best solutions for energy and mobility, ensuring that its customers' systems are optimized, reliable and safe. The Group has operations in seventeen countries and employed 1,698 people as at 31 March 2025. The parent company of LEM Group is LEM HOLDING SA (the Company) which is a limited company incorporated in Switzerland. LEM HOLDING SA is domiciled at Route du Nant-d'Avril 152, 1217 Meyrin.

The financial year ends on 31 March 2025. The Company has been listed on the SIX Swiss Exchange since 1986.

The Board of Directors approved the consolidated financial statements on 22 May 2025, to be submitted for approval by the Annual General Meeting of Shareholders on 26 June 2025.

2. Material accounting principles

2.1 Basis of preparation

The consolidated financial statements of LEM Group have been prepared in accordance with the IFRS accounting standards and interpretations published by the International Accounting Standards Board (IASB) and comply with Swiss law.

The consolidated financial statements have been prepared using the historical cost convention except that, as discussed in the accounting policies below, certain items like derivatives are recorded at fair value.

The financial information is presented in thousands of Swiss francs (CHF). The totals are calculated with the original unit amounts which could lead to rounding differences. These differences in thousands of units are not changed in order to keep the accuracy of the original data.

2.2 Adoption of new and revised International Financial Reporting Standards and interpretations

New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standard or interpretation	Title	Effective date
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024

The amendments mentioned above have had no impact on the Group's consolidated financial statements and on the Group's disclosures of accounting policies.

Future standards

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard sets out requirements for the presentation and disclosure of information in financial statements. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, and will apply retrospectively. The Group is currently evaluating all the impacts this new standard will have on the presentation of the income statement and the notes to the consolidated financial statements. It is too early to assess whether this standard will have a material impact on the financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

Notes to the consolidated financial statements

2.3 Summary of critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and related disclosures at the date of the financial statements. These estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future. However, actual results could differ from those estimates. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are discussed below.

Leases

The Group assessed whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgment about whether it depends on a specific asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset.

Impairment of goodwill, other intangible assets and property, plant and equipment

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. Other intangible assets and property, plant and equipment are tested for impairment if there is a triggering event indicating a potential impairment. These calculations require the use of estimates in particular of the expected growth of sales, discount rates and development of raw material prices.

Provisions

Provisions are recognized only if the specific criteria under IFRS are met. Provisions represent presumed obligations arising from past events and are recognized only if their amount can be estimated reliably. Nevertheless, provisions are based on assumptions.

Restructuring provisions

Restructuring provisions are recognized only when the Group has a constructive obligation, which is when:

- there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and
- the employees affected have been notified of the plan's main features.

Cloud computing arrangements

In relation to cloud computing arrangements, LEM assesses whether an intangible asset(s) is(are) present, i.e. does the contract provide the customer with a resource that it can control. Costs of implementation such as testing software and configuration are capitalized if directly attributable, and programming of interfaces are capitalized if they met the definition of IAS 38. All other costs are expensed.

The Group has assessed the costs related to the ERP implementation and concluded that part of the costs fits the requirements of IAS 38 and can be capitalized as intangible cloud computing arrangement.

Income and other taxes

The Group operates in multiple jurisdictions with complex legal and tax regulatory environments. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws applied to complex transactions. The Group periodically reassesses its tax positions. The Group recognizes liabilities for potential tax audit issues and uncertain tax positions based on management's estimate of whether additional taxes will be due and on the requirements of IFRIC 23 Uncertainty over Income Tax Treatments.

Notes to the consolidated financial statements

Employee benefits

The standard requires that certain assumptions are made in order to determine the amount to be recorded for defined benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected salary increase, employee turnover and discount rates. Substantial changes in the assumed development of any of these variables may significantly change LEM Group's retirement benefit obligation and pension plan assets.

Valuation of deferred tax assets

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.4 Basis of consolidation

The consolidated financial statements are composed of LEM HOLDING SA and of its subsidiaries.

Subsidiaries

Subsidiaries are those entities over which the Group has control. Control is when the Group is exposed, or has rights, to variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power over the subsidiary to direct the relevant activities.

Business combinations are accounted for using the acquisition method. Companies that are acquired are included when control is obtained and are consolidated until control is transferred to the acquirer. The cost of purchasing a company is determined as the sum of the fair value of the assets that are to be paid to the seller and the obligations that are entered into, or assumed, on the date of purchase. Identifiable acquired assets, liabilities and contingent liabilities are recognized at their fair value as of the date of their acquisition. The Group's share of the purchase price that exceeds the fair value of the identifiable net assets is recognized as goodwill. The Group's share of the fair value of the identifiable net assets that exceeds the purchase price is shown as a gain on bargain purchase on the income statement.

Intragroup assets and liabilities as well as income and expenses are set-off against each other. Unrealized intragroup profits, particularly on inventories and fixed assets, are eliminated.

Associates

Investments in associated undertakings are accounted for using the equity method. These are undertakings over which the Group exercises significant influence, but which it does not control.

No associated undertakings existed as of 31 March 2025 and 31 March 2024.

2.5 Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in Swiss francs as the presentation currency. The subsidiaries use local currency as their functional currency, which is the currency of the primary economic environment in which they operate.

Foreign currency translation

All assets and liabilities in the balance sheets of subsidiaries that are denominated in the respective functional currencies are translated into Swiss francs at the year-end exchange rate. Items in the income statement and cash flow statement are translated at the average exchange rate for the year. The resulting translation differences are recognized in other comprehensive income. When a foreign operation is disposed, the cumulative translation differences recognized in other comprehensive income are transferred to the income statement.

Notes to the consolidated financial statements

The following table summarizes the principal exchange rates that have been used in the translation process:

Currency	Income statement of 2024/25	Income statement of 2023/24	Balance sheet 31.3.2025	Balance sheet 31.3.2024
	Average rate in CHF	Average rate in CHF	Year-end rate in CHF	Year-end rate in CHF
BGN	0.486	0.491	0.488	0.497
CNY	0.123	0.124	0.122	0.125
DKK	0.128	0.129	0.128	0.130
EUR	0.951	0.961	0.954	0.972
GBP	1.131	1.113	1.141	1.137
JPY	0.006	0.0061	0.006	0.0060
MYR	0.197	0.191	0.199	0.191
RUB	0.009	0.010	0.010	0.010
USD	0.886	0.886	0.882	0.901

Foreign currency transactions

Foreign currency transactions are translated at the market rate prevailing at that time. The monetary assets and liabilities are translated at the year-end rates while non-monetary assets are translated at historical rates. Gains and losses arising from the transactions as well as from the translation of monetary assets and liabilities in foreign currencies are recorded as income or expenses in the income statement (except from translation differences arising from a monetary item that forms part of the Group's net investment in a foreign operation which are included in shareholders' equity).

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and cash at postal accounts and bank deposits with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash.

2.7 Inventories

Inventories are stated at the lower of cost or net realizable value. The first-in, first-out (FIFO) method is applied. The cost of finished goods and work in process comprise raw materials, direct labor costs and other costs that can be directly allocated, such as production overhead expenditures. Allowances are established when:

- there is an objective indication that the Group will not be able to sell the goods in due time;
- the goods are damaged, in excess or obsolete;
- the net realizable value is below cost.

2.8 Property, plant and equipment

Property, plant and equipment is stated at cost of acquisition or construction, less depreciation and any impairment. Depreciation is calculated on a straight-line basis on the following estimated useful life:

Land	nil
Buildings	20–40 years
Fixtures and equipment	5–15 years
Machinery and equipment	5–8 years
Tools and molds	2–5 years
Vehicles	3–5 years
IT equipment	3–5 years

Notes to the consolidated financial statements

Repairs and renewals are charged to the income statement when the expense is incurred. Subsequent expenditure on an item of property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

2.9 Leases

The Group recognizes a right-of-use asset and a corresponding lease liability with respect to contracts considered as a lease in which the Group acts as lessee, except for leases with a term of 12 months or less ("short-term leases") and leases for which the underlying asset is of a low value ("low-value asset").

At the commencement date of a lease, a lessee recognizes a liability measured at the present value of future lease payments using the interest rate stated in the contract or in the absence of such a rate an incremental borrowing rate (i.e., the lease liability) and a corresponding asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Extension options are initially only considered if the Group is reasonably certain that such options are exercised. Lease liabilities are subsequently remeasured in case the lease term is changing or if extension options are reassessed. Right-of-use assets are adjusted accordingly if lease liabilities are reassessed.

Lease liabilities are thereafter recorded at amortized cost whereas right-of-use assets are depreciated on a straight-line basis over the lease term.

Real estate leases

The Group leases buildings for use as office and warehouse space. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for a fixed period of 1 to 15 years and may include extension options.

Vehicles leases

The Group maintains some leased vehicles with an average lease term of three years.

2.10 Intangible assets – Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions is reported in the balance sheet under intangible assets and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Research & development

Research costs are expensed as incurred. An intangible asset arising from development is recognized if, and only if, the Group can demonstrate the following:

- the technical feasibility of completing the intangible asset;
- the Group's intention to complete the intangible asset;
- the ability to use or sell the intangible asset and the expectation that the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development; and
- the ability to measure the expenditure attributable to the intangible asset during its development reliably.

Such development costs are capitalized and amortized over the life of the product or process.

Notes to the consolidated financial statements

Other intangible assets

Other intangible assets with definite useful lives are carried at cost less amortization and any impairment.

Expenditure on computer software, acquired patents, trademarks and licences is capitalized and amortized using the straight-line method over their useful lives, not exceeding five years.

2.11 Impairment of tangible fixed assets, intangible assets and right-of-use assets

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash-flows (cash-generating unit).

The value in use is calculated based on the estimated future cash-flows expected to result from the use of the asset and eventual disposal, discounted using an appropriate non-current interest rate.

Goodwill is tested for impairment annually (at 31 March) and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Impairment losses relating to goodwill cannot be reversed in future years.

2.12 Financial assets

Financial assets comprise cash, receivables, certain accrued income, marketable securities and derivative financial instruments. Financial assets are recorded on the trade date.

Initial recognition and measurement

At initial recognition, financial assets are designated into two categories, financial assets at fair value through profit and loss and at amortized cost.

Financial assets are initially recognized at fair value plus, in the case of a financial asset not at fair value through profit and loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification:

- financial assets at fair value through profit and loss (refer to note 2.13);
- loans and receivables are measured at amortized cost using the effective interest rate method, less impairment.

Accounts receivables are carried at the original invoice amount less an allowance made for doubtful accounts based on a review of all outstanding amounts at year-end covering expected lifetime credit losses. Allowances for doubtful accounts are established when there is an objective indication that the Group will not be able to collect the amounts due. Allowances for doubtful accounts are written off when identified as not recoverable in full. For accounts receivable that are not individually adjusted, LEM applies the simplified approach for the recognition of the expected lifetime losses using a provision matrix.

Other receivables are measured at amortized cost less allowances for amounts that are deemed not to be recoverable.

Notes to the consolidated financial statements

2.13 Derivative financial instruments

The Group uses derivative financial instruments to hedge foreign exchange risks of forecasted transactions. Derivative financial instruments comprise forward exchange contracts.

Derivative financial instruments are initially measured at fair value and subsequently at fair value through profit and loss. Any gains and losses arising from changes in fair value on derivatives are recorded directly in the income statement, which means that the Group does not apply hedge accounting.

Derivative financial instruments are shown as part of other current assets and other current liabilities. In case the maturity is after more than one year, derivative financial instruments are recognized under other non-current assets or other non-current liabilities.

2.14 Financial liabilities

Financial liabilities comprise bank loans, payables, certain accrued expenses and derivative financial instruments at the end of the period. Financial liabilities are initially recorded on the trade date.

All financial liabilities are recognized initially at fair value unless, in the case of financial liabilities not at fair value through profit and loss, directly attributable transaction costs.

Financial liabilities that are due within 12 months after the balance sheet date are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability until at least 12 months after the balance sheet date.

Borrowing costs are expenses as incurred except if they are capitalized as part of a qualifying asset.

Subsequent measurement

Subsequently, financial liabilities other than derivatives are measured at amortized cost based on their effective interest rate. Interest expenses and foreign currency revaluations are recognized in the income statement. On derecognition, gains and losses are recognized in the income statement. Financial liabilities are derecognized when the contractual obligations are fulfilled, cancelled or expired.

2.15 Employee benefits

The Swiss and German subsidiaries provide a defined benefit plan for employees; the other subsidiaries provide defined contribution plans according to local laws. In both cases the charges are included in the related periods in the personnel expenses of the various functions where the employees are located.

Defined benefit plan

The defined benefit obligation is determined annually by qualified independent actuaries. The obligation and cost of pension benefits are determined using the projected unit credit method. Service costs are part of personnel expenses and consist of current service cost, past service cost and gains/losses from plan settlements. Past service costs are recognized at the earlier of the date when the plan amendment occurs, or when restructuring costs are recognized. They include plan amendment and curtailment. Gains or losses on settlement of pension benefits are recognized when the settlement occurs. Net interest is recorded in the financial result and is determined by applying the discount rate to the net defined benefit liability/asset that exists at the beginning of the year. Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recorded in other comprehensive income as remeasurements of employee benefits. The return on plan assets (excluding interest based on the discount rate) and any change in the effect of an asset ceiling are also recorded in this line. In accordance with IFRIC 14, any assets resulting from surpluses in defined benefit plans are limited to their economic benefit such as to the value of the maximum future savings from reduced contributions.

Defined contribution plan

The subsidiaries sponsor defined contribution plans including state plans based on local laws and regulations. Defined contribution plan expenses are recorded in the income statement as incurred.

Notes to the consolidated financial statements

LEM Incentive System

The LEM Incentive System consists of a short-term incentive component and a long-term incentive component. The short-term incentive component compensates for the actual annual results and achieved performance and is cash settled. The long-term incentive plan rewards the members of the Executive Management and Senior Managers for the sustainable financial performance of the Group.

The bonus payments are made in the first four months of the following fiscal year. The estimated payments are accrued for at year-end.

As of 2022/23, the Board of Directors of LEM HOLDING SA decided to replace the cash-based long-term incentive plan for LEM's Executive Management by a share-based Performance Share Unit ("PSU") plan.

Share-based payment

The purpose of the share-based Performance Share Unit ("PSU") plan is to offer LEM's senior management (and Executive Management) the possibility to participate in the future long-term business results of LEM Group, provide an increased incentive for participants and foster loyalty as well as align the interests among senior management and Executive Management, LEM Group as well as its shareholders.

The number of shares obtained per PSU can thereby vary between 0% and 200% of the award, subject to continuous employment and depending on the achievement of pre-agreed performance conditions.

The performance conditions include non-market and market conditions such as economic value added ("EVA"), absolute total shareholder return ("absolute TSR"), and total shareholder return measured relative to the SPI EXTRA® Total Return Index ("relative TSR"). The grant-date fair value estimate of market conditions is based on a Monte Carlo simulation. The performance conditions are measured over the period of three consecutive financial years starting with the financial year during which the award date occurs, relevant for measuring the long-term performance.

The Group accounts for the PSU as an equity-settled plan.

The employee services received in exchange for the grant of the PSU are measured at the fair value of the equity instruments granted and are recognized as expenses, with a corresponding increase in retained earnings over the vesting period.

The dilutive impact of the outstanding performance share plan is reflected in the calculation of diluted earnings per share. Further details about this share-based payment LTI plan are provided in the compensation report.

2.16 Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Warranty and customer claims

The Group recognizes the estimated liability to replace products still under the contractual warranty at the balance sheet date. This position is calculated based on past history of the level of repairs and replacements. Additional specific provisions are booked when required.

Litigations

The Group recognizes the estimated country and entity-specific risks relating to litigations with former personnel or indirect taxation.

Notes to the consolidated financial statements

Restructuring

A constructive obligation to restructure arises only when an entity has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented;

and raises a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent liabilities

Contingent liabilities arise from past events where the outcome depends on future events. As the probability either cannot be measured reliably or the probability for a subsequent outflow lies below 50%, contingent liabilities are not recognized in the balance sheet but are described in the notes.

2.17 Share capital

LEM HOLDING SA has only ordinary registered shares. Dividends on ordinary shares are deducted from equity in the period in which they are declared.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognized in retained earnings.

2.18 Revenue recognition

Revenue from the sale of products is recognized at a point in time when LEM satisfies its performance obligation, which is the moment when the customer acquires control over the products. This is generally achieved at delivery of the products. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue from the sale of products comprises all revenue that is derived from sales of products to third parties after deduction of rebates and value-added taxes.

2.19 Income taxes and deferred taxation income taxes

Income taxes comprise all current and deferred income taxes, including the withholding tax payable on profit distributions within the Group. Income taxes are recognized in the consolidated income statement except for income taxes on transactions that are recognized directly in shareholders' equity or in other comprehensive income.

Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred taxes are determined using tax rates that apply, or have been substantially enacted, on the balance sheet date in the countries where the Group is active. Tax losses carried forward and deductible temporary differences are recognized as deferred tax assets to the extent that it is probable that tax profit will be available in the future against which the tax losses carried forward can be utilized. Deferred tax assets and liabilities are offset against each other if the corresponding income taxes arise by the same tax authority and a legally enforceable right for offsetting exists.

Notes to the consolidated financial statements

3. Segment Information

For management purposes, LEM Group is organized into two reportable segments as follows:

- Region of Asia which includes China, Japan, South Korea, India, Southeast Asia;
- Region of Europe/Americas which includes Europe, Middle East, Africa, NAFTA and Latin America.

The Group evaluates the performance of its reportable segments based on net sales and operating profit. Net sales for geographic segments are based on the location of customers. Operating profit for each segment includes net sales to third parties, related cost of sales and operating expenses directly attributable to the segment.

Centralized headquarter support functions as well as certain research and development costs managed outside of the reportable segments are allocated to each segment based on sales.

The Group does not include intercompany transfers between segments for management reporting purposes. The reporting segments are presented in a manner consistent with the internal reporting.

Business segment information

In CHF thousands	Asia		Europe/Americas		LEM Group	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Income statement						
Sales	168,269	201,982	138,655	203,795	306,924	405,777
EBITDA	19,764	38,563	19,512	58,744	39,276	97,307
Depreciation and amortization						
Property, plant and equipment	4,788	3,690	10,406	8,888	15,194	12,578
Intangible assets	46	44	1,380	247	1,425	291
Right-of-use assets	1,245	1,014	2,545	2,367	3,790	3,381
Total	6,078	4,748	14,331	11,502	20,409	16,250
Operating profit	13,686	33,816	5,181	47,242	18,867	81,058
Interest expenses					(4,745)	(3,181)
Interest revenue					215	422
Foreign currency exchange effect					(3,861)	(3,326)
Taxes					(2,085)	(9,645)
Net profit for the year					8,391	65,327
Capital expenditures						
Property, plant and equipment	7,231	11,763	7,669	14,962	14,899	26,725
Intangible assets	22	18	2,236	2,408	2,258	2,426
Total capital expenditures	7,252	11,781	9,905	17,370	17,157	29,151
Goodwill	2,742	2,759			2,742	2,759

Assets by reportable segments include trade receivables, inventories, property, plant and equipment, right-of-use assets. Liabilities by reportable segments include trade payables, accrued expenses and lease liabilities.

Notes to the consolidated financial statements

4. Revenue information

Regional information

In CHF thousands	2024/25	2023/24
Sales		
China	117,458	119,656
Rest of Asia	50,811	82,326
Total region Asia	168,269	201,982
EMEA	104,197	156,514
Americas	34,457	47,281
Total region Europe/Americas	138,655	203,795
LEM Group	306,924	405,777

Geographical information

In CHF thousands	China		USA		Germany		Japan	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Sales	117,458	119,656	34,457	42,941	30,084	52,333	15,604	27,008
Non-current assets ¹	14,647	15,026	214	154	275	154	3,003	3,133
Right-of-use assets	6,360	604	214	303	437	211	502	91

In CHF thousands	South Korea		Italy		Other countries		LEM Group	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Sales	14,048	29,789	10,075	14,595	85,198	119,456	306,924	405,777
Non-current assets ¹					77,024	75,644	95,163	94,111
Right-of-use assets			6	21	23,408	24,666	30,928	25,897

¹ Other than financial instruments, deferred tax assets and post-employment benefit assets.

Sales are reported as per place of transaction destination.

Notes to the consolidated financial statements

5. Accounts receivable

	31.3.2025	31.3.2025
In CHF thousands		
Accounts receivable – trade	67,679	74,412
Allowance for doubtful accounts/expected credit losses	(1,761)	(1,678)
Total accounts receivable – trade	65,918	72,734
Other receivables	2,106	3,391
Total	68,023	76,125

Movements of allowance for doubtful accounts/expected credit losses

	Total
In CHF thousands	
Balance as per 1 April 2023	1,379
Addition	385
Utilized during the year	(45)
Foreign exchange effect	(41)
Balance as per 31 March 2024	1,678
Balance as per 1 April 2024	1,678
Addition	315
Utilized during the year	(199)
Foreign exchange effect	(33)
Balance as per 31 March 2025	1,761

Notes to the consolidated financial statements

Aging analysis of accounts receivable

	Not due	< 30 days	31–90 days	91–180 days	> 180 days	Total
In CHF thousands						
31 March 2024						
Accounts receivable – trade	53,266	12,499	5,483	1,266	1,898	74,412
Allowances for doubtful accounts/ expected credit losses		(75)	(148)	(252)	(1,203)	(1,678)
Other receivables	3,391					3,391
Total	56,657	12,424	5,335	1,013	696	76,125
31 March 2025						
Accounts receivable – trade	55,229	7,777	2,462	582	1,629	67,679
Allowances for doubtful accounts/ expected credit losses		(64)	(100)	(77)	(1,520)	(1,761)
Other receivables	2,106					2,106
Total	57,335	7,712	2,363	505	109	68,023

6. Inventories

	31.3.2025	31.3.2024
In CHF thousands		
Raw material	30,592	28,558
Work in progress	124	1,515
Finished goods and goods for resale	26,923	26,288
Total	57,639	56,361

The inventories include allowances of CHF 9,169 thousand (at 31 March 2024: CHF 7,363 thousand).

7. Other current assets

	31.3.2025	31.3.2024
In CHF thousands		
Advances to suppliers	4,482	2,310
Prepayments and accrued income	2,186	2,789
Derivative financial instruments	29	
Other current assets	3	1
Total	6,700	5,099

Notes to the consolidated financial statements

8. Property, plant and equipment

In CHF thousands	Land and buildings	Machinery and equipment	Total
Net book value 1 April 2023	1,703	71,878	73,580
Acquisitions	7,821	18,231	26,052
Disposals		(235)	(235)
Impairment reversal (charge)		751	751
Transfer to right of use	(1,302)		(1,302)
Other movements	4,232	(4,291)	(59)
Depreciation charge	(319)	(11,780)	(12,099)
Foreign exchange effect	(118)	(1,485)	(1,603)
Net book value 31 March 2024	12,016	73,069	85,085
At cost of acquisition	12,424	170,866	183,289
Accumulated depreciation ¹	(408)	(97,796)	(98,205)
Net book value 31 March 2024	12,016	73,069	85,085
Net book value 1 April 2024	12,016	73,069	85,085
Acquisitions	106	14,794	14,899
Disposals		(629)	(629)
Other movements	7,811	(7,806)	5
Depreciation charge	(856)	(12,950)	(13,806)
Foreign exchange effect	476	(550)	(74)
Net book value 31 March 2025	19,553	65,927	85,480
At cost of acquisition	25,393	170,017	195,410
Accumulated depreciation ¹	(5,840)	(104,090)	(109,930)
Net book value 31 March 2025	19,553	65,927	85,480

¹ The accumulated depreciation includes the portion of depreciation accounted for in other movements, foreign exchange effects, and disposals.

Notes to the consolidated financial statements

9. Leases

9.1 Right-of-use assets

	Real estate	Vehicles	Total
In CHF thousands			
Net book value 1 April 2023	25,015	251	25,266
Addition	2,593	334	2,927
Remeasurement	1,224		1,224
Depreciation	(3,190)	(170)	(3,360)
Foreign exchange effect	(142)	(18)	(160)
Net book value 31 March 2024	25,500	397	25,897
At cost of acquisition	36,045	1,125	37,169
Accumulated depreciation ¹	(10,545)	(728)	(11,272)
Net book value 31 March 2024	25,500	397	25,897
Net book value 1 April 2024	25,500	397	25,897
Addition	7,463	393	7,855
Remeasurement	1,045		1,045
Depreciation	(3,543)	(251)	(3,794)
Foreign exchange effect	(68)	(6)	(74)
Net book value 31 March 2025	30,395	532	30,928
At cost of acquisition	41,365	711	42,076
Accumulated depreciation ¹	(10,970)	(178)	(11,148)
Net book value 31 March 2025	30,395	532	30,928

1 The accumulated depreciation includes the portion of depreciation accounted for other movements than depreciation itself.

Notes to the consolidated financial statements

9.2 Lease liabilities

The Group presents the lease liabilities in the table below:

	Current lease liabilities	Non-current lease liabilities	Total
In CHF thousands			
Balance as per 1 April 2023	3,103	26,930	30,034
Payment of lease liabilities including interest	(4,373)		(4,373)
Lease incentive			
<i>Non-cash items</i>			
Addition	152	2,117	2,269
Interest	1,073		1,073
Remeasurements			
Transfer from non-current to current	2,931	(2,931)	
Foreign exchange effect	(91)	(81)	(171)
Balance as per 31 March 2024	2,796	26,035	28,831
Balance as per 1 April 2024	2,796	26,035	28,831
Payment of lease liabilities including interest	(5,175)		(5,175)
Lease incentive			
<i>Non-cash items</i>			
Addition	1,064	8,334	9,398
Interest	1,190		1,190
Remeasurements			
Transfer from non-current to current	3,833	(3,833)	
Foreign exchange effect	(29)	(131)	(161)
Balance as per 31 March 2025	3,679	30,405	34,085

The weighted average incremental borrowing rate is 3.49% (31 March 2024: 3.72%).

The following table presents the contract undiscounted cash flows for lease obligations:

Undiscounted cash flows

	31.3.2025	31.3.2024
In CHF thousands		
Within 1 year	4,575	3,781
Within 1 year to 5 years	15,686	12,674
Above 5 years	18,702	17,931

9.3 Other lease disclosures

The following expenses related to the Group's leasing activities are recognized in the income statement:

Expenses related to the Group's leasing activities

	2024/25	2023/24
In CHF thousands		
Expenses relating to short-term leases/low value assets	(1,531)	(977)
Depreciation of right-of-use assets	(3,794)	(3,360)
Interest expenses on lease liabilities	(1,190)	(1,073)
Total	(6,515)	(5,410)

Notes to the consolidated financial statements

10. Intangible assets

	Goodwill	Patents	Intangible from cloud computing arrangement	Other intangible assets	Total
In CHF thousands					
Net book value 1 April 2023	2,907	181	2,191	708	5,987
Investment		4	3,209	11	3,223
Other movements				49	49
Amortization				(291)	(291)
Foreign exchange effect	(149)	(1)		207	58
Net book value 31 March 2024	2,759	183	5,400	685	9,026
At cost of acquisition	2,759	518	5,400	9,533	18,210
Accumulated amortization	(0)	(335)		(8,849)	(9,184)
Net book value 31 March 2024	2,759	183	5,400	685	9,026
Net book value 1 April 2024	2,759	183	5,400	685	9,026
Investment		2	2,040	216	2,258
Other movements				(7)	(149)
Amortization		(142)	(1,080)	(345)	(1,425)
Foreign exchange effect	(17)	(1)		(9)	(27)
Net book value 31 March 2025	(17)	42	6,360	539	9,684
At cost of acquisition	2,742	408	7,440	9,679	20,269
Accumulated amortization		(365)	(1,080)	(9,140)	(10,585)
Net book value 31 March 2025	2,742	42	6,360	539	9,684

The entire goodwill of LEM Group results from the acquisition of NANA in 2000/01 and is allocated to the cash-generating unit LEM Japan KK. The goodwill relates to the Asia business segment. The recoverable amount has been determined based on value-in-use calculations. These calculations use cash flow projections of five years based on financial business plans and budgets approved by management. The projections include assumptions concerning revenue growth and expected operating costs over the next five years plus a continuous period. Average revenue growth is projected at 14.0% and operating costs were estimated based on the experience of management. The pretax discount rate used within these cash flow calculations is 14.1% (2023/24 13.8%) and is based on the weighted average cost of capital of a peer group. The carrying value of the cash-generating unit including goodwill was compared to the value in use and no impairment was found to be present for the year ended 31 March 2025.

As reported in the cloud computing arrangement, the Group continues to invest into the transformation program, initiated two years ago, to support LEM's future growth. This transformation program contains cloud computing arrangements on which an assessment has been made to ensure it complies with IAS 38 Intangible assets.

Notes to the consolidated financial statements

11. Other non-current assets

	31.3.2025	31.3.2024
In CHF thousands		
Loan to personnel	45	100
Recognized surplus – pension plan	2,976	2,339
Deposits and guarantees	627	590
Total	3,648	3,029

12. Accounts payable

	31.3.2025	31.3.2024
In CHF thousands		
Total accounts payable – trade	29,244	24,912
Other payables	3,763	3,440
Total	33,007	28,352

13. Provisions

	Warranty and customer claims	Restructuring	Litigations and indirect taxes	Other	Total
In CHF thousands					
Balance as per 1 April 2023	741	383	175	322	1,621
Additional provisions	373			1	374
Unused amounts reversed	(243)		(175)		(417)
Utilized during the year	(61)	(239)		(44)	(344)
Foreign exchange effect	(12)	(63)			(75)
Balance as per 31 March 2024	798	81	0	279	1,159
<i>Of which current</i>					856
<i>Of which non-current</i>					303
Balance as per 1 April 2024	798	81	0	279	1,159
Additional provisions	1,028	6,892		(19)	7,901
Unused amounts reversed	(382)				(382)
Utilized during the year	(192)			(21)	(212)
Foreign exchange effect	(11)	10		(0)	(1)
Balance as per 31 March 2025	1,241	6,982	0	239	8,463
<i>Of which current</i>					7,521
<i>Of which non-current</i>					943

Notes to the consolidated financial statements

Warranty and customer claims

Provisions for warranty and customer claims have been estimated based on past experience and the risk assessment of management. The warranty provision is expected to be used over the next five years.

Restructuring provisions

LEM launched the “Fit for Growth” program in November 2024, to become a significantly more agile company by streamlining its organizational structure and optimizing operating expenses to support the fast-increasing business focus on the Asia region. For this effect, a provision has been booked for CHF 6,9 million, and relates principally to personnel costs. The restructuring plan was drawn up and announced to the employees when the provision was recognised in its financial statements. The restructuring is expected to be completed by March 31st, 2026.

Litigations and indirect taxes

Despite the care that LEM applies in the separation process with personnel, such separation may result in legal conflicts. The Group reviews all legal claims and takes appropriate actions to support its position and management estimates the reasonable risk to be provided for. The Company operates in multiple jurisdictions with complex legal and tax regulatory environments. Indirect tax provisions include disputes and uncertainties on non-income taxes (mainly VAT and sales taxes). They cover numerous separate cases whose detailed disclosure could be detrimental to the Group's interests. The Group does not believe that any of these cases will have a material adverse impact on its financial position.

14. Other liabilities

	31.3.2025	31.3.2024
In CHF thousands		
Post-employment benefit plans	423	459
Derivative financial instruments	336	890
Other liabilities	1,588	1,605
Total	2,347	2,953
<i>Of which current</i>	<i>1,801</i>	<i>2,392</i>
<i>Of which non-current</i>	<i>546</i>	<i>561</i>

Notes to the consolidated financial statements

15. Equity

Share capital

The nominal share capital of CHF 570,000 comprises 1,140,000 registered shares, each with a nominal value of CHF 0.50. There is neither authorized nor conditional share capital outstanding.

Investments in shares of LEM HOLDING SA held by the Group are classified as treasury shares and are accounted for at historical cost. Treasury shares are not entitled to dividends.

Movement of treasury shares

	Number	High	Price per share in CHF Average	Low	Value in CHF thousands
In number of shares, in CHF					
Value 1 April 2023	555				1,069
Purchases at cost	4,469	2,263.75	1,939.04	1,575.00	8,666
Sales at cost	(3,945)	2,280.00	1,952.28	1,576.00	(7,702)
Granted to employees at cost	(21)	2,099.65	2,099.65	2,099.65	(44)
Value 31 March 2024	1,058				1,988
Purchases at cost	6,487	1,720.00	1,095.39	720.00	7,200
Sales at cost	(6,085)	1,750.71	1,202.30	730.00	(7,316)
Value 31 March 2025	1,460				1,871

In CHF

Ordinary dividend per share 2023/24	50.00
Ordinary dividend per share 2024/25	0.00

In view of the profitability and the uncertainty surrounding the economic environment, the Board of Directors proposes not to pay a dividend to the Annual General Meeting of Shareholders of the Group on 26 June 2025 (CHF 50 per share in 2023/24).

16. Staff costs

In CHF thousands	Notes	2024/25	2023/24
Production		(24,239)	(28,467)
Sales		(18,116)	(18,609)
Administration		(16,780)	(18,546)
Research & development		(26,918)	(27,092)
Restructuring*		(6,230)	-
Total		(92,282)	(92,714)
Salaries and wages		(89,936)	(86,890)
Temporary employee costs		(2,231)	(4,104)
Cost of defined benefit plans	24.1	29	(1,549)
Cost of defined contribution plans		(144)	(171)
Total		(92,282)	(92,714)
Number of employees at the end of the financial year		31.3.2025	31.3.2024
Permanent employees		1,520	1,574
Temporary employees		172	217
Apprentices		6	18
Total		1,698	1,808

* The restructuring expenses comprise CHF 6.2 million in payroll-related expenses, with the remainder allocated to various other costs

Notes to the consolidated financial statements

17. Share-based payments

The grant-date fair value is calculated based on the closing share price as reported by SIX Swiss Exchange at the date of the grant. As the EVA condition is a non-market condition, the future EVA performance realization is not reflected in the grant-date fair value. Since plan participants are not entitled to dividends during the vesting period, the value of the EVA-driven part of a PSU is reduced by the present value of the expected dividend stream during the period from the grant date to the vesting date.

The three-year TSR is calculated as the relation between the average daily closing share prices/index performance during the month of March of the year of grant and the average daily closing share prices/index performance during the month of March of the year of vesting, assuming dividend payments over the performance period are reinvested in shares at the time of the distribution and expressed in percentage based on the compound annual growth rate (CAGR) over the performance period. Relative TSR is calculated as a simple difference between the three-year LEM's TSR CAGR and the three-year TSR CAGR of the SPI EXTRA® Index.

As of 31 March 2025, the Group has the following plans ongoing:

Plan name	Grant date	Vesting date	Number of beneficiaries	Number of PSU allocated	Revision of share number related to service and performance conditions	Number of shares definitely allocated as of March 2025	Number of shares expected to be delivered at vesting date
Plan Cycle 2022/23 to 2024/25	20.7.2022	20.7.2025	32	995	(301)	(21)	673
Plan Cycle 2023/24 to 2025/26	19.7.2023	19.7.2026	33	879	(197)	0	682
Plan Cycle 2024/25 to 2026/27	17.7.2024	17.7.2027	33	1292	(27)	0	1265

	Fair value at grant date (in CHF)	Absolute TSR fair value at grant date (in CHF)	Relative TSR fair value at grant date (in CHF)	EVA fair value at grant date (in CHF)
Plan Cycle 2022/23 to 2024/25	1,518.18	1,187.22	1,627.70	1,592.00
Plan Cycle 2023/24 to 2025/26	2,043.31	2,137.22	2,393.35	1,895.32
Plan Cycle 2024/25 to 2026/27	1,193.78	997.18	1,159.10	1,270.88

The expense recognized for employee services received during the year is shown in the following table:

In CHF thousands	31.3.2025	31.3.2024
Expense arising from equity-settled share-based payment transactions	(150)	781
Plan Cycle 2022/23 to 2024/25	(340)	358
Plan Cycle 2023/24 to 2025/26	25	423
Plan Cycle 2024/25 to 2026/27	165	

The following tables list the inputs to the models used for the calculation of the fair value of the plans:

In %	Plan Cycle 2024/25 to 2026/27		Plan Cycle 2023/24 to 2025/26		Plan Cycle 2022/23 to 2024/25	
	LEM	SPI Index	LEM	SPI Index	LEM	SPI Index
Risk-free interest	0.91%	0.91%	1.09%	1.09%	1.09%	1.09%
Dividend yield	3.48%	-	2.85%	-	3.07%	
Expected volatility	35.06%	15.49%	35.27%	16.09%	36.66%	18.42%

Notes to the consolidated financial statements

18. Financial expenses

	2024/25	2023/24
In CHF thousands		
Interest expenses	(4,645)	(2,923)
Other financial expenses	(100)	(258)
Total	(4,745)	(3,181)

19. Financial income

	2024/25	2023/24
In CHF thousands		
Interest income on cash	215	422
Total	215	422

20. Exchange effect

	2024/25	2023/24
In CHF thousands		
Exchange gains/losses	(2,378)	(2,543)
Fair value revaluation on derivatives	582	(932)
Gains and losses on derivatives ¹	(2,064)	148
Total	(3,861)	(3,326)

¹ Position includes cost of derivative hedging.

In 2024/25, the exchange effect is mainly driven by the foreign exchange loss linked to EUR devaluation.

21. Income taxes, deferred tax assets and liabilities

The Group operates in multiple jurisdictions with complex legal and tax regulatory environments. In certain of these jurisdictions, the Group has taken income tax positions that management believes are supportable and are intended to withstand challenges by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws applied to complex transactions. The Company periodically reassesses its tax positions. Considering all available information and the history of resolving income tax uncertainties, the Group believes that the ultimate resolution of such matters will not have a material effect on its financial statements.

Differences between the final tax outcome and the amounts that were initially recorded impact the income and deferred taxes in the period in which such determinations are made. The Group calculates its expected average tax rate as a weighted average of the tax rates in the tax jurisdictions in which the Group operates.

LEM may repatriate all available dividends from its subsidiaries from time to time. Unrecoverable withholding taxes are considered part of the expected tax rate. Deferred income tax liabilities have been established for unrecoverable withholding taxes that would be payable on the unremitted earnings of foreign subsidiaries.

The tax expense relating to components of other comprehensive income amounts to CHF 294,000 for the year 2024/25 (tax expense of CHF 173,000 in 2023/24).

Notes to the consolidated financial statements

Income tax

	2024/25	2023/24
In CHF thousands		
Current income taxes	(4,736)	(12,347)
Deferred taxes relating to the origination and reversal of temporary differences	2,274	893
Deferred tax income/(expense) resulting from changes in tax rates	79	1,693
Adjustment recognized in the period for current tax of prior year	298	116
Total	(2,085)	(9,645)

The Group's effective tax rate differs from the Group's average expected tax rate as follows:

	2024/25	2023/24
In %		
Group's average expected income tax rate	22.5	16.3
Group's average expected withholding tax rate	4.6	(0.1)
Group's average expected tax rate	27.1	16.2

Tax effect of

Permanent differences	(3.6)	(0.5)
Changes in tax rates on deferred taxes	0.8	(2.3)
Adjustment in respect of previous periods' income tax	(2.8)	(0.2)
Other differences	(1.5)	(0.4)
Group's effective tax rate	19.9	12.9

Deferred tax includes effect from origination and reversal of temporary difference.

Our tax rate is reduced by incentive tax credits and the benefit of preferential tax regimes legislated by the countries to promote economic development and investment. The tax rate is otherwise increased by business expenses that are not deductible for tax, including withholding taxes on dividend and other cross-border payments, which cannot be offset against other tax due.

LEM is not in the scope of the global minimum tax rules (Pillar Two) published by OECD.

Deferred tax assets and liabilities

Deferred taxes have been calculated on the following balance sheet positions:

	31.3.2025		31.3.2024	
	Asset	Liability	Asset	Liability
In CHF thousands				
Assets	52,941	(6,924)	50,149	(6,021)
Accounts receivable	145	(47)	168	(124)
Inventories	1,607	(399)	1,235	(410)
Property, plant and equipment	3,004	(4,562)	2,064	(4,751)
Intangible assets	40,837	(25)	46,585	(25)
Tax losses carried forward	7,093			
Other assets	255	(1,892)	96	(711)

Notes to the consolidated financial statements

Liabilities	5,631	(2,097)	4,950	(1,889)
Provisions	75		66	
Others	5,556	(123)	4,884	
Withholding tax on dividends		(1,974)		(1,889)
Gross deferred taxes	58,572	(9,021)	55,099	(7,910)
Offsetting	(6,495)	6,495	(5,563)	5,563
Net deferred taxes	52,077	(2,526)	49,536	(2,347)

LEM recognized during this fiscal year tax losses carried forward for an amount of 7 million that can be carried forward for a limited period (seven years).

The balance sheet contains the following:

	31.3.2025	31.3.2024
Deferred tax assets	52,077	49,536
Deferred tax liabilities	(2,526)	(2,347)
Net assets	49,551	47,189

In 2024/25, the deferred tax assets of CHF 52.1 million are mainly linked to the deferred tax asset of the technical intellectual property intercompany sale, the latest occurring in 2023/24, and usufruct sale in 2020/21.

22. Earnings per share

Net earnings per share is calculated by dividing the net profit for the financial period by the average number of shares in issue over the period net of treasury shares held.

Only treasury shares held by LEM Group and allocated at the closing to share performance plan guarantee a dilutive effect on the calculation of diluted earnings per share.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2024/25	2023/24
Basic earnings per share		
Net profit for the year attributable to LEM shareholders – in CHF thousands	8,391	65,327
Ordinary number of shares at the beginning of the year	1,140,000	1,140,000
Weighted average number of ordinary shares	1,140,000	1,140,000
Weighted average number of treasury shares	587	874
Weighted average number of shares outstanding	1,139,412	1,139,125
Earnings per share – basic in CHF	7.36	57.35
Diluted earnings per share		
Net profit for the year attributable to LEM shareholders – in CHF thousands	8,391	65,327
Weighted average number of shares outstanding	1,139,412	1,139,125
Share-based payment plans	2,620	1,673
Adjusted weighted average number of shares outstanding	1,142,032	1,140,798
Earnings per share – diluted in CHF	7.35	57.26

Notes to the consolidated financial statements

23. Related parties

Related parties are the Board of Directors and the Executive Managers as defined in the Corporate Governance guidelines. The compensation to the Board of Directors is paid as a fixed fee in cash. The compensation for the Executive Management includes base salary, a performance-related bonus (LEM Incentive System), bonus and post-employment benefits. In 2024/25 and 2023/24, no termination benefits have been paid. The base salary is the employee's compensation before deduction of the employee's social security contributions. Bonus payments are made in cash.

Compensation of the Board of Directors

	2024/25	2023/24
In CHF thousands		
Annual fees	(970)	(1,020)
Total	(970)	(1,020)

Compensation of the Executive Management

	2024/25	2023/24
In CHF thousands		
Base salary	(2,612)	(2,687)
Bonus	(297)	(1,482)
Other benefits	(178)	(150)
Company's contribution to pension fund	(458)	(265)
Total	(3,545)	(4,584)

Share-based payments of the Executive Management

Plan name	Grant date	Vesting date	Number of beneficiaries	Number of shares allocated	Revision of share number related to service and performance conditions	Number of shares definitely allocated in March 2024	Number of shares expected to be delivered at vesting date
Plan Cycle 2022/23 to 2024/25	20.7.2022	20.7.2025	4	604	(156)	(21)	427
Plan Cycle 2023/24 to 2025/26	19.7.2023	19.7.2026	6	578	(93)	0	485
Plan Cycle 2024/25 to 2026/27	17.7.2024	17.7.2027	6	781	0	0	781

In 2024/25 and 2023/24, no member of the Board of Directors has any significant business connection with LEM Group.

For details on the compensation of the Board of Directors and of the Executive Management, please refer to the compensation report. Also, see Significant Accounting Principles 2.15 Employee benefits.

Notes to the consolidated financial statements

24. Retirement benefit obligations

The Group operates a defined benefit plan for all its employees in Switzerland with a collective foundation.

This foundation is a separate legal entity which is not part of the Group. It is managed by a board of trustees having equal representation of employees and employers of the affiliated companies. It is supervised by the supervisory authority and complies with the requirements of Swiss pension law. The Company pays contributions that are based on a percentage of the insured salary under the Swiss law. The pension plan qualifies as a defined benefit plan under IAS 19 due to the various benefits guaranteed according to the law.

The plan is funded by contributions from both employer and employees. The plan participants are insured against the financial consequences of old age, disability and death. The retirement benefit is based on a notional individual savings account converted at retirement into a fixed pension benefit.

The assets of the foundation are invested in a diversified portfolio. Death in service and disability benefits are insured with an insurance company. The pension plan does not expose the affiliated companies to any additional unusual risks not foreseen by the law.

A redundancy exercise announced in February 2025 led to curtailment accounting. The impact, a past service credit of CHF 2.1 m, has been measured as at 31 March 2025 and recognized in the FY24/25 defined benefit cost. Savings capital of future leavers are included in the DBO (and also included in the Plan Assets).

As at 31 March 2025, the pension plan is in surplus. Based on the expected amount of contributions to be paid over the next year versus the next year employer service cost, an economic benefit in the form of a reduction in future contributions can be realized. Therefore, the full amount of the surplus is recognized as per IFRIC 14 requirements for an amount of CHF 2,976 thousand.

Applying the rules of IAS 19, this adjustment was accounted for in other comprehensive income and did not impact the net profit for the year.

The following main assumptions have been updated:

- discount rate from 1.4% to 1.2%;
- interests credited on savings account remain stable at 1.5%;
- salary increase rate remains stable at 1%.

In CHF thousands	31.3.2025	31.3.2024
Fair value of plan assets at year-end	49,089	54,272
Defined benefit obligations at year-end	46,113	51,933
Surplus	2,976	2,339
Effect of asset ceiling	0	0
Funded status (Net assets in the balance sheet)	2,976	2,339

The subsidiaries abroad sponsor either defined contribution plans or defined benefit plans based on local laws and regulations. A former employee in Germany benefits from a defined benefit obligation amounting to CHF 210 thousand at 31.3.2025 (CHF 244 thousand at 31.3.2024). Other subsidiaries, defined benefit obligations in Japan, Bulgaria and Italy amount to CHF 212 thousand at 31.3.2025 (CHF 221 thousand at 31.3.2024).

Notes to the consolidated financial statements

24.1 Cost of defined benefit plans

	2024/25	2023/24
In CHF thousands		
Current service cost	2,094	1,587
Past service cost	(2,120)	0
Net interest (income)/cost and administration costs	(2)	(38)
Total pension expenses recorded in the consolidated income statement	(29)	1,549

Costs related to the pension plan were charged to the different functional departments based on salary costs. In 2024/25, past service costs resulted from curtailment accounting.

24.2 Remeasurements of employee benefits

	2024/25	2023/24
In CHF thousands		
Experience adjustments on defined benefit obligation	664	4,696
Change in the effect of asset ceiling	0	(4,425)
Return on plan assets excluding interests	520	(2,358)
Total remeasurements recorded in other comprehensive income	1,183	(2,087)

24.3 Reconciliation of the effect of asset ceiling

	2024/25	2023/24
In CHF thousands		
Effect of asset ceiling per beginning of year	0	(4,334)
Change in the effect of asset ceiling		4,425
Net interest (income)/cost		(91)
Effect of asset ceiling per end of year	0	0

24.4 Change in fair value of plan assets

	31.3.2025	31.3.2024
In CHF thousands		
Fair value of plan assets as per beginning of year	54,272	48,768
Return on plan assets excluding interest income	(520)	2,358
Interest income on plan assets	716	1,042
Employer's contributions	1,798	1,810
Employees' contributions	1,714	1,727
Benefits paid	(8,892)	(1,433)
Fair value of plan assets as per end of year	49,089	54,272

Notes to the consolidated financial statements

24.5 Change in present value of defined benefit obligation

	31.3.2025	31.3.2024
In CHF thousands		
Defined benefit obligation per beginning of year	51,933	44,435
Current service cost	2,094	1,587
Past service cost	(2,120)	0
Employees' contributions	1,714	1,727
Interest cost	714	913
Actual (gains)/losses	670	4,704
<i>due to changes in assumptions</i>	1,486	4,735
<i>due to demographic and experience changes</i>	(816)	(30)
Benefits paid	(8,892)	(1,433)
Defined benefit obligation per end of year	46,113	51,933

The weighted average duration of the Defined Benefit Obligation (DBO) at the end of the current fiscal year is 15 years. In 2024/25, past service costs resulted from curtailment accounting.

24.6 Asset allocation of investments

Major categories of plan assets as a percentage of the fair value of total plan assets

	Long-term target	2024/25	2023/24
In %			
Equity securities	35.0%	36.3%	35.7%
Debt securities	39.0%	37.7%	36.2%
Real estate	24.0%	24.9%	25.3%
Cash and other investments	2.0%	1.1%	2.8%
	100.0%	100.0%	100.0%

Strategic pension plan allocations are determined by the objective to achieve a return on investment which, together with the contribution paid, is sufficient to maintain reasonable control over the various funding risks of the plans. Estimated returns on assets are determined based on the asset allocation and are reviewed periodically. A temporary deviation from policy targets is allowed.

Cash as well as most equity and debt securities have a quoted market price in an active market (Level 1 of fair value hierarchy). Other assets including real estate and other investments do not have a quoted market price (Level 3 of fair value hierarchy).

24.7 Actuarial assumptions

The main actuarial assumptions used in the actuarial calculations include:

	2024/25	2023/24
In %		
Discount rate	1.20%	1.40%
Salary increases	1.00%	1.00%
Interest credit rates	1.50%	1.50%

The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. Actuarial assumptions are required for this purpose.

Notes to the consolidated financial statements

Sensitivities of significant actuarial assumptions

The sensitivity analysis is based on reasonable possible changes as of the end of the year 2024/25. Each change in a significant assumption was analyzed separately as part of the test.

The sensitivity of the DBO to changes in the main actuarial assumptions is as follows:

	2024/25	2023/24
DBO increase / DBO (decrease) – In CHF thousands		
Discount rate		
Increase by 0.25%	(1,284)	(1,787)
Decrease by 0.25%	1,371	1,905
Salary increase rate		
Increase by 0.25%	358	522
Decrease by 0.25%	(350)	(527)

24.8 Maturity structure of pension obligation

The following main cash outflows are expected in future periods:

	2024/25
In CHF thousands	
in 1 year	14,569
in 2 years	1,412
in 3 years	1,541
in 4 years	1,504
in 5 years	1,767
in 6 to 10 years	10,661

24.9 Contingent liabilities

The Group is from time to time impacted by changing political, legislative, fiscal and regulatory environments, including those relating to environmental protection. The frequency and effects on future operations and earnings are unpredictable and are only partly covered by insurance policies. For the years 2023/24 and 2024/25, there is no material contingent liability from a consolidated point of view.

Notes to the consolidated financial statements

25. Financial risk management objectives and policies

The Group classifies its financial assets and liabilities in the following categories as per IFRS 7:

Financial assets

	31.3.2025 Book value	31.3.2024 Book value	Amortized cost	At fair value through profit and loss
In CHF thousands				
Cash and cash equivalents	18,703	23,710	X	
Accounts receivable	68,023	76,125	X	
Derivative financial instruments – current				X
Other current financial assets	1	1	X	
Other non-current financial assets	3,648	3,029	X	
Total	90,374	102,864		

Financial liabilities

	31.3.2025 Book value	31.3.2024 Book value	Amortized costs	At fair value through profit and loss
In CHF thousands				
Accounts payable	33,007	28,352	X	
Accrued expenses	27,593	31,952	X	
Derivative financial instruments – current	336	890		X
Other current financial liabilities	41,171	57,275	X	
Other non-current financial liabilities	67,660	9,550	X	
Total	169,768	128,019		

Book values approximate fair values except for derivative financial instruments which are disclosed at fair value. Fair value of the lease is amounting to CHF 38,963 thousand in 2024/25 (CHF 34,386 thousand in 2023/24).

Notes to the consolidated financial statements

Changes in liabilities arising from financing activities

	1.4.2023	Cash impact		Non-cash impact	31.3.2024
		Cash flows Inflow	Cash flows (Outflow)	Others	
In CHF thousands					
Interest-bearing loans and borrowings	43,589	128,418	(104,750)	(432)	66,825
Total	43,589	128,418	(104,750)	(432)	66,825

	1.4.2024	Cash impact		Non-cash impact	31.3.2025
		Cash flows Inflow	Cash flows (Outflow)	Others	
In CHF thousands					
Interest-bearing loans and borrowings	66,825	61,500	(19,375)	(119)	108,831
Total	66,825	61,500	(19,375)	(119)	108,831

Management assessed that fair value levels of all financial assets and liabilities approximate their book value. The Group enters into derivative transactions such as forward contracts to hedge USD and EUR risks.

The purpose of these currency hedges is to manage the currency risks arising from the Group's operations.

It is the Group's policy that no derivatives for speculative purposes shall be entered into. The main risks arising from the Group's financial instruments are foreign currency risks and credit risks whereas the others are of minor or no impact. The Board of Directors reviews and agrees policies for managing each of those risks.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation method: Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: methods which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group's net financial liabilities at fair value amount to CHF 336,000 per 31 March 2025 (net financial liabilities of CHF 890 thousand per 31 March 2024), all classified under Level 2.

During the last two reporting periods, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Notes to the consolidated financial statements

Foreign currency risk

The Group operates globally and is exposed to various foreign exchange risks primarily to the USD, EUR, JPY, CNY and GBP. The Group generally seeks to reduce these risks by optimizing its natural hedging strategy (cash inflows and outflows in a specific currency should be balanced as far as possible).

The Group's policy states that 100% of LEM's net exposure for the main currencies EUR, USD and JPY is to be hedged on a rolling 12-month basis.

Currency risks also arise from translation differences that are not hedged by the Group when preparing the consolidated financial statements in CHF. The foreign exchange translation is excluded from the calculation of the sensitivity analysis for currency risk below.

Sensitivity analysis for currency risk

The sensitivity analysis is performed per 31 March 2025 with a 5% change in the USD, EUR, JPY, CNY and GBP, with all other variables held constant of the Group's profit before tax (due to the changes in the fair value of the monetary assets and liabilities) and the Group's equity.

The sensitivity analysis performed for the financial year shows an impact of CHF $\pm 1,479$ thousand for a $\pm 5\%$ EUR rate change (CHF ± 1179 thousand per 31 March 2024), of CHF ± 769 thousand for a $\pm 5\%$ USD rate change (CHF ± 720 thousand per 31 March 2024), of CHF $\pm 2,807$ thousand for a $\pm 5\%$ CNY rate change (CHF $\pm 1,181$ thousand per 31 March 2024) and of CHF ± 189 thousand for a $\pm 5\%$ JPY rate change (CHF ± 140 thousand per 31 March 2024). For other currencies, there is no significant impact. There is no significant impact on the Group's equity.

Credit risk

Credit risk is the risk that a financial loss occurs if a counterparty is unable or unwilling to fulfill its contractual payment obligation. The Group trades with recognized and creditworthy parties. Accounts receivables are monitored on a monthly basis. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In case of a deterioration of the credit history, advance payments are required.

The Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in note 5. There are no significant concentrations of credit risk within the Group.

With respect to credit risk arising from the other financial assets in the Group which comprises cash and cash equivalents, other current assets and certain derivative instruments, the Group's exposure to credit risks arises from a potential default of the counterparty, with a maximum exposure equal to the carrying amount of these positions.

Notes to the consolidated financial statements

Liquidity risk

The Group operates through a cash-pooling agreement in which cash targets are set for all the subsidiaries. Cash surplus/shortages are balanced in intercompany loans on a monthly basis.

Group capital requirements are managed centrally by corporate finance. In case liquidity is required, bank loans are either taken up centrally and passed on as an intercompany loan or provided directly by the bank to the subsidiary with a reduction of the Group's total credit line. The total leverage of the Group has increased during the financial year 2024-25 since the Group has established a natural hedging of its assets in CNY by raising term loans in China.

	31.3.2025 Book value	Less than one year	Over one year	31.3.2024 Book value	Less than one year	Over one year
In CHF thousands						
Debt	108,831	41,171	67,660	66,825	57,275	9,550
Accounts payable	33,007	33,007		28,352	28,352	
Other current liabilities	33,073	33,969		34,748	35,734	
– of which lease liabilities ¹	3,679	4,575		2,796	3,781	
– of which derivative financial instruments	336			0		
Other non-current liabilities	30,951		34,388	26,035		30,604
– of which lease liabilities ¹	30,405		34,388	26,035		30,604
Total Financial liabilities	205,862	108,147	102,048	155,960	121,361	40,154

¹ Whereas net book values are net present values, future liabilities are disclosed as undiscounted.

As of 31 March 2025, the bank credit lines with variable interest rates amount to CHF 74.3 million.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy and stable equity ratio in order to secure the confidence of shareholders and investors, creditors and other market players and to strengthen the future development of the Group's business activities. The Group manages its capital structure and makes adjustments if required by economic conditions. LEM targets a payout ratio significantly above 50% of the consolidated net profit for the year. However, it may diverge from this policy due to economic prospects or on the grounds of planned future investment activities.

Notes to the consolidated financial statements

26. Scope of consolidation

Full consolidation	Country	Currency	Share capital	Ownership
Europe				
LEM Europe GmbH	Germany	EUR	75,000	100%
LEM HOLDING SA	Switzerland	CHF	570,000	100%
LEM International SA	Switzerland	CHF	100,000	100%
LEM Management Services SARL	Switzerland	CHF	20,000	100%
LEM Tech France SAS	France	EUR	50,000	100%
LEM Bulgaria EOOD	Bulgaria	BGN	1,971,000	100%
LEM Russia Ltd ¹	Russia	RUB	16,400,000	100%
¹ in liquidation				
North America				
LEM USA Inc.	USA	USD	150,000	100%
Asia				
LEM Electronics (China) Co. Ltd	China	CNY	204,495,594	100%
LEM Japan KK	Japan	JPY	16,000,000	100%
LEM Malaysia SDN, BHD	Malaysia	MYR	15,000,000	100%

27. Changes in scope of consolidation

There are no changes in scope.

28. Events after the balance sheet date

There were no events subsequent to the balance sheet date that required adjustment to or disclosure in the financial statements.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of LEM Holding SA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key audit matters

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

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Recoverability of deferred tax assets

Risk

At 31 March 2025, the Group disclosed CHF 52.1m of deferred tax assets in Note 21 to the consolidated financial statements (CHF 49.5m at 31 March 2024).

The deferred tax assets were recognized and relate mainly to timing difference of intercompany sales related to IP. The analysis of the recoverability of the deferred tax assets was significant to our audit because the amounts are material, the assessment process is complex and judgmental and is based on assumptions that are affected by expected future market or economic conditions.

Our audit response

Our procedures included, amongst others:

- We involved our internal tax experts to assess the recoverability of the asset as well as inputs into the model such as tax rate.
- We analyzed the offsetting and presentation of deferred tax positions.
- We audited the current year tax provision, the Company's reconciliation of book to taxable income, as well as the deferred tax balances and evaluated whether the assumptions applied by management on the recoverability of deferred tax assets are consistent with its budget and forecasts.

Our audit procedures did not lead to any material reservations regarding the recoverability of the deferred tax assets.

Restructuring provision

Risk

During the year, the Group recognized a restructuring provision amounting to CHF 6.2m (Note 16 of the financial statement) in relation to its ongoing restructuring plan aimed at optimizing operational efficiency and reducing costs. This provision is significant due to the inherent uncertainties involved in estimating the costs associated with the restructuring activities, including employee termination benefits, contract termination costs, and other related expenses.

The assessment of the restructuring provision requires management to make significant judgments and estimates regarding the timing and amount of future cash outflows, as well as the identification of restructuring activities that are probable and can be reliably measured. Changes in circumstances or management's plans could significantly impact the timing and amount of the provision.

Our audit response

For the restructuring plan, our procedures included, amongst others:

- We obtained an understanding of the Group's restructuring plan for estimating the provision, including the assumptions used by management.
- We obtained communication of the plan by LEM to the "Office Cantonal de l'Emploi" and the restructuring plan discussed with employees' representatives and unions in the provision of Swiss Code of Obligations.
- We obtained the calculation of restructuring provision by employees. We checked mathematical accuracy of the file. For a selection of individuals, we obtained severance letters, latest salaries and bonus paid to employees.
- We assessed whether all relevant restructuring activities in the restructuring plan were identified and included in the provision calculation.
- We reviewed the adequacy of the disclosures in the financial statements related to the restructuring provision.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

Report on other legal and regulatory requirements

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

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

Geneva, 23.05.2025

Ernst & Young Ltd.

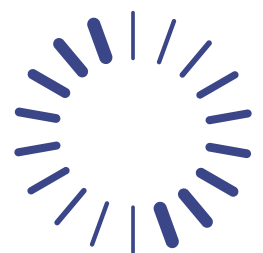
Daniel Zaugg

Licensed audit expert
(Auditor in charge)

Didier Lequin

Licensed audit expert

Financial Report of LEM Holding SA



Balance sheet

(before distribution of earnings)

Assets

	Notes	31.3.2025	31.3.2024
In CHF thousands			
Current assets			
Cash and cash equivalents		2,213	5,526
Loans to affiliated companies	4	112,590	131,698
Current assets from affiliated companies		1,657	2,441
Other current assets		851	414
Total current assets		117,311	140,079
Non-current assets			
Loans to affiliated companies NC	4	193,050	215,050
Investments in affiliated companies	1	46,499	43,090
Total non-current assets		239,549	258,140
Total assets		356,860	398,219

Liabilities and equity

	Notes	31.3.2025	31.3.2024
In CHF thousands			
Current liabilities			
Current financial liabilities		36,200	52,500
Loans from affiliated companies		16,365	
Current liabilities from affiliated companies		79	92
Other current liabilities		4,172	3,211
Total current liabilities		56,816	55,803
Equity			
Share capital	2	570	570
Legal reserves		285	285
Free reserves – balance carried forward		286,563	314,147
– profit for the year		14,498	29,402
Treasury shares	3	(1,872)	(1,988)
Total equity		300,044	342,416
Total liabilities and equity		356,860	398,219

Income statement

Income

	Notes	2024/25	2023/24
In CHF thousands			
Dividend from affiliated companies	5	10,856	22,401
Interest income from affiliated companies		7,702	11,672
Foreign exchange gain	6	5,627	1,412
Other financial income	1	3,491	3,991
Other income from affiliated companies		2,128	1,868
Total income		29,804	41,344

Expense

	Notes	2024/25	2023/24
In CHF thousands			
Administration and other expenses		(5,344)	(4,848)
Participations' impairment	1		(593)
Financial expense		(1,494)	(1,685)
Foreign exchange loss	6	(7,491)	(3,432)
Total expense		(14,329)	(10,558)
Profit before tax		15,475	30,786
Income taxes	7	(977)	(1,383)
Net profit for the year		14,498	29,403

Notes to the financial statements

Principles for the establishment of the financial statements

The accompanying financial statements have been prepared in accordance with the requirements of the Swiss Code of Obligations. In agreement with the article 961d of the Code of Obligations, the Company does not present the additional information in the notes to the annual accounts, the cash flow statement and the management report.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

LEM HOLDING SA does and did not have any employees.

Financial income and expenses

Current assets and current liabilities denominated in foreign currencies are converted at year-end exchange rates. Realized exchange gains and losses, and all unrealized exchange losses arising from these as well as those from business transactions, are recorded net as financial income or financial expenses.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes. These instruments are valued at fair value.

Cash and cash equivalents

Cash and cash equivalents are bank accounts and short-term deposits, highly liquid and readily convertible to known amounts of cash with maturities of three months or less from the date of acquisition.

Financial assets

Financial assets are valued at acquisition cost less adjustments for foreign currency losses and any other impairment of value.

Financial investments

Financial investments are initially recognized at cost. Investments in LEM HOLDING SA subsidiaries are assessed annually and in case of an impairment adjusted to their recoverable amount.

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from equity. Gains and losses on the sale are recognized in the statement of income.

Notes to the financial statements

1. Investments in affiliated companies

	31.3.2025	31.3.2024
In CHF thousands		
Historical cost minus impairment	46,499	43,090
Total	46,499	43,090

The CHF 3,408 thousand increase in participations is explained by a partial reversal of previous impairment (mostly to participations LEM Europe and LEM USA)

2. Share capital

	Number of shares	Par value per share in CHF	Capital in CHF thousands
Opening capital 1 April 2024	1,140,000	0.50	570
Change of capital	0		0
Closing capital 31 March 2025	1,140,000	0.50	570

3. Treasury shares

	Number	Price per share in CHF			Value in CHF thousands
		High	Average	Low	
In number of shares, in CHF					
Value at 1 April 2023	555				1,069
Purchases at cost	4,469	2,263.75	1,939.04	1,575.00	8,666
Sales at cost	(3,945)	2,103.71	1,952.28	1,761.93	(7,702)
Granted to employees at cost	(21)	2,099.65	2,099.65	2,099.65	(44)
Value at 31 March 2024	1,058				1,988
Purchases at cost	6,573	1,720.00	1,095.39	720.00	7,200
Sales at cost	(6,085)	1,750.71	1,202.30	730.00	(7,316)
Value at 31 March 2025	1,546				1,872

Subsidiaries of LEM HOLDING SA did not own any shares of LEM HOLDING SA.
Treasury shares are valued at the lower of cost or market value.

4. Loans to affiliated companies

On 31 March 2025, LEM HOLDING SA has notably a loan of CHF 215 million towards LEM International SA, coming from the IP sold to LEM International SA in 2019. This loan is refunded every year for an amount of CHF 22 million. It is disclosed as follows in the balance sheet as of 31 March 2025:

- Current loans, for CHF 22 million;
- Non current loans, for CHF 193 million.

Beyond this loan, other loans amount to CHF 42 million to LIN and 49 million to other subsidiaries (mostly China and Bulgaria).

5. Dividend from affiliated companies

In financial year 2024/25, the dividend income amounts to CHF 11 million coming mostly from LEM China (CHF 9.1 million).

Notes to the financial statements

6. Exchange effect

	2024/25	2023/24
In CHF thousands		
Exchange gains/(losses)	(384)	(1,237)
Fair value revaluation on derivatives ¹	581	(932)
Gains/(losses) on derivatives ¹	(2,062)	148
Exchange effect	(1,864)	(2,021)

¹ Position includes cost of derivative hedging

7. Income taxes

	2024/25	2023/24
In CHF thousands		
Current taxes	(977)	(1,384)
Adjustments of tax provisions of previous periods		1
Total	(977)	(1,383)

* From previous years due to liquidation of LEM Intellectual Property SA.

8. Guarantees in favor of third parties on behalf of subsidiaries

	31.3.2025	31.3.2024
In CHF thousands		
Amount of guarantees issued	184	185

9. Shareholdings

Significant shareholders

On 31 March 2025, the following shareholders held 3% or more of the share capital and voting rights:

	31.3.2025		31.3.2024	
	Shares	In%	Shares	In%
In number of shares, percent of shareholding				
Werner O. Weber and Ueli Wampfler, in Zollikon/Wollerau, Switzerland, through WEMACO Invest AG and Voltano AG in Cham, Switzerland	599,139	52.6%	599,139	52.6%
Capital Group Companies Ltd., Los Angeles, USA	n.a.	3%-5% ¹	n.a.	3%-5% ¹
J. Safra Sarasin Investmentfonds AG, Basel, Switzerland	43,210	3.8%	34,550	3.0%
UBS Fund Management AG, Switzerland	35,343	3.1%	12,444	<3%

¹ Capital Group disclosed a 3.02% stake as of 31 August 2020, but did not report the exact number of LEM shares per 31 March 2024 and 31 March 2025

Notes to the financial statements

Shareholdings of non-executive directors

	31.3.2025 Number of shares held	31.3.2024 Number of shares held
Andreas Hürlimann	1,001	1,001
François Gabella	600	600
Ilan Cohen	300	300
Ueli Wampfler	76,650	76,650
Ulrich Jakob Looser	450	350
Werner C. Weber	0	0
Total	79,001	78,901

Shareholdings of Executive Management

	31.3.2025 Number of shares held	31.3.2024 Number of shares held
Frank Rehfeld, CEO	29	20
Executive management (excl. CEO)	0	0
Total	29	20

Starting with financial year 2022/23, participants to the LTI plans are granted an individual LTI amount in CHF at the beginning of each three-year plan cycle, which corresponds to the grant date. This amount is converted into PSUs based on a reference price (10-day average share price prior to grant date). At the end of the plan cycle, PSUs vest in LEM shares, whereas the number of shares obtained per PSU can vary between 0% and 200% of the award, depending on the achievement of predefined performance and service conditions. Each year, a new plan is setup, with new PSU allocated, as below:

Nb of PSU allocated	Plan Cycle 2024/25 to 2026/27	Plan Cycle 2023/24 to 2025/26	Plan Cycle 2022/23 to 2024/25
Frank Rehfeld, CEO	326	210	265
Executive management (excl. CEO)	455	323	220
Total	781	533	485

10. Proposed appropriation of available earnings

	31.3.2025	31.3.2024
In CHF thousands		
Balance brought forward from previous year	284,496	313,013
<i>of which treasury shares from previous year</i>	<i>(1,988)</i>	<i>(1,069)</i>
Variation of treasury shares	116	(920)
Net profit for the year	14,498	29,403
Total available earnings	299,110	341,496
Proposal of the Board of Directors		
Ordinary dividend	0	(57,000)
Balance to be carried forward	299,110	284,496

In view of the profitability and the uncertainty surrounding the economic environment, the Board of Directors proposes not to pay a dividend to the Annual General Meeting of Shareholders of the Group 26 June 2025.

The proposed appropriation of available earnings is made in compliance with article 671 of the Code of Obligations. Shares held by LEM HOLDING SA or any of its subsidiaries are not entitled to dividends.

Auditor's report



Report on the audit of the financial statements

Opinion

We have audited the financial statements of LEM Holding SA (the Company), which comprise the statement of financial position as at 31 March 2025 and the statement of for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

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

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

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



Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposals of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Geneva, 23.05.2025

Ernst & Young Ltd.

Daniel Zaugg
Licenced audit expert
(Auditor in charge)

Didier Lequin
Licenced audit expert

Group subsidiaries

LEM is a global player with production plants and development centers in Beijing (China), Geneva (Switzerland), Tokyo (Japan), Penang (Malaysia) and Sofia (Bulgaria). The Company has a dedicated R&D Center in Lyon (France) and sales offices at all its customers' locations and offers seamless service around the globe.

For a complete list of subsidiaries and offices, refer to www.lem.com > About LEM > Our Locations

Europe

LEM HOLDING SA

Route du Nant-d'Avril 152
CH-1217 Meyrin

LEM International SA

Route du Nant-d'Avril 152
CH-1217 Meyrin

LEM Management Services Sàrl

Route du Nant-d'Avril 152
CH-1217 Meyrin

LEM Tech France SAS

Les Allées du Parc
Allée des Parcs 575/655
F-69800 Saint-Priest

LEM Europe GmbH

Frankfurter Straße 74
D-64521 Groß-Gerau

LEM Europe GmbH, Branch Austria

Concorde Business Park 2/F
A-2320 Schwechat

**LEM Europe GmbH,
Branch Belgium**
Egelantierlaan 2
B-1851 Grimbergen

**LEM NORDIC,
Filial af LEM Europe GmbH**
Haraldsvej 60A*1.
DK-8960 Randers

**LEM Europe GmbH,
Succursale France**
29 rue d'Estienne d'Orves
F-92120 Montrouge

**LEM Europe GmbH,
Succursale Italia**
Via V. Bellini 7
I-35030 Selvazzano Dentro, PD

**LEM Europe GmbH,
Branch UK**
Suite 10 West Lancs Investment
Centre Mapleview
Whitemoss Business Park
UK-Skelmersdale WN8 9TG

LEM Bulgaria EOOD
Iliensko Shosse 8
BG-1220 Sofia

LEM Russia, LLC*
Staritskoe Shosse 15
RU-170040 Tver

North America

North America LEM U.S.A., Inc.
11665 West Bradley Road
USA-Milwaukee, WI 53224

Asia

LEM Electronics (China) Co. Ltd
Linhe Street 28, Shunyi District
CN-101300 Beijing

**LEM Electronics (China) Co. Ltd,
Branch Shanghai**
5th Floor, Building 2,
No. 269 Tongxie Road,
Changning District,
CN-200335 Shanghai

**LEM Electronics (China) Co. Ltd,
Branch Shenzhen**
Room 507-508, Spring Valley,
Meisheng Innovation Valley Science
and Technology Park,
Liuxian 2nd Road, Xin'an Subdistrict,
Bao'an District, CN-518133 Shenzhen

LEM Japan KK
2-1-2 Nakamachi
JP-Machida, 194-0021 Tokyo

**LEM Management Services Sàrl,
Branch India**
Regus Baner, Level 4,
Prabhatee Techpark
Baner, IN - 411021 Pune (MH)

**LEM Management Services Sàrl,
Branch Korea**
FASTFIVE #310,
Nambushuhwan-Ro 333-Gil
Seocho-Gu, KR-06725 Seoul

**LEM Management Services Sàrl,
Branch Taiwan**
7F., No. 342, Wenlin Road
Shilindistrict, TWN-11163 Taipei City

LEM Malaysia Sdn Bhd
Jalan PSPN 3, Penang Science Park
North, MY-Pulau Penang, 14100

* in liquidation

Life

LEM is following a clear purpose: To help our customers and society accelerate the transition to a sustainable future. Competent and determined employees work tirelessly to fulfill this purpose and develop innovations together with customers and suppliers. We work at the forefront of megatrends such as renewable energy, mobility, automation and digitization. We collaborate with universities to attract emerging talents who will contribute new ideas to reach our purpose.



Energy

LEM is in a unique position: our business is facilitating the enormous changes needed to make the pursuit of a low-carbon future a reality. A wide range of applications we serve – electric vehicles, charging stations, renewable energy, trains – rely on our innovative components to monitor energy consumption and optimize performance. Our current sensors can be found in low-carbon industries and technologies that are critical to a sustainable future.

Motion

The electronic sensor industry is changing fast, being shaped by continuous technological breakthroughs. The rapid rise in the electrification of the world is driving change faster than ever before. We are focused and moving fast to capture growth opportunities in all of our markets. We are investing heavily in the research and development of new technologies and next-generation applications.

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Leading the world in electrical measurement, LEM engineers the best solutions for energy and mobility, ensuring that our customers' systems are optimized, reliable, and safe.



LEM HOLDING SA

Route du Nant-d'Avril 152

1217 Meyrin

Geneva, Switzerland

www.lem.com