

LEM

Life Energy Motion

Annual Report

2025/2026



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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 1,626 people in 16 countries transform technology potential into powerful answers. We develop and recruit the best global talent, working at the forefront of megatrends such as data center infrastructure, electrification, energy transition and e-mobility.

Listed on the SIX Swiss Exchange since 1986, the company's ticker symbol is LEHN. (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.



Download our
Sustainability
Report 25/26

Highlights in 2025/26

- **Sales were broadly stable** at constant currencies, with Automation remaining a key growth driver.
- **Bookings rebounded** with strong sequential improvement from Q2 2025/26. The book-to-bill ratio of 1.16 for Q4 2025/26 signals recovery. Momentum was particularly evident in Automation and Energy Distribution & High Precision, supported by increasing demand from data center-related customers.
- **The gross margin stabilized** over the course of the year, supported by the successful implementation of strategic pricing initiatives and substantial productivity gains in the supply chain.
- Maintained a **high R&D ratio** of 9.4% of sales and continued to advance its innovation pipeline across core end markets, reinforcing its position as a leading provider of sensing solutions.
- The company-wide transformation and **efficiency improvement program** "Fit for Growth" delivered the targeted results, as evidenced by a 12.0% reduction in SG&A, while sales declined by 6.3%.
- Supported by the **improved cost structure**, EBIT increased by 29.2% to CHF 24.4 million, with the EBIT margin improving to 8.5%.
- "Fit for Growth" runs within the planned timing and has delivered **structural improvements** of around CHF 35 million in Free Cash Flow since the beginning of 2025/26.
- **Carbon neutral** in own operation (scope 1 and 2) maintaining usage of 100% renewable electricity across all sites. Full alignment with TCFD recommendations.
- Newly **ISO 45001 certification** for Health & Safety (China, Malaysia, Switzerland) and new signatory of the Women's Empowerment Principle (WEP) obtained.

Key figures

In CHF thousands	2021/22	2022/23	2023/24	2024/25	2025/26
Orders received	576.4	465.2	243.3	322.4 ¹	295.9
Book-to-bill ratio	1.54	1.14	0.60	1.05 ¹	1.03
Sales	373.4	406.4	405.8	306.9	287.7
Gross margin	177.3	192.2	189.2	132.6	115.1
in % of sales	47.5%	47.3%	46.6%	43.2%	40.0%
EBIT	88.4	92.2	81.1	18.9	24.4
in % of sales	23.7%	22.7%	20.0%	6.1%	8.5%
Net profit for the year	72.4	75.3	65.3	8.4	9.9
EPS basic (CHF)	63.48	66.12	57.35	7.36	8.65
Dividend per share (CHF)	50.00	52.00	50.00	0.00	0.00 ²
Operating cash flow	50.4	87.0	74.4	30.2	39.9
Investing cash flow	(21.0)	(6.5)	(31.6)	(16.2)	(8.2)

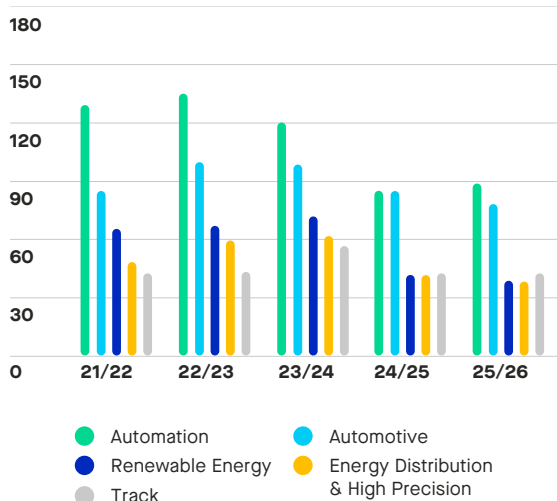
In CHF millions, %	31.3.2022	31.3.2023	31.3.2024	31.3.2025	31.3.2026
Net financial cash - (debt)	(1.6)	(21.8)	(43.1)	(90.2)	(59.8)
Shareholders' equity	131.9	173.6	176.7	125.8	134.8
Equity ratio (in % of assets)	49.9%	53.0%	51.3%	36.4%	42.3%
Market capitalization	2,082	2,241	1,945	808	329
Employees (in FTEs)	1,448	1,716	1,808	1,698	1,626

¹ LEM adjusted its order booking system in 2025/26. Prior year bookings were restated as disclosed in Q1 2025/26.

² Proposal of the Board of Directors to the Annual General Meeting of Shareholders on 25 June 2026

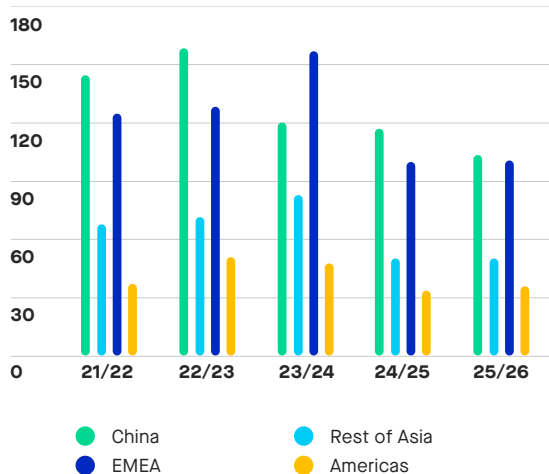
SALES PER BUSINESS

In CHF millions



REGIONAL SALES BREAKDOWN

In CHF millions



Dear Shareholder,

The 2025/26 financial year was once again characterized by market uncertainty and currency headwinds. While conditions remained challenging, including ongoing pricing pressure in China, we saw signs of stabilization, supported by mostly normalized inventory levels and some positive signals in Western markets. Momentum was particularly evident in Automation and Energy Distribution & High Precision, supported by data center-related demand. Order intake improved towards the end of the financial year.

We invested in innovation, strengthened customer proximity and aligned our structure to meet shifting market realities, particularly in China, where our efforts to win new projects and build regional capabilities have continued to bear fruit. At the same time, we further strengthened our manufacturing network across key locations through capacity expansion and footprint optimization.

Stabilization in sales at constant exchange rates and improved bookings in key segments

Sales declined by 6.3% to CHF 287.7 million, reflecting the impact of foreign exchange movements, while sales at constant exchange rates were broadly stable at -0.2%. Bookings reached CHF 295.9 million, rebounding with strong sequential improvement from Q2 2025/26. The book-to-bill ratio of 1.16 for Q4 2025/26 signals recovery. Momentum was particularly evident in Automation, supported by increasing demand in data center cooling and high-voltage infrastructure, as well as in Energy Distribution & High Precision, driven by positive trends in data center power supply. The majority of data center-related sales are expected to materialize in 2026/27, reflecting typical lead times and project cycles.

EBIT increased strongly by 29.2% to CHF 24.4 million, with the EBIT margin rising to 8.5%. Included are one-time restructuring costs of CHF 1.9 million for the “Fit for Growth” program. EBIT before restructuring costs achieved CHF 26.2 million, yielding a strong EBIT margin of 9.1%.

Net profit expanded by 17.5% to CHF 9.9 million, resulting in an improved net profit margin of 3.4%.

Free Cash Flow improved significantly to CHF 31.7 million, compared to CHF 13.9 million in the prior year period, supported by the higher EBIT and a better discipline managing

working capital and capital expenditures, implemented through the “Fit for Growth” program. Free Cash Flow before restructuring cash disbursements reached CHF 40.1 million. The strong cash generation contributed to a reduction in net financial debt to CHF 90 million, thereby further strengthening the balance sheet.

Strategic transformation: Fit for Growth

A key focus of the year was the continued implementation of our company-wide transformation program, “Fit for Growth.” The program is designed to improve competitiveness, enhance operational efficiency and strengthen our focus on Asia, while making LEM more agile and customer-centric. As global markets for new energy vehicles and renewable energy increasingly shift to Asia, our organization and footprint are being aligned accordingly.

“Fit for Growth” has been implemented in line with the planned timing and is delivering a positive impact on operational efficiency and profitability. The program has already generated a CHF 20 million structural EBIT improvement in the 2025/26 financial year, lifting Free Cash Flow by CHF 35 million, through structural cost reductions as well as tighter and more agile operational and capital expenditures management. LEM has completed all related restructuring initiatives with a total of CHF 9.8 million in one-time costs.

In line with this transformation, LEM has further adapted its organizational and geographical

setup. R&D activities have been expanded in Asia, shared service-center capacities consolidated in Bulgaria and production capabilities strengthened in Malaysia and Bulgaria. At the same time, the company continues to optimize its cost base across all functions, reinforcing its ability to support growth in key markets while maintaining financial discipline and resilience.

Mixed development across businesses, with areas of growth and continued weakness

The Automation business continued to recover, supported by improving order intake and normalized inventory levels. Growth was driven by high-value mid-power applications, including power measurement and cooling systems for data centers, as well as industrial automation. By contrast, low-power applications in consumer-oriented applications such as heat pumps showed slower development. The pricing environment remained mixed, with continued price pressure in China and more stable conditions in Western markets.

The Automotive business developed unevenly, with growth in Europe offset by a softer performance in China and the Americas. Growth in Europe was driven by battery management for EV/hybrid applications, supported by a faster ramp-up with key customers. By contrast, China recorded lower sales, reflecting increased competition from Chinese OEMs in a flattish market. In the Americas, demand remained subdued, with lower EV sales and postponed projects impacting volumes. The rest of Asia was weaker because Japanese and Korean manufacturers depend on export markets that fell short of expectations.

Renewable Energy operates in a highly competitive and regulatory-driven market environment and recorded a decline in sales, with small-scale and residential installations remaining particularly weak. Demand in Western markets benefited from commercial installations, as European manufacturers were prioritized. The pricing environment remained challenging, especially in China, despite normalized inventory levels, partly due to the phase-out of feed-in tariffs for solar energy from Summer 2025.

Energy Distribution & High Precision benefited from strong demand in data center-related applications, including current sensing solutions for UPS (uninterruptible power supply) applications. Increased market activity in China and the Americas, as well as larger project wins in Europe, led to a strong order intake which will provide support going forward. By contrast, charging infrastructure and high precision applications remained weak, impacted by

lower demand, pricing pressure and inventory reductions. However, Smart Grid applications declined, as completed projects were only partially replaced by follow-up business. Pricing remained under pressure in several areas.

The Track business remained stable, supported by continued strong performance in China. Sales in China increased, supported by solid local and retrofit business which accounted for a significant share of sales. The business also benefited from a favorable product mix and the order intake included first orders for the new high-speed platform. Sales and order intake in Europe declined due to the phasing-out of a large project, with follow-up business expected over the course of the year. Business in the Americas remained stable.

Mixed regional development with areas of support

Sales in China remained flat at constant exchange rates. Automation proved to be solid and resilient, with good progress across a range of customers, particularly in the areas of infrastructure and factory automation. Demand in Energy Distribution & High Precision increased, driven by current sensing solutions and data center-related applications, with both local and export activity. Track developed strongly, supported by new platform orders and retrofit activity, with a significant contribution from local business. Automotive slowed in the fourth quarter, reflecting a market with high EV penetration, while Renewable Energy operated in a highly competitive environment, supported by demand for energy storage. The pricing environment remained challenging.

Demand in the Rest of Asia region was supported by India, which delivered solid growth overall, while Japan and Korea remained weaker, mainly reflecting Automotive-related business, with activity improving towards the end of the period. In Japan, Automation developed positively, backed by demand from Chinese customers, particularly for equipment used in humanoid robotics. In India, demand in data center applications developed positively, with India benefiting from export activity to the US.

Sales in Europe declined slightly over the period, while demand improved towards the end of the financial year. The recovery was driven by Automation, with normalized inventory levels and stronger demand in drives, while the pricing environment remained under pressure. Impulses also came from Automotive which saw growth in EV and hybrid applications as well as battery management and from data center-related applications across Energy Distribution & High Precision. In Renewable Energy, commercial

installations such as solar parks and wind developed positively, with demand benefiting from the preference for European suppliers and export activity to the US, while small-scale installations remained weak. Track declined, mainly due to the phasing-out of a large retrofit project.

Sales in the Americas increased over the period lifted by tariff effects and order intake momentum improved in the fourth quarter. In Energy Distribution & High Precision, data center-related applications developed positively, while charging infrastructure remained weak, despite increasing project activity. Track was stable, following the completion of a major project, with new projects expected. Automation recovered, supported by normalized inventory levels, improved demand in drives and strong data center-related activity, while pricing remained stable. Automotive remained weak due to lower EV demand and postponed projects. In Renewable Energy, demand remained under pressure.

Megatrends driving market demand

LEM is benefiting from fundamental, environmentally-friendly global developments towards electrification, energy transition and e-mobility – megatrends that remain strong and consistent drivers of demand across all our regions. Recently, the AI-driven data center boom has emerged as another megatrend.

However, 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 electrification, energy transition and e-mobility 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 the current volatile environment.

Aligning R&D with structural growth trends

LEM has further expanded its innovation pipeline across all core markets, reinforcing its position as a leading provider of sensing solutions. Across all businesses, LEM's innovation agenda remained aligned with structural growth drivers such as data center infrastructure, electrification, energy transition and efficiency as well as e-mobility.

In Automation, the Company expanded its portfolio with high-precision, high-bandwidth solutions for drives, robotics and power supplies. R&D remained focused on improving accuracy, robustness and isolation performance. Innovation in the Automotive business centered on compact and safety-critical sensing solutions for electrified vehicle architectures. In Renewable Energy, demand for fast, robust and high-current sensing solutions continued to grow, supporting applications in solar, wind and grid integration. Development teams also intensified cost and material reduction initiatives to remain competitive in a price-sensitive market. In Energy Distribution & High Precision, LEM broadened its metering portfolio with the DCES series for fast-charging infrastructure. Growth in data center applications further accelerated the development of highly integrated current sensors with higher current capacity and very high bandwidth. R&D investments in the Track business focused on enhanced railway billing systems.

Further optimizing the global production footprint

As part of its 'Fit for Growth' initiative, LEM is aligning its production footprint to better reflect regional market dynamics. The company has further strengthened its manufacturing network through capacity expansion and footprint optimization across key locations.

During the financial year, production activities were successfully transferred from China, Switzerland and Japan to Malaysia, enhancing efficiency, flexibility and proximity to key markets. In parallel, our Bulgaria shared service center has taken on expanded operational responsibilities, supporting the evolving structure.

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

Ongoing implementation of our sustainability strategy

At LEM, sustainability is embedded at the heart of our strategy and underpins our long-term value creation. Guided by three priorities: enabling the energy transition through our products, decarbonizing our operations, and integrating sustainability into our governance, decision-making processes, and ways of working.

In 2025/26, we enhanced the robustness of our climate data through the internalization of our Company Carbon Footprint calculation. We further aligned TCFD disclosure by incorporating financial quantification and qualitative assessments of previously identified climate-related risks and opportunities, in line with the Ordinance on Climate Disclosure. While growth in product volumes led to higher Scope 3 emissions, we became carbon neutral across Scopes 1 and 2 through 100% renewable electricity and limited offsetting.

At the same time, we continued to invest in our people and in workplace safety. The Board of Directors took part in a Climate Fresk workshop, now being rolled out across Europe and soon in Asia. Our three key sites in China, Malaysia and Switzerland are now certified to ISO 45001, and we intensified efforts to strengthen sustainability due diligence and supplier engagement. Together, these efforts reflect LEM's ambition to lead with purpose, adapt with confidence, and contribute meaningfully to a more sustainable future.

Proposal to refrain from paying a dividend for the 2025/26 financial year

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 uncertainty surrounding the economic environment, the Board of Directors proposes not to declare a dividend for the 2025/26 financial year. However, LEM remains committed to resume its attractive and sustainable dividend policy in the future.

Outlook

LEM sees encouraging signs of a sequential improvement in bookings, driven by increasing demand from data center-related customers in Automation and Energy Distribution & High Precision, which is expected to further support the positive momentum. At the same time, LEM remains cautious about the general business development due to the uncertain global macro-economic environment.

Sincere thanks

In a year marked by transition and demanding market conditions, we are proud of the way our teams continued to perform – remaining close to customers, advancing innovation and successfully implementing our strategic transformation. On behalf of the Board of Directors and the Executive Committee, we would like to express our sincere gratitude to all employees for their commitment and hard work. 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.



Frank Rehfeld

Frank Rehfeld
Chief Executive Officer

Andreas Hürlimann

Andreas Hürlimann
Chairman of the Board of Directors

Sales and bookings

At constant currencies, sales were broadly stable, declining by 0.2%, while reported sales fell 6.3% to CHF 287.7 million, reflecting depreciation in CNY and USD. Automation remained a key growth driver, posting robust growth of 10.2% at constant currency.

The Americas region recorded an increase in sales 1.7%, while the other regions saw a decline, EMEA with -3.7%, China with -12.6% and Rest of Asia with -2.4%.

Bookings reached CHF 295.9 million and showed a strong sequential improvement from Q3, indicating stabilization. The book-to-bill ratio of 1.03 for 2025/26 indicates early signs of recovery. Momentum was particularly evident in Automation with an increase of 39.5%, supported by increasing demand in data center cooling and high-voltage infrastructure, as well as in Energy Distribution & High Precision with 64.8% more bookings, driven by positive trends in data center power supply.

Profitability

Gross profit for the 2025/26 financial year went down by 13.2% to CHF 115.1 million (CHF 132.6 million). The gross margin decreased from 43.2% to 40.0%, but stabilized from Q2 2025/26 onwards, with the positive momentum continuing throughout the remainder of the year. This development is attributable to the successful implementation of strategic pricing initiatives and significant productivity gains in the supply chain.

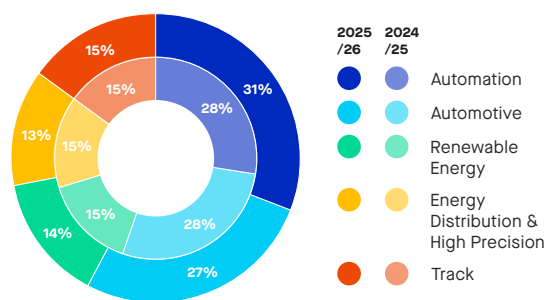
The company-wide transformation and efficiency improvement program “Fit for Growth” delivered the desired results, as evidenced by a 12.2% decrease in SG&A to CHF 62.2 million (CHF 70.7 million), while sales declined by 6.3%. SG&A costs as a percentage of sales were reduced to 21.6%. R&D costs decreased by 23.5% to CHF 27.0 million or 9.4% of sales (CHF 35.3 million; 11.5%).

The positive effects of the “Fit for Growth” program are also reflected in the 29.1% increase in EBIT to CHF 24.4 million, with the EBIT margin rising to 8.5% (CHF 18.9 million; 6.1%). Included are one-time restructuring costs of CHF 1.9 million for the “Fit for Growth” program. EBIT before restructuring costs achieved CHF 26.6 million, yielding a strong EBIT margin of 9.1%. The company has completed its restructuring initiatives with a total of CHF 9.8 million one-time costs.

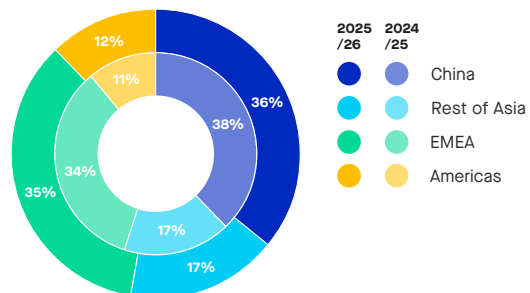
Financial expenses increased to CHF 5.0 million due to slightly higher average financial debt. Exchange rate effects from the Swiss franc appreciation had a smaller negative impact of CHF 1.6 million compared to CHF 3.9 million in the prior year. Income taxes rose from CHF 2.1 million to CHF 8.0 million, reflecting the higher global profitability and the temporary non-recognition of certain local operating losses for tax purposes.

Net profit expanded by 17.5% to CHF 9.9 million, resulting in an improved net profit margin of 3.4%.

SALES PER BUSINESS



SALES PER REGION



Cash flow and balance sheet

Free Cash Flow improved significantly to CHF 31.7 million, compared to CHF 13.9 million in the prior year period, supported by the higher EBIT and a better discipline managing working capital and capital expenditures, implemented through the “Fit for Growth” program. Free Cash Flow before restructuring cash disbursements reached CHF 40.1 million. The strong cash generation contributed to a reduction in net financial debt to CHF 90 million, thereby further strengthening the balance sheet.

Shareholders' equity reached CHF 134.8 million, resulting in an equity ratio of 42.3% (36.4% as of 31 March 2025).

17.5%

Net profit increase

>296m

in bookings

SELECTED FINANCIAL FIGURES

In CHF thousands	April to March		Change
	2025/26	2024/25	
Sales	287,675	306,924	-6.3%
Cost of goods sold	(172,558)	(174,333)	
Gross profit	115,117	132,590	-13.2%
Gross profit margin (in %)	40.0%	43.2%	
Sales expenses	(27,234)	(27,914)	
Administration expenses	(34,983)	(42,819)	
Research & development expenses	(26,960)	(35,265)	
Restructuring	(1,857)	(7,898)	
Other expenses	(473)	(7)	
Other income	759	179	
Operating profit	24,367	18,867	+29.2%
Operating profit margin (in %)	8.5%	6.1%	
Financial expenses	(4'981)	(4,745)	
Financial income	155	215	
Foreign currency exchange effect	(1,648)	(3,861)	
Profit before tax	17,893	10,476	+70.8%
Income taxes	(8,036)	(2,085)	
Net profit	9,857	8,391	+17.5%
Net profit margin (in %)	3.4%	2.7%	
Cash flow from operating activities	40.0	30.2	+32.3%
Free cash flow	31.7	14.0	+126.9%
In CHF thousands	31.3.2026	31.3.2025	
Equity	134.8	125.8	
Equity ratio	42.3%	36.4%	

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 and typically develops in line with the global economy at an annual growth rate of 3%.

A new structural growth driver is the rapid expansion of data center infrastructure, driven by AI workloads. Increasing power density and the transition from low-voltage AC to high-voltage DC architectures (e.g. 800V DC) are significantly increasing the demand for current sensing solutions across power distribution systems and increasing content per installation.

In parallel, structural trends such as robotization and electrification of heating in residential buildings continue to support demand. Energy savings are a major climate related growth driver.

The market is pushing for smaller power drives and striving for modularity as well as 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.

2025/26

Sales in the Automation business reached CHF 89.0 million, up 3.1% from CHF 86.3 million in the prior year. On a constant currency basis, sales increased by 10.2%.

The Automation business continued to recover, supported by improving order intake and normalized inventory levels. Growth was driven by high-value mid-power applications, including power measurement and cooling systems for data centers, as well as industrial automation.

In contrast, low-power applications in consumer-oriented segments such as heat pumps developed weaker. The pricing environment remained mixed, with ongoing pressure in China and more stable conditions in Western markets.

Following the destocking phase in 2024/25, the business is expected to enter a recovery cycle from 2026 onwards, with long-term market growth potential of up to 9% CAGR. This is already reflected in the bookings, which increased by 39.5% compared to last year.

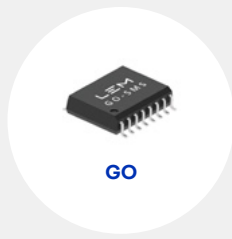
Innovation

LEM continued to strengthen the Automation business with innovation enabling high precision and high bandwidth to meet the demand of the markets for industrial drives, robots, servo systems, welding equipment, and power supplies.

The R&D focus is on improving accuracy, bandwidth, isolation voltage, and robustness, which are critical for modern automated production systems. Next to launching Silicon Hall based Integrated Current Sensor products for industrial and automation applications, TMR (Tunnel Magneto Resistance) as well as next generation fast Hall sensor technology is brought to maturity preparing the next platform releases.



HMSR
DA



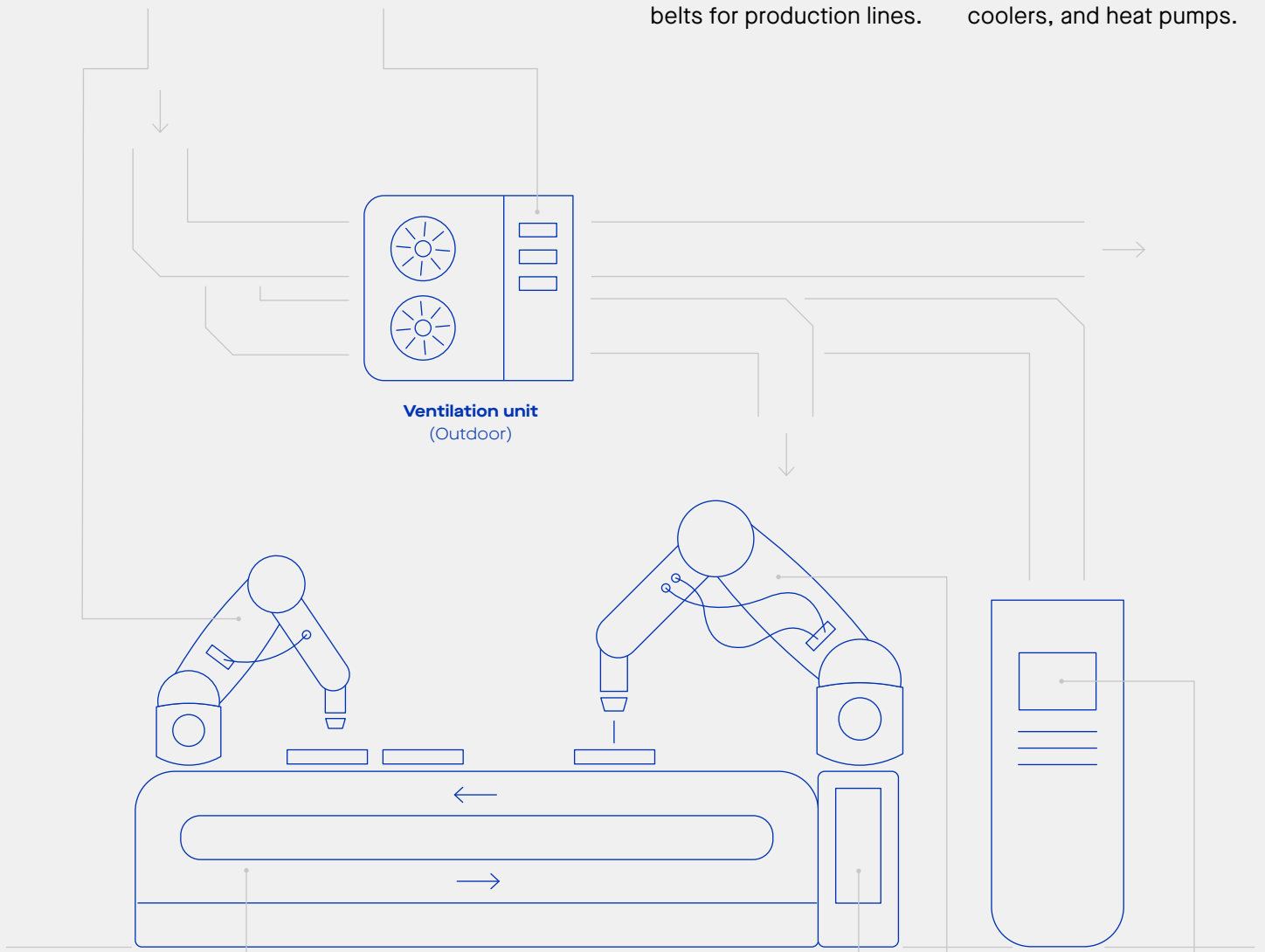
GO

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.



Ventilation unit
(Outdoor)

Moving manufacturing platform
with welding robots

Control unit
(internal)



HLSR-DA



HO-NP



LKSR



HMSR

Activity

The Automotive business focuses on developing and manufacturing current sensors for battery management, power inverters and on-board chargers in electric and hybrid vehicles. These sensors enable precise control of battery systems, electric drivetrains and charging systems, supporting performance, efficiency and safety, including safe power conversion and leakage current detection. LEM works with leading global OEMs and tier-1 suppliers, with more than 90% of revenues generated in electrified vehicles, reflecting its strong focus on e-mobility.

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. Key technology trends include the transition to higher-voltage architectures (e.g. 800V) enabling fast charging, as well as the development of solid-state batteries, which will further increase requirements for advanced sensing solutions.

LEM estimates its own share in the market for current sensors for e-mobility applications at 16%, with competition intensifying from new entrants, particularly in China.

China remains the dominant growth driver, accounting for the majority of global EV volume growth and accelerating the adoption of new architectures. LEM is well positioned to benefit from these trends, supported by its strong presence in China and its broad portfolio in battery management and power electronics sensing.

2025/26

Sales declined by 8.9% to CHF 78.6 million for the full year. At constant exchange rates, the decrease was 2.2%. Starting from a low base, the second half of the year showed positive year-on-year growth.

The Automotive business developed unevenly over the period. In Europe, growth was driven by battery management for EV and hybrid applications, supported by a faster ramp-up with key customers. By contrast, China recorded lower sales, reflecting increased competition from Chinese OEMs in a flattish market. In the Americas, demand remained subdued, with lower EV sales and postponed projects impacting volumes. The rest of Asia was weak, as Japanese and Korean manufacturers depend on export markets that fell short of expectations.

Innovation

LEM's automotive innovation is anchored on a few strategic themes: high-precision, compact, safety-critical sensing for electrified vehicle architectures. The main technology drivers enabling future solutions for automotive customers are high-voltage EV architectures, functional safety and systems simplification (ASIL C/D) and a structural shift towards more integrated solutions as integrated current sensors. Amongst the most remarkable products released recently are the Hybrid Supervising Unit (HSU) combining a shunt and Hall effect measurement in one device with integrated diagnostics and the CDT, an automotive-qualified coreless differential transducer family for leakage current detection. Other products complementing the automotive portfolio are Hall based integrated current sensors.

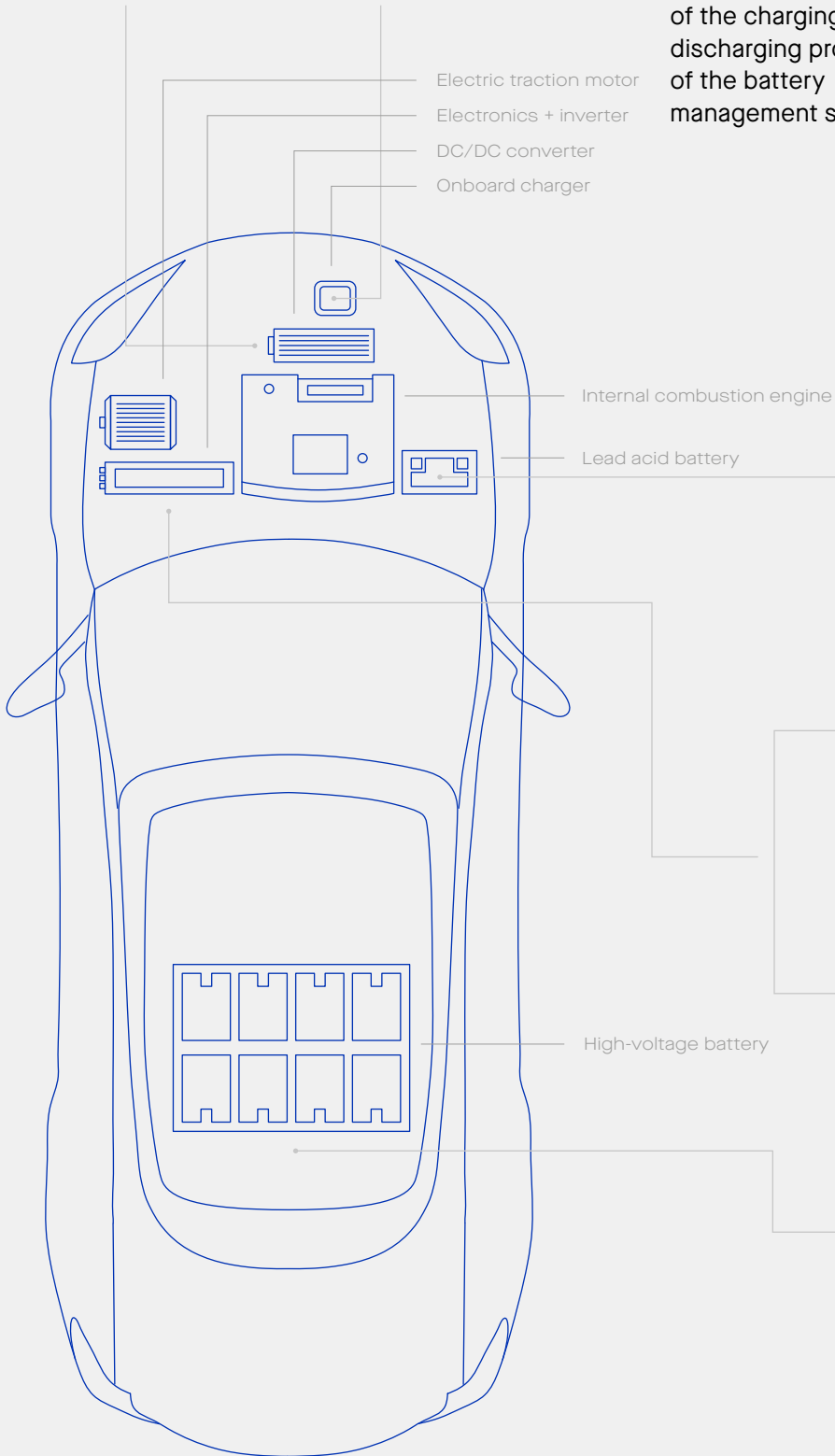
LEM works with leading global OEMs and tier-1 suppliers



HMSR



DCDT-SF



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.



HBCT



HAH6



HC16



HAH3DR-S06



CAB SF 1500

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 house-hold 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 400GW. Following this period of strong expansion, the solar PV market is entering a phase of normalization, with installations expected to temporarily decline in 2026, primarily due to policy changes in China. At the same time, the market has become increasingly concentrated in Asia, particularly in China, while consolidation has taken place in Europe.

Looking ahead, growth is increasingly shifting towards offshore wind and battery storage, both of which offer higher sensor content per installation compared to traditional solar applications. In parallel, new opportunities are emerging in residential solar, driven by hybrid systems combining photo-voltaics with battery storage.

With the transition to renewable energy generation, there is also an increasing expansion of wind energy, both offshore and onshore, particularly in Europe. As a result, the market is evolving from volume-driven growth to a focus on higher-value applications and system complexity. LEM is the leading player in the market with an estimated market share of 40%.

2025/26

Sales in the Renewable Energy business amounted to CHF 39.0 million in the 2025/26 financial year, representing a decrease of 12.6%. At constant exchange rates, sales declined by 6.7%.

Renewable Energy operated in a highly competitive and regulatory-driven market environment. Small-scale and residential installations developed particularly weak during the reporting period. Demand in Western markets benefited from commercial installations, as European manufacturers were prioritized. The pricing environment remained challenging, especially in China, despite normalized inventory levels, partly due to feed-in tariffs for solar energy from summer 2025.

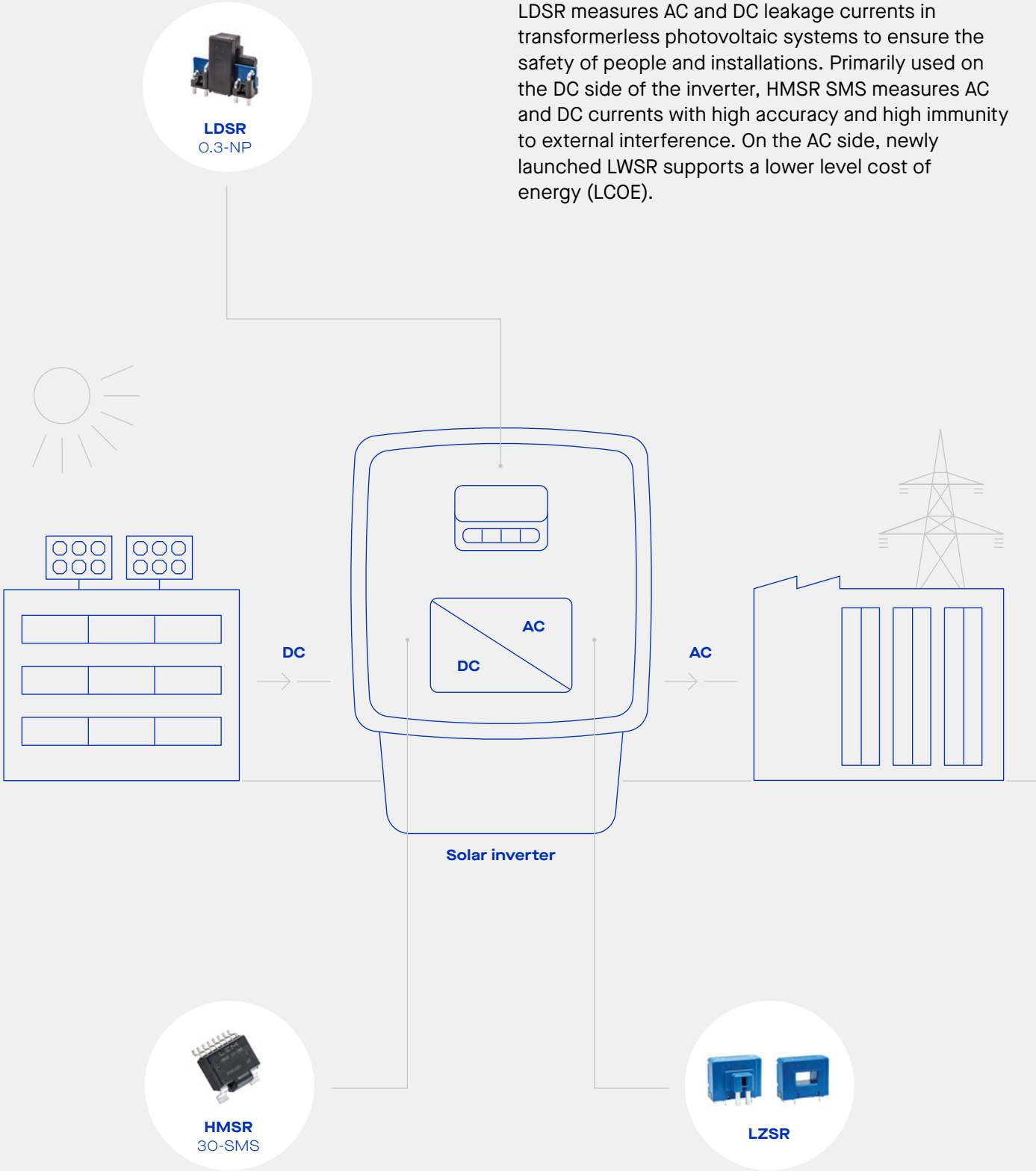
Innovation

Higher power density is driving the demand for current sensing in the renewable energy sector that offer fast response times, high surge capabilities as well as high current levels. In the 2025/26 financial year, LEM launched and expanded high current, high bandwidth, and digital ready sensing platforms that directly enable next generation solar and wind inverters, grid integration, and hybrid renewable systems. A new version of HMSR with digital Sigma-Delta output as well as the launch of the OLCI sensor family offer high robustness for harsh grid environments with compact form factors. Further R&D effort focuses on reducing costs and materials to enable highly cost competitive solutions for a consolidating market under cost pressure.

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).



LDSR
0.3-NP

HMSR
30-SMS

LZSR

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.

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, although the fragmentation of the customer base remains a limiting factor.

Charging infrastructure represents a faster-growing segment, with increasing demand for integrated and certified metering solutions at the charger level. The rollout of high-power charging for electric trucks is expected to further accelerate growth. High-precision applications, including test and measurement equipment and medical devices, continue to deliver stable growth.

A key emerging growth driver is the rapid expansion of data center infrastructure. The shift towards high-voltage DC architecture, battery storage and advanced power conversion technologies is significantly increasing demand for current sensing solutions. The addressable market for data center applications is expected to reach approximately CHF 100 million by 2030.

LEM estimates its overall market share at 14%.

2025/26

Sales decreased by 13.5% to CHF 38.8 million compared to the previous year. At constant exchange rates, sales were down 8.4%.

Energy Distribution & High Precision benefited from strong demand in data center-related applications, including current sensing solutions for UPS (uninterruptible power supply) applications. By contrast, charging infrastructure and high-precision applications remained weak, impacted by lower demand, pricing pressure and inventory reductions.

Increased market activity in China and the Americas, as well as larger project wins in Europe, led to a strong order intake, which will provide support going forward. Smart Grid applications declined, as completed projects were only partially replaced by follow-up business. Pricing remained under pressure in several areas.

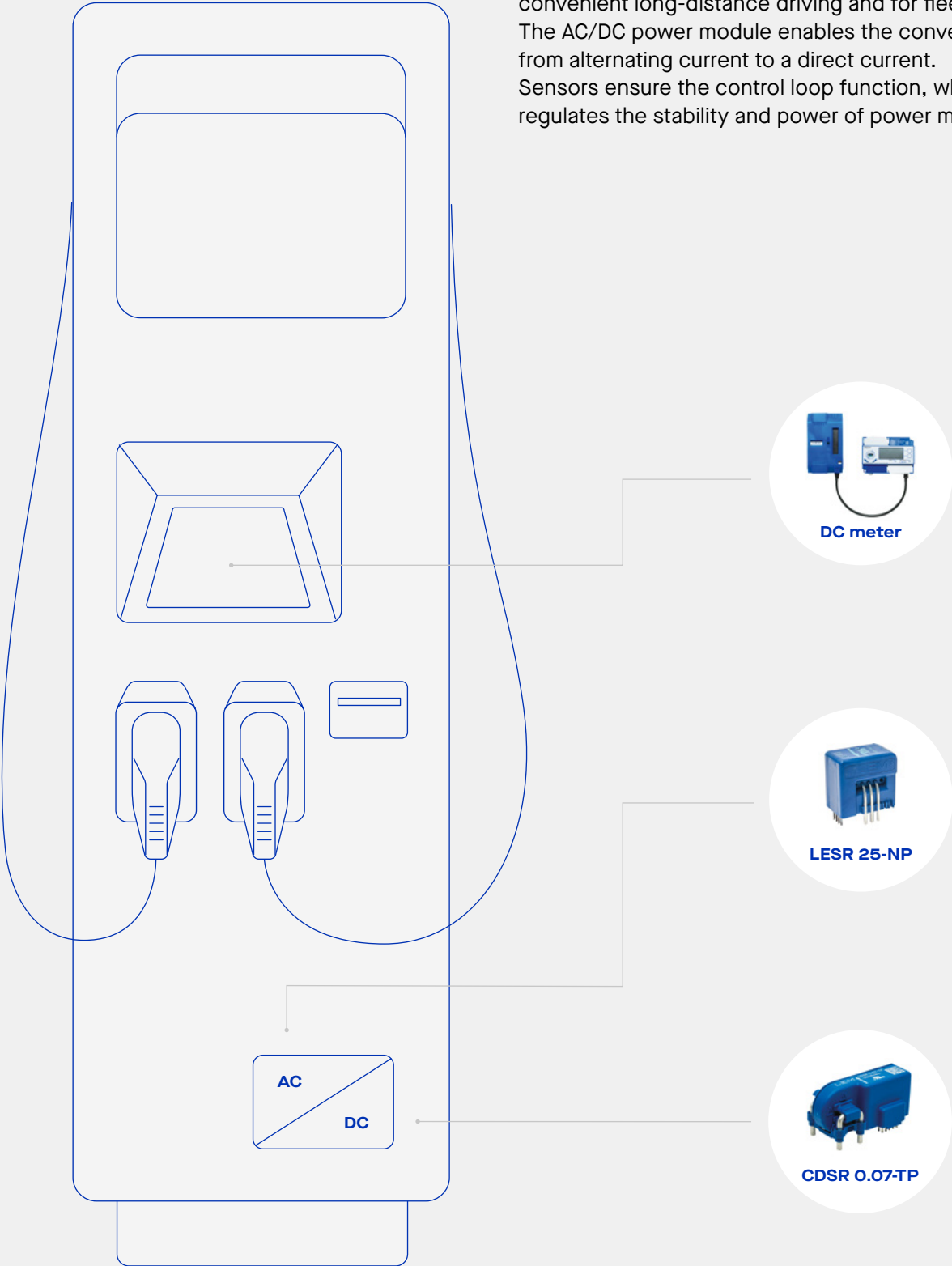
Innovation

LEM has broadened its metering portfolio by bringing to the market the DCES (Direct Current Energy Sensor) series, an automotive-grade, revenue-capable DC energy metering platform, designed for high-power DC systems such as electric vehicle fast charging infrastructure and DC energy nodes. DCES devices combine high accuracy current measurement, voltage acquisition, energy calculation, and secure communication in a single compact unit. Both DCES 600 and DCES 1500 share the same platform philosophy and software stack; they differ mainly by power or current class and target applications.

Data center applications and the shift towards high-voltage DC architecture and advanced power conversion technologies is propelling LEM's innovation towards integrated current sensors with current capabilities around 150A and bandwidth capabilities greater than MHz – an area of increased R&D effort in terms of sensor technology as well as integration capabilities.

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.



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 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. As a mature and stable business, Track provides resilience within LEM's portfolio, balancing more cyclical segments. LEM is the clear market leader in this business.

2025/26

Sales declined by 6.0% to CHF 42.2 million for the full year. At constant exchange rates, the decrease amounted to 1.8%.

The Track business remained stable over the period, supported by continued strong performance in China. Sales in China increased, driven by solid local and retrofit business, which accounted for a significant share of overall sales. The business also benefited from a favorable product mix, while order intake included first orders for a new high-speed platform. In Europe, sales and order intake declined due to the phasing-out of a large project, with follow-up business expected over the course of the year. Business in the Americas remained stable.

Innovation

R&D investment in Track includes a new and function-enhanced railway billing system solution featuring remote diagnostic and maintenance enablement as well as cybersecurity. The recently launched OLCI (Open Loop Coreless Integral technology) - an open loop Hall effect current sensor combined with an integrated Rogowski coil in the coreless design - targets the trackside infrastructure segment.

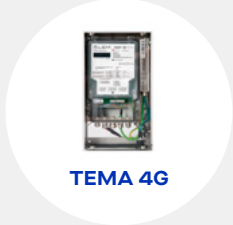
The Track business continues to record solid year-over-year growth of around 3%

TRACTION

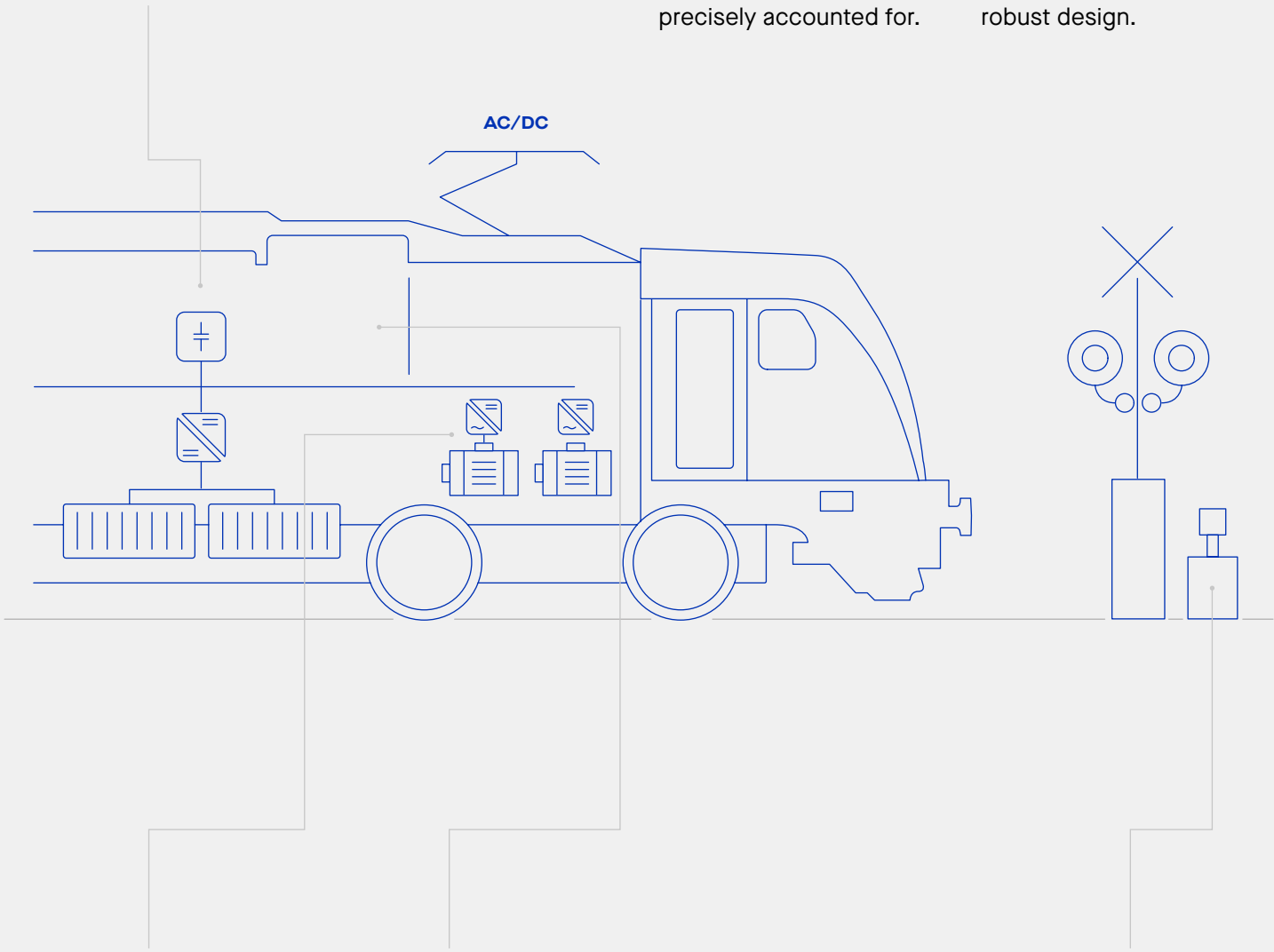
LEM Traction sensors are used in converters to regulate speed and power of locomotives as well as in auxiliary systems such as ventilation, lighting, etc. In addition, our products are used for energy metering to make sure the electricity use is precisely accounted for.

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

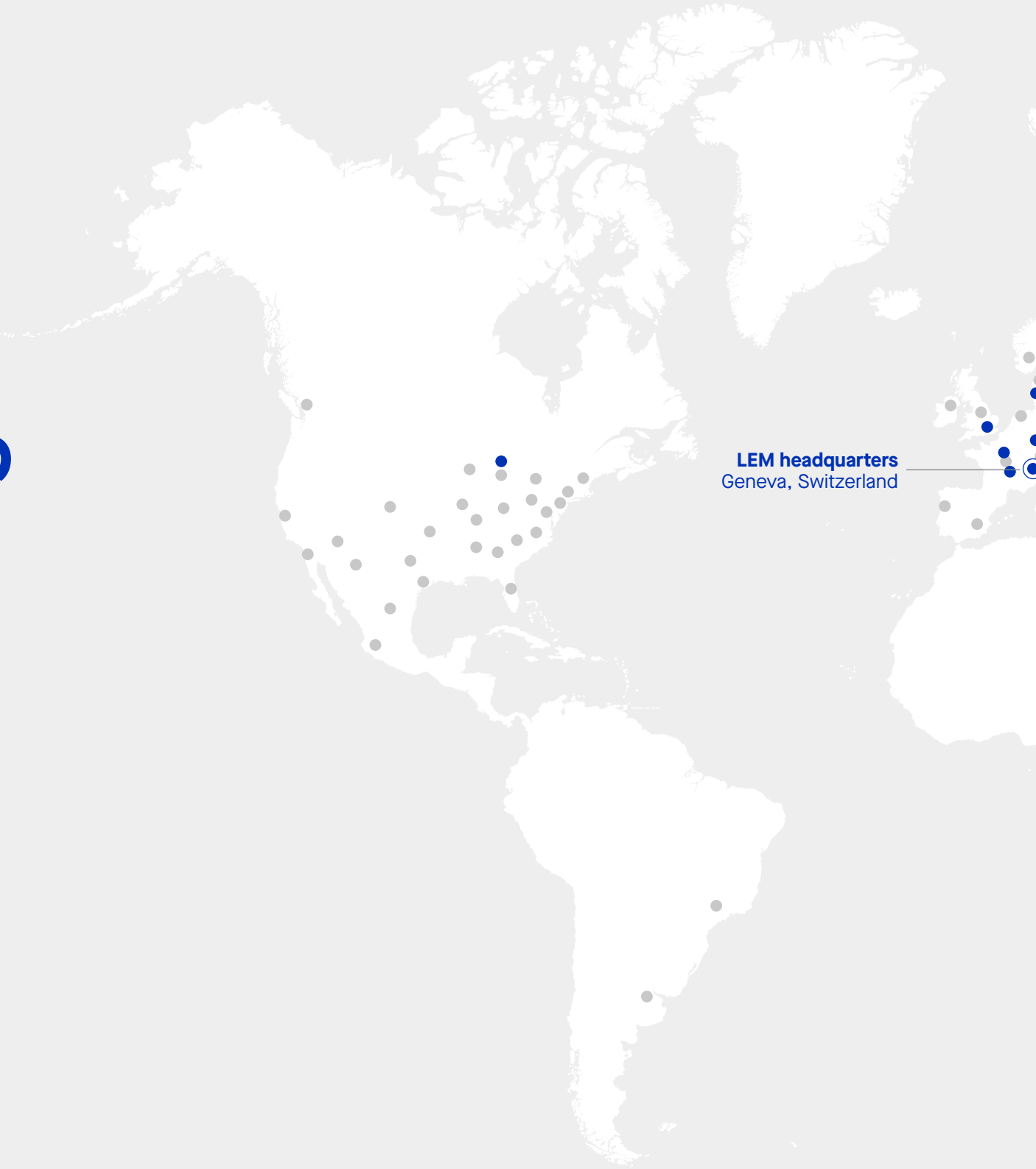


DVM



HTRS

Leading the world



LEM headquarters
Geneva, Switzerland

● LEM sites

Europe:

Austria
Belgium
Bulgaria
Denmark
France
Germany
Italy
Switzerland
United Kingdom

US:

Wisconsin

Asia:

China
India
Malaysia
Japan
South Korea
Taiwan

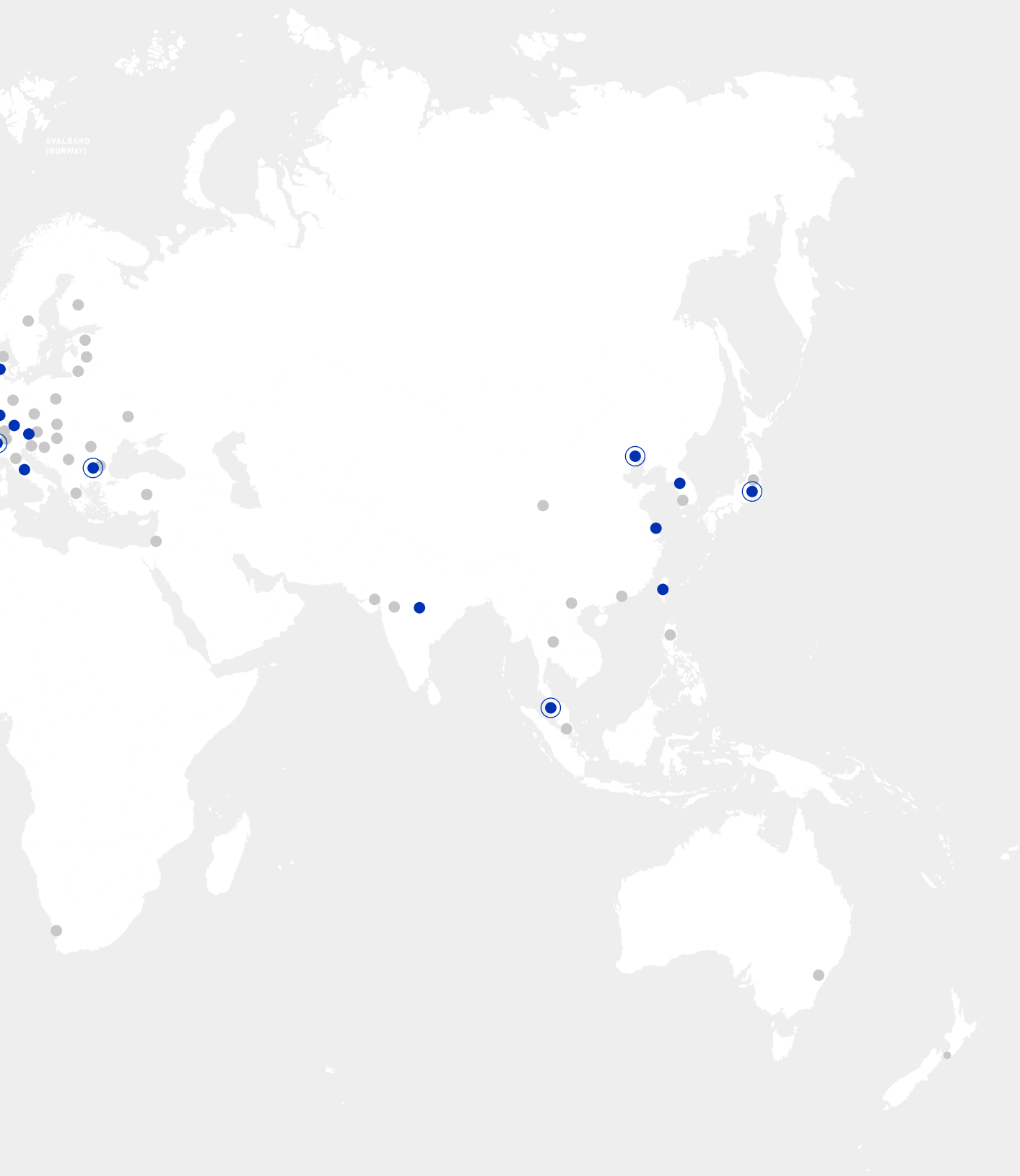
○ LEM manufacturing sites

Europe:

Bulgaria (Sofia)
Switzerland (Geneva)

Asia:

China (Beijing)
Japan (Tokyo)
Malaysia (Penang)



● **LEM sales representatives and distributors**

US and Canada:

- Alabama
- Arizona
- British Columbia
- California
- Colorado
- Connecticut
- Florida
- Georgia
- Illinois
- Iowa
- Kansas
- Massachusetts
- Minnesota
- Missouri
- New Jersey
- New York
- North Carolina
- Ohio
- Ontario
- Pennsylvania
- Texas
- Wisconsin

LATAM:

- Argentina
- Brazil
- Mexico

Asia:

- China
- Hong Kong
- India
- Japan
- Philippines
- South Korea

EMEA:

- Austria
- Bulgaria
- Croatia
- Czech Republic
- Denmark
- Estonia
- Finland
- Germany
- Greece
- Hungary
- Ireland
- Israel
- Italy
- Latvia
- Liechtenstein
- Lithuania

Netherlands

- Norway
- Poland
- Portugal
- Romania
- Serbia
- Slovakia
- Slovenia
- South Africa

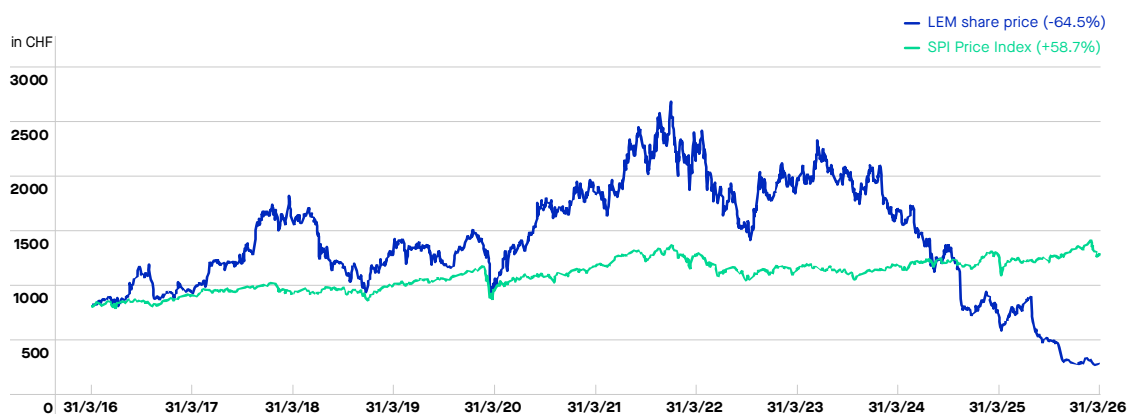
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- United Kingdom

Oceania:

- Australia
- New Zealand

Share price

SHARE PRICE DEVELOPMENT LEM HOLDING SA (LEHN) COMPARED TO SPI



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

	2025 /2026	2024 /2025
In number of shares, CHF		
Number of shares	1,140,000	1,140,000
Year high ¹	915	1764
Year low ¹	255	703
Year-end (March 31) ¹	289	709
Market capitalization as per March 31 ¹ (in CHF millions)	329	808
Average daily trading volume (shares) ¹	3297	1314
Earnings per share	8.65	7.36
Equity per share	118.34	110.33
Ordinary dividend per share	0.00 ²	0.00

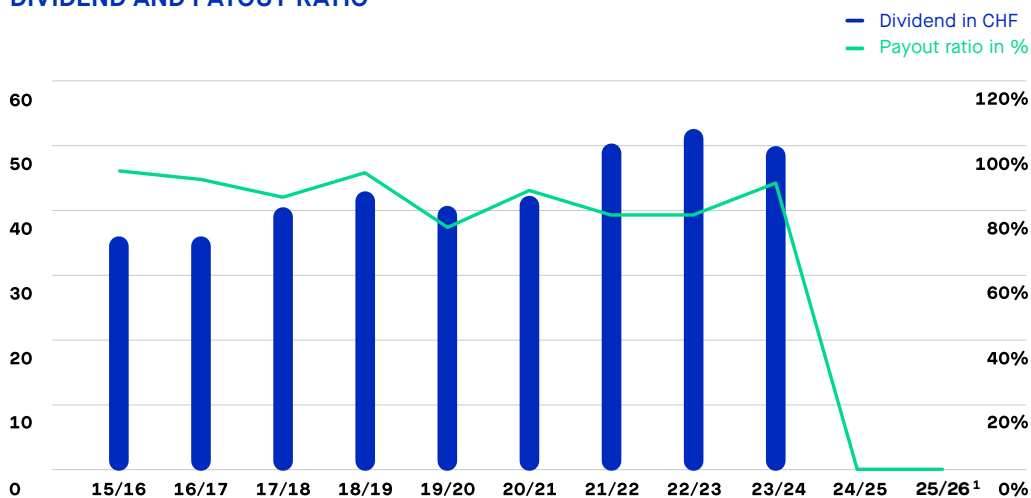
¹Source: SIX.

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

DIVIDEND

LEM targets a payout ratio significantly above 50% of the consolidated net profit for the year. In view of the uncertainty surrounding the economic environment, the Board of Directors proposes not to declare a dividend for the 2025/26 financial year. However, LEM remains committed to resume its attractive and sustainable dividend policy in the future.

DIVIDEND AND PAYOUT RATIO



¹ Proposal of the Board of Directors to the Annual General Meeting of Shareholders 2026

NUMBER OF REGISTERED SHAREHOLDERS

	31.3.2026	31.3.2025
1 - 499	2,358	2,346
500 – 4,999	54	65
5000 – 49,999	6	9
50,000 and more	3	3
Total	2,422	2,423

SHAREHOLDERS BY CATEGORY

in %	31.3.2026	31.3.2025
Institutional shareholders	43,5	45,2
Private individuals	30,5	27,5
LEM employees, manager, and board	7,1	7,1
Treasury shares	0,1	0,1
Non registered shares	18,8	20,1
Total	100,0	100,0

FINANCIAL CALENDAR

25 June 2026	Annual General Meeting for the financial year 2025/26
29 June 2026	Dividend ex-date
1 July 2026	Dividend payment date
28 July 2026	First quarter results 2026/27
10 November 2026	Half year results 2026/27
05 February 2027	9 months results 2026/27
27 May 2027	Full year results 2026/27
24 June 2027	Annual General Meeting for the financial year 2026/27
25 June 2027	Dividend ex-date
2 July 2027	Dividend payment date

INVESTOR CONTACT

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investor@lem.com

SHARE REGISTER CONTACT

areg.ch ag
+41 62 209 16 60
info@areg.ch

Corporate Governance Report



This report is based on 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 (LEHN, security no. 2 242 762; ISIN CH0022427626). On 31 March 2026, the market capitalization was CHF 329 million. LEM Group is structured into Asia, Europe and Americas regions. Appropriate segment reporting pursuant to IFRS is contained in note 3 of LEM's consolidated financial statements. All companies in LEM Group are listed under "Scope of consolidation" in note 26 of LEM's consolidated financial statements, with their respective company names, registered offices, share capital and the relevant percentages of shares held. There are no other 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, percentage of shareholding	31.3.2026		31.3.2025	
	Shares	In %	Shares	In %
Werner O. Weber, Werner C. Weber, Corinne Lüscher-Weber, and Ueli Wampfler, in Zollikon/ Wollerau, Switzerland, partly through WEMACO Invest AG and Voltano AG in Cham, Switzerland	599,489	52.59%	599,139	52.6%
J. Safra Sarasin Investmentfonds AG, Basel, Switzerland	37,500	3.29%	43,210	3.79%
UBS Fund Management (Switzerland), AG	34,898	3.06%	35,343	3.1%

SHAREHOLDINGS OF EXECUTIVE MANAGEMENT

	31.3.2026		31.3.2025	
	Number of shares held		Number of shares held	
Frank Rehfeld, CEO	50		29	
Antoine Chulia, CFO	0		0	
Verena Vescoli, CTO	8		0	
Uwe Gerber, SVP Operations	0		0	
John McLuskie, SVP Asia	0		0	
Total	58		29	

SHAREHOLDINGS OF NON-EXECUTIVE DIRECTORS

	31.3.2026		31.3.2025	
	Number of shares held		Number of shares held	
Andreas Hürlimann	1,111		1,001	
François Gabella	600		600	
Ilan Cohen	300		300	
Ulrich Jakob Looser	450		450	
Werner C. Weber	0		0	
Libo Zhang	0		0	
Total	2,461		2,351	

The notifications which have been sent to the Company and the disclosure office of SIX Swiss Exchange AG during the financial year 2025/26 pursuant to Article 120 et seqq. of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading may be viewed via the search function on 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 must 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 2026, LEM HOLDING SA held 1,474 treasury shares.

Capital range and conditional capital

There is neither a capital range nor a 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 3 members who are individually elected at the Annual General Meeting for a mandate of 1 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 Chair of the Board of Directors and the members of the Nomination & Compensation Committee (NCC) who are elected by the Annual General Meeting.

At the Annual General Meeting on 26 June 2025, Andreas Hürlimann, François Gabella, Ilan Cohen, Ulrich J. Looser and Werner C. Weber and Libo Zhang were re-elected as members of the Board of Directors. Andreas Hürlimann was re-elected as Chair of the Board of Directors. In addition, shareholders elected Andreas Hürlimann, Ulrich J. Looser and Werner C. Weber to the NCC. Ulrich J. Looser chairs the NCC.

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 or consultancy 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 10 additional mandates of which no more than

4 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 5 mandates held at the request of LEM or companies controlled by it; and (c) up to 6 mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. Mandates shall mean mandates in comparable functions at other organizations with an economic purpose. Up to 20 mandates in different legal entities which are under joint control or same beneficial ownership are deemed 1 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 Chair, after consulting with the CEO and the Chairs 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 comprehensive preparation for 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 the members present is sufficient. In the event of a tie, the Chair 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 is composed of at least 3 members who are individually elected at the Annual General Meeting for a mandate of 1 year

The Board of Directors was composed of the following members as of 31 March 2026:



Andreas Hürlmann

Nationality Swiss

Born in 1964

POSITION

Chair of the Board of Directors, Chair of the Strategy Committee, Member of the Nomination & 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
Member of the Board of Directors

Condis SA, Rossens
Member of the Board of Directors

Glatz AG, Frauenfeld
Vice-Chair of the Board of Directors

Sustainable Real Estate Investments SICAV, Zurich
Chair 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 2025, CEO of Fil Robotics Ltd

2019-2025, Chair 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

Fil Robotics, Israel
Member 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, Chair 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-Chair of the Board of Directors

Sonceboz SA, Sonceboz
Member of the Board of Directors

Swissmem, Zurich
Central Committee Member

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-Chair, Chair of the Nomination & 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 Chair Accenture AG (Switzerland)

1987 – 2001, McKinsey & Company, industry, energy, pharma and public sector practices, partner election 1993

OTHER NOTABLE ACTIVITIES

Geistlich Holding AG
Member of the Board of Directors

Brütsch Rüeegg Holding AG
Member of the Board of Directors

Fostag 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



**Werner
C. Weber**

Nationality Swiss

Born in 1960

POSITION

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

ENTRY 2017

PROFESSIONAL BACKGROUND

Since 1998, Weber Schaub & Partner ag, Counsel (Founding 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

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, Chair of the Audit and Risk Committee

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 Holding 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 Chair and the CEO as well as between the Chair 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 pertaining to each agenda item one week before the Board meeting;
- each member of the Executive Management joins at least one but usually multiple Board meetings in any given year.

Business risk management

In compliance with Swiss law, LEM uses 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: firstly, potential hazards are evaluated and a consolidated list with 5 to 10 main hazards is set up. Secondly, 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 (ARC).

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 ARC.

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 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 ARC 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 NCC deals with succession, recruitment and compensation of the members of the Board of Directors and 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 performance objectives, as well as in

preparing the proposals to be submitted to the Annual 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 Executive Management and the performance-based compensation system for 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 & Sustainability Committee (SSC)

The primary objective of the Strategy & Sustainability Committee (SSC) is to assist the Board of Directors in fulfilling its duties with respect to determining the Company's strategy and sustainability 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 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, three teleconferences and two half-day meetings were held.

4. Executive Management

The Executive Management was composed of the following members as of 31 March 2026:



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, Director Body/Chassis Electronics, Siemens VDO China,

1996 – 2004, Director R&D Body/Chassis Electronics, Siemens VDO Germany

EDUCATION

Dipl. Eng. Electrical Engineering, Erlangen-Nuremberg, Germany



Antoine Chulia

Nationality French/US

Born in 1979

FUNCTION

CFO

WITH LEM SINCE

2025

PREVIOUS COMPANIES AND POSITIONS

2023 – 2025, Group Chief Financial Officer, Britax, USA

2018 – 2023, Vice President, Corporate Finance, Medline, USA

2011 – 2018, Vice President, Finance, Schneider Electric USA

2007 – 2011, Director, FP&A, Schneider Electric EMEA

2004 – 2007, Chief Financial Officer, Schneider Toshiba Inverter Power Drives

2001 – 2004, Controller and Analyst roles

EDUCATION

Master of Business Administration (MBA), Collège des Ingénieurs

Master of Science in Management (MS), Ecole Centrale Paris

University of Illinois Urbana-Champaign

Certified Management Accountant (CMA)



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



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 a 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 or consultancy 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 Executive Management may not hold more than 3 additional mandates of which no more than 1 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 5 mandates held at the request of LEM or companies controlled by it; and (c), subject to approval by the Board of Directors, up to 3 mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. Mandates shall mean mandates in comparable functions at other organizations with an economic purpose. 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 an Annual 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 Swiss 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 Annual General Meeting and inclusion of items on the agenda

Registered shareholders are convened to the Annual 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 to 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.

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, with the election taking place at the Annual General Meeting. Ernst & Young has been auditing LEM since the 2005/06 financial year, with Rico Fehr as auditor-in-charge bearing the responsibility for the audit since 2025/26. As required by law, the auditor-in-charge is changed every seven years. Ernst & Young audits LEM Group's consolidated financial statements as well as all of LEM Group's 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	2025 /2026	2024 /2025
Audit fees	463	542
Additional audit-related fees	0	0
Total	463	542

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 2025/26 Ernst & Young attended three 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 Report 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 ensure that price-sensitive facts are published without delay in accordance with the ad hoc publicity rules of the SIX. 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 and corporate calendar.

10. Trading restriction periods

LEM HOLDING SA has adopted a disclosure and insider trading policy with the objective of preventing 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 7am) 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:

Antoine Chulia, CFO
Route du Nant-d'Avril 152, CH-1217 Meyrin
(phone: +41 22 706 12 50)
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 Chair 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	Chair of the BoD	BoD

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 of the Nomination and Compensation Committee. The compensation of the Board of Directors consists of a fixed cash payment and is reviewed on an annual basis. The remuneration compensates for 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 compensation scheme with a fixed membership fee payable in cash of gross CHF 250,000 for the Chair and gross CHF 80,000 for each member of the Board of Directors. Activities in committees of the Board of Directors is compensated by membership fees of gross CHF 40,000 for the committee's Chair and gross CHF 20,000 for each member.

The tables below show the compensation per member of the Board of Directors for the financial years 2024/25 and 2025/26 for their respective terms of office. At the Annual General Meeting held on 26 June 2025, the shareholders approved a maximum compensation amount for the term of office from the Annual General Meeting 2025 until the Annual General Meeting 2026 of CHF 990,000. The actual cost for the Company for the compensation of members of the Board of Directors for the financial year 2025/26 was CHF 959,000 (instead of a maximum of CHF 990,000).

BOARD TERM 2025/26

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
Ulrich Jakob Looser ^{3, 4}	140	10	150
Ilan Cohen ⁸	100	7	107
Werner C. Weber ^{5, 7}	120	9	129
Libo Zhang ²	120	11	131
François Gabella ⁷	100	6	106
Total	890	69	959

BOARD TERM 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 ^{5, 7}	120	10	130
Libo Zhang	80	7	87
François Gabella ⁷	100	7	107
Total	970	75	1,045

¹ Chair of the Board of Directors

² Chair of the Audit and Risk Committee

³ Member of the Audit and Risk Committee

⁴ Chair of the Nomination and Compensation Committee

⁵ Member of the Nomination and Compensation Committee

⁶ Chair 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 Annual General Meeting upon proposal by the Board of Directors based upon 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
New long-term incentive starting 22/23	Shares	Participation in sustainable Company success, alignment with shareholder interests	Achieved value creation and absolute and relative shareholder return 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 in 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.

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 Chair 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 reviews.

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, at 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 17% 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 for the same financial year at the Annual General Meeting 2026 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 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 pre-defined 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 2025/26 the targets 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	67% of expected performance	100% of expected performance	133% 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 generally 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 and will therefore 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 (i.e., the individual LTI amount), of the long-term incentive represents 35% of the total target compensation of the CEO and between 8% and 24% of the total target compensation for other members of the Executive Management.

The Board of Directors has, on an exceptional basis, resolved to adjust the EVA performance target applicable to the LTI cycles 2023/24 to 2025/26 and 2024/25 to 2026/27. This decision has been taken in light of exceptional external and corporate circumstances occurring after the original EVA target setting, which materially affected the economic environment underlying the EVA objective. The Board of Directors has determined that an adjustment of the EVA objective was appropriate in such circumstances in order to maintain the incentive intent of the LTI and its alignment with long-term value creation efforts expected from participants.

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

The PSU related to the period 25/26 to 27/28 LTI plan were allocated as follows:

In CHF thousands	Value at reference price In CHF thousands	Numbers of PSUs
Frank Rehfeld, CEO	450	529
Executive Management (excl. CEO)	593	698
Total	1,043	1,227

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.

2.2 Compensation of Executive Management

2025/26

	Base salary	Short-term incentive	Long-term incentive ^{6,7}	Company's contribution to pension fund	Other benefits ³	Total	Company's contribution to social security compensation
Frank Rehfeld, CEO	525	243	21	80		869	79
Executive Management (excl. CEO) ¹	1,592	431	18	175	175	2,391	222
Total	2,117	674	39	255	175	3,260	301

2024/25

	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) ²	2,087	190	34	313	178	2,802	249
Total	2,612	248	49	458	178	3,545	309

¹ Including Ad-Interim CFO (Pro-rated 1 month) and former SVP Europe/Americas (Pro-rated 5 months) for base salary

² Including leaver former CFO (Pro-rated 8 months) and New Joiner Ad-Interim CFO (Pro-rated 4 months)

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 LTI Cycles 2022/25 – 2023/26 and 2024/27 for former SVP Europe/Americas

⁵ Including contributions to plan 1e following 2023–2024-year regularization

⁶ As described above under the long-term incentive (LTI) section, the EVA performance target under the LTI cycles 2023/24 to 2025/26 and 2024/25 to 2026/27 has been amended by the Board of Directors

⁷ LEM shares values based on share value at 31st of March 2026 Closing (288.50 CHF).

The amounts are shown as follows:

- Base salary: CHF 2,117,000 as paid out in the reporting period.
- Short-term incentive 2025/26: CHF 674,413 as proposed to the Annual General Meeting to be held on 25 June 2026 for a payout in July 2026.
- Long-term incentive: CHF 39,236 as accrued for long-term incentive 2023/26 for vesting in July 2026.
- Pension fund contributions: CHF 255,000 as accrued for or paid during the reporting period.
- Company's contributions to social security charges: CHF 301,000 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 2024 to 30 September 2025): CHF 4,000,000
- Maximum amount base salary (for the period from 1 October 2025 to 30 September 2026): CHF 3,100,000
- Short-term incentive amount for 2024/25 for payment in 2025: CHF 272,303
- Maximum amount long-term incentive 2023/24 to 2025/26 for payment in 2026: CHF 3,300,000
- 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 compensation paid out for 2025/26 to the Executive Management ranged from 0% (for leavers) to 33% 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. These shareholding requirements ensure that Executive Management's interests are aligned with those of shareholders.

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 un-vested PSUs under the LEM's long-term incentive, will be taken into account when assessing whether or not the shareholding requirements are met. Each member of the Executive Management is on track to meet the shareholding requirements.

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 2024/25 and 2025/26 or in any previous year.

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

OPINION

We have audited the compensation report of LEM Holding SA (the Company) for the year ended 31 March 2026. 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 44 of the compensation report.

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

BASIS FOR OPINION

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

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

OTHER INFORMATION

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

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

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

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

BOARD OF DIRECTORS’ RESPONSIBILITIES FOR THE REMUNERATION REPORT

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

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

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

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

Ernst & Young Ltd

Rico Fehr

Licensed audit expert
(Auditor in charge)

Didier Lequin

Licensed audit expert

Financial Report of LEM Group



Consolidated statement of financial position

Assets

In CHF thousands			
	Notes	31.3.2026	31.3.2025
Current assets			
Cash and cash equivalents		35,414	18,703
Accounts receivable	5	61,162	68,023
Inventories	6	50,347	57,639
Income tax receivable		6,895	12,723
Other current assets	7	3,708	6,700
Total current assets		157,525	163,788
Non-current assets			
Property, plant and equipment	8	74,296	85,480
Right-of-use assets	9	26,962	30,928
Intangible assets	10	8,490	9,684
Deferred tax assets	21	47,551	52,077
Other non-current assets	11	3,663	3,648
Total non-current assets		160,963	181,816
Total assets		318,488	345,604

Liabilities and equity

In CHF thousands			
	Notes	31.3.2026	31.3.2025
Current liabilities			
Accounts payable	12	21,367	33,007
Accrued expenses		29,278	27,593
Lease liabilities	9	3,743	3,679
Income tax payable	21	1,845	2,979
Current provisions	13	1,184	7,521
Interest-bearing loans and borrowings	25	36,053	41,171
Other current liabilities	14	1,282	1,801
Total current liabilities		94,750	117,753
Non-current liabilities			
Non-current lease liabilities	9	26,533	30,405
Non-current provisions	13	1,156	943
Deferred tax liabilities	21	1,488	2,526
Interest-bearing loans and borrowings	25	59,125	67,660
Other non-current liabilities	14	642	546
Total non-current liabilities		88,945	102,080
Total liabilities		183,695	219,833
Equity			
Share capital	15	570	570
Treasury shares	15	(1,273)	(1,872)
Reserves		(4,169)	(2,145)
Retained earnings		139,666	129,219
Total equity		134,793	125,771
Total liabilities and equity		318,488	345,604

Consolidated income statement

In CHF thousands	Notes	2025/26	April to March 2024/25
Sales		287,675	306,924
Cost of goods sold		(172,558)	(174,333)
Gross profit		115,117	132,590
Sales expenses		(27,234)	(27,914)
Administration expenses		(34,983)	(42,819)
Research & development expenses		(26,960)	(35,265)
Restructuring expenses	16	(1,857)	(7,898)
Other income		286	172
Operating profit		24,367	18,867
Financial expenses	18	(4,981)	(4,745)
Financial income	19	155	215
Foreign currency exchange effect	20	(1,648)	(3,861)
Profit before tax		17,893	10,476
Income taxes	21	(8,036)	(2,085)
Net profit		9,857	8,391
Earnings per share, in CHF thousands			
Basic earnings per share		8.65	7.36
Diluted earnings per share		8.63	7.35

Consolidated statement comprehensive income

In CHF thousands	Notes	2025/26	April to March 2024/25
Net profit for the period recognized in the income statement		9,857	8,391
Other comprehensive income to be reclassified to profit and loss in subsequent periods			
Currency translation difference		(1,346)	(853)
Income tax		40	126
Total other comprehensive income to be reclassified to profit and loss in subsequent periods		(1,306)	(727)
Other comprehensive income not to be reclassified to profit and loss in subsequent periods			
Remeasurement gains/(losses) on defined benefit plans		259	(1,183)
Income tax		(42)	168
Total other comprehensive income not to be reclassified to profit and loss in subsequent periods		217	(1,016)
Other comprehensive income /(loss) for the period, net of tax		(1,089)	(1,742)
Total comprehensive income for the period		8,769	6,649

Consolidated statement of changes in equity

Attributable to shareholders

In CHF thousands	Notes	Share capital	Treasury shares	Capital reserve	Translation reserve	Retaining earnings	Total equity
1 April 2024		570	(1,988)	13,931	(15,107)	179,272	176,677
Net profit for the year							8,391
Other comprehensive income/(loss)					(853)	(889)	(1,742)
<i>Total comprehensive income</i>					<i>(853)</i>	<i>7,501</i>	<i>6,649</i>
Share-based payments						(150)	(150)
Dividends paid						(56,936)	(56,936)
Movement in treasury shares			116	(116)		(469)	(469)
31 March 2025		570	(1,872)	13,815	(15,960)	129,219	125,771
1 April 2025		570	(1,872)	13,815	(15,960)	129,219	125,771
Net profit for the year						9,857	9,857
Other comprehensive income/(loss)					(1,346)	257	(1,088)
<i>Total comprehensive income</i>					<i>(1,346)</i>	<i>10,114</i>	<i>8,769</i>
Share-based payments	17		(79)			318	239
Dividends paid	15						
Movement in treasury shares	15		678	(678)		15	15
31 March 2026		570	(1,273)	13,137	(17,305)	139,666	134,794

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	2025/26	April to March 2024/25
Cash flow from operating activities			
Profit before tax		17,893	10,476
Adjustment for non-cash items		22,861	18,161
Net financial result		4,423	4,498
Derivative financial instruments revaluation		(151)	(582)
Share-based payment expense		(172)	(155)
Depreciation and amortization		21,507	19,039
Impairment loss		324	(12)
Gain/Loss on disposal of fixed assets		1,045	129
Increase (+) / decrease (-) of provisions and allowances		(111)	9,756
Movement in pension		324	(1,188)
Interest received		58	147
Interest paid		(4,089)	(4,645)
Taxes paid		(298)	(8,826)
Cash flow before changes in net working capital		40,754	28,637
Change in inventories		6,329	(4,235)
Change in accounts receivable and other current assets		6,390	4,797
Change in payables and other liabilities		(13,554)	982
Cash flow from changes in net working capital		(835)	1,545
Cash flow from operating activities		39,919	30,182
Cash flow from investing activities			
Investment in fixed assets		(7,577)	(14,268)
Investment in intangible assets		(555)	(1,301)
Increase (-) in other non-current assets		(2,696)	(1,373)
Decrease (+) in other non-current assets		2,643	746
Cash flow from investing activities		(8,185)	(16,196)
Cash flow from financing activities			
Capital increase (+) /decrease (-)		(39)	
Treasury shares acquired (-)	15	(3,819)	(7,200)
Treasury shares divested (+)	15	4,418	7,316
Payment of lease liabilities		(3,798)	(3,985)
Dividends paid to the shareholders of LEM HOLDING SA		0	(56,936)
Increase (+) in financial liabilities		278,181	61,500
Decrease (-) in financial liabilities		(289,189)	(19,375)
Cash flow from financing activities		(14,247)	(18,679)
Change in cash and cash equivalents		17,487	(4,693)
Cash and cash equivalents at the beginning of the period		18,703	23,710
Exchange effect on cash and cash equivalents		(776)	(314)
Cash and cash equivalents at the end of the period		35,414	18,703

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 16 countries and employed 1,626 people as of 31 March 2026. 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 2026. The Company has been listed on the SIX Swiss Exchange since 1986.

The Board of Directors approved the consolidated financial statements on 21 May 2026, to be submitted for approval by the Annual General Meeting of Shareholders on 25 June 2026.

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

For the first time, the Group applied certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. 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
Amendments to IAS 21	Lack of exchangeability	1 January 2025

The amendment mentioned above has 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 1 January, 2027, and will apply retroactively. 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.

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 substantially obtains 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 annually tests 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 offset 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 2026 and 31 March 2025.

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 2025/26	Income statement of 2024/25	Balance sheet 31.3.2026	Balance sheet 31.3.2025
	Average rate in CHF	Average rate in CHF	Average rate in CHF	Average rate in CHF
BGN	0.475	0.486	0.470	0.488
CNY	0.113	0.123	0.116	0.122
DKK	0.125	0.128	0.123	0.128
EUR	0.930	0.951	0.920	0.954
GBP	1.075	1.131	1.057	1.141
JPY	0.005	0.006	0.005	0.006
MYR	0.193	0.197	0.198	0.199
RUB	0.010	0.009	0.010	0.010
USD	0.802	0.886	0.800	0.882

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated at the market rate prevailing at that time. 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 comprises 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.

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 licenses 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 (on 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 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.

Notes to the consolidated financial statements

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.

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 sub-sequent 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, considering 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

	Asia		Europe/Americas		LEM Group	
In CHF thousands	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Income statement						
Sales	152,272	168,269	135,402	138,655	287,675	306,924
EBITDA	20,949	19,764	24,913	19,512	45,862	39,276
Depreciation and amortization						
Property, plant and equipment	4,920	4,788	10,974	10,406	15,894	15,194
Intangible assets	42	46	1,701	1,380	1,743	1,425
Right-of-use assets	1,170	1,245	2,687	2,545	3,858	3,790
Total	6,132	6,078	15,362	14,331	21,494	20,409
Operating profit	14,816	13,686	9,551	5,181	24,367	18,867
Interest expenses					(4,981)	(4,745)
Interest revenue					155	215
Foreign currency exchange effect					(1,648)	(3,861)
Taxes					(8,036)	(2,085)
Net profit for the year					9,857	8,391
Capital expenditures						
Property, plant and equipment	3,143	7,231	4,490	7,669	7,633	14,899
Intangible assets	73	22	482	2,236	555	2,258
Total capital expenditures	3,215	7,252	4,972	9,905	8,188	17,157
Goodwill	2,597	2,742			2,597	2,742

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		
Sales	2025/26	2024/25
China	102,665	117,458
Rest of Asia	49,607	50,811
Total region Asia	152,272	168,269
EMEA	100,231	104,197
Americas	35,171	34,457
Total region Europe/Americas	135,402	138,655
LEM Group	287,675	306,924

GEOGRAPHICAL INFORMATION

In CHF thousands	2025/26	China		USA		Germany		Japan
		2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Sales	102,665	117,458	35,171	34,457	24,907	30,084	16,821	15,604
Non-current assets ¹	11,683	14,647	130	214	235	275	2,736	3,003
Right-of-use assets	5,096	6,360	119	214	294	437	237	502

In CHF thousands	2025/26	South Korea		Italy		Other countries		LEM Group	
		2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	
Sales	10,523	14,048	11,782	10,075	85,856	85,198	287,675	306,924	
Non-current assets ¹					68,108	77,024	82,892	95,163	
Right-of-use assets			112	6	21,104	23,408	26,962	30,928	

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

In CHF thousands	31.3.2026	31.3.2025
Accounts receivable – trade	59,345	67,679
Allowance for doubtful accounts/expected credit losses	(1,590)	(1,761)
Total accounts receivable – trade	57,756	65,918
Other receivables	3,407	2,106
Total	61,162	68,023

MOVEMENTS OF ALLOWANCE FOR DOUBTFUL ACCOUNTS/EXPECTED CREDIT LOSSES

In CHF thousands	Total
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
Balance as per 1 April 2025	1,761
Addition	31
Utilized during the year	(132)
Foreign exchange effect	(70)
Balance as per 31 March 2026	1,590

Notes to the consolidated financial statements

AGING ANALYSIS OF ACCOUNTS RECEIVABLE

In CHF thousands 31 March 2025	Not due	< 30 days	31– 90 days	91– 180 days	> 180 days	Total
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

31 March 2026						
In CHF thousands	Not due	< 30 days	31– 90 days	91– 180 days	> 180 days	Total
Accounts receivable – trade	49,688	5,630	1,941	694	1,392	59,345
Allowances for doubtful accounts/ expected credit losses		(78)	(74)	(147)	(1,291)	(1,590)
Other receivables	3,407					3,407
Total	53,095	5,552	1,867	547	101	61,162

6. Inventories

In CHF thousands	31.3.2026	31.3.2025
Raw material	26,302	30,592
Work in progress	124	124
Finished goods and goods for resale	23,922	26,923
Total	50,347	57,639

The inventories include allowances of CHF 7,425 thousand (at 31 March 2025: CHF 9,169 thousand).

7. Other current assets

In CHF thousands	31.3.2026	31.3.2025
Advances to suppliers	1,565	4,482
Prepayments and accrued income	2,045	2,186
Derivative financial instruments	95	29
Other current assets	3	3
Total	3,708	6,700

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 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
Net book value 1 April 2025	19,553	65,927	85,480
Acquisitions	300	7,333	7,633
Disposals		(1,101)	(1,101)
Other movements	44		44
Impairment		(287)	(287)
Depreciation charge	(1,424)	(14,470)	(15,894)
Foreign exchange effect	(107)	(1,136)	(1,243)
Net book value 31 March 2026	18,366	55,930	74,296
At cost of acquisition	25,512	166,963	192,476
Accumulated depreciation ¹	(7,146)	(111,033)	(118,179)
Net book value 31 March 2026	18,366	55,930	74,296

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

In CHF thousands	Real estate	Vehicles	Total
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
Net book value 1 April 2025	30,395	532	30,928
Addition	214	5	219
Remeasurement	194	(5)	189
Depreciation	(3,634)	(223)	(3,858)
Foreign exchange effect	(487)	(30)	(516)
Net book value 31 March 2026	26,683	279	26,962
At cost of acquisition	40,944	646	41,589
Accumulated depreciation ¹	(14,261)	(366)	(14,627)
Net book value 31 March 2026	26,683	279	26,962

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:

In CHF thousands	Current lease liabilities	Non-current lease liabilities	Total
Balance as per 1 April 2024	2,796	26,035	28,831
Payment of lease liabilities including interest	(5,175)		(5,175)
Addition	1,064	8,334	9,398
Interest	1,190		1,190
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
Balance as per 1 April 2025	3,679	30,405	34,085
Payment of lease liabilities including interest	(4,974)		(4,974)
Addition	170	336	506
Interest	1,176		1,176
Transfer from non-current to current	3,804	(3,804)	
Foreign exchange effect	(112)	(404)	(516)
Balance as per 31 March 2026	3,743	26,533	30,276

The weighted average incremental borrowing rate is 4.70% (31 March 2025: 3.49%).

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

UNDISCOUNTED CASH FLOWS

In CHF thousands	31.3.2026	31.3.2025
Within 1 year	4,814	4,575
Within 1 year to 5 years	14,399	15,686
Above 5 years	16,497	18,702

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

In CHF thousands	2025/26	2024/25
Expenses relating to short-term leases/low value assets	(877)	(1,531)
Depreciation of right-of-use assets	(3,858)	(3,794)
Interest expenses on lease liabilities	(1,176)	(1,190)
Total	(5,911)	(6,515)

Notes to the consolidated financial statements

10. Intangible assets

In CHF thousands	Goodwill	Patents	Intangible from cloud computing arrangement	Other intangible assets	Total
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	2,742	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
Net book value 1 April 2025	2,742	42	6,360	539	9,684
Investment			334	221	555
Other movements				150	150
Amortization		(11)	(1,607)	(125)	(1,743)
Foreign exchange effect	(145)	(1)		(8)	(154)
Net book value 31 March 2026	2,597	31	5,087	776	8,490
At cost of acquisition	2,597	406	6,694	11,071	20,767
Accumulated amortization		(375)	(1,607)	(10,295)	(12,276)
Net book value 31 March 2026	2,597	31	5,087	776	8,490

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 8.5% and operating costs were estimated based on the experience of management.

The pretax discount rate used within these cash flow calculations is 13.7% (2024/2025 14.1%) 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 2026.

As reported in the cloud computing arrangement, the Group continues to invest in 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

In CHF thousands	31.3.2026	31.3.2025
Loan to personnel	21	45
Recognized surplus – pension plan	2,428	2,976
Deposits and guarantees	1,215	627
Total	3,663	3,648

12. Accounts payable

In CHF thousands	31.3.2026	31.3.2025
Total accounts payable – trade	15,569	29,244
Other payables	5,798	3,763
Total	21,367	33,007

13. Provisions

In CHF thousands	Warranty and customer claims	Rest-structuring	Other	Total
Net book value 1 April 2024	798	81	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		(1)
Balance as per 31 March 2025	1,241	6,982	239	8,463
<i>Of which current</i>				7,521
<i>Of which non-current</i>				943
Balance as per 1 April 2025	1,241	6,982	239	8,463
Additional provisions	647	962	43	1,651
Unused amounts reversed	(270)		(88)	(358)
Utilized during the year	(350)	(6,992)		(7,342)
Foreign exchange effect	(21)	(55)		(76)
Balance as per 31 March 2026	1,248	896	193	2,339
<i>Of which current</i>				1,184
<i>Of which non-current</i>				1,156

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 2025, 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 in 2024/25 for CHF 6,9 million and relates principally to personnel costs. The re-structuring plan was drawn up and announced to the employees when the provision was recognized in its financial statements. The restructuring was completed by March 31st, 2026. However, in 2025/2026, CHF 1.9 million was further allocated.

14. Other liabilities

In CHF thousands	31.3.2026	31.3.2025
Post-employment benefit plans	469	423
Derivative financial instruments	251	336
Other liabilities	1,203	1,588
Total	1,923	2,347
<i>Of which current</i>	<i>1,282</i>	<i>1,801</i>
<i>Of which non-current</i>	<i>642</i>	<i>546</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

In number of shares, in CHF	Number	High	Price per share in CHF Average	Low	Value in CHF thousands
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
Purchases at cost	7,357	900.00	525.23	259.50	3,819
Granted to employees at cost	(94)		1973.39		(185)
Sales at cost	(7,249)	908.75	583.94	267.00	(4,233)
Value 31 March 2026	1,474				1,273

In CHF	
Ordinary dividend per share 2024/25	0.00
Ordinary dividend per share 2025/26	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 25 June 2026 (CHF 0 per share in 2024/25).

Notes to the consolidated financial statements

16. Staff costs

In CHF thousands	Notes	2025/26	2024/25
Production		(23,466)	(24,239)
Sales		(18,241)	(18,116)
Administration		(16,540)	(16,780)
Research & development		(21,424)	(26,918)
Restructuring*		(1,528)	(6,230)
Total		(81,200)	(92,282)
Salaries and wages Segment information		(76,162)	(89,936)
Temporary employee costs		(2,708)	(2,231)
Cost of defined benefit plans	24.1	(2,292)	29
Cost of defined contribution plans		(38)	(144)
Total		(81,200)	(92,282)
Number of employees at the end of the financial year		31.3.2026	31.3.2025
Permanent employees		1,460	1,520
Temporary employees		157	172
Apprentices		10	6
Total		1,626	1,698

* The restructuring expenses comprise CHF 1.5 million in payroll-related expenses, with the remainder allocated to various other costs

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 2026, 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	Number of shares expected to be delivered at vesting date
Plan Cycle 2023/24 to 2025/26	19.7.2023	19.7.2026	33	879	(265)	(23)	591
Plan Cycle 2024/25 to 2026/27	17.7.2024	17.7.2027	33	1,292	(182)	(9)	1,101
Plan Cycle 2025/26 to 2027/28	16.7.2025	16.7.2028	33	1,999	(57)	0	1,942

Plan name	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 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
Plan Cycle 2025/26 to 2027/28	815.47	837.46	945.43	764.82

Notes to the consolidated financial statements

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

In CHF thousands	31.3.2026	31.3.2025
Expense arising from equity-settled share-based payment transactions	408	(150)
Plan Cycle 2022/23 to 2024/25	(439)	(340)
Plan Cycle 2023/24 to 2025/26	477	25
Plan Cycle 2024/25 to 2026/27	134	165
Plan Cycle 2025/26 to 2027/28	210	

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

In %	Plan Cycle 2025/26 to 2027/28		Plan Cycle 2024/25 to 2026/27		Plan Cycle 2023/24 to 2025/26	
	LEM	SPI Index	LEM	SPI Index	LEM	SPI Index
Risk-free interest	0.082%	0.082%	0.91%	0.91%	1.09%	1.09%
Dividend yield	3.73%	–	3.48%	–	2.85%	–
Expected volatility	37.32%	13.35%	35.06%	15.49%	35.27%	16.09%

18. Financial expenses

In CHF thousands	2025/26	2024/25
Interest expenses	(4,481)	(4,645)
Other financial expenses	(500)	(100)
Total	(4,981)	(4,745)

19. Financial income

In CHF thousands	2025/26	2024/25
Interest income on cash	155	215
Total	155	215

20. Exchange effect

In CHF thousands	2025/26	2024/25
Exchange gains /losses	(2,935)	(2,378)
Fair value revaluation on derivatives	137	582
Gains and losses on derivatives ¹	1,150	(2,064)
Total	(1,648)	(3,861)

¹ Position includes cost of derivative hedging.

In 2025/26, 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 102,000 for the year 2025/26 (tax expense of CHF 294,000 in 2024/25).

Notes to the consolidated financial statements

Income tax

In CHF thousands	2025/26	2024/25
Current income taxes	(5,119)	(4,736)
Deferred taxes relating to the origination and reversal of temporary differences	(3,087)	2,274
Deferred tax income/(expense) resulting from changes in tax rates	(23)	79
Adjustment recognized in the period for current tax of prior year	193	298
Total	(8,036)	(2,085)

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

In %	2025/26	2024/25
Group's average expected income tax rate	18.6	22.5
Group's average expected withholding tax rate	(0.0)	4.6
Group's average expected tax rate	18.6	27.1

Tax effect of	2025/26	2024/25
Permanent differences	(0.1)	(3.6)
Changes in tax rates on deferred taxes	0.4	0.8
Adjustment in respect of previous periods' income tax	1.4	(2.8)
Unrecognized deferred Tax on carry forward losses	24.4	
Other differences	0.0	(1.5)
Group's effective tax rate	44.9	19.9

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.

The group has tax losses carried forward of about CHF 78 million as at March 31, 2026 (all expire after 5 years).

Deferred tax assets have not been recognized in respect of tax losses of CHF 30 million as it was considered that there was a probable risk that additional losses could be generated by the same group entity next year. As such, no recognition of these losses took place.

Notes to the consolidated financial statements

Deferred tax assets and liabilities

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

In CHF thousands	31.3.2026		31.3.2025	
	Asset	Liability	Asset	Liability
Assets	47,928	(6,925)	52,941	(6,924)
Accounts receivable	431	(121)	145	(47)
Inventories	1,417	(150)	1,607	(399)
Property, plant and equipment	3,914	(5,140)	3,004	(4,562)
Intangible assets	35,260	(341)	40,837	(25)
Tax losses carried forward	6,845		7,093	
Other assets	60	(1,173)	255	(1,892)
Liabilities	5,934	(874)	5,631	(2,097)
Provisions	384		75	
Others	5,550	(17)	5,556	(123)
Withholding tax on dividends		(857)		(1,974)
Gross deferred taxes	53,862	(7,799)	58,572	(9,021)
Offsetting	(6,311)	6,311	(6,495)	6,495
Net deferred taxes	47,551	(1,488)	52,077	(2,526)

LEM has not recognized as deferred tax assets during this fiscal year linked to a tax losses carried forward for an amount of 4 million that can be carried forward for seven years.

While a deferred tax assets was recognized on carry forward losses in 2024/25 for an amount of 7 million that can be carried forward for a limited period (seven years).

The balance sheet contains the following:

	31.3.2026	31.3.2025
Deferred tax assets	47,551	52,077
Deferred tax liabilities	(1,488)	(2,526)
Total	46,063	49,551

In 2025/26, the deferred tax assets of CHF 47.6 million are mainly linked to the deferred tax asset of the technical intellectual property intercompany sale, the latest occurring in 2023/24.

No deferred tax liability has been recognised in respect of the temporary differences arising from the investment of LEM Holding S.A. in LEM USA Inc, following the impairment recognised in fiscal year 2020/2021. In accordance with IAS 12.39, the Group does not recognise deferred tax liabilities on temporary differences related to investments in subsidiaries where it is

able to control the timing of the reversal of such differences and it is probable that these differences will not reverse in the foreseeable future.

At the reporting date, the aggregate amount of unrecognised temporary differences associated with this investment amounts to CHF 2,6 million.

At the reporting date, the Group has taxable temporary differences primarily arising from undistributed earnings of China and USA, for which a deferred tax liabilities of CHF 869 million has been recognized.

Notes to the consolidated financial statements

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:

Basic earnings per share	2025/26	2024/25
Net profit for the year attributable to LEM shareholders – in CHF thousands	9,857	8,391
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	930	587
Weighted average number of shares outstanding	1,139,070	1,139,412
Earnings per share – basic in CHF	8.65	7.36

Diluted earnings per share		
Net profit for the year attributable to LEM shareholders – in CHF thousands	9,857	8,391
Weighted average number of shares outstanding	1,139,070	1,139,412
Share-based payment plans	3,634	2,620
Adjusted weighted average number of shares outstanding	1,142,704	1,142,032
Earnings per share – diluted in CHF	8.63	7.35

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 2025/26 and 2024/25, 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

In CHF thousands	2025/26	2024/25
Annual fees	(890)	(970)
Total	(890)	(970)

Compensation of the Executive Management

In CHF thousands	2025/26	2024/25
Base salary	(2,117)	(2,612)
Bonus	(714)	(297)
Other benefits	(175)	(178)
Company's contribution to pension fund	(255)	(458)
Total	(3,261)	(3,545)

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 as of March 2026	Number of shares expected to be delivered at vesting date
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
Plan Cycle 2025/26 to 2027/28	16.7.2025	16.7.2028	5	1,227	0	0	1,227

In 2025/26 and 2024/25, 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 million, has been measured as of 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). No such impact happened as of 31 March 2026.

As of 31 March 2026, 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 2,428 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 remain stable:

- discount rate at 1.2%;
- interests credited on savings account at 1.5%;
- salary increase rate at 1%.

In CHF thousands	31.3.2026	31.3.2025
Fair value of plan assets at year-end	40,671	49,089
Defined benefit obligations at year-end	38,243	46,113
Surplus	2,428	2,976
Effect of asset ceiling	0	0
Funded status (Net assets in the balance sheet)	2,428	2,976

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 228 thousand at 31.3.2026 (CHF 210 thousand at 31.3.2025). Other subsidiaries, defined benefit obligations in Japan, Bulgaria and Italy amount to CHF 241 thousand at 31.3.2026 (CHF 212 thousand at 31.3.2025).

Notes to the consolidated financial statements

24.1 Cost of defined benefit plans

In CHF thousands	2025/26	2024/25
Current service cost	1,543	2,094
Past service cost	751	(2,120)
Net interest (income)/cost and administration costs	(2)	(2)
Total pension expenses recorded in the consolidated income statement	2,292	(4,745)

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

In CHF thousands	2025/26	2024/25
Experience adjustments on defined benefit obligation	970	664
Change in the effect of asset ceiling	0	0
Return on plan assets excluding interests	(1,229)	520
Total remeasurements recorded in other comprehensive income	(259)	1,183

24.3 Reconciliation of the effect of asset ceiling

In CHF thousands	2025/26	2024/25
Effect of asset ceiling per beginning of year	0	0
Change in the effect of asset ceiling		
Net interest (income)/cost		
Effect of asset ceiling per end of year	0	0

24.4 Change in fair value of plan assets

In CHF thousands	31.3.2026	31.3.2025
Fair value of plan assets as per beginning of year	49,089	54,272
Return on plan assets excluding interest income	1,229	(520)
Interest income on plan assets	468	716
Employer's contributions	1,443	1,798
Employees' contributions	1,380	1,714
Benefits paid	(12,938)	(8,892)
Fair value of plan assets as per end of year	40,671	49,089

Notes to the consolidated financial statements

24.5 Change in present value of defined benefit obligation

In CHF thousands	31.3.2026	31.3.2025
Defined benefit obligation per beginning of year	46,113	51,933
Current service cost	1,543	2,094
Past service cost	751	(2,120)
Employees' contributions	1,380	1,714
Interest cost	466	714
Actual (gains)/losses	929	670
<i>due to changes in assumptions</i>	<i>0</i>	<i>1,486</i>
<i>due to demographic and experience changes</i>	<i>929</i>	<i>(816)</i>
Benefits paid	(12,938)	(8,892)
Defined benefit obligation per end of year	38,243	46,113

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

In CHF thousands	Long-term target	2025/26	2024/25
Equity securities	35.0%	37.5%	36.3%
Debt securities	39.0%	34.4%	37.7%
Real estate	24.0%	24.4%	24.9%
Cash and other investments	2.0%	2.7%	1.1%
	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:

In CHF thousands	2025/26	2024/25
Discount rate	1.20%	1.20%
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 2025/26. 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:

DBO increase / DBO (decrease) – In CHF thousands	2025/26	2024/25
Discount rate		
Increase by 0.25%	(1,373)	(1,284)
Decrease by 0.25%	1,465	1,371
Salary increase rate		
Increase by 0.25%	344	358
Decrease by 0.25%	(335)	(350)

24.8 Maturity structure of pension obligation

The following main cash outflows are expected in future periods:

In CHF thousands	2025/26
in 1 year	3,765
in 2 years	1,574
in 3 years	1,525
in 4 years	1,803
in 5 years	1,822
in 6 to 10 years	10,822

24.9 Contingent liabilities

The Group is impacted from time to time 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 2024/25 and 2025/26, 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

In CHF thousands	31.3.2026 Book value	31.3.2025 Book value	Amortized cost	At fair value through profit and loss
Cash and cash equivalents	35,414	18,703	X	
Accounts receivable	61,162	68,023	X	
Derivative financial instruments – current				x
Other current financial assets	1	1	X	
Other non-current financial assets	3,663	3,648	X	
Total	100,239	90,374		

FINANCIAL LIABILITIES

In CHF thousands	31.3.2026 Book value	31.3.2025 Book value	Amortized cost	At fair value through profit and loss
Accounts payable	21,367	33,007	X	
Accrued expenses	29,278	27,593	X	
Derivative financial instruments – current	251	336		x
Other current financial liabilities	36,053	41,171	X	
Other non-current financial liabilities	59,125	67,660	X	
Total	146,074	169,768		

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 35,710 thousand in 2025/26 (CHF 38,963 thousand in 2024/25).

Notes to the consolidated financial statements

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

In CHF thousands	1.4.2025	Cash impact		Non-cash impact	31.3.2026
		Cash flows Inflow	Cash flows (Outflow)	Others	
Interest-bearing loans and borrowings	108,831	278,181	(289,189)	(2,644)	95,178
Total	108,831	278,181	(289,189)	(2,644)	95,178

Management assessed that fair value 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 157,000 per 31 March 2026 (net financial liabilities of CHF 336,000 per 31 March 2025), 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 on 31 March 2026 with a 5% change in the USD, EUR, JPY, GBP and CNY, 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 $\pm 1,452$ thousand for a $\pm 5\%$ EUR rate change (CHF $\pm 1,479$ thousand per 31 March 2025), of CHF ± 721 thousand for a $\pm 5\%$ USD rate change (CHF ± 769 thousand per 31 March 2025), of CHF $\pm 1,981$ thousand for a $\pm 5\%$ CNY rate change (CHF $\pm 2,807$ thousand per 31 March 2025) and of CHF ± 222 thousand for a $\pm 5\%$ JPY rate change (CHF ± 189 thousand per 31 March 2025). 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 monthly. 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 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 monthly.

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.

In CHF thousands	31.3.2026 Book value	Less than one year	Over one year	31.3.2025 Book value	Less than one year	Over one year
Debt	94,775	35,650	59,125	108,831	41,171	67,660
Accounts payable	21,367	21,367		33,007	33,007	
Other current liabilities	34,301	35,372		33,073	33,969	
– of which lease liabilities ¹	3,743	4,814		3,679	4,575	
– of which derivative financial instruments	251			336		
Other non-current liabilities	27,175		30,896	30,951		34,388
– of which lease liabilities ¹	26,533		30,896	30,405		34,388
Total Financial liabilities	177,619	92,389	90,022	205,862	108,147	102,048

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

As of 31 March 2026, the bank credit lines with variables interest rates amount to CHF 35.65 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 adjusts 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

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

FINANCIAL ASSETS

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	EUR*	1,007,756	100%
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%

* In accordance with the EU requirements, as of January 1st, 2026, Bulgaria has adopted the euro as its official national currency and stopped operating in leva (BGN) in profit of euro (EUR).

27. Changes in scope of consolidation

LEM Russia Ltd has been officially liquidated as of 25 February 2026. There are no other 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 2026, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 2026 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 that are relevant to audits of the financial statements of public interest entities, 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), as applicable to audits of financial statements of public interest entities. We have also 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 the 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 matter below, provide the basis for our audit opinion on the consolidated financial statements.

Recoverability of deferred tax assets

RISK

At 31 March 2026, the Group disclosed CHF 47.6m of deferred tax assets in Note 21 to the consolidated financial statements (CHF 52.1m at 31 March 2025).

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.

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 remuneration report and our auditor's reports thereon.

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

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

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

BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of 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 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.

Ernst & Young Ltd

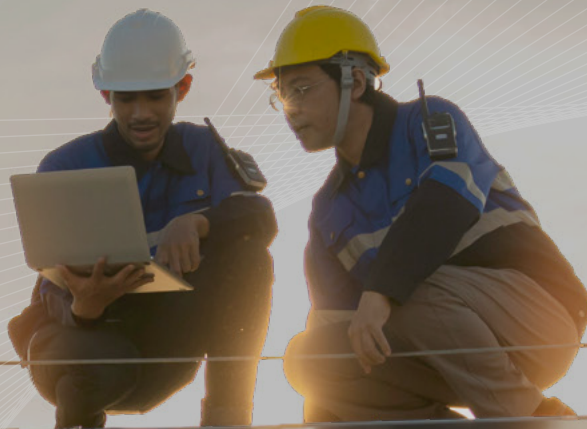
Rico Fehr

Licensed audit expert
(Auditor in charge)

Didier Lequin

Licensed audit expert

Financial Report of LEM Holding SA



Balance sheet (before distribution of earnings)

Assets

In CHF thousands			
	Notes	31.3.2026	31.3.2025
Current assets			
Cash and cash equivalents		17,017	2,213
Loans to affiliated companies	4	111,037	112,590
Current assets from affiliated companies		1,558	1,657
Other current assets		2,409	851
Total current assets		132,022	117,311
Non current assets			
Loans to affiliated companies	4	193,050	193,050
Investments in affiliated companies	1	46,474	46,499
Total non current assets		239,524	239,549
Total assets		371,546	356,860

Liabilities and equity

In CHF thousands			
	Notes	31.3.2026	31.3.2025
Current liabilities			
Current financial liabilities		35,650	36,200
Loans from affiliated companies		8,660	16,365
Current liabilities from affiliated companies		136	79
Other current liabilities		2,723	4,172
Total current liabilities		47,169	56,816
Equity			
Share capital	2	570	570
Legal reserves		285	285
Free reserves: - balance carried forward		300,982	286,563
- profit of the year		23,813	14,498
Treasury shares	3	(1,273)	(1,872)
Total equity		324,377	300,044
Total liabilities and equity		371,546	356,860

Income statement

Income

In CHF thousands			
	Notes	2025/26	2024/25
Dividend from affiliated companies	5	23,610	10,856
Interest income from affiliated companies		4,919	7,702
Foreign exchange gain	6	6,832	5,627
Other financial income	1	48	3,491
Other income from affiliated companies		1,652	2,128
Total income		37,061	29,804

Expense

In CHF thousands			
	Notes	2025/26	2024/25
Administration and other expenses		(4,355)	(5,344)
Participations' impairment	1	(25)	
Financial expenses		(1,431)	(1,494)
Foreign exchange loss	6	(7,116)	(7,491)
Total expense		(12,927)	(14,329)
Profit before taxes		24,134	15,475
Income taxes	7	(321)	(977)
Net profit for the year		23,813	14,498

Notes to the Financial Statements

Principles for the establishment of financial statements

The accompanying financial statements have been prepared in accordance with the requirements of the Swiss Code of Obligations. In agreement with 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 not 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 maturity 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. Treasury shares vested to employees are recharged to the relevant LEM Group subsidiaries through intercompany receivables.

1. Investments in affiliated companies

In CHF thousands	31.3.2026	31.3.2025
Historical cost minus impairment	46,474	46,499
Total	46,474	46,499

The CHF 25 thousand decrease in participations is explained by the adjustment of carrying values of LEM International (CHF -100 thousand) and LEM Japan (CHF +75 thousand).

2. Share capital

	Number of shares	Par value per share in CHF	Capital in CHF thousands
Opening capital 1 April 2025	1,140,000	0.50	570
Change of capital	0		0
Closing capital 31 March 2026	1,140,000	0.50	570

3. Treasury shares

In number of shares, in CHF	Number	High	Price per share in CHF Average	Low	Value in CHF thousands
Value on 31 March 2024	1,058				1,988
Purchase 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 on 31 March 2025	1,546				1,872
Purchase at cost	7,271	900.00	525.23	259.50	3,819
Granted to employees	(94)		1,973.39		(185)
Sales at cost	(7,249)	908.75	583.94	267.00	(4,233)
Value on 31 March 2026	1,474				1,273

Subsidiaries of LEM HOLDING SA did not own any shares of LEM HOLDING SA.

Notes to the Financial Statements

4. Loans to affiliated companies

On 31 March 2026, LEM HOLDING SA has notably a loan of CHF 193 million towards LEM International SA, coming from the IP sold to LEM International SA in 2019. As a portion of this debt will be subordinated, this loan is now disclosed as non-current in the balance sheet as of 31 March 2026.

Beyond this loan, other loans amount to CHF 50 million to LIN and 61 million to other subsidiaries (mostly Malaysia, Bulgaria and China).

5. Dividend from affiliated companies

In financial year 2025/26, the dividend income amounts to CHF 23.6 million coming mostly from LEM China (CHF 20.6 million).

6. Exchange effect

In CHF thousands	2025/26	2024/25
Exchange gains/(losses)	(1,571)	(384)
Fair value revaluation on derivatives ¹	137	581
Gains/(losses) on derivatives ¹	1,150	(2,062)
Exchange effect	(284)	(1,864)

¹ Position includes cost of derivative hedging

7. Income taxes

In CHF thousands	2025/26	2024/25
Current taxes	(321)	(977)
Adjustments of tax provisions of previous periods		
Total	(321)	(977)

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

In CHF thousands	31.3.2026	31.3.2025
Amount of guarantees issued	181	184

9. Shareholdings

Significant shareholders

On 31 March 2026, the following shareholders held 3% or more of the share capital and voting rights:

In number of shares, percent of shareholding	31.3.2026		31.3.2025	
	Shares	In %	Shares	In %
Werner O. Weber, Werner C. Weber, Corinne Lüttscher-Weber and Ueli Wampfler, in Zollikon/Wollerau, Switzerland, partly through WEMACO Invest AG and Voltano AG in Cham, Switzerland	599,489	52.59%	599,139	52.6%
J. Safra Sarasin Investmentfonds AG, Basel, Switzerland	37,500	3.29%	43,210	3.8%
UBS Fund Management AG, Switzerland	34,898	3.06%	35,343	3.1%

Shareholdings of non-executive Directors

	31.3.2026 Number of shares held	31.3.2025 Number of shares held
Andreas Hürlimann	1,111	1,001
François Gabella	600	600
Ilan Cohen	300	300
Ulrich Jakob Looser	450	450
Werner C. Weber	0	0
Libo Zhang	0	0
Total	2,461	2,351

Shareholdings of Executive Management

	31.3.2026 Number of shares held	31.3.2025 Number of shares held
Frank Rehfeld, CEO	50	29
Executive management (excl. CEO)	8	0
Total	58	29

Notes to the Financial Statements

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 pre-defined performance and service conditions. Each year, a new plan is setup, with new PSU allocated, as below:

	Plan Cycle 2025/26 to 2027/28	Plan Cycle 2024/25 to 2026/27	Plan Cycle 2023/24 to 2025/26	Plan Cycle 2022/23 to 2024/25
Nb of PSU allocated				
Frank Rehfeld, CEO	529	326	210	265
Executive management (excl. CEO)	698	455	368	339
Total	1,227	781	578	604

10. Subsequent events

A portion of the loan between LEM International SA and LEM HOLDING SA will be subordinated during the 1st quarter of the next financial year 26/27.

Proposed appropriation of available earnings

In CHF thousands	31.3.2026	31.3.2025
Balance brought forward from previous year	299,110	284,496
<i>Of which shares from previous year</i>	<i>(1,872)</i>	<i>(1,988)</i>
Variation of treasury shares	599	116
Net profit for the year	23,813	14,498
Total available earnings	323,522	299,110

Proposal of the Board of Directors:

Ordinary dividend	0	0
Balance to be carried forward	323,522	299,110

Given 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.

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.

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 2026 and the statement of income 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 that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the 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 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 financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation and impairment of investments in subsidiaries

RISK

As at 31 March 2026, the Company holds 46.5m investments in subsidiaries (46.5m in 2025) which are recognised at cost less accumulated impairment in accordance with the Swiss Code of Obligations.

Management is required to assess at each reporting date whether there are indicators of impairment for these investments. This assessment involves judgement, in particular where the net equity value is close to or below the carrying amount of the investment.

Given the significance of the investments and the judgement involved in assessing impairment indicators and recovery prospects, we considered the valuation and impairment assessment of investments in subsidiaries to be a key audit matter.

OUR AUDIT RESPONSE

Our audit procedures included, in particular:

- Comparing the carrying amount of investments with the net equity value of the respective subsidiaries to identify potential impairment indicators;
- Assessing the current year and historical financial performance of the subsidiaries;
- Evaluating management's five year forecasts for selected subsidiaries and assessing their consistency with historical performance and approved business plans;
- Discussing with management the recoverability considerations applied where impairment indicators were identified.

Our audit procedures did not lead to any material reservations regarding the valuation and impairment of investments in subsidiaries.

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 remuneration 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 CONSOLIDATED FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED 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 proposal of the Board of Directors comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Rico Fehr

Licensed audit expert
(Auditor in charge)

Didier Lequin

Licensed audit expert

LEM is a global player with production plants and development centers in Beijing (China), Geneva (Switzerland), Tokyo (Japan), Peneng (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

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LEM International SA

Route du Nant-d'Avril
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LEM Management Services Sàrl

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CH-1217 Meyrin

LEM Tech France SAS

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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.



