Comet Group Consolidated Financial Statements

Contents

The complete 2024 consolidated financial statements (including the notes) are also available online at www.comet-group.com/en/investors

Consolidated statement of income

In thousands of CHF	Note	2024	%	2023	%
Net sales	3	445,362		397,453	
Cost of sales		(252,262)		(234,527)	
Gross profit		**193,100**	**43.4%**	**162,926**	**41.0%**
Other operating income	5	6,708	1.5%	7,843	2.0%
Development expenses	7	(67,258)	– 15.1%	(60,712)	– 15.3%
Marketing and selling expenses		(51,917)	– 11.7%	(45,725)	– 11.5%
General and administrative expenses		(42,403)	– 9.5%	(39,354)	– 9.9%
Operating income		**38,229**	**8.6%**	**24,978**	**6.3%**
Interest income	9	2,587	0.6%	1,632	0.4%
Interest expenses	9	(2,084)	– 0.5%	(2,214)	– 0.6%
Other financial expenses	9	(258)	– 0.1%	(178)	– 0.0%
Net gains or (losses) on derivative fair value	9	(1,412)	– 0.3%	1,791	0.5%
Net gains or (losses) on foreign exchange	9	3,173	0.7%	(7,014)	– 1.8%
Income before tax		**40,235**	**9.0%**	**18,994**	**4.8%**
Income tax	10	(5,116)	– 1.1%	(3,606)	– 0.9%
Net income		**35,119**	**7.9%**	**15,388**	**3.9%**
Earnings per share in CHF, diluted and basic	11	4.52		1.98	
Operating income		**38,229**	**8.6%**	**24,978**	**6.3%**
Depreciation, amortization and impairment	8	22,150	5.0%	20,018	5.0%
EBITDA		**60,380**	**13.6%**	**44,996**	**11.3%**

Consolidated statement of comprehensive income

In thousands of CHF	Note	2024	2023
Net income		35,119	15,388
Other comprehensive income			
Foreign currency translation differences		7,537	(14,981)
Total items that will be reclassified to the income statement on realization		**7,537**	**(14,981)**
Actuarial losses on defined benefit plans	24	(6,122)	(6,448)
Income tax	10	892	827
Total items that will not subsequently be reclassified to the income statement		**(5,230)**	**(5,622)**
Total other comprehensive income or (loss)		**2,308**	**(20,603)**
Total comprehensive income		**37,427**	**(5,215)**

Consolidated balance sheet

In thousands of CHF	Note	Dec. 31, 2024	%	Dec. 31, 2023	%
Assets					
Cash and cash equivalents		113,744		86,707	
Trade and other receivables	12	87,537		64,812	
Other assets	13	329		677	
Tax receivables		1,776		3,645	
Inventories	14	106,798		103,430	
Prepaid expenses	15	6,488		5,763	
Total current assets		**316,673**	**59.6%**	**265,035**	**56.0%**
Property, plant and equipment	16	125,715		128,398	
Right-of-use assets	17	30,337		26,400	
Intangible assets	18	35,159		36,555	
Other assets – non-current financial assets	13	1,769		2,239	
Deferred tax assets	10	21,517		14,951	
Total non-current assets		**214,496**	**40.4%**	**208,543**	**44.0%**
Total assets		**531,169**	**100.0%**	**473,578**	**100.0%**
Liabilities and shareholders' equity					
Current lease liabilities	17	5,405		3,528	
Trade and other payables	21	40,967		29,275	
Contract liabilities	3	16,228		17,345	
Other financial liabilities	13	1,001		—	
Tax payables		6,823		4,661	
Accrued expenses	22	23,764		17,100	
Current provisions	23	5,761		6,009	
Total current liabilities		**99,949**	**18.8%**	**77,919**	**16.5%**
Non-current debt	20	59,868		59,767	
Non-current lease liabilities	17	32,339		32,219	
Non-current provisions	23	275		255	
Employee benefit liabilities	24	12,547		6,794	
Deferred tax liabilities	10	754		533	
Total non-current liabilities		**105,782**	**19.9%**	**99,568**	**21.0%**
Total liabilities		**205,731**	**38.7%**	**177,486**	**37.5%**
Capital stock	25	7,774		7,774	
Capital reserve		2,986		2,986	
Treasury stock		(1,347)		(491)	
Retained earnings		357,606		334,941	
Foreign currency translation differences		(41,580)		(49,118)	
Total equity attributable to shareholders of Comet Holding AG		**325,438**	**61.3%**	**296,092**	**62.5%**
Total liabilities and shareholders' equity		**531,169**	**100.0%**	**473,578**	**100.0%**

Consolidated statement of cash flows

In thousands of CHF	Note	2024	2023
Net income		35,119	15,388
Income tax	10	5,116	3,606
Depreciation, amortization and impairment	8	22,150	20,018
Net interest (income) or expense and other financial expenses	9	(245)	760
Share-based payments		1,034	629
Losses on disposal of property, plant and equipment		173	34
Losses on disposal of intangible assets		242	12
Other non-cash (income) or expense		(867)	2,394
Change in provisions	23	(447)	(1,164)
Change in other working capital		(6,535)	(2,629)
Taxes paid		(5,777)	(16,791)
Net cash provided by operating activities		**49,963**	**22,257**
Purchases of property, plant and equipment	16	(10,327)	(24,450)
Purchases of intangible assets	18	(2,452)	(1,963)
Disposals of property, plant and equipment	16	1,104	956
Purchases of other assets		–	(544)
Disposals of other assets		106	1,175
Lease payments received	13	352	352
Interest received	9	2,668	1,632
Net cash (used in) investing activities		**(8,549)**	**(22,841)**
Repayment of lease liabilities	17	(7,124)	(3,949)
Lease incentive	17	1,604	3,105
Interest paid		(2,237)	(2,293)
Repurchase of treasury stock		(1,257)	(1,949)
Dividend payment to shareholders of Comet Holding AG	33	(7,772)	(28,764)
Net cash (used in) financing activities		**(16,786)**	**(33,851)**
Net increase or (decrease) in cash and cash equivalents		24,628	(34,435)
Foreign currency translation differences on cash and cash equivalents		2,409	(4,803)
Cash and cash equivalents at January 1		86,707	125,945
Cash and cash equivalents at December 31		**113,744**	**86,707**

Consolidated statement of changes in equity

In thousands of CHF	Note	Capital stock	Capital reserve	Retained earnings	Treasury stock	Foreign currency translation differences	Total shareholders' equity
		Equity attributable to shareholders of Comet Holding AG					
January 1, 2023		**7,774**	**3,005**	**354,890**	**—**	**(34,137)**	**331,532**
Net income		—	—	15,388	—	—	15,388
Other comprehensive income		—	—	(5,622)	—	(14,981)	(20,603)
Total comprehensive income		**—**	**—**	**9,766**	**—**	**(14,981)**	**(5,215)**
Dividend payment to shareholders of Comet Holding AG	33	—	—	(28,764)	—	—	(28,764)
Alignment of capital reserve [1]		—	(19)	19	—	—	—
Purchase of treasury stock		—	—	—	(1,949)	—	(1,949)
Award of treasury stock under share-based compensation plans		—	—	59	1,458	—	1,517
Share-based payments – reversal of prior-period accrued expenses	29/30	—	—	(1,453)	—	—	(1,453)
Share-based payments – accrued expenses for current period	29/30	—	—	551	—	—	551
Adjustment of withholding tax in relation to dividend payment to Comet Holding AG		—	—	(127)	—	—	(127)
December 31, 2023		**7,774**	**2,986**	**334,941**	**(491)**	**(49,118)**	**296,092**
Net income		—	—	35,119	—	—	35,119
Other comprehensive income		—	—	(5,230)	—	7,537	2,308
Total comprehensive income		**—**	**—**	**29,889**	**—**	**7,537**	**37,427**
Dividend payment to shareholders of Comet Holding AG	33	—	—	(7,772)	—	—	(7,772)
Purchase of treasury stock		—	—	—	(1,257)	—	(1,257)
Award of treasury stock under share-based compensation plans		—	—	78	401	—	479
Share-based payments – reversal of prior-period accrued expenses	29/30	—	—	(486)	—	—	(486)
Share-based payments – accrued expenses for current period	29/30	—	—	955	—	—	955
December 31, 2024		**7,774**	**2,986**	**357,606**	**(1,347)**	**(41,580)**	**325,438**

[1] In the prior year, the amount of the capital reserve reported in the consolidated financial statements was aligned to that of the capital reserve reported in the separate financial statements of Comet Holding AG.

Notes to the consolidated financial statements

01 Nature of the business activities

The Comet Group ("Comet", the "Group") is one of the world's leading vendors of x-ray and radio frequency (RF) power technology. With high-quality components, systems and services, marketed under the "Comet" and "Comet Yxlon" brands, the Group helps its customers optimize the quality, reliability and efficiency of their products and processes. Comet Yxlon x-ray systems for non-destructive inspection are supplied to end customers in the electronics, automotive and aerospace sectors. Under the Comet brand, the Group builds components and modules such as x-ray sources, vacuum capacitors, RF generators and impedance matching networks, marketed to manufacturers in the semiconductor, automotive and aerospace industries as well as the security sector.

02 Accounting policies

The consolidated financial statements (except with respect to certain financial instruments) have been drawn up under the historical cost convention. The fiscal year-end for the financial statements of all Group companies is December 31. These consolidated financial statements have been prepared in compliance with Swiss stock corporation law and IFRS Accounting Standards. All IFRS Accounting Standards in force at the balance sheet date and all interpretations (IFRIC) of the International Accounting Standards Board (IASB) were applied. Comet did not early-adopt new standards and interpretations unless specifically stated. The significant accounting policies applied are unchanged from the prior year except as set out below.

As a result of rounding and the presentation in thousands of Swiss francs, individual numbers in the consolidated financial statements may not sum precisely to the totals indicated.

02.1 Changes in accounting policies

Revised and new accounting rules

With effect from January 1, 2024, Comet has applied the following new or adjusted IFRS Accounting Standards/IFRIC for the first time:

- IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants (Amendments to IAS 1)
- IFRS 16 – Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- IAS 7 and IFRS 7 – Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The new or amended standards and interpretations had no material effect on the Group's financial position, results of operations and cash flows.

02.2 New accounting rules becoming effective in subsequent periods

Standard	Expected impact	Effective date	Planned adoption by Comet
IAS 21 – Lack of Exchangeability (Amendments to IAS 21)	*	Jan. 1, 2025	Fiscal year 2025
IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	*	Jan. 1, 2026	Fiscal year 2026
IFRS 9 and IFRS 7 – Amendments to Power Purchase Agreements (Amendments to IFRS 9 and IFRS 7)	*	Jan. 1, 2026	Fiscal year 2026
IFRS 18 – Presentation and Disclosure of Financial Statements	*	Jan. 1, 2027	Fiscal year 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	*	Jan. 1, 2027	Fiscal year 2027

* Expected to have no, or no significant, impact on the financial position, results of operations and cash flows.

02.3 Estimates

Comet's consolidated financial statements contain assumptions and estimates that affect the reported financial position, results of operations and cash flows. These assumptions and estimates were made on the basis of management's best knowledge at the time of preparation of the accounts. Actual results may differ from the values presented. The following estimates have the greatest effects on the consolidated financial statements:

- Intangible assets (see notes 18 and 19): For acquisitions, the fair value of the acquired net assets (including acquired intangible assets) is estimated. Any amount paid in excess of this estimate represents goodwill. Intangible assets with a finite life are written off over the expected period of use; those with an indefinite life (primarily goodwill and rights to trademarks and names) are not amortized but are tested annually for impairment. Especially in the determination of the value in use of goodwill and rights to trademarks and names, differences between assumed and actual outcomes could lead to changes in the results of impairment testing. The assumptions concerning the achievable margins and the growth rates have a significant impact on impairment test outcomes. The valuation of goodwill and other intangibles, as well as the estimation

of useful life, have an effect on the consolidated financial statements.
- Provisions (see note 23) are, by definition, liabilities of uncertain amount. Future events can thus lead to adjustments that affect income.
- Deferred tax assets (see note 10) are recognized only if it is likely that taxable profits will be earned in the future. The tax planning is based on estimates and assumptions as to the future profit trajectories of the Group companies that may later prove incorrect. This can lead to changes with an effect on income.
- Employee benefit plans (see note 24): The Group operates employee benefit plans for its staff that are classified as defined benefit plans under IFRS Accounting Standards. These defined benefit plans are valued annually, which requires the use of various assumptions. Differences between the actual outcomes and the assumptions, particularly as to the discount rate for future obligations and as to life expectancy, may have effects on the valuation of plan assets and thus on the financial position of the Group. The impact of the most important parameters on the net present value of the obligation is presented in note 24.

Business environment

After a pronounced correction in 2023, the semiconductor market began to recover in 2024, primarily driven by the increasing demand for AI-related applications. However, the pace of recovery has varied across segments. Memory and NAND markets have remained under pressure, largely due to weak demand in consumer-oriented sectors such as automotive, smartphones, and PCs, where replacement cycles have not yet started. Industrial segments also faced headwinds, which were mainly felt in the two x-ray divisions IXS and IXM. On the other hand, PCT was able to benefit from the gradual recovery of the semiconductor industry. Although short-term challenges persist, the long-term outlook for the semiconductor industry and its suppliers remains promising. The accelerating digitalization and electrification of the economy and society is expected to fuel strong demand for semiconductors in the years to come.

With respect to ongoing sources of uncertainty such as trade restrictions and geopolitical tensions, Comet critically reviewed the assumptions and estimates that affect the financial position, results of operations and cash flows. In this review, no relevant changes were identified that would have a material impact on these financial statements.

02.4 Consolidation

02.4.1 Basis of consolidation

In 2024, there were no changes in the basis of consolidation from the prior year.

The consolidated financial statements thus comprise the accounts of the companies listed below:

		Equity interest and voting rights in %	
Company	Registered office	**2024**	2023
Comet Holding AG	Flamatt, Switzerland	100%	100%
Comet AG	Flamatt, Switzerland	100%	100%
Comet Electronics (Shanghai) Co. Ltd.	Shanghai, China	100%	100%
Comet Mechanical Equipment (Shanghai) Co. Ltd.	Shanghai, China	100%	100%
Comet Solutions Taiwan Ltd.	Hsinchu County, Taiwan	100%	100%
Comet Technologies Canada Inc.	Montreal, Canada	100%	100%
Comet Technologies Denmark A/S	Taastrup, Denmark	100%	100%
Comet Technologies Japan KK	Yokohama, Japan	100%	100%
Comet Technologies Korea Co. Ltd.	Suwon, Korea	100%	100%
Comet Technologies Malaysia Sdn. Bhd.	Penang, Malaysia	100%	100%
Comet Technologies USA, Inc.	Shelton, CT, USA	100%	100%
Comet Yxlon GmbH	Hamburg, Germany	100%	100%
Yxlon (Beijing) X-Ray Equipment Trading Co. Ltd. in liquidation [1]	Beijing, China	100%	100%

[1] In December 2024, the company announced the liquidation procedures to the Beijing authorities. Official registration of liquidation will follow in due course.

02.4.2 Method of consolidation

The consolidated financial statements represent the aggregation of the annual accounts of the individual Group companies, which are prepared using uniform accounting principles. Those companies controlled by Comet Holding AG are fully consolidated. This means that these companies' assets, liabilities, equity, expenses and income are entirely included in the consolidated financial statements. All intragroup balances and transactions, unrealized gains and losses resulting from intragroup transactions, and dividends are eliminated in full.

Acquisitions and goodwill

Companies are consolidated from the date on which effective control passes to the Group. Consolidation ends only when effective control ceases. On acquisition, the identifiable assets, liabilities and contingent liabilities are measured at fair value and included in the accounts using the acquisition method. For acquisitions, intangible assets that arise from a contractual or legal right or are separable from the business entity, and whose fair value can be measured reliably, are reported separately. Goodwill, being the excess of the aggregate consideration transferred over the fair value of the net assets of the acquired subsidiary, is initially measured at cost. If the aggregate consideration transferred is lower than the fair value of the acquired net assets, the difference is recognized as negative goodwill in other operating income at the acquisition date. Goodwill and other intangible assets are allocated on acquisition to those cash-generating units expected to benefit from the acquisition or to generate future cash flows as a result of it. When Group companies are sold, the difference between their sale price and their net assets, plus accumulated currency translation differences, is recognized as operating income in the consolidated statement of income.

Foreign currency translation

The functional currency of the Group companies is usually the respective national currency. In fiscal year 2024, Comet reevaluated the functional currency for Comet Technologies Malaysia Sdn. Bhd. As financing and operations cash flows are mainly denominated in USD, the functional currency was changed to USD for Comet Technologies Malaysia Sdn. Bhd. Transactions in a currency other than the functional currency are translated at the exchange rate prevailing at the transaction date. Financial assets and liabilities are translated at the balance sheet date at the exchange rate as of that date; the resulting currency translation differences are reported in the income statement. The consolidated financial statements are presented in Swiss francs. The financial statements of the Group companies are translated at the average exchange rates for the year (the “average rate” in the table below) for the income statement and at year-end rates (the “closing rate”) for the balance sheet. The resulting currency translation differences are recognized in other comprehensive income. Currency translation differences from intragroup loans for the long-term financing of Group companies are partly recognized in other comprehensive income, to the extent that repayment is neither planned nor is likely to occur in the foreseeable future.

The exchange rates used to translate the most important currencies are listed below:

			Closing rate		Average rate	
Country or region			**Dec. 31, 2024**	Dec. 31, 2023	**2024**	2023
USA	USD	1	0.903	0.841	0.881	0.899
Eurozone	EUR	1	0.940	0.929	0.953	0.972
China	CNY	1	0.123	0.118	0.122	0.127
Japan	JPY	100	0.578	0.597	0.582	0.641
Denmark	DKK	1	0.126	0.125	0.128	0.130
Republic of Korea	KRW	1,000	0.613	0.650	0.647	0.689
Malaysia	MYR	1	0.202	0.183	0.193	0.198
Canada	CAD	1	0.630	0.635	0.643	0.666
Taiwan	TWD	100	2.754	2.751	2.744	2.886

02.5 Measurement and recognition policies

Revenue recognition (sales and other income)

The Group's revenue is derived from the sale of goods (including spare parts) by the PCT and IXM divisions and the sale of systems (including services such as installation) by the IXS division. Revenue from the sale of goods, including spare parts, systems and system-related services, is as a rule recognized on the basis of a single performance obligation, which is satisfied at a specific point in time. The performance obligation is satisfied, and the revenue recognized, when the customer acquires control of the product or service. In the sale of goods that are not systems, the transfer of control generally occurs at the time of delivery. Generally, performance obligations for system sales (including for installation) are fulfilled at the time of acceptance by the customer. In limited circumstances, the delivery of the system and the system installation can form two separate performance obligations. In connection with both non-system goods and with systems, Comet also offers services. Warranty obligations for providing an additional service to the customer (service-type warranties), such as an extension of the warranty period, are separate performance obligations and the revenue associated with them is recognized over time. For general maintenance services and defect correction intended to ensure that the delivered good is, or performs, as specified in the contract (assurance-type warranties), the estimated cost of the liability is recognized as a provision in accordance with IAS 37.

Customer contributions to development projects and payments for the delivery of the respective first prototype are recorded in other operating income; subsequent deliveries of prototypes are reported as sales.

Variable price elements (variable consideration) exist both in retroactive rebates when the quantity of products purchased exceeds a certain threshold in the calendar year, and in individual discounts on products. The amount of the rebate is estimated using the most-likely-amount method and as a rule is allocated proportionately to all performance obligations under the contract.

Sales commissions owed for agent activities are capitalized at contract inception as incremental costs attributable to obtaining a contract and a liability of equal amount is recognized for sales commissions. Their recognition as an expense occurs as soon as Comet has transferred control of the products to the customer. In principle, no interest effect is recognized for contract liabilities and prepayments by customers, as the period between the time of transfer of a promised good or service to the customer and the time of payment is not more than one year.

Cash and cash equivalents

In addition to cash on hand and balances in checking accounts at banks, cash and cash equivalents include short-term highly liquid cash investments and time deposits with original maturities of up to three months. Time deposits and similar instruments with original maturities of more than three months, but less than twelve months, are classified as other current financial assets.

Trade and other receivables and contract assets

Comet provides for impairment using the simplified approach by recognizing an allowance in the amount of the losses expected over the remaining life of the instruments (known as the expected credit loss model). For specific doubtful arrears with objective indications of impairment, impairment charges are applied individually.

Whether a receivable or a contract asset is recognized is governed by whether the right to consideration is unconditional (leading to recognition of a receivable) or conditional (leading to recognition of a contract asset).

Financial assets and liabilities

Financial assets and liabilities are initially measured at fair value (market value), including transaction costs, except in the case of financial assets categorized as at fair value through profit or loss, for which transaction costs are recorded directly in financing expenses. All purchases and sales of financial assets are recognized at the transaction date.

- Financial items at fair value through profit or loss: These include all derivatives, trading positions, and certain financial assets and liabilities designated as falling into this category. These assets and liabilities are recognized at fair value in the balance sheet. Changes in fair value are reported as financing income or expense in the reporting period in which they occur.
- Financial items at amortized cost: These are measured at cost using the effective interest method.

In the fiscal year as in the prior year, no hedge accounting under IFRS 9 was applied to any hedging transactions.

Inventories

Inventories are recorded at the lower of cost and net realizable value. Net realizable value represents the estimated normal sale price less the costs of completion, marketing, selling and distribution. Raw materials and purchased products are measured using the weighted-average method; internally produced goods are measured at standard costs. Inventories include proportionate shares of production overheads.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Borrowing costs related to qualifying assets form part of the historical cost. Depreciation is provided on a straight-line basis over the estimated useful life of the assets. The expense for depreciation of property, plant and equipment is recognized in the income statement under that expense category which corresponds to the function of the particular asset in the Group. Land values are not depreciated. Impairment charges are recognized as a separate line item under accumulated depreciation and impairment. Maintenance costs are recognized as assets only if the maintenance extends the expected life of the asset, expands production capacity or otherwise increases asset values. The costs of maintenance and repair that do not increase asset values are charged directly to income. The following estimated useful lives are applied in determining depreciation:

Real estate	20-40 years
Plant and equipment	6-10 years
Other tangible assets	3-10 years

Right-of-use assets and lease liabilities

At the inception of every contract, Comet assesses whether it includes a lease, separating lease components from non-lease components. No assets and liabilities are recognized for leases with a term of one year or less and for leases of low-value assets (with a value when new of less than CHF 5,000); the expenses for these are recognized directly in the income statement. The initial measurement of the right of use for a leased asset is made by calculating the present value of the lease payments, plus initial direct costs, plus estimated costs for dismantling, removal and restoration, less lease incentives received. The lease liabilities correspond to the present value of the discounted payment obligations. For discounting the lease payments, Comet uses the interest rate implicit in the lease. In doing so, the currency area in which the leased asset is located and the Comet-specific credit risk are taken into account. Comet primarily has leases with fixed payments, which includes leases with rent-free periods and ones with rising payments. Leases with variable payments are immaterial.

Comet's leases may include renewal options. These are included in the calculations only if, taking into account all significant determining factors, they are considered highly likely to be exercised. For indefinite leases, the following principles apply (the extension periods cited are from the lease inception or from the expiry of the minimum lease term):

	Maximum extension
Buildings	3 years
Equipment	2 years
Other assets	1 year

Intangible assets

The intangible assets recognized are goodwill, rights to trademarks and names, customer lists, technology, licenses, patents, and software. Intangible assets are recognized at cost and generally amortized on a straight-line basis over their expected useful life. Goodwill and acquired rights to trademarks and names are not amortized but are tested annually for impairment (see note 2, section "Impairment of non-current assets"). The expense for amortization of intangible assets with finite useful lives is recognized in the income statement under that expense category which corresponds to the function of the particular asset in the Group. The following estimated useful lives are generally applied in determining amortization:

Customer lists	10-15 years
Technology	5-10 years
Software	3-5 years
Other intangible assets	5-7 years

Provisions

Provisions are recognized only where Comet has a present obligation to a third party arising from a past event and the amount of the obligation can be estimated reliably. No provisions are recognized for possible losses that may result from future events.

Provisions are classified as current to the extent that the related cash outflows are expected to occur within one year from the balance sheet date. Conversely, the cash outflows in respect of non-current provisions are expected to occur more than twelve months after the balance sheet date. If the interest effect is material, the cash outflows are discounted.

Post-employment benefits

Comet maintains post-employment benefit plans for its employees which differ according to the local circumstances of the individual Group companies. The benefit plans are financed by contributions to benefit arrangements that are separate legal entities (foundations or insurance companies) or by the accumulation of reserves in the balance sheet of the respective Group company. In the case of defined contribution plans or economically equivalent arrangements, the expenses accrued in the reporting period represent the agreed contributions of the Group company.

For defined benefit plans, the service costs and the present value of the defined benefit obligation are calculated in actuarial valuations by independent experts, using the projected unit credit method. The calculations are updated annually. The surplus or deficit recognized in the balance sheet is equal to the present value of the defined benefit obligation as determined by the actuary, less the fair value of plan assets. Any resulting net surplus is recognized as an asset only to the extent of the potential economic benefit that may be realized from this asset in the future, taking into consideration IFRIC 14. The expense charged to income is the actuarially determined service cost plus the net interest cost. Actuarial gains and losses are recognized in other comprehensive income. They comprise experience adjustments (the effects of differences between the previous actuarial assumptions and the observed outcomes) and the effects of changes in actuarial assumptions (particularly regarding the discount rate and life expectancy).

Length-of-service awards

Comet grants length-of-service awards to its employees after a certain number of years of service, in the form of lump-sum payments that increase in amount with the number of years of employment. Comet calculates the resulting obligation using the projected unit credit method. The calculation is updated annually. Any actuarial gains or losses from the remeasurement are immediately taken to income.

Share-based payments

Part of the variable compensation of the members of the Executive Committee under the short-term incentive plan (STIP), and part of the fixed compensation of the Board of Directors, is paid in stock. In addition, the Executive Committee is granted stock under a long-term incentive plan (LTIP). The expense is recognized at the value of the stock earned, measured at the quoted market price (fair value) at the grant date. The amount accrued for those components of compensation which must be equity-settled (i.e., for which there is no option of cash payment) is recognized directly in equity. For components which the beneficiary can choose to receive in equity or in cash, the value of the option which this choice represents is determined and recognized as an increase in equity, while the rest of the obligation is recorded as a liability.

Treasury stock

Comet purchases treasury stock for share-based compensation of the Executive Committee and Board of Directors. Treasury stock is recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. Comet applies the first-in-first-out (FIFO) principle when using treasury stock for share-based compensation programs. In general, treasury stock is not held for more than six years at maximum.

Income tax

The income tax expense for the reporting period is composed of current taxes and deferred taxes.

Current taxes

Current tax liabilities and assets for the current period and prior reporting periods are recognized based on the amount expected to be payable to or refunded by the tax authorities. They are calculated based on the tax regulations and tax rates in effect at the balance sheet date.

Deferred taxes

Deferred taxes are accounted for by the liability method. Under this approach, the income tax effects of temporary differences between the tax bases and the values used in the consolidated financial statements are recorded as non-current liabilities or non-current assets. Deferred taxes are calculated at actual or expected local tax rates. Changes in deferred taxes are included in income tax expense in the income statement, except for deferred taxes in respect of items that are recognized outside profit or loss. These latter deferred taxes are likewise recognized outside profit or loss; according to the underlying accountable event, they are recognized either in other comprehensive income or directly in equity. Deferred tax liabilities are recognized on all taxable temporary differences except for goodwill. Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit for the period nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future.

Impairment of non-current assets

The value of property, plant and equipment and other non-current assets, including intangibles, is reviewed whenever it appears possible, as a result of changed circumstances or events, that the assets' carrying amount represents an overvaluation. In addition, Comet evaluates at year-end whether there are any indications of impairment of non-financial assets. Intangible assets that are in the process of being generated are tested for impairment annually. If the carrying amount exceeds the amount recoverable through use or sale of the asset, the carrying amount is reduced to this recoverable amount and the difference is recorded as an impairment charge in the income statement. The recoverable amount is the higher of realizable value or value in use.

Value in use is determined on the basis of discounted expected future cash flows. Any acquired goodwill and any rights to trademarks or names with an indefinite useful life are not amortized but are reviewed annually at the same date for impairment. This impairment test is based on the results for the fiscal year, the rolling multi-quarter forecast and the rolling multi-year plan.

03 Net sales

In the following tables, sales revenue by division is analyzed first by region and then by market sector.

Sales split by geographic region

In thousands of CHF	Plasma Control Technologies (PCT)		X-Ray Systems (IXS)		Industrial X-Ray Modules (IXM)		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Geographic region								
Europe	10,547	10,390	30,027	26,887	30,837	35,248	71,411	72,525
North America	52,621	55,614	13,399	13,957	22,300	23,165	88,319	92,736
Asia	183,904	126,976	66,351	68,961	27,665	28,027	277,920	223,965
Rest of world	319	176	6,059	7,021	1,333	1,031	7,711	8,228
Total net sales	**247,391**	**193,155**	**115,836**	**116,826**	**82,135**	**87,472**	**445,362**	**397,453**

Sales split by market sector

In thousands of CHF	**2024**	2023
PCT		
Semiconductor	226,719	175,077
Others	20,672	18,078
Total PCT	**247,391**	**193,155**
IXS		
Electronics	47,702	51,472
Automotive	29,231	32,402
Science & new materials	22,035	19,124
Aerospace	10,096	10,476
Others	6,772	3,352
Total IXS	**115,836**	**116,826**
IXM		
Non-destructive testing	56,308	57,126
Security	11,673	12,890
Others	14,154	17,455
Total IXM	**82,135**	**87,471**
Total net sales	**445,362**	**397,453**

Unsatisfied performance obligations

The unsatisfied or partly unsatisfied performance obligations (so-called order backlog) as of December 31, 2024, amounted to CHF 141 million (prior year: CHF 131 million). Comet will realize this revenue as soon as the performance obligations have been fulfilled and the customers have acquired control of the products or services. This is expected generally to be the case within the next 12 months.

Contract balances

Opening and closing balances of receivables and contract assets are reported in note 12. Contract liabilities from contracts with customers are presented on the face of the balance sheet. The contract assets consisted mainly of the rights to consideration for product deliveries and services of the X-Ray Systems division that were completed but not yet billed at the balance sheet date. The contract liabilities consisted of prepayments received from customers. The revenue recognized in 2024 from contract liabilities existing at the beginning of the reporting period amounted to CHF 12.8 million (prior year: CHF 10.5 million). Material changes in contract balances result from the receipt of customer payments and the invoicing of satisfied performance obligations.

04 Segment reporting

The Group is managed on the basis of the following three operating divisions, which are delineated based on their products and services. For financial reporting purposes the divisions are also referred to here as "operating segments" or "segments".

- The **Plasma Control Technologies (PCT)** division develops, manufactures and markets vacuum capacitors, radio frequency (RF) generators and RF impedance matching networks for the high-precision control of plasma processes required, for instance, in the production of memory chips and flat panel displays.
- The **X-Ray Systems (IXS)** division develops, manufactures and markets x-ray systems, and provides related services, for non-destructive examination using x-ray and microfocus technology and computed tomography.
- The **Industrial X-Ray Modules (IXM)** division develops, manufactures and markets highly compact x-ray sources and portable x-ray modules for non-destructive examination, steel metrology, and security inspection.

Segment operating income represents all revenues and expenses attributable to a particular division. The only revenues and expenses not allocated to the segments are those of Comet Holding AG, as well as financing income, financing expenses and income taxes. These unallocated expenses and revenues are reported in the "Corporate" column. Transactions between the segments are invoiced at prices also charged to third parties.

The segment assets and liabilities represent all operating items. The following assets and liabilities are not allocated to operating segments: the assets and liabilities of Comet Holding AG, all cash and cash equivalents, all debt and all income tax assets and liabilities. These unallocated assets and liabilities are reported in the "Corporate" column.

04.1 Operating segments

Fiscal year 2024

In thousands of CHF	Plasma Control Technologies (PCT)	X-Ray Systems (IXS)	Industrial X-Ray Modules (IXM)	Elimination of intersegment activity	Corporate	Consolidated
Net sales						
External net sales	247,391	115,836	82,135	—	—	445,362
Intersegment sales	—	52	12,436	(12,488)	—	—
Total net sales	**247,391**	**115,888**	**94,571**	**(12,488)**	**—**	**445,362**
Segment operating income	**40,225**	**(8,854)**	**9,474**	**(138)**	**—**	**40,708**
Unallocated costs	—	—	—	—	(2,478)	(2,478)
Operating income	**40,225**	**(8,854)**	**9,474**	**(138)**	**(2,478)**	**38,229**
Interest income						2,587
Interest (expenses)						(2,084)
Other financial expenses						(258)
Net losses on derivative fair value						(1,412)
Net gains on foreign exchange						3,173
Income before tax						**40,235**
Income tax						(5,116)
Net income						**35,119**
EBITDA	**52,734**	**(4,306)**	**14,567**	**(138)**	**(2,478)**	**60,380**
EBITDA in % of net sales	21.3%	(3.7%)	15.4%			13.6%
Assets and liabilities at Dec. 31, 2024						
Segment assets	200,481	98,958	92,220	—	139,510	531,169
Segment liabilities	(65,956)	(48,355)	(21,830)	—	(69,591)	(205,731)
Net assets	**134,525**	**50,603**	**70,390**	**—**	**69,919**	**325,438**
Other segment information						
Additions to right-of-use asset	4,630	2,311	1,544	—	—	8,484
Additions to property, plant and equipment & intangible assets	6,502	2,475	3,803	—	—	12,779
Depreciation, amortization and impairment	12,510	4,548	5,093	—	—	22,150
Change in provisions	(450)	45	(42)	—	—	(447)
Other non-cash expense or (income)	(1,724)	(26)	400	(28)	511	(867)
Number of employees at year-end	942	506	362	—	—	1,810

Fiscal year 2023

In thousands of CHF	Plasma Control Technologies (PCT)	X-Ray Systems (IXS)	Industrial X-Ray Modules (IXM)	Elimination of intersegment activity	Corporate	Consolidated
Net sales						
External net sales	193,155	116,826	87,472	—	—	397,453
Intersegment sales	—	134	12,787	(12,921)	—	—
Total net sales	**193,155**	**116,961**	**100,258**	**(12,921)**	**—**	**397,453**
Segment operating income	**7,192**	**671**	**19,580**	**761**	**—**	**28,204**
Unallocated costs	—	—	—	—	(3,226)	(3,226)
Operating income	**7,192**	**671**	**19,580**	**761**	**(3,226)**	**24,978**
Interest income						1,632
Interest (expenses)						(2,214)
Other financial expenses						(178)
Net gains on derivative fair value						1,791
Net losses on foreign exchange						(7,014)
Income before tax						**18,994**
Income tax						(3,606)
Net income						**15,388**
EBITDA	**18,719**	**4,923**	**23,819**	**761**	**(3,226)**	**44,996**
EBITDA in % of net sales	9.7%	4.2%	23.8%			11.3%
Assets and liabilities at Dec. 31, 2023						
Segment assets	181,421	95,340	88,105	—	108,713	473,578
Segment liabilities	(52,386)	(44,018)	(14,854)	—	(66,228)	(177,486)
Net assets	**129,035**	**51,321**	**73,252**	**—**	**42,484**	**296,092**
Other segment information						
Additions to right-of-use asset	4,044	1,010	164	—	—	5,217
Additions to property, plant and equipment & intangible assets	19,224	3,282	3,907	—	—	26,413
Depreciation, amortization and impairment	11,527	4,252	4,239	—	—	20,018
Change in provisions	(443)	(894)	172	—	—	(1,165)
Other non-cash expense or (income)	(74)	463	(44)	104	1,945	2,394
Number of employees at year-end	787	463	327	—	—	1,577

Reconciliation of aggregate segment assets and liabilities to consolidated results

In thousands of CHF	**2024**	2023
Operating segments' assets	391,657	364,866
Cash and cash equivalents	113,744	86,707
Other assets	2,098	2,883
Tax receivables	1,776	3,645
Deferred tax assets	21,517	14,951
Comet Holding AG's receivables from third parties	379	528
Total assets	**531,169**	**473,578**
Operating segments' liabilities	(136,141)	(111,258)
Non-current debt	(59,868)	(59,767)
Derivatives used for foreign exchange hedging	(1,001)	—
Tax payables	(6,823)	(4,661)
Deferred tax liabilities	(754)	(533)
Comet Holding AG's payables to third parties	(1,143)	(1,267)
Total liabilities	**(205,731)**	**(177,486)**

04.2 Geographic information

Comet markets its products and services throughout the world and has its own companies in Switzerland, Germany, Denmark, the USA, China, Japan, South Korea, Malaysia, Canada and Taiwan. Net sales are allocated to countries on the basis of customer location.

Net sales by region

In thousands of CHF	2024	2023
Switzerland	4,497	5,007
Germany	32,147	34,324
Rest of Europe	34,768	33,194
Total, Europe	**71,411**	**72,525**
Total, North America	**88,319**	**92,736**
China	120,152	108,040
Japan	18,228	20,626
Malaysia	56,319	28,002
Rest of Asia	83,222	67,297
Total, Asia	**277,920**	**223,965**
Rest of world	7,711	8,228
Total	**445,362**	**397,453**

Property, plant and equipment, right-of-use assets and intangible assets are allocated to the regions based on the country entities' location.

Property, plant and equipment, right-of-use assets and intangible assets by region

In thousands of CHF	2024	2023
Switzerland	107,613	108,935
Germany	35,765	37,388
North America	36,893	37,562
Rest of world	10,941	7,469
Total	**191,211**	**191,353**

04.3 Sales with key accounts

In the year under review, the Plasma Control Technologies division recorded sales of CHF 106 million with its largest customer, which represented 23.8% of Group sales (prior year: CHF 71 million and 17.7%, respectively).

05 Other operating income

In thousands of CHF	2024	2023
Income from the development of prototypes	4,121	4,610
Customers' contributions to development projects	268	28
Government grants	1,329	923
Miscellaneous income	990	2,282
Total other operating income	**6,708**	**7,843**

06 Staff costs and staff count

06.1 Staff costs

In thousands of CHF	2024	2023
Wages and salaries	145,569	132,831
Employee benefits	25,035	22,728
Total staff costs	**170,604**	**155,559**

06.2 Staff count

	2024	2023
Number of employees at year-end	1,810	1,577
Average full-time equivalents during the year	1,610	1,548

07 Development expenses

Development expenses comprise the costs of new-product development, improvement of existing products, and process engineering. Comet’s development activities focus on the fields of vacuum technology, high voltage engineering and material science, and on the further development of the divisions’ core products. In view of the uncertainty of future economic benefits that may flow from development projects, Comet as a rule does not capitalize development costs but charges them directly to the income statement.

08 Amortization, depreciation and impairment

In thousands of CHF	2024	2023
Amortization of intangible assets	3,724	2,392
Depreciation of right-of-use assets	4,902	5,159
Depreciation of property, plant and equipment	13,478	12,467
Total amortization and depreciation	**22,104**	**20,018**
Impairment of property, plant and equipment	46	—
Total impairment	**46**	**—**
Total amortization, depreciation and impairment	**22,150**	**20,018**

09 Financing income and expenses

In thousands of CHF	2024	2023
Interest income from leases	47	54
Other interest income	2,540	1,578
Total interest income	**2,587**	**1,632**
Interest expense for bond	(880)	(879)
Interest expense for leases	(1,177)	(1,302)
Other interest expense	(27)	(33)
Total interest expenses	**(2,084)**	**(2,214)**
Net interest income or (expense)	**503**	**(582)**
Other financial expenses	**(258)**	**(178)**
Gains on derivative fair value	617	1,952
Losses on derivative fair value	(2,029)	(161)
Net (losses) or gains on derivative fair value	**(1,412)**	**1,791**
Gains on foreign currency translation	5,572	3,264
Losses on foreign currency translation	(2,399)	(10,279)
Net gains or (losses) on foreign currency translation	**3,173**	**(7,014)**
Total net financing income or (expense)	**2,006**	**(5,983)**

Foreign currency translation gains and losses resulted largely from items denominated in US dollars and euros.

10 Income tax

10.1 Current and deferred income tax expense

In thousands of CHF	**2024**	2023
Current income tax expense in respect of the current year	11,205	3,106
Current income tax (credit) in respect of prior years	(1,479)	(1,568)
Deferred income tax (credit)/expense	(4,610)	2,069
Total income tax expense	**5,116**	**3,606**

10.2 Reconciliation of tax expense

In thousands of CHF	**2024**	2023
Income before tax	40,235	18,994
Expected income tax at base tax rate of 20.2% (prior year: 24.6%)	8,127	4,676
Effect of tax relief from Comet Technologies Malaysia Sdn. Bhd.	(1,508)	(594)
Effect of non-tax-deductible expenses	243	362
Effect of change in tax rate on deferred income tax	228	551
Recognition and offset of tax loss carry-forwards not recognized in prior years	(94)	35
Effect of non-recognition of tax loss carryforwards	—	(8)
Effect of credits for R&D and domestic manufacturing	(754)	(829)
Effect from tax-exempt income	(272)	—
Effect of income tax from other periods	(1,480)	(1,568)
Effect of non-refundable withholding tax	650	713
Other effects	(24)	268
Income tax reported in the income statement	**5,116**	**3,606**
Effective income tax rate in % of income before tax	12.7%	19.0%

The expected income tax rate represents the Group's weighted average tax rate and takes into account the local income tax rates of the individual Group companies. The decrease of 4.4% in the base tax rate compared to the prior year resulted mainly from a changed profit-and-loss mix between low-tax and high-tax countries.

10.3 Deferred tax assets and liabilities

Deferred tax assets and liabilities can be analyzed as follows:

In thousands of CHF	Assets		Liabilities	
	2024	2023	**2024**	2023
Financial instruments	82	45	(41)	(110)
Receivables	1,007	647	(899)	(351)
Inventories	5,904	4,443	(327)	(361)
Property, plant and equipment	1,220	522	(29)	(268)
Right-of-use assets	—	—	(7,031)	(7,300)
Intangible assets	50	132	(1,239)	(1,427)
Employee benefit plan assets	—	59	—	—
Trade payables and other liabilities	796	560	(621)	(29)
Lease liabilities	9,439	9,482	—	—
Accrued expenses	7,039	5,967	(5)	—
Provisions	738	778	—	—
Employee benefit plan liabilities	1,533	718	(110)	(98)
Tax loss carryforwards, and tax credits for R&D and domestic manufacturing	3,257	1,009	—	—
Total gross deferred tax of Group companies	**31,065**	**24,362**	**(10,302)**	**(9,944)**
Netting of deferred tax by Group companies	(9,548)	(9,411)	9,548	9,411
Amounts in the consolidated balance sheet	**21,517**	**14,951**	**(754)**	**(533)**

The deferred tax assets and liabilities were measured at local tax rates, ranging from 13.1% to 36.6%. No deferred tax liabilities were established for temporary differences of CHF 215.1 million (prior year: CHF 187.6 million) in respect of the outside basis differences on subsidiaries. Distributions of retained earnings by subsidiaries are not expected to have an effect on income taxes, except for future distributions from China, Korea, Taiwan and Canada. There were no tax provisions for non-refundable withholding taxes on future distributions of foreign subsidiaries to Comet Holding AG. Distributions by Comet Holding AG to its shareholders have no effect on the reported or future income taxes.

10.4 Movement in deferred tax assets and liabilities

In thousands of CHF	**2024**	2023
Net asset at January 1	**14,418**	**17,264**
Origination and reversal of temporary differences recognized in the income statement	2,249	(2,245)
Recognition of deferred tax assets on loss carryforwards and R&D credits	2,243	354
Use of tax loss carryforwards	—	(178)
Deferred tax credit in the income statement	**4,610**	**(2,069)**
Origination and reversal of temporary differences recognized in other comprehensive income	892	827
Foreign currency translation differences	843	(1,604)
Net asset at December 31	**20,763**	**14,418**
Reported as assets	21,517	14,951
Reported as liabilities	(754)	(533)

10.5 Tax loss carryforwards

Deferred tax assets, including tax loss carryforwards and expected tax credits, are recognized only if it is likely that future taxable profits will be available to which these deferred tax assets can be applied. Temporary differences for which no tax assets were recognized were nil (prior year: nil).

At the balance sheet date of December 31, 2024, tax loss carryforwards stood at CHF 10.9 million (prior year: CHF 3.8 million). Including tax credits for R&D and domestic manufacturing, the resulting deferred tax assets were CHF 3.2 million (prior year: CHF 1.0 million).

In the fiscal year, there were unrecognized deferred tax assets on tax loss carryforwards of CHF 0.1 million (prior year: 0.0 million). These loss-carryforwards can be carried forward five years.

11 Earnings per share

11.1 Basic earnings per share

Basic earnings per share are calculated by dividing net income attributable to ordinary shareholders of Comet Holding AG by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the Group and held as treasury stock.

	2024	2023
Weighted average number of shares outstanding	7,771,109	7,773,436
Treasury stock held as of year-end	(4,588)	(2,000)
Weighted average number of shares outstanding used to determine basic earnings per share	7,766,521	7,771,436
Net income used to determine basic earnings per share in thousands of CHF	35,119	15,388
Net income per share in CHF, basic	4.52	1.98

11.2 Diluted earnings per share

Diluted earnings per share are calculated by dividing net income attributable to ordinary shareholders of Comet Holding AG by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the Group and held as treasury shares, plus any weighted average number of ordinary shares that would be issued on the conversion of all dilutive outstanding equity instruments into ordinary shares.

	2024	2023
Weighted average number of shares outstanding	7,771,109	7,773,436
Treasury stock held as of year-end	(4,588)	(2,000)
Weighted average number of shares outstanding used to determine diluted earnings per share	7,766,521	7,771,436
Net income used to determine diluted earnings per share in thousands of CHF	35,119	15,388
Net income per share in CHF, diluted	4.52	1.98

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

12 Trade and other receivables

In thousands of CHF	**2024**	2023
Trade receivables, gross	78,182	54,321
Impairment of trade receivables	(835)	(762)
Trade receivables, net	**77,347**	**53,559**
Refundable sales taxes and value-added taxes	2,714	1,867
Prepayments to suppliers	3,341	3,944
Contract assets	1,505	1,899
Sundry receivables	2,630	3,543
Total other receivables	**10,190**	**11,253**
Total trade and other receivables	**87,537**	**64,812**

The allowance account for impairment of trade receivables showed the following movement:

In thousands of CHF	**2024**	2023
January 1	**762**	**920**
Used	(70)	(180)
Added	673	381
Released	(560)	(293)
Foreign currency translation differences	30	(66)
December 31	**835**	**762**

The impairment test of trade receivables performed identified no material change in the risk of default in the year under review.

At the balance sheet date, full impairment was recognized on CHF 0.5 million (prior year: CHF 0.5 million) of trade receivables. Within the item “total other receivables”, there were no amounts past due or written down. The Group does not hold security against trade and other receivables.

The aging schedule for past-due trade receivables on which impairment has been recognized is summarized in the table below:

Fiscal year 2024

In thousands of CHF	Expected loss rate	Gross carrying amount	Expected credit loss	Net carrying amount
Trade receivables		**78,182**	**835**	**77,347**
Not past due	0.3%	74,654	261	74,392
Over 30 days past due, impairment recognized	0.5%	1,445	7	1,439
Over 60 days past due, impairment recognized	0.8%	593	4	589
Over 90 days past due, impairment recognized	1.3%	394	5	389
Over 120 days past due, impairment recognized	1.8%	148	3	145
Over 150 days past due, impairment recognized [1]	59.0%	948	555	393

[1] Individual impairment allowances included.

Fiscal year 2023

In thousands of CHF	Expected loss rate	Gross carrying amount	Expected credit loss	Net carrying amount
Trade receivables		**54,321**	**762**	**53,559**
Not past due	0.5%	48,994	244	48,750
Over 30 days past due, impairment recognized	0.5%	3,311	15	3,296
Over 60 days past due, impairment recognized	0.8%	1,201	9	1,192
Over 90 days past due, impairment recognized	1.3%	290	3	287
Over 120 days past due, impairment recognized	2.5%	19	1	18
Over 150 days past due, impairment recognized [1]	96.7%	507	490	17

[1] Individual impairment allowances included.

13 Other assets (including financial assets) and financial liabilities

13.1 Other assets, including financial assets

In thousands of CHF	2024	2023
Other assets at fair value through profit or loss		
Derivatives used for foreign exchange hedging	18	373
Total other assets at fair value through profit or loss	**18**	**373**
Other assets at amortized cost		
Lease receivable	1,946	2,251
Other non-current financial assets	134	293
Total other assets at amortized cost	**2,080**	**2,543**
Total other assets	**2,098**	**2,916**
Total current	329	677
Total non-current	1,769	2,239

13.2 Other financial liabilities

In thousands of CHF	2024	2023
Other financial liabilities at fair value through profit or loss		
Derivatives used for foreign exchange hedging	1,001	—
Total other financial liabilities at fair value through profit or loss	**1,001**	**—**
Total other financial liabilities	**1,001**	**—**
Total current	1,001	—

13.3 Derivative financial instruments

At the balance sheet date, open positions in forward exchange contracts were as follows:

In thousands of CHF	2024	2023
USD foreign exchange forward contracts		
Contract amounts	21,242	7,425
Positive fair values	—	260
Negative fair values	(938)	—
JPY foreign exchange forward contracts		
Contract amounts	2,240	—
Positive fair values	18	—
Negative fair values	(17)	—
CNY foreign exchange forward contracts		
Contract amounts	4,106	5,135
Positive fair values	—	113
Negative fair values	(46)	—

The gains and losses from foreign exchange forward contracts are recognized as financing income or expense (see note 9). The contract amounts shown represent the notional principal amounts of the foreign exchange forward contracts. Consistent with the nature of the Group's activities, the foreign exchange forward contracts have maturities of less than one year; most are due within six months.

13.4 Other assets at amortized cost

Lease receivables

Lease receivables showed the following movement in 2024:

Lease receivable movement

Lease receivable movement in thousands of CHF	**2024** Lease receivable	**2023** Lease receivable
January 1	**2,251**	**2,548**
Accretion of interest	47	54
Lease payments received	(352)	(352)
December 31	**1,946**	**2,251**

The maturity analysis of the lease receivable is as follows:

Lease receivable maturity analysis

Lease receivable maturity analysis In thousands of CHF	2025	2026 - 2029	After 2029	Total lease receivable
Maturity analysis as of December 31, 2024				
Undiscounted lease payments	352	1,407	323	2,083
Interest portion	(41)	(92)	(4)	(137)
Lease receivable	**311**	**1,316**	**319**	**1,946**
In thousands of CHF	2024	2025 - 2028	After 2028	Total lease receivable
Maturity analysis as of December 31, 2023				
Undiscounted lease payments	352	1,407	676	2,435
Interest portion	(47)	(120)	(16)	(184)
Lease receivable	**304**	**1,287**	**660**	**2,251**

14 Inventories

In thousands of CHF	2024	2023
Raw materials and semi-finished products	65,459	66,028
Work in process	13,469	9,929
Finished goods	27,870	27,473
Total inventories	**106,798**	**103,430**

The inventory amounts reflect any necessary individual write-downs for items with a market value below manufacturing cost. The expense recognized for inventory write-downs was CHF 6.4 million (prior year: CHF 1.8 million).

15 Prepaid expenses

In thousands of CHF	2024	2023
Contract costs	554	377
Other prepaid expenses	5,934	5,386
Total prepaid expenses	**6,488**	**5,763**

The contract costs represent capitalized sales commissions for agent activities (incremental costs directly attributable to obtaining a contract). In the fiscal year, sales commissions of CHF 1.5 million were recognized in the income statement (prior year: CHF 1.2 million).

The other prepaid expenses consisted largely of prepayments made for the subsequent fiscal year.

16 Property, plant and equipment

Fiscal year 2024

In thousands of CHF	Real estate	Plant and equipment	Other tangible assets	Assets under construction	Total property, plant and equipment
Cost					
January 1, 2024	**98,759**	**128,933**	**20,161**	**8,406**	**256,260**
Additions	5	3,352	2,243	4,727	10,327
Commissioning of assets under construction	1,682	4,032	246	(5,960)	—
Disposals	—	(1,998)	(1,081)	(39)	(3,118)
Foreign currency translation differences	—	2,428	865	29	3,322
December 31, 2024	**100,446**	**136,747**	**22,434**	**7,164**	**266,791**
Accumulated depreciation and impairment					
January 1, 2024	**38,309**	**74,625**	**14,928**	**—**	**127,862**
Additions	2,675	8,385	2,418	—	13,478
Impairment	—	46	—	—	46
Disposals	—	(1,364)	(649)	—	(2,014)
Foreign currency translation differences	—	963	742	—	1,705
December 31, 2024	**40,983**	**82,655**	**17,438**	**—**	**141,077**
Carrying amount					
January 1, 2024	60,450	54,308	5,233	8,406	128,398
December 31, 2024	**59,463**	**54,092**	**4,996**	**7,164**	**125,715**

Fiscal year 2023

In thousands of CHF	Real estate	Plant and equipment	Other tangible assets	Assets under construction	Total property, plant and equipment
Cost					
January 1, 2023	**98,162**	**105,704**	**19,403**	**16,423**	**239,693**
Additions	327	15,059	1,843	7,221	24,450
Commissioning of assets under construction	270	13,726	903	(14,899)	—
Disposals	—	(2,171)	(706)	—	(2,877)
Foreign currency translation differences	—	(3,385)	(1,282)	(339)	(5,006)
December 31, 2023	**98,759**	**128,933**	**20,161**	**8,406**	**256,260**
Accumulated depreciation and impairment					
January 1, 2023	**35,735**	**70,027**	**13,963**	**—**	**119,725**
Additions	2,574	7,419	2,474	—	12,467
Disposals	—	(1,332)	(589)	—	(1,921)
Foreign currency translation differences	—	(1,489)	(920)	—	(2,409)
December 31, 2023	**38,309**	**74,625**	**14,928**	**—**	**127,862**
Carrying amount					
January 1, 2023	62,427	35,677	5,440	16,423	119,968
December 31, 2023	**60,450**	**54,308**	**5,233**	**8,406**	**128,398**

Assets pledged or assigned as collateral for Group obligations

At December 31, 2024, and December 31, 2023, all real estate liens (mortgage notes in the amount of CHF 30.0 million) were held within the Group.

17 Right-of-use assets and lease liabilities

The rights of use and liabilities arising from leases showed the following movement:

Fiscal year 2024

Fiscal year 2024

In thousands of CHF	Right-of-use assets Buildings	Equipment	Other assets	Total	Lease liabilities
January 1, 2024	**26,043**	**357**	**(0)**	**26,400**	**35,747**
Additions	7,933	538	14	8,484	8,484
Disposals	(925)	(25)	(3)	(952)	(2,753)
Depreciation, amortization and impairment	(4,602)	(294)	(6)	(4,902)	–
Accretion of interest	–	–	–	–	1,177
Repayment of lease liabilities	–	–	–	–	(7,124)
Lease incentive [1]	–	–	–	–	1,604
Payment of interest on lease liabilities	–	–	–	–	(1,177)
Foreign currency translation differences	1,314	(7)	–	1,307	1,785
December 31, 2024	**29,764**	**569**	**5**	**30,337**	**37,744**
Reported on the face of the balance sheet as:					
Current lease liability					5,405
Non-current lease liability					32,339

[1] The landlord agreed to contribute a total of CHF 7.6 million toward the cost of performing the tenant improvements in preparation for Comet's occupancy of the premises. In the year under review, the amount of the "tenant improvement allowance" was CHF 1.6 million.

The non-current lease liabilities largely have remaining maturities of two to ten years. The expected future lease payments are presented in note 28.2.3.

The additions to right-of-use assets and lease liabilities were non-cash items and are thus not included in cash flow from investing activities.

Fiscal year 2023

Fiscal year 2023

In thousands of CHF	Right-of-use assets Buildings	Equipment	Other assets	Total	Lease liabilities
January 1, 2023	**31,912**	**490**	**(0)**	**32,401**	**38,197**
Additions	4,995	212	10	5,217	5,217
Disposals	(3,640)	(12)	(1)	(3,653)	(3,922)
Depreciation, amortization and impairment	(4,841)	(308)	(9)	(5,159)	–
Accretion of interest	–	–	–	–	1,302
Repayment of lease liabilities	–	–	–	–	(3,949)
Lease incentive [1]	–	–	–	–	3,105
Payment of interest on lease liabilities	–	–	–	–	(1,302)
Foreign currency translation differences	(2,382)	(25)	–	(2,407)	(2,901)
December 31, 2023	**26,043**	**357**	**(0)**	**26,400**	**35,747**
Reported on the face of the balance sheet as:					
Current lease liability					3,528
Non-current lease liability					32,219

[1] The landlord agreed to contribute a total of CHF 7.7 million toward the cost of performing the tenant improvements in preparation for Comet's occupancy of the premises. In fiscal year 2023, the amount of the "tenant improvement allowance" was CHF 3.1 million.

The composition of the lease expenses in fiscal 2024 and 2023 is shown below:

In thousands of CHF	**2024**	2023
Depreciation, amortization and impairment	4,902	5,159
Interest expenses	1,177	1,302
Expenses for short-term leases and other items	311	1,207
Expense for low-value leases	27	21
Expense for variable lease payments not included in the measurement of lease liabilities	5	1
Total lease expenses	**6,422**	**7,690**

Comet has lease agreements containing extension and termination options (see note 2.5). At December 31, 2024, all options either deemed highly likely to be exercised or not to be exercised were taken into account in the valuation of the lease liabilities.

The undiscounted payments of options that were not exercised as at December 31, 2024, amounted to CHF 19.2 million due within the subsequent five years (prior year: CHF 20.3 million) and to CHF 18.5 million for option periods of more than five years (prior year: CHF 15.4 million).

18 Intangible assets

Fiscal year 2024

In thousands of CHF	Goodwill and trademarks	Customer lists	Technology	Software	Other intangible assets	Total intangible assets
Cost						
January 1, 2024	**28,960**	**18,996**	**4,522**	**28,637**	**161**	**81,275**
Additions	—	—	—	2,452	—	2,452
Disposals	—	(12,066)	—	(1,326)	—	(13,392)
Foreign currency translation differences	172	450	(1)	167	—	789
December 31, 2024	**29,132**	**7,380**	**4,521**	**29,931**	**161**	**71,124**
Accumulated amortization						
January 1, 2024	**2**	**17,875**	**2,818**	**23,888**	**137**	**44,720**
Additions	—	176	250	3,278	20	3,724
Disposals	—	(12,066)	—	(1,084)	—	(13,150)
Foreign currency translation differences	—	456	8	207	—	671
December 31, 2024	**2**	**6,441**	**3,076**	**26,289**	**157**	**35,965**
Carrying amount						
January 1, 2024	28,957	1,121	1,704	4,749	24	36,555
December 31, 2024	**29,130**	**939**	**1,445**	**3,642**	**4**	**35,159**

The categories "goodwill and trademarks", "customer lists" and "technology" were capitalized in connection with business combinations.

In 2024, Comet reviewed all existing customer lists and concluded that fully amortized customer list of Comet Yxlon GmbH (CHF 10.4 million) and of Comet Technologies Japan KK (CHF 1.6 million) should be netted off.

Fiscal year 2023

In thousands of CHF	Goodwill and trademarks	Customer lists	Technology	Software	Other intangible assets	Total intangible assets
Cost						
January 1, 2023	**30,450**	**20,421**	**4,817**	**27,669**	**285**	**83,641**
Additions	—	—	—	1,963	—	1,963
Reclassifications	—	—	—	14	(14)	—
Disposals	—	—	—	(413)	(107)	(520)
Foreign currency translation differences	(1,490)	(1,425)	(295)	(596)	(3)	(3,809)
December 31, 2023	**28,960**	**18,996**	**4,522**	**28,637**	**161**	**81,275**
Accumulated amortization						
January 1, 2023	**2**	**19,024**	**2,664**	**22,954**	**93**	**44,737**
Additions	—	186	313	1,848	45	2,392
Disposals	—	—	—	(401)	—	(401)
Foreign currency translation differences	—	(1,335)	(159)	(513)	(1)	(2,008)
December 31, 2023	**2**	**17,875**	**2,818**	**23,888**	**137**	**44,720**
Carrying amount						
January 1, 2023	30,447	1,397	2,153	4,715	192	38,904
December 31, 2023	**28,957**	**1,121**	**1,704**	**4,749**	**24**	**36,555**

19 Impairment test of goodwill and intangible assets with indefinite useful lives

The impairment test for goodwill and other intangible assets with indefinite useful lives was performed as at September 30, 2024. For the purpose of the impairment test, the assets to be tested were allocated to and measured as the following two cash-generating units, at the level of the IXS division and (within the IXM division) at the level of the IXT business unit:

- X-Ray Systems (IXS), as the relevant cash-generating unit for all activities of the historically acquired Yxlon group and for the FeinFocus product group, with the exception of the generator business;
- Industrial X-Ray Technology (IXT), for the generator business acquired as part of the acquisition of Yxlon.

The impairment test is based on the value in use method. The recoverable amount is determined from the present value of the future cash flows (DCF valuation). The calculations are based on the Board-approved rolling forecast current at the time of the impairment test, and on the Board-approved rolling medium-term plan for 2025 to 2027. Using experience-based estimates, the amounts in the forecast and in the medium-term plan are based on growth projections for net sales, operating income and other parameters, taking into consideration the estimated market trends in the various regions. Cash flows beyond the forecast period are extrapolated using an assumed growth rate of 1.5%, which is within the expected range of market growth. The assumptions applied in determining value in use correspond to the expected long-term average growth rate of the X-Ray Systems division's operating business and of the generator business of Industrial X-Ray Modules. Input variables with a critical impact on the outcome of the impairment test are the assumed rates of sales growth and the projected trend in operating income.

Carrying amount of the assets tested

In thousands of CHF	X-Ray Systems (IXS) CGU		Industrial X-Ray Technology (IXT) CGU		Total	
	2024	2023	**2024**	2023	**2024**	2023
Goodwill	20,377	20,226	6,873	6,873	27,250	27,099
Trademarks (Yxlon)	1,880	1,858	—	—	1,880	1,858
Total carrying amount	**22,256**	**22,084**	**6,873**	**6,873**	**29,130**	**28,957**

Assumptions applied in the valuation model

	X-Ray Systems (IXS) CGU		Industrial X-Ray Technology (IXT) CGU	
	2024	2023	**2024**	2023
Discount rate (WACC) before tax	8.8%	8.7%	9.0%	9.9%
Growth rate of terminal value	1.5%	1.5%	1.5%	1.5%

Sensitivities to the assumptions applied in the valuation model

The measurement of the values in use of the X-Ray Systems CGU (IXS) and the Industrial X-Ray Technology CGU (IXT) is sensitive to the following assumptions in the planning period (2025 to 2027):

- Growth assumptions: Sales revenue is projected by product group and market segment. Based on the fiscal year 2024 as the starting point, the average annual rate of sales growth for planning period 2025 to 2027 is assumed to be 17.4% for IXS (prior year: 13.3%) and 13.6% for IXT (prior year: 12.9%).
- Gross margins: Gross margins in the medium term are expected to average approximately 43.8% for IXS (prior year: 39.9%) and 50.7% for IXT (prior year: 51.2%). Target achievement also depends in part on the trend in the purchasing prices of materials.
- Foreign exchange rates: The movement in exchange rates between the Swiss franc and the euro and US dollar has an effect on company value. The forecasts are based on September 2024 exchange rates.
- Discount rate (WACC): The capital costs were determined based on borrowing costs (before tax) and on the long-term risk-free rate, a small-cap premium, and a market risk premium weighted by a Comet-specific beta factor.

No impairment was recognized in the year under review and Comet believes that, with a realistic change in the material assumptions, the recoverable amount would not fall below the carrying amount.

20 Debt

Bond

Comet Holding AG issued a bond on April 20, 2021, in the amount of CHF 60 million. The bond was issued at par. Its term is five years and it matures on April 20, 2026. The fixed coupon rate over the term is 1.30%, payable annually on April 20. The bond is listed on the SIX Swiss Exchange (Swiss security number 110 109 656, ticker symbol COT21).

Credit facilities

In April 2023, Comet arranged a CHF 60 million committed, unsecured, multi-currency, syndicated revolving credit facility. This credit facility has a maturity of five years with an option to increase the amount by CHF 40 million.

The credit facility is tied to customary covenants and is subject to a financial covenant that requires the Comet Group not to exceed a maximum leverage ratio of 3:1. During fiscal year 2024, the Company was in compliance with these covenants. As of December 31, 2024, there were no outstanding borrowings under the facility.

The Comet Group also has access to a total of CHF 35.0 million (prior year: CHF 34.8 million) in uncommitted credit facilities to cover working capital requirements and the issuance of guarantees, of which CHF 5.5 million was utilized as of December 31, 2024 (prior year: CHF 5.4 million).

20.1 Movement in debt

Fiscal year 2024

In thousands of CHF	Jan. 1, 2024	Cash flows	Reclassif. from non-current to current	Unwinding of discount, and remeasurement	Foreign currency translation differences	Dec. 31, 2024
Non-current debt	59,767	–	–	101	–	59,868
Total debt	**59,767**	**–**	**–**	**101**	**–**	**59,868**

Fiscal year 2023

In thousands of CHF	Jan. 1, 2023	Cash flows	Reclassif. from non-current to current	Unwinding of discount, and remeasurement	Foreign currency translation differences	Dec. 31, 2023
Non-current debt	59,669	–	–	98	–	59,767
Total debt	**59,669**	**–**	**–**	**98**	**–**	**59,767**

21 Trade and other payables

In thousands of CHF	**2024**	2023
Trade payables	30,790	20,331
Sundry payables	6,253	5,610
Sales commissions	2,379	2,405
Total financial liabilities	**39,422**	**28,346**
Sales tax and value-added tax	1,545	929
Total other payables	**1,545**	**929**
Total trade and other payables	**40,967**	**29,275**

22 Accrued expenses

In thousands of CHF	**2024**	2023
Accrued staff costs	11,369	5,727
Deferred revenue	3,335	4,619
Other accrued expenses	9,060	6,754
Total accrued expenses	**23,764**	**17,100**

Accrued staff costs consist mainly of the amount accrued for performance-based compensation, and employees' vacation and overtime credits.
Significant components of other accrued expenses included consulting, audit services, lease costs, utilities and commissions.

23 Provisions

Fiscal year 2024

In thousands of CHF	Warranties	Other provisions	Total provisions
January 1, 2024	**5,999**	**265**	**6,264**
Added	5,757	34	5,791
Used	(5,123)	—	(5,123)
Released	(1,114)	(1)	(1,115)
Foreign currency translation differences	221	(2)	219
December 31, 2024	**5,740**	**296**	**6,036**
Of which:			
January 1, 2024			
Current provisions	5,999	10	6,009
Non-current provisions	—	255	255
December 31, 2024			
Current provisions	5,740	21	5,761
Non-current provisions	—	275	275

Fiscal year 2023

In thousands of CHF	Warranties	Other provisions	Total provisions
January 1, 2023	**6,480**	**1,448**	**7,929**
Added	6,741	23	6,764
Used	(5,159)	(737)	(5,896)
Released	(1,618)	(414)	(2,032)
Foreign currency translation differences	(445)	(55)	(500)
December 31, 2023	**5,999**	**265**	**6,264**
Of which:			
January 1, 2023			
Current provisions	6,480	475	6,955
Non-current provisions	—	973	973
December 31, 2023			
Current provisions	5,999	10	6,009
Non-current provisions	—	255	255

The provision for warranties covers the risk of expenses for defects that have not occurred to date, but could potentially occur until the end of the warranty periods. Warranty provisions are measured based on historical experience.

24 Employee benefits

24.1 Employee benefit liabilities

The employee benefit liabilities of the Group are summarized in the following table.

In thousands of CHF	**2024**	2023
Defined benefit liability in Switzerland	10,325	5,141
Defined benefit liability in other countries	673	267
Total defined benefit liability	**10,998**	**5,408**
Provision for length-of-service awards	1,549	1,385
Total employee benefit liabilities	**12,547**	**6,794**

24.2 Defined benefit plans

Comet maintains defined benefit pension plans in Switzerland, Germany and Japan. These plans differ according to their particular purpose and are based on the legal requirements in the respective countries.

Switzerland

The defined benefit plan is managed within a collective foundation. This is a separate legal entity falling under the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pensions (the BVG). The pension fund maintains a main ("base") plan for employees that provides the legally required benefits, and a supplemental plan that provides benefits in respect of pay components above the statutory range. The defined benefit plan is managed under a fully insured pension model and thus all investment risk is carried by the pension fund, or ultimately by the insurer. The plan is administered by the collective foundation, which is in the form of a foundation organized by an insurance company. The pension fund is managed by the foundation's board of directors, which is composed of equal numbers of employee and employer representatives and is required to act in the interests of the plan participants.

Plan participants are insured against the financial consequences of old age, disability and death. The benefits are specified in a set of regulations. Minimum levels of benefits are prescribed by law. Contribution levels are set as a percentage of the insured portion of employees' pay. The pension is calculated as the retirement pension asset existing at the time of retirement, multiplied by the conversion rate specified in the regulations. Plan participants can opt to receive their principal as a lump sum instead of drawing a pension. The supplemental plan as a rule pays out a lump sum. The amounts of the disability and survivor pensions are defined as a percentage of insured pay.

Rest of the world

In Germany there is a closed plan with pension commitments which no longer has active participants. The obligations in respect of current pension payments and deferred pensions are recognized in the balance sheet.

In Japan, Comet grants pension benefits to its employees which are partly covered by Mutual Aid (Chutaikyo). If the benefits granted to retired employees exceed the actual payment from Mutual Aid (Chutaikyo), additional payments are made by Comet under the defined benefit pension plan.

Actuarial assumptions for major defined benefit plan

	Switzerland	
	2024	2023
Discount rate at January 1	1.60%	2.20%
Discount rate at December 31	0.90%	1.60%
Expected rate of salary increases	1.60%	1.60%
Life tables used as basis for life expectancies	BVG 2020 LT	BVG 2020 LT

Movement in present value of defined benefit obligation, in plan assets and in net carrying amount for defined benefit plans

Fiscal year 2024

Fiscal year 2024 In thousands of CHF	Present value of defined benefit obligation	Fair value of plan assets	**Net carrying amount recognized in balance sheet**
January 1	**(80,192)**	**74,782**	**(5,408)**
Current service cost	(3,044)	—	(3,044)
Administration cost, excl. cost of managing plan assets	(40)	—	(40)
Current service cost	**(3,083)**	**—**	**(3,083)**
Interest (expense) or income	(1,364)	1,273	(91)
Defined benefit cost recognized in the income statement	**(4,447)**	**1,273**	**(3,174)**
Return on plan assets, excluding interest income	—	(628)	(628)
Actuarial loss arising from changes in financial assumptions	(5,544)	—	(5,544)
Actuarial gain arising from changes in demographic assumptions	5	—	5
Actuarial gain arising from experience adjustments	45	—	45
Defined benefit cost recognized in other comprehensive income	**(5,494)**	**(628)**	**(6,122)**
Benefits paid-in/deposited	(526)	581	56
Employee contributions	(3,075)	3,075	—
Employer contributions	—	3,641	3,641
Foreign currency translation differences	(2)	11	9
December 31	**(93,736)**	**82,736**	**(10,998)**
Reported on the face of the balance sheet as:			
An asset			—
A liability			(10,998)

The actuarial loss arising from changes in financial assumptions was mainly attributable to the decrease in the discount rate.

The actuarial loss arising from experience adjustments represents the change that is not attributable to changes in assumptions. This relates in particular to the difference between the actuarial assumptions in the prior year and the actual outcomes with regard to the entry and exit of insured employees, effective salary adjustments, death and disability of insured persons, and retirements.

The board of directors of the pension fund decided in April 2023 to further reduce the pension conversion rates with effect from the year 2026. Under IAS 19, these plan amendments led to a negative past service cost (i.e., they resulted in income) and a corresponding reduction in the defined benefit obligation with a positive pre-tax effect of CHF 0.2 million in fiscal year 2023.

The average duration of the defined benefit obligation was 9.4 years (prior year: 8.5 years).

Fiscal year 2023

Fiscal year 2023 In thousands of CHF	Present value of defined benefit obligation	Fair value of plan assets	**Net carrying amount recognized in balance sheet**
January 1	**(75,341)**	**75,032**	**(308)**
Current service cost	(2,365)	—	(2,365)
Past service cost	211	—	211
Administration cost, excl. cost of managing plan assets	(37)	—	(37)
Current service cost	**(2,191)**	**—**	**(2,191)**
Interest (expense) or income	(1,653)	1,656	4
Defined benefit cost recognized in the income statement	**(3,843)**	**1,656**	**(2,187)**
Return on plan assets, excluding interest income	—	(1,071)	(1,071)
Actuarial loss arising from changes in financial assumptions	(5,974)	—	(5,974)
Actuarial gain arising from changes in demographic assumptions	1,159	—	1,159
Actuarial loss arising from experience adjustments	(563)	—	(563)
Defined benefit cost recognized in other comprehensive income	**(5,378)**	**(1,071)**	**(6,448)**
Benefits paid-in/deposited	7,179	(7,160)	19
Employee contributions	(2,884)	2,884	—
Employer contributions	—	3,499	3,499
Foreign currency translation differences	76	(59)	17
December 31	**(80,192)**	**74,782**	**(5,408)**
Reported on the face of the balance sheet as:			
An asset			—
A liability			(5,408)

Key metrics by country

	Switzerland		Other countries	
In thousands of CHF	**2024**	2023	**2024**	2023
Present value of defined benefit obligation	(92,193)	(79,046)	(1,541)	(1,144)
Fair value of plan assets	81,868	73,905	868	877
Net carrying amount recognized in the balance sheet	**(10,325)**	**(5,141)**	**(673)**	**(267)**
Defined benefit cost recognized in the income statement	(3,122)	(2,178)	(53)	(11)
Defined benefit cost recognized in other comprehensive income	(5,703)	(6,462)	(419)	14

The employer contributions to the plans in Switzerland for fiscal year 2025 are expected to amount to CHF 3.8 million.

Major categories of plan assets

In thousands of CHF	**2024**	2023
Assets from insurance contract	82,736	74,782
Total plan assets without a quoted market price	**82,736**	**74,782**

As the base plan and the supplemental plan are managed under a fully insured model, all investment risk is carried by the pension fund, or ultimately by the insurer. The plan assets are therefore reported as the item "assets from insurance contract".

Companies of the Group do not make loans to the pension plans and do not utilize any real estate held by the plans.

Sensitivities

The following table presents an analysis of how the reported present value of the defined benefit obligation would change in response to hypothetical changes in the actuarial assumptions.

Sensitivity of present value of defined benefit obligation to different scenarios

In thousands of CHF	**2024**	2023
Discount rate: 0.25% decrease	95,982	81,929
Discount rate: 0.25% increase	91,677	78,552
Expected rate of salary growth: 0.25% decrease	93,509	80,039
Expected rate of salary growth: 0.25% increase	93,960	80,325
Life expectancy: 1-year increase	94,402	80,660
Life expectancy: 1-year decrease	93,074	79,724

24.3 Defined contribution plans

The contributions paid to defined contribution plans in the fiscal year amounted to CHF 6.4 million (prior year: CHF 7.3 million).

24.4 Length-of-service awards

Comet grants length-of-service awards to its employees after a certain number of years of service, in the form of lump-sum payments that increase in amount with the number of years of employment. The provision for this item changed as follows in the year under review:

In thousands of CHF	**2024**	2023
Provision at January 1	**1,385**	**1,399**
Current service cost	116	183
Interest cost	30	33
Benefits paid	(153)	(169)
Actuarial losses or (gains)	129	(33)
Changes in scope of consolidation [1]	32	23
Foreign currency translation differences	10	(51)
Provision at December 31	**1,549**	**1,385**

[1] In the year under review, length-of-service award policies were rolled out in two subsidiaries.

25 Equity capital structure and shareholders

25.1 Capital stock

The capital stock at January 1, 2024, was CHF 7,773,966, divided into 7,773,966 registered shares with a par value of CHF 1.00 per share. In fiscal year 2024 and 2023 the capital stock remained unchanged, as the Board of Directors decided to use treasury stock for the share-based compensation. The capital stock is fully paid in.

	Number of shares		Par value in CHF	
	2024	2023	**2024**	2023
January 1	7,773,966	7,773,966	7,773,966	7,773,966
Increase in capital from conditional capital designated for equity compensation	–	–	–	–
December 31	7,773,966	7,773,966	7,773,966	7,773,966

The Board of Directors decided to pay the share-based compensation from treasury stock, instead of using capital increases from conditional capital designated for equity compensation. At the balance sheet date, Comet Holding AG held 4,588 shares of treasury stock (prior year: 2,000).

25.2 Capital band (i.e., capital range)

Under article 3a of its Articles of Association, at any time until April 14, 2026, the Board of Directors is authorized i) to increase the capital stock by issuing a maximum of 1,554,793 fully paid registered shares with a par value of CHF 1.00 per share in one or more steps, by not more than a cumulative CHF 1,554,793, to a new total of CHF 9,328,759 (the upper limit of the so-called capital band), and ii) to reduce the capital stock in one or more steps to not less than CHF 7,385,268 (the lower limit of the capital band), either by cancelling not more than a cumulative 388,698 registered shares with a par value of CHF 1.00 per share or by reducing the par value of the registered shares accordingly. A capital reduction and a reincrease may be performed simultaneously. If the capital stock is increased by means of the capital band, the limit on the number of shares by which the capital can subsequently be reduced is raised so that the lower end of the capital band can be reached. If the capital stock is reduced by means of the capital band, the limit on the number of shares by which the capital can subsequently be increased is raised so that the upper end of the capital band can be reached. If a change in capital is performed by changing the par value, the upper and lower limits of the capital band remain constant, but the limits on the number of shares by which the capital can subsequently be changed are adjusted accordingly. In the case of an increase of the capital stock, the new shares must be fully paid in. In the case of a capital reduction, the amount of the reduction may, in the discretion of the Board of Directors, be distributed to the shareholders in whole or in part and/or added to reserves.

The Board of Directors may exclude shareholders' subscription rights in whole or in part and grant such subscription rights to certain shareholders or third parties, including subsidiaries, for the purpose of, among other things:

- Enabling a strategic partner to acquire an equity interest
- Acquiring or investing in companies, strategic equity interests, products and product development programs, intellectual property rights, etc.
- Facilitating transactions by means of an exchange of shares

25.3 Conditional capital for equity compensation

Under article 3b of its Articles of Association, the Company has conditional capital (in German: "bedingtes Kapital") that is designated for use only as equity-based compensation. In a capital increase from this conditional capital, stock is issued to Executive Committee members and/or Board members of Comet Holding AG. With respect to this conditional capital, the other shareholders' pre-emptive rights are excluded. The issuance of stock or stock subscription rights is based on a compensation plan (in the form of a written regulation) adopted by the Board of Directors.

In fiscal year 2024 and 2023, due to the decision by the Board of Directors to use treasury stock for the equity-based compensation, no capital increase from conditional capital for equity compensation was performed.

As a result, the Company's unissued conditional capital for equity-based compensation showed no movement in fiscal year 2024 (movement in prior year: nil):

	Number of shares		Par value in CHF	
	2024	2023	**2024**	2023
January 1	189,154	189,154	189,154	189,154
Increase in capital (awards to Board of Directors for prior term's retainer and to Executive Committee for prior year's profit-sharing compensation)	–	–	–	–
December 31	189,154	189,154	189,154	189,154

At the end of the year, the remaining conditional capital for equity-based compensation was CHF 189,154, or 2.4% of the existing capital stock (prior year: CHF 189,154, or 2.4%).

25.4 Conditional capital for financing, acquisitions and other purposes

Under article 3c of its Articles of Association, the Company's capital stock can be increased by a maximum of CHF 1,554,793 through the issuance of up to 1,554,793 fully paid registered shares with a par value of CHF 1.00 per share through the exercise (including mandatory exercise) of conversion, exchange, option, subscription, or similar rights to purchase shares granted to shareholders or third parties alone or in connection with bonds, loans, options, warrants, or other financial market instruments or contractual obligations of the Company or its subsidiaries (collectively "Financial Instruments").

The Board of Directors is authorized to restrict or cancel the preferential subscription rights of existing shareholders in connection with the issue of Financial Instruments by the Company or one of its subsidiaries if the issue is made (a) for the purpose of financing or refinancing or compensation for the acquisition of companies, parts of companies, equity interests, products, intellectual property rights or licenses or of investment projects or (b) on domestic or foreign trading venues or as part of a private placement, or (c) for other important reasons. Such exclusion or restriction of preferential subscription rights in connection with the issuance of Financial Instruments may, based on the shares underlying the Financial Instruments in question, not involve more than 10% of the number of shares already in issue immediately prior to the issuance in question. This percentage shall be reduced to the extent that subscription rights are excluded pursuant to article 3a of the Articles of Association.

If the preferential subscription rights are not granted directly or indirectly by the Board of Directors in connection with the issue of Financial Instruments by the Company or one of its subsidiaries, the following shall apply:

- The Financial Instruments shall be issued, or the associated transactions entered into, at market terms; and
- the conversion, exchange or other exercise price of the Financial Instruments shall be determined with reference to the market price prevailing at the time the Financial Instruments are issued; and
- the Financial Instruments are convertible, exchangeable or exercisable for a maximum period of ten years from the relevant issue date or transaction date.

26 Off-balance sheet transactions

26.1 Contingent asset

Comet Technologies USA Inc., Comet AG and Comet Yxlon GmbH (collectively, “Comet”) filed a lawsuit in the U.S. District Court for the Northern District of California asserting that XP Power LLC (“XP”) improperly acquired and used Comet trade secrets relating to its radio frequency matching network and generator technologies. A jury trial began on March 14, 2022, and on March 23, 2022, the jury found in favor of Comet, awarding it USD 20 million in compensatory damages and USD 20 million in punitive damages for a total of USD 40 million in monetary damages. On September 30, 2022, Comet was awarded an injunction preventing XP from developing, marketing or selling any product derived from the misappropriated Comet trade secrets. Comet is also eligible to recover from XP certain legal expenses related to the lawsuit.

On or about December 9, 2022, XP secured a USD 48.4 million bond to stay enforcement of the current judgment through the outcome of an appeal to the U.S. Court of Appeals for the Ninth Circuit. XP filed its notice of appeal on April 20, 2023. On January 29, 2025, the court awarded Comet legal fees and pre-judgement interest totaling approximately USD 19 million. The appeals process is ongoing. Based on the current status of the lawsuit, the amount of Comet’s award was still classified as a contingent asset as of December 31, 2024.

26.2 Contingent liabilities

With respect to the XP Power lawsuit, Comet has agreed to a contingent success fee with its legal advisors in the form of a percentage of monetary and non-monetary recovery. The success fee is payable if and when Comet actually receives the recovery, which will occur upon a successful (i) full and final resolution of all outstanding post-trial motions and the current, active appeal or (ii) resolution of the lawsuit via executed settlement agreement. Based on the current status of the lawsuit, the final outcome and award amount remained uncertain as of December 31, 2024, and the success fee was therefore considered to be a contingent liability. Accordingly, Comet would recognize the liability for the success fee only if it prevails in the lawsuit against XP Power.

As a global company, Comet is exposed to numerous legal risks. These can include, especially, risks relating to product liability, trade secret misappropriation, patent law, export regulations, tax law and competition law. The outcomes of currently pending and future legal proceedings cannot be predicted with certainty and may thus have adverse or positive effects on the business trajectory and on future financial results.

Provisions are established inasmuch as the financial consequences of a past event can be estimated reliably and the estimate can be confirmed by independent expert opinion. Contingent liabilities that are likely to result in an obligation are included under provisions.

26.3 Other off-balance sheet obligations

As part of its operating activities, Comet had purchase obligations at the balance sheet date totaling CHF 43.3 million (prior year: CHF 42.8 million), of which CHF 23.9 million were current in nature (prior year: CHF 21.2 million) and CHF 19.4 million mature during the five-year period beginning in 2025 (prior year: CHF 21.6 million). The payment obligations arise from off-balance sheet offtake agreements with suppliers, most of which are set out in master agreements.

There were no investment or capital commitments at December 31, 2024 (prior year: nil).

27 Financial instruments

27.1 Classes of financial instruments

Fiscal year 2024

In thousands of CHF		Financial assets		Financial liabilities		
	Note	FVTPL[1]	At amortized cost	FVTPL[1]	At amortized cost	Fair value
Cash and cash equivalents		—	113,744	—	—	*
Trade and other receivables, net	12	—	79,977	—	—	*
Derivatives	13	18	—	1,001	—	(983)
Other assets – financial assets, excluding derivatives	13	—	2,080	—	—	*
Trade and other payables	21	—	—	—	39,422	*
Lease liabilities	17	—	—	—	37,744	*
Non-current debt, fixed rate	20	—	—	—	59,868	59,730
Total		**18**	**195,801**	**1,001**	**137,035**	
Interest income or (expense)	9	—	2,587	—	(2,084)	
Gain or (loss) on derivatives	9	617	—	(2,029)	—	
Change in impairment and losses on trade receivables	12	—	(73)	—	—	
Total net gain or (loss) recognized in the income statement		**617**	**2,514**	**(2,029)**	**(2,084)**	

[1] At fair value through profit or loss.
* The carrying amount approximates fair value.

Fiscal year 2023

In thousands of CHF		Financial assets		Financial liabilities		
	Note	FVTPL[1]	At amortized cost	FVTPL[1]	At amortized cost	Fair value
Cash and cash equivalents		—	86,707	—	—	*
Trade and other receivables, net	12	—	57,102	—	—	*
Derivatives	13	373	—	—	—	373
Other assets – financial assets, excluding derivatives	13	—	2,543	—	—	*
Trade and other payables	21	—	—	—	28,346	*
Lease liabilities	17	—	—	—	35,747	*
Non-current debt, fixed rate	20	—	—	—	59,767	59,430
Total		**373**	**146,352**	**—**	**123,860**	
Interest income or (expense)	9	—	1,632	—	(2,214)	
Gain or (loss) on derivatives	9	1,952	—	(161)	—	
Change in impairment and losses on trade receivables	12	—	(158)	—	—	
Total net gain or (loss) recognized in the income statement		**1,952**	**1,474**	**(161)**	**(2,214)**	

[1] At fair value through profit or loss.
* The carrying amount approximates fair value.

IFRS Accounting Standards require all financial instruments which are held at fair value, and all reported fair values, to be categorized into three classes (or "levels") according to whether the fair values are based on quoted prices in active markets (Level 1), on models using other observable market data (Level 2), or on models using unobservable inputs (Level 3).

The only financial instruments that Comet recognized at fair value are derivatives held for currency hedging. The measurement of the derivatives falls into Level 2 of the fair value measurement hierarchy under IFRS 13.

27.2 Fair values of financial instruments

The only differences between fair values and carrying amounts occurred for the CHF 60 million bond, where the quoted market price is used as the fair value (Level 1). As of December 31, 2024, the bond is presented under non-current debt, fixed rate (prior year: presented under non-current debt, fixed rate).

28 Financial risk management

Comet operates internationally through its own subsidiaries, as well as exports to other countries. As such, the Group is subject to various financial risks that arise in relation to underlying business activities.

The Group's financial risk management is centralized through its Treasury function, with Comet's Board of Directors having overall responsibility for the establishment and oversight of the Treasury risk management framework. The key elements of risk management form an integral part of the Group strategy. Clearly defined management information and control systems are used to measure, monitor and control risks.

Comet seeks to avoid unreasonable financial risks and to mitigate risks through natural hedges and/or derivatives such as forward exchange contracts, and does not enter into derivative financial instruments for speculative purposes.

28.1 Capital management

The primary goal of capital management is to optimize the equity and debt balances in order to sustain the future development of the business and maximize shareholder value.

Comet manages the Group's capital structure to meet liquidity requirements and pursue growth opportunities and profitability targets, taking into account the economic environment and the financial results achieved and planned. Comet may balance its capital structure in several ways, including through the payment of dividends, capital repayment, new share issues, share buybacks and the issuance or redemption of debt.

Comet monitors and evaluates its capital structure by reference to net debt and the equity ratio, with the aim of ensuring that the capital structure covers the business risks and assures the Group's lasting financial flexibility.

In thousands of CHF	**2024**	2023
Current debt and lease liabilities	5,405	3,528
+ Non-current debt and lease liabilities	92,207	91,986
./. Cash and cash equivalents	(113,744)	(86,707)
Net debt	**(16,132)**	**8,807**
EBITDA	60,380	44,996
Debt factor	**(0.3)**	**0.2**
Shareholders' equity	325,438	296,092
Equity ratio (equity in % of total assets)	**61.3%**	**62.5%**

28.2 Risks in connection with financial instruments

Comet is exposed to a variety of financial risks. These can be divided into market risks, credit risks and liquidity risks.

28.2.1 Market risk

Market risk comprises risks resulting from volatility in foreign currency exchange rates, interest rates and the price of exchange-traded commodities. As a manufacturer, Comet is inherently exposed to commodity price risks (for example, for inputs such as energy, copper and ceramics), but these are not considered financial risks for the purposes of IFRS 7, as Comet procures commodities only for use in manufacturing, not for trading of commodity contracts. Consequently, these risks are not explicitly determined and are not separately disclosed in the consolidated financial statements.

Foreign exchange risk
With its worldwide activities and strong focus on exports, Comet is exposed to foreign exchange risk arising from currency exposures, as revenues and costs often do not arise in the same currency. The currency risk from operations is reduced by purchasing and selling in local currency where possible, an approach known as natural hedging. Comet seeks to avoid unreasonable financial risks. In order to partly mitigate these risks, Comet may apply natural and/or financial hedging techniques (typically forward exchange contracts) without applying hedge accounting as well as Comet does not enter into derivative financial instruments for speculative purposes.

As Comet hedges only cash flows, there are no hedges of net investments in foreign operations and no hedges related to translation of its foreign subsidiaries' income, assets and liabilities into Swiss francs for inclusion in its consolidated financial statements.

The table below shows the sensitivity of income before tax and of shareholders' equity to a hypothetical 10% movement in those exchange rates that are material for Comet, with all other variables held constant. The most important monetary foreign currency positions in the balance sheets of the Group companies are in euros and US dollars. A reduction in exchange rates by the same percentage would produce an opposite effect of equal size.

Fiscal year 2024

	Increase in exchange rate in %	Effect on income before tax in thousands of CHF	Effect on equity in thousands of CHF
EUR / CHF	+10	+1,111	+2,537
USD / CHF	+10	+2,631	+948

Fiscal year 2023

	Increase in exchange rate in %	Effect on income before tax in thousands of CHF	Effect on equity in thousands of CHF
EUR / CHF	+10	+1,707	+1,849
USD / CHF	+10	+1,898	+1,052

Interest rate risk
Comet's only market debt instrument is a CHF 60 million bond with a fixed coupon measured at amortized cost. Consequently, volatility in market interest rates did not have an effect on the carrying amounts of the debt, nor therefore on income before tax or on equity. However, Comet's debt financing exposes it to interest rate risk during refinancing in fiscal year 2026.

Comet's cash and cash equivalents, including deposits, are subject to market risk associated with interest rate fluctuations. The market value of fixed rate securities may be adversely affected by a rise in interest rates.

The total interest income recognized in fiscal year 2024 amounted to CHF 2.6 million (prior year: CHF 1.6 million), primarily related to cash investments and deposits. The Group estimates that, given a possible increase or decrease of 25 basis points in Swiss franc, euro and US dollar market interest rates, with all other variables (including foreign exchange rates) held constant, interest income on cash invested would have been CHF 0.1 million higher or CHF 0.1 million lower, respectively (prior year: CHF 0.1 million higher or lower).

The above sensitivity analyses are for illustration purposes only, as in practice, market rates rarely change in isolation from other factors that also affect Comet's financial position and results.

28.2.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a loss.

Banking transactions
The Group has policies that limit the amount of counterparty credit exposure to any single financial institution and Comet actively monitors these exposures. The financial transactions are predominantly entered into with investment grade financial institutions, and in principle, Comet requires a minimum long-term rating of A3/A- (from Moody's/S&P) for its deposit and cash investments. The Group may deviate from this requirement from time to time for operational reasons. The highest exposure to a single financial counterparty on December 31, 2024, amounted to CHF 42.5 million (prior year: CHF 27.0 million).

Trade receivables
Comet operates worldwide, selling its products in various countries and to a large number of customers. Payment terms vary according to market and customer. The payments received from customers are monitored by the individual Group companies; the resulting information is made available to Group management in the form of monthly special reports. Appropriate allowance for expected risk of default is made through the recognition of impairment on doubtful accounts. Receivables and contract assets are written off only when payment is highly unlikely to be forthcoming. Detailed information on impairment of receivables and contract assets and its movement in the year can be found in note 12.

The amount of exposure to credit risk equals the carrying amount of the respective financial instruments in the balance sheet.

28.2.3 Liquidity risk

Comet defines liquidity risk as the risk that, at any time, the Group will not be able to meet its financial obligations as they come due. The Group views available cash balances and funds from operating activities as its primary sources of liquidity, complemented with access to external sources of funds when deemed to be required. As of December 31, 2024, the Group's liquidity position primarily consisted of CHF 113.7 million of cash and cash equivalents and the fully undrawn CHF 60 million revolving credit facility. Based on the current operating performance and liquidity position, the Group believes that its liquidity position will be sufficient to cover working capital, capital expenditures, interest payments, dividends and scheduled debt repayments for the next twelve months.

As a key principle of its financial management, Comet monitors and maintains sufficient liquid assets and access to credit lines to assure access to liquidity at all times. Liquidity planning and funding are managed centrally for the whole Group. Comet manages short-term liquidity based on projected cash flows. A rolling three-month cash flow forecast is prepared monthly, based on a decentralized bottom-up approach. The financing of subsidiaries is normally arranged through intercompany loans issued by Comet Holding AG. Furthermore, the Group's credit quality is safeguarded by monitoring the net leverage (debt factor) and equity ratios.

Following is an overview of all contractual payment obligations as at the balance sheet date, on an undiscounted basis. Amounts in foreign currency have been translated using the reporting date closing rate.

Fiscal year 2024

In thousands of CHF	Note	Carrying amount	Payments due by period			
			Total	2025	2026- 2029	After 2029
Debt	20	59,868	61,018	780	60,238	—
Lease liabilities	17	37,744	42,980	6,651	16,553	19,776
Financial liabilities	21	39,422	39,422	39,422	—	—
Other financial liabilities	13	1,001	1,001	1,001	—	—
Total		**138,035**	**144,421**	**47,854**	**76,791**	**19,776**

Fiscal year 2023

In thousands of CHF	Note	Carrying amount	Payments due by period			
			Total	2024	2025- 2027	After 2028
Debt	20	59,767	61,798	780	61,018	—
Lease liabilities	17	35,747	43,946	8,010	21,690	14,246
Financial liabilities	21	28,346	28,346	28,346	—	—
Total		**123,860**	**134,091**	**37,136**	**82,708**	**14,246**

The item "debt" represents the principal amounts of current and non-current debt, including underlying contractual interest payments.

The contract amounts of open derivative positions are presented in note 13.

29 Share-based payments

Compensation of the members of the Board of Directors
To ensure the independence of the Board of Directors in its supervision of the Executive Committee, the Board members receive only a fixed retainer, of which 60% is paid in cash and 40% is paid in stock. The stock awarded to Board members is subject to a holding period of three years during which it cannot be sold.

Compensation of the members of the Executive Committee
The remuneration of the members of the Executive Committee consists of a fixed component ("fixed compensation") and a performance-related component. The members of the Executive Committee are eligible for participation in an annual short-term incentive plan (STIP) and a three-year long-term incentive plan (LTIP). The total performance-based compensation (combined total of STIP actual compensation and the LTIP grant value in the form of PSUs) is capped by an upper limit. For the CEO, this upper limit is 200% of the fixed compensation; for each other member of the Executive Committee, it is 150% of the fixed compensation.

The STIP is a profit-sharing arrangement based on the Group's performance in terms of a combination of (i) its rate of sales growth year-over-year and (ii) its net income. The STIP is paid in cash (with some exceptions, which are explained in the compensation report, section "Compensation of the Executive Committee).

The LTIP, which has been in effect since January 1, 2023, is designed as a three-year performance share unit (PSU) plan based on three key performance indicators (sales growth measured against the NASDAQ Global Semiconductor Index; ROCE; ESG scorecard). PSUs convert to Comet shares at the end of the three-year vesting period, which commences on the grant date in May. The number of shares that will actually vest ranges from 0% to 200% of the initial number of PSUs granted, depending on the evolution of the above-mentioned KPIs over the three-calendar-year performance cycle. The stock delivered under the LTIP does not have a holding period. The first payout will be in May 2026.

A detailed description of the STIP and LTIP is provided in the compensation report, section "Compensation of the Executive Committee".

Stock compensation plan	Share price
Stock granted to the members of the Board of Directors (as part of their compensation for the one-year term of office) and members of the Executive Committee (as part of their STIP payout for the performance year 2022, and under the LTIP 2022)	Arithmetic average of the closing share price of Comet stock on the SIX Swiss Exchange in the period between (and excluding) the date of the annual results press conference and the date of the subsequent Annual Shareholder Meeting
PSUs awarded to eligible LTIP participants under LTIP 2023 – 2025	Arithmetic average of the closing share price of Comet stock on the SIX Swiss Exchange on the 20 consecutive trading days from (and including) the ex-dividend date.
PSUs awarded to eligible LTIP participants under LTIP 2024 – 2026	Arithmetic average of the closing share price of Comet stock on the SIX Swiss Exchange on the 20 consecutive trading days from (and including) the ex-dividend date.

Expenses recorded

The expense recognized for share-based payments to the Executive Committee and Board of Directors in the year under review was CHF 1.0 million (prior year: CHF 0.6 million). Of this total, the portion for the Board of Directors was CHF 0.4 million.

30 Compensation of the Board of Directors and Executive Committee

The expense for compensation of the members of the Executive Committee and Board of Directors can be analyzed as follows:

in thousands of CHF	**2024**	2023
Cash compensation, including short-term employee benefits	4,515	3,549
Contributions to post-employment benefit arrangements	374	339
Expense for share-based payments	1,034	554
Total compensation	**5,924**	**4,442**

31 Related party transactions

All related party transactions are listed in the table below:

In thousands of CHF	Sales to related parties		Purchases from related parties		Amounts owed by related parties		Amounts owed to related parties	
	2024	2023	2024	2023	2024	2023	2024	2023
Entity with significant influence over the Group								
Variosystems Holding AG, Steinach	1	2	1,762	2,253	—	—	—	2
Band Cooperative, Bern	3	0	1,363	1,619	—	—	—	—
Fraunhofer Alumni eV, Germany	325	179	5	6	—	—	—	—
Semiconductor Equipment and Materials International Inc., USA			104					
Others	—	—	0	3	—	—	—	—
Total	**329**	**181**	**3,235**	**3,881**	**—**	**—**	**—**	**2**

32 Events after the balance sheet date

With the exception of the matters disclosed in Note 26, "Off-balance sheet transactions", there have been no events after the balance sheet date with a material effect on the amounts in the consolidated financial statements.

33 Proposed distribution to shareholders

The Board of Directors will propose at the 2025 Annual Shareholder Meeting to pay a dividend of CHF 1.50 per share in relation to fiscal year 2024, from retained earnings. In relation to the prior year, Comet paid a dividend of CHF 1.00 per share from retained earnings. The total amount of the proposed dividend in relation to fiscal year 2024 is CHF 11.7 million (prior year: CHF 7.8 million).

34 Release of the consolidated financial statements for publication

On March 4, 2025, the Board of Directors released these financial statements for publication. The Board will present the financial statements to the Annual Shareholder Meeting on April 10, 2025, for approval.

Shape the future
with confidence

Ernst & Young Ltd
Schanzenstrasse 4a
P.O. Box
CH-3001 Berne

Phone: +41 58 286 61 11
www.ey.com/en_ch

To the General Meeting of
Comet Holding AG, Flamatt

Berne, 4 March 2025

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Comet Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements (pages 81 to 137) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

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

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

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

Valuation of goodwill and other intangible assets with indefinite useful lives

Risk	Management reviews the carrying amount of its cash generating units annually or more frequently if any impairment indicators are present with respect to goodwill and other intangible assets with indefinite useful lives. The impairment assessment involves performing a comparison of the estimated recoverable amount (value in use) with its carrying amount. These annual impairment tests were significant to our audit because the balances for goodwill and trademarks amounted to CHF 29.1 million as of 31 December 2024. Furthermore, the underlying estimations to the impairment assessment are complex and any impairment of goodwill and trademarks can have a material impact on consolidated net income. The valuation also depends on assumptions regarding the future development of the business and on judgments made by management. Refer to Note 19. The recoverable amount calculated using the discounted cash flow analysis is based on various assumptions such as terminal value growth rates, inflation rate and discount rate (WACC) of each cash-generating unit. These assumptions are determined by management and are therefore considered to be material judgments.
Our audit response	We assessed the assumptions made in the impairment tests and discussed them with management. We involved our own valuation specialists. We compared the terminal value growth rate as well as the inflation rate with externally available data and checked the clerical accuracy of the model. In addition, we evaluated the estimates made by management in previous years in terms of the actual income generated, as well as assessed management's process for identifying possible impairments. Moreover, we evaluated the disclosures regarding impairment testing on goodwill and other intangible assets with indefinite useful lives with regard to the assumptions made. Our audit procedures did not lead to any reservations concerning the valuation of goodwill and other intangible assets with indefinite useful lives.

Shape the future
with confidence

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

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

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

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

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to 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.

Shape the future
with confidence

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

Martin Mattes
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

Cristina Zimmermann
(Qualified Signature)

Licensed audit expert

Separate Financial Statements of Comet Holding AG

Contents

Statement of income

In thousands of CHF	2024	%	2023	%
Dividend income	17,177		32,473	
Other financing income	2,665		2,457	
Other operating income	—		3	
Total income	**19,842**	**100.0%**	**34,932**	**100.0%**
Financing expenses	(1,144)		(3,511)	
Other operating expenses	(3,084)		(3,803)	
Total expenses	**(4,228)**	**– 21.3%**	**(7,314)**	**– 20.9%**
Net income for the year	**15,614**	**78.7%**	**27,618**	**79.1%**

Balance sheet

In thousands of CHF	Note	Dec. 31, 2024	%	Dec. 31, 2023	%
Assets					
Cash and cash equivalents		1,631		441	
Other receivables from subsidiaries		3		—	
Prepaid expenses		379		528	
Total current assets		**2,014**	**0.9%**	**969**	**0.5%**
Financial assets – loans	3	126,384		120,486	
Investments in subsidiaries	2	86,632		86,632	
Total non-current assets		**213,016**	**99.1%**	**207,118**	**99.5%**
Total assets		**215,030**	**100.0%**	**208,087**	**100.0%**
Liabilities and shareholders' equity					
Other liabilities to non-Group entities		93		300	
Other liabilities to shareholders and governing bodies		276		276	
Accrued expenses		1,051		965	
Total current liabilities		**1,419**		**1,542**	
Interest-bearing liabilities	6	60,000		60,000	
Total non-current liabilities		**60,000**		**60,000**	
Total liabilities		**61,419**	**28.6%**	**61,541**	**29.6%**
Capital stock	4	7,774		7,774	
Statutory capital reserve		2,986		2,986	
Statutory earnings reserve		4,967		4,967	
Treasury stock		(1,347)		(491)	
Retained earnings brought forward		123,617		103,692	
Net income for the year		15,614		27,618	
Total shareholders' equity		**153,611**	**71.4%**	**146,546**	**70.4%**
Total liabilities and shareholders' equity		**215,030**	**100.0%**	**208,087**	**100.0%**

Statement of changes in equity

In thousands of CHF	Capital stock	Capital reserve	General legal reserve	Treasury stock	Retained earnings	Total shareholders' equity
December 31, 2021	**7,770**	**1,918**	**4,967**	**–**	**129,417**	**144,072**
Net income	–	–	–	–	30,147	30,147
Dividend payment to shareholders of Comet Holding AG	–	–	–	–	(27,193)	(27,193)
Increase in capital stock	4	1,095	–	–	–	1,099
Alignment of capital reserve [1]	–	(8)	–	–	8	–
December 31, 2022	**7,774**	**3,005**	**4,967**	**–**	**132,379**	**148,124**
Net income	–	–	–	–	27,618	27,618
Dividend payment to shareholders of Comet Holding AG	–	–	–	–	(28,764)	(28,764)
Purchase of treasury stock	–	–	–	(1,949)	–	(1,949)
Award of treasury stock under share-based compensation plans	–	–	–	1,458	59	1,517
Alignment of capital reserve [1]	–	(19)	–	–	19	–
December 31, 2023	**7,774**	**2,986**	**4,967**	**(491)**	**131,311**	**146,546**
Net income	–	–	–	–	15,614	15,614
Dividend payment to shareholders of Comet Holding AG	–	–	–	–	(7,772)	(7,772)
Purchase of treasury stock [2]	–	–	–	(1,257)	–	(1,257)
Award of treasury stock under share-based compensation plans	–	–	–	401	78	479
December 31, 2024	**7,774**	**2,986**	**4,967**	**(1,347)**	**139,231**	**153,611**

1 In the prior year and fiscal year 2022, the amount of the capital reserve reported in these financial statements was aligned to the amount of the capital reserve reported to the tax authorities.

2 In fiscal year 2024, two purchases of treasury share transactions were made on May 28, 2024 and August 5, 2024. The highest price paid per share was CHF 299.71 and the lowest price was CHF 297.44. The average share price paid was CHF 297.83.

Notes to the separate financial statements of Comet Holding AG

General information

Comet Holding AG has its registered office in Flamatt, Switzerland and is the Comet Group's parent holding company listed on the Swiss stock exchange. The separate financial statements of Comet Holding AG at and for the year ended December 31, 2024, comply with the provisions of the Swiss Code of Obligations. The manner of the inclusion of Comet Holding AG in the consolidated accounts is governed by the measurement principles set out in the notes to the consolidated financial statements.

01 Accounting principles

These separate financial statements were prepared in accordance with the principles of the applicable Swiss Accounting Law (title 32 of the Swiss Code of Obligations).

Receivables and loans

Receivables and loans are stated at nominal amounts less any necessary write-downs.

Investments in subsidiaries

Investments in subsidiaries are recognized at historical cost less necessary impairment charges, and are individually tested annually for impairment.

Treasury stock

Comet purchases treasury stock for share-based compensation of the Executive Committee and Board of Directors. Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. Comet applies the first-in-first-out (FIFO) principle when using treasury stock for share-based compensation programs. In general, treasury stock is not held for more than six years at maximum. In the event of a resale, the gain or loss is recognized through retained earnings.

02 Investments in subsidiaries

Comet Holding AG directly held the following companies at December 31, 2024:

				Equity interest in % [1]	
Company	Registered office	Currency	Capital stock	2024	2023
Comet AG	Flamatt, Switzerland	CHF	2,000,000	100%	100%
Comet Electronics (Shanghai) Co. Ltd.	Shanghai, China	CNY	5,466,148	100%	100%
Comet Mechanical Equipment (Shanghai) Co. Ltd. [2]	Shanghai, China	CNY	5,209,270	100%	100%
Comet Solutions Taiwan Ltd.	Hsinchu County, Taiwan	TWD	5,000,000	100%	100%
Comet Technologies Canada Inc.	Montreal, Canada	CAD	15,001,000	100%	100%
Comet Technologies Denmark A/S	Taastrup, Denmark	DKK	601,000	100%	100%
Comet Technologies Japan KK	Yokohama, Japan	JPY	10,000,000	100%	100%
Comet Technologies Korea Co. Ltd.	Suwon, Korea	KRW	500,000,000	100%	100%
Comet Technologies Malaysia Sdn. Bhd.	Penang, Malaysia	MYR	3,000,000	100%	100%
Comet Technologies USA, Inc.	Shelton, CT, USA	USD	1,000	100%	100%
Comet Yxlon GmbH	Hamburg, Germany	EUR	110,000	100%	100%
Yxlon (Beijing) X-Ray Equipment Trading Co. Ltd. in liquidation [3]	Beijing, China	CNY	1,077,000	100%	100%

[1] Comet Holding AG also holds 100% of the voting rights in all companies.

[2] The company increased its registered stock from USD 200,000 to USD 700,000. The paid-in stock amounted to USD 700,000 as of December 31, 2024.

[3] In December 2024, the company announced the liquidation procedures to the Beijing authorities. Official registration of liquidation will follow in due course.

03 Non-current financial assets – loans

Loans to subsidiaries were as follows:

In thousands of CHF	**2024**	2023
Comet AG	79,534	74,943
Comet Yxlon GmbH	29,398	25,545
Comet Technologies Malaysia Sdn. Bhd.	12,588	13,462
Comet Technologies Denmark A/S	2,829	3,251
Comet Technologies Japan KK	—	1,770
Comet Technologies Canada Inc.	637	1,515
Comet Solutions Taiwan Ltd.	1,397	—
Total loans to subsidiaries	**126,384**	**120,486**

04 Equity capital structure

Capital stock

The capital stock at January 1, 2024, was CHF 7,773,966, divided into 7,773,966 registered shares with a par value (nominal value) of CHF 1.00 per share. In fiscal year 2024 the capital stock remained unchanged, as the Board of Directors decided to use treasury stock for the share-based compensation. The capital stock is fully paid in.

Treasury stock

The Board of Directors decided to pay the share-based compensation from treasury stock, instead of using capital increases from conditional capital designated for equity compensation. At the balance sheet date, Comet Holding AG held 4,588 shares of treasury stock (prior year: 2,000).

In thousands of CHF	Number of shares		Average price per share (in CHF)	
	2024	2023	**2024**	2023
Opening balance of treasury stock	2,000	–		
Purchase of treasury stock	4,220	8,687	297.83	224.40
Award of treasury stock under share-based compensation plans	(1,632)	(6,687)	245.61	218.04
Closing balance of treasury stock	**4,588**	**2,000**		

Long-term incentive plan (LTIP) 2024-2026
In fiscal year 2024, Comet Holding AG awarded 3,440 performance share units (PSUs) for the 2024 long-term incentive plan with a grant date of May 24, 2024 and a vesting date of May 23, 2027. As of December 31, 2024, 20% of the vesting period was completed and a total amount of 3,440 unvested PSUs was outstanding for this plan.

Long-term incentive plan 2023-2025
In fiscal year 2023, Comet Holding AG awarded 3,848 performance share units for the 2023 long-term incentive plan with a grant date of May 17, 2023 and a vesting date of May 16, 2026. As of December 31, 2024, 54% of the vesting period was completed and a total amount of 3,848 unvested PSUs was outstanding for this plan.

Capital band (i.e., capital range)

At any time until April 14, 2026, the Board of Directors is authorized i) to increase the capital stock by issuing a maximum of 1,554,793 fully paid registered shares with a par value of CHF 1.00 per share in one or more steps, by not more than a cumulative CHF 1,554,793, to a new total of CHF 9,328,759 (the upper limit of the so-called capital band), and ii) to reduce the capital stock in one or more steps to not less than CHF 7,385,268 (the lower limit of the capital band), either by cancelling not more than a total of 388,698 registered shares with a par value of CHF 1.00 per share or by reducing the par value of the registered shares accordingly. A capital reduction and a reincrease may be performed simultaneously. If the capital stock is increased by means of the capital band, the limit on the number of shares by which the capital can subsequently be reduced is raised so that the lower end of the capital band can be reached. If the capital stock is reduced by means of the capital band, the limit on the number of shares by which the capital can subsequently be increased is raised so that the upper end of the capital band can be reached. If a change in capital is performed by changing the par value, the upper and lower limits of the capital band remain constant, but the limits on the number of shares by which the capital can be changed are adjusted accordingly. In the case of an increase of the capital stock, the new shares must be fully paid in. In the case of a capital reduction, the amount of the reduction may, in the discretion of the Board of Directors, be distributed to the shareholders in whole or in part and/or added to reserves.

The Board of Directors may exclude shareholders' subscription rights in whole or in part and allocate such subscription rights to certain shareholders or third parties, including subsidiaries, for the purpose of, among other things:

- enabling a strategic partner to acquire an equity interest
- acquiring or investing in companies, strategic equity interests, products and product development programs, intellectual property rights, etc.
- facilitating transactions by means of an exchange of shares

Conditional capital for equity compensation

Under article 3b of its Articles of Association, the Company has conditional capital ("bedingtes Aktienkapital") that is designated for use only as equity-based compensation. In a capital increase from this conditional capital, stock is issued to Executive Committee members and/or Board members of Comet Holding AG. With respect to this conditional capital, the other shareholders' pre-emptive rights are excluded. The issuance of stock or stock subscription rights is based on a compensation plan (in the form of a written regulation) adopted by the Board of Directors.

In 2024 and 2023, due to the decision by the Board of Directors to use treasury stock for the equity-based compensation, no capital increase was performed from conditional capital designated for equity-based compensation.

As a result, the Company’s conditional capital for equity-based compensation showed no movement in fiscal year 2024 (movement in prior year: nil):

	Number of shares		Par value in CHF	
	2024	2023	**2024**	2023
January 1	189,154	189,154	189,154	189,154
Increase in capital (awards to Board of Directors for prior term’s retainer and to Executive Committee for prior year’s profit-sharing compensation)	–	–	–	–
December 31	189,154	189,154	189,154	189,154

At the end of the year, the remaining conditional capital for equity-based compensation was CHF 189,154, or 2.4% of the existing capital stock.

Conditional capital for financing, acquisitions and other purposes

Under article 3c of its Articles of Association, the Company’s capital stock can be increased by a maximum of CHF 1,554,793 through the issuance of up to 1,554,793 fully paid registered shares with a par value of CHF 1.00 per share through the exercise (incl. mandatory exercise) of conversion, exchange, option, subscription, or similar rights to purchase shares granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants, or other financial market instruments or contractual obligations of the Company or its subsidiaries (collectively “Financial Instruments”).

The Board of Directors is authorized to restrict or cancel the preferential subscription rights of existing shareholders in connection with the issue of Financial Instruments by the Company or one of its subsidiaries if the issue is made (a) for the purpose of financing or refinancing or compensation for the acquisition of companies, parts of companies, equity interests, products, intellectual property rights or licenses or of investment projects or (b) on domestic or foreign trading venues or as part of a private placement or (c) for other important reasons. Such exclusion or restriction of preferential subscription rights in connection with the issuance of Financial Instruments may, based on the shares underlying the Financial Instruments in question, not involve more than 10% of the number of shares already in issue immediately prior to the issuance in question. This percentage shall be reduced to the extent that subscription rights are excluded pursuant to article 3a of the Articles of Association.

If the preferential subscription rights are not granted directly or indirectly by the Board of Directors in connection with the issue of Financial Instruments by the Company or one of its subsidiaries, the following shall apply:

- The Financial Instruments shall be issued, or the associated transactions entered into, at market terms; and
- the conversion, exchange or other exercise price of the Financial Instruments shall be determined with reference to the market price prevailing at the time the Financial Instruments are issued; and
- the Financial Instruments are convertible, exchangeable or exercisable for a maximum period of ten years from the relevant issue date or transaction date.

05 Options and conversion rights

Comet Holding AG has not issued any conversion rights or stock options.

06 Bond

Comet Holding AG issued a bond on April 20, 2021, in the amount of CHF 60 million. The bond was issued at par. The term of the bond is five years and it matures on April 20, 2026. The fixed coupon rate over the term is 1.30%, payable annually on April 20. The bond is listed on the SIX Swiss Exchange (Swiss security number 110 109 656, ticker symbol COT21).

07 Guarantees and pledged assets

The Group is taxed as a single entity for purposes of value-added taxation in Switzerland, and Comet Holding AG therefore has joint and several liability for the value-added tax obligations of its Swiss subsidiary.

08 Number of full-time equivalents

The number of employees of Comet Holding AG in 2024 and 2023 in terms of the annual average number of full-time equivalents was less than ten.

09 Events after the balance sheet date

There have been no events after the balance sheet date with a material effect on the amounts in the financial statements.

10 Release of the separate financial statements for publication

The Board of Directors released these annual financial statements on March 4, 2025 for publication and will present them to shareholders for approval at the Annual Shareholder Meeting on April 10, 2025.

Board of Directors' proposal for the appropriation of retained earnings

01 Retained earnings in 2024

In thousands of CHF	**2024**
Earnings brought forward	123,617
Net income for the year	15,614
Retained earnings available for distribution	**139,231**

02 Proposal for the appropriation of retained earnings

At the Annual Shareholder Meeting the Board of Directors will propose to pay a dividend of CHF 1.50 per share from retained earnings.

Provided this dividend is approved, it will result in the following movement in retained earnings:

In thousands of CHF	**2024**
Retained earnings at December 31, 2024	**139,231**
Dividend payment of CHF 1.50 per share	(11,654)
Retained earnings carried forward	**127,577**

Provided the proposal is approved, the dividend of CHF 1.50 per entitled share, less 35% withholding tax, will be paid on April 16, 2025.

Ernst & Young Ltd
Schanzenstrasse 4a
P.O. Box
CH-3001 Berne

Phone: +41 58 286 61 11
www.ey.com/en_ch

To the General Meeting of
Comet Holding AG, Flamatt

Berne, 4 March 2025

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Comet Holding AG (the Company), which comprise the balance sheet as at 31 December 2024, the statement of income and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 143 to 151) comply with Swiss law and the Company's articles of incorporation.

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

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

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 accompanying the financial statements.

Shape the future with confidence

Valuation of investments and loans

Risk	The Company holds as parent of the group investments in various subsidiaries. Furthermore, the parent company uses intragroup loans to fund a number of subsidiaries. Investments amounted to CHF 126.3 million and loans amounted to CHF 86.6 million, the sum of which represents 99 % of total assets and are therefore material. By definition, these amounts recognized on the balance sheet are subject to an impairment risk. When there are indications of a possible impairment, management prepares the required calculations and, if applicable, records an allowance. The calculations are based in part on simplified models, especially when management considers the risk of an impairment to be low.
Our audit response	We assessed the valuation methodology, analyzed the underlying key assumptions and tested the mathematical accuracy of the valuation model. With the assistance of our valuation specialists, we independently derived the weighted average cost of capital (WACC) and compared it to the Company's calculation.

Other information

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

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

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

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

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

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

Ernst & Young Ltd

Martin Mattes
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

Cristina Zimmermann
(Qualified Signature)

Licensed audit expert

Financial metrics

Alternative performance measures

Comet uses key indicators defined in the IFRS Accounting Standards (IFRS) in its entire financial reporting, as well as selected alternative performance measures (APMs). These APMs provide useful information on the Group's financial situation and are used for financial management and controllership purposes. As these measures are not defined under IFRS, their definition and calculation may differ from those used by other companies. It should be noted that comparability across companies may therefore be limited.

The key alternative performance measures used in the reporting on fiscal year 2024 are defined as follows:

Key performance measures	Comet definitions
Gross profit, gross profit margin	Gross profit is calculated as net sales less cost of sales. Gross profit margin represents gross profit as a percentage of net sales.
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Operating income as per consolidated statement of income before depreciation on property, plant and equipment & right-of-use assets, amortization of intangible assets and impairment losses.
EBITDA margin	EBITDA as a percentage of net sales.
Net debt	Interest-bearing debt (such as current and non-current debt and lease liabilities) less cash and cash equivalents.
Debt factor	Net debt divided by EBITDA.
Equity ratio	Total equity attributable to the shareholders of Comet Holding AG divided by total assets.
Free cash flow (FCF)	Sum of net cash flows from operating and investing activities.
Return on capital employed (ROCE)	ROCE is the ratio of operating income less income tax (NOPAT) to total capital employed. Capital employed is defined as net working capital (aggregated amount of net trade receivables, inventories, trade payables, sales commissions and contract liabilities) plus non-current assets employed (aggregated amount of property, plant and equipment, right-of-use assets and intangible assets).

Calculation of net debt and of debt factor

In thousands of CHF	**December 31, 2024**	December 31, 2023
Current debt and lease liabilities	5,405	3,528
+ Non-current debt and lease liabilities	92,207	91,986
./. Cash and cash equivalents	(113,744)	(86,707)
Net debt	**(16,132)**	**8,807**
EBITDA	60,380	44,996
Debt factor	**(0.3)**	**0.2**

Calculation of free cash flow

In thousands of CHF	**December 31, 2024**	December 31, 2023
Net cash provided by operating activities	49,963	22,257
Net cash (used in) investing activities	(8,549)	(22,841)
Free cash flow	**41,414**	**(584)**

Calculation of return on capital employed

In thousands of CHF	**December 31, 2024**	December 31, 2023
Trade receivables, net	77,347	53,321
Inventories	106,798	103,430
Trade payables	(30,790)	(20,331)
Sales commissions	(2,379)	(2,405)
Contract liabilities	(16,228)	(17,345)
Net working capital (NWC)	**134,748**	**116,670**
Property, plant and equipment	125,715	128,398
Right-of-use assets	30,337	26,400
Intangible assets	35,159	36,555
Non-current assets employed	**191,211**	**191,353**
Total capital employed	**325,959**	**308,023**
Average capital employed [1]	**316,991**	**324,726**
Operating income	38,229	24,978
./. Income tax	(5,116)	(3,606)
Net operating profit after tax (NOPAT)	**33,113**	**21,372**
NOPAT	33,113	21,372
Capital employed	316,991	324,726
Return on capital employed (ROCE)	**10.4%**	**6.6%**

[1] Return on capital employed (ROCE) is calculated using the average capital employed, based on the beginning and ending balance of capital employed in the period.